



Slough Heat and Power

USE OF THE SLOUGH HEAT & POWER LIMITED ELECTRICITY
DISTRIBUTION SYSTEM

SLOUGH HEAT & POWER LIMITED STANDARD TERMS AND
CONDITIONS

Effective from 1st April 2021

Version 1.0

Version Control

Version	Date	Description of version and any changes made
V1.0	25Nov20	Initial document

CONTENTS

Table of Contents

1. Definitions and Interpretation	4
2. Basis of the Agreement	16
3. Term	16
4. Use of System	17
5. Charges	18
6. Aggregated Billing and Payment	22
7. Site-Specific Billing and Payment	23
8. Transactional Charges	24
9. Payment Default	25
10. Security Cover	26
11. Energisation, De-Energisation and Re-Energisation	26
12. Meter Operation Code of Practice Agreement	31
13. Metering Equipment and Metering Data	31
14. Provision of Information	33
15. Confidentiality Restrictions on Shp	39
16. Confidentiality Restrictions on The Supplier	41
17. Limitation of Liability	42
18. Termination	45
19. Force Majeure	47
20. Disputes	47
21. Data Transfer and Notices	48
22. Miscellaneous	50
Schedule 1 Cover	52
Schedule 2 Billing and Payment Disputes	62
Schedule 3 Metering Accuracy	64
Schedule 4 Service Levels for Resolving Network Operational Issues and Associated Reporting Requirements	65

USE OF THE SLOUGH HEAT & POWER LIMITED ELECTRICITY DISTRIBUTION SYSTEM

SLOUGH HEAT & POWER LIMITED STANDARD TERMS AND CONDITIONS

PRELIMINARY

- (A) SHP operates the Distribution System.
- (B) The Distribution System is an Exempt Distribution System and SHP is a Distribution Exemption Holder in relation to the Distribution System. As a result, SHP is, in respect of the Distribution System, pursuant to section 5A of the Act subject to the relevant "third party access" and other relevant rights and obligations set out in Schedule 2ZA (Duties of Distribution Exemption Holders) of the Act.
- (C) These Conditions set out the terms and conditions that apply between SHP and the Supplier in respect of the Supplier's use of the Distribution System for the conveyance of electricity and the specified services associated with this.
- (D) These Conditions as applicable to the Supplier are to be read in conjunction with the Supplier Notification Letter. The Conditions and Supplier Notification Letter together form the Agreement.

1. DEFINITIONS AND INTERPRETATION

- 1.1 The following definitions and rules of interpretation apply in these Conditions (including in the Recitals above).

"Act": means the Electricity Act 1989.

"Affiliate": means, in relation to any person; any holding company of that person, any subsidiary of that person or any subsidiary of a holding company of that person, in each case within the meaning of Section 1159 of the Companies Act 2006.

"Agreement": means the contract between SHP and the Supplier, in respect of the Supplier's use of the Distribution System, comprised of these Conditions and the Supplier Notification Letter.

"Approved Contractor": means a contractor of the Supplier who SHP has, prior to any carrying out of the Relevant Works, notified the Supplier is approved by SHP to carry out the Relevant Works.

"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 (BSC), including all Code Subsidiary Documents (as therein defined), established pursuant to the National Electricity Transmission System Operator Licence.

"Breaching Party": has the meaning given to that term in Condition 18.1.

"BSC Party Agent": has the meaning given to the term 'Party Agent' in the BSC.

“Category A Situation”: means a situation in which SHP’s Electric Lines or Electrical Plant does (or is likely to) pose a danger, including danger of death or injury to persons and/or danger of damage to or destruction of property.

“Category B Situation”: means a situation in which the condition of SHP’s Electric Lines or Electrical Plant prevents metering work from being carried out or prevents a meter from being exchanged but where the situation is not a Category A Situation.

“Category C Situation”: means an issue with SHP’s Electric Lines or Electrical Plant that is neither a Category A Situation nor a Category B Situation.

“Charges”: means:

- (a) the Use of System Charges; and
- (b) the Other Charges.

“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 insofar as it is acting within the limits of its proper authority.

“Conditions”: means these terms and conditions.

“Connected Installation”: means a Customer Installation, a Generator Installation or a Supplier Installation (as the case may be).

“Connectee”: means, in respect of:

- (a) a Customer Installation, the relevant Customer;
- (b) a Generator Installation, the relevant Generator; and
- (c) a Supplier Installation, the Supplier.

“Connection Agreement”: means an agreement between a SHP and a Connectee which provides that that Connectee has the right for its Connected Installation to be and remain directly or indirectly connected to the Distribution System.

“Connection and Use of System Code” or “CUSC”: means the Connection and Use of System Code (and the CUSC Framework Agreement) established pursuant to the National Electricity Transmission System Operator Licence.

“Continuing Requirements”: means:

- (a) where the Supplier has not previously been Registered in respect of any Metering Point relating to an Entry Point or an Exit Point on the Distribution System, that the Supplier has notified SHP’s Billing Agent that the Supplier intends to become so Registered and that the Supplier and SHP’s Billing Agent have exchange such contact, invoicing and other similar information as the other reasonably requests;
- (b) that the Supplier holds a Supply Licence;
- (c) that the Supplier is a party to the Balancing and Settlement Code;

- (d) that the Master Registration Agreement and the Data Transfer Service Agreement are in full force and effect between the Supplier and SHP's Billing Agent and that such agreements are unconditional;
- (e) the provision by the Supplier of any Cover that may be required by SHP in accordance with Condition 10;
- (f) that the Supplier (if required to be by its Supply Licence) is party to the Smart Energy Code and the Retail Energy Code; and
- (g) that SHP is a Distribution Exemption Holder.

"Contract": means a Supply Contract or a Power Purchase Contract.

"Cover": has the meaning given to that term in Schedule 1 (Cover).

"CUSC Framework Agreement": means the agreement of that name, in the form approved by the Secretary of State, by which the CUSC is made contractually binding between the parties to it.

"Customer": means a person to whom a Supplier proposes to supply, or for the time being supplies, electricity through an Exit Point, or from whom a Supplier, is entitled to recover charges, compensation or an account of profits in respect of electricity supplied through an Exit Point.

"Customer Installation": means any structures, equipment, lines, appliances or devices used or to be used by a 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 and 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 Aggregator": has the meaning given to that term in the BSC.

"Data Collector": has the meaning given to that term in the BSC.

"Data Protection Legislation": means all applicable data protection and privacy legislation in force from time to time in the UK including the General Data Protection Regulation ((EU) 2016/679); the Data Protection Act 2018; the Privacy and Electronic Communications Directive (2002/58/EC) (as updated by Directive 2009/136/EC) and the Privacy and Electronic Communications Regulations 2003 (SI 2003/2426) as amended.

"Data Transfer Catalogue": means the catalogue of data flows, data definitions and data formats established under the Master Registration Agreement.

"Data Transfer Network": means the electronic network provided as part of the Data Transfer Service.

"Data Transfer Service": has the meaning given to that term in the Distribution Licences.

"Data Transfer Service Agreement": means the agreement for the provision of the Data Transfer Service dated 30 July 1997.

“DCUSA”: means the Distribution, Connection and Use of System Agreement as maintained by each DNO Party and IDNO Party pursuant to the standard conditions of their Distribution Licence.

“De-energisation Works”: means (a) the movement of any switch, (b) the removal of any fuse or meter; or (c) the taking of any other physical works, to De-energise a Metering Point.

“De-energise”: means deliberately to prevent the flow of electricity until Re-energised or Disconnected:

- (a) in the case of an Exit Point, 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; and/or
- (b) in the case of an Entry Point, via the Distribution System through the relevant Entry Point (or, in the case of an Unmetered Supply, any one or more of the relevant Entry Points) from

a Connected Installation, for any purpose other than a System Outage on the Distribution System (and cognate expressions shall be construed accordingly).

“Default Interest Rate”: has the meaning given to it in the DCUSA.

“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 (and De-registered shall be construed accordingly, and De-registration Notice shall be construed as a notice issued by SHP 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.

“Disconnect”: means to permanently disconnect a Metering Point in accordance with section 17 of the Act (and cognate expressions shall be construed accordingly).

“Distribution Business”: means the distribution of electricity through the Distribution System (including any business in providing connections to that system) and any business that is ancillary thereto.

“Distribution Code”: means the Distribution Code approved by the Authority that licensed distribution companies are required to maintain in force under standard condition 21 of their distribution licence (The Distribution Code) for the purposes set out in that condition.

“Distribution Exemption Holder” has the meaning given to the term in section 64(1) of the Act.

“Distribution Licence”: means a licence granted, or treated as granted, pursuant to section 6(1)(c) of the Act.

“Distribution System”: means the system (located on the Slough Trading Estate and adjoining areas) consisting (wholly or mainly) of electric lines owned or operated by SHP that is used to distribute (as such term is defined in section 4(4) of the Act) and any electrical plant, electricity meters and metering equipment owned or operated by SHP in connection with such distribution of electricity.

“DNO Party”: means a Party that holds a Distribution Licence in which section B of the standard distribution licence conditions has effect, whether or not that Party is also engaged in the supply or generation of electricity.

“DNO/IDNO Party”: means a DNO Party or an IDNO Party (and DNO/IDNO Parties shall mean the DNO Parties and the IDNO Parties collectively).

“Electric Line”: means any line which is used for carrying electricity to or from an Entry Point or Exit Point and includes, unless the context otherwise requires (a) any support for such line, that is to say, any structure, pole or other thing in, on, by or from which any such line is or may be supported, carried or suspended; (b) any apparatus connected to such line for the purpose of carrying electricity; and (c) any wire, cable, tube, pipe or other similar thing (including its casing or coating) which surrounds or supports, or is surrounded or supported by, or is installed in close proximity to, or is supported, carried or suspended in association with, any such line.

“Electrical Plant”: means any plant, equipment, apparatus or appliance used for or for purposes connected with the distribution of electricity (including any metering equipment) other than an Electric Line.

“Energisation Works”: means the movement of any switch or the addition of any fuse or meter to Energise a Metering Point.

“Energise”: means deliberately to allow the flow of electricity (i) in the case of an Exit Point, 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; and/or (ii) in the case of an Entry Point, via the Distribution System through the relevant Entry Point (or, in the case of an Unmetered Supply, one or more of the relevant Entry Points) from, a Connected Installation, where such a flow of electricity has never previously existed (and cognate expressions shall be construed accordingly).

“Entry Point”: means a point on the Distribution System at which units of electricity, whether metered or unmetered, enter the Distribution System.

“Equivalent Meter”: means an equivalent half-hourly meter as defined by the Unmetered Supplies Procedure.

“Exempt Distribution System” has the meaning given to the term in section 64(1) of the Act.

“Exempt Supplier”: means a person who is authorised to supply electricity by an exemption granted under section 5 of the Act.

“Exit Point”: means a point on the Distribution System at which units of electricity, whether metered or unmetered, leave the Distribution System.

“Extra-Settlement Determination”: has the meaning given to that term in the BSC.

“Force Majeure”: means, in respect of any person, any event or circumstance which is beyond the reasonable control of that person and which results in or causes the failure of that person to perform any of its obligations under the 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, a pandemic as designated by the World Health Organisation, fault or failure of plant or machinery which (in each case) could not have been prevented by Good Industry Practice; and any governmental restraint, Act of Parliament, other legislation, bylaw and Directive (not being any order, regulation or direction under section 32, 34 or 35 of the Act), or (in the case of SHP) the failure of any generator or other person to deliver electricity to SHP 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 SHP: provided that lack of funds shall not be interpreted as a cause beyond a person’s reasonable control.

“Gateway”: has the meaning given to that term in the Data Transfer Service Agreement.

“Generator”: means a person from whom a Supplier purchases, or proposes to purchase, electricity, at an Entry Point (who may from time to time be supplied with electricity as a Customer of that Supplier (or another electricity supplier) through an Exit Point).

“Generator Installation”: means any structure, equipment, lines, appliances or devices used or to be used by a Generator and connected or to be connected directly or indirectly to the Distribution System.

“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.

“Grid Code”: has the meaning given to that term in the National Electricity Transmission System Operator Licence.

“IDNO Party”: means a Party that holds a Distribution Licence in which Section B of the standard distribution licence conditions does not have effect, whether or not that Party is also engaged in the supply or generation of electricity.

“Initial Account”: has the meaning given to that term in Condition 6.3.

“Initial Settlement Run”: has the meaning given to that term in the BSC.

“Interim Information Settlement Run”: has the meaning given to that term in the BSC.

“kVA”: means kilovolt-amperes.

“Late Payment Notice”: has the meaning given to that term in Condition 9.2.

“Market Domain I.D.”: has the meaning given to that term in the Data Transfer Service Agreement.

“Master Registration Agreement” or **“MRA”**: means the agreement of that name that licensed distribution companies are required to maintain in force in a form approved by the Authority under standard condition 23 of their Distribution Licence (Master Registration Agreement) for the purpose of providing for the matters set out in that condition.

“Maximum Export Capacity”: means in respect of any Entry Point, the maximum amount of electricity, as agreed with SHP and expressed in kilowatts or kilovolt-amperes, which may be exported onto the Distribution System via that Entry Point.

“Maximum Import Capacity”: means in respect of any Exit Point, the maximum amount of electricity, as agreed with SHP and expressed in kilowatts or kilovolt-amperes, which may be imported from the Distribution System via that Exit Point.

“Meter Operation Code of Practice Agreement”: means the Meter Operation Code of Practice Agreement dated 8 September 1998.

“Meter Operator Agent”: has the meaning given to that term in the BSC.

“Meter Technical Details”: has the meaning given to that term in the BSC.

“Metering Data”: means, in respect of a Metering Point:

- (a) any Meter Technical Details associated with that Metering Point; and/or
- (b) data concerning the quantities of active energy and reactive energy (exported or imported) measured, collected or otherwise determined as having been conveyed across that Metering Point.

“Metering Point”: means the point, determined according to the principles and guidance given at schedule 8 of the Master Registration Agreement, at which a supply to (export) or from (import) the Distribution System:

- (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,

where in each case such measurement is for the purposes of ascertaining a Supplier Party’s liabilities under the BSC.

“MPAS”: has the meaning given to that term in the Master Registration Agreement.

“MPAS Provider”: means a DNO Party or IDNO Party in its capacity as the person who provides the services described in condition 18 of the Distribution Licences.

“National Electricity Transmission System Operator”: means the holder, from time to time, of the National Electricity Transmission System Operator Licence.

“National Electricity Transmission System Operator Licence”: means a transmission licence granted, or treated as granted, pursuant to section 6(1)(b) of the Act and in which section C of the standard transmission licence conditions applies.

“Operational Metering Equipment”: means metering equipment suitable to provide a SHP with such data as it requires for use of system or operational purposes.

“Other Charges”: has the meaning given to that term in Condition 5.4.

“Party”: means a party to the Agreement.

“Party Details” means, in respect of each Party, the information relating to that Party as referred to in Condition 21.6.

“Payee”: means, in respect of any Charges payable pursuant to the Agreement, the Party to which those Charges are payable (ordinarily being SHP, but being the Supplier in the case of negative Use of System Charges, as referred to in Condition 5.3B.2).

“Payment Default”: has the meaning given to that term in Condition 9.1.

