**SCHEDULE 23 – PORTFOLIO BILLING FOR UNMETERED CONNECTIONS TO EMBEDDED NETWORKS**

**APPLICATION OF THIS SCHEDULE**

* 1. Notwithstanding Clause 36.3, this Schedule applies to, and is binding between, each DNO Party (for the one part) and each EDNO (for the second part).
  2. This Schedule sets out the process for determining the data by reference to which the Use of System Charges payable by the DNO Party to the EDNO are to be calculated, in respect of the EDNO’s Unmetered Connectees whom the DNO Party recovers Use of System charges from.
  3. In this Schedule, unless the context otherwise requires:

1. an **“Embedded Distribution Network Operator”** or “**EDNO**” is, in respect of each DNO Party:
2. any IDNO Party; or
3. any DNO Party acting outside of that DNO Party’s Distribution Services Area,
4. which (in each case) has a Distribution System within a GSP Group associated with that DNO Party.
5. **“Detailed Inventory”** shall have the same meaning as defined in Schedule 2B (National Terms of Connection)
6. **“Summary Inventory”** shall have the same meaning as defined in Schedule 2B (National Terms of Connection)
7. **“Estimated Annual Consumption (EAC)”** shall have the same meaning as defined in Schedule 2B (National Terms of Connection)
   1. In this Schedule, a reference to the EDNO’s **“Unmetered Connectees**” shall only be a reference to those Unmetered Connectees to the Distribution Systems referred to in Paragraph 1.3 (and shall not include any Unmetered Connectees to other Distribution Systems of the EDNO).
   2. The Use of System Charges calculated in accordance with this Schedule shall be payable by the DNO Party in accordance with Clause 44, and shall be subject to Clause 43.7 and paragraph 2 of Schedule 4 (as if the references to the User the Company in those Clauses and that Schedule were to the DNO and references to the Company in those Clauses and that Schedule were to the EDNO).

**2. DATA EXCHANGE BETWEEN THE EDNO AND DNO PARTY IN RESPECT OF EDNO’S UNMETERED CONNECTEES CONSUMPTION DATA**

2.1 This methodology for determining the Use of System Charges due to the EDNO in respect of each of the EDNO’s Unmetered Connectees whom the DNO Party recovers Use of System charges from shall apply for both non half hourly or half hourly settled Use of System Charges.

2.2 In respect of each of the EDNO’s Unmetered Connectees whom the DNO Party recovers Use of System charges from, the EDNO shall provide to the DNO Party a copy of the Detailed Inventory and Summary Inventory agreed between each such EDNO Unmetered Connectee and the EDNO. The Detailed Inventory shall be in the form as required by section 4, clause 7.1 of Schedule 2B of this agreement.

2.3 The EDNO shall use the data referred to in Paragraph 2.2 to determine the Estimated Annual Consumption (EAC) for the purposes of calculating an estimate of the Use of System Charges due to the EDNO for the use of its network by the EDNO’s Unmetered Connectees using the formula below:

2.4 The EDNO’s will invoice the DNO Party for the Use of System Charges calculated in Paragraph 2.3 at an interval to be agreed between the parties.

**3. AUDIT**

3.1 Upon not less than 15 Working Days prior written notice, the DNO Party shall have the right to inspect and audit the consumption data of the EDNO relating to invoices referred to in Paragraph 2. The EDNO shall ensure that all such data and billing records are maintained in accordance with customary recordkeeping and accounting standards.

3.2 The EDNO will allow the duly authorised representatives and auditors of the DNO Party who are to undertake any inspection or audit in accordance with this Paragraph 3 all reasonable assistance and adequate facilities for the proper exercise of such inspection or audit.

**4. NOTICES**

4.1 The EDNO shall provide all information that it is required to provide to the DNO Party in accordance with this Schedule by email to an address specified to the EDNO by the DNO Party, as varied from time to time.