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# Invoicing process of JAO

# Introduction

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*To the attention of all registered and future market participants (MP) of JAO*

This information package covers the following aspects of the invoicing process of JAO:

- ❖ The products included in the monthly invoicing process
- ❖ The calculation of the monthly instalments when a product has a duration of more than one month
- ❖ The number of instalments that can be included in the first invoice of a product (X/N rule)
- ❖ The key dates of the monthly invoicing process and an annual invoicing calendar for the year 2020

*In case of any discrepancy between the dates and information published in this document and in the valid and legally binding relevant Allocation Rules, the latter shall prevail and JAO S.A. shall not be held liable for any damages due to such a discrepancy.*

# Overview of capacity products

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Capacity product	Invoicing process	Number of instalments
Yearly (Calendar/non-calendar)	Monthly instalments	12
Seasonal (Winter/Summer)	Monthly instalments	6
Quarterly	Monthly instalments	3
Monthly	At once	1
Weekly	At once	1
Weekend	At once	1
Daily	At once	1
Intraday	At once	1

# Calculation of monthly instalments - Formula

Sum of allocated transmission rights in MW\* × Price in € × 24 hours\*\* × Duration of the product in days = Equal monthly instalment rounded down\*\*\*

Duration of product in months

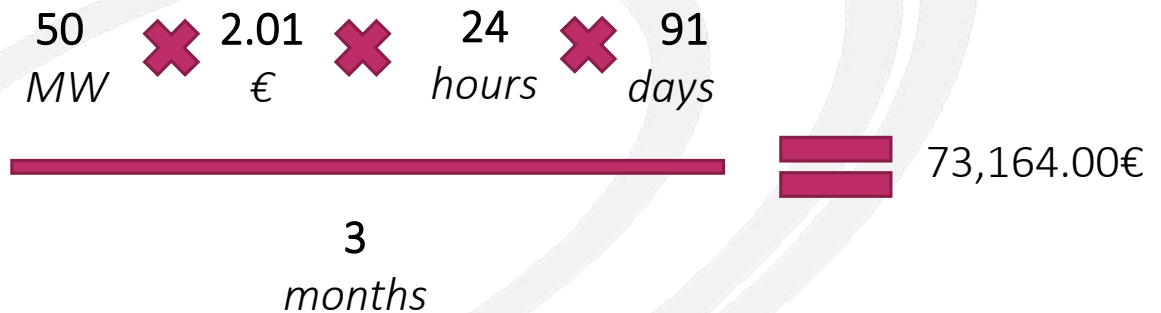
\* Takes into account maintenance period(s)

\*\* Takes into account clock changes (23/25 hours respectively)

\*\*\* Last installment includes balance difference due to rounding applied

# Calculation of monthly instalments - Example

Description	Specifications
Product type	Quarterly = 3 months
Product period	Start: 01/07/2019 00:00 End: 01/10/2019 00:00
Price in €	2.01
Sum of allocated transmission rights in MW	50
Maintenance period	Start: 02/08/2019 00:00 End: 03/08/2019 00:00
Offered capacity during maintenance period in MW	0
Number of days in product period including maintenance period	92 days (product duration) - 1 day (maintenance) = 91 days
Monthly instalment in €	73,164.00



# Explanation of the X/N rule

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Payments of instalments for allocated long term transmission rights shall be settled before the start of the product period, if the auction timeline allows so.

