

SECTION 1A – PRELIMINARY

1. DEFINITIONS AND INTERPRETATION

Definitions

1.1 In this Agreement, except where the context otherwise requires, the expressions in the left hand column below shall have the meanings given to them in the right hand column below:

Final Demand Site	means: (a) Domestic Premises; or (b) a Single Site (as defined in Schedule 32) at which there is Final Demand, as determined in accordance with Paragraphs 1.10, and 5, <u>5A and 5B</u> of Schedule 32
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SCHEDULE 32 – RESIDUAL CHARGING BANDS

1. SCOPE

- 1.1 Residual charges are levied once forward-looking charges have been applied, to ensure the DNO Party recovers the revenue allowed under the price control conditions.
- 1.2 In the case of Unmetered Supplies, all residual charges will be applied on a consumption basis, so premises which receive Unmetered Supplies are not subject to this Schedule.
- 1.2A Furthermore, premises with a Back-up Connection will not be subject to residual charges in respect of the Back-up Connection. One or more premises connected via a Back-up Connection will not be counted as a Single Site in their own right (and so cannot be assessed as a separate Final Demand Site for the purposes of residual charging), but those premises will still comprise or form part of the Single Site connected pursuant to the Connection Agreement governing the primary connection.
- 1.3 Subject to Paragraphs 1.2 and 1.2A, residual fixed charges will be applied to all premises other than Non-Final Demand Sites.
- 1.4 This Schedule describes how the charging bands for residual fixed charges are to be determined in respect of Non-Domestic Premises. Domestic Premises are allocated to a single charging band and are not therefore covered by this Schedule.
- 1.5 Non-Domestic Premises which are Final Demand Sites are divided into a number of groups as follows (as such groups are further described in Schedule 16 and Schedule 17 or 18):
- (a) Designated EHV Properties;
 - (b) Designated Properties connected at HV;
 - (c) Designated Properties connected at LV, with a Maximum Import Capacity as the basis for their current Use of System Charge; and

(d) Designated Properties connected at LV, without a Maximum Import Capacity as the basis for their current Use of System Charges.

1.6 Each of these groups will then be sub-divided into four charging bands based on the criteria set out in Paragraph 2.1.

1.7 These charging bands will be reviewed periodically and be implemented effective from the beginning of each onshore electricity transmission owner price control period.

1.8 This Schedule sets out:

(a) the process for the initial determination of the charging bands for each group of Final Demand Sites to apply from 1 April 2022 to 31 March 2026 (see Paragraph 2);

(b) the process to be used to review and determine the charging bands for subsequent onshore electricity transmission owner price control periods (see Paragraph 3);

(c) the process for allocating Final Demand Sites to each of those charging bands (see Paragraph 4); and

(d) the processes via which a site can be moved from one charging band to another part way through an onshore electricity transmission owner price control period (see Paragraphs 5, 5A, [5B](#), 6 and 7).

1.9 The Use of System tariffs that will be applicable to each of the groups of Final Demand Sites identified under Paragraph 1.5 will be defined in Schedule 16, 17 or 18.

1.10 The DNO/IDNO Party will use the criteria in the table below to determine whether a Single Site is considered to be a Final Demand Site or a Non-Final Demand Site, and therefore whether or not to apply the residual fixed charge to that site.

Criteria	Meets the criteria	Outcome
DNO/IDNO Party has been provided with	Yes	Single Site is a Non-Final Demand Site

valid certification that a Single Site is a Non Final Demand Site	No	Single Site is a Final Demand Site
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- 1.11 A Mixed Demand Site shall be classed in its entirety as a Final Demand Site unless metering equipment is used to measure capacity and/or consumption for any Electricity Storage, Electricity Generation or Eligible Services within the Single Site. For the avoidance of doubt only the metering used specifically for any element of either Electricity Storage, Electricity Generation or Eligible Services will be considered when calculating the Final Demand.

2. INITIAL DETERMINATION OF CHARGING BANDS

- 2.1 On or before 30 September 2020, each DNO/IDNO Party shall provide to the Banding Agent the following information (and shall take reasonable steps to ensure that such information is accurate):
- (a) for each Final Demand Site within the groups identified in Paragraph 1.5(a), 1.5(b) or 1.5(c), the Maximum Import Capacity used as the basis for the Use of System Charge billed by the DNO/IDNO Party in August 2020, which will be in respect of the Maximum Import Capacity held as at July 2020; and
 - (b) for each Final Demand Site within the group identified in Paragraph 1.5(d):
 - (i) if half hourly settled, a calculated estimate of the annual metered import consumption prior to August 2020; or
 - (ii) if non-half hourly settled, the Estimated Annual Consumption from the August 2020 P0222 Report (or, if that is not available, the most recent Estimated Annual Consumption from an earlier P0222 Report).
- 2.2 On or before 31 October 2020, the Banding Agent shall provide to each DNO/IDNO Party the boundaries of each charging band for each of the groups of Final Demand Sites identified under Paragraph 1.5, such boundaries being at the 40th, 70th and 85th percentiles when all the Final Demand Sites in the given group (on a GB-wide basis) are listed in ascending order of Maximum Import Capacity or annual consumption (using the figures provided under Paragraph 2.1).