“Payor”: means, in respect of any Charges payable pursuant to the Agreement, the Party obliged to pay those Charges (ordinarily being the Supplier, but being SHP in the case of negative Use of System Charges, as referred to in Condition 5.3B.2).

“Permission”: has the meaning given to that term in Condition 11.1.1.

“Post-Final Settlement Run”: has the meaning given to that term in the BSC.

“Power Purchase Contract”: means a contract between the Supplier and a Generator for the purchase by the Supplier of electricity generated by such Generator and (if agreed in such contract) the sale of electricity to the Generator by the Supplier.

“Premises”: has the meaning given to that term in the Act.

“Qualification”: has the meaning given to that term in the BSC, and Qualified shall be construed accordingly.

“Quarter”: means the period of three months commencing on 1 January, 1 April, 1 July and 1 October respectively in each year.

“Reconciliation Account”: has the meaning given to that term in Condition 6.4.

“Reconciliation Run”: has the meaning given to the term “Reconciliation Settlement Run” in the BSC.

“Re-energisation Works”: means (a) the movement of any switch, (b) the replacement of any fuse or meter; or (c) the undertaking of any other physical works, to Re-energise a Metering Point.

“Re-energise”: means deliberately to allow the flow of electricity:

- (a) in the case of an Exit Point, 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; and/or

- (b) in the case of an Entry Point, to the Distribution System through the relevant Entry Point (or, in the case of an Unmetered Supply, any one or more of the relevant Entry Points) from, a Connected Installation, where such flow of electricity was previously prevented by De-energisation Works (and cognate expressions shall be construed accordingly).

“Registered”: means that the Supplier is registered in respect of the relevant Metering Point under and in accordance with the Master Registration Agreement (and cognate expressions shall be construed accordingly).

“Registration Notice”: means, in respect of a Metering Point, a notice sent to the MPAS Provider by either the Supplier or SHP, as the case may be, instructing the MPAS Provider to change the status of that Metering Point in the way set out in the notice.

“Regulations”: means the Electricity Safety, Quality and Continuity Regulations 2002 (SI 2002/2665).

“Regulatory Year” means a period of twelve months beginning on 1 April in any calendar year and ending on 31 March of the next following calendar year.

“Related Undertaking”: means, in respect of any person, any undertaking in which that person has a participating interest as defined in regulations made under part 15 of the Companies Act 2006.

“Relevant Charging Methodology”: means the statement prepared by SHP in relation to charges for use of the Distribution System as approved by the Authority pursuant to paragraph 5 of Schedule 2ZA of the Act at the relevant time.

“Relevant Charging Statement”: means a charging statement that sets out the basis on which charges will be made for use of the Distribution System as, at the relevant time:

published by SHP on its website at

<https://www.sseutilitysolutions.co.uk/products/slough-heat-and-power/>

- (a) (or such other web address as notified to the Supplier from time to time); or
- (b) otherwise made known to the Supplier by:
- (i) such other reasonable and adequate method of publication as notified to the Supplier from time to time; or
 - (ii) provision to the Supplier in accordance with the notice provisions at Condition 21.6; and

any other statement in relation to charges for other services offered by SHP, as prepared by SHP and published or otherwise made known in accordance with paragraphs (a) or (b) by SHP from time to time.

“Relevant Instruments”: means (a) the Act and all subordinate legislation made under it as amended from time to time; (b) Data Protection Legislation and all subordinate legislation made under it as amended from time to time; (c) the Supply Licence, and any determination, direction, consent or notice made or issued by the Authority pursuant to

the terms thereof; (d) the Data Transfer Service Agreement; (e) the Master Registration Agreement; (f) the Connection and Use of System Code; (g) the BSC; (h) the DCUSA; the Distribution Code; the Retail Energy Code; the Smart Energy Code, 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 a company acting in accordance with Good Industry Practice would obtain, in connection with the provision of the services, of or from any Competent Authority.

"Relevant Works": has the meaning given to that term in Condition 11.1.

"Resolving Unregistered Consumers Code of Practice": means the code of practice of that name set out in DCUSA.

"Retail Energy Code" or "REC": means the Retail Energy Code as set out in the gas and electricity supply licences.

"Safe": means a situation in which SHP's Electric Lines or Electrical Plant does not pose a danger, including danger of death of or injury to persons and/or danger of damage to or destruction of property.

"SEC" or "Smart Energy Code": means the smart energy code designated for the purposes of the smart meter communication licences granted pursuant to the Act and the Gas Act 1986.

"Secretary of State": has the meaning given to that term in the Interpretation Act 1978.

"SEPD": means Southern Electric Power Distribution PLC, a company incorporated and registered in England and Wales with company number 4094290 and with its registered office at No.1 Forbury Place, 43 Forbury Road, Reading RG1 3JH, and its successors in title, permitted assigns and permitted transferees.

"Service Level": means SHP performing its obligations under Conditions 14.5A.2, 14.5A.4 and 14.5B.2 in accordance with the requirements of those Conditions.

"Settlement": has the meaning given to that term in the BSC.

"Settlement Class": has the meaning given to that term in the BSC.

"Settlement Day": has the meaning given to that term in the BSC.

"Settlement Run": means, as appropriate, an Initial Settlement Run, Reconciliation Run, or Interim Information Settlement Run.

"SHP": means Slough Heat & Power Limited, a company incorporated and registered in England and Wales with company number 174142 and with its registered office at No.1 Forbury Place, 43 Forbury Road, Reading RG1 3JH, and its successors in title, permitted assigns and permitted transferees.

"SHP's Billing Agent": means SEPD or such other person as notified by SHP to the Supplier from time to time.

“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”: means the Supplier Party to whom the Supplier Notification Letter is addressed.

“Supplier Installation”: means any structures, equipment, lines, appliances or devices used or to be used by a Supplier and connected or to be connected directly or indirectly to the Distribution System at any Exit Point or Entry Point in relation to which that Supplier is Registered.

“Supplier Notification Letter” means SHP’s written notification to the Supplier of (among other things) the application of these Conditions to the Supplier’s use of the Distribution System for the conveyance of electricity.

“Supplier Party”: means a Party that holds a Supply Licence and that does not hold a Distribution Licence.

“Supply Business”: means, in respect of a Supplier Party, that Party’s business of supplying electricity (as authorised pursuant to the Act).

“Supply Contract”: means a contract (whether oral, in writing or deemed) between the Supplier and the Customer for a supply of electricity to such Customer through an Exit Point.

“Supply Licence”: means a licence granted, or treated as granted, pursuant to section 6(1)(d) of the Act.

“Supply Number”: has the meaning given to that term in the Master Registration Agreement.

“System Outage”: means a planned or unplanned interruption to the flow of electricity through the whole or part of that the Distribution System implemented by or on behalf of SHP for safety or system security reasons or to enable that SHP to inspect or effect alterations, maintenance, repairs or additions to any part of that the Distribution System.

“Transactional Charges”: has the meaning given to that term in Condition 8.1.

“Unit”: means a kilowatt hour.

“Unit Rate”: means a charge in pence and/or pounds applied to a Unit.

“Unmetered Supplies Certificate”: means a certificate issued by SHP’s Billing Agent (in its sole discretion) to a Customer in accordance with the Unmetered Supplies Procedure which states (amongst other things) the Supply Numbers of the Metering Points by reference to which SHP’s Billing Agent has authorised the Customer to receive Unmetered Supplies.

“Unmetered Supplies Procedure”: means Section S of the BSC and BSC Procedure BSCP 520 established under the BSC and any replacement or substitute BSC Procedure from time to time in force.

“Unmetered Supply” or “UMS”: means a supply of electricity the quantity of which SHP’s Billing Agent, through the issue of a relevant Unmetered Supplies Certificate, has authorised not to be measured by physical metering equipment.

“Use of System Charges”: has the meaning given to that term in Condition 5.3B.

“Value Added Tax” or “VAT”: means VAT as defined 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.

“Works”: means any Energisation Works, Re-energisation Works or De-energisation Works.

1.2 In the Agreement, unless the context requires otherwise:

1.2.1 any reference the singular shall include the plural and vice versa;

1.2.2 a reference to any specific legislation includes a reference:

(a) to that legislation as re-enacted, consolidated, replaced or amended from time to time (including, for the avoidance of doubt, as it may be retained within the law of England and Wales pursuant to the European Union (Withdrawal) Act 2018 and subsequently re-enacted, consolidated, replaced or amended from time to time);

(b) to any legislation of which that legislation is a re-enactment, consolidation, replacement or amendment; and

(c) to any subordinate legislation made under any of the above;

1.2.3 any reference to an agreement, code, licence or other document is to such agreement, code, licence or other document as amended, supplemented, novated or replaced from time to time;

1.2.4 any reference to:

(a) any Party shall be construed so as to include its successors in title, permitted assigns and permitted transferees;

(b) a “person” includes a reference to a body corporate, association or partnership;

(c) the Agreement, these Conditions or the Supplier Notification Letter is a reference to the Agreement, these Conditions, or the Supplier Notification Letter:

(i) as amended or supplemented; or

(ii) in the case of the Agreement only, novated,

from time to time in accordance with, and subject to any relevant requirement of the Agreement; and

(d) a “Recital”, “Condition”, “sub-Condition”, “Schedule”, “Part” or “Paragraph” are, except where it is expressly stated to the contrary, a

reference to such Recital, Condition, sub-Condition, Schedule or Part of the Agreement.

- 1.3 The term hereof and similar words refer to the entire Agreement and not to any particular provision or Condition or any other subdivision of these Conditions or the Agreement.
- 1.4 Headings in the Agreement are for ease of reference only and shall not affect the interpretation of the Agreement.
- 1.5 If there is a conflict between any provision of these Conditions and the Supplier Notification Letter, the Conditions shall prevail in respect of the relevant provision, and if there is a conflict between a provision of a Schedule and the Conditions or the Supplier Notification Letter, the Conditions or the Schedule (as applicable) shall prevail.
- 1.6 A charging period is, subject to any contrary indication, a reference to the period specified in the Relevant Charging Statement (or, if no period is specified therein, a calendar month).
- 1.7 Any reference to SHP, unless the context requires otherwise, includes its agents who may be contracted by SHP to undertake work on its behalf from time to time, including, but not limited to, activities such as billing or the submission of data under the BSC.

2. BASIS OF THE AGREEMENT

- 2.1 Pursuant to the Supplier Notification Letter, SHP offers to the Supplier to, subject to and in accordance with the terms of the Supplier Notification Letter and these Conditions, provide to the Supplier use of the Distribution System for the conveyance of electricity.
- 2.2 The Supplier's use of the Distribution System for the conveyance of electricity, on or after the Supplier has been deemed (by reference to Condition 21.6) to receive the Supplier Notification Letter, will amount to the Supplier's acceptance of the terms of the Supplier Notification Letter and these Conditions.
- 2.3 Without prejudice to Condition 1.5, the terms of the Supplier Notification Letter and these Conditions prevail over any other terms and conditions, whether referred to in the Supplier's standard terms, implied by practice or course of dealing, and no other terms govern the Agreement.
- 2.4 The Agreement:
 - 2.4.1 may not be amended by the Supplier without SHP's written consent and such a change or amendment will only be accepted when signed by a director of SHP; and
 - 2.4.2 may at any time be amended by SHP, acting reasonably, by not less than 20 Working Days' written notice (subject to the provisions of Condition 5 in respect of variations to Charges).

3. TERM

- 3.1 Subject to Condition **Error! Reference source not found.**, the Agreement shall:
 - 3.1.1 take effect on and from the later of:

- (a) the point in time at which Condition 2.2 applies; and
 - (b) 1 April 2021, and
- 3.1.2 shall continue in force until terminated in accordance with the provisions of Condition 18.

4. USE OF SYSTEM

Provision of Use of System

- 4.1 Subject to the terms of the Agreement, SHP shall convey electricity through the Distribution System, for the Supplier:
- 4.1.1 to each Exit Point relating to a Metering Point Registered to the Supplier; and
 - 4.1.2 from each Entry Point relating to a Metering Point Registered to the Supplier, subject to:
 - 4.1.3 any arrangements made between the respective Connectee and SHP and the requirements (if any) of the respective Connectee agreed between such Connectee and SHP;
 - 4.1.4 the Maximum Import Capacity (if any) or the Maximum Export Capacity (if any); and
 - 4.1.5 such variations (if any) as may be permitted by the Regulations.

Prior Requirements: General

- 4.2 The obligation of SHP to convey electricity to a particular Exit Point or from a particular Entry Point pursuant to Condition 4.1 is, in each case, subject to:
- 4.2.1 there being a Connection Agreement in full force and effect relating to the connection of the relevant Connected Installation;
 - 4.2.2 SHP receiving confirmation that a Qualified Meter Operator Agent, Qualified Data Collector and Qualified Data Aggregator have been appointed in relation to that Exit Point or Entry Point (except that no Meter Operator Agent is required to be appointed in relation to an Unmetered Supply);
 - 4.2.3 subject to Condition 13.11, SHP receiving confirmation that metering equipment has been installed in accordance with Condition 13; and
 - 4.2.4 where applicable, SHP's Billing Agent receiving confirmation that the Supplier has given notice of that Exit Point or Entry Point (as the case may be) to National Electricity Transmission System Operator pursuant to the Connection and Use of System Code and the Grid Code (where appropriate).

Prior Requirements: Exit Points

- 4.3 In addition to the conditions set out in Condition 4.2, the obligation of SHP to transport electricity to an Exit Point is also subject to:
- 4.3.1 the Supplier being validly Registered in respect of each Metering Point relating to that Exit Point;
 - 4.3.2 the Supplier being authorised by its Supply Licence to supply electricity to each of the premises to be supplied with electricity through such Exit Point;
 - 4.3.3 where the Supplier intends to provide any Unmetered Supply to a Customer, there being in full force and effect, in relation to that Exit Point, an Unmetered Supplies Certificate and a Connection Agreement suitable in respect of a connection where there is such an Unmetered Supply;
 - 4.3.4 where the Supplier intends to provide an Unmetered Supply to a Customer which is to be submitted to Settlement on the basis of half-hourly data generated by an Equivalent Meter, a Qualified Meter Administrator having been and remaining appointed by the Supplier in relation to that Exit Point; and
 - 4.3.5 the Supplier being party to an agreement with SHP's Billing Agent or a third party for provision of the services of meter asset provision in relation to that Exit Point. In the event that the Supplier is not a party to such an agreement, SHP shall be entitled to procure the provisions of such services, and to pass on to and recover from the Supplier the costs of so doing (as Transactional Charges in accordance with Condition 8).
- 4.3A Where SHP's Billing Agent provides the Supplier with meter asset provision services pursuant to Condition 4.3.5 (and subject to any contrary agreement between SHP and the Supplier to the contrary), SHP hereby authorises the Supplier to permit third parties to work on and otherwise interfere with such meters provided that such persons do so in accordance with the requirements of these Conditions in respect of such work and other interference and provided that the Supplier shall be liable to SHP for the acts or omissions of such persons as if they were the Supplier's own.

Prior Requirements: Entry Points

- 4.4 In addition to the conditions set out in Condition 4.2, the obligation of SHP to convey electricity from an Entry Point is also subject to:
- 4.4.1 the Supplier being validly registered under the Master Registration Agreement in respect of each Metering Point relating to that Entry Point; and
 - 4.4.2 where the Entry Point is also an Exit Point, the Supplier or another user being validly registered under the Master Registration Agreement for the supply of electricity at such Entry Point.