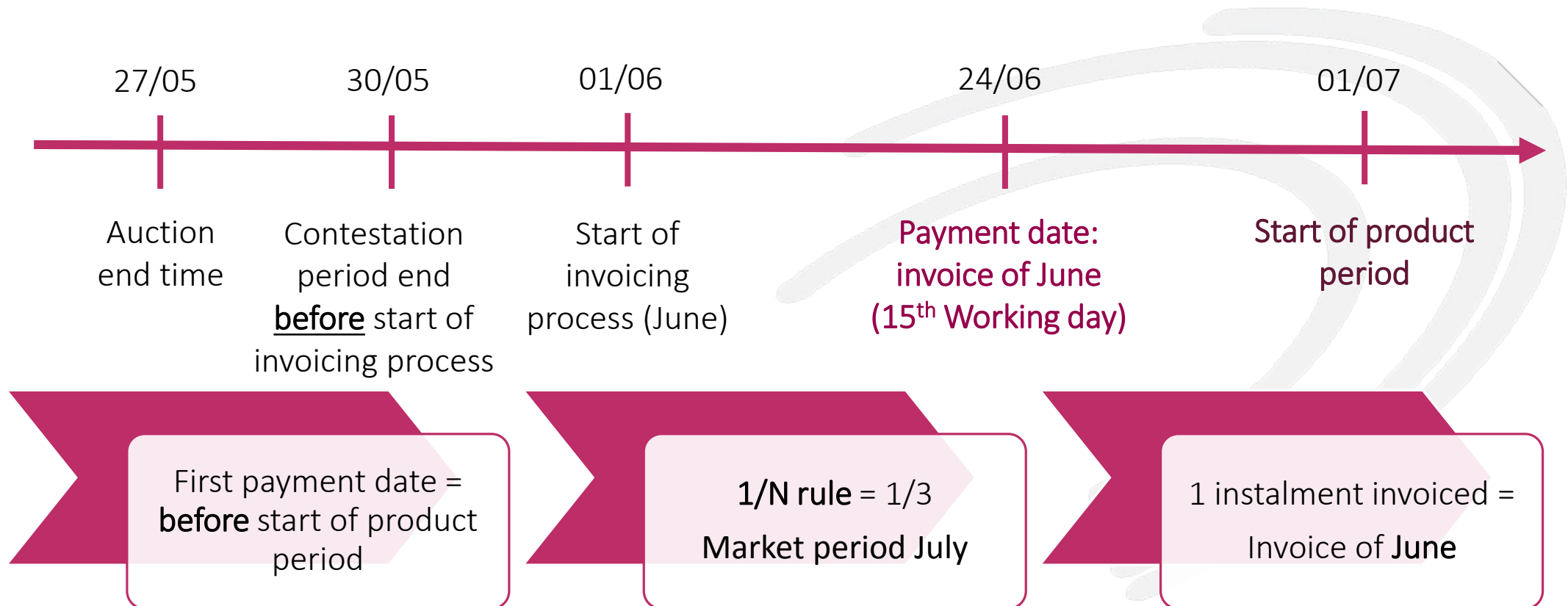
The number of instalments invoiced for the **first payment** depends on the **end of the contestation period** that defines if the invoice will include **1 or 2 instalments** linked to that product:

- ❖ If the contestation period of an auction ends before the invoicing process of the month preceding the first delivery period of the product = **1/N\*** rule applies (cf. example in slide 7)
- ❖ If the contestation period ends after = **2/N\*** rule applies (cf. example in slide 8)

\*N = duration of the product in months

Product type	Quarterly
Product period start	01/07/2019
Product period end	01/10/2019