- 2.3 Each of these boundaries will then be rounded-up to the nearest kVA/kWh integer.
- 2.4 These rounded boundaries will then be used to identify four charging bands within each of the groups of Final Demand Sites identified under Paragraph 1.5 as follows:
- (a) Residual Charging Band 1: where the Maximum Import Capacity or annual consumption (as applicable) is less than or equal to the 40th percentile band boundary;
 - (b) Residual Charging Band 2: where the Maximum Import Capacity or annual consumption (as applicable) is greater than the 40th percentile band boundary and less than or equal to the 70th percentile band boundary;
 - (c) Residual Charging Band 3: where the Maximum Import Capacity or annual consumption (as applicable) is greater than the 70th percentile band boundary and less than or equal to the 85th percentile band boundary; and
 - (d) Residual Charging Band 4: where the Maximum Import Capacity or annual consumption (as applicable) is greater than the 85th percentile band boundary.
- 2.5 On or before 31 December 2020, each DNO/IDNO Party shall provide each Supplier Party with a list of each and every MPAN associated with a Non-Domestic Premises that is connected to the DNO/IDNO Party's Distribution System, identifying the charging band to which each such MPAN has been allocated, the LLFC Id which is assigned to the MPAN, and the provisional LLFC Id which will be assigned to the MPAN with effect from 1 April 2022.

3. REVIEW OF CHARGING BANDS

- 3.1 On or before 31 March in the Regulatory Year (t-3) three years prior to the commencement of the onshore electricity transmission owner price control period (t), each DNO/IDNO Party shall provide to the Banding Agent the following information (and shall take reasonable steps to ensure that such information is accurate):

(a) (subject to Paragraph 3.1(b)), for each Final Demand Site within the groups identified in Paragraph 1.5(a), 1.5(b) or 1.5(c), the Maximum Import Capacity used as the basis

for the Use of System Charge billed by the DNO/IDNO Party in February of that Regulatory Year, which will be in respect of the Maximum Import Capacity held as at January in that Regulatory Year.

~~(e)~~(b) for each Final Demand Site that is also a Mixed Demand Site within the groups identified in Paragraph 1.5(a), 1.5(b) or 1.5(c), the Final Demand calculated as at January in that Regulatory Year.

~~(f)~~(c) for each Final Demand Site within the group identified in Paragraph 1.5(d):

(i) if half hourly settled, a calculated estimate of the annual metered import consumption prior to February of that Regulatory Year; or

(ii) if non-half hourly settled, the Estimated Annual Consumption from the P0222 Report for the February of that Regulatory Year (or, if that is not available, the most recent Estimated Annual Consumption from an earlier P0222 Report).

—for each Final Demand Site that is also a Mixed Demand Site within the group identified in Paragraph 1.5(d) the calculated Final Demand annual consumption prior to February of that Regulatory Year.

(d)

3.2 On or before 30 April following the 31 March referred to in Paragraph 3.1, the Banding Agent shall provide to each DNO/IDNO Party the boundaries for each charging band for each group of Final Demand Sites on the same basis as that set out in Paragraph 2.2.

3.3 Each of these boundaries will be rounded-up on the same basis as that set out in Paragraph 2.3.

3.4 These rounded boundaries will then be used to identify four charging bands within each of the groups of Final Demand Sites identified under Paragraph 1.5 on the same basis as that set out in Paragraph 2.4.

3.5 On or before 30 June following the 31 March referred to in Paragraph 3.1, each DNO/IDNO Party shall provide each Supplier Party with a list of each and every MPAN associated with a Non-Domestic Premises that is connected to the

DNO/IDNO Party's Distribution System, identifying the charging band to which each such MPAN has been allocated (in accordance with the allocation rules in Paragraph 4).

- 3.6 The charging bands revised in accordance with this Paragraph 3 will be applicable from the commencement of the next onshore electricity transmission owner price control period commencing after completion of the review under this Paragraph 3.