5. CHARGES

- 5.1 The Supplier shall pay to SHP in respect of the services provided under the Agreement (and under the agreements referred to in Condition 5.4.1(b)) the Charges set out in the

Relevant Charging Statement (save where SHP is the Payor, in which case SHP shall pay such charges to the Supplier).

- 5.2 The Charges set out in the Relevant Charging Statement by SHP shall be calculated in accordance with the methodology set out in the Relevant Charging Methodology.
- 5.3 SHP shall in respect of each Relevant Charging Methodology that is approved by the Authority pursuant to paragraph 5 of Schedule 2ZA of the Act, as soon as reasonably practicable after such approval:
- 5.3.1 publish such Relevant Charging Methodology on its website at <https://www.sseutilitysolutions.co.uk/products/slough-heat-and-power/> (or such other web address as notified to the Supplier from time to time); or
- 5.3.2 make such Relevant Charging Methodology known to the Supplier by:
- (a) such other reasonable and adequate method of publication as notified to the Supplier from time to time; or
- (b) by providing it to the Supplier in accordance with the notice provisions at Condition 21.6.

Use of System Charges

- 5.3A SHP may, without prejudice to Condition 5.2, vary the Use of System Charges:
- 5.3A.1 by way of publishing or otherwise making known to the Supplier (in accordance with the definition of Relevant Charging Statement) a new or amended Relevant Charging Statement once in every Regulatory Year and providing at least 14 months' notice to the Supplier of the issue of such a new or amended Relevant Charging Statement; or
- 5.3A.2 at any time, where in the opinion of SHP reasonably necessary, by way of publishing or otherwise making known to the Supplier (in accordance with the definition of Relevant Charging Statement) an amended Relevant Charging Statement and providing at least 40 days' notice to the Supplier of the issue of such new or amended Relevant Charging Statement.
- 5.3B The "**Use of System Charges**" shall be the charges contained or referred to in SHP's Relevant Charging Statement at the relevant time, which Use of System Charges may either be stated in the Relevant Charging Statement as:
- 5.3B.1 a positive value, in which case they shall be payable by the Supplier to SHP;
or
- 5.3B.2 a negative value, in which case they shall be payable by SHP to the Supplier.

Other Charges

- 5.3C SHP may vary the Other Charges at any time by giving the requisite period of written notice to the Supplier (where the requisite period of notice is the period specified in SHP's Relevant Charging Statement or, where no such period is specified, 40 days).

Notwithstanding that SHP may vary such charges at any time SHP shall use reasonable endeavours to: (1) vary such charges no more than two times per year: and (2) vary such charges with effect from 1st April or 1st October. Such charges and any variations are and will be calculated in accordance with the provisions of the Relevant Charging Statement.

5.4 The “**Other Charges**” shall be:

5.4.1 the charges, other than the Use of System Charges, for services provided by SHP to the Supplier pursuant to:

- (a) a provision of the Agreement; or
- (b) any other agreement between SHP and the Supplier for the provision of such services which provides for payment pursuant to these Conditions.

Adjustment of Charges

5.5 On any occasion upon which the Charges payable by or to the Supplier under Condition 5.1 have not been calculated strictly in accordance with the provisions of the Relevant Charging Statement an appropriate adjustment shall be made by SHP and submitted to the Supplier.

5.6 Where an adjustment in accordance with Condition 5.5:

5.6.1 discloses an overcharge, the Payee shall repay to the Payor the amount by which the Payor has been overcharged together with interest thereon from the due date of the invoice containing the overcharge until the date of repayment; or

5.6.2 discloses an undercharge, the Payor shall pay to the Payee the amount by which the Payor has been undercharged together with interest thereon from the due date of the invoice which should have included the amount of the undercharge until the date of payment,

and (in either case) such interest shall accrue from day to day at the base lending rate during such period of Barclays Bank PLC, compounded annually. Where the Supplier disputes the adjustment, the Supplier and SHP shall attempt to resolve the dispute in good faith. Where the dispute remains unresolved after 20 Working Days, either of them may refer the dispute to arbitration in accordance with Condition 20 and the Supplier or SHP (as applicable) shall pay the amount payable or repayable (if any) as so determined.

5.7 For any period during the term of the Agreement where no Relevant Charging Methodology is approved by Ofgem pursuant to paragraph 5 of Schedule 2ZA of the Act (a “**Relevant Period**”) and as a consequence a Charge is not payable in respect of that period by virtue of paragraph 5(1) of Schedule 2ZA of the Act, SHP may, within a reasonable period of a Relevant Charging Methodology subsequently being approved by Ofgem (the “**Subsequent Relevant Charging Methodology**”), adjust subsequent Charges to:

5.7.1 include an amount in respect of the services provided by SHP in the Relevant Period equal to the amount that would have been payable for those services

pursuant to the Subsequent Relevant Charging Methodology had it been in place in respect of the Relevant Period; and

5.7.2 the Supplier shall pay the Charges as so adjusted.

Invoicing of Charges

5.8 SHP (or SHP's Billing Agent) shall invoice Use of System Charges (but excluding any Transactional Charges) payable by or to the Supplier by reference to Settlement Class using aggregated data obtained from the Supercustomer DUoS Report, except in relation to Metering Points where:

5.8.1 the electricity imported via an Exit Point or exported via an Entry Point is not reported in the Supercustomer DUoS Report;

5.8.2 the Use of System Charge is not comprised solely of one or more standing charges and/or one or more Unit Rates;

5.8.3 the Use of System Charge is specified in the Relevant Charging Methodology as not being billed by Settlement Class; or

5.8.4 Use of System Charges are to be determined as a result of an Extra-Settlement Determination.

5.9 All charges payable by or to the Supplier pursuant to this Condition 5 and Conditions 6, 7 and 8:

5.9.1 are exclusive of Value Added Tax and SHP shall include with such Charges (and the Payor shall, subject to a valid invoice having been issued, pay) Value Added Tax (if any) at the rate applicable thereto from time to time, and any such Value Added Tax shall be payable at the same time and in the same manner as the amounts to which it relates;

5.9.2 shall be without prejudice to any claims or rights which the Payor may have against the Payee and except as expressly permitted by Condition 5.9.3 or Schedule 2 (Billing and Payment Disputes) shall be made without any set-off or deduction in respect of any claims or disputes or otherwise; and

5.9.3 shall, only where SHP (or SHP's Billing Agent) submits on the same day one or more accounts for which the Supplier is Payor and one or more accounts for which the Supplier is Payee, be set-off against one another so that the Supplier or SHP (as applicable) shall make a payment of the net value of those accounts.

5.10 SHP may calculate the Use of System Charges by reference to electricity discovered or reasonably and properly assessed to have been exported onto, or imported from, the Distribution System at an Entry Point or Exit Point relating to a Metering Point for which the Supplier is Registered but not recorded at the time of such export or import (for whatever reason) by the metering equipment installed pursuant to Condition 13.1. At any time when SHP calculates the Use of System Charges under this Condition 5.10, it (or SHP's Billing Agent) shall explain to the Supplier the calculation of those charges and the basis of that calculation.

Notice of proposed revision of Relevant Charging Methodology

- 5.11 Without prejudice to Condition 5.1, where SHP is intending to revise its Relevant Charging Methodology, SHP shall provide the Supplier with a copy of or make known to the Supplier in such other form as SHP reasonably sees fit the proposed revised charging methodology as soon as reasonably practicable after it has submitted it to the Authority pursuant to paragraph 9 of Schedule 2ZA of the Act.

Other Matters

- 5.12 SHP may charge the Supplier Use of System Charges calculated by reference to electricity assessed to have been supplied to a Customer while a customer of the Supplier during a period in which the Supplier was supplying electricity to that Customer in accordance with a last resort supply direction issued by the Authority in accordance with condition 7 of the Supplier's Supply Licence from the time that the direction takes effect. This right subsists from the date on which the last resort supply direction takes effect and continues regardless of whether the Metering Point applying to the Customer is registered to the Supplier 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.
- 5.13 For the avoidance of doubt, nothing in this Condition 5 precludes SHP and the Supplier, at the request of either of them, from negotiating Use of System Charges arising from or pursuant to an Extra-Settlement Determination.

6. AGGREGATED BILLING AND PAYMENT

- 6.1 This Condition 6 applies in respect of those Charges to be levied by reference to the Supercustomer DUoS Report in accordance with Condition 5.8.

Initial Account

- 6.2 Following its receipt of each Supercustomer DUoS Report in accordance with the timetable for Settlement after each Settlement Run relating to each Settlement Day, SHP (or SHP's Billing Agent) shall deliver Daily Statements to the Supplier as soon as is reasonably practicable.
- 6.3 SHP (or SHP's Billing Agent) shall submit to the Supplier as soon as is reasonably practicable after the end of each charging period an account or accounts (the "**Initial Account**") specifying the Use of System Charges payable by or to the Supplier 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 on the Daily Statements provided pursuant to Condition 6.2.

Reconciliation Account

- 6.4 Where a subsequent Daily Statement for any Settlement Day indicates that, as a result of a subsequent Reconciliation Run or Post-Final Settlement Run, the Use of System Charges in respect of that Settlement Day are different from those included in an Initial Account, SHP (or SHP's Billing Agent) shall calculate such difference and the interest thereon and shall submit an account (the "**Reconciliation Account**") in respect of such difference to

the Supplier as soon as is reasonably practicable after the end of each charging period. Such interest shall be calculated in accordance with the provisions of schedule 3 (Interest Reconciliation Accounts) of the DCUSA, its provisions amended mutatis mutandis including such that it is applied to Reconciliation Accounts pursuant to this Condition 6.4 and its references to "the Company" are read as references to SHP (or SHP's Billing Agent) as applicable.

- 6.5 Within 14 days of the date of an Initial Account or Reconciliation Account submitted in accordance with Condition 6.3 or 6.4, the Payor shall (subject to Condition 5.9) pay to the Payee 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 (or, where SHP is the Payor, such bank account as is notified to SHP by the Supplier from time to time), quoting the Initial Account or Reconciliation Account number against which payment is made and/or such other details as the Payee may reasonably require.
- 6.6 Where any sum included in an Initial Account or Reconciliation Account submitted in accordance with Condition 6.3 or 6.4 is disputed by the Supplier, the provisions of Schedule 2 (Billing and Payment Disputes) shall apply.

7. SITE-SPECIFIC BILLING AND PAYMENT

- 7.1 This Condition 7 applies in respect of those Charges that relate to Metering Points that fall within Conditions 5.8.1 to 5.8.3 (inclusive).

Submission of Account

- 7.2 As soon as is reasonably practicable after the end of each charging period, SHP (or SHP's Billing Agent) shall submit to the Supplier an account specifying the Use of System Charges payable by or to the Supplier for the whole or any part of that charging period. Such account shall be based on:

- 7.2.1 data from metering equipment or any Equivalent Meter provided by the Supplier in accordance with Condition 13.3 (which data shall not be rounded by SHP in any way); or, where actual data are not available, estimated data prepared in accordance with methods of estimation established under the BSC by the relevant Data Collector; and
- 7.2.2 other data as specified in the Relevant Charging Methodology and/or the relevant Connection Agreement,

provided that SHP may use estimated data prepared by SHP (or by SHP's Billing Agent) where the Supplier fails to provide the data under Condition 7.2.1 and 7.2.2, and, 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 Supplier.

- 7.2A SHP shall use reasonable endeavours to procure that the accounts created pursuant to this Condition 7 are submitted to the Supplier at no greater frequency than:
- (a) once in the first 7 days of any calendar month; and

(b) once in the second 7 days of any calendar month.

7.2B Where SHP (or SHP's Billing Agent) submits, and the Supplier agrees to receive, accounts by sending an electronic invoice it shall use an electronic invoice for all of that Supplier's accounts (including revised accounts and credit-notes). For the avoidance of doubt, where this Condition 7.2B applies, Condition 21.4 shall apply to the sending of accounts during any period in which the Data Transfer Network is unavailable.

7.2C Where an adjustment is required to any account for whatever reason (including where replacement data is received from the Supplier), SHP (or SHP's Billing Agent) shall issue a credit-note in respect of the original account and shall raise a new account for the new value.

Obligation to Pay

7.3 Within 14 days of the date of an account submitted in accordance with this Condition 7, the Payor shall (subject to Condition 5.9) pay to the Payee all sums due in respect of such account by electronic transfer of cleared funds to such bank account (located in the United Kingdom) as is specified in the account (or, where SHP is the Payor, such bank account as is notified to SHP by the Supplier from time to time), quoting the account number against which payment is made and/or such other details as the Payee may reasonably require.

Disputes

7.4 Where any sum included in an account submitted in accordance with this Condition 7 is disputed by the Supplier, the provisions of Schedule 2 (Billing and Payment Disputes) shall apply.

7.5 For the purposes of this Condition 7, the following term shall have the following meaning:
"Electronic Invoice" means an account providing the data items set out in data flow D2021 (as amended from time to time) sent using the Data Transfer Network.

8. TRANSACTIONAL CHARGES

8.1 This Condition 8 applies in respect of those Charges:

8.1.1 to be calculated by reference to the number or frequency of specific transactions, except where the billing and payment arrangements are otherwise provided for under the Master Registration Agreement, the BSC, or the CUSC; or

8.1.2 referred to in Conditions 4.3.5,

(such Charges being "Transactional Charges").

Submission of Account

8.2 Within 30 days after the end of each calendar month, SHP (or SHP's Billing Agent) shall submit to the Supplier an account specifying:

8.2.1 the payment due from the Supplier in respect of services performed during that month for which Transactional Charges are payable, and

8.2.2 any Value Added Tax payable thereon.

Obligation to Pay

8.3 Within 30 days of the date of an account submitted in accordance with Condition 8.2, the Supplier shall pay to SHP (or, where requested by SHP, to SHP's Billing Agent on behalf of SHP) all sums due in respect of such account in pounds sterling by electronic transfer of cleared 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.

Disputes

8.4 Where any sum included in an account submitted in accordance with Condition 8.2 is disputed by the Supplier, the provisions of Schedule 2 (Billing and Payment Disputes) shall apply.

9. PAYMENT DEFAULT

9.1 Subject to Condition 6.6, Condition 7.4 and Condition 8.4, failure by the Payor to pay any sum due as cleared funds by the due date for payment in accordance with Condition 6.5, Condition 7.3, or Condition 8.3 shall be a "**Payment Default**".

9.2 Where the Payor so defaults, the Payee (or in the case where the Payee is SHP, SHP or SHP's Billing Agent) shall send a notice (a "**Late Payment Notice**") to the Payor:

9.2.1 setting out the amount owed by the Payor to the Payee, and identifying the specific account to which the Payment Default relates;

9.2.2 stating to whom payment should be made;

9.2.3 specifying the method of payment; and

9.2.4 where the Payee intends to exercise its rights under Condition 9.3 and/or Condition 9.4, advising the Payor of such intention.

Interest

9.3 The Payee shall be entitled, without prejudice to any other right or remedy, to receive interest on any payment not duly made pursuant to the terms of Condition 6.5, Condition 7.3, or Condition 8.3 calculated from day to day at a rate per annum equal to the Default Interest Rate from the day after the date on which payment was due up to and including the date of payment, together with any reasonable administration charge notified by the Payee to the Payor from time to time.

