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and

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USE OF SYSTEM AGREEMENT FOR []
ELECTRICITY DISTRIBUTION SYSTEM

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AGREEMENT is made the

day of

BETWEEN:

- (1) [], a company incorporated in England and Wales with registered number [] whose registered office is at [] (the "**Company**");
- (2) [], a company incorporated in England and Wales with registered number [] whose registered office is at [] (the "**User**"),

each a "**party**" and together the "**parties**".

WHEREAS:

- (A) The Company is obliged by Condition 4B of its Electricity Distribution Licence to offer to enter into an agreement with the User for the provision of Use of Distribution System in accordance with the requirements set out in Condition 4B of its Electricity Distribution Licence.
- (B) The Company has accordingly agreed to provide Use of Distribution System to the User on the terms and conditions set out in this Agreement.

THE PARTIES AGREE as follows:

1. DEFINITIONS AND INTERPRETATION

- 1.1 In this Agreement except where the context otherwise requires the following expressions shall have the meanings set opposite them:

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| "Accreditation" | means accreditation of any relevant person and certification of that person's business processes by the Accreditation Authority and " Accredited " and " Accrediting " shall be construed accordingly; |
| "Accreditation Authority" | means the Performance Assurance Board (as defined in the Settlement Agreement or Balancing and Settlement Code, when Accrediting persons pursuant to paragraph 2.2.1(b) of Schedule 8 of the Settlement Agreement or, as appropriate, Section J of the Balancing and Settlement Code); |
| "Act" | means the Electricity Act 1989 (as amended by the provisions of the Utilities Act 2000); |
| "Ad Hoc Settlement Run" | has the meaning given to that term in the Balancing and Settlement Code; |
| "Affiliate" | in relation to either party means any holding company of that party, any subsidiary of that party or any subsidiary of a holding company of that party, in each case within the meaning of Sections 736, 736A and 736B of the Companies Act 1985; |
| "Approved Credit Rating" | has the meaning given to that term in Schedule 1; |
| "Authority" | means the Gas and Electricity Markets Authority as established by Section 1 of the Utilities Act 2000; |
| "Balancing and Settlement Code" or "BSC" | means the Balancing and Settlement Code dated 14 August 2000, including all Party Service Lines and BSC Procedures (as therein defined) made under it, as at the Go-Live Date; |
| "Competent Authority" | means the Secretary of State, the Authority, and any local or national agency, authority, department, inspectorate, minister, ministry, official or public or statutory person (whether autonomous or not) of the government of the United Kingdom or of the European Union; |
| "Condition 4 Statement" | means the statement in relation to charges for use of system for the time being in force pursuant to Condition 4 of the Electricity Distribution Licence; |

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| "Condition 36 Statement" | means the statement in relation to charges for distributor metering and data services (as defined in the Electricity Distribution Licence) for the time being in force pursuant to Condition 36 of the Electricity Distribution Licence; |
| "Condition 48 Statement" | means the statement in relation to charges in respect of losses incurred in a supplier complying with a last resort supply direction (as described in the Electricity Distribution Licence) for the time being in force pursuant to Condition 48 of the Electricity Distribution Licence; |
| "Connection Agreement" | means an agreement between the Company and any Customer which provides that the Customer has the right for that Customer's Installation to be and remain directly or indirectly connected to the Distribution System; |
| "Cover" | has the meaning given to that term in Schedule 1; |
| "Customer" | means a person to whom the User proposes to supply or for the time being supplies electricity through an Exit Point or from whom the User or any Relevant Exempt Supplier is entitled to recover charges, compensation or an account of profits in respect of electricity supplied through an Exit Point; |
| "Customer's Installation" | means any structures, equipment, lines, appliances or devices used or to be used by any Customer and connected or to be connected directly or indirectly to the Distribution System; |
| "Daily Statement" | means a statement based on the Supercustomer DUoS Report providing the data items set out in Data Transfer Catalogue D0242 as amended from time to time in accordance with the provisions of the Master Registration Agreement; |
| "Data Aggregation Services Agreement" | means any agreement between the Company in its capacity as Data Aggregator and the User for the provision of data aggregation services to be provided by the Data Aggregator; |
| "Data Aggregator" | means a person appointed to provide data aggregation services (the term "data aggregation" being defined in paragraph 10, Condition 36B, of the Electricity Distribution Licence.); |
| "Data Collection Services Agreement" | means any agreement between the Company in its capacity as Data Collector and the User for the provision of data collection services to be provided by the Data Collector; |
| "Data Collector" | means a person appointed to provide data retrieval and/or data processing services (the terms "data retrieval" and "data processing" being defined in paragraph 10, Condition 36B of the Electricity Distribution Licence); |
| "Data Protection Act" | means the Data Protection Act 1998; |
| "Data Transfer Catalogue" | means the catalogue of data flows, data definitions and data formats as annexed to the Master Registration Agreement; |
| "Data Transfer Network" | means the electronic network provided as part of the Data Transfer Service; |
| "Data Transfer Service" | means the service to be provided by the Data Transfer Service Controller and described in Condition 38 of the Electricity Distribution Licence; |
| "Data Transfer Service Agreement" | means the agreement dated 30th July 1997 between the Data Transfer Service Controller, and users of the Data Transfer Service as at the date of this Agreement; |

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| "Data Transfer Service Controller" | means the body established by the Electricity Distribution Licence holders to provide the Data Transfer Service; |
| "De-energise" | means, in relation to any Metering Point, deliberately to prevent the flow of electricity from the Distribution System through the relevant Exit Point (or, in the case of an Unmetered Supply, any one or more of the relevant Exit Points) to the relevant Customer's Installation for any purpose other than a System Outage; |
| "De-energisation Works" | means the movement of any switch, the removal of any fuse or meter, or the taking of any other step to De-energise a Metering Point; |
| "De-register" | means in relation to a Metering Point to change the status of the Supply Number relating to that Metering Point within MPAS so as to prevent any further Registrations (as defined by the Master Registration Agreement) in respect of that Supply Number ("De-registered" shall be construed accordingly and "De-Registration Notice" shall be construed as a notice issued by the Company to De-Register); |
| "Directive" | includes any present or future directive, requirement, instruction, direction or rule of any Competent Authority (but only, if not having the force of law, if compliance with the Directive is in accordance with the general practice of persons to whom the Directive is addressed) and includes any modification, extension or replacement thereof then in force; |
| "Disconnection Notice" | means a notice sent by the User to the Company pursuant to Clause 10 and which: <ul style="list-style-type: none"> (a) identifies the Metering Point to which the notice relates by reference to the Supply Number for that Metering Point; and (b) requests the Company to send a De-Registration Notice to the MPAS Operator instructing it to De-register the Metering Point; |
| "Dispute Final Reconciliation Run" | has the meaning given to that term in the Settlement Agreement; |
| "Distribution Business" | has the meaning given to that term in the Electricity Distribution Licence; |
| "Distribution Code" | means the distribution code established pursuant to Condition 9 of the Electricity Distribution Licence; |
| "Distribution Services Area" | has the meaning given to the term 'distribution services area' in subparagraph 5(b) of Condition 2 of the Electricity Distribution Licence |
| "Distribution System" | means the Company's distribution system (distribution system having the same meaning given to that term in the Electricity Distribution Licence); |
| "Electricity Distribution Licence" | means a distribution licence granted to the Company pursuant to Section 6 (1) (c) of the Act; |
| "Electricity Supply Licence" | means a supply licence granted to the User pursuant to Section 6 (1) (d) of the Act; |
| "Enabling Agreement" | means an agreement for the provision of Exempt Supply Services; |
| "Energise" | means, in relation to any Metering Point, deliberately to allow the flow of electricity from the Distribution System through the relevant Exit Point (or, in the case of an Unmetered Supply, any one or more of the relevant Exit Points) to the relevant Customer's Installation where such a flow of electricity has never previously existed; |
| "Energisation Works" | means the movement of any switch or the addition of any fuse or meter to Energise a Metering Point; |

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| "ERS" | means the electronic registration system operated by the Settlement System Administrator in England and Wales pursuant to the terms of the Settlement Agreement or the electronic registration system operated by the ERS service provider in England and Wales pursuant to the terms of the Balancing and Settlement Code, as appropriate; |
| "ERS Metering Point" | means a Metering Point registered in ERS and registered in MPAS with the 1998 trading indicator set at "No"; |
| "ESPR" | means the Electricity (Standards of Performance) Regulations 1993 SI 1993/1193 as amended or re-enacted from time to time; |
| "Equivalent Meter" | means an equivalent half hourly meter as defined by the Unmetered Supplies Procedure; |
| "Exempt Supplier" | means a person who is authorised to supply electricity by an exemption granted under Section 5 of the Act; |
| "Exempt Supply Services" | means exempt supply services as defined in Condition 51 of the Electricity Supply Licence; |
| "Exit Point" | means a point of connection at which a supply of electricity may flow between the Distribution System and the Customer's Installation or User's Installation or the distribution system of another person; |
| "Final Reconciliation Run" | has the meaning given to that term in the Settlement Agreement or has the meaning given to the term "Final Reconciliation Settlement Run" in the Balancing and Settlement Code as appropriate; |
| "Force Majeure" | means any event or circumstance which is beyond the reasonable control of either party and which results in or causes the failure of that party to perform any of its obligations under this Agreement including act of God, strike, lockout or other industrial disturbance, act of the public enemy, war declared or undeclared, threat of war, terrorist act, blockade, revolution, riot, insurrection, civil commotion, public demonstration, sabotage, act of vandalism, lightning, fire, storm, flood, earthquake, accumulation of snow or ice, explosion, fault or failure of plant or machinery which (in each case) could not have been prevented by Good Industry Practice, governmental restraint, Act of Parliament, other legislation, bye law and Directive (not being any order, regulation or direction under Section 32, , 34 or 35 of the Act) or the failure of any generator or NGC to deliver electricity to the Company or any deficiency in such delivery to the extent that such failure or deficiency or the consequences thereof could not have been prevented by Good Industry Practice by the Company, provided that lack of funds shall not be interpreted as a cause beyond that party's reasonable control; |
| "Gateway" | has the meaning given to that term in the Data Transfer Service Agreement; |
| "Good Industry Practice" | means the exercise of that degree of skill, diligence, prudence and foresight which would reasonably and ordinarily be expected from a skilled and experienced operator engaged in the same type of undertaking under the same or similar circumstances; |
| "Go-Live Date" | means the 27 th March 2001 being the date designated by the Secretary of State for the start of trading under or by reference to the Balancing and Settlement Code; |
| "Implementation Scheme" | has the meaning given to that term in the Balancing and Settlement Code; |
| "Initial Account" | has the meaning given to that term in Clause 7.3; |

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| "Initial Settlement and Reconciliation Agent" | has the meaning given to the term in the Settlement Agreement; |
| "Initial Settlement Run" | has the meaning given to that term in the Settlement Agreement or has the meaning given to that term in the Balancing and Settlement Code, as appropriate; |
| "Invoice Date" | means a date on which an account (including an Initial Account or Reconciliation Account) is produced by the Company pursuant to this Agreement; |
| "kVA" | means kilovoltamperes; |
| "kVA_r" | means kilovoltamperes reactive; |
| "kVA_{rh}" | means kilovoltampere hours reactive; |
| "kW" | means kilowatt; |
| "kWh" | means kilowatt hours; |
| "Line Loss Factor" | has the meaning given to that term in the Settlement Agreement or has the meaning given to that term in the Balancing and Settlement Code, as appropriate; |
| "Line Loss Factor Class" | has the meaning given to that term in the Settlement Agreement or has the meaning given to that term in the Balancing and Settlement Code, as appropriate; |
| "Market Domain I.D." | has the meaning given to that term in the Data Transfer Service Agreement at the Go-Live Date; |
| "Master Connection and Use of System Agreement" | means the agreement envisaged in Condition 10B of NGC's Transmission Licence and/or any Connection and Use of System Code established pursuant to NGC's Transmission Licence which replaces such agreement in whole or part; |
| "Master Registration Agreement" | means the agreement of that name dated 1 June 1998 as at the Go-Live Date; |
| "Maximum Capacity" | has the meaning (if any) given to that term in the relevant Connection Agreement; |
| "Maximum Power Requirement" | means the maximum amount of electricity expressed in kilowatts or kilovoltamperes which is requested by the relevant Customer to be supplied through an Exit Point; |
| "Meter Administrator" | means a duly Accredited person appointed by a Customer to administer an Equivalent Meter pursuant to the Unmetered Supplies Procedure; |
| "Meter Operation Services Agreement" | means any agreement between the Company in its capacity as Meter Operator and the User for the provision of meter operation services to be provided by the Meter Operator; |
| "Meter Operator" | means a person appointed by the User, or where applicable the Customer to provide the services described in Condition 36B paragraphs 1(a) and 1(b) of the Electricity Distribution Licence in relation to the relevant Metering Point and Accredited by the Accreditation Authority or deemed to be Accredited pursuant to the terms of the Implementation Scheme and where appropriate the Meter Operator Party (as defined in the Settlement Agreement as amended from time to time) in the case of an ERS Metering Point, or the Meter Operator Agent (as defined in the Balancing and Settlement Code, as amended from time to time); |
| "Meter Operator Code of Practice" | means Schedule 5 of the Meter Operator Code of Practice Agreement |

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| | as amended from time to time; |
| "Meter Operator Code of Practice Agreement" | means the agreement of that name dated 8 September 1998, as amended from time to time; |
| "Metering Point" | <p>means the point, determined according to the principles and guidance given at Schedule 9 of the Master Registration Agreement, at which a supply to (export) or from (import) a Distribution System:</p> <ul style="list-style-type: none"> (a) is or is intended to be measured; or (b) where metering equipment has been removed, was or was intended to be measured; or (c) in the case of an Unmetered Supply under the Unmetered Supplies Procedure, is deemed to be measured, <p>where in each case such measurement is for the purposes of ascertaining the User's liabilities under either the Settlement Agreement, or the Balancing and Settlement Code;</p> |
| "MPAS" | has the meaning given to that term in the Master Registration Agreement; |
| "MPAS Operator" | means the Company in its capacity as the person who provides the services described in Condition 37 of the Electricity Distribution Licence; |
| "NGC" | means The National Grid Company plc; |
| "Operational Metering Equipment" | means metering equipment suitable to provide the Company with such data as it requires for use of system or operational purposes; |
| "PES Licence" | means the public electricity supply licence granted under section 6 (1) (c) of the Electricity Act 1989 prior to amendment thereof by the Utilities Act 2000; |
| "Prescribed Period" | shall have the meaning given to that term in the ESPR; |
| "Prescribed Sum" | shall have the meaning given to that term in the ESPR; |
| "Profile Class" | has the meaning given to that term in the Settlement Agreement or the Balancing and Settlement Code, as appropriate; |
| "Quarter" | means the period of three months commencing on 1st January, 1st April, 1st July and 1st October in each year; |
| "Radio Teleswitch Agreement" | means the agreement of that name dated 28 September 1999 as amended from time to time detailing the rights and obligations of inter alios, the Company and the User in relation to the use of radio teleswitches; |
| "Reconciliation Account" | has the meaning given to that term in Clause 7.4; |
| "Reconciliation Run" | has the meaning given to that term in the Settlement Agreement or has the meaning given to the term "Reconciliation Settlement Run" in the Balancing and Settlement Code, as appropriate; |
| "Re-energise" | means, in relation to any Metering Point, deliberately to allow the flow of electricity from the Distribution System through the relevant Exit Point (or, in the case of an Unmetered Supply, any one or more of the relevant Exit Points) to the relevant Customer's Installation where such flow of electricity was previously prevented by De-energisation Works; |
| "Re-energisation Works" | means the movement of any switch, the replacement of any fuse or meter, or the taking of any other step to Re-energise a Metering Point; |

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| "Registration Notice" | means a notice sent to the MPAS Operator by either the User or the Company, as the case may be, instructing the MPAS Operator to change the status of a Metering Point in the way set out in the notice; |
| "Regulations" | means the Electricity Supply Regulations 1988 SI 1988/1057 as amended or re-enacted from time to time; |
| "Related Undertaking" | in relation to either party means any undertaking in which that party has a participating interest as defined in Section 260 of the Companies Act 1985; |
| "Relevant Exempt Supplier" | means an Exempt Supplier which has entered into an Enabling Agreement with the User in respect of supplies of electricity to Customers of that Exempt Supplier; |
| "Relevant Instruments" | <p>means:</p> <ul style="list-style-type: none"> (a) the Act and all subordinate legislation made under the Act as amended from time to time; (b) the Data Protection Act and all subordinate legislation made under it as amended from time to time; (c) the Electricity Distribution Licence and the Electricity Supply Licence, and any determination or notice made or issued by the Authority pursuant to the terms thereof; (d) the Settlement Agreement; (e) the Data Transfer Service Agreement; (f) the Master Registration Agreement; (g) the Master Connection and Use of System Agreement; and (h) the Balancing and Settlement Code; <p>and whether under any of the foregoing or otherwise, all authorisations, approvals, licences, exemptions, filings, registrations, notarisations, consents and other matters, which are required, or which the Company acting in accordance with Good Industry Practice would obtain, in connection with the provision of the services under this Agreement, of or from any Competent Authority;</p> |
| "Revenue Protection Code of Practice" | means the code of practice detailing the rights and obligations of, inter alios, the Company and the User in relation to the prevention of meter interference and other forms of illegal abstraction of electricity titled Revenue Protection - Code of Practice as amended from time to time in accordance with its terms; |
| "Secretary of State" | has the meaning given to that expression in the Interpretation Act 1978; |
| "Security and Safety of Supplies Statement" | means the statement in relation to security and safety of supplies for the time being in force pursuant to Condition 6 of the Electricity Distribution Licence; |
| "Settlement" | has the meaning given to that term in the Settlement Agreement or has the meaning given to that term in the Balancing and Settlement Code, as appropriate; |
| "Settlement Agreement" | means the Pooling and Settlement Agreement dated 30th March 1990 (as amended), including all Service Lines and Agreed Procedures (as therein defined) made under it, as at the date of this Agreement; |
| "Settlement Class" | has the meaning given to that term in the Settlement Agreement or has the meaning given to that term in the Balancing and Settlement Code, as appropriate; |

