**DCP 282 Draft Legal Text**

**Embedded Distribution Network Operator (EDNO) UMSO**

**Amend the following definition in Clause 1.1:**

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| **Nominated Calculation Agent** | means the independent person notified as such to the IDNO Parties from time to time, such person to be agreed between the DNO Parties (or, in the absence of unanimous agreement, the majority of the DNO Parties) and appointed by the DNO Parties for the purposes of Clauses 42.12 and 42.13 and Schedule 16. |
| **Unmetered Supplier Certificate** | means a certificate issued by a Company or its UMSO (in each case at 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 the Company has authorised the Customer to receive Unmetered Supplies. |

**Add the following definition to Clause 1.1:**

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| **EDNO** | means, in respect of the Company where it is a DNO Party, any IDNO Party (or DNO Party acting outside of that DNO Party’s Distribution Services Area) which has a Distribution System embedded within one of the Company's GSP Groups (as defined in the BSC). |
| **EDNO UMS Charges** | has the meaning given to that expression in Clause 46A. |
| **UMSO** | means an Unmetered Supply Operator (as defined in the BSC), including where a DNO Party has been appointed to such role by an EDNO pursuant to Clause 42.14. |

**Amend Clause 19.5 as follows:**

**Invoicing of Charges**

19.4A Notwithstanding Clauses 15.2.2, 15.3.2 and 15.4, where the Company is a UMSO for an EDNO, the provisions of this Clause 19 and of Clauses 20 and 21 shall be interpreted as follows:

19.4A.1 references to a User and a period of time shall include a Supplier Party Registered during that period in respect of the Metering Points on the EDNO's Distribution System covered by the inventory for which the Company is the UMSO;

19.4A.2 references to Entry Points and/or Exit Points on the Company's Distribution System shall include references to Entry Points and/or Exit Points on the EDNO's Distribution System associated with the Metering Points covered by the inventory for which the Company is the UMSO; and

19.4A.3 references to Use of System Charges shall include the Use of System Charges relating to the Metering Points covered by the inventory for which the Company is the UMSO, which charges shall be calculated on the basis of the Company’s relevant all-the-way tariff(s) (as determined in accordance with the CDCM) and payable by the User to the Company.

19.4B As a result of Clause 19.4A, where the Company is an EDNO which has appointed a DNO Party as the Company's UMSO, the provisions of this Clause 19 and of Clauses 20 and 21 shall be interpreted such that no Use of System Charges shall by payable by the User to the Company in respect of the Metering Points covered by the inventory for which the Company is the UMSO (on the basis that those charges are instead payable to the UMSO).

19.5 Subject to Clauses 19.4A and 19.4B, the Company shall invoice Use of System Charges (but excluding any Transactional Charges) payable by or to the User by reference to Settlement Class using aggregated data obtained from the Supercustomer DUoS Report, except in relation to Metering Points or Metering Systems where:

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

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

19.5.3 the Use of System Charge is specified in the Relevant Charging Statement as not being billed by Settlement Class; and/or

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

**Add a new Clause 20.7**

**Unmetered Supplies**

20.7 This Clause 20 is to be interpreted in accordance with Clauses 19.4A and 19.4B.

**Add a new Clause 21.7**

**Unmetered Supplies**

20.7 This Clause 21 is to be interpreted in accordance with Clauses 19.4A and 19.4B.

**Amend Clause 42.13.1 as follows:**

42.13 The Company shall (if it is a DNO Party):

42.13.1 procure that the Nominated Calculation Agent is appointed on terms that require the Nominated Calculation Agent to keep the information disclosed to it pursuant to Clause 42.12 and this Clause 42.13 confidential, and to not use such information for any purpose other than calculation of the “HV split” and/or the "LV mains split" (as each such expression is defined in Schedule 16); and

**Add new Clauses 42.14 and 42.15 as follows:**

**Unmetered Supplies Operator**

42.14 This Clause 42.14 shall only apply where the Company is a DNO Party and the User is an EDNO. Where a Customer provides to the Company inventory data regarding unmetered equipment connected to the User’s System within the Company’s Distribution Services Area, then:

42.14.1 the User shall be deemed (for the purposes of this Agreement and the BSC, including the Unmetered Supplies Procedure) to have requested that the Company acts as the UMSO in respect of that inventory data (and the Company shall act as the UMSO in respect of such inventory data, and perform the functions of UMSO under the BSC in respect of such inventory data);

42.14.2 the Company and the User agree that such inventory data may be shared between each other and with other EDNOs (where such inventory data includes data relating to unmetered equipment connected to the Systems of such other EDNOs);

42.14.3 the User shall ensure that the Customer's Connection Agreement in respect of such unmetered equipment shall oblige that Customer to:

(A) submit inventory data to the Company as a combined inventory that includes all relevant individual items;

(B) identify the User within that inventory as the DNO/IDNO Party for the System to which each relevant individual item is connected (to be identified by the use of the relevant Market Domain I.D, which the User shall communicate to the Customer); and

(C) permit the sharing of that data as described in Clause 42.14.2.

42.15 The User hereby indemnifies the Company against any and all losses or liabilities incurred by the Company as a result of its acts or omissions when acting as the UMSO on the User's behalf.

**Add a new Clause 46A as follows:**

**46A. EDNO UMS CHARGES**

46A.1 This Clause 46A applies where the Company acts (or acted) as the User's UMSO pursuant to Clause 42.14.

46A.2 The User shall, in respect of each period and each inventory for which the Company acted as the User's UMSO, be entitled to invoice the Company for the difference between the following (such difference being the "**EDNO UMS Charges**"):

46A.2.1 the Use of System Charges for that period and the Metering Points on the User's System covered by that inventory, calculated on the basis of the Company’s relevant all-the-way tariff(s) (as determined in accordance with the CDCM); and

46A.2.2 the Use of System Charges for that period and the Metering Points on the User's System covered by that inventory, calculated on the basis of the Company’s relevant equivalent LDNO tariff (as determined in accordance with the CDCM).

**Submission of Account and Obligation to Pay**

46A.3 As soon as is reasonably practicable after the end of each charging period, the User may submit to the Company an account specifying the EDNO UMS Charges payable in accordance with this Clause 46A for the whole or any part of that charging period. EDNO UMS Charges that are not invoiced within 14 months of the end of the relevant charging period shall not be invoiced and shall not be payable.

**Obligation to Pay**

46A.4 Subject to Clauses 46A.5 and 46A.6, within 30 days of the date of an account submitted in accordance with Clause 45A.2, the Company shall pay to the User 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 account, quoting the account number against which payment is made (or by other methods as the Company and the User may agree).

**Disputes with Supplier Parties**

46A.5 The Company and the User acknowledge that the calculation under Clause 46A.2 is based on the fact that the Company will invoice the amount referred to in Clause 46A.2.2 to the relevant Supplier Party under Section 2A. To the extent that the relevant Supplier Party is late in paying (or fails to pay) the corresponding amount under Section 2A, then the User shall have no entitlement to receive (and the Company shall have no liability to pay) the EDNO UMS Charges (unless and until the Company is paid the corresponding amount under Section 2A).

46A.6 In the event of a late payment by the relevant Supplier Party under Section 2A (as referred to in Clause 46A.5), the Company shall pay the EDNO UMS Charges within 14 days after it receives the corresponding payment from the Supplier Party.

**Amend Section 4 of Schedule 2B as follows:**

**Add the following definitions to Clause 1.1 of Section 4 of Schedule 2B:**

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| **DNO** | means the holder of a Electricity Distribution Licence in which Section B of the standard distribution licence conditions has effect. |
| **EDNO** | the Company shall only be an EDNO where the Company is not a DNO (or is a DNO operating outside of its Distribution Services Area, as defined in its Distribution Licence), and the Company's Distribution System is embedded within a DNO's GSP Group (as defined in the BSC). |
| **Election** | means, where the Company is an EDNO, the notification (if any) by the Customer to the Company that the Customer wishes to combine data in respect of certain Items forming all or part of the Customer’s Installation with data in respect of other items comprising installations connected to the Host Network (pursuant to which notification the Host DNO shall act as UMSO (as defined in the BSC) in respect of those Items). |
| **Host DNO** | means, where the Company is an EDNO, the DNO for the GSP Group (as defined in the BSC) within which the Company's Distribution System is embedded. |
| **Host Network** | means, where the Company is an EDNO, the network of the Host DNO. |

**Add a new Clause 2.4 to Section 4 of Schedule 2B as follows:**

2.4 Where the Premises to which this Agreement applies are connected to an Embedded Network, this Agreement creates additional rights for the Host DNO (as set out in Clause 25.4).

