

**CHAPTER 16****INVOICING AND PAYMENT**

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## 16.1 INTRODUCTION

At the end of each month, the Storage Company issues invoices for storage services. In addition, an integral part of these activities is the issuing of other invoices, such as those for any adjustments and interest applied to late payments.

## 16.2 TYPES OF INVOICES

The invoicing activity allows the Storage Company to value the services provided according to the provisions of the Resolution.

The Storage Company publishes on its website the unit price values defined in chap. 8 for the use of storage services as described in para. 3.2.

Special Services, as described in para. 3.3 of the chapter “Description of services”, are valued according to the characteristics of the requested service.

In general, the list of invoices issued by the Storage Company pursuant to this document can be divided into the invoices relating to the actual storage service and those that can be classified as “other types of invoices”.

The former includes the following items (1-6 of para. 8.8):

1. Tariff for space capacity, where applicable;
2. Tariff for peak withdrawal capacity, where applicable;
3. Tariff for peak injection capacity, where applicable;
4. Capacity assignment fees as a result of competitive procedures carried out for the Modulation Storage Service and for the Constant Peaks of Modulation Service: at the beginning of the Thermal Year as described in para. 5.8; after the Thermal Year has begun as indicated in para. 5.9.1; on a monthly, weekly, daily and “period” basis as per para. 5.9.2; on a daily basis with the “overnomination” mechanism as described in para. 3.2.1.2;
5. The fee to cover charges relating to the compensatory contribution for the failure to make alternative use of the area pursuant to Law no. 244 of 24 December 2007 and subsequent amendments;
6. Balancing prices as described in para. 8.4 and for withdrawal lower than stock pursuant to para. 8.5;
7. Fees to recharge costs for the electricity consumption of the Storage Company’s compression and treatment stations necessary to ensure Injection and Withdrawal, as described in para. 8.7;

8. Fees for excise taxes and regional surcharges for the consumption of the Storage Company's compression and treatment stations.

The "other types of invoice" include:

9. Invoices associated with adjustments and/or corrections of errors related to invoices that were previously issued, in the form of debit or credit notes, such as, for example, printing and/or calculation errors;
10. Invoices for interest for late payment;
11. Invoices for fees to manage transactions and the assignment of monthly and/or weekly and/or daily capacity;
12. Invoices for other items.

In relation to the economic entries resulting from the assignment procedures for the Modulation Service and the Constant Peaks of Modulation Service on a monthly, weekly, daily and "period" basis as described in para. 5.9.2, the Storage Company issues invoices to the purchasing Shippers pursuant to point 4 of this paragraph, in relation to the capacities purchased and issues credit notes to selling Shippers for the capacities sold.

It is understood that, in relation to the outcome of a short-term assignment pursuant to para. 5.9.2, if the capacities assigned following the auction are not available due to the Shippers' non-compliance with the provisions of 17.1.1, the following will be implemented:

- if the non-compliance is attributed to a selling Shipper, the Storage Company transmits data to said selling Shipper to issue an accounting document with the amount proportional to the performance effectively made available; similarly, the Storage Company invoices purchasing Shippers for the same amount;

otherwise

- if the non-compliance is in relation to a purchasing Shipper, the Storage Company invoices this purchasing Shipper the entire amount resulting from the auction; similarly, the Storage Company will provide the same data to the selling Shipper to issue an accounting document on its behalf for the entire amount.

The fees referred to in points 6 and 7 of this paragraph are determined according to the procedure set out in Annex 16A "Procedure for allocating electricity consumption, excise taxes, and regional surcharges".

Moreover, Edison Stoccaggio will issue credit notes for automatic compensation in the event of non-compliance with specific levels of quality as described in chapter 12.

## 16.3 CONTENT OF INVOICE DOCUMENTS

### 16.3.1 Invoices for storage services

Each document associated with this type of invoice contains:

- identifying information for the Storage Company and the Shipper;
- invoice number;
- invoice type;
- month to which the invoice refers;
- description of each individual item on the invoice;
- monthly amount, expressed in Euro, of each individual item on the invoice;
- total amount invoiced, expressed in Euro;
- rate and amount of the Value Added Tax associated with the amount of fees invoiced, according to governing regulations;
- any stamp duty.