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| "Settlement Day" | has the meaning given to that term in the Settlement Agreement or has the meaning given to that term in the Balancing and Settlement Code, as appropriate; |
| "Settlement Run" | means as appropriate, an Initial Settlement Run, Reconciliation Run, Final Reconciliation Run, Ad Hoc Settlement Run or Dispute Final Reconciliation Run; |
| "Settlement Administration Agent " | has the meaning given to that term in the Balancing and Settlement Code; |
| "Settlement System Administrator" | has the meaning given to that term in the Settlement Agreement; |
| "Standard Connection Agreement" | means a Connection Agreement on standard terms of connection prepared by the Company in accordance with Condition 4B of the Electricity Distribution Licence or which the Distribution Business had prepared in accordance with Condition 8C of the PES Licence (and, if appropriate had approved by the Authority) as amended from time to time, the terms of which as at the date of this Agreement are set out in Schedule 12; |
| "Standard Settlement Configuration" | has the meaning given to that term in the Settlement Agreement or has the meaning given to that term in the Balancing and Settlement Code; |
| "Supercustomer DUoS Report" | means a report of profiled data by Settlement Class providing the data items set out in Data Transfer Catalogue D0030 (as amended from time to time in accordance with the provisions of the Master Registration Agreement); |
| "Supplier Volume Allocation Agent" or "SVAA" | has the meaning given to that term in the Balancing and Settlement Code; |
| "Supply Business" | has the meaning given to that term in the Electricity Supply Licence; |
| "Supply Contract" | means a contract (whether oral or in writing) between the User or any Relevant Exempt Supplier and a Customer for a supply of electricity to such Customer through an Exit Point from time to time; |
| "Supply Number" | has the meaning given to that term in the Master Registration Agreement; |
| "System Outage" | means in relation to the Distribution System a planned or unplanned interruption to the flow of electricity through the whole or part of the Distribution System implemented by or on behalf of the Company for safety or system security reasons or to enable the Company to inspect or effect alterations, maintenance, repairs or additions to any part of the Distribution System; |
| "Time Pattern Regime" | has the meaning given to that term in the Settlement Agreement or has the meaning given to that term in the Balancing and Settlement Code, as appropriate; |
| "Transmission Licence" | means the Licence granted under Section 6(1)(b) of the Act, the authorised area of which is England and Wales, as amended from time to time; |
| "Transactional Charges" | means the charges payable for the services listed in Part 1 of Schedule 4; |
| "Unit" | means kilowatt hour; |
| "Unit Rate" | means a charge in pence and/or pound(s) applied to a Unit; |
| "Unmetered Connection Agreement" | means a Connection Agreement relating to an Unmetered Supply which regulates (amongst other things) the preparation and keeping up-to-date of an inventory of the Customer's Installation; |

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| "Unmetered Supplies Certificate" | means a certificate issued by the Company in its sole discretion to a Customer under the Unmetered Supplies Procedure which states (amongst other things) the Supply Numbers of the Metering Points by reference to which the Company has authorised the Customer to receive Unmetered Supplies; |
| "Unmetered Supplies Procedure" | means Schedule 29 of the Settlement Agreement and Agreed Procedure AP520 established under the Settlement Agreement and any replacement or substitute Agreed Procedure from time to time or Section S of the Balancing and Settlement Code and BSC Procedure BSCP 520 established under the Balancing and Settlement Code and any replacement or substitute BSC Procedure from time to time, as appropriate; |
| "Unmetered Supply" | means a supply of electricity the quantity of which the Company through the issue of a relevant Unmetered Supplies Certificate has authorised not to be measured by physical metering equipment; |
| "Use of Distribution System" | means the use of the Distribution System for the passing of electricity into the Distribution System and for the transportation of such electricity by the Company through the Distribution System to Exit Points; |
| "Use of System Charges" | has the meaning given to that term in Clause 6.1; |
| "User's Installation" | means structures, equipment, lines, appliances or devices connected or to be connected to the Distribution System at any Exit Point used or to be used by the User in connection with this Agreement; |
| "Value Added Tax" | has the meaning given to that term in the Value Added Tax Act 1994 and any tax of a similar nature which may be substituted for or levied in addition to it; |
| "Working Day" | has the meaning given to that term in Section 64 of the Act. |

- 1.2 In this Agreement, unless the context requires otherwise, any reference to:
- 1.2.1 "person" includes a reference to a body corporate, association or partnership;
 - 1.2.2 the singular shall include the plural and vice versa;
 - 1.2.3 this "Agreement" shall mean this agreement and the Schedules;
 - 1.2.4 a Clause or Schedule is a reference to a clause of or schedule to this Agreement;
 - 1.2.5 writing includes all methods of reproducing words in a legible and non-transitory form;
 - 1.2.6 a charging period is, subject to any contrary indication, a reference to the period specified in Schedule 3 or Schedule 4 as appropriate (or if no period is specified a calendar month); and
 - 1.2.7 a term that is stated to have "the meaning given to that term in the Settlement Agreement", and the Settlement Agreement contains more than one definition of that term, shall have the meaning given to it in Part 1 of the Settlement Agreement. A term that is stated to have "the meaning given to that term in the Balancing and Settlement Code", and the Balancing and Settlement Code contains more than one definition of that term, then the term shall have the meaning given to it in Annex X-1 of the Balancing and Settlement Code. If a term is defined in both the Settlement Agreement and the Balancing and Settlement Code then in relation to Settlement Days prior to the Go-Live Date the Settlement Agreement definition shall apply and in relation to Settlement Days on or after the Go-Live Date the Balancing and Settlement Code definition shall apply.
- 1.3 The headings in this Agreement are for ease of reference only and shall not affect its interpretation.
- 1.4 In this Agreement, references to "include" or "including" are to be construed without limitation to the generality of the preceding words.

2. CONDITIONS PRECEDENT

- 2.1 The provisions of Clauses 4, 6, 7, 8, 10 and 12 to 16 inclusive of this Agreement are conditional upon each of the following conditions precedent being fulfilled:
- 2.1.1 the User holding an Electricity Supply Licence;
 - 2.1.2 the Company holding an Electricity Distribution Licence;
 - 2.1.3 both parties having entered into the Master Connection and Use of System Agreement and any necessary supplemental agreement pursuant to it;
 - 2.1.4 both parties being a party to the Balancing and Settlement Code;
 - 2.1.5 both parties being a party to the Settlement Agreement if appropriate;
 - 2.1.6 there being in full force and effect as between the parties the Master Registration Agreement and Data Transfer Service Agreement, such agreements being unconditional save for any conditions that this Agreement becomes unconditional; and
 - 2.1.7 where the User does not hold an Approved Credit Rating, provision by the User of any Cover that may be required by the Company in accordance with Schedule 1.
- 2.2 Clause 2.1.5 shall only apply if, and to the extent that, the User supplied electricity prior to the Go-live Date under an agreement for the use of the Distribution System.
- 2.3 If the conditions precedent set out in Clause 2.1 are not fulfilled at the date hereof each party shall use reasonable endeavours to procure the fulfilment of those conditions relating to it which have not already been fulfilled.
- 2.4 Once each of the conditions precedent in Clause 2.1 has been fulfilled, each party shall use reasonable endeavours to keep such conditions precedent relating to it fulfilled throughout the term of this Agreement.
- 2.5 If any of the conditions precedent set out in Clause 2.1 has not been fulfilled or waived within 3 months of the execution of this Agreement then, subject to any accrued rights and obligations of either party (including any claim either party may have pursuant to the provisions of Clause 2.3 or 2.4) this Agreement shall automatically terminate.

3 SUPPLY CONTRACTS

- 3.1 The User shall procure that on each occasion on which it or any Relevant Exempt Supplier enters into a Supply Contract (whether written, oral or deemed) that either:
- 3.1.1 there are included in the Supply Contract the terms set out in Schedule 2 Part B or other terms having the same effect as those terms and such terms are brought to the attention of the Customer before the Supply Contract is entered into and the User shall on request provide the Company with accurate and complete copies of the User's then current Supply Contract; or
 - 3.1.2 the User shall and shall procure that each sub-agent of the User (including any Relevant Exempt Supplier) shall procure that the Customer enters into a Standard Connection Agreement in relation to the connection of each Exit Point through which electricity to the relevant Metering Points will flow and that there is included in the Supply Contract the term set out in Part A of Schedule 2 or a term having the same effect as that term and that such term is brought to the attention of the relevant Customer before the Supply Contract is entered into.
 - 3.1.3 The User shall and shall procure that any sub-agent shall:
 - 3.1.3.1 not pledge the credit of the Company in any way;
 - 3.1.3.2 not make or give any representation or warranty in relation to the Company unless the representation or warranty itself has been expressly approved in writing by the Company;
 - 3.1.3.3 not agree or purport to agree to any obligations on the Company other than those in the Standard Connection Agreement; and

3.1.3.4 not agree or purport to agree any variation to the Standard Connection Agreement.

- 3.2 The User shall not enter into any Standard Connection Agreements with Customers after the date falling six months after the coming into force of Section 30 of the Utilities Act 2000.
- 3.3 The User shall indemnify the Company against all actions, proceedings, costs, demands, claims, expenses, liability, loss or damage arising from or incurred by the Company as consequence of, the User or any other Relevant Exempt Supplier failing to comply with Clause 3.1. Where the User or any other Relevant Exempt Supplier does not on the Company's reasonable request, in the context of an actual or threatened dispute, difference or disagreement with the relevant Customer, provide sufficient evidence to establish in any such case that the terms set out in Schedule 2 were incorporated into the relevant Supply Contract in accordance with Clause 3.1 then the User shall indemnify the Company as if no such terms had been incorporated into the relevant Supply Contract. Where such records are released to the Company such records shall be subject to the Company's obligations of confidentiality under Clause 20.
- 3.4 The User shall not make or permit any variation of the terms in Schedule 2 included in the Supply Contract to take effect without the prior written consent of the Company. In the event that the User makes or permits any such variation Clause 3.3 shall apply to the terms, as if the terms set out in Schedule 2 had not been incorporated into the Supply Contract.
- 3.5 Where the User or any Relevant Exempt Supplier has incorporated the terms set out in Schedule 2 into the Supply Contract or has procured a Standard Connection Agreement and the Company intends to negotiate non-standard terms to apply in addition to or in substitution for the terms in Schedule 2 incorporated into that Supply Contract, the Company shall notify the User that the Company intends that non-standard terms will apply in respect of that connection. Where non-standard terms are agreed, the Company shall notify the User as soon as reasonably practicable of any non-standard terms which affect the Use of System Charges payable in respect of that Customer.
- 3.6 The User shall on request and as soon as reasonably practicable make any variation to the terms of the Supply Contracts that the Company reasonably requires in connection with the distribution of electricity in accordance with the provisions of the Supply Contract and subject only to the obligations of the User to comply with the Relevant Instruments.

4. USE OF SYSTEM

- 4.1 Subject to the terms of this Agreement, the Company shall transport electricity through the Distribution System to each Exit Point relating to a Metering Point or Metering Points registered to the User under the Master Registration Agreement or in ERS subject to any arrangements made between the respective Customers and the Company and the requirements (if any) of the respective Customers agreed between such Customers and the Company up to the Maximum Capacity (if any) and subject to such variations (if any) as may be permitted by the Regulations.
- 4.2 The obligation of the Company to transport electricity to a particular Exit Point pursuant to Clause 4.1 is in each case subject to:
- 4.2.1 the User, being authorised by its Electricity Supply Licence to supply electricity to each of the premises to be supplied with electricity through such Exit Point;
 - 4.2.2 there being a Connection Agreement in full force and effect relating to the connection of the relevant Customer's Installation or that the terms in Schedule 2 have been incorporated into the relevant Supply Contract;
 - 4.2.2 the User being validly registered under the Master Registration Agreement or in ERS in respect of each Metering Point relating to Customers to be supplied by the User through such Exit Point;
 - 4.2.4 the Company receiving confirmation that a Meter Operator, Data Collector and Data Aggregator, which in each case has been Accredited, have been appointed for each Metering Point relating to Customers to be supplied through such Exit Point. (No Meter Operator is required to be appointed in relation to an Unmetered Supply and no Data Aggregator, Meter Operator or Data Collector is required to be appointed for an ERS Metering Point);
 - 4.2.5 subject to Clause 12.9, the Company receiving confirmation that metering equipment has been installed in accordance with Clause 12;

- 4.2.6 where applicable, the Company receiving confirmation that the User has given notice of that Exit Point to NGC pursuant to the Connection and Use of System agreement Master Connection and Use of System Agreement;
- 4.2.7 where the User intends to supply any Unmetered Supply there being in full force and effect in relation to each relevant Exit Point an Unmetered Supplies Certificate and an Unmetered Connection Agreement;
- 4.2.8 where the User intends to supply an Unmetered Supply which is to be submitted to Settlement on the basis of half-hourly data generated by an Equivalent Meter, a Meter Administrator having been and remaining appointed by the Customer; and
- 4.2.9 the Company not being entitled under Schedule 6 of the Act to refuse to furnish a supply of electricity, or to cut-off a supply of electricity that is already furnished, through its Distribution System to that Exit Point.

5. COMMENCEMENT AND DURATION

- 5.1 Subject to Clause 2, and to Clause 5.2, this Agreement shall take effect on the date hereof and shall continue in force until terminated in accordance with the provisions of Clause 18.
- 5.2 From the date hereof, the Company shall provide, and the User shall be entitled to receive, Use of Distribution System only insofar as it relates to:
 - 5.2.1 supplies of electricity to premises in relation to which the Authority has directed, that Condition 4B of the Electricity Distribution Licence should have effect; and
 - 5.2.2 supplies of electricity to premises permitted pursuant to the Electricity Supply Licence; or

6. CHARGES

- 6.1 The User shall pay to the Company in respect of Use of Distribution System the charges set out in Schedule 3. The Company may vary such charges at any time by giving at least 40 days written notice to the User. Such charges (the "**Use of System Charges**") and any variations are and will be calculated in accordance with the Condition 4 Statement and the Condition 36 Statement or pursuant to the provisions of Condition 48 in the Electricity Distribution Licence. The Use of System Charges shall be deemed to include:
 - 6.1.1 charges for the Use of Distribution System provided by the Company to the User under this Agreement;
 - 6.1.2 charges for certain services provided by the Company to the User pursuant to:
 - (A) any Meter Operation Services Agreement as amended from time to time; and
 - (B) the Master Registration Agreement as amended from time to time.
 as identified in each such agreement as being recoverable by the Company as an element of the charges which it levies on the User under this Agreement; and
 - 6.1.3 charges that the Company is required to make pursuant to Condition 48.
- 6.2 On any occasion upon which the charges payable by the User under this Agreement have not been calculated strictly in accordance with the Condition 4 Statement and/or Condition 36 Statement and/or Condition 48 of the Electricity Distribution Licence an appropriate adjustment shall be made by the Company and submitted to the User. Where:
 - (A) the adjustment discloses an overcharge, the Company shall repay to the User the amount by which the User has been overcharged together with interest thereon from the due date of the invoice containing the overcharge until the date of repayment. Such interest shall accrue from day to day at the base lending rate during such period of Barclays Bank Plc, compounded annually; or
 - (B) the adjustment discloses an undercharge, the User shall pay to the Company the amount, by which the User has been undercharged together in the case of all charges which are not Transactional Charges with interest thereon from the due date of the invoice which should have included the amount of the undercharge until the date of payment. Such interest shall accrue from day to day at the base lending rate during such period of Barclays Bank Plc, compounded annually.

Where the User disputes the adjustment, the parties shall attempt to resolve the dispute in good faith. Where the dispute remains unresolved after 20 Working Days either party may refer the dispute to arbitration in accordance with Clause 22 and the parties agree to pay the amount payable or repayable (if any) as determined thereby.

- 6.3 The Company shall invoice Use of System Charges (but excluding any charges calculated by reference to number or frequency of specific transactions) by reference to Settlement Class using aggregated data obtained from the Supercustomer DUoS Report except in relation to those Metering Points registered to the User under the Master Registration Agreement or in ERS where:
- 6.3.1 the supply of electricity is measured by Half-Hourly Metering Equipment (as defined in Annex X-1 of the Balancing and Settlement Code) for the purposes of Settlement; and/or
 - 6.3.2 the Use of System Charge is not comprised solely of one or more standing charge(s) and/or one or more Unit Rate(s); and/or
 - 6.3.3 the Use of System Charge is specified in Schedule 3 as not being billed by Settlement Class.
- 6.4 All Use of System Charges payable by the User pursuant to this Clause 6 and Clauses 7 and 8:
- 6.4.1 are exclusive of Value Added Tax and the Company may add to such amounts and the User shall pay Value Added Tax (if any) at the rate applicable thereto from time to time and Value Added Tax shall be payable at the same time and in the same manner as the amounts to which it relates; and
 - 6.4.2 shall be without prejudice to any claims or rights which the User may have against the Company and except as expressly permitted by Schedule 6 below shall be made without any set-off or deduction in respect of any claims or disputes or otherwise.
- 6.5 The User shall provide Cover in accordance with the provisions of Schedule 1.
- 6.6 The Company may charge the User Use of System Charges calculated by reference to electricity discovered or reasonably and properly assessed to have been consumed by a Customer while a customer of the User but not recorded at the time of consumption (for whatever reason) by the metering equipment installed pursuant to Clause 12.1. At any time when the Company charges the User Use of System Charges under this Clause, it shall explain to the User the calculation of those charges and the basis of that calculation.
- 6.7 The User shall pay to the Company in respect of any services provided under this Agreement the charges set out in the relevant Schedule or (if no such charge is specified in this Agreement or agreed between the parties) the Condition 4 Statement.
- 6.8 Without prejudice to Clause 6.1, where the Company is intending to revise the charges set out in Schedule 3 and Schedule 4, it shall serve a copy of any notice it sends to the Authority pursuant to Condition 4 paragraph 13 of the Electricity Distribution Licence on the User as soon as reasonably practicable after such notice is sent to the Authority.
- 6.9 The Company may charge the User Use of System Charges calculated by reference to electricity assessed to have been consumed by a Customer while a Customer of the User during a period in which the User was supplying electricity to that Customer in accordance with a last resort supply direction issued by the Authority in accordance with Condition 29 of the User's Electricity Supply Licence from the time that last resort supply direction takes effect. This right subsists from the date the last resort supply direction takes effect and continues irrespective of whether or not the Metering Point applying to the Customer is registered to the User in accordance with the Master Registration Agreement until such time as the relevant Metering Point is registered to another supplier in accordance with the terms of the Master Registration Agreement.

7. BILLING AND PAYMENT BY SETTLEMENT CLASS

- 7.1 This Clause 7 applies to Use of System Charges which are invoiced by reference to Settlement Class in accordance with Clause 6.3.
- 7.2 The User shall procure the delivery to the Company of Supercustomer DUoS Reports in accordance with the timetable for Settlement after each Settlement Run relating to each Settlement Day. Following receipt of each Supercustomer DUoS Report, the Company shall deliver Daily Statements to the User as soon as reasonably practicable.

- 7.3 The Company shall submit to the User as soon as is reasonably practicable after the end of each charging period an account ("**Initial Account**") specifying Use of System Charges payable in respect of each Initial Settlement Run in respect of which a Daily Statement has been produced and which has not previously been included in an Initial Account. Such Initial Accounts shall be based upon the Daily Statements provided pursuant to Clause 7.2.
- 7.4 Where a subsequent Daily Statement for any Settlement Day indicates that, as a result of a subsequent Reconciliation Run, Final Reconciliation Run, Ad-Hoc Settlement Run or Dispute Final Reconciliation Run, the Use of System Charges in respect of that Settlement Day are different to those previously billed, the Company shall calculate such difference and the interest thereon and shall submit an account ("**Reconciliation Account**") in respect of such difference to the User as soon as reasonably practicable after the end of each charging period. Such interest shall be calculated in accordance with Schedule 5.
- 7.5 Within 14 days of the date of an Initial Account or Reconciliation Account submitted in accordance with Clauses 7.3 or 7.4, the User shall pay to the Company all sums due in respect of such Initial Account or Reconciliation Account in pounds sterling by electronic transfer of funds to such bank account (located in the United Kingdom) as is specified in the Initial Account or Reconciliation Account, quoting the Initial Account or Reconciliation Account number against which payment is made and/or such other details as the Company may reasonably require. Subject to Clause 7.6, if any amount remains unpaid after the due date of any sum due in accordance with this Clause 7.5, the Company shall (in addition to any other remedies and interest payable under Clause 7.4) be entitled to charge interest on the amount unpaid, including interest on any Value Added Tax unpaid, at the rate of 3% per annum above the base lending rate during such period of Barclays Bank Plc, compounded annually.
- 7.6 Where any sum included in an Initial Account or Reconciliation Account submitted in accordance with Clauses 7.3 or 7.4 is disputed by the User, the provisions of Schedule 6 shall apply.