4. ALLOCATION OF CUSTOMERS TO CHARGING BANDS BY DNO/IDNO PARTIES

- 4.1 Subject to 4.1A, fFor Final Demand Sites within the groups identified in Paragraph 1.5(a), 1.5(b) or 1.5(c), each DNO/IDNO Party shall allocate its Final Demand Sites to the relevant charging band based on the following criteria:

(a) if 24 months of data is available, the average Maximum Import Capacity over that period; or if not available

(b) allocation to a charging band will be based on the following criteria:

(i) the average of Maximum Import Capacity over that period for which data is available; or

(ii) if no such data is available, other available information that is appropriate for a typical profile of a similar site to best estimate the expected demand of the Final Demand Site.

4.1A For Final Demand Sites that are also Mixed Demand Sites within the groups identified in Paragraph 1.5(a), 1.5(b) or 1.5(c), each DNO/IDNO Party shall allocate its Final Demand to the relevant charging band based on the following criteria:

(a) if 24 months of data is available, the average calculated Final Demand over that period; or if not available

(b) allocation to a charging band will be based on the following criteria:

(i) the average calculated Final Demand over that period for which data is available;

(ii) or if no such data is available, the Maximum Import Capacity of the Final Demand Site where reconciliation may be considered during the annual review under Paragraph 6.

4.2 For Final Demand Sites within the group identified in Paragraph 1.5(d), each DNO/IDNO Party shall allocate its Final Demand Sites to the relevant charging band based on the following criteria (subject to Paragraph 4.2A):

(a) for a Final Demand Site that is half hourly settled:

- (i) if 24 months of data is available, the average annual import consumption based on metered data over the 24 months; or if not available
- (ii) when a minimum of 12 months of data is available, the average annual import consumption over the period for which metered data is available; or if not available
- (iii) other available information that is appropriate for a typical profile of a similar site to best estimate the expected annual import consumption of the Final Demand Site.

(b) for a Final Demand Site that is non-half hourly settled:

- (i) the most recent Estimated Annual Consumption for that Final Demand Site; or if not available
- (ii) the Default Estimated Annual Consumption for that class of Final Demand Site; or if not available
- (iii) other available information that is appropriate for a typical profile of a similar site to best estimate the expected annual import consumption of the Final Demand Site.

(c) for a Final Demand Site that is also a Mixed Demand Site;

- (i) if 24 months of data is available, the average calculated Final Demand based on metered data over the 24 months; or if not available,

- (ii) when a minimum of 12 months of data is available, the average calculated Final Demand over the period for which metered data is available; or if not available
- (iii) the Default Estimated Annual Consumption for that class of Final Demand Site where reconciliation may be considered during the annual review under Paragraph 6, or if not available;
- (iv) other available information that is appropriate for a typical profile of a similar site to best estimate the expected annual import consumption of the Final Demand Site where reconciliation may be considered during the annual review under Paragraph 6.

- 4.2A If a Final Demand Site has been reallocated to a different charging band in accordance with Paragraph 6.1 or 7.17 with effect from a time which falls within the 24 months before the time of the assessment under Paragraph 4.1, 4.1A or 4.2, then the time period used for the purposes of such assessment shall be the time since the date when the last band reallocation became effective.
- 4.3 Each Final Demand Site will be allocated in accordance with Paragraphs 4.1 to 4.2A to the charging band where its capacity or consumption (as applicable) is greater than the minimum threshold for that charging band, and less than or equal to the maximum threshold for that charging band (as determined under Paragraph 2 or 3).
- 4.4 The allocation of each Final Demand Site will be re-assessed by the DNO/IDNO Party prior to the start of each onshore electricity transmission owner price control period, following the relevant review under Paragraph 3.
- 4.5 Subject to Paragraphs 4.6 ~~and 5A~~ and 5B, Final Demand Sites will remain in a charging band for the duration of the onshore transmission owner price control period, subject to any exceptional circumstances as defined in Paragraph 6 and/or a successful dispute as defined in Paragraph 7.
- 4.6 During the period to 31 October 2021, a site may be re-classified as a Final Demand Site (from a Non-Final Demand Site) or as a Non-Final Demand Site (from a Final Demand Site) in accordance with Paragraph 5.