Material Breach

9.4 Failure by the Supplier to remedy a Payment Default within four Working Days of receipt of a Late Payment Notice from SHP or SHP's Billing Agent shall be a material breach of the Agreement by the Supplier for the purposes of Condition 18.1.1, and SHP (or SHP's Billing Agent) shall be entitled to take actions to suspend registration services in accordance with the provisions of the Master Registration Agreement. Where SHP or SHP's Billing Agent takes such action, SHP shall procure that a copy of any notice that SHP or SHP's Billing Agent is required to issue pursuant to those provisions is sent to the Supplier.

10. SECURITY COVER

- 10.1 The Supplier shall, if and when required by SHP, provide Cover to SHP in accordance with the provisions of Schedule 1 (Cover) or such other provisions as SHP may require (acting reasonably) from time to time.

11. ENERGISATION, DE-ENERGISATION AND RE-ENERGISATION

Requirements for Those Undertaking Works

- 11.1 Energisation Works, De-energisation Works and Re-energisation Works carried out by or on behalf of the Supplier pursuant to this Condition 11 shall be carried out by a person who is either engaged by SHP to carry out such work or who both:

11.1.1 if SHP has, in its discretion, prior to the commencement of the relevant Energisation Works, De-energisation Works or Re-energisation Works (the "**Relevant Works**") confirmed to the Supplier the procedures that SHP requires (acting reasonably) that must apply to the carrying out of the Relevant Works (the "**Relevant Requirements**") and confirmed that SHP's permission is granted for the proposed persons appointed by the Approved Contractor to conduct the Relevant Works (the "**Permission**"), is an Approved Contractor; and

11.1.2 acts in accordance with the Relevant Requirements and uses only persons to whom Permission has been granted to perform such works.

- 11.2 Where:

11.2.1 neither the Supplier nor any of its contractors is an Approved Contractor; or

11.2.2 no employee of the Supplier or any of its contractors (if Approved Contractors) has been granted Permission; or

11.2.3 the Supplier does not have the rights of access required to undertake such Energisation Works, De-energisation Works or Re-energisation Works; or

11.2.4 the Parties so agree,

SHP shall, to the extent that it may lawfully do so, at the request of the Supplier, when the Supplier is entitled to have carried out Energisation Works, De-energisation Works and Re-energisation Works, carry out such works at the cost of the Supplier within a reasonable time or, in circumstances of urgency, as soon as is reasonably practicable. SHP shall on request by the Supplier inform the Supplier of its reasonable requirements for the details by reference to which Metering Points to be Energised, De-energised or Re-energised are to be identified.

Good Industry Practice

- 11.3 SHP and the Supplier 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.

Works Undertaken by the Supplier

- 11.4 If circumstances exist which entitle the Supplier to Energise, De-energise or Re-energise Metering Point(s) pursuant to a Contract or the Act, then, subject to Condition 11.13 (and, for the avoidance of doubt, subject to the other requirements of this Condition 11), the Supplier may Energise, De-energise or Re-energise such Metering Points provided that the Supplier acts (where applicable and to the extent relevant) in accordance with Condition 27 of its Supply Licence.
- 11.5 If the Supplier resolves to Energise or Re-energise a Metering Point pursuant to Condition 11.4:
- 11.5.1 the Supplier shall decide on the extent and nature of the Energisation Works or Re-energisation Works and the Supplier shall undertake such Energisation Works or Re-energisation Works at its own cost; and
 - 11.5.2 when such Energisation Works or Re-energisation Works are complete the Supplier shall, in accordance with the Master Registration Agreement or the BSC (as applicable), instruct the MPAS Provider 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 the relevant Exit Point).
- 11.6 If the Supplier resolves to De-energise a Metering Point pursuant to Condition 11.4:
- 11.6.1 the Supplier shall decide on the extent and nature of the De-energisation Works and the Supplier shall undertake such De-energisation Works at its own cost; and
 - 11.6.2 (in respect of Metering Points) when such De-energisation Works are complete, the Supplier shall, in accordance with the Master Registration Agreement, instruct the MPAS Provider 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 the relevant Exit Point).

Duty to Indemnify

- 11.7 Where SHP carries out Works on behalf of the Supplier pursuant to Condition 11.2:
- 11.7.1 SHP shall indemnify the Supplier against all actions, proceedings, costs, demands, claims, expenses, liability, loss or damage arising from, or incurred by the Supplier as a consequence of, physical damage to the property of the Supplier, its officers, employees or agents, and in respect of the liability of the Supplier 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;
 - 11.7.2 the Supplier shall indemnify SHP against all actions, proceedings, costs, demands, claims, expenses, liability, loss or damage arising from, or incurred by SHP as a consequence of, physical damage to the property of SHP, its officers, employees or agents, and in respect of the liability of SHP 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 Supplier to SHP which are materially inaccurate or misleading; and

- 11.7.3 where the Supplier requests SHP to Energise, De-energise or Re-energise a single point of connection that is both an Exit Point and an Entry Point, the Supplier shall also indemnify SHP against all actions, proceedings, costs, demands, claims, expenses, liability, loss or damage made against or incurred or suffered by SHP and resulting directly from such Works howsoever arising (including, where the Supplier is Registered in respect of the Exit Point, any claim by the user Registered in respect of the Entry Point, and vice versa) except insofar as such actions, proceedings, costs, demands, claims, expenses, liability, loss or damage arise from the negligent act or omission or default of SHP, its officers, employees or agents (but, for the avoidance of doubt, in complying with any such request SHP shall not be obliged to consider whether the point of connection is both an Exit Point and an Entry Point or whether different users may be Registered in respect thereof).

SHP's Right to De-energise

- 11.8 SHP may, on giving the Supplier two Working Days' prior written notice, De-energise any Metering Point if:
- 11.8.1 SHP is entitled to do so pursuant to the Connection Agreement relating to such Metering Point; or
- 11.8.2 any of the Conditions set out in Condition 4.2 and 4.3 in relation to an Exit Point (or, in the case of an Unmetered Supply, any one or more of the relevant Exit Points) or in Condition 4.2 and Condition 4.4 in relation to an Entry Point cease to be fulfilled (or, in the case of Condition 4.2.2, remain unfulfilled 10 Working Days after the service of notice by SHP requiring the Supplier to remedy the situation).
- 11.9 Notwithstanding the provisions of Condition 11.8, SHP may, at any time with no prior notice to the Supplier, De-energise any Metering Point if:
- 11.9.1 SEPD requests SHP to do so;
- 11.9.2 SHP reasonably considers it necessary to do so for safety or system security reasons;
- 11.9.3 SHP reasonably considers it necessary to do so to avoid interference with the regularity or efficiency of the Distribution System;
- 11.9.4 an accident or emergency occurs or threatens to occur which requires SHP to do so to avoid the risk of personal injury to any person or physical damage to the property of SHP, its officers, employees or agents, or the property of any other person;
- 11.9.5 the rights of the Supplier are suspended in accordance with Condition 18.2;

- 11.9.6 subject to the terms of a replacement agreement, the Agreement is terminated in accordance with the provisions of Condition 18.
- 11.10 In any of the circumstances set out in Condition 11.9, SHP (or SHP's Billing Agent) shall inform the Supplier as soon as is reasonably practicable, and in any event by the end of the next Working Day when MPAS is available, of the fact that the Metering Point has been De-energised.
- 11.11 If SHP resolves to De-energise a Metering Point pursuant to Condition 11.8 or 11.9:
- 11.11.1 SHP shall decide on the extent and nature of the De-energisation Works required to De-energise the relevant Metering Point;
- 11.11.2 SHP shall Re-energise the Metering Point as soon as is reasonably practicable after the circumstance giving rise to such De-energisation has ended; and
- 11.11.3 except where SHP resolves to De-energise a Metering Point pursuant to Conditions 11.8.1, 11.9.1, 11.9.2, 11.9.3, 11.9.4 or 11.9.5, SHP shall undertake both the De-energisation Works and the subsequent Re-energisation Works at the cost of the Supplier, and the Supplier shall pay to SHP the relevant Transactional Charges associated with both the De-energisation Works and the subsequent Re-energisation Works.
- 11.12 If SHP De-energises a Metering Point pursuant to Condition 11.8 or 11.9 and such Metering Point remains De-energised for a period of three Working Days:
- 11.12.1 SHP (or SHP's Billing Agent) shall forthwith instruct the Supplier to send a Registration Notice to the MPAS Provider 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 stopped the flow of electricity through the relevant Exit Point); and
- 11.12.2 within two Working Days of receiving an instruction pursuant to Condition 11.12.1, the Supplier shall send such a Registration Notice to the MPAS Provider and notify the relevant Meter Operator Agent.
- 11.13 If SHP Re-energises a Metering Point pursuant to Condition 11.11:
- 11.13.1 if an instruction has been given under Condition 11.12.1, SHP (or SHP's Billing Agent) shall forthwith instruct the Supplier to send a Registration Notice to the MPAS Provider 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 the relevant Exit Point); and
- 11.13.2 within two Working Days of receiving an instruction pursuant to Condition 11.13.1, the Supplier shall send such a Registration Notice to the MPAS Provider.
- 11.14 The Supplier shall not be entitled to Re-energise a Metering Point which has previously been De-energised by SHP on its own behalf (for the avoidance of doubt, not acting on the instructions or at the request of the Supplier) or on behalf of SHP. For the avoidance of doubt, the Supplier shall be entitled to Re-energise a Metering Point which has previously been De-energised by or on behalf of another supplier.

Disconnection Procedure

- 11.15 If a third party or a Supplier on behalf of a third party contacts SHP to request directly or indirectly that SHP undertakes Works in relation to a Metering Point because there is no reasonably foreseeable future use for that Metering Point and SHP is satisfied that the third party is entitled to make such request, then SHP shall (subject to Condition 11.16) Disconnect the Metering Point.
- 11.16 If, in any case, in the reasonable opinion of SHP there is a reasonably foreseeable future use for the Metering Point, then SHP shall not be obliged to Disconnect the Metering Point.
- 11.17 Subject to Condition 11.16, SHP shall carry out the Disconnection of the Metering Point, and shall (or SHP's Billing Agent shall) in respect of a Metering Point, send a De-registration Notice to the MPAS Provider instructing it to De-register the Metering Point.

Other Matters

- 11.18 If a Metering Point has been De-energised by or on behalf of a previous user and SHP receives a request from the Supplier to Re-energise such Metering Point:
- 11.18.1 SHP shall Re-energise the Metering Point as soon as is reasonably practicable and notify the Supplier of when it expects to carry out the Re-energisation Works;
- 11.18.2 SHP shall carry out all necessary Re-energisation Works at its own cost and shall then reclaim such costs from the previous user; and
- 11.18.3 SHP shall notify the Supplier as soon as the Re-energisation Works are complete and the Supplier shall, within two Working Days of receiving such notification, send a Registration Notice to the MPAS Provider instructing it to register the relevant Metering Point as Energised.
- 11.19 SHP shall notify Connectees of and carry out System Outages in accordance with its statutory rights and obligations and Good Industry Practice.
- 11.20 This Condition 11.20 applies to Metering Points for which the flow of electricity is metered for settlements by putting the full electrical current through the meter (known as 'whole-current metering'). Where SHP wishes to maintain, modify or replace the Electric Lines and/or Electrical Plant which provides the connection to the Metering Point, the Supplier hereby consents to SHP adjusting the terminals of the meter (and, where appropriate, re-making the connections to them to remedy any disturbance of the connections that may have occurred unintentionally).
- 11.21 Where SHP's work as referred to in Condition 11.20 can only reasonably be undertaken by the temporary removal of the meter, the Supplier hereby consents to SHP temporarily removing the meter and then (as soon as reasonably practicable thereafter) re-installing the meter as close as reasonably practicable to its original position.

12. METER OPERATION CODE OF PRACTICE AGREEMENT

- 12.1 The Supplier shall procure that the Meter Operator Agent appointed for each Metering Point supplied by the Supplier shall be party to the Meter Operation Code of Practice Agreement, and shall comply with the Meter Operation Code of Practice Agreement in relation to that Metering Point.

13. METERING EQUIPMENT AND METERING DATA

Provision of Metering Equipment

- 13.1 Subject to Condition 13.11, the Supplier shall (at its own cost) install and maintain, or procure the installation and maintenance of, metering equipment at (or as close as is reasonably practicable to) each Exit Point and Entry Point relating to Metering Points for which the Supplier is Registered. The Supplier shall ensure that such metering equipment shall:

- 13.1.1 be capable of providing the relevant metering data required by SHP for the calculation (for the avoidance of doubt by any of SHP, SHP's Billing Agent, or SHP's Meter Operation Agent as required by SHP) of Use of System Charges;
- 13.1.2 comply with the requirements detailed in the Relevant Charging Methodology;
- 13.1.3 comply with the requirements specified in the BSC; and
- 13.1.4 comply with Schedule 7 of the Act.

- 13.2 The Supplier shall procure that metering equipment installed and maintained pursuant to Condition 13.1 shall be capable of operating within the accuracy limits specified in Schedule 3 (Metering Accuracy).

Provision of Metering Data

- 13.3 The Supplier shall, without charge:

- 13.3.1 provide to, or
- 13.3.2 procure provision to
SHP's Billing Agent (or, where requested by SHP, to SHP) such Metering Data relating to Metering Points as SHP may reasonably require for:
 - 13.3.3 the calculation and monitoring of Use of System Charges;
 - 13.3.4 the correct allocation of Use of System Charges to Customers;
 - 13.3.5 the communication of changes to Use of System Charges to Customers; and
 - 13.3.6 the operation, design and planning of the Distribution System.

- 13.4 For the purposes of Condition 13.3, SHP and the Supplier acknowledge that it shall be reasonable for SHP and SHP's Billing Agent to require any Metering Data which the Supplier (or its BSC Party Agent) is obliged to provide to SHP's Billing Agent and/or the relevant MPAS Provider in accordance with the provisions of, and in the form specified by, the MRA and/or the BSC.

- 13.5 For the avoidance of doubt, the Supplier consents to SEPD and/or the relevant MPAS Provider (in its capacity as SHP's Billing Agent or otherwise) providing to SHP such Metering Data as reasonably required by SHP for the purposes specified at Condition 13.3.
- 13.6 The Supplier shall provide (or procure provision of) the Metering Data that it is required to provide (or procure the provision of) pursuant to Condition 13.3 in accordance with the timescales specified in the relevant provisions of the MRA and/or the BSC (or, where none is specified, in accordance with the timescales specified in the Relevant Charging Statement).

Rights of Inspection

- 13.7 SHP shall be entitled to inspect, test and if necessary require the Supplier to correct any metering equipment installed and maintained pursuant to Condition 13.1. The Supplier shall use its reasonable endeavours, including the inclusion of appropriate terms in its Supply Contract and Power Purchase Contract, to procure that the employees, agents, sub-contractors and invitees of SHP shall at all reasonable times have safe and unobstructed access to such metering equipment. Where SHP exercises its right under this Condition 13.7, the provisions set out in Part 2 of Schedule 3 (Metering Accuracy) shall apply.