8. SITE SPECIFIC BILLING AND PAYMENT

- 8.1 This Clause 8 applies to Use of System Charges in relation to Metering Points that fall within sub-Clauses 6.3.1 - 6.3.3 (inclusive).
- 8.2 As soon as is reasonably practicable after the end of each charging period, the Company shall submit to the User an account specifying the Use of System Charges payable for the whole or any part of that charging period. Such account shall be based on:
- 8.2.1 data from metering equipment or any Equivalent Meter provided by the User in accordance with Clause 12.2 or, where actual data are not available, estimated data prepared in accordance with methods of estimation established under the Settlement Agreement or as appropriate the Balancing and Settlement Code by the relevant Data Collector; and
- 8.2.2 other data as specified in the Condition 4 Statement and/or the relevant Connection Agreement.

Provided that the Company may use estimated data prepared by the Company where the User fails to provide the data under Clause 8.2.1 and 8.2.2.

Where an account is based on estimated data, the account shall be subject to any adjustment which may be necessary following the receipt of actual data from the User.

- 8.3 Within 14 days of the date of an account submitted in accordance with Clause 8.2, the User shall pay to the Company all sums due in respect of such account by electronic transfer of funds to such bank account (located in the United Kingdom) as is specified in the account, quoting the account number against which payment is made and/or such other details as the Company may reasonably require. Subject to Clause 8.4, if any amount remains unpaid after the due date thereof, the Company shall (in addition to any other remedies) be entitled to charge interest on the amount unpaid, including interest on any Value Added Tax unpaid, at the rate of 3% per annum above the base lending rate during such period of Barclays Bank Plc, compounded annually.
- 8.4 Where any sum included in an account submitted in accordance with Clause 8.2 is disputed by the User the provisions of Schedule 6 shall apply.

9. LIMITATION OF LIABILITY

9.1 Subject to Clause 9.5 and save as provided in this Clause 9.1 and Clause 9.2 and save where any provisions of this Agreement provide for an indemnity neither party (the "**party liable**") nor any of its officers, employees or agents shall be liable to the other party for loss arising from any breach of this Agreement other than for loss directly resulting from such breach and which at the date hereof was reasonably foreseeable as not unlikely to occur in the ordinary course of events from such breach in respect of:

9.1.1 physical damage to the property of the other party, its officers, employees or agents; and/ or

9.1.2 the liability of such other party to any other person for loss in respect of physical damage to the property of any person.

Provided that the liability of either party in respect of all claims for such loss shall in no circumstances exceed £1 million per incident or series of related incidents;

And provided further that either party shall be entitled:

(A) to deduct from any sums payable in respect of its liability for loss or damage in respect of any event under this Agreement any sums which it is liable to pay to a person who has a connection to the Distribution System or any other person in respect of the same loss or damage in respect of the same event; and

(B) where it has already made payment in respect of its liability for loss or damage in respect of an event under this Agreement at the time at which it becomes liable to pay to any other person in respect of the loss or damage in respect of the same event, to reclaim from the other party the amount of its liability to that other person but not exceeding the amount already paid to the other party in respect of loss or damage in respect of the same event.

PROVIDED THAT where either party becomes aware of any claim, difference, dispute or proceedings (actual or threatened) which it reasonably expects may lead to a liability to a person other than the other party in respect of an event which may give rise to a liability to the other party under this Agreement and which may fall within the provisos (A) and (B) to this Clause 9.1 that party shall consult with the other party as to the conduct of that or those claim, difference, dispute or proceedings (actual or threatened).

9.2 Nothing in this Agreement shall exclude or limit the liability of the party liable for death or personal injury resulting from the negligence of the party liable or any of its officers, employees or agents and the party liable shall indemnify and keep indemnified the other party, its officers, employees or agents, from and against all such liability and any loss or liability which such other party may suffer or incur by reason of any claim on account of death or personal injury resulting from the negligence of the party liable or any of its officers, employees or agents.

9.3 Subject to Clause 9.5 and save where any provision of this Agreement provides an indemnity neither party, nor any of its officers, employees or agents, shall in any circumstances whatsoever be liable to the other party for:

9.3.1 any loss of profit, loss of revenue, loss of use, loss of contract or loss of goodwill; or

9.3.2 any indirect or consequential loss; or

9.3.3 loss resulting from the liability of such other party to any other person howsoever and whenever arising save as provided in Clauses 9.1 and 9.2.

9.4 The rights and remedies provided by this Agreement to the parties are exclusive and not cumulative and exclude and are in place of all substantive (but not procedural) rights or remedies express or implied and provided by common law or statute in respect of the subject matter of this Agreement, including any rights either party may possess in tort which shall include actions brought in negligence and/or nuisance. Accordingly, each of the parties hereby waives to the fullest extent possible all such rights and remedies provided by common law or statute, and releases the party liable, its officers, employees and agents to the same extent from all duties, liabilities, responsibilities or obligations provided by common law or statute in respect of the matters dealt with in this Agreement and undertakes not to enforce any of the same except as expressly provided herein.

9.5 Save as otherwise expressly provided in this Agreement, this Clause 9 insofar as it excludes or limits liability shall override any other provision in this Agreement provided that nothing in this Clause 9 shall exclude or restrict or otherwise prejudice or affect any of:

9.5.1 the rights, powers, duties and obligations of either party which are conferred or created by the Act, any licence granted pursuant to the Act or any subordinate legislation made under the Act; or

- 9.5.2 the rights, powers, duties and obligations of the Authority or the Secretary of State under the Act, any such licence or otherwise howsoever.
- 9.6 Each of the sub-Clauses of this Clause 9 shall:
 - 9.6.1 be construed as a separate and severable contract term, and if one or more of such sub-Clauses is held to be invalid, unlawful or otherwise unenforceable the other or others of such sub-Clauses shall remain in full force and effect and shall continue to bind the parties; and
 - 9.6.2 survive termination of this Agreement.
- 9.7 Each party hereby acknowledges and agrees that the other party holds the benefit of Clauses 9.1 and 9.2 and 9.3 above for itself and as trustee and agent for its officers, employees and agents.
- 9.8 Each party hereby acknowledges and agrees that the provisions of this Clause 9 have been the subject of discussion and negotiation and are fair and reasonable having regard to the circumstances as at the date hereof.
- 9.9 Nothing in this Clause 9 shall prevent or restrict either party enforcing any obligation (including suing for a debt) owed to it under or pursuant to this Agreement.
- 9.10 Where either party, in breach of its obligations under Clause 24.4.3, fails to deliver any notice, request or other communication to the recipient's Gateway and such failure occurs for reasons outside that party's direct control, the breaching party shall have no liability to the other under this Agreement and the parties shall rely instead upon the provisions of the Data Transfer Service Agreement.

10. ENERGISATION, DE-ENERGISATION AND RE-ENERGISATION

- 10.1 Energisation Works, De-energisation Works and Re-energisation Works carried out by or on behalf of the User pursuant to this Clause 10 shall be carried out by a person who is either engaged by the Company to carry out such work or who:
 - 10.1.1 is an Approved Contractor, in accordance with the procedure set out in Schedule 7;
 - 10.1.2 is a Competent Person to whom a Permission has been issued in accordance with the procedure set out in Schedule 7, to carry out the particular activities comprising the Energisation Works, De-energisation Works or Re-energisation Works; and
 - 10.1.3 acts in accordance with the requirements set out in Schedule 7.
- 10.2 Where:
 - 10.2.1 neither the User nor any of its contractors is an Approved Contractor; or
 - 10.2.2 no employee of the User or any of its contractors (if they are Approved Contractors) holds a Permission; or
 - 10.2.3 the User does not have the rights of access required to undertake such De-energisation Works; or
 - 10.2.4 the parties so agree

The Company shall, to the extent that it may lawfully do so, at the request of the User, when the User is entitled to have carried out De-energisation Works and Re-energisation Works, carry out such works at the cost of the User within a reasonable time or, in circumstances of urgency, as soon as reasonably practicable. The Company shall on request by the User inform the User of its reasonable requirements for the details by reference to which Metering Points to be De-energised or Re-energised are to be identified.
- 10.3 The Company and the User shall both act in accordance with Good Industry Practice when carrying out, or procuring the carrying out of, any Energisation Works, De-energisation Works or Re-energisation Works.
- 10.4 If circumstances exist which entitle the User or any Relevant Exempt Supplier to Energise, De-energise or Re-energise Metering Point(s) pursuant to the Supply Contract with the relevant Customer then, subject to Clause 10.12, the User may Energise, De-energise or Re-energise such Metering Point(s) provided that it acts where

relevant, in accordance with the code of practice on payment of bills and guidance for dealing with customers in difficulty', which the User must submit to and have approved by the Authority in accordance with Condition 35 of the Electricity Supply Licence.

- 10.5 If the User resolves to Energise or Re-energise a Metering Point pursuant to Clause 10.4 then:
- 10.5.1 the User shall decide on the extent and nature of the Energisation Works or Re-energisation Works and the User shall undertake such Energisation Works or Re-energisation Works at its own cost; and
 - 10.5.2 when such Energisation Works or Re-energisation Works are complete the User shall, in accordance with the Master Registration Agreement, instruct the MPAS Operator and, in the case of an ERS Metering Point, such other relevant entity in accordance with the relevant BSC Procedure to register the relevant Metering Point as energised (but only, in the case of an Unmetered Supply, if the Energisation Works or Re-energisation Works have allowed the flow of electricity through each relevant Exit Point).
- 10.6 If the User resolves to De-energise a Metering Point pursuant to Clause 10.4 then:
- 10.6.1 the User shall decide on the extent and nature of the De-energisation Works and the User shall undertake such De-energisation Works at its own cost;
 - 10.6.2 when such De-energisation Works are complete the User shall, in accordance with the Master Registration Agreement, instruct the MPAS Operator and, in the case of an ERS Metering Point, such other relevant entity in accordance with the relevant BSC Procedure to register the relevant Metering Point as de-energised (but only, in the case of an Unmetered Supply, if the De-energisation Works have prevented the flow of electricity through each relevant Exit Point);
 - 10.6.3 where the Company carries out De-energisation Works on behalf of the User pursuant to Clause 10.2 the User shall indemnify the Company against all actions, proceedings, costs, demands, claims, expenses, liability, loss or damage arising from, or incurred by the Company as a consequence of, physical damage to the property of the Company, its officers, employees or agents and in respect of the liability of the Company to any other person for loss in respect of physical damage to the property of any person, in each case as a consequence of acting in reliance on any instructions given by the User to the Company which are materially inaccurate or misleading; and
 - 10.6.4 where the Company carries out De-energisation Works on behalf of the User pursuant to Clause 10.2 the Company shall indemnify the User against all actions, proceedings, costs, demands, claims, expenses, liability, loss or damage arising from, or incurred by the User as a consequence of, physical damage to the property of the User, its officers, employees or agents and in respect of the liability of the User to any other person for loss in respect of physical damage to the property of any person, in each case as a consequence of acting contrary to an accurate and appropriate instruction to De-energise a Metering Point.
- 10.7 The Company may, upon giving the User 2 Working Days' prior written notice, De-energise any Metering Point if:
- 10.7.1 the Company is entitled to do so pursuant to the Connection Agreement relating to such Metering Point; or
 - 10.7.2 any of the conditions set out in Clause 4.2 cease to be fulfilled (or, in the case of Clause 4.2.4, remain unfulfilled 10 Working Days after the service of notice by the Company requiring the User to remedy the situation) in relation to the relevant Exit Point (or, in the case of an Unmetered Supply, any one or more of the relevant Exit Points).
- 10.8 Notwithstanding the provisions of Clause 10.7 the Company may, at any time with no prior notice to the User, De-energise any Metering Point if:
- 10.8.1 the Company is instructed, pursuant to the terms of the Master Connection and Use of System Agreement (as amended from time to time) or the Settlement Agreement or Balancing and Settlement Code as appropriate (as amended from time to time), to do so;
 - 10.8.2 the Company reasonably considers it necessary to do so for safety or system security reasons;

- 10.8.3 the Company reasonably considers it necessary to do so to avoid interference with the regularity or efficiency of its Distribution System;
- 10.8.4 an accident or emergency occurs or threatens to occur which requires the Company to do so to avoid the risk of personal injury to any person or physical damage to the property of the Company, its officers, employees or agents or the property of any other person;
- 10.8.5 it is entitled to do so under Schedule 11; or
- 10.8.6 subject to the terms of a replacement agreement, this Agreement is terminated in accordance with the provisions of Clause 18.

In these circumstances the Company shall inform the User as soon as reasonably practicable and in any event by the end of the next Working Day when MPAS and, in the case of an ERS Metering Point, ERS is available of the fact that the Metering Point has been De-energised.

- 10.9 If the Company resolves to De-energise a Metering Point pursuant to Clause 10.7 or 10.8 then:
 - 10.9.1 the Company shall decide on the extent and nature of the De-energisation Works required to De-energise the relevant Metering Point; and
 - 10.9.2 the Company shall Re-energise the Metering Point as soon as reasonably practicable after the circumstance giving rise to such De-energisation has ended;
 - 10.9.3 except where the Company resolves to De-energise a Metering Point pursuant to Clauses 10.7.1, 10.8.1, 10.8.2, 10.8.3, 10.8.4 or 10.8.6 following termination of this Agreement by the User under Clause 18.4 the Company shall undertake both the De-energisation Works and the subsequent Re-energisation Works at the cost of the User and the User shall pay the Company, the relevant charges listed at Schedule 4 associated with both the De-energisation Works and the subsequent Re-energisation Works.
- 10.10 If the Company De-energises a Metering Point pursuant to Clause 10.7 or 10.8 and such Metering Point remains De-energised for a period of 3 Working Days then:
 - 10.10.1 the Company shall forthwith instruct the User to send a Registration Notice to the MPAS Operator and, in the case of an ERS Metering Point, to such other relevant entity in accordance with the relevant BSC Procedure instructing it to register the relevant Metering Point as de-energised (but only, in the case of an Unmetered Supply, if the De-energisation works have ceased the flow of electricity through each relevant Exit Point); and
 - 10.10.2 within 2 Working Days of receiving an instruction from the Company pursuant to Clause 10.10.1, the User shall send such a Registration Notice to the MPAS Operator and, in the case of an ERS Metering Point, to such other relevant entity in accordance with the relevant BSC Procedure, notify the relevant Meter Operator.
- 10.11 If the Company Re-energises a Metering Point pursuant to Clause 10.9 then:
 - 10.11.1 if an instruction has been given by the Company under Clause 10.10.1 the Company shall forthwith instruct the User to send a Registration Notice to the MPAS Operator and, in the case of an ERS Metering Point, to such other relevant entity in accordance with the relevant BSC Procedure instructing it to register the relevant Metering Point as energised (but only, in the case of an Unmetered Supply, if the Re-energisation works have allowed the flow of electricity through each relevant Exit Point); and
 - 10.11.2 within 2 Working Days of receiving an instruction from the Company pursuant to Clause 10.11.1, the User shall send such a Registration Notice to the MPAS Operator and, in the case of an ERS Metering Point, to such other relevant entity in accordance with the relevant BSC Procedure.
- 10.12 The User shall not be entitled to Re-energise a Metering Point which has previously been De-energised by the Company on its own behalf (for the avoidance of doubt, not acting on the instructions or at the request of the User) or on behalf of the Company. For the avoidance of doubt, the User shall be entitled to Re-energise a Metering Point which has previously been De-energised by or on behalf of another supplier.

- 10.13 If there is no reasonably foreseeable future use for a Metering Point the User shall be entitled to send to the Company a Disconnection Notice. In respect of any Disconnection Notice sent to the Company pursuant to this Clause, the User shall:
- 10.13.1 warrant that to the best of its knowledge and belief, having exercised Good Industry Practice, the Metering Point has been De-energised and that there is no reasonably foreseeable future use for the Metering Point giving details of any De-energisation Works which it has undertaken and providing an explanation for why there is no reasonably foreseeable future use for the Metering Point; and
- 10.13.2 indemnify the Company against all costs, demands, claims, expenses, liability, loss, or damage which the Company incurs in consequence of acting in reliance on the warranty given in Clause 10.13.1 which proves to be in any way inaccurate or misleading.
- 10.14 If a third party contacts the Company to request directly or indirectly that the Company undertakes works in relation to a Metering Point because there is no reasonably foreseeable future use for that Metering Point and the Company is satisfied that the third party is entitled to make such request then the Company shall contact the relevant User and request it to submit a Disconnection Notice. Upon receiving such a request the User shall send the Company the requested Disconnection Notice unless in the User's reasonable opinion there is a reasonably foreseeable future use for the Metering Point.
- 10.15 If, in any case, in the reasonable opinion of the Company there is a reasonably foreseeable future use for the Metering Point then the Company shall not be obliged to comply with a Disconnection Notice received under Clause 10.13 or 10.14 and where the Company decides not to comply it shall provide the User with the reasons for its decision.
- 10.16 If the Company is of the reasonable opinion that there is no reasonably foreseeable future use for a Metering Point then the Company shall contact the relevant User and request it to submit a Disconnection Notice. Upon receiving such a request the User shall send the Company the requested Disconnection Notice unless in the User's reasonable opinion there is a reasonably foreseeable future use for the Metering Point.
- 10.17 For the avoidance of doubt, the warranty and indemnity contained in Clause 10.13 shall not apply to any Disconnection Notice requested by the Company pursuant to Clause 10.14 and 10.16.
- 10.18 Subject to Clause 10.15, within 5 Working Days of receipt of the Disconnection Notice, the Company shall send a Registration Notice to the MPAS Operator and, in the case of an ERS Metering Point, to such other relevant entity in accordance with the relevant BSC Procedure, instructing it to register the Metering Point as de-registered.
- 10.19 If a Metering Point has been De-energised by or on behalf of a previous supplier and the Company receives a request from the User to Re-energise such Metering Point then:
- 10.19.1 the Company shall Re-energise the Metering Point as soon as reasonably practicable and notify the User of when it expects to carry out the Re-Energisation Works;
- 10.19.2 the Company shall carry out all necessary Re-energisation Works at its own cost and shall then reclaim such costs from the previous supplier; and
- 10.19.3 the Company shall notify the User as soon as the Re-energisation Works are complete and the User shall, within 2 Working Days of receiving such notification, send a Registration Notice to the MPAS Operator and, in the case of an ERS Metering Point, to such other relevant entity in accordance with the relevant BSC Procedure, instructing it to register the relevant Metering Point as energised.
- 10.20 The Company shall notify Customers of and carry out System Outages in accordance with its statutory rights and obligations and Good Industry Practice. The Company shall make appropriate arrangements by December 1998 to provide Users with information about the System Outages it plans to carry out which will or may affect a Customer.
- 10.21 The User shall be entitled to use the enquiry service established by the Company pursuant to Condition 6 of its Electricity Distribution Licence as if the User were a Customer.