### 16.3.2 Other types of invoices

For the documents indicated in points 9-12 of paragraph 16.2 in this chapter, the document issued by the Storage Company contains:

- identifying information for the Storage Company and the Shipper;
- invoice number;
- invoice type;
- period to which the invoice refers;
- references to the adjusted/corrected invoices;
- items subject to adjustment/correction;
- debit or credit amount for the Shipper, expressed in Euro;
- rate and amount of the Value Added Tax associated with the amount of fees invoiced, according to governing regulations;
- any stamp duty.

### **16.3.3 Annexes to invoices**

To support the information in the main section of the invoice and reported in subparagraphs 16.3.1 and 16.3.2 above, the Storage Company also provides an annex showing complete and meticulous details of the invoicing calculations performed, indicating all the base quantities used to calculate the amounts; these quantities include, but are not limited to:

1. unit prices for storage;
2. daily energy allocations;
3. the interest applied.

## **16.4 TERMS FOR ISSUING AND PAYING INVOICES**

### **16.4.1 Terms for issuing invoices**

The Storage Company issues, by the fifth working day of the month following the performance, the invoice for the fees referred to in points 1, 2, 3, and 4 of paragraph 16.2 above, including the items relating to the assignment of capacity on a monthly and/or weekly and/or daily basis.

The Storage Company issues, by the twentieth day of the month M+2 from the performance of Modulation Services with the assignment of capacity on a monthly, weekly, daily and "period" basis, the credit note for amounts deriving from the assignment of capacity made available for sale in accordance with paragraph 5.9.2.

The Storage Company issues, by the fifteenth working day of the month following the performance, the invoices for the fees referred to in points 5-12 of paragraph 16.2 above.

At the same time, in the event it is necessary to pay amounts deriving from the application of that which is described in para. 5.9.2, in para. 8.8, and Annex 16A, Edison Stoccaggio S.p.A will provide Shippers with the data necessary so that they can issue the appropriate accounting documents to collect the amounts due to them from the Storage Company. These amounts shall be paid by the Storage Company within 30 days of the issue date.

It is understood that the payment by Edison Stoccaggio S.p.A. for the accounting documents referred to above is subject to verification that the Shippers do not have amounts invoiced that are past due, greater than the guarantees issued to cover obligations deriving from contracts stipulated in accordance with this Code for the current Thermal Year or for previous Thermal Years.

It is also understood that these accounting documents (as a credit for Edison Stoccaggio) will be recognised as a deduction from the value of the financial exposure that the Shipper has with the Storage Company.

#### **16.4.2 Terms for paying invoices**

The Shipper is required to pay invoices no later than 30 days from the date of issue, with a pre-authorized debit to the account (direct debit procedure), with a credit agency indicated by the Storage Company. Alternatively, upon agreement between the Parties, the Shipper may make the payment through an electronic bank receipt (bank order) or bank transfer with a fixed value date corresponding to the due date through leading credit institutions indicated by the Storage Company.

In the event that the due date for the invoice falls on a Saturday, Sunday or holiday, the Shipper must pay the invoice no later than the first following working day.

Shippers are required to pay invoices according to the terms set forth in this document: any delays will be penalised according to the procedure indicated below and constitute one of the causes of contractual termination set forth in paragraph 17.4 of the chapter "Responsibilities of the Parties".

Any printing and/or calculation errors in the invoiced amounts are generally corrected prior to the payment due date, resulting in the cancellation of the document and the issuing of a new invoice.

#### **16.4.3 Interest in the event of late payments**

In the event of late payment of an invoice, the Shipper will owe, for the amounts invoiced and not paid, interest for each day in arrears, equal to the interest rate for the period published in the Official Gazette of the Italian Republic, drafted by the Ministry of the Economy and Finance in accordance with the provisions of Article 5 of Legislative Decree no. 231/2002.

#### **16.4.4 Non-payment and payment priority in the event the Shipper is insolvent and the financial guarantee is enforced**

In the presence of invoices issued and not paid by the Shipper (invoices issued, received, any credit notes, including VAT) for amounts greater than the value of guarantees given, Edison Stoccaggio S.p.A., communicates to the Shipper the quantity of gas in storage which, from the date of said communication, may not be used by the Shipper, including for purposes of exercising the right of retention as

described in paragraph 17.4.1 or enforcing the Gas Provided as Guarantee, pursuant to paragraphs 5.2.1.1.1, 5.2.1.1.2., 5.2.1.1.3 and 5.2.1.1.4.