Operational Metering Equipment

- 13.8 SHP shall be entitled to install Operational Metering Equipment at or as close as reasonably practicable to any Exit Point or Entry Point in addition to any metering equipment installed and maintained pursuant to Condition 13.1 to collect data for the operation, design and planning of the Distribution System, but if it exercises this right it shall make no additional charge to the Supplier 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 Condition 13.1) 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.
- 13.9 Where SHP installs Operational Metering Equipment in accordance with Condition 13.8:
- 13.9.1 the Supplier shall ensure that the employees, agents and invitees of the Supplier will not interfere with such equipment or the immediate connections to such equipment without the prior written consent of SHP, 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
- 13.9.2 the Supplier shall use its reasonable endeavours, including the inclusion of appropriate terms in its Supply Contract and Power Purchase Contract, to procure that the employees, agents, sub-contractors and invitees of SHP shall at all reasonable times have safe and unobstructed access to the Operational Metering Equipment. SHP agrees to procure that any individuals to whom access is given pursuant to this Condition 13.9.2 shall comply with all reasonable directions given by the Supplier or the relevant Connectee and its appropriately

authorised employees and agents as to general safety and site security arrangements.

Unmetered Supply

- 13.10 In relation to each Metering Point receiving an Unmetered Supply, the Supplier shall comply (and the Supplier shall procure that its BSC Party Agents comply) with the Unmetered Supplies Procedure (and, in particular, with those provisions requiring the exchange of information).
- 13.11 The provisions of Conditions 13.1, 13.2, and 13.7 shall not apply in relation to an Unmetered Supply which the Supplier is permitted to supply under these Conditions. When at any time the Supplier ceases to be permitted to supply electricity on the basis that the supply of electricity is an Unmetered Supply, the Supplier shall immediately become bound by all the provisions of this Condition 13 (other than those relating only to an Unmetered Supply).

Use of Metering Data

- 13.12 The Supplier hereby agrees that SHP (and SHP's Billing Agent and SHP's Billing Agent) may aggregate and manipulate the Metering Data provided by the Supplier to SHP or SHP's Billing Agent under Conditions 13.3 and 13.4, and may share that data with any DNO Party or IDNO Party to whom SHP owes obligations under a bespoke connection agreement for the purpose of matters provided for or envisaged by bespoke connection agreement (including the calculation of any charges payable by SHP under bespoke connection agreement).

14. PROVISION OF INFORMATION

New Contracts

- 14.1 The Supplier shall:
- 14.1.1 in the case of Metering Points, except for the renewal of an existing Contract entered into after 31 August 1998, as soon as is reasonably practicable following, either:
- (a) where a Notice of Objection (as defined in the Master Registration Agreement) is not received in relation to the Supplier's application to become Registered in respect of that Metering Point, the expiry of the Objection Raising Period (as defined in the Master Registration Agreement); or
 - (b) where a Notice of Objection is received in relation to the Supplier's application for Registration, the withdrawal of that Notice of Objection
- (in each case) provide the information set out in Condition 14.2 to SHP's Billing Agent (or, where requested by SHP, to SHP) in respect of the relevant Exit Point or Entry Point.

- 14.2 The information referred to in Condition 14.1 is:
- 14.2.1 the relevant Supply Number core data (as defined in the Master Registration Agreement);
 - 14.2.2 the relevant Connectee's name;
 - 14.2.3 the Metering Point address;
 - 14.2.4 in respect of an Exit Point, the Customer's Maximum Import Capacity if:
 - (a) the Customer is not a Domestic Customer (as defined in the Supply Licences);
 - (b) the Customer has a maximum power requirement of not less than 20 kVA; and
 - (c) the Customer is a new owner or occupier of the site; and
 - 14.2.5 in respect of an Entry Point, the Maximum Export Capacity.

14.3 Where the provisions of Condition 14.1.1 are satisfied, the Supplier shall use reasonable endeavours to provide the following information to SHP's Billing Agent (or, where requested by SHP, to SHP) in respect of the relevant Exit Point or Entry Point:

14.3.1 the contact name for the Connectee if different from the Connectee's name; and

14.3.2 the Connectee's postal address if different from the Metering Point address.

14.4 The Supplier shall use reasonable endeavours to notify SHP's Billing Agent (or, where requested by SHP, to SHP) of any changes to the details set out in Condition 14.2 and Condition 14.3 as soon as reasonably practicable following that change by reference to the Supply Number.

Dangerous Incidents and Damage

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

14.5.1 cause danger or require urgent attention in relation to the supply or distribution of electricity through the Distribution System; or

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

the Supplier shall notify SHP's Billing Agent 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 Supplier shall meet its obligations under this Condition 14.5 (insofar as relating to Category A Situations, Category B Situations and Category C Situations) by complying with Conditions 14.5A to 14.5F below.

14.5A.1 Where the Supplier receives a report or enquiry from any person about any matter or incident that does or is likely to cause danger or require urgent attention in relation to the supply or distribution of electricity through the Distribution System (including a Category

A Situation), then the Supplier shall ensure that SHP's Billing Agent is notified of such report or enquiry by telephone in a prompt and appropriate manner having regard to the nature of the incident to which the report relates. The Supplier shall ensure that such notification identifies the relevant asset condition code as set out in Schedule 4 (Service Levels for Resolving Network Operational Issues and Associated Reporting Requirements).

14.5A.2 Subject to Condition 14.5D, following SHP's Billing Agent's receipt of a telephone call in accordance with Condition 14.5A.1, SHP shall procure an appropriate person is sent to the affected Premises within a reasonable period.

14.5A.3 Where an appropriate person is unable to attend the affected Premises on behalf of SHP in respect of a Category A Situation within a reasonable period, then (as soon as reasonably practicable after becoming aware that this is the case, and where SHP has contact details) SHP or SHP's Billing Agent will telephone the Supplier's Meter Operator Agent to inform the agent when an appropriate person will attend the Premises on SHP's behalf.

14.5A.4 Subject to Condition 14.5D, if SHP is unable to procure a remedy of the situation during the initial visit to the affected Premises (as described in Condition 14.5A.2), then the Category A Situation will be made Safe, and SHP will:

- (a) within a reasonable period, procure agreement of an appointment date with the Connectee to re-visit the Premises to remedy the residual situation;
- (b) ensure that the date of such appointment is within a reasonable period; and
- (c) procure attendance at the Premises on the agreed appointment date and remedy of the residual situation (such that no Category A Situation or Category B Situation is affecting the Premises).

14.5B.1 Where the Supplier (or its contractor or agent) receives a report or enquiry from any person about any matter or incident that is a Category B Situation, then the Supplier shall ensure that SHP's Billing Agent is notified of such report or enquiry using the Data Transfer Network (data flow D0135), or such other means as is agreed between SHP and the Supplier, within 5 Working Days after receipt of such report or enquiry. The Supplier shall ensure that such notification identifies the relevant asset condition code as set out in Schedule 4 (Service Levels for Resolving Network Operational Issues and Associated Reporting Requirements), and (where the Supplier has the Connectee's permission to do so) contact details for the Connectee.

14.5B.2 Subject to Condition 14.5D, on SHP's Billing Agent's receipt of a notification in accordance with Condition 14.5B.1, SHP will, where contact details have been provided in the notification:

- (a) within a reasonable period, procure contact is made with the Connectee and agreement of an appointment date to visit the Connectee to remedy the Category B Situation; and
- (b) ensure that the date of such appointment is within a reasonable period; and

- (c) procure attendance at the Premises on the agreed appointment date and a remedy of the Category B Situation (such that no Category A Situation or Category B Situation is affecting the Premises). In the event that the situation cannot be remedied on the first visit SHP will procure a further appointment will be booked to remedy the situation as soon as reasonably practicable.
- 14.5B.3 On receipt of a notification in accordance with Condition 14.5B.1, where contact details have not been provided in the notification, SHP's Billing Agent may reject the notification. If the notification is not so rejected, SHP shall be deemed to have complied with Condition 14.5B.2.
- 14.5C.1 Where the Supplier (or its contractor or agent) receives a report or enquiry from any person about any matter or incident that is a Category C Situation, then the Supplier shall ensure that SHP's Billing Agent is notified of such report or enquiry using the Data Transfer Network (data flow D0135) within 10 Working Days after receipt of such report or enquiry. The Supplier shall ensure that such notification identifies the relevant asset condition code as set out in Schedule 4 (Service Levels for Resolving Network Operational Issues and Associated Reporting Requirements).
- 14.5D.1 Where SHP has procured a visit to the affected Premises on the date agreed with the Connectee (pursuant to Condition 14.5A.4 or 14.5B.2), but access to the Premises has not been gained, SHP will:
 - (a) (only where this is the first agreed appointment) procure the Connectee is contacted and an alternative appointment agreed in respect of a visit to the Connectee, and Condition 14.5A.4 or 14.5B.2 (as applicable) will apply as if the telephone call or the notification (as applicable) referred to in those Conditions had been received on the date of the relevant visit to the affected Premises; and.
 - (b) (where this is the second agreed appointment) procure that SHP's Billing Agent notifies the Supplier and the Meter Operator Agent via the Data Transfer Network (data flow D0126).
- 14.5D.2 Where SHP is unable to procure agreement with the Connectee regarding an appointment date that falls within a reasonable period in respect of Conditions 14.5A.4(b) or 14.5B.2(b), but they are able to procure agreement of one outside of that period, then SHP will be deemed to have met its obligation to procure agreement with the Connectee regarding an appointment date that falls within a reasonable period.
- 14.5D.3 Where SHP has used reasonable endeavours to agree an appointment for a Category B Situation and has been unable to agree one, then SHP will be deemed to have met its obligation under Condition 14.5B.2(a). In such circumstances, SHP's Billing Agent shall notify the Supplier and the Meter Operator Agent via the Data Transfer Network (data flow D0126).
- 14.5E.1 Where SHP has not met the Service Level for a Category A Situation or Category B Situation, SHP shall give priority to the resolution of this situation over others notified under Condition 14.5B.

- 14.5E.2 On completion of work to remedy a Category A Situation or a Category B Situation, SHP shall notify the Supplier and the Supplier's Meter Operator Agent using the Data Transfer Network (data flow D0126), and shall specify in such notification SHP's view of the correct asset condition code (as set out in Schedule 4 (Service Levels for Resolving Network Operational Issues and Associated Reporting Requirements)).
- 14.5E.3 Where SHP believes that the Supplier or the Supplier's Meter Operator Agent has misreported an asset condition code (as set out in Schedule 4 (Service Levels for Resolving Network Operational Issues and Associated Reporting Requirements)), SHP shall notify the Supplier and the Meter Operator Agent.
- 14.5E.4 Where situations reported by the Supplier (or its Meter Operator Agent) to SHP specify an asset condition code (as set out in Schedule 4 (Service Levels for Resolving Network Operational Issues and Associated Reporting Requirements)) which indicates a more serious situation than is actually the case, then SHP shall be entitled to levy Transactional Charges in accordance with the Relevant Charging Methodology.
- 14.5E.5 SHP will notify the Supplier and the Meter Operator Agent of the appointment date agreed with each Connectee pursuant to Condition 14.5A.4 or 14.5B.2 within 5 Working Days after its agreement (such notification to be provided via the relevant Data Transfer Network flow). Any cancellation and or subsequent re-booking of an appointment date shall be notified by the same means and in the same timescales.
- 14.5F.1 For each Quarter, the Supplier will produce and send to SHP a report in accordance with Schedule 4 (Service Levels for Resolving Network Operational Issues and Associated Reporting Requirements) for that Quarter and the subsequent periods required in accordance with the specified template. The Supplier must send the report for each such Quarter to SHP by the last Working Day of the first month of the Quarter.

Advance Notice of Interruptions

- 14.6 Where a Connectee is a Customer, the Supplier shall, with the consent of the relevant Customer, provide SHP with details 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 and his requirement within three Working Days of receiving such details and requirements pursuant to the Supplier's obligations under Condition 26 of its Supply Licence.
- 14.7 The Supplier shall, with the consent of any Customer who has agreed a password with the Supplier for access to the Customer's premises, provide SHP with appropriate details concerning that Customer and his password within two Working Days of notification of such password by the Customer.
- 14.8 The Supplier shall use reasonable endeavours to ensure that all the facts, information and other details provided pursuant to Condition 14.6 and 14.7 remain true, accurate and complete in all respects.

Interference

- 14.9 The Supplier shall (and shall ensure that its contractors and agents shall) in a prompt and appropriate manner having regard to the nature of the incident, inform SHP where the Supplier has (or in the case of the Supplier's contractors and agents, such contractors and agents have) reason to believe that there has been interference with any metering equipment at an Entry Point or an Exit Point on the Distribution System that has prevented such metering equipment from correctly registering the quantity of electricity supplied, unless the Supplier believes that the interference was caused by SHP.
- 14.10 Where the Supplier has reason to believe that any interference reported by it (or by its contractors or agents) under Condition 14.9, or any incident reported to the Supplier by SHP has been caused by a criminal act it shall provide SHP with such information as is reasonably required for investigating the incident and resolving any safety concerns arising out of it.
- 14.11 The Supplier shall inform SHP of the Supplier's policy in relation to how incidents of the type described in Conditions 14.9 and 14.10 will be remedied, which may include:
- 14.11.1 the substitution of alternative meters;
 - 14.11.2 the provision of prepayment meters; or
 - 14.11.3 De-energisation Works.
- 14.12 Where SHP undertakes any remedial work in relation to a matter that:
- 14.12.1 has been reported to it by the Supplier in accordance with Condition 14.9; or
 - 14.12.2 has been reported to the Supplier in the manner referred to in Condition 14.10,
- SHP shall inform the Supplier, in a prompt and appropriate manner, of the remedial work undertaken and the applicable charge which will be recovered as an Other Charge under Condition 5.3C.

14A. RESOLVING UNREGISTERED CONSUMERS

- 14A.1 From the commencement date of the Agreement the Supplier (where it is a Supplier Party) shall comply with the obligations of the 'Supplier' set out in the Resolving Unregistered Consumers Code of Practice as set out in DCUSA (or procure that another person undertakes such obligations on the Supplier's behalf) and shall use reasonable endeavours to do so prior to then.
- 14A.2 The Resolving Unregistered Consumers Code of Practice establishes a minimum standard. Nothing in this Condition 15A shall prevent the Supplier providing or procuring a service for resolving Unregistered Consumers (as defined in the Resolving Unregistered

Consumers Code of Practice) that goes beyond the obligations set out in the Resolving Unregistered Consumers Code of Practice.

15. CONFIDENTIALITY RESTRICTIONS ON SHP

Confidential Information

15.1 In this Condition 15, “**Confidential Information**” means any information which SHP or any Affiliate or Related Undertaking of SHP:

- 15.1.1 receives from the Supplier under the Agreement;
- 15.1.2 holds in respect of a Connectee and is information which it has acquired in its capacity as the operator of the Distribution System;
- 15.1.3 receives from any Connectee which, if received from the Supplier, would fall within Condition 15.1.1; or
- 15.1.4 receives from the Supplier in error, but which would usually be considered to be confidential

and the provisions of this Condition 15 shall apply to such Confidential Information, save where the Supplier notifies or otherwise gives prior written agreement to SHP that such Confidential Information need not be treated as confidential.