11. COMPLIANCE WITH THE DISTRIBUTION CODE

- 11.1 The parties undertake to comply with the Distribution Code.
- 11.2 In the event of any conflict between this Agreement and the Distribution Code the Distribution Code shall prevail.

11A. COMPLIANCE WITH THE METER OPERATOR CODE OF PRACTICE AGREEMENT

The User shall procure that the Meter Operator appointed for each Metering Point supplied shall (where relevant) comply with the Meter Operator Code of Practice.

11B. COMPLIANCE WITH THE RADIO TELESWITCH AGREEMENT

- 11B.1 The Company shall become a party to the Radio Teleswitch. The User shall become a party to the Radio Teleswitch Agreement prior to commencing to supply electricity to a Metering Point which is connected to a radio teleswitch (as such term is defined in the Radio Teleswitch Agreement).
- 11B.2 In the event of any conflict between this Agreement and the Radio Teleswitch Agreement this Agreement shall prevail.

12. METERING DATA AND METERING EQUIPMENT

- 12.1 Subject to Clause 12.9, the User shall at its own cost install and maintain or procure the installation and maintenance of metering equipment at or as close as reasonably practicable to each Exit Point when the User is registered under the Master Registration Agreement or in ERS in respect of the relevant Metering Point. Such metering equipment shall be capable of providing the relevant metering data required by the Company for the calculation of Use of System Charges and such metering equipment shall comply with the requirements as indicated in Schedule 8 in the column headed "Metering Functionality" and those specified in Code of Practice 4 and Schedule 7 of the Act and the Company shall not be obliged to transport a supply of electricity through the relevant Exit Point unless and until the necessary metering equipment has been installed. The User shall procure that the metering equipment installed and maintained pursuant to this Clause 12.1 shall be capable of operating within the accuracy limits specified in Part 1 of Schedule 9.
- 12.2 The User shall provide to the Company without charge such data from metering equipment installed and maintained pursuant to Clause 12.1 and from any Equivalent Meter operated under the Unmetered Supplies Procedure as the Company may reasonably require for:
- 12.2.1 the calculation of Use of System Charges; and
 - 12.2.2 the operation and planning of the Distribution System.

For the purposes of this Clause 12.2 the parties acknowledge that it shall be reasonable for the Company to require any data:

- (A) of a type which prior to 1 August 1998 it received without charge from suppliers; or
- (B) of a type which is provided by the Initial Settlement and Reconciliation Agent or the SVAA in the Supercustomer DUoS Report;

and which in each case is required for the purpose of calculating charges for Use of Distribution System or the operation and planning of the Distribution System.

The User shall collect and provide data to the Company in accordance with this Clause 12.2 in accordance with the requirements set out in Schedule 8 in the columns headed "Meter Reading Frequency" and "Time for Provision of Data to the Distributor".

- 12.3 The User shall not and shall procure that no Relevant Exempt Supplier will change or modify the type of metering equipment installed and maintained pursuant to Clause 12.1 except in accordance with Clause 12.1.
- 12.4 The User shall procure that the Meter Operator, Data Collector and Data Aggregator appointed for each Metering Point supplied in relation to which the supply of electricity is measured by Non-Half Hourly Metering Equipment (as defined in Annex X-1 of the Balancing and Settlement Code) for the purposes of Settlement, shall provide the Company with any data required to be provided to the Distribution Business by the person appointed in that

capacity under, as appropriate, the Meter Operation Services Agreement, Data Collection Services Agreement or Data Aggregation Services Agreement in accordance with the timescales specified in such agreements.

- 12.5 The Company shall be entitled to inspect, test and if necessary require the User to correct any metering equipment installed and maintained pursuant to Clause 12.1. The User shall use its reasonable endeavours including the inclusion of appropriate terms in its Supply Contract, to procure that the employees, agents, sub-contractors and invitees of the Company shall at all reasonable times have safe and unobstructed access to such metering equipment. Where the Company exercises its right under this Clause 12.5 the provisions set out in paragraph 2 of Schedule 9 shall apply.
- 12.6 The Company shall be entitled to install Operational Metering Equipment at or as close as reasonably practicable to any Exit Point in addition to any metering equipment installed and maintained pursuant to Clause 12.1 to collect data for the operation and planning of the Distribution System, but if it exercises this right it shall make no additional charge to the User in respect of such Operational Metering Equipment and shall not except in the case of the failure of metering equipment installed and maintained pursuant to Clause 12.1 use data from the Operational Metering Equipment for the calculation of Use of System Charges. The Operational Metering Equipment need not be certified under paragraph 5 of Schedule 7 of the Act.
- 12.7 Where the Company installs Operational Metering Equipment in accordance with Clause 12.6:
- 12.7.1 the User shall and shall procure that any Relevant Exempt Supplier will ensure that the employees, agents and invitees of the User or Relevant Exempt Supplier (as the case may be) will not interfere with such equipment or the immediate connections to such equipment without the prior written consent of the Company, except to the extent that emergency action has to be taken to protect the health and safety of persons or to prevent serious damage to property proximate to the Operational Metering Equipment; and
- 12.7.2 the User shall and shall procure that any Relevant Exempt Supplier will use its reasonable endeavours including the inclusion of appropriate terms in its Supply Contract, to procure that the employees, agents, sub-contractors and invitees of the Company shall at all reasonable times have safe and unobstructed access to the Operational Metering Equipment. The Company agrees to procure that any individuals to whom access is given pursuant to this Clause 12.7.2 shall comply with all reasonable directions given by the User or the relevant Customer and its appropriately authorised employees and agents as to general safety and site security arrangements.
- 12.8 In relation to any Unmetered Supply under an Unmetered Supplies Certificate, the User and the Company shall comply with the Unmetered Supplies Procedure and in particular the Company shall from time to time calculate and forward to the User the estimated annual consumption of a Customer's Installation which is not subject to Half-Hourly Trading as defined by the Unmetered Supplies Procedure. The User may supply electricity to the whole (but not a part only) of a Customer's Installation in respect of which an Unmetered Supplies Certificate has been issued by the Company.
- 12.9 The provisions of Clauses 12.1, 12.3, 12.4 and 12.5 shall not apply in relation to an Unmetered Supply which the User is permitted to supply under this Agreement. For the avoidance of doubt, when at any time the User ceases to be permitted to supply electricity on the basis that the supply of electricity is an Unmetered Supply, the User shall immediately become bound by all the provisions of this Clause 12 (other than those relating only to an Unmetered Supply).

13. PROVISION OF INFORMATION

13.1 Except for the renewal of an existing Supply Contract entered into after 31 August 1998, as soon as reasonably practicable following either:

- (i) where a Notice of Objection (for the purposes of this Clause 13 as defined in the Master Registration Agreement) is not received in relation to the User's Application for Registration (for the purposes of this Clause 13 as defined in the Master Registration Agreement) in respect of the relevant Metering Point, the expiry of the Objection Raising Period (for the purposes of this Clause 13 as defined in the Master Registration Agreement); or
- (ii) where a Notice of Objection is received in relation to the User's Application for Registration, the withdrawal of the Notice of Objection in relation to the User's Application for Registration,

the User shall provide the following information to the Company in respect of any Exit Point through which the relevant supply is to be delivered:

13.1.1 the relevant Supply Number core data (as defined in the Master Registration Agreement);

13.1.2 the relevant Customer's name;

13.1.3 the Metering Point address relating to each Supply Number; and

13.1.4 the Customer's Maximum Power Requirement if:

(A) the Customer is not a Domestic Customer (as defined in the Electricity Supply Licence);

(B) the Customer has a Maximum Power Requirement not less than 20 kVA; and,

(C) the Customer is a new owner or occupier of the site.

13.2 Except for the renewal of an existing Supply Contract entered into after 31 August 1998, as soon as reasonably practicable following either:

- (i) where a Notice of Objection is not received in relation to the User's Application for Registration in respect of the relevant Metering Point, the expiry of the Objection Raising Period; or
- (ii) where a Notice of Objection is received in relation to the User's Application for Registration, the withdrawal of the Notice of Objection in relation to the User's Application for Registration,

the User shall use reasonable endeavours to provide the following information to the Company in respect of any Exit Point through which the relevant supply is to be delivered:

13.2.1 the contact name for the Customer if different from the Customer's name; and

13.2.2 the Customer's postal address if different from the Metering Point address.

13.3 The User shall use reasonable endeavours to notify the Company of any changes to the details set out in Clause 13.1 and Clause 13.2 as soon as reasonably practicable following that change by reference to the Supply Number.

13.4 Where the User or its agent or any Relevant Exempt Supplier receives a report or enquiry from any person about any matter or incident that does or is likely to:

13.4.1 cause danger or require urgent attention in relation to the supply or distribution of electricity in the Company's Distribution Services Area (as defined in the Electricity Distribution Licence) through the Distribution System; or

13.4.2 affect the maintenance of the security, availability and quality of service of the Distribution System,

the User shall notify the Company of such report or enquiry in a prompt and appropriate manner having regard to the nature of the incident to which the report relates. The User shall notify the Company by telephone or post using the telephone number and postal address identified in the Security and Safety of Supplies Statement or such other telephone number as may from time to time be notified in writing by the Company. If the User does not discharge its obligation under Condition 15 of the Electricity Supply Licence by providing to customers the address and telephone number of the Company's enquiry service established pursuant to Condition 6 of the

Electricity Distribution Licence, the User shall notify the Company of reports received from customers in accordance with this Clause 13.4.

- 13.5 The User shall, with the consent of any Customer who may be expected, by virtue of being of pensionable age or disabled or chronically sick, to require advance notice of interruptions to the supply of electricity, provide the Company with appropriate details concerning that Customer and his requirement within 3 Working Days of receiving such requirements pursuant to its obligations under Condition 37 of the Electricity Supply Licence.
- 13.6 The User shall, with the consent of any Customer who has agreed a password with the User or any Relevant Exempt Supplier for access to the Customer's premises, provide the Company with appropriate details concerning that Customer and his password within 2 Working Days of notification of such password by the Customer.
- 13.7 The User shall use reasonable endeavours to ensure that all the facts, information and other details provided pursuant to Clause 13.5 and 13.6 shall throughout the duration of this Agreement remain true, accurate and complete in all respects.

14. DEMAND CONTROL

- 14.1 The parties undertake to comply with Schedule 11.
- 14.2 The parties agree to review the operation of the provision of Schedule 11 from time to time or when directed to do so by the Authority (not being before April 1999) and upon concluding such a review shall make proposals, if any, for variations to the Schedule.

15. REVENUE PROTECTION

- 15.1 Where the Company provides a revenue protection service it shall do so in accordance with the provisions of the Revenue Protection Code of Practice and charges for the services shall be calculated as follows:
 - 15.1.1 "standard services" (as described in the Revenue Protection Code of Practice) shall be calculated in accordance with the charges set out in Part 1 of Schedule 4, or if no such charges are set out, in accordance with the Condition 4 Statement; and
 - 15.1.2 "Transactional Services" (as described in the Revenue Protection Code of Practice) shall be calculated in accordance with the charges set out in Part 1 of Schedule 4;and all such charges shall be paid in accordance with Part 2 of Schedule 4.
- 15.2 The User shall comply with its obligations under the Revenue Protection Code of Practice.

16. GUARANTEED PERFORMANCE STANDARDS

- 16.1 To the extent that, due to an act or omission on the part of the Company, compensation would be payable by the User pursuant to the ESPR to the Customer then the Company shall make an equivalent compensation payment to the User for the benefit of the Customer in accordance with the provisions of this Clause 16.
- 16.2 To the extent that, due to circumstances other than those described in Clause 16.1, compensation pursuant to the ESPR would be payable to the Customer by the Company then the Company shall not be liable to make any payment to the User for the benefit of the Customer.
- 16.3 In the circumstances described in Clause 16.1, the Company will comply with the terms and procedures of the ESPR provided that:
 - 16.3.1 the User shall be deemed to be a "person having apparent authority to represent the Customer" for the purposes of ESPR regulation 2(4)(d) if the Customer independently contacts the User in relation to a matter which forms the basis of the Customer's claims under the ESPR; and
 - 16.3.2 where the ESPR require the Company to "pay to the customer the Prescribed Sum" the Company shall pay the User the Prescribed Sum for the benefit of the Customer and the User shall pass the payment on to the Customer as soon as reasonably practicable.

- 16.4 If the Customer contacts the User in relation to a matter which might form the basis of a claim under the ESPR then the User shall diligently record the details of the Customer's complaint and shall not agree or imply that the Customer's complaint is valid unless the matter is one which would be governed by Clause 16.2. If the matter is one which in the User's reasonable opinion will be governed by Clause 16.1 then the User shall pass on the details of the Customer's complaint to the Company as soon as reasonably practicable together with details of the Customer's name and address. In such circumstances the Prescribed Period will relate to the time at which the Customer or the User on behalf of the Customer contacts the Company and the time at which the Customer contacts the User will not be relevant to the calculation of the Prescribed Period.
- 16.5 If the Customer contacts the Company in relation to a matter which might form the basis of a claim under the ESPR then the Company shall diligently record the details of the Customer's complaint and shall not agree or imply that the Customer's complaint is valid unless the matter is one which would be governed by Clause 16.1. If the matter is one which in the Company's reasonable opinion will be governed by Clause 16.2 then the Company shall tell the Customer to contact the User direct. In such circumstances the Prescribed Period will relate to the time at which the Customer contacts the User and the time at which the Customer contacts the Company will not be relevant to the calculation of the Prescribed Period.
- 16.6 When the User has received a payment from the Company pursuant to Clause 16.3.2 then the User shall pass such payment to the Customer as soon as reasonably practicable and if, due to the User's delay, an additional payment becomes due pursuant to ESPR regulation 14 then this additional payment shall be the liability of the User.
- 16.7 Neither party shall lead a Customer to believe that he has a valid claim for a guaranteed standard payment by reason of the action or default of the other party. Where however a Customer does have a valid claim, a breach of the provisions of this Clause 16.7 shall not excuse the party against whom the claim lies from making the relevant payment.
- 16.8 In the event of a dispute between the Company and the User as to which party is liable to pay compensation pursuant to Clause 16.1 or 16.2 then in the first instance the Company shall make the compensation payment for the benefit of the Customer and then the dispute shall be referred to the Authority and shall be deemed to be a dispute which may be referred to the Authority by either party in accordance with Section 39B of the Act and ESPR regulation 13. The rules on "Presumptions and evidence" contained in ESPR regulation 16 and all other relevant provisions of the ESPR shall be deemed to apply to any such dispute.
- 16.9 The Company shall, provide the User with a report on its performance against the ESPR regulations on the standards of performance.

17. VARIATIONS

- 17.1 The parties acknowledge and agree the desirability of achieving and maintaining consistency and the absence of conflict between the provisions of this Agreement and each of the Relevant Instruments. However, the parties recognise that, due principally to the different functions and objectives of this Agreement and of the Relevant Instruments, the fact that not every Relevant Instrument binds both the Company and the User, and the different procedures for the variation of this Agreement and of the Relevant Instruments, it will not in all circumstances be possible to avoid inconsistency or conflict.
- 17.2 The parties acknowledge that either the Settlement Agreement or the Balancing and Settlement Code may be amended from time to time in a manner which is likely to change the User's requirements for the provision of Use of Distribution System. Whenever such a change occurs the User may serve upon the Company a notice setting out the change to the Settlement Agreement or the Balancing and Settlement Code and the consequent amendments to the Agreement which it believes are required. Upon receipt of such notice by the Company, the parties shall negotiate in good faith the terms of any amendments. If amendments to the Agreement have not been agreed and put into place within 14 days after the User serves its notice proposing changes, either party shall be entitled to refer the matter to the Authority, pursuant to Condition 4C of the Electricity Distribution Licence.
- 17.3 The Company may propose amendments to this Agreement to the extent necessary to ensure that any change to, or the coming into force of, any Relevant Instrument does not materially affect the Company's ability to perform, or the cost to it of performing, any of its obligations under this Agreement. Any such proposal shall be in writing and shall specify:
- 17.3.1 the Relevant Instrument concerned;
 - 17.3.2 where relevant, the nature of the change to such Relevant Instrument relied on by the Company;
 - 17.3.3 the proposed amendments to the Agreement;

- 17.3.4 the reasons why the Company considers the proposed amendments to be within the scope of this Clause 17.3;
- 17.3.5 that similar amendments shall be proposed by the Company in respect of each subsisting agreement which it has entered into in its Authorised Area for the provision of Use of Distribution System services and which is similarly affected; and
- 17.3.6 that, so far as the Company is reasonably able, taking account of all relevant factors, the amendments will result in the lowest practicable increase in the charges payable for the Use of Distribution System services having regard to the other options available.
- 17.4 Unless the User serves a counter-notice within 28 days of receipt of such proposal, such proposed amendment to the Agreement shall take effect upon the expiry of such 28 day period. Where the User serves a counter-notice, both parties shall negotiate in good faith the terms of any such variation, but if a variation to the Agreement has not been agreed and put into effect within 28 days after it has been proposed by the Company, either party shall be entitled to refer the matter to the Authority pursuant to Condition 4C of the Electricity Distribution Licence.
- 17.5 Nothing in this Agreement shall oblige either party to act at any time in a manner contrary to any existing, new or changed Relevant Instrument.
- 17.6 Without prejudice to Clause 17.2 and 17.3, either party shall at any time be entitled to propose amendments to this Agreement by notice in writing to the other party. The parties shall negotiate in good faith the terms of any such variation, but if a variation to this Agreement has not been agreed and put into effect within 28 days after it has been proposed, either party shall be entitled to refer the matter to the Authority, pursuant to Condition 4C of the Electricity Distribution Licence.
- 17.7 The parties shall give effect to any determination made by the Authority pursuant to Condition 4C of the Electricity Distribution Licence in relation to this Agreement. If the Authority determines that amendments to the Agreement are required, the Company shall make such amendments as have been specified by it.
- 17.8 Except where this Agreement provides to the contrary, no amendment to this Agreement shall be effective unless in writing signed by both parties.
- 17.9 The parties agree to discuss the establishment of any forum, proposed by the Authority, for the purpose of discussing the setting of charges and the provision of services for Use of Distribution System.

