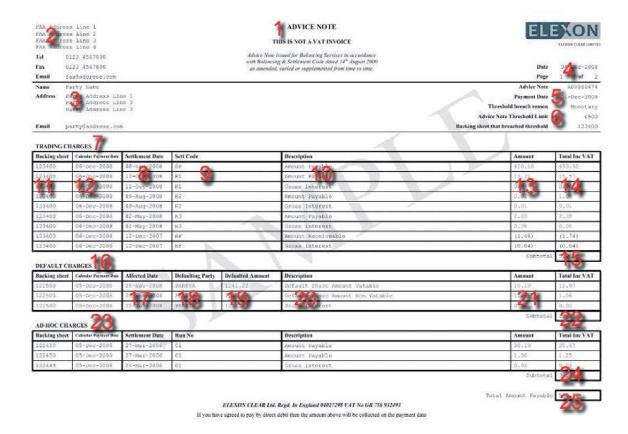




How to read Advice Notes and Confirmation Notices

How do I read my Advice Note?



Advice Note - Page 1 of 2

- 1. An Advice Note is the note issued by the Funds Administration Agent (FAA) showing the amount you need to pay to the BSC Clearer, or that the BSC Clearer needs to pay you. It can cover charges for several calendar Payment Dates (see 12) and must be paid in full by the Payment Date on that Advice Note (see 5).
- 2. FAA contact details if you have any queries about your Advice Notes please contact the BSC Service Desk.
- 3. Party contact details your corporate postal and email addresses are as submitted on your Funds Accession Form (<u>BSCP301</u>/04(a)). Please notify the FAA by completing an 'Amendments to Funds Accession Details' form (<u>BSCP301</u>/04(b)) if these change.
- 4. Date date of issue of the Advice Note.

- 5. Payment Date the date on which the total amount specified on the Advice Note (see 25) is due.
- 6. Advice Note Threshold Limit this is set at £500 (payable or receivable). The FAA will send you an Advice Note when the total of the Trading Charges, Default Charges and/or ad-hoc charges that you owe (or are owed) is equal to, or exceeds, this Threshold Limit.

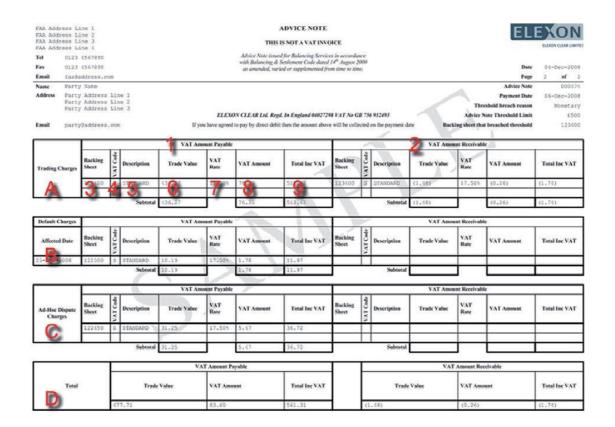
The unique numerical identifier of the Backing Sheet details the Trading Charges, Default Charges and/or Ad-Hoc Charges that caused you to reach the monetary Advice Note Threshold Limit.

- 7. <u>Trading Charges</u> –the Trading Charges you have incurred. Trading Charges include the following charges:
 - Daily Party Period BM Unit Cashflows;
 - Daily Party BM Unit Period Non-Delivery Charges;
 - Daily Party Energy Imbalance Cashflows;
 - Daily Party Information Imbalance Cashflows;
 - Daily Party Residual Settlement Cashflows; and
 - Daily System Operator BM Cashflows.
- 8. Settlement Date the Settlement Date for which you incurred your Trading Charges.
- 9. Settlement Code this column contains the code for the Settlement Run type for which you incurred your Trading Charges.
- 10. Description this denotes whether the row in the table refers to an itemised amount payable, gross interest or an amount you will receive.
- 11. Backing sheet the unique numerical identifier of the backing sheet that relates to each line of charges.

Each backing sheet relates to a calendar Payment Date and contains a detailed breakdown of the net amount shown for the line item it relates to. There are three types of backing sheet, corresponding to the different types of charges:

- The FAA will email you a Trading Charges backing sheet on the Notification Date for each calendar Payment Date when Trading Charges are incurred, regardless of whether you have reached the Advice Note Threshold Limit or the date is a Quarter Date.
- The FAA will email you a Default Charges backing sheet when you have accrued Default Charges and either of the thresholds (monetary or time) has been exceeded. The Default Charges backing sheet has been redesigned so you only receive a single Default Charges backing sheet per ongoing defaulting Trading Party, rather than a number of backing sheets detailing the Default Charge for each preceding day. You will receive a single Default Charges backing sheet each day if your Default Charge breaches the monetary threshold (the Advice Note Threshold Limit).
- The FAA will email you an ad-hoc charge backing sheet when a Dispute Charge occurs, whether or not either of the thresholds were breached.