Restrictions on Use and Disclosure

15.2 Where SHP or any Affiliate or Related Undertaking of SHP receives or acquires Confidential Information, SHP shall (and shall procure such Affiliate or Related Undertaking shall):

- 15.2.1 not use the Confidential Information for any purpose other than as required or expressly permitted under the Agreement or any other agreement entered into between SHP and the Supplier for the provision of services by SHP;
- 15.2.2 without prejudice to Condition 15.2.1, not use the Confidential Information in a manner which may obtain for SHP or any Affiliate or Related Undertaking of SHP (as the case may be) any commercial advantage in the operation of a Supply Business except, in relation to information falling within Condition 15.1, where SHP or the relevant Affiliate or Related Undertaking supplied electricity to the relevant Connectee at the time the information was acquired by SHP;
- 15.2.3 not authorise access to nor disclose any Confidential Information other than:
 - (a) to such of the employees of SHP or any Affiliate or Related Undertaking of SHP as require to be informed thereof for the effective performance of SHP’s obligations under the Agreement or any other agreement entered into between SHP and the Supplier for the provision of services by the Distribution Business or for the effective operation of the Distribution Business;
 - (b) to such agents, consultants, professional or other advisors, and contractors (including, for the avoidance of doubt, SHP’s Billing Agent)

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 SHP or any Affiliate or Related Undertaking of SHP (as the case may be) is required or permitted to make disclosure of:
 - (i) in compliance with the duties of SHP or any Affiliate or Related Undertaking of SHP (as the case may be) under the Act or any other requirement of a Competent Authority;
 - (ii) in compliance with the provisions of any Relevant Instruments;
 - (iii) in compliance with any other requirement of law;
 - (iv) 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
 - (v) 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) for the purposes of providing to a Connectee (or, with the Connectee's permission, its contractor or agent) details of the Use of System Charges (and/or the related tariffs, estimated charges or elements from which the charges are constructed) which are or may be applicable to that Connectee's Metering Points; and

15.2.4 take all reasonable steps to ensure that any such person as is referred to in sub-Conditions 15.2.3(a), (b) and (c) to whom SHP 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 Condition 15.

Other Matters

15.3 SHP undertakes that, in any case where information to be disclosed by it under the 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 Supplier as the case may be, promptly to perform its obligations under the Agreement provided that where the consent of the Connectee is required to be obtained for the purposes of the Agreement the Supplier (and not SHP) shall have the obligation to obtain such consent under the Agreement.

16. CONFIDENTIALITY RESTRICTIONS ON THE SUPPLIER

Confidential Information

16.1 In this Condition 16, “**Confidential Information**” means:

16.1.1 any information (whether in writing, in disc or electronic form, or otherwise) which has been properly disclosed by SHP under the Agreement but which would usually be considered to be confidential (but shall not include any information relating to a Connectee which has been collected by SHP and disclosed to the Supplier pursuant to the Agreement); and

16.1.2 any information which is marked as confidential or which is provided together with a covering letter or fax indicating its confidential nature.

Restrictions on Use and Disclosure

16.2 The Supplier hereby undertakes to SHP 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:

16.2.1 in the circumstances set out in Condition 16.3;

16.2.2 to the extent otherwise required or expressly permitted the Agreement or any other agreement entered into between SHP and the Supplier for the provision of services by the Distribution Business of SHP; or

16.2.3 with the prior consent in writing of SHP.

16.3 The circumstances set out in this Condition 16.3 are:

16.3.1 where the Confidential Information, before it is furnished to the Supplier, is in the public domain;

16.3.2 where the Confidential Information:

(a) is acquired by the Supplier in circumstances in which this Condition 16 does not apply;

(b) is acquired by the Supplier in circumstances in which this Condition 16 does apply and thereafter ceases to be subject to the restrictions imposed by this Condition 16; or

(c) (after it is furnished to the Supplier) enters the public domain, otherwise (in any such case) than as a result of (i) a breach by the Supplier of its obligations in this Condition 16; or (ii) a breach by the person who disclosed that Confidential Information of that person's confidentiality obligation, and the Supplier is aware of such breach;

16.3.3 if the Supplier is required or permitted to make disclosure of the Confidential Information to any person:

(a) in compliance with the duties of the Supplier 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;

16.3.4 the disclosure of Confidential Information to any Affiliate or Related Undertaking of the Supplier, to the employees, directors, agents, consultants and professional advisers of the Supplier or any Affiliate or Related Undertaking of the Supplier, in each case on the basis set out in Condition 16.4; or

16.3.5 the disclosure of Confidential Information to the extent that the Confidential Information is required to be disclosed by the Supplier for the purposes of providing billing information to Connectees.

16.4 The Supplier shall take all reasonable steps to ensure that any such person as is referred to in Condition 16.3.4 to whom the Supplier 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 Condition 16.

Other Matters

16.5 The Supplier warrants that it has effected, and undertakes that it will during the term of the 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 the Agreement. The Supplier undertakes to comply with the Data Protection Act in the performance of the Agreement.

16.6 The Supplier undertakes that, in any case where information to be disclosed under the 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 and Power Purchase Contracts) such prior consent so as to enable it or (as the case may be) SHP promptly to perform its obligations under the Agreement.

17. LIMITATION OF LIABILITY

Physical Damage

17.1 Subject to Condition 17.6 and save as provided in this Condition 17.1 and Condition 17.2, and (without prejudice to Condition 17.5) save where any provision of these Conditions provides for an indemnity, no Party (the "**Party Liable**") nor any of its officers, employees or agents shall be liable to any other Party for loss arising from any breach of the 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:

- 17.1.1 physical damage to the property of that other Party, its officers, employees or agents; and/or
- 17.1.2 the liability of that other Party to any other person for loss in respect of physical damage to the property of any person,

provided that the liability of the Party Liable 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 the Party Liable shall be entitled:

- 17.1.3 to deduct from any sums payable to another Party in respect of the Party Liable's liability for loss or damage in respect of any event under the Agreement any sums which it is liable to pay to a person who has a connection to the Distribution System or any other person (whether or not a Party) in respect of the same loss or damage in respect of the same event; and
- 17.1.4 where it has already made payment in respect of its liability for loss or damage in respect of an event under the Agreement, at the time at which it becomes liable to pay any other person (whether or not a Party) in respect of the loss or damage in respect of the same event, to reclaim from the Party to whom it made a payment under the Agreement the amount of its liability to that other person but not exceeding the amount already paid to that Party in respect of loss or damage in respect of the same event,

provided that where any Party Liable 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 another Party in respect of an event which may also give rise to a liability to another Party under the Agreement, then the Party Liable shall consult with the other Party as to the conduct of that claim, difference, or dispute or those proceedings (actual or threatened).

Death or Personal Injury

- 17.2 Nothing in the Agreement shall exclude or limit the liability of any 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 Parties and their officers, employees and agents, from and against all such liability and any loss or liability which such other Parties 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.

Economic and Consequential Loss

- 17.3 Subject to Condition 17.6, and save where any provision of the Agreement provides for an indemnity, neither the Party Liable, nor any of its officers, employees or agents, shall in any circumstances whatsoever be liable, under or in relation to the Agreement, to the other Party for:

- 17.3.1 any loss of profit, loss of revenue, loss of use, loss of contract or loss of goodwill;
or
- 17.3.2 any indirect or consequential loss; or
- 17.3.3 loss resulting from the liability of such other Party to any other person
howsoever and whenever arising save as provided in Conditions 17.1 and 17.2.

Exclusive Remedies

- 17.4 The rights and remedies provided by these Conditions 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 the Agreement, including any rights any Party may possess in tort (or delict) 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 the Agreement and undertakes not to enforce any of the same except as expressly provided herein.

Aggregate liability

- 17.5 Subject to Conditions 17.6 and save as provided in Condition 17.2:
 - 17.5.1 SHP's maximum aggregate liability under the Agreement in contract, tort or otherwise (and, for the avoidance of doubt, including pursuant to any indemnity and including any loss to which the limitation on liability under Condition 17.1 also applies) shall in no circumstances exceed £1 million per incident or series of related incidents; and
 - 17.5.2 the Supplier's maximum aggregate liability under the Agreement in contract, tort or otherwise (and, for the avoidance of doubt, including pursuant to any indemnity and including any loss to which the limitation on liability under Condition 17.1 also applies) shall in no circumstances exceed £1 million per incident or series of related incidents.

Overriding Nature of this Condition

- 17.6 Save as otherwise expressly provided in these Conditions, this Condition 17 insofar as it excludes or limits liability shall override any other provision in the Agreement, provided that nothing in this Condition 17 shall exclude or restrict or otherwise prejudice or affect any of the rights, powers, duties and obligations of any 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 the rights, powers, duties and obligations of the Authority or the Secretary of State under the Act, any such licence or otherwise howsoever.

Other Matters

- 17.7 Each of the sub-Conditions of this Condition 17:
- 17.7.1 shall be construed as a separate and severable contract term, and if one or more of such sub-Conditions is held to be invalid, unlawful or otherwise unenforceable, then the other or others of such sub-Conditions shall remain in full force and effect and shall continue to bind the Parties; and
 - 17.7.2 shall survive the termination or expiry of the Agreement.
- 17.8 Each Party hereby acknowledges and agrees that each other Party holds the benefit of Conditions 17.1, 17.2 and 17.3 for itself and as trustee and agent for its officers, employees and agents.
- 17.9 Each Party hereby acknowledges and agrees that they have had the opportunity to discuss and negotiate the provisions of this Condition 17 which are fair and reasonable having regard to the circumstances as at the date hereof.
- 17.10 Nothing in this Condition 17 shall prevent or restrict the Supplier from enforcing any payment obligation (including suing for a debt) owed to it under or pursuant to the Agreement.

18. TERMINATION

Events of Default

- 18.1 It shall be an “**Event of Default**” in respect of a Party (the “**Breaching Party**”) if:
- 18.1.1 the Breaching Party is in material breach of any of its material obligations under the Agreement and, if the breach is or was capable of remedy, the Breaching Party has failed to remedy the breach within 20 Working Days of receipt of a notice from the Party to whom that obligation was owed 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 the consequences set out in this Condition 18;
 - 18.1.2 the Breaching Party passes a resolution for its own winding-up, dissolution, administration or reorganisation (except for the purposes of a solvent reconstruction or reorganisation), or a court of competent jurisdiction makes an order for the winding-up or dissolution of the Breaching Party;
 - 18.1.3 the Breaching Party has an administrator appointed in respect of it, or an administration order is made in relation to it, or a receiver, administrative receiver, trustee, liquidator, compulsory manager or other similar officer is appointed in respect of the Breaching Party or the whole or a substantial part of its assets, or an encumbrancer takes possession of or sells the whole or a substantial part of the Breaching Party’s assets, rights, or revenues;
 - 18.1.4 the Breaching Party makes an arrangement, compromise, composition, assignment or assignation with its creditors generally or makes an application to a court for protection from its creditors generally;

- 18.1.5 the Breaching Party is unable to pay its debts within the meaning of Section 123 of the Insolvency Act 1986;
- 18.1.6 without prejudice to Condition 19, a circumstance of Force Majeure that affects the performance by the Breaching Party of substantially all of its obligations under the Agreement continues for more than 180 days and the Party to whom any such obligation was owed serves a notice on the Breaching Party referring to this Condition 18;
- 18.1.7 any of the Continuing Requirements are not satisfied or cease to be satisfied in respect of the Breaching Party; or
- 18.1.8 the Supplier fails to remedy a Payment Default within 5 Working Days after receipt of a Late Payment Notice.

Suspension of Rights

- 18.2 For so long as an Event of Default is continuing, where a Supplier is a Breaching Party pursuant to any provision of Condition 18.1, SHP shall be entitled to suspend its performance of the services described in the Agreement to the Supplier by notice in writing to the Supplier and the Supplier shall pay to SHP an amount equal to any reasonable costs incurred SHP as a result of such suspension

Right of termination

- 18.3 Where any of the Events of Default occurs in respect of a Party, and:
 - 18.3.1 is continuing, and
 - 18.3.2 provided in the case of an Event of Default under 18.1.1, 18.1.6, 18.1.8 it has been continuing for at least six months,the other Party (or, in the case of an Event of Default under Condition 18.1.7, (i) SHP whether or not it is the other Party or the Party in respect of whom the Event of Default has occurred, or (ii) the Supplier provided it is the other Party) may by written notice terminate the Agreement.
- 18.4 Where SHP ceases or expects to cease to operate the Distribution System it may by written notice terminate the Agreement with effect from no earlier than the point in time at which SHP ceases to operate the Distribution System.

Consequences of Termination

- 18.5 Except where expressly stated to the contrary, the rights and obligations of a Party under the Agreement shall cease immediately upon the Agreement being terminated. However, such termination shall not affect any rights and obligations which have accrued on or before the date of such termination.
- 18.6 Conditions 1, 2, 5 to 11 (inclusive), 15 to 17 (inclusive), and 18.5 and 18.6 shall survive the termination of the Agreement and continue to apply to each Party (as applicable) after termination.

19. FORCE MAJEURE

19.1 If any Party (the “**Affected Party**”) is unable to carry out any of its obligations under the Agreement due to any circumstance of Force Majeure, the Agreement shall (subject to Condition 18.1.6) remain in effect but:

19.1.1 the Affected Party’s obligations; and

19.1.2 the obligations the other Party owes to the Affected Party under the Agreement, shall be suspended without liability for the period during which the circumstance of Force Majeure prevails provided that:

19.1.3 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; and

19.1.4 the suspension of performance is of no greater scope and of no longer duration than is required by the circumstance of Force Majeure; and

19.1.5 no obligations of any Party that arose before the circumstance of Force Majeure causing the suspension of performance are excused as a result of the Force Majeure; and

19.1.6 the Affected Party uses all reasonable efforts to mitigate the impact of the circumstance of Force Majeure and to remedy its inability to perform as quickly as possible; and

19.1.7 immediately after the end of the circumstance of Force Majeure, the Affected Party notifies the other Party in writing that the circumstance of Force Majeure has ended and resumes performance of its obligations under the Agreement.

20. DISPUTES

Arbitration

20.1 Save where expressly stated in these Conditions to the contrary, and subject to:

20.1.1 any contrary provisions of the Act or of the Regulations (or any other regulations made under Section 29 of the Act); and

20.1.2 the rights, powers, duties and obligations of the Authority or the Secretary of State under the Act or otherwise howsoever,

any dispute or difference of whatever nature howsoever arising under, out of, or in connection with the Agreement between two or more Parties shall be and is hereby referred to arbitration between such Parties, pursuant to the arbitration rules of the Electricity Arbitration Association from time to time in force.

20.2 Whatever the nationality, residence, or domicile of the Parties in question 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 Great Britain

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.

Third Party Claims

20.3 Subject always to Condition 20.5, if any consumer of electricity (the consumer) brings any legal proceedings in any court against either Party (the defendant party) and the defendant party wishes to make a third party claim (as defined in Condition 20.4) against the other Party which would but for this Condition 20.3 have been a dispute or difference referred to arbitration by virtue of Condition 20.1, then, notwithstanding the provisions of Condition 20.1 (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 such Party, whether by way of third party proceedings or otherwise as may be ordered by the court.

20.4 For the purposes of this Condition 20, third party claim shall mean:

20.4.1 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

20.4.2 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

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).

20.5 Condition 20.3 shall apply only if, at the time at which the legal proceedings are commenced, no arbitration has been commenced between the defendant party and the other Party in question that raises or involves 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.