18. TERMINATION

- 18.1 The User may terminate this Agreement by giving the Company 3 months' notice in writing (or such lesser period as may be agreed between the parties).
- 18.2 The Company may terminate this Agreement by giving the User 3 months' notice in writing (or such lesser period as may be agreed between the parties) save that the Company shall not be entitled to terminate pursuant to this Clause 18.2 for so long as it is required to offer terms for Use of Distribution System to the User pursuant to the Electricity Distribution Licence.
- 18.3 The Company may terminate this Agreement with immediate effect by notice to the User on or at any time if the User shall fail to pay (other than by inadvertent error in funds transmission which is discovered by the Company, notified to the User and corrected within two Working Days thereafter) any amount properly due or owing from it pursuant to the terms of this Agreement and such default is unremedied at the expiry of the period of 7 Working Days immediately following receipt by the User of written notice from the Company of such non-payment.
- 18.4 A party (the **"Initiating Party"**) may terminate this Agreement with immediate effect by notice to the other party (the **"Breaching Party"**) on or at any time after the occurrence of any of the following events:
- 18.4.1 the Breaching Party being in material breach of any of the material terms or conditions of this Agreement and, if the breach is or was capable of remedy, having failed to remedy the breach within 30 days of receipt of a notice from the Initiating Party giving full details of the breach, requiring the Breaching Party to remedy the breach and stating that a failure to remedy the breach may give rise to termination under this Clause 18.4.1;
- 18.4.2 the Breaching Party passing a resolution for its winding-up, or a court of competent jurisdiction making an order for the winding-up or dissolution of the Breaching Party;

- 18.4.3 the making of an administration order in relation to the Breaching Party or the appointment of a receiver or an administrative receiver over, or an encumbrancer taking possession of or selling, the whole or any substantial part or parts of the Breaching Party's assets, rights, or revenues;
- 18.4.4 the Breaching Party making an arrangement or composition with its creditors generally or making an application to a court for protection from its creditors generally;
- 18.4.5 the Breaching Party being unable to pay its debts within the meaning of Section 123 of the Insolvency Act 1986, but as if in that Section the sum of £10,000 was substituted for the sum of £750;
- 18.4.6 without prejudice to Clause 19 a circumstance of Force Majeure which affects the performance by the Breaching Party of substantially all of its obligations under this Agreement continuing for more than 180 days;
- 18.4.7 the Breaching Party ceasing to carry on its business comprising (in the case of the User) the supply of electricity or (in the case of the Company) the distribution of electricity, unless:
 - (A) such cessation is intended to be and is temporary and is caused by a circumstance of Force Majeure; or
 - (B) such cessation involves solely the assignment of rights and/or the sub-contracting or delegation of obligations in accordance with the provisions of Clause 26; or
- 18.4.8 any of the conditions precedent set out in Clause 2.1 ceasing to be satisfied in relation to the Breaching Party and, if the situation is or was capable of remedy, the Breaching Party having failed to remedy the situation within 30 days of receipt of a notice from the Initiating Party giving full details of the condition(s) precedent that has ceased to be fulfilled, requiring the Breaching Party to remedy the situation and stating that a failure to remedy the situation may give rise to termination under this Clause 18.4.8.
- 18.5 Except where expressly stated to the contrary, the rights and obligations of the parties under this Agreement shall cease immediately upon termination of this Agreement. However, termination shall not affect any rights and obligations which have accrued on or before the date of termination.
- 18.6 Clauses 1, 3.3, 6.6, 7-10 (inclusive), 15.1, 18, 20-22 (inclusive) and 24-26 (inclusive) shall survive the termination, for whatever reason, of this Agreement.
- 18.7 Where this Agreement is terminated by the Company under Clause 18.3 or 18.4, the User shall pay to the Company any reasonable costs incurred by the Company as a result of termination.

19. FORCE MAJEURE

- 19.1 If either party (the "**Affected Party**") shall be unable to carry out any of its obligations under this Agreement due to any circumstance of Force Majeure this Agreement shall remain in effect but save as otherwise provided in this Agreement both parties' obligations shall be suspended without liability for the period during which the circumstance of Force Majeure prevails provided that:
 - 19.1.1 the Affected Party gives the other party prompt notice describing the circumstance of Force Majeure, including the nature of the occurrence and its expected duration and, where reasonably practicable, continues to furnish regular reports with respect thereto during the period of Force Majeure;
 - 19.1.2 the suspension of performance is of no greater scope and of no longer duration than is required by the circumstance of Force Majeure;
 - 19.1.3 no obligations of either party that arose before the circumstance of Force Majeure causing the suspension of performance are excused as a result of the Force Majeure;
 - 19.1.4 the Affected Party uses all reasonable efforts to mitigate the impact of the circumstances of Force Majeure and to remedy its inability to perform as quickly as possible; and
 - 19.1.5 immediately after the end of the circumstances of Force Majeure the Affected Party notifies the other party in writing of the same and each party resumes performance of its obligations under this Agreement.

20. CONFIDENTIALITY RESTRICTIONS ON THE COMPANY

20.1 In this Clause 20 "**Confidential Information**" means any information which the Company or any Affiliate or Related Undertaking of the Company either:

- 20.1.1 receives from the User properly under this Agreement; or
- 20.1.2 holds in respect of a Customer supplied by the User which information it has previously acquired in its capacity as the operator of the Distribution Business; or
- 20.1.3 receives from any Customer, which, if received from the User, would fall within Clause 20.1.1; or
- 20.1.4 received from the User in error, but which would usually be considered to be confidential,

and the provisions of this Clause 20 shall apply to such Confidential Information, save where the User notifies or otherwise gives prior written agreement to the Company that such Confidential Information need not be treated as confidential.

20.2 Where the Company or any Affiliate or Related Undertaking of the Company receives or acquires Confidential Information the Company shall (and shall procure that such Affiliate or Related Undertaking shall):

- 20.2.1 not use the Confidential Information for any purpose other than as required or expressly permitted under this Agreement or any other agreement entered into between the Company and the User for the provision of services by the Distribution Business of the Company;
- 20.2.2 without prejudice to Clause 20.2.1, not use the Confidential Information in a manner which may obtain for the Company or any Affiliate or Related Undertaking of the Company (as the case may be) any commercial advantage in the operation of a Supply Business or of the Second Tier Supply Business except, in relation to the information falling within Clause 20.1.2 where the Company supplied electricity to the relevant Customer at the time the information was acquired by the Company;
- 20.2.3 not authorise access to nor disclose any Confidential Information other than:

- (A) to such of the employees of the Company or any Affiliate or Related Undertaking of the Company as require to be informed thereof for the effective performance of the Company's obligations under this Agreement or any other agreement entered into between the Company and the User for the provision of services by the Distribution Business of the Company or for the effective operation of the Distribution Business;
- (B) to such agents, consultants, professional or other advisors and contractors as require to be informed thereof or to provide advice which is in connection with the operation of the Distribution Business;
- (C) to the Authority;
- (D) information which the Company or any Affiliate or Related Undertaking of the Company (as the case may be) is required or permitted to make disclosure of:
 - (1) in compliance with the duties of the Company or any Affiliate or Related Undertaking of the Company (as the case may be) under the Act or any other requirement of a Competent Authority;
 - (2) in compliance with the provisions of any Relevant Instruments;
 - (3) in compliance with any other requirement of law;
 - (4) in response to a requirement of any Stock Exchange or the Panel on Takeovers and Mergers or any other regulatory authority (whether or not similar to those bodies); or
 - (5) pursuant to the arbitration rules of the Electricity Arbitration Association or pursuant to any judicial or other arbitral process or tribunal of competent jurisdiction; or
- (E) in the case of information falling within Clause 20.1.2 to the person who supplied electricity to the relevant Customer at the time such information was acquired by the Company; and

- 20.2.4 take all reasonable steps to ensure that any such person as is referred to in sub-Clauses 20.2.3(A), (B) and (C) above to whom the Company or any Affiliate or Related Undertaking of the Company (as the case may be) discloses Confidential Information does not use that Confidential Information for any purpose other than that for which it was provided and does not disclose that Confidential Information otherwise than in accordance with the provisions of this Clause 20.
- 20.3 The Company warrants that it has effected, and undertakes that it will during the term of this Agreement effect and maintain, all such registrations as it is required to effect and maintain under the Data Protection Act to enable it lawfully to perform the obligations imposed on it by this Agreement. The Company undertakes to comply with the Data Protection Act in the performance of this Agreement.
- 20.4 The User agrees that where the Company uses or discloses Confidential Information in accordance with this Clause 20 such Confidential Information need not be treated as confidential for the purposes of Condition 39 of the Electricity Distribution Licence to the extent of such use or disclosure.
- 20.5 The Company undertakes that, in any case where information to be disclosed by it under this Agreement may lawfully be disclosed only with the prior consent of the person to whom the information relates, it will use its reasonable endeavours to obtain such prior consent so as to enable it, or the User as the case may be, promptly to perform its obligations under this Agreement, provided that where the consent of the Customer is required to be obtained for the purposes of this Agreement, the User (and not the Company) shall have the obligation to obtain such consent under Clause 21.6.

21. CONFIDENTIALITY RESTRICTIONS ON THE USER

- 21.1 In this Clause 21 "**Confidential Information**" means:
- 21.1.1 any information (whether in writing, in disc or electronic form or otherwise) which has been properly disclosed by the Company under this Agreement but which would usually be considered to be confidential but shall not include any information relating to a Customer which has been collected by the Company and disclosed to the User pursuant to this Agreement; and
- 21.1.2 any information which is marked as confidential or which is provided together with a covering letter or fax indicating its confidential nature,
- and to the extent that any Affiliate or Related Undertaking of the User is in possession of Confidential Information the User shall procure that such Affiliate or Related Undertaking observes the restrictions in sub-Clauses 21.2 to 21.4 inclusive as if in each sub-clause there was substituted for the User the name of the Affiliate or Related Undertaking.
- 21.2 The User hereby undertakes to the Company that it will preserve the confidentiality of, and not directly or indirectly reveal, report, publish, disclose or transfer or use for its own purposes, Confidential Information except:
- 21.2.1 in the circumstances set out in Clause 21.3;
- 21.2.2 to the extent otherwise required or expressly permitted by this Agreement or any other agreement entered into between the Company and the User for the provision of services by the Distribution Business of the Company; or
- 21.2.3 with the prior consent in writing of the Company.
- 21.3 The circumstances set out in this Clause 21.3 are:
- 21.3.1 where the Confidential Information, before it is furnished to the User, is in the public domain;
- 21.3.2 where the Confidential Information:
- (A) is acquired by the User in circumstances in which this Clause 21 does not apply;
- (B) is acquired by the User in circumstances in which this Clause 21 does apply and thereafter ceases to be subject to the restrictions imposed by this Clause 21; or

(C) (after it is furnished to the User) enters the public domain;

otherwise (in any such case) than as a result of (i) a breach by the User of its obligations in this Clause 21 or (ii) a breach by the person who disclosed that Confidential Information of that person's confidentiality obligation and the User is aware of such breach;

21.3.3 if the User is required or permitted to make disclosure of the Confidential Information to any person:

- (A) in compliance with the duties of the User under the Act or any other requirement of a Competent Authority;
- (B) in compliance with the provisions of any Relevant Instrument;
- (C) in compliance with any other law or regulation;
- (D) in response to a requirement of any Stock Exchange or the Panel on Takeovers and Mergers or any other regulatory authority (whether or not similar to those bodies); or
- (E) pursuant to the rules of the Electricity Arbitration Association or pursuant to any judicial or arbitral process or tribunal of competent jurisdiction;

21.3.4 to any Affiliate or Related Undertaking of the User, to the employees, directors, agents, consultants and professional advisers of the User or any Affiliate or Related Undertaking of the User, and to any Relevant Exempt Supplier in each case on the basis set out in Clause 21.4; or

21.3.5 to the extent the Confidential Information is required to be disclosed by the User for the purposes of providing billing information to Customers.

21.4 The User shall take all reasonable steps to ensure that any such person as is referred to in Clause 21.3.4 to whom the User discloses confidential information does not use that confidential information for any purpose other than that for which it is provided and does not disclose that confidential information otherwise than in accordance with this Clause 21.

21.5 The User warrants that it has effected, and undertakes that it will during the term of this Agreement effect and maintain, all such registrations as it is required to effect and maintain under the Data Protection Act to enable it lawfully to perform the obligations imposed on it by this Agreement. The User undertakes to comply with the Data Protection Act in the performance of this Agreement.

21.6 The User undertakes that, in any case where information to be disclosed under this Agreement may lawfully be disclosed only with the prior consent of the person to whom the information relates, it will use its reasonable endeavours to obtain (where appropriate, through its Supply Contracts) such prior consent so as to enable it, or the Company as the case may be, promptly to perform its obligations under this Agreement.

22. DISPUTES

22.1 Save where expressly stated in this Agreement to the contrary, and subject to any contrary provisions of the Act, any licence issued pursuant to the Act or the Regulations (or any other regulations made under Section 29 of the Act), or the rights, powers, duties and obligations of the Authority or the Secretary of State under the Act, any such licence or otherwise howsoever, any dispute or difference of whatever nature howsoever arising under or in connection with this Agreement between the parties shall be and is hereby referred to arbitration pursuant to the arbitration rules of the Electricity Arbitration Association in force from time to time.

22.2 Whatever the nationality, residence, or domicile of either party and wherever the dispute or difference or any part thereof arose, the law of England shall be the proper law of any reference to arbitration hereunder and in particular (but not so as to derogate from the generality of the foregoing) the seat of any such arbitration shall be England or Wales and the provisions of the Arbitration Act 1996 shall apply to any such arbitration wherever the same or any part of it shall be conducted.

22.3 Subject always to Clause 22.5, if any consumer of electricity (the "**consumer**") brings any legal proceedings in any court against any party (the "**defendant party**") and the defendant party wishes to make a third party claim (as defined in Clause 22.4) against the other party which would but for this Clause 22.3 have been a dispute or

difference referred to arbitration by virtue of Clause 22.1 then, notwithstanding the provisions of Clause 22.1 which shall not apply and in lieu of arbitration the court in which the legal proceedings have been commenced shall hear and completely determine and adjudicate upon the legal proceedings and the third party claim not only between the consumer and the defendant party but also between either or both of them and the other party whether by way of third party proceedings or otherwise as may be ordered by the court.

22.4 For the purpose of this Clause 22 "third party claim" shall mean:

22.4.1 any claim by a defendant party against the other party (whether or not already a party to the legal proceedings) for any contribution or indemnity; or

22.4.2 any claim by a defendant party against the other party for any relief or remedy relating to or connected with the subject matter of the legal proceedings and substantially the same as some relief or remedy claimed by the consumer; or

22.4.3 any requirement by a defendant party that any question or issue relating to or connected with the subject matter of the legal proceedings should be determined not only as between the consumer and the defendant party but also as between either or both of them and the other party (whether or not already a party to the legal proceedings).

22.5 Clause 22.3 shall apply only if at the time the legal proceedings are commenced no arbitration has been commenced between the defendant party and the other party raising or involving the same or substantially the same issues as would be raised by or involved in the third party claim. The tribunal in any arbitration which has been commenced prior to the commencement of legal proceedings shall determine the question, in the event of dispute, whether the issues raised or involved are the same or substantially the same.

23. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

23. Except for the benefit that each party holds under Clause 9.7, the parties to this Agreement do not intend that any of its terms will be enforceable by virtue of the Contracts (Rights of Third Parties) Act 1999 by any person not a party to it.

24. MISCELLANEOUS

24.1 ENTIRE AGREEMENT

24.1.1 This Agreement and any document referred to herein represents the entire understanding, and constitutes the whole agreement, in relation to its subject matter and supersedes any previous agreement between the parties with respect thereto and without prejudice to the generality of the foregoing excludes any warranty, condition or other undertaking implied at law or by custom.

24.1.2 Each party confirms that, except as provided in this Agreement and without prejudice to any liability for fraudulent misrepresentation, no party has relied on any representation, warranty or undertaking which is not contained in this Agreement or any document referred to herein.

24.2 SEVERABILITY

If any provision of this Agreement shall be held to be invalid or unenforceable by a judgement or decision of any court of competent jurisdiction or any authority (including the Authority) whose decisions shall be binding on the parties, the same shall be deemed severable and the remainder of this Agreement shall remain valid and enforceable to the fullest extent permitted by law. In any such case, the parties will negotiate in good faith with a view to agreeing one or more provisions which may be substituted for such invalid or unenforceable provision in order to give effect, so far as practicable, to the spirit of this Agreement.

24.3 WAIVERS

The failure by any party to exercise, or the delay by any party in exercising any right, power, privilege or remedy provided under this Agreement or the Distribution Code or by law shall not constitute a waiver thereof nor any

other right, power, privilege or remedy. No single or partial exercise of any such right, power, privilege or remedy shall preclude any future exercise thereof or the exercise of any other right, power, privilege or remedy.

24.4 DATA TRANSFER

- 24.4.1 Any notice, request or other communication shall be sent by the means (if any) indicated in Schedule 10 and shall have the content (if any) indicated in Schedule 10 and where Schedule 10 specifies a Data Transfer Catalogue reference number in relation to any notice, request or other communication, such notice, request or communication shall be sent in the format and with the content described under such reference in the Data Transfer Catalogue, as amended from time to time.
- 24.4.2 Where this Agreement requires any notice, request or other communication to be sent via the Data Transfer Network, the relevant message shall be addressed to the appropriate Market Domain I.D. as follows:
- (A) if to the Company, [];
 - (B) if to the User, [].
- 24.4.3 Where this Agreement requires any notice, request or other communication to be sent via the Data Transfer Network, the party sending the relevant message shall be responsible for ensuring that it reaches the relevant Gateway within any time period laid down in this Agreement for the provision of such notice, request or communication (and any such message shall be deemed received by the recipient at the point in time it is delivered to such Gateway). Provided that the party sending a message shall have no obligation to ensure receipt where the intended recipient has failed, contrary to the Data Transfer Service Agreement, to remove or process all messages delivered to its Gateway and to ensure that such messages are made available to its internal systems as expeditiously as possible so that the Gateway is able to continue to process incoming and outgoing messages.
- 24.4.4 If the Data Transfer Network or any relevant part of such network is at any time for any reason unavailable for the sending of messages between the parties, then during the period of unavailability:
- (A) the parties shall use any means reasonable in the circumstances to send any notice, request or other communication that this Agreement would otherwise require to be sent via the Data Transfer Network;
 - (B) where other means are used in accordance with Clause 24.4.4(A), the parties shall be relieved from any service levels set out in this Agreement relating to any affected notice, request or other communication (except to the extent that this Agreement expressly provides for alternative service levels in such circumstances) but shall use their reasonable endeavours to send such notice, request or other communication as soon as reasonably practicable; and
 - (C) to the extent that no such other means are practicable given the nature of the communication and the surrounding circumstances, such unavailability of the Data Transfer Network shall be deemed (to the extent not caused by a breach by either party of the Data Transfer Service Agreement) to constitute a circumstance of Force Majeure for the purposes of this Agreement.
- 24.4.5 Where either party, in breach of its obligations under Clause 24.4.3, fails to deliver any notice, request or other communication to the recipient's Gateway and such failure occurs for reasons outside that party's direct control, the breaching party shall have no liability to the other under this Agreement in respect of that breach and the parties shall rely instead upon the provisions of the Data Transfer Service Agreement.