**Amend Clause 4.1.5 of Section 4 of Schedule 2B as follows:**

4.1.5 either:

(a) the Company; or

(b) where the Company is an EDNO and the Customer has made an Election,the Host DNO,

having issued an Unmetered Supplies Certificate to the Customer in respect of the Items comprising the Customer’s Installation (and that certificate coming into, and continuing in, full force and effect);

**Amend opening paragraph of Clause 7.1 of Section 4 of Schedule 2B as follows:**

7.1 The Customer shall (except to the extent that the Company otherwise agrees) provide, to the Company (and, where the Customer has made an Election, to the Host DNO), the minimum information required by the Unmetered Supplies Procedure and (without duplication) the following information (together constituting the Detailed Inventory), which information shall be set out separately for each Item:

…

**Add a new Clause 7.1.4 to Section 4 of Schedule 2B as follows:**

7.1.4 *Company* *Name*: The name of the Company (using its Market Domain I.D, as notified to the Customer by the Company from time to time).

**Amend Clauses 7.3 to 7.7 of Section 4 of Schedule 2B as follows:**

7.3 The Customer shall, on such dates and at such frequency as is reasonably specified and varied from time to time by the Company, provide to the Company (and, where the Customer has made an Election, to the Host DNO):

7.3.1 the Detailed Inventory for Profile Traded Items including additions, deletions or amendments to the Detailed Inventory (and, in the absence of any contrary specification by the Company, the Customer shall do so once per calendar year, due by the anniversary date of this Agreement); and/or

7.3.2 the Detailed Inventory for Half-Hourly Traded Items including additions, deletions or amendments to the Inventory (and, in the absence of any contrary specification by the Company, the Customer shall do so once per calendar month, due by the earliest day date closest to the day date of this Agreement),

and the Company shall give the Customer notice as soon as possible after receipt of any notice given under Clause 7.3 if it will give rise to a Modification.

7.4 Where the Company agrees to any addition, deletion or amendment of the Detailed Inventory (whether pursuant to Clause 7.3 or otherwise), the Summary Inventory shall be deemed to be amended accordingly from the date the Customer notifies the Company (and, where the Customer has made an Election, the Host DNO) of such addition, deletion or amendment.

7.5 In respect of Unmetered Supplies that are to be subject to Half-Hourly Trading, the Company (or, where the Customer has made an Election, the Host DNO) shall provide the Meter Administrator with a copy of the Summary Inventory within 20 Working Days of the commencement of this Agreement (or such later date of receipt of a copy of the Detailed Inventory from the Customer). The Company (or, where the Customer has made an Election, the Host DNO) shall notify the Meter Administrator of any revision to the Summary Inventory as soon as reasonably practicable following any amendment to the Summary Inventory.

7.6 In respect of Unmetered Supplies that are to be subject to Profiled Trading:

7.6.1 if the Customer requests a copy of the revised Summary Inventory, the Company (or, where the Customer has made an Election, the Host DNO) will provide a copy of it to the Customer within 10 Working Days (and the Customer shall pay any reasonable charge levied by the Company in respect of such provision); and

7.6.2 the Company (or, where the Customer has made an Election, the Host DNO) shall comply with the Unmetered Supplies Procedure regarding any change to the Estimated Annual Consumption relating to the Connection Point.

7.7 All information provided by the Customer under this Clause 7 shall be in such form (including computer readable form) as the Company (or, where the Customer has made an Election, the Host DNO) may reasonably specify from time to time after consultation with the Customer. Where the information is not provided in accordance with the Agreed Codes and in the file format set out in the Unmetered Supplies Procedure, the Company (or, where the Customer has made an Election, the Host DNO) will convert the information received as soon as reasonably practicable so that the information can be used in settlement pursuant to the BSC (and the Customer shall pay upon demand the Company’s or, where the Customer has made an Election, the Host DNO''s costs of so converting the information).