21. DATA TRANSFER AND NOTICES

Data Transfer

21.1 Unless otherwise agreed between the sender and the recipient, any notice, request or other communication under the Agreement shall be sent in accordance with Good Industry Practice, and Good Industry Practice will include sending it by the means (if any), and, with the content (if any), required pursuant to:

21.1.1 the BSC;

21.1.2 the Master Registration Agreement; and/or

21.1.3 the Data Transfer Catalogue.

21.2 Where these Conditions requires any notice, request or other communication to be sent via the Data Transfer Network, the relevant message shall be addressed to the Market Domain I.D. specified for such purpose in the Suppliers or SHP's Billing Agents (as applicable) Party Details.

Data Transfer Responsibility

21.3 Where these Conditions requires any notice, request or other communication to be sent via the Data Transfer Network, the Party sending (or procuring the sending of) the relevant message shall be responsible for ensuring that it reaches the relevant Gateway within any time period laid down in these Conditions for the provision of such notice, request or communication (and any such message shall be deemed to be received by the recipient at the point in time at which it is delivered to such Gateway): provided that the Party sending (or procuring the sending) of 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 effectively.

Unavailability of DTN

21.4 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 Supplier and SHP's Billing Agent, then during the period of unavailability:

21.4.1 the Parties shall use any means reasonable in the circumstances to send any notice, request or other communication that these Conditions would otherwise require to be sent via the Data Transfer Network;

21.4.2 where other means are used in accordance with Condition 21.4.1, the Parties shall be relieved from any service levels set out in these Conditions relating to any affected notice, request or other communication (except to the extent that these Conditions 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 is reasonably practicable; and

21.4.3 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 these Conditions.

21.5 Where any Party, in breach of its obligations under Condition 21.3, fails to deliver or procure the delivery of (as applicable) 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 the Agreement and the

relevant Parties shall rely instead upon the provisions of the Data Transfer Service Agreement.

Notices

- 21.6 Any notice or formal notification, save for in the case of any dangerous incidents or damage set out in Condition 14.5, shall be in writing and be delivered personally or sent by prepaid first class post to each Parties' registered office address and shall be deemed to have been duly given or made as follows (a) if personally delivered, on delivery at the address of the relevant Party; or (b) if sent by first class post, two business days after the date of posting;

22. MISCELLANEOUS

Entire Agreement

- 22.1 The Agreement represents the entire understanding, and constitutes the whole agreement, in relation to its subject matter; and supersedes any previous agreement whether written, oral, or deemed between any of 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.

- 22.2 Each Party confirms that, except as provided in the Agreement and without prejudice to any liability for fraudulent misrepresentation, it has not relied on any representation, warranty or undertaking which is not contained in the Agreement or any document referred to therein.

Severability

- 22.3 If any provision of the Agreement shall be held to be invalid or unenforceable by a judgement or decision of any court of competent jurisdiction or any Competent Authority whose decisions are binding on the Parties, that provision shall be deemed severable and the remainder of the 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 the Agreement.

Waivers

- 22.4 The failure by any Party to exercise, or the delay by any Party in exercising, any right, power, privilege or remedy provided under the Agreement shall not constitute a waiver thereof nor of 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.

Contract Management

- 22.5 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 the Agreement and to monitor the general operation of the Agreement.

- 22.6 The Contract Manager of each Party shall meet with the Contract Manager of each other Party (collectively or individually) at such venues and at such intervals as may be agreed between the Parties from time to time.

Third Party Rights

- 22.7 The Parties do not intend that any of the Agreement's terms will be enforceable by a third party (whether by virtue of the Contracts (Rights of Third Parties) Act 1999 or otherwise).

Assignment and Sub-contracting

- 22.8 Other than as provided in Condition 22.9, the Supplier and SHP are not permitted to assign any of its rights under the Agreement without the prior written consent of SHP, such consent not to be unreasonably withheld.
- 22.9 SHP may, after having given prior written notice to the Supplier, assign any or all of its rights and obligations under the Agreement to any Distribution Exemption Holder to whom it transfers ownership, operation or control of the Distribution System.
- 22.10 The Supplier and SHP may sub-contract or delegate the performance of all or any of their respective obligations under the Agreement (including activities envisaged by the Regulations) 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.

Law and Jurisdiction

- 22.11 Each Party agrees that, in performing its obligations pursuant to the Agreement, it 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 the Agreement where to do so would put it in breach of any such statute, statutory instrument or general provision of law.
- 22.12 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 referred to in Condition 21.
- 22.13 The Agreement shall be governed by and construed in accordance with the laws of England and Wales. Subject to Condition 20, the Parties hereby submit to the exclusive jurisdiction of the courts of England and Wales.

SCHEDULE 1 COVER

1. DEFINITIONS

1.1 In this Schedule 1, except where the context otherwise requires and without prejudice to the provisions of paragraph 1.2, the following words or expressions shall have the meanings set opposite them:

"Aggregate Value of Collateral" has the meaning given to that term in paragraph 3.13;

"Approved Credit Referencing Agency" means Moody's Investors Service or Standard and Poor's Ratings Group or such replacement agency as may be notified by the Authority from time to time for the purposes of this Schedule 1;

"Cash Deposit" means a deposit of funds by or on behalf of the Supplier into a bank account in the name of SHP;

"Collateral" means the implements (excluding parent company guarantees) through which the Supplier can provide Cover, as set out in paragraph 2.1 and as may be amended or added to from time to time by SHP;

"Cover" means the aggregate amount of Collateral which the Supplier is required to provide and maintain in accordance with the provisions of this Schedule 1;

"Cover Default" has the meaning given to that term in paragraph 4.3;

"Credit Allowance Factor" or **"CAF"** has the meaning given to that term in paragraph 3.3;

"Credit Assessment Score" means a Credit Assessment Score as determined pursuant to paragraph 3.7 or 3.8;

"Credit Rating" means a long-term debt rating from an Approved Credit Referencing Agency;

"Escrow Account" means a separately designated bank account in the name of the Supplier at such branch of any bank in the United Kingdom as SHP shall specify (the **"Bank"**) (on terms to be approved by SHP and which provide, amongst other things, that the funds held in the Escrow Account may be released by the Bank to SHP in the circumstances envisaged in paragraphs 4 and 5 with the right to direct payments from the Escrow Account in favour only of SHP until the events specified in paragraph 4.9 have occurred) to which all deposits required to be made by the Supplier pursuant to this Schedule 1 shall be placed, provided that such proceeds are not to be withdrawn by the Supplier save in accordance with the provisions of this Schedule 1;

"Escrow Account Deposit" means a deposit of funds by or on behalf of the Supplier into an Escrow Account;

"Good Payment Performance Start Date" has the meaning given to that term in paragraph 3.11;

“Independent Credit Assessment” means a credit assessment of the Supplier procured by SHP at the Supplier’s request in accordance with paragraph 3.7 from a Recognised Credit Assessment Agency chosen by the Supplier;

“Letter of Credit” means an unconditional irrevocable standby letter of credit in such form as SHP may reasonably approve issued for the account of the Supplier in sterling in favour of SHP, allowing for partial drawings and providing for the payment to SHP 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 Ratings Group or by Moody’s Investors Service, or such other bank as SHP may approve and which shall be available for payment at a branch of the issuing bank;

“Payment Date” means the due date for payment of any Initial Account, Reconciliation Account, or other account submitted to the Supplier pursuant to the Agreement;

“Payment Default” has the meaning given to that term in paragraph 5.2;

“Payment Record Factor” has the meaning given to that term in paragraph 3.9;

“Qualifying Guarantee” means a guarantee in favour of SHP which is legally enforceable in the United Kingdom and in such form as may be agreed between SHP and the Supplier and which may specify a maximum value;

“Recognised Credit Assessment Agency” means any of the credit assessment agencies listed at paragraph 3.7, or any other credit assessment agency reasonably believed by SHP and the Supplier to be fit for the purpose of providing credit assessments pursuant to this Schedule 1, taking account of all the circumstances applicable to the Supplier;

“Value at Risk” has the meaning given to that term in paragraph 3.2.

1.2 Any other words or expressions used in this Schedule 1 (excluding headings or any parts thereof) which bear initial capital letters and are defined elsewhere in the Agreement shall have the same respective meanings as are given to them elsewhere in the Agreement.

2. PROVISION OF COVER

Forms of Collateral

2.1 The Supplier shall, when required by SHP pursuant to Condition 10.1, deliver to SHP one or more of the following forms of Collateral such that the Aggregate Value of Collateral is equal to or greater than the sum notified to the Supplier by SHP.

2.1.1 a Letter of Credit or equivalent bank guarantee (available for an initial period of not less than six months);

2.1.2 an Escrow Account Deposit;

2.1.3 a Cash Deposit; or

2.1.4 any other form of Collateral as agreed between SHP and the Supplier from time to time, including but not limited to performance bonds, bilateral insurance, and independent security. SHP may rate the effectiveness of such Collateral as being between 0% and 100%. Where the effectiveness of such Collateral is rated as

less than 100%, its contribution to the aggregate level of Cover provided shall be reduced accordingly.

- 2.2 Any dispute raised by the Supplier or SHP on the form of Collateral provided under paragraph 2.1.4 or on the rating of any such Collateral shall be dealt with under paragraph 9. Any requirement for payment to be made under such Collateral shall be dealt with in accordance with paragraph 5.

Maintenance of Cover

- 2.3 The Supplier may increase the value of Collateral provided or provide additional forms of Collateral at any time during the term of the Agreement.

- 2.4 Where:

2.4.1 there is any reduction in the amount of Collateral provided by the Supplier as Cover; or

2.4.2 SHP makes a demand against such Collateral following a Payment Default by the Supplier,

the Supplier shall provide additional Collateral as accordance to Table 3 of this Schedule 1.

3. CALCULATION OF COVER

- 3.1 For the duration of such period as SHP is requesting Cover from the Supplier, SHP shall calculate and maintain a record of each of the following values with respect to the Supplier, that is to say:

3.1.1 the Supplier's Value at Risk; and

3.1.2 the Supplier's Aggregate Value of Collateral,

in such manner as will enable SHP, upon request by the Supplier, to provide a written and up-to-date statement of such values without delay.

The Supplier's Value at Risk

- 3.2 SHP will determine the Supplier's Value at Risk on a monthly basis using a reasonable and non-discriminatory approach which is similar to that used (mutatis mutandis) by DNO/IDNO Parties as set out in the DCUSA.

The Supplier's Aggregate Value of Collateral

- 3.3 Where the Supplier has a Credit Rating from an Approved Credit Referencing Agency that is Ba3/BB- or above, **CAF** shall be determined according to the following table. For the purposes of this Schedule 1, and subject to evidence to the contrary, all IDNO Parties shall be deemed to have a rating of Baa3 / BBB-

Credit Rating		CAF (%)
Moody's	Standard and Poor's	
Aaa to Aa2	AAA to AA	100
Aa3 to A3	AA- to A-	40
Baa1	BBB+	20
Baa2	BBB	19
Baa3	BBB-	18
Ba1	BB+	17
Ba2	BB	16
Ba3	BB-	15

Table 1: CAF based on Credit Rating from Moody's, Standard and Poor's

- 3.4 Where the Supplier does not have a Credit Rating from an Approved Credit Referencing Agency that is Ba3 / BB- or above, CAF shall be determined as follows:
- 3.4.1 where there is, at the time of such determination, an Independent Credit Assessment that was carried out within the preceding 12 months and the Supplier has not requested that SHP use the Supplier's Payment Record Factor, CAF shall be determined by reference to the Independent Credit Assessment procured pursuant to paragraph 3.7 and in accordance with the Table 2; or
- 3.4.2 where the Supplier has requested that SHP use the Supplier's Payment Record Factor or there is not, at the time of such determination, an Independent Credit Assessment that was carried out within the preceding 12 months, CAF shall equal the Payment Record Factor (which shall be determined in accordance with the provisions of paragraphs 3.9 to 3.11).
- 3.5 For the purposes of determining CAF pursuant to paragraph 3.4.1, the Supplier may, once a year, request that SHP obtain an Independent Credit Assessment from a Recognised Credit Assessment Agency chosen by the Supplier.
- 3.6 As soon as reasonably practicable following such request (or within such other period as SHP and the Supplier may agree), SHP shall procure from that Recognised Credit Assessment Agency (and shall provide to the Supplier) a credit assessment of the Supplier. Where a Recognised Credit Assessment Agency offers more than one credit assessment product, SHP shall procure an assessment on the basis of the product that SHP and the

Supplier agree (each acting reasonably) provides the most appropriate assessment of the creditworthiness of the Supplier when all factors are taken into consideration.

3.7 Where the Recognised Credit Assessment Agency that is used is listed in the table below, and it undertakes an assessment on the basis of one of its credit assessment products listed below, the results of such assessment will give rise to the corresponding **Credit Assessment Score** set out below and the corresponding CAF:

Equivalence of the Credit Assessment Score to credit scores provided by Recognised Credit Assessment Agencies in their Independent Credit Assessment						
Credit Assessment Score	Check IT (ICC)	Dunn & Bradstreet/ N2 Check	Equifax	Experian	Graydons	
	Credit Score Report	Comprehensive Report		Bronze, Silver or Gold Report	Level 1, Level 2, or Level 3 Report	CAF (%)
10	95-100	5A1	A+	95-100	1A	20
9	90-94	5A2/ 4A1	A/A-	90-94	1B/ 2A	19
8	80-89	5A3/4A2/3A1	B+	80-89	1C/2B/3A	18
7	70-79	4A3/3A2/2A1	B/B-	70-79	2C/3B/4A	17
6	60-69	3A3/2A2/1A1	C+	60-69	3C/4B/5A	16.66
5	50-59	2A3/1A2/A1	C/C-	50-59	4C/5B/6A	15
4	40-49	1A3/A2/B1	D+	40-49	5C/6B/7A	13.33
3	30-39	A3/B2/C1	D/D-	30-39	6C/7B/8A	10
2	20-29	B3/C2/D1	E+	20-29	8B	7
1	10-19	C3/D2/E1	E/E-	10-19	8C	3.33
0	Below 10	Below E1	Below E-	Below 10	Below 8C	0

Table 2: CAF based on Recognised Credit Assessment Agencies

3.8 Where the Recognised Credit Assessment Agency that is used is not listed in Paragraph 3.7 (or where the credit assessment product is not listed in Paragraph 3.7), the Company

shall (acting reasonably) determine the applicable Credit Assessment Score on an equivalent basis to that set out in Paragraph 3.7.

Payment Record Factor

- 3.9 Where the Supplier’s Payment Record Factor is to be used to determine the CAF in accordance with paragraph 3.4.2, the CAF shall equal the value of the Payment Record Factor determined in accordance with paragraphs 3.10 to 3.12.
- 3.10 The Payment Record Factor shall equal the number of months since the Good Payment Performance Start Date (as specified in paragraph 3.11) multiplied by 0.033% (that is to say, by 0.4% per annum) up to a maximum value of 2% after five years of good payment history. SHP shall give the Supplier notice of any adverse change in the calculation of the Payment Record Factor pursuant to paragraph 3.11.
- 3.11 The Good Payment Performance Start Date shall:
 - 3.11.1 for the Supplier, initially, be the date of the earliest of the first Initial Account, the first Reconciliation Account, or the first account issued pursuant to Condition 8, or (where applicable) the first account comparable to the foregoing issued under the use of system agreement applying between the Supplier and SHP immediately before the Agreement became effective (the relevant account);
 - 3.11.2 where the Supplier fails, or has failed, on any occasion to pay any relevant account relating to undisputed Charges in full on the applicable payment date, be the date on which a relevant account is submitted in a month subsequent to the month in which such payment failure is remedied (unless, having regard to all the circumstances, including in particular the value, duration, and frequency of failure, SHP reasonably determines an earlier date).
- 3.12 Where any unpaid disputed invoice is found to have been disputed without merit, a failure to have paid the relevant account in accordance with the terms of the Agreement shall be treated as a failed payment and the provisions of paragraph 3.11 shall apply accordingly.