- 12. Calendar Payment Date an Advice Note may have a number of line items relating to several Settlement Days. This will occur when you have cumulative payments and/or receipts which are under the monetary threshold. The calendar Payment Date heading is included on the Advice Note so you can link these items back to their daily backing sheets, and vice versa. The calendar Payment Date is used for reference purposes. You may not receive an Advice Note for each calendar Payment Date; for example, if your charges are less than £500 for a calendar Payment Date you will not receive an Advice Note for this date.
- 13. Amount the Trading Charge Amount you need to pay or receive, or the Gross Interest for each Settlement Date.
- 14. Total Inc VAT the Trading Charge Amount you need to pay or receive, or the Gross Interest for each Settlement Date, including VAT charged at the current rate.
- 15. Trading Charge Subtotal the subtotal of all Trading Charges due by the Payment Date, including VAT charged at the current rate.
- 16. Default Charges Default Charges are unpaid BSC and SVA Charges due from Defaulting BSC Parties.
 - These unpaid amounts are charged to all BSC Trading Parties in proportion to their Annual Funding Share.
- 17. Affected Date the date on which the Default Charges were incurred.
- 18. Defaulting Party the BSC Party which has defaulted on their BSC or SVA Charge.
- 19. Defaulted Amount the amount by which the Defaulting Party has entered Default.
- 20. Description the BSC Party's Default Share Amount, both in VATable and non-VATable terms, together with the gross interest incurred on this Default.
- 21. Default Charges Amount the share of the Defaulted Amount that your Party is liable to pay or receive, excluding VAT both in VATable and non-VATable terms, together with the gross interest.
- 22. Default Charges Subtotal the subtotal of all Default Charges that you need to pay or receive by the Payment Date, including VAT charged at the current rate if applicable.
- 23. Ad-hoc charges from time to time you may incur additional charges on an ad-hoc basis. These are detailed in this section of the Advice Note.
- 24. Ad-hoc charges Subtotal the subtotal of ad-hoc charges you need to pay for the Settlement Date(s) on the Advice Note, inclusive of VAT.
- 25. Total Amount Payable (or Receivable) the total amount you need to pay or be paid, inclusive of VAT, by the Payment Date.



Advice Note - Page 2 of 2

- 1. VAT Amount Payable the value of the Trading Charges, Default Charges or ad-hoc charges you need to pay, adjusted for VAT.
- 2. VAT Amount Receivable –the value of the Trading Charges, Default Charges or ad-hoc charges you will receive, adjusted for VAT.
- 3. Backing Sheet the numerical identifier of the backing sheet on which the applicable charge is detailed.
- 4. VAT Code the VAT category for the applicable charge. The codes are:
 - S standard rate VAT;
 - E exempt from VAT; and
 - Z zero rated VAT.
- 5. Description a description of the VAT Code.
- 6. Trade Value the total value of the applicable charge, not including VAT.
- 7. VAT Rate the applicable rate of VAT in the United Kingdom on the Advice Note issue date, as specified by HM Revenue & Customs.
- 8. VAT Amount the total VAT amount you need to pay or receive.

- 9. Total Inc VAT the total amount you need to pay or receive for the applicable charge, inclusive of VAT.
- A. This row specifies the VAT amounts you need to pay or receive for Trading Charges.
- B. This row specifies the VAT amounts you need to pay or receive for Default Charges.
- C. This row specifies the VAT amounts you need to pay or receive for ad-hoc charges.
- D. This row specifies the total VAT amounts you need to pay or receive, inclusive of Trading Charges, Default Charges and/or ad-hoc charges, as appropriate.

How to read a Confirmation Notice

Keats House, The Office Park, Springfield Drive, Leatherhead, Surrey KT22 7LP epfalbilling@logica.com

350 EUSTON ROAD LONDON

FinanceOperations@elexon.co.uk

CONFIRMATION NOTICE THIS IS A VAT INVOICE

ELEXON

Email

Email

Name

Email

Address

+44 (0) 845 602 3688 Fax epfalbilling@logica.com

ABC LIMITED

4TH FLOOR

Invoice issued for Balancing Services in accordance with Balancing & Settlement Code dated 14th August 2000 as amended, varied or supplemented from time to time