5. TRANSITIONAL PERIOD AS A RESULT OF A RE-CLASSIFICATION OF A SINGLE SITE

- 5.1 Subject to Paragraph 5.3, a DNO/IDNO Party shall no longer treat a Single Site as a Final Demand Site (and shall re-classify it as a Non-Final Demand Site) if the DNO/IDNO Party has, by no later than 31 July 2021, been provided with the certification necessary to satisfy the definition of a Non-Final Demand Site.
- 5.2 Subject to Paragraph 5.3, a DNO/IDNO Party shall no longer treat a Single Site as a Non-Final Demand Site (and shall re-classify it as a Final Demand Site) if the DNO/IDNO Party has not, by 31 July 2021, been provided with the certification necessary to satisfy the definition of a Non-Final Demand Site.
- 5.3 Where Paragraph 5.1 or 5.2 applies, the DNO/IDNO Party will notify the relevant Customer's import/export Registrant(s) of the re-classification and the new charging band by 31 August 2021. A Customer, its Registrant or an agent authorised to act on the Customer's behalf (in each such case, the 'appointed agent') can challenge the new charging band by notifying the DNO/IDNO Party of such challenge by no later than 30 September 2021. Where a DNO/IDNO Party and the Customer (or its appointed agent) cannot come to an agreement with respect to the new charging band by 31 October 2021, then the charging band determined by the DNO/IDNO Party shall be used (subject to Paragraphs 5A, 6 and/or 7).

5A. RE-CLASSIFICATION OF A SINGLE SITE AS A NON-FINAL DEMAND SITE, AND BACK-UP CONNECTIONS

- 5A.1 A DNO/IDNO Party shall no longer treat a Single Site as a Final Demand Site (and shall re-classify it as a Non-Final Demand Site) if the DNO/IDNO Party at any time has been notified that the Single Site is an Eligible Services Facility and has been provided with the certification necessary to satisfy the definition of a Non-Final Demand Site.
- 5A.1A For premises with a Back-up Connection which were previously treated as a separate Final Demand Site (in addition to being treated as comprising or forming part of another Final Demand Site pursuant to the primary connection), where the evidence necessary to satisfy the definition of a Back-up Connection has been provided to and

accepted by the DNO/IDNO Party, no residual charges shall apply to those premises in respect of the Back-up Connection.

5A.2 Where Paragraph 5A.1 or 5A.1A applies the:

- (a) DNO/IDNO Party will notify the relevant Customer's import/export Registrant(s) of the re-classification by the end of the following month;
- (b) re-classification shall apply from the next billing period; and
- (c) the Registrant may be eligible for a rebate (applied from the date on which the DNO/IDNO Party received the necessary certification under Paragraph 5A.1 or the necessary evidence under Paragraph 5A.1A).

5B. RE-CLASSIFICATION OF A SINGLE SITE AS A MIXED DEMAND SITE

5B.1 A DNO/IDNO Party shall treat a Single Site as a Mixed Demand Site if the DNO/IDNO Party at any time has been notified that the Single Site is a Mixed Demand Site and has been provided with the certification necessary to satisfy the definition of a Mixed Demand Site.

5B.2 Such certification shall be re-submitted when any of the following applies:

any meter exchange has occurred; or

where the circumstances in Paragraph 6 or 7 have been applied; or

changes to the Maximum Import Capacity and/or the Maximum Export Capacity

5B.23 Upon receipt of a certificate, a DNO/IDNO Party shall review the certificate (which may include access to the physical metering equipment) and determine whether it is a valid certificate and where a DNO/IDNO Party rejects the certificate, then the DNO/IDNO Party shall inform the Registrant/Customer and the reasons for its rejection.

5B.34 Subject to the receipt of a valid certificate, a DNO/IDNO Party shall agree with the Registrant/ Customer to calculate the Final Demand of the Mixed Demand Site and allocate to a charging band in accordance with Paragraph 4 and may determine that

a Mixed Demand Site should be re- allocated from its current charging band to a new charging band.

5B.45 Where re-classification under Paragraph 5B.34 applies the:

- (a) DNO/IDNO Party shall notify the relevant Customer's Registrant(s) of the re-classification by the end of the following month;
- (b) re-classification shall apply from the next billing period; and
- (c) the Registrant may be eligible for a rebate (applied from the date on which the DNO/IDNO Party received the necessary certification under Paragraph 5B.1).

6. EXCEPTIONAL CIRCUMSTANCES AND ANNUAL ALLOCATION REVIEW RESULTING IN RE-ALLOCATION TO A DIFFERENT BAND WITHIN A PRICE CONTROL PERIOD

Exceptional circumstances

- 6.1 A Final Demand Site may be reallocated to a different charging band if one or more of the following criteria apply (following the Final Demand Site's allocation to a charging band under Paragraph 4):
- (a) the voltage of connection of the Final Demand Site changes;
 - (b) the Final Demand Site has a change of use or change of site configuration, and this is reflected by a significant change (as further described in Paragraph 6.3) to its:
 - (i) Maximum Import Capacity; or
 - (ii) forecast annual consumption; and/or
 - (c) the Final Demand Site moves from one of the groups identified in Paragraph 1.5 to another, and as a result it becomes a site for which the Maximum Import Capacity is to be used under Paragraph 2.1 (when annual consumption was previously to be used) or becomes a site for which annual consumption is to be used under Paragraph 2.1 (when Maximum Import Capacity was previously to be used); and/or
 - (d) the Final Demand Site is a Phased Capacity Site.