		CAF												
Value At Risk £		100	40	20	19	18	17	16	15	13	10	7	3.33	0
		Collateral as a percentage of Value at Risk												
1	9,999	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%
10,000	49,999	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	31%	100%
50,000	99,999	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	27%	65%	100%
100,000	149,999	0%	0%	0%	0%	0%	0%	0%	0%	10%	31%	51%	77%	100%
150,000	199,999	0%	0%	0%	1%	6%	12%	17%	22%	32%	48%	64%	83%	100%
200,000	249,999	0%	0%	17%	21%	25%	29%	33%	38%	46%	58%	71%	86%	100%
250,000	299,999	0%	0%	31%	34%	38%	41%	45%	48%	55%	65%	76%	88%	100%
300,000	349,999	0%	0%	41%	44%	47%	49%	52%	55%	61%	70%	79%	90%	100%
350,000	399,999	0%	0%	48%	51%	53%	56%	58%	61%	66%	74%	82%	91%	100%
400,000	449,999	0%	8%	54%	56%	58%	61%	63%	65%	70%	77%	84%	92%	100%
450,000	499,999	0%	17%	58%	60%	63%	65%	67%	69%	73%	79%	85%	93%	100%
500,000	549,999	0%	24%	62%	64%	66%	68%	70%	72%	75%	81%	87%	94%	100%
550,000	599,999	0%	31%	65%	67%	69%	71%	72%	74%	77%	83%	88%	94%	100%
600,000	649,999	0%	36%	68%	70%	71%	73%	74%	76%	79%	84%	89%	95%	100%
650,000	699,999	0%	41%	70%	72%	73%	75%	76%	78%	81%	85%	90%	95%	100%
700,000	749,999	0%	45%	72%	74%	75%	76%	78%	79%	82%	86%	90%	95%	100%
750,000	799,999	0%	48%	74%	75%	77%	78%	79%	80%	83%	87%	91%	96%	100%
800,000	849,999	0%	51%	76%	77%	78%	79%	80%	82%	84%	88%	91%	96%	100%
850,000	899,999	0%	54%	77%	78%	79%	80%	82%	83%	85%	88%	92%	96%	100%
900,000	949,999	0%	56%	78%	79%	80%	81%	82%	84%	86%	89%	92%	96%	100%
950,000	999,999	0%	58%	79%	80%	81%	82%	83%	84%	86%	90%	93%	97%	100%

Table 3: Calculation of Aggregate Value of Collateral

3.13 The Supplier’s aggregate value of Collateral is the indicated percentage multiplied by the Value at Risk (the “**Aggregate Value of Collateral**”). For example, if a Supplier’s Value at Risk is £220,000 and has a CAF of 17%, the Supplier shall provide an Aggregate Value of Collateral equivalent to £41,800 (calculated as £220,000 * 29%).

4. INCREASE OR DECREASE OF COVER REQUIREMENT

4.1 The following provisions have effect in relation to Cover requirements pursuant to the circumstances specified under the relevant headings in this paragraph 4.

Increase in Cover Requirements Pursuant to a Change in the Value at Risk

4.2 If, on any Working Day, there is (a) an increase in the Supplier’s Value at Risk; or (b) a decrease in the Credit Allowance Factor, then (in either case) SHP shall give notice of this to the Supplier on the following Working Day and the Supplier shall take all appropriate action to ensure that its Aggregate Value of Collateral is equal to or below 80% within two Working Days of its receipt of such notice.

4.3 It shall be a **Cover Default** if the Supplier fails to remedy a default under paragraph 4.2 within the prescribed timescale.

Actions in Relation to Cover Default

4.4 In addition to any other remedies available to it, SHP shall be entitled to take the following actions following a Cover Default (provided that, where the provision of MPAS to the Supplier or the right to make future connections (as applicable) has been suspended at any time after Day 0 + 5, SHP must, as soon as the Cover Default has been remedied, take such steps as are within its power to procure initiation of the restoration of MPAS to the Supplier or the right to make future connections (as applicable)):

Working Days After Cover Default	Action Within SHP’s Rights Under this Schedule 1
Day 0	Date of default
Day 0 + 1	Interest and administration fee start to apply
Day 0 +2	Issue notice of default to Contract Manager containing a statement of Aggregate Value of Collateral
Day 0 + 3	Formal Supplier response required
Day 0 + 5	Initiate action to suspend the right to make any further connections to SHP’s Distribution System, and notify both the Supplier and the Authority.

Increase or Decrease in Cover Requirements Pursuant to a Change in the Aggregate Value of Collateral (AVC)

- 4.5 SHP shall give the Supplier one month's written notice of its intention to use a new value of AVC to calculate the collateral according to paragraph 3.13. Such notice shall state the date on which SHP will begin to use that value in such calculation.

Decrease in Cover Requirements

- 4.6 The Supplier may by notice to SHP decrease the amount of Collateral at any time provided that such decrease would not cause the Aggregate Value of Collateral to fall under the percentage as indicated in Table 3.
- 4.7 SHP shall, within two Working Days of its receipt of a notice from the Supplier pursuant to paragraph 4.6, undertake actions to facilitate the reduction, or the return to the Supplier, of such Collateral.

Increase in Cover Requirements Because of the Expiry of a Letter of Credit

- 4.8 Not later than 10 Working Days before any outstanding Letter of Credit is due to expire, the Supplier shall either procure to the satisfaction of SHP that it (or a suitable replacement Letter of Credit which meets SHP's reasonable requirements) will be available for a further period of not less than six months, or provide an alternative form of Collateral as set out in paragraph 2.1.

Release from Cover Obligations

- 4.9 Upon the Supplier ceasing to be a Party to the Agreement, and once all the amounts owed by the Supplier in respect of Charges and any other amount owed by the Supplier to SHP under the Agreement have been duly and finally paid, including interest, the Supplier shall be released from the obligation to maintain Cover in respect of SHP and SHP shall consent to the revocation of any outstanding Qualifying Guarantee or Letter of Credit, and the Supplier shall be entitled to withdraw the balance (if any) (including interest credited thereto) outstanding to the credit of the Supplier in the Escrow Account at the relevant date and to request the return or termination of any other form of Collateral provided.

5. USE OF COVER FOLLOWING PAYMENT DEFAULT

- 5.1 This paragraph 5.1 applies if, after 17:30 hours on any Payment Date, SHP has been notified by the Supplier or otherwise has reason to believe that the Supplier has not 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 SHP to the Supplier as being payable by the Supplier by way of the Charges on the relevant Payment Date, or any other amounts owing under the Agreement except for the disputed amount of a Designated Dispute (as defined in Schedule 2).

- 5.2 Where paragraph 5.1 applies, a **Payment Default** exists and SHP shall (in addition to any other remedies available to it) be entitled to act in accordance with the following provisions (or whichever of them may apply) in the order in which they appear below until SHP is satisfied that the Supplier has discharged its obligations in respect of Charges or

such other amounts under the Agreement which are payable in respect of the relevant account:

- 5.2.1 SHP, to the extent that the Supplier is entitled to receive payment from SHP pursuant to the Agreement (unless it reasonably believes that such set-off would be unlawful), shall be entitled to set off the amount of such entitlement against the amount in default;
- 5.2.2 the amount of funds then standing to the credit of the Escrow Account or the amount of any Cash Deposit (excluding any interest accrued thereon to the benefit of the Supplier) shall be released to SHP and set off against the amounts unpaid by the Supplier, and for that purpose SHP shall be entitled to place such funds in any account of SHP at its sole discretion and shall notify the Supplier accordingly;
- 5.2.3 SHP may demand payment under any Letter of Credit for a sum not exceeding the amount of the Cover;
- 5.2.4 SHP may demand payment under any outstanding Qualifying Guarantee provided for the benefit of the Supplier pursuant to paragraph 6.1.2; or
- 5.2.5 SHP may demand payment under any other form of Collateral provided under paragraph 2.1.4 in the manner which SHP and the Supplier have previously agreed as appropriate in relation to that particular form of Collateral or, in the absence of such agreement, in a manner which SHP (acting reasonably) considers appropriate in relation thereto.

6. UTILISATION OF FUNDS

6.1 In addition to the provisions of paragraph 5, if an Event of Default occurs in respect of the Supplier in accordance with Condition 24, SHP shall be entitled:

- 6.1.1 to demand payment of any of the Charges and any other amounts owed by the Supplier under the Agreement which are outstanding, whether or not the Payment Date in respect of them has passed; and
- 6.1.2 to make demand under any outstanding Qualifying Guarantee or a call under any outstanding Letter of Credit supplied by the Supplier,

and the funds in the Escrow Account to the extent that they represent Cover provided by the Supplier shall be released to SHP and set off against the Charges and any other amount owed by the Supplier under the Agreement that is unpaid by the Supplier, and for that purpose SHP shall be entitled to place any such amount released to it from the Escrow Account to any account of SHP as in its sole discretion it thinks fit.

7. COMPANY'S RIGHT TO WITHDRAW FUNDS

7.1 If the Supplier is not in default in respect of any amount owed to SHP in respect of the Charges or any other amount owed by the Supplier under the Agreement, SHP shall permit the release to the Supplier, within two Working Days of receiving the Supplier's written request for it, of any amount of cash provided by the Supplier by way of Cover

which exceeds the amount which the Supplier is required to provide in accordance with this Schedule 1.

- 7.2 Interest on the amount deposited in an Escrow Account (at a rate to be agreed by the Supplier with the bank at which such account is held) or on the amount of a Cash Deposit (at a rate to be agreed between SHP and the Supplier) shall accrue for the benefit of the Supplier.

8. NO SECURITY

- 8.1 Nothing in this Schedule 1 shall be effective to create a charge on or any other form of security interest in any asset comprising part of the Supplier's business.

9. DISPUTES

- 9.1 SHP and the Supplier shall attempt to resolve in good faith any dispute that may arise under or in relation to the provisions of this Schedule 1.

- 9.2 Where any such dispute remains unresolved after 10 Working Days, either of SHP or the Supplier may refer the matter for dispute resolution pursuant to Condition 20.

10. NOTICES

- 10.1 Contact details for notices issued under this Schedule 1, and the form of such notices and the manner of their service, shall be as agreed between SHP and the Supplier. Where no such agreement exists, the provisions of Condition 28 shall apply.

SCHEDULE 2
BILLING AND PAYMENT DISPUTES

1. BILLING AND PAYMENT DISPUTES UNDER THIS AGREEMENT

- 1.1 This paragraph 1 of Schedule 2 applies to disputes in relation to Charges payable by or to the Supplier pursuant to any of the provisions of the Agreement.
- 1.2 Where the Supplier disputes an account issued under any of Conditions 6, 7 or 8 and the dispute is a Designated Dispute (as defined in paragraph 1.3 below):
- 1.2.1 the Supplier shall pay such amount of the Charges due as are not in dispute and shall be entitled to withhold the balance pending resolution of the dispute;
 - 1.2.2 the Supplier and SHP shall use reasonable endeavours to resolve the dispute in good faith;
 - 1.2.3 where the dispute remains unresolved after 20 Working Days, either of the Supplier or SHP may refer the dispute to arbitration in accordance with Condition 27; and
 - 1.2.4 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 on which 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.
- 1.3 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 Supplier in good faith (i) notifies SHP that one or more of the circumstances mentioned in paragraph 1.3.1 and 1.3.2 below applies to the request, and (ii) provides SHP with a statement and explanation of the amount in dispute. Those circumstances are:
- 1.3.1 that, in the calculation by SHP of the Charges in question, there is a manifest error, being either (i) an error in the information used for, or (ii) an arithmetical error in, that calculation which is apparent on the face of the relevant account, or (iii) an error which, not being apparent thereon, the Supplier nevertheless in good faith believes will be shown to be present in the calculation upon investigation; and/or
 - 1.3.2 that, for a Metering Point within Condition 5.8.1, SHP has chosen 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 Supplier disputes the accuracy or validity of the data actually used.
- 1.4 Disputes about the matters listed at paragraph 1.4.1 and 1.4.2 below are not Designated Disputes and paragraph 1.2 shall not apply (except in the case of a manifest error) where:
- 1.4.1 SHP has invoiced Use of System Charges in accordance with Condition 5.8; or
 - 1.4.2 SHP has used estimated data in accordance with Condition 7.2.1.

- 1.5 Where, other than in the case of a Designated Dispute, within 14 days of receiving a request for payment the Supplier in good faith provides SHP with a statement and explanation of the amount of the Charges in dispute:
- 1.5.1 the Supplier shall pay the total amount of such charges as they fall due in accordance with Condition 5.9;
 - 1.5.2 the parties shall use reasonable endeavours to resolve the dispute in good faith;
 - 1.5.3 where the dispute remains unresolved after 20 Working Days, either party may refer the dispute to arbitration in accordance with Condition 27; and
 - 1.5.4 following resolution of the dispute, any amount agreed or determined to be repayable (including where appropriate any interest paid pursuant to Condition 9.3) by SHP shall be paid within 20 Working Days after such agreement or determination and interest shall accrue on such amount from the date on which such amount was originally paid by the Supplier until the date of repayment at such interest rate as specified in the DCUSA to apply in respect of amounts agreed or determined following resolution of billing and payment disputes under DCUSA section 2A.

**SCHEDULE 3
METERING ACCURACY**

1. METERING ACCURACY

1.1 Metering equipment installed and maintained pursuant to Condition 13.1 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**").

2. DISPUTES IN RELATION TO METERING ACCURACY

2.1 Unless the accuracy of metering equipment installed and maintained pursuant to Condition 13.1 is disputed by notice in writing ("**Dispute Notice**") given by one party to the other, such metering equipment shall be deemed to be accurate.

2.2 If a Dispute Notice is given under paragraph 2.1 in respect of metering equipment installed pursuant to Condition 13.1, then, 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;

2.3 Not used.

2.4 If on such test under paragraph 2.2:

2.4.1 it is 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 SHP 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 party responsible for installing and maintaining the metering equipment; or

2.4.2 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 4
SERVICE LEVELS FOR RESOLVING NETWORK OPERATIONAL ISSUES AND ASSOCIATED
REPORTING REQUIREMENTS

Asset Condition Codes

1. ASSET CONDITION CODES

1.1 The codes to be used are those defined by reference to the Data Transfer Catalogue Data Item J1824 "Asset Condition Code" governed under the Master Registration Agreement (MRA).

1.1.1 the asset condition codes for Category A Situations are referenced in the MRA with the prefix "A";

1.1.2 the asset condition codes for Category B Situations are referenced in the MRA with the prefix "B";

1.1.3 the asset condition codes for Category C Situations are referenced in the MRA with the prefix "C".