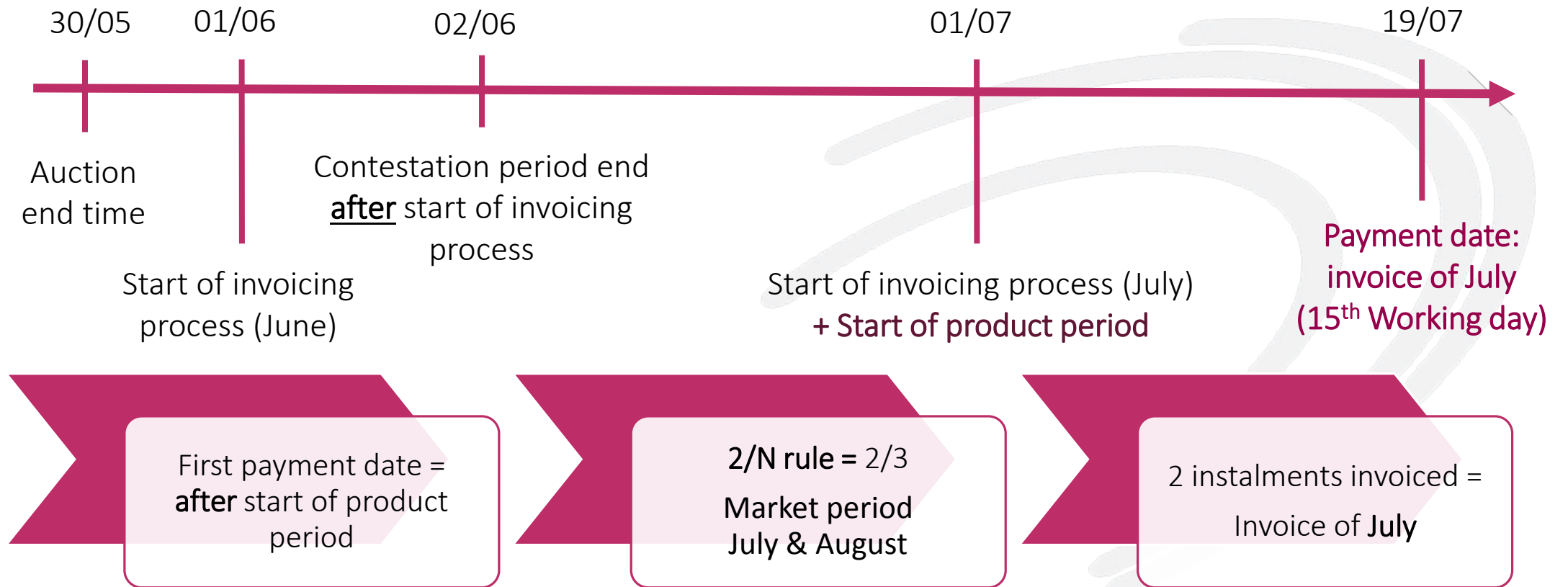
# Example of the 1/N rule\*



\*Disclosed in the auction specifications on JAO's website under "Market data"

# Example of the 2/N rule\*

Product type	Quarterly
Product period start	01/07/2019
Product period end	01/10/2019



\*Disclosed in the auction specifications on JAO's website under "Market data"



# Monthly invoicing process

- ❖ Depending on the results of the auction(s), JAO will net the Allocation and Compensation amounts and will issue **only one document** per MP:
  - **An invoice:** if the Allocations are higher than the Compensations
  - **A selfbilling:** if the Compensations are higher than the Allocations
- ❖ Once a month, JAO issues invoices and selfbillings

Products and compensations invoiced in month M	Invoicing in April 2019 (M)
Yearly, seasonal, quarterly allocations for <b>M+1</b>	May 2019
Monthly allocations for <b>M</b> and/or <b>M+1</b> (depending on end of contestation period)	April 2019 and/or May 2019
Weekly, Weekend, Daily, Intraday allocations for <b>M-1</b>	March 2019
Compensations (UIOSI, CFACL, CFCCU, CFNCU)* for <b>M-1</b>	March 2019
Remuneration of return for <b>M</b> and/or <b>M+1</b>	April 2019 and/or May 2019

\* Compensations: UIOSI (Use it or Sell it), CFACL (Auction cancellation), CFCCU (Capacity curtailment), CFNCU (Nomination curtailment)

# Monthly invoicing timeline

- ❖ JAO's invoicing timeline is based on the **Luxembourgish calendar of public holidays**
- ❖ An annual **invoicing calendar** for the year 2020 is published on JAO's website
- ❖ The following example illustrates the key dates of the invoicing steps for **April 2019**

Week days	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T
Working day (WD)	1	2	3	4	5	⊘	⊘	6	7	8	9	10	⊘	⊘	11	12	13	14	15	⊘	⊘	⊘	16	17	18	19	⊘	⊘	20	21
Day of the month	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30

Public holiday  
22/04/2019  
(Easter Monday)

10<sup>th</sup> WD  
Invoice or Selfbilling  
issued by JAO

15<sup>th</sup> WD  
Deadline for MP to  
credit the Business  
account  
(Due date of invoice)

16<sup>th</sup> WD  
Debit of MP's  
Business  
account by JAO +  
Update of the  
Credit limit

17<sup>th</sup> WD  
Payment of a Selfbilling by JAO

# Summary

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## Invoicing process

A capacity product is invoiced either **at once** or in monthly instalments

The number of instalments depends on the **duration** of the capacity product (in months). The end of the contestation period defines if the invoice includes **1 or 2 instalments (X/N rule)** for the first payment.

If Allocations are higher than Compensations:  
Invoice due by MP on **15th Working day**

If Compensations are higher than Allocations:  
Selfbilling paid by JAO on **17th Working day**

# Contact and support

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If you have further questions on the invoicing process of JAO, do not hesitate to contact us!