This quantity will be determined based on the amounts invoiced and not paid (invoices issued, received, any credit notes, including VAT and also taking into account the default interest accrued at the date of the communication on past-due amounts) that is greater than the value of the guarantees by applying the last value of the component referred to in Article 6 of the TIVG approved with Resolution ARG/GAS 64/09 and subsequent amendments.

If after 15 days from the aforementioned communication the amount not covered by the existing guarantees has not been paid or the guarantees have not been re-established, Edison Stocaggio will proceed with the enforcement of the guarantees issued and if these are not sufficient, it will exercise the right of retention pursuant to paragraph 17.4.1, including without early termination of the Contract, or, as an alternative, enforce the guarantee on the Gas Provided as Guarantee for the quantity of gas corresponding to the credit for the principal and interest on arrears remaining after the successful enforcement. In this sense, Edison Stocaggio S.p.A. considers itself to have been authorised in advance by the Shipper without the need for any further communication, evidence or reason, notice or request to the Shipper, with no exceptions, to the sale of said quantity of gas to satisfy, as a priority, its credit balance and the costs incurred according to the envisaged procedure following the exercise of the right of retention or enforcement of the gas provided as guarantee.

If the Shipper fully pays the uncovered credit balance before this deadline, Edison Stocaggio S.p.A. will notify the Shipper of the day from which it will be possible once again to use the previously unusable gas, in whole or in part. Similarly, Edison Stocaggio S.p.A., following the procedures envisaged for satisfying the credit and having verified that no further unpaid amounts have been identified, will communicate any quantities of gas that have again become available.

In the event of insolvency proceedings, Edison Stocaggio S.p.A will retain from the amount collected a fixed charge for managing the sale, equivalent to Euro 50,000, as compensation for administrative and other expenses incurred, which will therefore not be considered as compensation for past-due amounts. The fixed charge is revalued each thermal year starting from the 2014-2015 Thermal Year, applying the general consumer price index for households of manual and clerical workers as reported by ISTAT.

It is understood that Edison Stocaggio S.p.A. shall include all gas quantities described in this paragraph in the calculation of the Shipper's available gas for:

- i) verifying compliance with the Injection and Withdrawal profiles and the consequent application of the balancing costs;
- ii) calculating the available Injection and Withdrawal Capacities;
- iii) applying the provisions of Article 15.14 of Resolution no. 119/05.

In the event that the Shipper has several past-due payables to Edison Stocaggio S.p.A., including relating to Contracts for previous Thermal Years, and makes one or more payments that do not fully repay the aforementioned past-due payables, each of these payments is allocated, regardless of any other indication from the Shipper at the time of payment, according to the following order of priority:

- a) invoices for tariffs for Mandatory Services, including invoices provided for in letters 5, 6, and 7 of paragraph 16.2 (as well as management costs and relative interest on late payments) and, amongst these invoices, the earliest due;
- b) invoices for fees for the use of Strategic Gas (and relative interest on late payments) and, amongst these invoices, the earliest due;
- c) invoices for balancing prices (and relative interest on late payments) and, amongst these invoices, the earliest due;
- d) remaining invoices.

In the event that Edison Stocaggio S.p.A. exercises its right to enforce, partially or in full, the guarantees referred to in paragraph 5.2.1, the amount subject to enforcement will be allocated according to the aforementioned order of priority.

#### ***16.4.5 Procedures for advance payments and sending of invoices***

The invoices and credit notes issued by the Storage Company, including annexes, will be advanced and sent to the Shipper in the manner provided for in the Storage Contract.

### **16.5 DISPUTES**

If the Shipper disputes the invoiced amount, the Shipper must, in any case, pay the full amount of the invoice in question. If the dispute is found to be justified, the correction will be made along with the first invoice following the resolution of the dispute, taking into account the interest as defined in the event of late payment. For the rules for any arbitration necessary to settle the dispute, please refer to paragraph 17.8 of the chapter “Responsibilities of the Parties”.

Invoices that are not disputed by the Shipper within 60 days of the issue date will be understood to be definitively accepted by the Parties.