24.5 NOTICES

- 24.5.1 Save as provided in Clause 13.4, Clause 24.4 and Schedule 11, any notice, request or other communication to be made by one party to the other under or in connection with this Agreement shall be in writing and shall be delivered personally or sent by first class post, courier or fax to that other party as follows:

- (A) if to the Company, to: The Use of System Agreement Contract Manager
 Address: []
 []
 []
 []
 []
 []
- Fax: []
- (B) if to the User, to: []
 Address []
 []
 []
 []
 []
- Fax: []

or to any such other persons, addresses or fax numbers as may from time to time be notified by one party to the other.

24.5.2 Unless otherwise stated in this Agreement, a notice, request or other communication sent in accordance with Clauses 13.4, 24.5.1 and paragraph 11.1 of Schedule 11 shall be deemed received:

- (A) if delivered personally when left at the address referred to above;
- (B) if sent by post 3 Working Days after the date of posting; and
- (C) if sent by fax, upon production by the sender's equipment of a transmission report indicating that the fax was sent to the fax number of the recipient in full without error.

24.6 MILLENNIUM COMPLIANCE

The parties agree to participate in and assist the work of any forum established pursuant to the Master Registration Agreement to discuss millennium issues and to co-operate, share best practice and exchange information about such issues, with a view to:

- (A) identifying the risks of the parties being non-compliant with millennium requirements in the carrying out of the services and in the provision of information under this Agreement in a manner likely to have a material impact on the services provided under this Agreement or on the operation of the licensed activities of either of the parties;
- (B) overcoming any such non-compliance, and
- (C) where necessary, agreeing contingency measures designed to mitigate the identified risks.

24.7 CONTRACT MANAGEMENT

24.7.1 Each party shall appoint an appropriate person (each a “**Contract Manager**” and together the “**Contract Managers**”) to manage all matters arising under or in connection with this Agreement and to monitor the general operation of this Agreement.

24.7.2 The Contract Managers shall hold meetings at such venues and at such intervals as may be agreed between the parties from time to time.

24.7.3 Each party shall notify the other in accordance with the provisions of Clause 24.5 of the name and contact details of the Contract Manager appointed by it for the purposes of this Agreement from time to time.

24.8 The parties agree that, in performing its obligations pursuant to this Agreement, the Company shall be required to comply with relevant statutes, statutory instruments and the general law and shall not be liable for any failure to

perform its obligations in accordance with this Agreement where to do so would put it in breach of any such statute, statutory instrument or general provision of law.

25. GOVERNING LAW

- 25.1 This Agreement is governed by, and shall be construed in accordance with English law.
- 25.2 Each party agrees that without preventing any other mode of service, any document in an action (including any writ of summons or other originating process or any third or other party notice) may be served on any party by being delivered to or left for that party at its address for service of notices under Clause 24.5 and each party undertakes to maintain such an address at all times in the United Kingdom and to notify the other party in advance of any change from time to time of the details of such address in the manner prescribed in Clause 24.5.

26. ASSIGNMENT AND SUB-CONTRACTING

- 26.1 Neither party shall assign any of its rights under this Agreement without the prior written consent of the other party, such consent not to be unreasonably withheld.
- 26.2 Either party may sub-contract or delegate the performance of all or any of its obligations under this Agreement including activities envisaged by the Distribution Code to any appropriately qualified and experienced third party, but shall at all times remain liable to the other party in relation to all sub-contracted or delegated obligations.

27. COUNTERPARTS

This Agreement may be executed in any number of counterparts each of which when executed and delivered shall be an original, but all the counterparts together shall constitute the same document.

IN WITNESS WHEREOF this Agreement has been executed the day and year first above written.

signed by_____

for and on behalf
of the Company

signed by_____

for and on behalf
of the User

SCHEDULE 1

Cover

1.1 Provision of Cover

The User shall provide Cover from time to time in accordance with the following provisions:

- 1.1.1 the User shall not later than the date of this Agreement deliver to the Company evidence reasonably satisfactory to it that:
 - (i) it presently holds an Approved Credit Rating; or
 - (ii) it has provided and is not in default under the Cover obligations referred to in paragraph 1.1.2 below;
- 1.1.2 If the User does not hold or ceases to hold an Approved Credit Rating it shall, not later than the date of this Agreement, or the date upon which it ceases to have an Approved Credit Rating:
 - (A) deliver to the Company a Qualifying Guarantee in a form agreed between the parties in such amount as shall be notified by the Company to the User in accordance with paragraph 2; or
 - (B) deliver to the Company a Letter of Credit (available for an initial period of not less than 6 months) in such amount as shall be notified by the Company to the User in accordance with paragraph 2; and/or
 - (C) place such amounts in the Escrow Account as shall be notified by the Company in accordance with paragraph 2.

1.2 Maintenance of Cover

Where the User is required to provide Cover in accordance with the terms of paragraph 1.1, it shall at all times thereafter maintain an Amount equal to or more than the Cover applicable to it. Immediately upon any reduction occurring in the Amount provided by the User or any Letter of Credit or Qualifying Guarantee being for any reason drawn down or demanded respectively, the User will procure that new Letter of Credit or Qualifying Guarantees are issued or cash is placed in the Escrow Account in an amount required to restore the Amount to an amount at least equal to the Cover applicable to the User, and in such proportions of Letters of Credit, Qualifying Guarantees and/or cash as the User may determine. Not later than 10 Working Days before any outstanding Letter of Credit and/or Qualifying Guarantee is due to expire, the User shall procure to the satisfaction of the Company that its required Amount will be available for a further period of not less than 6 months which may be done in one of the following ways:

- 1.2.1 subject to the issuing bank continuing to have the credit rating set out in the definition of Letter of Credit, provide the Company with confirmation from the issuing bank that the validity of the Letter of Credit has been extended for a period of not less than 6 months on the same terms and otherwise for such amount as is required by this Schedule 1; or
- 1.2.2 provide the Company with a new Letter of Credit issued by an issuing bank with an Approved Credit Rating for an amount at least equal to the required Amount applicable to it (less its balance on the Escrow Account) which Letter of Credit shall be available for a period of not less than 6 months; or
- 1.2.3 subject to the entity issuing the Qualifying Guarantee continuing to have an Approved Credit Rating provide the Company with confirmation from the issuing entity that the validity of the Qualifying Guarantee has been extended for a period of not less than 6 months on the same terms and otherwise for such amount as is required by this Schedule 1; or
- 1.2.4 provide the Company with a new Qualifying Guarantee for an amount at least equal to the required Amount applicable to it (less its balance on the Escrow Account) which Qualifying Guarantee shall be available for a period of not less than 6 months; or
- 1.2.5 place such amount in the Escrow Account of an amount as shall ensure that the credit balance applicable to the User and placed in the Escrow Account shall be at least equal to the required Amount .

1.3 Failure to supply or maintain Cover

If the User fails at any time to provide or maintain Cover to the satisfaction of the Company in accordance with the provisions of this Schedule 1, the Company may at any time while such default continues, and if at such time any Letter of Credit and/or Qualifying Guarantee forming part of the Cover is due to expire within nine Working Days immediately, and without notice to the User, demand payment of the entire amount of any outstanding Letter of Credit and/or Qualifying Guarantee and shall place the proceeds of the Letter of Credit and/or Qualifying Guarantee to the Escrow Account.

1.4 Substitute Letter of Credit or Qualifying Guarantee

- 1.4.1 If the bank issuing the User's Letter of Credit ceases to have the credit rating set out in the definition of Letter of Credit such User shall forthwith procure the issue of a substitute Letter of Credit by a bank that has such a credit rating or a Qualifying Guarantee or place cash in the Escrow Account.
- 1.4.2 If the entity providing the User's Qualifying Guarantee ceases to have an Approved Credit Rating the User shall forthwith procure a replacement Qualifying Guarantee from an entity with such a credit rating or a Letter of Credit or place cash in the Escrow Account.

2. Credit Monitoring

2.1 Determination of Cover

The amount of Cover which the User shall be required to maintain shall be determined from time to time by the Company in accordance with this Schedule 1 on the basis of the criteria set out in paragraph 2.2, and shall be notified to the User.

2.2 Criteria for the provision of Cover

If paragraph 1.1.2 applies, the amount of Cover required to be provided by the User is the greater of an amount to be reasonably assessed by the Company as the aggregate amount reasonably anticipated by the Company as being payable by the User in respect of Use of System Charges referred to in this Agreement over a 60 day period and £25,000.

2.3 Monthly Variation

In respect of paragraph 2.2, the Company may calculate in each month the appropriate amount of User's Cover each month, for the six month period immediately following the relevant month (and shall calculate such amount for such period at least once every six months) and where in any month the Company reasonably determines that the User's Cover should be increased or decreased for the relevant six month period it shall notify the User accordingly.

2.4 Increase or Decrease of Cover

If, after considering any representation which may be made by the User, the Company reasonably determines that the User's Cover should be increased or decreased, it shall so notify the User. If the Company so determines that such Cover should be decreased and the User consents then that reduction shall take place. The Company shall consent to an appropriate reduction in the available amount of any outstanding Qualifying Guarantee or Letter of Credit and/or shall subject to paragraph 5.1 permit such part of the deposit held in the Escrow Account to be released to the User as is sufficient to reduce the User's Amount to the level of Cover applicable to it. If the Company so determines that the User's Cover should be increased, the User shall, within five Working Days of notice as aforesaid, procure an additional or replacement Qualifying Guarantee or Letter of Credit or place cash in the Escrow Account in an amount sufficient to increase its Amount so as to be at least equal to the new level of Cover applicable to it.

2.5 Notification in respect of Cover

The Company shall notify the User promptly if:

- 2.5.1 the User fails to provide, maintain, extend or renew a Qualifying Guarantee or a Letter of Credit which it is required to provide, maintain, extend or renew pursuant to paragraphs 1 or 2; or
- 2.5.2 the Company shall make a demand under any such Qualifying Guarantee or a call under a Letter of Credit; or
- 2.5.3 the Company becomes aware that the User (a) shall cease to have an Approved Credit Rating, or (b) shall be placed on credit watch by the relevant credit rating agency (or becomes subject to an equivalent procedure) which in any case casts doubt on the User's retaining an Approved Credit Rating; or

- 2.5.4 the Company becomes aware that any bank that has issued a Letter of Credit which has not expired shall cease to have the credit rating required by this Schedule 1; or
- 2.5.5 the Company becomes aware that any entity providing a Qualifying Guarantee which has not expired shall cease to have an Approved Credit Rating.

Provided always that the failure by the Company to notify the User pursuant to this paragraph 2.5 shall not relieve the User of its obligations under and in accordance with the terms of this Schedule 1.

2.6 Release from Cover Obligations

Upon the termination of this Agreement and provided that all amounts owed by the User in respect of the Use of System Charges and any other amount owed by the User under the Agreement have been duly and finally paid including interest, the User shall be released from the obligation to maintain Cover and the Company shall consent to the revocation of any outstanding Qualifying Guarantee or Letter of Credit and the User shall be entitled to withdraw the balance (including interest credited thereto) standing to the credit of the User on the Escrow Account at that date.

3. Payment Default

If, by 12:30 hours on any Payment Date the Company has been notified by the User or it otherwise has reason to believe that the User will not have remitted to it by close of banking business on the Payment Date all or any part ("the amount in default") of any amount which has been notified by the Company to the User as being payable by the User by way of the Use of System Charges on the relevant Payment Date or any other amounts owing under this Agreement except for the disputed amount of a Designated Dispute (as defined in Schedule 6), then the Company shall be entitled to act in accordance with the following provisions (or whichever of them shall apply) in the order in which they appear until the Company is satisfied that the User has discharged its obligations in respect of the Use of System Charges or such other amounts under this Agreement which are payable in respect of the relevant account:

- (a) the Company, to the extent that the User is entitled to receive payment from the Company pursuant to this Agreement (unless it reasonably believes that such set-off shall be unlawful), shall be entitled to set off the amount of such entitlement against the amount in default;
- (b) the amount of funds then standing to the credit of the Escrow Account to the extent that it represents Cover provided by the User in accordance with paragraph 1.2.2 shall be released to the Company and set-off against the amounts unpaid by the User and for that purpose the Company shall be entitled to place such funds in any account of the Company at its sole discretion and shall notify the User accordingly;
- (c) the Company may demand payment under any outstanding Letter of Credit supplied by the User in a sum not exceeding the amount of the Cover;
- (d) the Company may demand payment under any outstanding Qualifying Guarantee provided for the benefit of the User pursuant to paragraph 1.2.3.

4. Utilisation of Funds

In addition to the provisions of paragraph 3 above, if the Company serves a notice of termination under the terms of Clause 18 of the Agreement then the Company shall be entitled to demand payment of any of the Use of System Charges and any other amounts owing by the User under the Agreement which are outstanding whether or not the Payment Date in respect of them shall have passed and:

- (i) to make demand under any outstanding Qualifying Guarantee or a call under any outstanding Letter of Credit supplied by the User; and
- (ii) the funds in the Escrow Account to the extent that they represent Cover provided by the User shall be released to the Company and set-off against the Use of System Charges and any other amount owing by the User under the Agreement unpaid by the User and for that purpose the Company shall be entitled to place any such amount released to it from the Escrow Account to any account of the Company as it shall in its sole discretion think fit.

5. User's Right to Withdraw Funds

- 5.1 If the User is not in default in respect of any amount owed to the Company in respect of the Use of System Charges or any other amount owing by the User under the Agreement, the Company shall permit the release to such User within a reasonable time after such User's written request therefor any amount of cash provided by the User by way of Cover which exceeds the amount which such User is required to provide in accordance with paragraph 1 of this Schedule 1.
- 5.2 Interest (at a rate to be agreed by the User with the Bank) on the amount deposited in the Escrow Account shall accrue for the benefit of the User and be compounded quarterly.

6. No Security

Nothing in this Schedule 1 will be effective to create a charge or other security interest.

7. Disputes

The parties shall attempt to resolve in good faith any dispute in relation to this Schedule 1. Where the dispute remains unresolved after 14 days either party may refer the dispute to the Authority for determination. Any determination by the Authority shall be final and binding

8. Definitions

In this Schedule 1, except where the context otherwise requires, the following expressions shall have the meanings set opposite them:

| | |
|---------------------------------|--|
| "Amount" | means the aggregate of available amounts of each outstanding Letter of Credit and Qualifying Guarantee plus the principal amount (if any) of cash that the User has placed in the Escrow Account (and which has not been repaid to the User or withdrawn by the Company in accordance with this Schedule 1); for the purpose of this definition, in relation to a Letter of Credit "available amount" means the face amount thereof less (i) payments already made thereunder and (ii) claims made there under but not yet paid. |
| "Approved Credit Rating" | means a long term debt rating of not less than BBB- by Standard and Poor's Corporation or Duff & Phelps Credit Rating Co or a rating of not less than Baa3 by Moody's Investors Service, Inc. or an equivalent rating from any other reputable credit rating agency approved by the Company. |
| "Cover" | means the aggregate amount for the time being which the User shall be required by the Company to provide and maintain in accordance with this Schedule 1. |
| "Escrow Account" | a separately designated bank account in the name of the User at such branch of Barclays Bank PLC or such branch of any other bank, in the City of Leeds as the Company shall specify (the " Bank ") (on terms to be approved by the Company and which provide, inter alia, that the funds held in the Escrow Account may be released by the Bank to the Company in the circumstances envisaged in paragraphs 3 and 4 of this Schedule 1 with the right to direct payments from the Escrow Account in favour only of the Company until the events specified in paragraph 2.6 have occurred) to which all deposits required to be made by the User pursuant to Schedule 1 of this Agreement shall be placed provided that such proceeds are not to be withdrawn by the User save in accordance with the terms of this Schedule 1. |
| "Letter of Credit" | means an unconditional irrevocable standby letter of credit in such other form as the Company may reasonably approve issued for the account of the User in sterling in favour of the Company, allowing for partial drawings and providing for the payment to the Company forthwith on demand by any United Kingdom clearing bank or any other bank which in each case has a long term debt rating of not less than single "A" by Standard and Poor's Corporation or by Moody's Investors Services, or such other bank as the Company may approve and which shall be available for payment at a branch of the issuing bank. |

"Payment Date"

means the date for payment of any Initial Account, Reconciliation Account or other account submitted to the User pursuant to this Agreement.

"Qualifying Guarantee"

means a guarantee in favour of the Company and in such form as may be agreed between the Company and the User and which is provided by an entity which holds an Approved Credit Rating.

SCHEDULE 2

Mandatory Terms For Supply Contract

Part A – Mandatory Term for Supply Contract if Standard Connection Agreement Used

I agree that, by entering into this contract with my supplier, I am also entering into a Standard Connection Agreement (the terms of which my supplier has made known to me) with my local network operator.

Part B Mandatory Terms for Supply Contract if Standard Connection Agreement not Used

Connection to distribution system

1. In this Agreement the following terms shall have the following meanings:

"distributor" means the distribution licence holder who owns or operates the electricity distribution system through which electricity is conveyed to the Customer's premises;

"you" means the Customer; and

"economic loss" means loss of profits, revenues, interest, business, goodwill or commercial, market or economic opportunity, whether direct or indirect and whether or not foreseeable.
2. The distributor will maintain, and may interrupt and shall be entitled to cut off each such connection as is mentioned in [Clause 1] in accordance with and subject to the provisions of the Electricity Act 1989 and any other legal requirements or rights (including those arising under any code or agreement with which the distributor is obliged by its distribution licence to comply) that apply from time to time. The distributor does not guarantee that the distributor will deliver electricity to the connection at all times nor that the electricity delivered will be free of brief variations in voltage or frequency.
3. Subject to any contrary existing agreement between you and the distributor (and/or us) the distributor shall not be liable to you under this [Supply Contract] or otherwise for any loss or damage which:
 - 3.1 is beyond the reasonable control of the distributor; or
 - 3.2 is consequential or indirect or arises from or amounts to economic loss.
4. If the electricity supply to the premises is wholly or mainly used for business purposes the distributor will only be liable to you in accordance with the limitations in Clause 3 and up to a maximum of £100,000 per calendar year.
5. Clauses 3 and 4 will continue to apply regardless of the termination of this [Supply Contract]. The ending of this [Supply Contract] will not affect any rights, remedies or obligations which may have come into being under this [Supply Contract] prior to that time.
6. The distributor's obligations under this [Supply Contract] are subject to the maximum capacity and any other design feature of your connection. In accordance with existing legal rules, you must contact the distributor in advance if you propose to make any significant change to your connection, electric lines or electrical equipment, install or operate generating equipment or do anything else that could affect the distributor's electricity distribution system or require alterations to your connection.
7. The terms of this clause [Connection Provisions] will be changed automatically to incorporate any changes that are approved by the Authority. Any change which is approved will be announced in at least three daily newspapers and will take effect from the date stated in those announcements.
8. The distributor may cut off the supply of electricity to your connection where the distributor is entitled to do so under general law, this [Supply Contract] or the electricity industry arrangements under which the distributor operates.
9. The distributor shall be entitled and have the ability to enforce the provisions of Clauses 1 to 9 by virtue of the Contracts (Rights of Third Parties) Act 1999 and such clauses may not be varied without the prior written consent of the distributor.