- 6.2 Where a Customer or its Registrant applies to the DNO/IDNO Party to have a Final Demand Site reallocated as described in Paragraph 6.1(b), such application must be accompanied by:
- (a) for Paragraph 6.1(b)(i), a signed Connection Agreement for the Final Demand Site, and a signed letter from the Customer's company director (or equivalent) confirming exceptional and significant changes to the use of the site; or
 - (b) for Paragraph 6.1(b)(ii), a signed letter from the Customer's company director (or equivalent) confirming exceptional and significant changes to consumption (including historical consumption) for the Final Demand Site and the reason for the change of use or change of site configuration.
- 6.3 The exceptional circumstances described in Paragraph 6.1(b) will be subject the following materiality threshold:
- (a) (subject to Paragraph 6.3(b)) for Final Demand Sites allocated in accordance with Paragraph 4.1(a) or 4.1(b)(i) , the Maximum Import Capacity at the Final Demand Site must have either increased or decreased by more than 50 percent in comparison to the Maximum Import Capacity of the Final Demand Site at the end of the period used for the purposes of such allocation (and the average Maximum Import Capacity is not to be used as the comparator);
 - (b) for Final Demand Sites allocated in accordance with Paragraph 4.1(a) or 4.1(b)(i) and then re-allocated under Paragraph 6.1, the Maximum Import Capacity at the Final Demand Site must have either increased or decreased by more than 50 percent in comparison to the Maximum Import Capacity of the Final Demand Site at the end of the period used for the purposes of such re-allocation (and the average Maximum Import Capacity is not to be used as the comparator);
 - (c) Final Demand Sites allocated in accordance with Paragraph 4.1(b)(ii) may only be re-allocated under Paragraph 6.1 following their re-allocation under Paragraph 6.7, and only if the Maximum Import Capacity at the Final Demand Site has either increased or decreased by more than 50 percent in comparison to the Maximum Import Capacity of the Final Demand Site at the end of the period used for the purposes of such re-allocation (and the average Maximum Import Capacity is not to be used as the comparator); ~~and/or~~

(d) for Final Demand Sites allocated under Paragraph 4.2 (whether or not re-allocated under this Paragraph 6), the forecast annual consumption at the Final Demand Site or the calculated Final Demand annual consumption for a Final Demand Site that is also a Mixed Demand Site, must have increased or decreased by more than 50 percent in comparison to the consumption which was used for the purposes of the allocation which the applicant is seeking to have changed.

(e) (subject to Paragraph 6.3(f)) for Mixed Demand Sites allocated in accordance with Paragraph 4.1A(a) or 4.1A(b)(i), the Final Demand at the Mixed Demand Site must have either increased or decreased by more than 50 percent in comparison to the Final Demand of the Mixed Demand Site at the end of the period used for the purposes of such allocation (and the average Final Demand is not to be used as the comparator); and/or

(f) for Mixed Demand Sites allocated in accordance with Paragraph 4.1A(a) or 4.1A(b)(i) and then re-allocated under Paragraph 6.1, the Final Demand at the Mixed Demand Site must have either increased or decreased by more than 50 percent in comparison to the Final Demand of the Mixed Demand Site at the end of the period used for the purposes of such re-allocation (and the average Final demand is not to be used as the comparator); and/or

(g) Mixed Final Demand Sites allocated in accordance with Paragraph 4.1A(b)(ii) may only be re-allocated under Paragraph 6.1 following their re-allocation under Paragraph 6.9B, and only if the Final Demand has either increased or decreased by more than 50 percent in comparison to the Final Demand at the end of the period used for the purposes of such re-allocation (and the average Maximum Demand is not to be used as the comparator);

6.4 Reallocation of a Final Demand Site to a different charging band may result in the Registrant for the Final Demand Site being either eligible for a rebate (which shall be backdated to the time when the request was received) or subject to an additional charge (which shall be backdated to the date on which the DNO/IDNO Party notified the Registrant of the charge's application). The revised charging band will be applied from the next billing period.

- 6.4A Where Paragraph 6.1(d) applies, the DNO/IDNO Party shall, each time that the Maximum Import Capacity of the Phased Capacity Site is increased, re-allocate the Final Demand Site based on the revised Maximum Import Capacity.

