**DCP294 Proposed legal text changes**

**………………………………………………….**

**Section 2B - DISTRIBUTOR TO DISTRIBUTOR/OTSO RELATIONSHIP**

**Maximum Import Capacity and Maximum Export Capacity**

39.9 The Maximum Import Capacity and Maximum Export Capacity shall be specified in the relevant Bilateral Connection Agreement and the User shall use its reasonable endeavours to ensure that the electricity imported and exported does not exceed the Maximum Import Capacity and the Maximum Export Capacity (respectively).

39.10 The Company shall only be obliged to export or import electricity up to the Maximum Import Capacity and Maximum Export Capacity as specified in the relevant Bilateral Connection Agreement. Where the User exceeds the Maximum Import Capacity or the Maximum Export Capacity, it shall be a breach of the relevant Bilateral Connection Agreement, but not of this Agreement.

39.11 Where the User’s import of electricity exceeds the Maximum Import Capacity or the User’s export of electricity exceeds the Maximum Export Capacity (each an “**Event**”), the User shall:

39.11.1 upon being notified by the Company, take reasonable actions to reduce the import or export of electricity to within the limits specified in the relevant Bilateral Connection

39.11.2 if appropriate propose a variation to the relevant Bilateral Connection Agreement; and/or

39.11.3 if appropriate, submit a Modification Application to the Company in accordance with the provisions of Clause 52.

39.12 Following the occurrence of an Event (as defined in Clause 39.11), the Company shall be entitled to:

39.12.1 charge the User any additional Use of System Charges for Use of Distribution System that is in excess of the Maximum Import Capacity or Maximum Export Capacity in accordance with the Company’s Relevant Charging Statement;

39.12.2 exercise any rights it may have under Clause 41; and/or

39.12.3 exercise any rights it may have under the relevant Bilateral Connection Agreement.

**Variation to the Maximum Import Capacity and Maximum Export Capacity**

39.12A Except where a variation requires a Modification, either Party may propose a variation to the Maximum Import Capacity and Maximum Export Capacity contained within the Bilateral Connection Agreement by notice in writing to the other Party. The Company and the User shall negotiate in good faith the terms of any such variation, but if this cannot be agreed within 20 Working Days after it has been proposed, either Party shall be entitled to refer the matter to the Authority, pursuant to Section 23 of the Act, as it the variation were a new connection as referred to in that Section. The Parties shall give effect to the determination of the Authority and shall enter into any supplemental agreement to the Bilateral Connection Agreement as shall be necessary to give effect to any variation so determined.

39.12B Where the Bilateral Connection Agreement includes a phased capacity requirement as part of a Development Phase (as defined under Schedule 22), any proposal to vary the Bilateral Connection Agreement made pursuant to Clause 39.12A shall take into account the future phasing requirements as set out in the Bilateral Connection Agreement.

**Changes to DCUSA Schedule 22 - Common Connection Charging Methodology**

**Definitions**

At present *Development Phase* is defined as:

*“the five year period, unless otherwise agreed with us, commencing on the date of Energisation of an embedded network over which the development is constructed”*