SCHEDULE 3 Use of System Charges

Statement of the basis of charges for the Use of System

The Use of System charges and any variations are and will be calculated in accordance with the Condition 4 Statement and the Condition 36 Statement. Current editions of these Statements can be obtained by written request to the Company contacts detailed below:

Head of Network Pricing
Yorkshire Electricity Distribution plc
98 Aketon Road
Castleford
West Yorks
WF10 5DS

SCHEDULE 4 Transactional Charges

PART I - CHARGES

Transactional charges and any variations are and will be calculated in accordance with the Condition 4 Statement and the Condition 36 Statement. Current editions of these Statements can be obtained by written request to the Company contacts detailed below:

Head of Network Pricing
Yorkshire Electricity Distribution plc
98 Aketon Road
Castleford
West Yorks
WF10 5DS

PART II - PAYMENT TERMS

1. Within 21 days after the end of each calendar month the Company shall submit to the User an account specifying the payment due from the User in respect of services referred to in Part I of this Schedule performed during that month and any Value Added Tax payable thereon.
2. Within 30 days of the date of an account submitted in accordance with paragraph 1, the User shall pay to the Company all sums due in respect of such account in pounds sterling by electronic transfer of funds to such bank account (located in the United Kingdom) as is specified in the statement, quoting the invoice number against which payment is made.
3. Any disputes shall be governed by the provisions in Schedule 6.

SCHEDULE 5

Calculation of Interest Reconciliation Accounts

For the first day after the Invoice Date of the Initial Account the following calculation shall be used by the Company in preparing a Reconciliation Account:

$$T_1 = (V_r - V_{r-1}) \times (I_1 \times \frac{1}{365}) + (V_r - V_{r-1})$$

For all subsequent days until the Invoice Date of the Reconciliation Account the following calculation shall be used by the Company in preparing a Reconciliation Account:

$$T_{n+1} = T_n \times (I_n \times \frac{1}{365}) + T_n$$

where

T_n = amount due under a Reconciliation Account, including interest calculated on a daily compound basis

r = run number. For an Initial Settlement Run $r = 0$, and for a Final Settlement Run, $r = 4$

I_n = The Barclays Bank plc daily declared base interest rate for the Working Day prior to day n

V_r = amount due from run calculation r , excluding interest due

n = day number count

For the purpose of calculating daily interest rates, the number of days in a leap year shall be deemed to be 365.

For the avoidance of doubt, the Invoice Date of the Initial Account shall be when $n = 0$.

SCHEDULE 6

Billing and Payment Disputes

1. This Schedule 6 applies to disputes about Use of System Charges payable by the User pursuant to Clauses 6, 7 and 8:
 - 1.1 where the User disputes an Initial Account or Reconciliation Account or an account issued under Clause 8.2 and the dispute is a Designated Dispute (as defined in paragraph 1.2 below):
 - A. the User shall pay such amount of Use of System Charges due as are not in dispute and shall be entitled to withhold the balance pending resolution of the dispute;
 - B. the parties shall use reasonable endeavours to resolve the dispute in good faith;
 - C. where the dispute remains unresolved after 20 Working Days either party may refer the dispute to arbitration in accordance with Clause 22; and
 - D. following resolution of the dispute, any amount agreed or determined to be payable shall be paid within 20 Working Days after such agreement or determination and interest shall accrue on such amount plus Value Added Tax (if any) from the date such amount was originally due until the date of payment at the rate of 1% per annum above the base rate during such period of Barclays Bank plc compounded annually.
 - 1.2 a dispute shall be a "**Designated Dispute**" for the purposes of this paragraph 1 where within 14 days of receiving a request for payment the User in good faith provides the Company with a statement and explanation of the amount in dispute where:
 - A. there is an error in the information used for the calculation or an arithmetic error in the calculation of Use of System Charges by the Company which is apparent on the face of the Initial Account or Reconciliation Account; and/or
 - B. for a Metering Point within Clause 6.3.1, the Company chooses not to use the half-hourly data (whether actual or estimated) provided by the Data Collector for the purposes of Settlement in calculating Use of System Charges and the User disputes the accuracy or validity of the data actually used.
 - 1.3 The disputes about the matters listed at paragraph 1.3 A and B below are not Designated Disputes and paragraph 1.1 shall not apply where:
 - A. the Company has invoiced Use of System Charges in accordance with Clause 6.3; and
 - B. the Company has used estimated data in accordance with Clause 8.2.1.
 - 1.4 where, other than in the case of a Designated Dispute within 14 days of receiving a request for payment the User in good faith provides the Company with a statement and explanation of the amount of use of System Charges in dispute:
 - A. the User shall pay the total amount of such charges as they fall due in accordance with Clause 6.4;
 - B. the parties shall use reasonable endeavours to resolve the dispute in good faith;
 - C. where the dispute remains unresolved after 20 Working Days either party may refer the dispute to arbitration in accordance with Clause 22; and
 - D. following resolution of the dispute, any amount agreed or determined to be repayable (including where appropriate any interest paid pursuant to Clause 7.5 or Clause 8.3) by the Company shall be paid within 20 Working Days after such agreement or determination and interest shall accrue on such amount from the date such amount was originally paid by the User until the date of repayment at 1% per annum above the base rate during such period of Barclays Bank plc, compounded annually.

SCHEDULE 7

Approval and Permission Procedures

1. DEFINITIONS

In this Schedule 7, except where the context otherwise requires, the following terms shall have the meanings set opposite them:-

| | |
|--|--|
| "Applicant" | means a person who applies for approval pursuant to paragraph 3; |
| "Approved Contractor" | means a contractor approved pursuant to paragraph 3; |
| "Competent Person" | means a person appointed by an Approved Contractor in accordance with paragraph 4.1; |
| "Certificate of Competence" | means a certificate issued by an Approved Contractor in accordance with paragraph 4.1; |
| "Permission" | means a permission issued in writing by the Company pursuant to paragraph 5; |
| "Quality Assurance Certification Body" | means a body assessed, validated and regulated by the UK Accreditation Service; and |
| "Works" | means any Energisation Works, Re-energisation Works or De-energisation Works. |

2. PRINCIPLES

- 2.1 Subject to the provisions of Clause 10 and this Schedule 7, the User shall be entitled to procure the performance of Works on the Distribution System by a person who is not an employee of the Company. This Schedule 7 does not apply to work carried out by a Meter Operator pursuant to the Meter Operation Services Agreement.
- 2.2 A Competent Person shall be recognised to be a suitable person to carry out Works on the Distribution System in accordance with and to the extent specified in a Permission.
- 2.3 Where the User elects to have Works performed on the Distribution System by an Approved Contractor rather than the Company, the Approved Contractor shall undertake to perform all the categories of Works in accordance with and to the extent specified in the Permissions held by its Competent Persons, and the Company shall only be obliged to undertake such categories of Works as are not so specified. The User shall remunerate the Company for undertaking any such Works by reference to the relevant charges set out in Schedule 4, or by agreement where the charges for such Works are not set out therein.

3. PROCEDURE FOR APPROVING CONTRACTORS

- 3.1 Where an Applicant has applied for approval as an Approved Contractor for the purposes of this Schedule 7, the Company shall appoint a Quality Assurance Certification Body to carry out an assessment of the Applicant's qualifications for approved status. The Applicant shall be advised of any assessment fees payable to the Company. The Quality Assurance Certification Body shall advise the Company and the Applicant of the results of the assessment, and the Company shall decide whether the Applicant may be approved together with the reasons for that decision.
- 3.2 An approval pursuant to paragraph 3.1:
 - 3.2.1 shall be valid for three years, during which period the Company may at any time carry out inspections of the Approved Contractor's work on site; and
 - 3.2.2 may be withdrawn at any time by the Company, subject always to the Approved Contractor being given a reasoned explanation.
- 3.3 The Company may accept an approval of an Applicant given by another public electricity supplier in accordance with the procedure stated in this paragraph 3.

4. PROCEDURE FOR RECOGNISING COMPETENT PERSONS

- 4.1 A person shall be recognised by the Company as being a suitable person to perform Works on the Distribution System if that person is employed by an Approved Contractor and has been appointed in writing by the Approved Contractor as a Competent Person, being someone who has successfully completed satisfactory training and examination in electrical safety awareness and appropriate technical knowledge, and who personally holds a Certificate of Competence issued by the Approved Contractor as evidence of a suitable qualification in all such respects.
- 4.2 A Certificate of Competence issued to an Approved Contractor's employee in accordance with this paragraph 4 shall certify that employee's suitability to perform Works on the Distribution System subject to a Permission. The Approved Contractor shall be responsible for giving the Company a copy of each Certificate of Competence issued by it, for reissuing or revoking each Certificate of Competence every three years, and for maintaining a record of all Certificates of Competence currently in force.
- 4.3 A Competent Person must have a valid Certificate of Competence available for inspection at all times when performing any Works on the Distribution System.

5. PROCEDURE FOR GRANTING PERMISSION

- 5.1 The User shall be entitled to procure the performance of Works on the Distribution System by a Competent Person provided that the Competent Person has a valid Permission. The grant of a Permission to a Competent Person shall not be unreasonably withheld, provided that the Company shall always have a prior right to undertake a trade test and safety awareness assessment of that person and that the reasonable costs of exercising this right shall be paid by the Approved Contractor if requested by the Company.
- 5.2 The nature, scope, and extent of the Works which a Competent Person may undertake shall be at the Company's sole discretion. A Permission shall specify in writing the categories of Works which the Competent Person is allowed to undertake on the Distribution System, and the Competent Person's authority to undertake Works shall be limited to those categories alone and shall in no circumstances whatsoever extend to any other category of Works howsoever described.
- 5.3 Notwithstanding anything in paragraph 5.2, the categories of Works specified in a Permission may (for example only and without limitation) include any of the following:
- the withdrawal or replacement of fuse links in the service terminations;
 - the connection or severing of wiring between service terminations, meters and distribution boards;
 - attendance at or the performance of work in a Distribution System substation without the need for personal supervision;
 - the supervision or control of a working party which undertakes any of the above; and
 - the operating of high or low voltage switchgear.

6. DISPUTES

- 6.1 The parties shall attempt to resolve in good faith any dispute in relation to assessment fees payable to the Company pursuant to paragraph 3.1 of this Schedule 7. Where a dispute remains unresolved after 14 days either party may refer the dispute to the Authority for determination. Any determination by the Authority shall be final and binding.

SCHEDULE 8

Metering Functionality and Data Requirements

The requirements for metering functionality and data requirements are detailed in the Company's Licence Condition 4 Statement. Current editions of these Statements can be obtained by written request to the Company contacts detailed below:

Head of Network Pricing
Yorkshire Electricity Distribution plc
98 Aketon Road
Castleford
West Yorks
WF10 5DS

SCHEDULE 9

Metering Accuracy

METERING ACCURACY

1. Metering equipment installed and maintained pursuant to Clause 12.1 shall be capable of operating within the accuracy limits specified pursuant to the Balancing and Settlement Code and where no accuracy limits are specified in relation to an element of any metering equipment under the Balancing and Settlement Code, the accuracy of that element shall be no less than that specified in Tables 1-4 (inclusive) of Code of Practice Four approved pursuant to the Balancing and Settlement Code ("the agreed accuracy limits").

DISPUTES IN RELATION TO METERING ACCURACY

2. Unless the accuracy of metering equipment installed and maintained pursuant to Clause 12.1 is disputed by notice in writing ("dispute notice") given by one party to the other, such metering equipment shall be deemed to be accurate. If a dispute notice is given:
 - 2.1 unless otherwise agreed, the metering equipment shall as soon as practicable be examined and tested by a meter examiner in accordance with schedule 7 to the Act;
 - 2.2 if on such test :
 - 2.2.1 it shall be found that the inaccuracy of the registration of the metering equipment at normal loads exceeds the agreed accuracy limits, suitable adjustment shall be made in the accounts rendered by the Company and the metering equipment or part thereof found to be inaccurate shall be recalibrated or replaced and the cost of such test and recalibration or replacement shall be paid by the User;
 - 2.2.2 the metering equipment is found to be accurate within the said limits, the metering equipment shall be deemed to be accurate and the cost of moving, testing and replacing the metering equipment or any part thereof shall be paid by the party who gave the relevant dispute notice.

SCHEDULE 10

Event Log

In the following table:

- A) **“DTC ref”** means the relevant reference number in the Data Transfer Catalogue;
- B) **“DTN”** means the Data Transfer Network and **“Phone”** means telephone;
- C) the descriptions of the data flows concerned under **“Message”** are for ease of reference only and shall not affect the obligations of either party under the relevant provisions of this Agreement; and
- D) **“CR”** means that there is currently no DTC reference, but that a change request is required.

Where there is more than one means of transmission specified in Schedule 10 (one of which being via the Data Transfer Network) it is expected that the parties shall transmit any notice, request or other communication via the Data Transfer Network.

SCHEDULE 10

EVENT LOG

| Agreement Clause No. | From | To | Message | Medium | | | | DTC ref |
|----------------------|------------|---------|---|--------|-------|-----|---------------|---------|
| | | | | DTN | Phone | Fax | Post or email | |
| 3.1.1 | Company | User | Request for evidence of SCA for specific exit point or, where SCA not procured, evidence that Supply Contract contains the terms set out in Schedule 2 Part B. | n/a | NO | YES | YES | |
| 3.1.1 | User | Company | Provision of evidence of SCA for specific exit point or, where SCA not procured, evidence that Supply Contract contains the terms set out in Schedule 2 Part B. | n/a | NO | YES | YES | |
| 3.5 | Company | User | Notification that non standard terms apply to a connection | n/a | NO | YES | YES | |
| 4.2.4 | User/agent | Company | Confirmation of Appointment of Accredited Meter Operator, Data Collector and Data Aggregator. | YES | NO | NO | NO | D0205 |
| 4.2.5 | User/agent | Company | Confirmation metering equipment installed | YES | NO | NO | NO | D0012 |
| 4.2.8 | User/agent | Company | Confirmation of customers appointed Meter Administrator | NO | NO | YES | YES | |
| 6.1 | Company | User | Notification of variation of charges | NO | NO | NO | YES | |
| 7.2 | User/agent | Company | Provision of non-half hourly Supercustomer DUoS Report | YES | NO | NO | NO | D0030 |
| | Company | User | Provision of Daily Statements | YES | NO | NO | NO | D0242 |
| 7.3, 7.4 | Company | User | Billing by Settlement Class | NO | NO | NO | YES | |
| 8.2 | Company | User | Company Refund/Cheque | NO | NO | NO | YES | |
| 8.2 | Company | User | Company Invoice Site Specific Billing | NO | NO | NO | YES | |
| 10.2 | User | Agent | Request Company to undertake Energisation, De-energisation, or re-energisation works | YES | NO | YES | YES | D0134 |
| 10.2 | User | Company | Request for details needed to identify Metering Points | NO | YES | YES | YES | |
| 10.2 | Company | User | Provision of details needed to identify Metering Points | NO | YES | YES | YES | |
| 10.7 | Company | User | 2 working Days notice of de-energisation works. | NO | NO | YES | YES | |

| Agreement Clause No. | From | To | Message | Medium | | | | DTC ref |
|-------------------------|------------|------------|---|--------|-------|-----|---------------|---------|
| | | | | DTN | Phone | Fax | Post or email | |
| 10.8 | Company | User | Notice that Metering Point has been de-energised by Company | NO | NO | YES | YES | D0139 |
| 10.10 | Company | User | Instruction to send registration notice (following de-energisation) | NO | NO | YES | YES | |
| 10.11 | Company | User | Instruction to send registration notice (following re-energisation) | NO | NO | YES | YES | |
| 10.13 10.14 10.16 | User | Company | Disconnection Notice | YES | NO | YES | YES | D0132 |
| 10.14 10.16 | Company | User | Request for Disconnection Notice | NO | YES | YES | YES | |
| 10.15 | Company | User | Refusal to disconnect | YES | NO | YES | YES | D0262 |
| 10.19 | User | Company | Request to re-energise | YES | NO | YES | YES | D0134 |
| 10.19.1 | Company | User/Agent | Notification of when re-energisation work is expected to be undertaken | NO | NO | YES | YES | |
| 10.19.3 | Company | User | Instruct user to send registration notice | NO | NO | YES | YES | |
| 12.2 | User/Agent | Company | Metering technical data (NHH) | YES | NO | YES | YES | D0150 |
| 12.2 | User/agent | Company | Metering technical data (HH) | YES | NO | YES | YES | D0268 |
| 12.2 | User/agent | Company | Meter readings (HH) | YES | NO | NO | NO | D0010 |
| 12.2 | User/agent | Company | Meter advance reconciliation report (HH meters) | YES | NO | NO | NO | D0008 |
| 12.2 | User/agent | Company | Estimated half hourly data report | YES | NO | NO | NO | D0022 |
| 12.2 | User/agent | Company | Validated half hourly advances for inclusion in aggregated supplier matrix, including unmetered | YES | NO | NO | NO | D0275 |
| 12.4 | User/agent | Company | Notification of meter mapping details | YES | NO | NO | NO | D0149 |
| 12.4 | User/agent | Company | NHH meter readings | YES | NO | NO | NO | D0010 |

| Agreement Clause No. | From | To | Message | Medium | | | | DTC ref |
|----------------------|-----------------|------------|--|--------|-------|-----|---------------|---------|
| | | | | DTN | Phone | Fax | Post or email | |
| 12.4 | User/agent | Company | Meter technical details | YES | NO | YES | YES | D0150 |
| 12.5 | Company | User/agent | Test metering system | YES | YES | YES | YES | D0001 |
| 12.8 | Company | Agent (DC) | Estimated Annual Consumption for unmetered sites which are not subject to HH trading | | | | YES | |
| 13.1, 13.2 | User | Company | Customer details | YES | NO | YES | YES | D0131 |
| 13.3 | User | Company | Change of customer details | YES | NO | YES | YES | D0131 |
| 13.4 | User/ agent | Company | Report Possible Safety Problem | YES | YES | NO | NO | DO135 |
| 13.4 | Agent (MOP, DC) | Company | Report urgent possible safety problem to security of Supplies and Safety Enquiry Service | NO | YES | NO | NO | |
| 13.5, 13.7 | User | Company | Provision of details of special needs customers | YES | NO | YES | YES | D0225 |
| 13.6, 13.7 | User | Company | Provision of details of password | YES | NO | YES | YES | D0131 |
| 16.4 | User | Company | Details of customer complaint in respect of a guaranteed standard claim | NO | YES | YES | YES | |
| | Company | Agent | Confirmation of Energisation/ De-energisation of Prepayment Meter | YES | NO | YES | YES | D0179 |
| | Company | Agent | Instruction on Action | YES | NO | YES | YES | D0005 |
| | Agent | Company | Notification of Change of Supplier Readings | YES | NO | NO | NO | D0086 |
| | User/Agent | Company | Fault resolution report or request for decision on further action. | NO | YES | YES | NO | D0002 |
| | Agent | Company | Confirmation of Proving tests | YES | NO | YES | YES | D0214 |
| | Company | User/Agent | Provision of Site Technical Details | YES | NO | YES | YES | D0215 |
| | User | SFIC | Distribution System Enquiry | NO | YES | YES | YES | D0166 |
| | SFIC | User | Action to make safe | NO | YES | NO | NO | D0126 |
| | SFIC | User | Response to Distribution System Enquiry | NO | YES | YES | YES | D0167 |
| | Agent | Company | Half Hourly Advances | NO | NO | YES | YES | D0003 |

| Agreement Clause No. | From | To | Message | Medium | | | | DTC ref |
|----------------------|---------------|---------------------|---|--------|-------|-----|---------------|---------|
| | | | | DTN | Phone | Fax | Post or email | |
| | Company | User | Confirmation of disconnection of Supply | NO | NO | YES | YES | D0125 |
| | Company | User | Report to Supplier of possible irregularity | NO | NO | YES | YES | D0136 |
| | Company | User | Allocation of new/additional MPAN Core(s) | YES | NO | YES | YES | D0169 |
| | Agent | Company | Request for Metering System details | YES | NO | YES | YES | D0170 |
| | User | Company | Request for additional/new MPAN Cores | YES | NO | YES | YES | D0168 |
| | Company | Agent | Meter Readings | YES | NO | YES | YES | D0010 |
| | Company Agent | Agent/ User Company | Confirmation or Rejection of energisation status Change | YES | NO | YES | YES | D0139 |

The parties shall agree alternative means of transmission in each case where the Data Transfer Network is specific as indicated above. In each case, it is expected unless otherwise indicated, that the parties shall transmit any notice, request or other communication via the Data Transfer Network.