Annual allocation review of new Final Demand Sites including those allocated based on no recorded data

6.5 Subject to Paragraph 6.6, each September, each DNO/IDNO Party shall review the allocation of all Final Demand Sites allocated to a charging band in accordance with Paragraph 4.1(b)(ii), Paragraph 4.2(a)(iii), Paragraph 4.2(b)(ii) and Paragraph 4.2(b)(iii) and Final Demand Sites that are Mixed Demand Sites in accordance with Paragraph 4.1A(b) and Paragraph 4.2(c)(ii). This is known as the “Annual Allocation Review” and may result in a Final Demand Site being reallocated from its current charging band (the “Old Charging Band”) to a new charging band (the “New Charging Band”). The Annual Allocation Review does not apply to Phased Capacity Sites.

6.6 Without prejudice to Paragraph 6.1, once each Final Demand Site has been allocated in accordance with Paragraph 4, it will be subject to the Annual Allocation Review only once.

6.7 For Final Demand Sites allocated in accordance with Paragraph 4.1(b)(ii), and where a Final Demand Site has a minimum of 12 months of Maximum Import Capacity data up to and including 30 June of that year, the Final Demand Site will be reallocated based on the average Maximum Import Capacity over that period.

6.8 For Final Demand Sites allocated in accordance with Paragraph 4.2(a)(iii), and where a Final Demand Site has a minimum of 12 months metered import consumption data up to and including 30 June of that year, the Final Demand Site will be reallocated based on the average annual import consumption over that period.

6.9 For Final Demand Sites allocated in accordance with Paragraph 4.2(b)(ii) or Paragraph 4.2(b)(iii), and where a Final Demand Site has an Estimated Annual Consumption which is not a Default Estimated Annual Consumption from a P0222 Report up to and including May of that year, the Final Demand Site will be

reallocated based on the most recent Estimated Annual Consumption ~~which is not a Default Estimated Annual Consumption~~C.

6.9A For Final Demand Sites that are also a Mixed Demand Sites allocated in accordance with Paragraph 4.1A(b)(ii), and where a Final Demand has a minimum of 12 months of data up to and including 30 June of that year, the Final Demand Site will be reallocated based on the average Final Demand over that period.

6.9B For Final Demand Sites that are also Mixed Demand Sites allocated in accordance with Paragraph 4.2(c)(iii) and Paragraph 4.2(c)(iv), calculated Final Demand consumption will be based on the most recent Estimated Annual Consumption less the consumption of the metering used for the purpose defined in Paragraph 1.11

6.96.10 On or before 15 September of the Annual Allocation Review, the DNO/IDNO Party shall provide each Supplier Party with a list of each and every MPAN associated with a Non-Domestic Premises that is connected to the DNO/IDNO Party's Distribution System that has been reallocated to a New Charging Band as a result of the Annual Allocation Review, identifying the Old Charging Band and New Charging Band to which each such MPAN has been allocated, and the LLFC Id which is assigned to the MPAN.

6.106.11 Reallocation of a Final Demand Site to a New Charging Band may result in the Registrant for the Final Demand Site being either eligible for a rebate or subject to an additional charge both of which shall be backdated to the date on which the Final Demand Site was first charged the Old Charging Band residual fixed charge. The New Charging Band will be applied from the next billing period.

7. DISPUTES

Initial Notification

7.1 Each DNO/IDNO Party shall take reasonable steps to ensure that each Final Demand Site is allocated to the correct charging band (as determined in accordance with this Schedule).

- 7.2 Where the Customer or its Registrant or an agent authorised to act on the Customer's behalf (in either case, being the 'appointed agent'), has contacted a DNO/IDNO Party with sufficient information disputing the allocation to a charging band of a Customer's Final Demand Site, then that DNO/IDNO Party shall be required to investigate. Such an investigation shall be carried out using the information provided by the Customer or its appointed agent and the information available to the DNO/IDNO Party. The DNO/IDNO Party will initiate good faith negotiations with any such Customer or its appointed agent to find a resolution to the dispute.

Formal Dispute Notice

- 7.3 Where a DNO/IDNO Party and the Customer or its appointed agent cannot come to an agreement with respect to a Final Demand Site's allocation to a charging band, then the Customer or its appointed agent may send a formal dispute notice (a "**Dispute Notice**") to the Secretariat, which shall:
- (a) be in the format of any proforma made available for such purpose on the Website; and
 - (b) contain a detailed description of the Customer's case for why the Final Demand Site should be reallocated to a different charging band, including reasonable evidence to support the dispute.
- 7.4 Where the Secretariat receives a Dispute Notice, it shall within two Working Days, issue the Dispute Notice to the relevant DNO/IDNO Party. Upon receipt of the Dispute Notice, the relevant DNO/IDNO Party shall provide its case for why the Final Demand Site should not be reallocated, and shall send this to the Secretariat within 10 Working Days.
- 7.5 Following receipt of the relevant section of the Dispute Notice completed by the DNO/IDNO Party, the Secretariat shall issue the whole Dispute Notice to both parties to the dispute and request that the Customer or its appointed agent provide confirmation that it wishes to progress the dispute to the Disputes Committee. Upon issuing the whole Dispute Notice, the Secretariat shall notify each recipient that progression to the Disputes Committee is subject to such confirmation, which is time limited to 10 Working Days. If no such confirmation is received by the Secretariat

within such period, the Secretariat shall not put the dispute before the Disputes Committee and the dispute shall be considered closed.