**Amend Clause 7.9 of Section 4 of Schedule 2B as follows:**

7.9 In addition to the rights and remedies which the Company has under any other provision of this Agreement, where an audit pursuant to Clause 7.8 reveals irregularities or discrepancies in the Detailed Inventory, then, in respect of the Connection Points in question:

7.9.1 the Customer shall submit a revised Detailed Inventory to the Company (and, where the Customer has made an Election, the Host DNO) to reflect such adjustments; and

7.9.2 (if applicable) the Company (or, where the Customer has made an Election, the Host DNO) shall make such adjustment to the Estimated Annual Consumption; or

7.9.3 (if applicable) the Company (or, where the Customer has made an Election, the Host DNO) shall require the Meter Administrator to make such adjustments to the consumption figures produced by the Equivalent Meter,

as (in each case) may be required in order to ensure the accuracy (within the margins of accuracy set out in the BSC) of the settlement data on which the related supply and distribution use of system charges are calculated in respect of the Unmetered Supplies.

**Amend Clause 7.11 of Section 4 of Schedule 2B as follows:**

7.11 The Customer grants, or shall procure the grant (to the extent the Customer is able to do so), to the Company (and, where the Customer has made an Election, to the Host DNO and any other distribution licensee to whose system items within the same inventory are connected) free and unrestricted access to and use of any information or data concerning electricity taken through any Connection Point available under this Agreement, the Unmetered Supplies Procedures or the BSC for use in the Company’s (and, where applicable, the Host DNO's and other distribution licensee's) business whether that information or data is held by the Customer or another person on its behalf. Where the Meter Administrator is not the Company, the Customer shall procure that the Meter Administrator shall comply with the provisions of this Clause 7.11 as if it were the Customer.

**Amend Clause 7.13 of Section 4 of Schedule 2B as follows:**

7.13 If at any time any Item shall be re-rated such that the characteristics of its consumption of electricity are different than they were before such re-rating, the Company (or, where the Customer has made an Election, the Host DNO) may either (as applicable):

7.13.1 adjust the Estimated Annual Consumption by the amount necessary to reflect such re-rating; or

7.13.2 require the Meter Administrator to recalculate (and re-submit under the BSC) the amount of electricity consumed by the Item to take into account such re-rating,

(in each case) from (subject to the limitations on adjustments to electricity settlement data under the BSC) the date on which the Item first was registered in the Detailed Inventory (or any later date that the Company or (where applicable) the Host DNO may reasonably specify).

**Add a new Clause 16.10 to Section 4 of Schedule 2B as follows:**

16.10 Where the Company is an EDNO and the Customer has made an Election in respect of certain Items:

16.10.1 the Company shall be liable for the acts and omissions of the Host DNO in its role as UMSO (as defined in the BSC) for those Items as if they were the Company's own acts and omissions; and

16.10.2 without prejudice to Clause 16.10.1, the Host DNO shall have no liability to the Customer for any acts or omissions by the Host DNO in its role as UMSO (as defined in the BSC) for those Items.

**Amend Clause 25.4 to Section 4 of Schedule 2B as follows:**

25.4 Each Party’s officers, employees and agents shall have the benefit of, and be able to enforce, Clauses 16.2 and 16.3. Where the Company is an EDNO and the Customer has made an Election, the Host DNO shall have the benefit of, and be able to enforce, Clause 16.10. Subject to this Clause 25.4, the Parties do not intend that any provision of this Agreement will be enforceable by a third party (whether by virtue of the Contracts (Rights of Third Parties) Act 1999 or otherwise). Notwithstanding that a person who is not a Party may have a right to enforce particular Clauses under the Contracts (Rights of Third Parties) Act 1999 in accordance with this Clause 25.4, the Parties may vary or terminate this Agreement in accordance with its terms without requiring the consent of any such person.

## **Gowling WLG (UK) LLP 21 February 2017**