SCHEDULE 11

Demand Control

1. INTRODUCTION

The capacity and other technical parameters of the constituent elements which make up the Distribution System provide operational constraints on Demand and the coincidence of Demand.

2. DEFINITIONS

In this Schedule 11, except where the context otherwise requires, the following expressions shall have the meanings set opposite them:

| | |
|----------------------------|--|
| "Capacity Headroom" | means a margin of 15 % below the maximum capacity of the Distribution System supplying a group of Customers; |
| "Compliance Notice" | means a notice issued to a Supplier pursuant to paragraph 8.5; |
| "Demand" | has the meaning given to that term in the Distribution Code; |
| "Effective Date" | means the date that a notice issued pursuant to this Schedule 11 is deemed received in accordance with Clause 24.5.2 and/or paragraph 11.3 (as appropriate); |
| "Emergency SRN" | means a notice issued pursuant to paragraph 8.1; |
| "Firm SRN" | means a notice issued pursuant to paragraph 7.1; |
| "Load Managed Area" | means an area designated pursuant to paragraph 5.1; |
| "Load Managed Area Notice" | means a notice issued pursuant to paragraph 5.1; |
| "Provisional SRN" | means a notice issued pursuant to paragraph 6.1; |
| "Security of Supply" | means the ability of the Company to provide supplies to Customers, that comply with the Electricity Supply Regulations and with ERP2/5 and ERP28; |
| "SSC" | means Standard Settlement Configuration; |
| "Supplier" | means a person authorised to supply electricity pursuant to Section 6(1) (d) of the Act; and |
| "Total System" | has the meaning given to that term in the Distribution Code; |

3. GENERAL OBLIGATIONS

- 3.1 The User shall use reasonable endeavours to ensure that it does not make any changes to SSCs in force at particular Metering Points which have or may have a materially adverse effect on the discharge of the Company's statutory and/or regulatory obligations to develop and maintain an efficient, secure, safe, co-ordinated and economical system for the distribution of electricity by increasing the coincidence of Demand on the Distribution System in a way which is likely to infringe the Capacity Headroom so that it is insufficient to allow for normal variations in Demand.
- 3.2 The Company shall use reasonable endeavours to issue notices in Load Managed Areas in the following order: Provisional SRN; Firm SRN and Emergency SRN and normally not to issue a notice for a relevant geographic area within 30 days of the Effective Date of the last notice for that relevant geographic area.

4. CONSULTATION

The User may at any time seek advice concerning operational constraints on the Distribution System from the Company on such reasonable terms as the parties may agree in writing.

5. LOAD MANAGED AREAS

- 5.1 The Company may from time to time designate areas of the Distribution System as Load Managed Areas where the Company:
- 5.1.1 has identified a need to reinforce or extend the capacity of such areas and prior to issuing a Load Managed Area Notice, either:
- (A) avoided the need for such reinforcement or extension through a reduction in coincidence of Demand by adopting Customer Demand management to control the timing of load switching; or
 - (B) reasonably believes that such reinforcement or extension would be avoided through a reduction in coincidence of Demand by Suppliers adopting Customer Demand management to control the timing of load switching.
- 5.2 A Load Managed Area Notice shall be sent to the User, all other Suppliers and the Authority.
- 5.3 A Load Managed Area Notice shall be effective when received or deemed received in accordance with Clause 24.5.2 and shall indicate:
- the geographical area to which it applies by map, postcode or such other method as the Company considers reasonable;
 - the time or times of day during which in the Company's opinion changes to SSCs in force at particular Metering Points induced by Suppliers have increased the coincidence of Demand to such an extent that Security of Supply may be threatened; and
 - that it shall continue in force until withdrawn in writing by the Company by serving a notice on all Suppliers.
- 5.4 The parties acknowledge and agree that the issue of a Load Managed Area Notice constitutes notice that:
- (i) significant modifications of Customer Demand in the area identified in such notice may threaten Security of Supply;
 - (ii) Provisional SRNs, Firm SRNs and Emergency SRNs may be issued in respect of that area;
 - (iii) any future changes to SSCs in force at particular Metering Points in that area may be subject at the request of the Company to change in accordance with paragraph 7.5 or 8.5; and
 - (iv) any changes to SSCs referred to in paragraph 5.4(iii) will if requested by the Company pursuant to paragraph 7.5 or 8.5 or if made voluntarily by a Supplier be at the relevant Supplier's cost.

6. PROVISIONAL SECURITY RESTRICTION NOTICES

- 6.1 The Company may from time to time issue a Provisional Security Restriction Notice where in the Company's opinion the changes to SSCs in force at particular Metering Points since the Effective Date of a Load Managed Area Notice have increased the coincidence of Demand in the whole or part of the area identified in that notice so as to materially infringe the Capacity Headroom on such area since the issue of that notice.
- 6.2 A Provisional SRN shall be sent to the User, all other Suppliers and the Authority.

- 6.3 A Provisional SRN shall be effective when received or deemed received in accordance with Clause 24.5.2 and shall indicate:
- the geographical area to which it applies by map, postcode or such other method as the Company considers reasonable;
 - the time or times of day during which Capacity Headroom has been infringed from the Effective Date of the Load Managed Area Notice; and
 - that it shall continue in force until withdrawn in writing by the Company by serving a notice on all Suppliers.
- 6.4 The parties acknowledge and agree that the issue of a Provisional SRN constitutes notice that:
- (i) any modifications of Customer Demand induced by changes to SSCs in the area identified in such notice may threaten Security of Supply;
 - (ii) Firm SRNs and Emergency SRNs may be issued in respect of that area and that such notices will normally not be issued within 30 days of the Effective Date of the relevant Provisional SRN;
 - (iii) any future changes to SSCs in force at particular Metering Points in that area may be subject at the request of the Company to change in accordance with paragraph 7.5 or 8.5 ; and
 - (iv) any changes to switching times in order to effect changes to SSCs referred to in paragraph 6.4(iii) will if requested by the Company pursuant to paragraph 7.5 or 8.5 or if made voluntarily by a Supplier be at the relevant Supplier's cost.

7. FIRM SECURITY RESTRICTION NOTICES

- 7.1 The Company may from time to time issue a Firm Security Restriction Notice where in the Company 's opinion the changes to SSCs in force at particular Metering Points since the Effective Date of a Load Managed Area Notice have increased the coincidence of Demand in the whole or part of the area identified in that notice and as a result there is a material risk to Security of Supply.
- 7.2 A Firm SRN shall be sent to the User, all other Suppliers and the Authority.
- 7.3 A Firm SRN shall be effective when received or deemed received in accordance with Clause 24.5.2 and shall indicate:
- the geographical area to which it applies by map, postcode or such other method as the Company considers reasonable;
 - the time or times of day during which Capacity Headroom is infringed and into which Demand cannot be moved as a result of changes to switching times by Suppliers;
 - the time or times of day during which there is sufficient capacity at the Effective Date of the Firm SRN into which Demand can be moved; and
 - that it shall continue in force until withdrawn in writing by the Company by serving a notice on all Suppliers.
- 7.4 The parties acknowledge and agree that the issue of a Firm SRN constitutes notice that:
- (i) any modifications of Customer Demand induced by changes to SSCs in the area identified in such notice may threaten Security of Supply;
 - (ii) Emergency SRNs may be issued in respect of that area and that such notices will normally not be issued within 30 days of the Effective Date of the relevant Firm SRN;

- (iii) any future changes to SSCs in force at particular Metering Points in that area may be subject at the request of the Company to change in accordance with paragraph 7.5 or 8.5; and
- (iv) any changes to switching times in order to effect changes to SSCs referred to in paragraph 7.4(iii) will if requested by the Company pursuant to paragraph 7.5 or 8.5 or if made voluntarily by a Supplier be at the relevant Supplier's cost.

7.5 When the Company issues a Firm SRN it may where it reasonably believes that SSCs allocated in respect of the Customers of a Supplier since the Effective Date of the relevant Load Managed Area Notice or Provisional SRN have materially contributed to the risk to Security of Supply in respect of which the Firm SRN has been issued, also send a separate notice to that Supplier and a copy to the Authority, requiring it to change at the Supplier's cost within such period of time as the Company considers reasonable the SSCs in force at particular Metering Points in the area designated in the Firm SRN to the SSCs for the relevant Metering Points at the Effective Date of the relevant Provisional SRN or where the Company reasonably believes it is necessary to such other SSCs as shall not have a materially adverse effect on Security of Supply or to take such other action as the Company considers reasonable.

8. EMERGENCY SECURITY RESTRICTION NOTICES

8.1 The Company may at any time issue an Emergency Security Restriction Notice where in the Company's opinion there is an immediate risk to Security of Supply. (For the avoidance of doubt the issue of an Emergency SRN shall not be restricted to Load Managed Areas).

8.2 An Emergency SRN shall be sent to the User, all other Suppliers and the Authority.

8.3 An Emergency SRN shall be effective when received or deemed received in accordance with paragraph 11.3 below and shall indicate:

- the geographical area to which it applies by map, postcode or such other method as the Company considers reasonable;
- the time or times of day into which Demand cannot be moved as a result of changes to switching times by Suppliers;
- the time or times of day during which there is sufficient capacity at the Effective Date of the Emergency SRN into which Demand can be moved; and
- that it shall continue in force until withdrawn in writing by the Company by serving a notice on all Suppliers.

8.4 The parties acknowledge and agree that the issue of an Emergency SRN constitutes notice that:

- (i) any modifications of Customer Demand induced by changes to SSCs in the area identified in that notice may threaten Security of Supply;
- (ii) any future changes to SSCs in force at particular Metering Points in that area may be subject to reversion to the SSCs for the relevant Metering Points at the Effective Date of the Emergency SRN or such other SSCs as shall not have a materially adverse effect on Security of Supply; and
- (iii) any changes to switching times in order to effect changes to SSCs referred to in paragraph 8.4(ii) will if requested by the Company be at the relevant Supplier's cost.

8.5 When the Company issues an Emergency SRN it may where it reasonably believes that SSCs allocated in respect of the Customers of a Supplier have materially contributed to the risk to Security of Supply in respect of which the Emergency SRN has been issued, also send a Compliance Notice to that Supplier and a copy to the Authority. A Compliance Notice shall require the Supplier to change at the Supplier's cost within such period of

time as the Company considers reasonable the SSCs in force at particular Metering Points in the area designated in the Emergency SRN to the SSCs for the relevant Metering Points at the Effective Date of the relevant Firm SRN or where the Company reasonably believes it is necessary to such other SSCs as shall not have a materially adverse effect on Security of Supply or to take such other action as the Company considers reasonable. PROVIDED that where the Company requires changes to SSCs in an area which is not a Load Managed Area or to SSCs which have not been modified by the Supplier since the Effective Date of the current Load Managed Area Notice then the cost of Meter Operator visits required to affect such changes shall be at the Company's cost.

- 8.6 Failure to Comply with an Emergency SRN or a Compliance Notice shall constitute a breach of this Agreement and the Company may with no prior notice to the User where the User is in such breach De-energise any Metering Point affected by the Emergency SRN or Compliance Notice for which the User is registered in MPAS as the Supplier.

9. CONFIDENTIALITY

- 9.1 Any notice issued by either party pursuant to this Schedule 11 shall be confidential and neither party shall pass on any information contained in such notice to any other person but shall only be able to say that there has been an incident on the Total System and (if known and if power supplies have been affected) an estimated time of return to service.

10. APPEALS PROCEDURE

- 10.1 The parties shall attempt to resolve in good faith any dispute in relation to this Schedule 11. Where the dispute remains unresolved after 14 days either party may refer the dispute to the Authority for determination. Any determination by the Authority shall be final and binding.

11. NOTICES

- 11.1 Save as provided in paragraph 11.2 a notice, approval, consent or other communication to be made by one party under or in connection with this Schedule 11 shall be in writing and shall be delivered personally or sent by first class post, courier or fax to the other party at the address specified in this paragraph and marked for the attention of the person so specified:

if to the Company, to: []
Address: []
[]
[]
[]
Facsimile: []
Attention: []

if to the User, to: []
Address: []
[]
[]
[]
[]
Facsimile: []
Attention: []

or to such other persons, addresses or facsimile numbers as the relevant party may from time to time specify by notice in writing to the other party.

- 11.2 An Emergency SRN shall be dictated by the Company to the User to the person(s) specified in this paragraph on the telephone number so specified who shall record it and on completion shall repeat the notification in full to the Company and check that it has been accurately recorded:

- Attention: []
- Telephone Number: [].

or to such other persons or telephone numbers as the User may from time to time specify by notice in writing to the Company, PROVIDED THAT the User shall ensure that such person(s) shall be contactable at the specified telephone number at all times.

- 11.3 An Emergency Security Restriction Notice shall be deemed received when the Company has dictated it to the User.

- 11.4 The Company shall also send an Emergency SRN in writing as soon as reasonably practicable to the User in accordance with paragraph 11.1 above (for the avoidance of doubt, such notice shall be for the record and shall not replace the notice given in accordance with paragraph 11.2 but shall be deemed received in accordance with Clause 24.5.2 of this Agreement)

12. REVIEW PROCEDURE

- 12.1 The Company shall, no later than the later of 6 months after its Effective Date or 6 months after its last review, review every Load Managed Area Notice, Provisional SRN, Firm SRN and Emergency SRN issued by it pursuant to this Schedule 11 which is still in force.
- 12.2 Where the Company reasonably believes that the relevant notice should continue in force it will notify all Suppliers and the Authority accordingly, together with its reasons.
- 12.3 Where the Company reasonably believes that the relevant notice should not continue in force it will withdraw the relevant notice and notify all Suppliers and the Authority.

SCHEDULE 12

Standard Connection Agreement

Standard Terms of Connection

- A. The electricity you receive from your electricity supplier will be delivered using the distribution network run by your local network operator. To receive a supply of electricity you require both:
- a connection agreement with your local network operator to maintain the connection of your premises to the network; and
 - a supply contract with your electricity supplier.
- B. Your electricity supplier has been appointed as the agent of your local network operator to obtain a connection agreement with you on these standard terms. When you enter into your electricity supply contract, you are also entering into this connection agreement with your local network operator.
1. *Interpretation:* In this agreement the terms "we", "our" and "local network operator" mean, for each connection to a network through which you are supplied under your electricity supply contract, the electricity distributor which owns or operates that network.
 2. *Existing terms:* Any existing terms applying to your connection to our network (except for another standard connection agreement) will apply instead of this agreement to the extent that they are inconsistent with this agreement.
 3. *Duration of this connection agreement:* This agreement takes effect from the time that your electricity supply contract takes effect and will continue (even if your electricity supply contract ends) until it ends under Clause 11 below.
 4. *Connection to our network:* Your premises will remain connected to our network in accordance with the provisions of the Electricity Act 1989, any other legal requirements that apply from time to time, and the terms of this agreement.
 5. *Network constraints:* Our obligations under this agreement are subject to the maximum capacity and any other design feature of your connection. In accordance with existing legal rules, you must contact us in advance if you propose to make any significant change to your connection, electric lines or electrical equipment, install or operate generating equipment or do anything else that could affect our network or require alterations to your connection.
 6. *Delivery of electricity:* We do not guarantee that we will deliver electricity through our network at all times or that electricity delivered through our network will be free of brief variations in voltage or frequency.
 7. *Cutting off your supply:* We may cut off the supply of electricity to your connection where we are entitled to do so under the general law. We may also cut off your supply of electricity where we are required to do so under your electricity supply contract or the electricity industry arrangements under which we operate.
 8. *If something goes wrong:* If we fail to comply with any term of this agreement, or are negligent, you may be entitled under the general law to recover compensation from us for any loss you have suffered. However, we will not be required to compensate you for loss caused by anything beyond our reasonable control, or for any indirect, consequential, economic or financial loss (including losses of revenue, profit or opportunity, wasted expenses or loss of contract or goodwill), other than where you are entitled to recover compensation for such loss under the general law in relation to death or personal injury.
 9. *Business customers:* If the electricity supplied to your premises is used wholly or mainly for business purposes, each of us will only be liable to the other in accordance with the limitations in Clause 8 and up to a maximum of £100,000 per calendar year.
 10. *Changing this connection agreement:* Any change which we believe is reasonably required will be announced in at least three national daily newspapers and will take effect from the date stated in those announcements.

Either of us may ask the other to accept a change to any part of this agreement at any time if either believes the change is needed because of the nature of your connection or because this agreement is no longer appropriate.

(It is unlikely that we will propose any changes unless your connection is at high voltage, you have generating equipment or there are other special features.) If a change is proposed under this clause, and cannot be agreed between us within 28 days, either of us may ask the Authority to decide whether or not the change should be made.

11. *Ending this connection agreement:* This agreement will end in relation to a connection when one of the following occurs:

- you permanently stop having electricity delivered through that connection;
- you no longer either own or occupy the premises at which that connection is situated; or
- any circumstances arise which legally entitle us to cut off your electricity supply to that connection and we write to you advising you that this agreement is ended.

The ending of this agreement will not affect any rights, remedies or obligations which may have come into being under this agreement and Clauses 8 and 9 will continue to apply to those rights, remedies and obligations.

12. *Transferring this connection agreement:* You are not entitled to transfer this agreement to another person without our consent.

13. *Providing information:* You must provide us with any information we request in relation to the nature, or use by you, of electrical equipment on your premises. We will only ask for information that we need in relation to this agreement or the Distribution Code that applies under our Electricity Distribution Licence.

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