- 7.6 Any additional information received from either party to the dispute as a consequence of the information shared under Paragraph 7.5 will be added by the Secretariat to the Dispute Notice for consideration by the Disputes Committee.

Disputes Committee

- 7.7 The Panel shall establish a Working Group to be known as the Disputes Committee for the purpose of facilitating the resolution of an unresolved disputes between DNO/IDNO Parties and Customers or their appointed agents. The remit of the Disputes Committee shall only be in respect of Dispute Notices for which confirmation has been received in accordance with Paragraph 7.5.

- 7.8 The Disputes Committee shall consist of:

- (a) three individuals elected by the DNO/IDNO Parties, each with an alternate
- (b) three individuals elected by the Supplier Parties, each with an alternate,
- (c) any additional individuals appointed by the Authority in accordance with Paragraph 7.9; and
- (d) any of the currently serving Panel Members but only acting in that capacity when called upon by a member of the Disputes Committee or the Secretariat to act in the capacity of a reserve member, where a scheduled meeting of the Disputes Committee would not otherwise be quorate.

- 7.9 Where at any time, the Authority considers that there is a class or category of person having an interest in the distribution of electricity in Great Britain whose interests are not adequately represented in the composition of the Disputes Committee at that time, and whose interests would be better represented if a particular individual was appointed as an additional Disputes Committee member, the Authority may (by notice to the Panel and the Secretariat) appoint that particular individual as a Disputes Committee member. The Authority may, at any time thereafter by notice to the Panel and the Secretariat, remove that individual from the Disputes Committee.

7.10 The following persons shall be entitled to attend and speak (but not vote) at any meeting of the Disputes Committee:

- (a) one person appointed from time to time, by notice to the Secretariat, by the Authority; and
- (b) one person appointed from time to time, by notice to the Secretariat, by the Consumer Body (Citizens Advice and Citizens Advice Scotland acting together to jointly appoint one person).

7.11 Dispute Committee members and their alternates:

- (a) shall be elected in accordance with the provisions for the election of Panel Members, except where such provisions could only apply to the election of the Panel Members themselves; and
- (b) shall be subject to the same term of office and removal of office process and timeline as that of the Panel Members.

Meetings of the Disputes Committee

7.12 All meetings of the Disputes Committee shall be convened by the Secretariat in accordance with the Dispute Committee's terms of reference.

7.13 The notice of each Disputes Committee meeting shall contain the time, date and venue and/or teleconference/web conference details, and an agenda and any supporting papers for, the relevant meeting (including the Dispute Notice). The Secretariat shall circulate amendments to the agenda where necessary.

7.14 For a meeting of the Disputes Committee to be quorate, a minimum of three members must attend, at least one of whom must have been elected by the Supplier Parties and at least one of whom must have been elected by the DNO/IDNO Parties; and all of whom must be independent of the dispute (meaning that none of the parties to the dispute are a Related Person of the member).

7.15 A decision to reallocate a Final Demand Site from one charging band to another requires a vote in favour by a simple majority of the Disputes Committee members who vote at the meeting. Such a decision shall be binding for the purposes of this

Agreement, but is without prejudice to any statutory rights that the Customer may have.

7.16 The data on the Dispute Notice is confidential and can only be viewed by the Disputes Committee, the DNO/IDNO Party which the dispute is against, the Customer (and/or its appointed agent) which raised the dispute, the Secretariat, and the Authority.

7.17 Where the decision of the Disputes Committee is that a Final Demand Site be reallocated from one charging band to another, the Registrant for the Final Demand Site will be eligible for a rebate. The rebate for that Final Demand Site will be backdated to the time when the analysis shows that the Customer was first charged the incorrect residual fixed charge, up to a maximum of six years (five years in Scotland). The revised charging band will be applied from the next billing period.

8. **DEFINITIONS**

8.1 Words beginning with a capital letter that are not otherwise defined in this Schedule have the meanings given to them in Clause 1 of the main body of this Agreement, and the rules of interpretation set out in that Clause 1 also apply.