CON12345

Page Confirmation Notice Advice Note

Payment Date 18-JUN-2014 Threshold Breach Reason Monetary

Invoice Threshold Limit £500 Backing sheet that breached the threshold 123456

TRADING CHARGES

| Backing Sheet | Calendar Payment Date | Settlement Date | Settlement Code | Description | Total Exc VAT | VAT Amount | Total Inc VAT |
|---------------|--------------------------|-----------------|-----------------|-----------------|---------------|------------|---------------|
| 123456 | 18-JUN-2014 | 22-APR-2013 | RF | Amount Paid | 64,340.48 | 60.00 | 64,340.48 |
| 123456 | 18-JUN-2014 | 22-APR-2013 | RF | Gross Interest | 623.43 | 60.00 | 623.43 |
| 123456 | 18-JUN-2014 | 05-W0V-2013 | R3 | Amount Paid | 620,197.99 | 60.00 | 620,197.99 |
| 123456 | 18-JUN-2014 | 05-NOV-2013 | R3 | Gross Interest | 654.58 | 60.00 | 654.58 |
| 123456 | 18-JUN-2014 | 14-FER-2014 | R2 | Amount Paid | £13,114.29 | 60.00 | £13,114.29 |
| 123456 | 18-JUN-2014 | 14-FER-2014 | R2 | Gross Interest | 617.26 | 60.00 | £17.26 |
| 123456 | 18-JUN-2014 | 15-FER-2014 | R2 | Amount Paid | £12,543.47 | 60.00 | 612,543.47 |
| 123456 | 18-JUN-2014 | 15-FER-2014 | R2 | Gross Interest | £15.99 | 60.00 | £15.99 |
| 123456 | 18-JUN-2014 | 16-FER-2014 | R2 | Amount Paid | £12,939.83 | 60.00 | £12,939.83 |
| 123456 | 18-JUN-2014 | 16-FER-2014 | R2 | Gross Interest | £16.50 | 60.00 | £16.50 |
| 123456 | 18-JUN-2014 | 22-APR-2014 | R1 | Amount Received | (65,285.34) | 60.00 | (65,285.34) |
| 123456 | 18-JUN-2014 | 22-APR-2014 | R1 | Gross Interest | (£2.03) | 60.00 | (62.03) |
| 123456 | 18-JUN-2014 | 20-MAY-2014 | SF | Amount Paid | £147,241.50 | 60.00 | £147,241.50 |

Sub Total 6205,217.95

Total Amount Paid 6205, 217.95

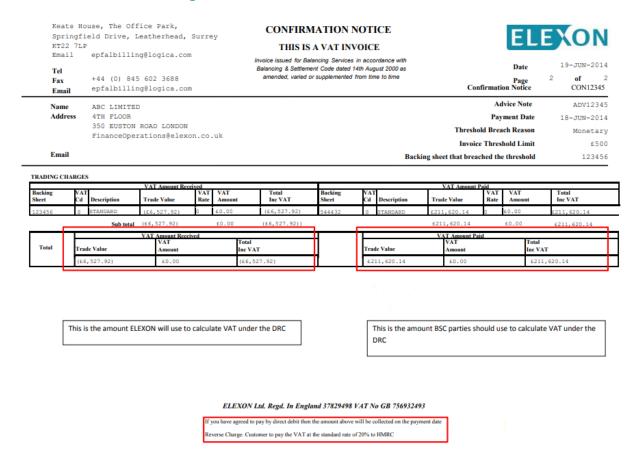
ELEXON Ltd. Regd. In England 37829498 VAT No GB 756932493

e Charge: Customer to pay the VAT at the standard rate of 20% to HMRC

Confirmation Notice - Page 1 of 2

- 1. Confirmation Notice – the FAA will send you a Confirmation Notice by email for charges you have paid or received within two Business Days of the Payment Date. The Confirmation Notice legally constitutes a VAT invoice.
- 2. Confirmation Notice Number – the unique numerical identifier of the Confirmation Notice.
- 3. Advice Note Number - the unique numerical identifier of the Advice Note to which the Confirmation Notice relates.
- 4. Total Exc VAT – your Trading Charges, Default Charges and ad-hoc charges, excluding VAT.
- VAT Amount the VAT that has been charged on your Trading Charges, Default Charges 5. and ad-hoc charges.
- 6. Total Inc VAT – your Trading Charges, Default Charges and ad-hoc charges, including VAT.

Confirmation Notice - Page 2 of 2



For VAT Domestic Reverse Charge purposes, the trade value under the VAT Amount Received section is classed as sales made by the customer to ELEXON, therefore ELEXON will make the reverse charge on its own VAT return in respect of this amount. The trade value under the VAT Amount Paid section is classed as sales made by ELEXON to the customer and the customer should make the reverse charge on its own VAT return in respect of this amount.

Need more information?

For more information please contact the **BSC Service Desk** at <u>bscservicedesk@cgi.com</u> or call **0370 010 6950**.

Intellectual Property Rights, Copyright and Disclaimer

The copyright and other intellectual property rights in this document are vested in ELEXON or appear with the consent of the copyright owner. These materials are made available for you for the purposes of your participation in the electricity industry. If you have an interest in the electricity industry, you may view, download, copy, distribute, modify, transmit, publish, sell or create derivative works (in whatever format) from this document or in other cases use for personal academic or other non-commercial purposes. All copyright and other proprietary notices contained in the document must be retained on any copy you make

All other rights of the copyright owner not expressly dealt with above are reserved.

No representation, warranty or guarantee is made that the information in this document is accurate or complete. While care is taken in the collection and provision of this information, ELEXON Limited shall not be liable for any errors, omissions, misstatements or mistakes in any information or damages resulting from the use of this information or action taken in reliance on it.