8.2 In this Schedule, unless the context otherwise requires, the expressions below shall have the meanings set out below:

Active Power	the product of the voltage, current and cosine of the phase angle between them, measured in watts.
Ancillary Services	has the meaning given to that term in the CUSC.
Back-up Connection	means a back-up connection to the DNO/IDNO Party's Distribution System which can only be used at times when the capacity provided via another (primary) connection to the DNO/IDNO Party's Distribution System is unavailable. The back-up connection must not be capable of being used in parallel with the primary connection, and

	the back-up connection must be for the same or a smaller capacity than the primary connection (when the back-up connection capacity is aggregated with the capacity of any and all other back-up connections associated with the same primary connection). A connection shall only be classified as a Back-up Connection if the Customer has provided the DNO/IDNO Party with clear supporting documentary evidence to the reasonable satisfaction of the DNO/IDNO Party.
Balancing Services	has the meaning given to that term in the National Electricity Transmission System Operator Licence.
Banding Agent	is the National Electricity Transmission System Operator or its appointed agent, as notified by the National Electricity Transmission System Operator to the DNO/IDNO Parties from time to time.
Customer	for each Single Site, is either the user as described in Schedule 16, or the EHV Customer as described in Schedule 17 and Schedule 18.
Default Estimated Annual Consumption	has the meaning to that term in the Balancing & Settlement Code.
Disputes Committee	is the committee established under Paragraph 7.7.
Estimated Annual Consumption or EAC	as the meaning to that term in the Balancing & Settlement Code
Electricity Storage	is the conversion of electrical energy into a form of energy which can be stored, the storing of that

	energy, and the subsequent reconversion of that energy back into electrical energy.
Electricity Generation	is the process of generating electricity.
Eligible Services	shall mean any Balancing Services or Ancillary Services which imports or exports Reactive Energy but does not result in the production or export of any Active Power to the DNO/IDNO Party's Distribution System.
Eligible Services Facility	means a Single Site that can only and solely provide Eligible Services to the National Electricity Transmission System Operator and does not undertake Electricity Storage or Electricity Generation or consume any Active Power other than for the provision of the Eligible Services.
Final Demand	means electricity which is consumed other than for the purposes of generation or export onto the electricity network.
LLFC Id	has the meaning given in the Energy Market Data Specification to the expression ' Line Loss Factor Class Id '.
<u>Mixed Demand Site</u>	<u>means a Final Demand Site which also contains Electricity Generation and/or Electricity Storage and/or provides Eligible Services.</u>
Non-Domestic Premises	means premises which are not Domestic Premises.
Non-Final Demand Site	is a Single Site: (a) at which either or both Electricity Storage and/or Electricity Generation occurs (whether

	<p>the facility(ies) at the site are operating or being commissioned, repaired or decommissioned), and that has an export Metering Point or Metering System and an import Metering Point or Metering System with associated metering equipment which only measures export from Electricity Storage and/or Electricity Generation and import for or directly relating to Electricity Storage and/or Electricity Generation (and not export from another source and/or import for another activity); or</p> <p>(b) which is an Eligible Services Facility;</p> <p>and (in the case of either (a) or (b)):</p> <p>(i) if registered in MPAS, is subject to certification from a Supplier Party that the site meets the criteria in paragraph (a) or (b) above, which certificate has been provided to the DNO/IDNO Party; or</p> <p>(ii) if registered in CMRS, is subject to certification from the Customer (or its CVA Registrant) that the site meets the criteria in paragraph (a) or (b) above, which certificate has been provided to the DNO/IDNO Party.</p>
P0222 Report	<p>is the P0222 'EAC Data to Distributor Data Report' as set out in Balancing and Settlement Code Procedure (BSCP) 505 'Non Half Hourly Data Aggregation For SVA Metering Systems Registered in SMRS'.</p>

Phased Capacity Site	means a Final Demand Site whose Maximum Import Capacity will change in line with a development phase as agreed with the DNO/IDNO Party.
Reactive Energy	has the meaning given to that term in the Balancing and Settlement Code.
Registrant	for each Metering Point or Metering System, the Supplier Party or CVA Registrant that is Registered for that Metering Point or Metering System.
Single Site	means one or more Non-Domestic Premises that are connected to the DNO/IDNO Party's Distribution System pursuant to a single Connection Agreement (whether a Bespoke Connection Agreement or one created via the National Terms of Connection). In making this assessment, the Connection Agreements for Back-up Connections will be disregarded, so that: (a) premises with a single Connection Agreement which is not for a Back-up Connection and one or more Connection Agreements which are for Back-up Connections will be treated as a Single Site; and (b) premises connected pursuant to the Connection Agreement governing the Back-up Connection will not be treated as a separate Single Site (but will still comprise or form part of the Single Site connected pursuant to the Connection Agreement governing the primary connection).