

Dated **[insert date]**

MANAGED CONNECTION AGREEMENT
EXISTING CUSTOMERS (DEMAND AND GENERATION)

ELECTRICITY NORTH WEST LIMITED

&

[INSERT CUSTOMER'S REGISTERED NAME]

THIS MANAGED CONNECTION AGREEMENT is made and shall come into effect on [insert here date of signature] ("Effective Date")

BETWEEN

Electricity North West Limited,

Company Number 2366949

whose Registered Office is at 304 Bridgewater Place, Birchwood Park, Warrington WA3 6XG

(the "**Company**")

AND

[Insert Customer's Registered Name],

Company Number [Insert Co Number]

whose Registered Office is at [Insert Customer's Registered address]

(the "**Customer**")

GENERAL PROVISIONS

1. Background and Structure

- 1.1 The Customer has agreed to participate in the Company's managed supply initiative, which aims to: (i) release previously untapped emergency network capacity for everyday use; (ii) enable savings by changing the way electricity is used; (iii) reduce infrastructure improvement costs being passed to customers; and (iv) deliver environmental benefits to the North West region and the entire UK.
- 1.2 The Company is proposing a solution whereby the Customer's incoming supply is controlled by the Company without notice for the purpose of its demand response activities ("**Managed Supply**").
- 1.3 As part of Managed Supply, the Parties agree to the Connection of the Customer's Installation to the Company's Distribution System on the terms and conditions of this Managed Connection Agreement.
- 1.4 This Managed Connection Agreement consists of these General Provisions and the three additional parts: (i) Part A sets out the specific variations to Section 1 and Section 3 of the National Terms of Connection ("**Applicable NTC Sections**"); Part B sets out the additional terms that supplement the Applicable NTC Sections; and (iii) Part C sets out the Appendices.

1.5 Details of the Premises, the Connection Points, the technical characteristics of the Connection Points and other technical and operational matters are set out in Part C to this Managed Connection Agreement.

1.6 In consideration of the mutual rights and undertakings set out in this Managed Connection Agreement and of the monetary consideration set out in Part B, the Parties agree to the terms and conditions set out in this Managed Connection Agreement.

2. The Applicable NTC Sections, the Construction and Installation Agreement and Order of Precedence

2.1 Save as varied in Part A below, and subject to the order of precedence in Clause 2.5, the Applicable NTC Sections (as amended from time to time) shall apply in full as if they were expressly set out in this Managed Connection Agreement.

2.2 The Applicable NTC Sections (as are in force at the Effective Date) are included in Annex I to this Managed Connection Agreement and the Customer confirms that it has read, and fully understands, the Applicable NTC Sections. The full National Terms of Connection (as may be in force from time to time) are available in writing from the Energy Networks Association, 6th Floor, Dean Bradley House, 52 Horseferry Road, London SW1P 2SF, or from the website at www.connectionterms.co.uk.

2.3 The Parties agree that the construction and installation agreement (dated and executed by the Parties on or before the Effective Date) ("**Construction and Installation Agreement**") governs the matters set out in the Construction and Installation Agreement insofar as they relate to Managed Supply.

2.4 Unless explicitly set out to the contrary, capitalised terms used in this Managed Connection Agreement shall have the meanings given to them in the Applicable NTC Sections.

2.5 For the avoidance of doubt, in the case of conflict or ambiguity then the provisions of:

(a) the Construction and Installation Agreement shall take precedence over this Managed Connection Agreement and the Applicable NTC Sections (Clause 7 and Clause 8 in particular);

(b) this Managed Connection Agreement shall take precedence over the Applicable NTC Sections;

(c) these General Provisions shall take precedence over Part A, Part B and Part C;

(d) Part A shall take precedence over Part B and Part C; and

(e) Part A and Part B shall take precedence over Part C.

3. Other

3.1 The Parties may agree variations to this Managed Connection Agreement, and such variations must be recorded in writing and signed by an authorised representative of each Party. Each Party shall negotiate in good faith the terms of any variation proposed by the other. If any variation has not been agreed within one (1) month of its being proposed, either Party may refer the matter to the Authority for resolution pursuant to section 23 of the Electricity Act 1989. The Parties shall give effect to any such determination, and shall enter into any agreement as shall be necessary to give effect to any such determination.

3.2 Clause 25 of the Applicable NTC Sections shall apply to this Managed Connection Agreement.

SIGNED by (signature)
for and on behalf of the **Company** (print name)
(job title)
(date).....

SIGNED by (signature)
for and on behalf of the **Customer** (print name).....
(job title).....
(date)

PART A – VARIATIONS TO THE APPLICABLE NTC SECTIONS

1. Introduction

- 1.1 This Part A records, in accordance with Clause 22.2 of the Applicable NTC Sections, the variations as set out in more detail in Clause 2 directly below.

2. Variations

- 2.1 The following definitions are inserted into Clause 1.1 of the Applicable NTC Sections (and, for the avoidance of doubt, shall apply to this entire Managed Connection Agreement):

"Construction and Installation Agreement" means the construction and installation agreement entered into by the Company and the Customer in relation to Managed Supply on **[insert date]**;

"Interruption Point" means the control interface between the Company and the Customer at which Managed Supply can be controlled;

"Managed Connection Agreement" means the Managed Connection Agreement entered into by the Company and the Customer in relation to Managed Supply on **[insert date]**;

"Managed Supply" means that the Customer's incoming supply is controlled by the Company at either the Connection Point or the Interruption Point without notice for the purpose of its demand response activities;

"Relevant Fault" means a fault that causes the loss of electrical current flow to part or all of the HV feeder circuits to which the Customer is directly connected;

"Standard Customer" means a customer of the Company (other than the Customer) that is receiving electrical current flow from the Company pursuant to a standard connection.

- 2.2 A global change is made to the Applicable NTC Sections whereby all references to the "Connection Point" are now altered to read "Connection Point and/or the Interruption Point".

- 2.3 The definition of "Agreement" is altered to read:

"Agreement" means the terms and conditions of Sections 1 and 3 of the National Terms of Connection, the Managed Connection Agreement and the Construction and Installation Agreement.

- 2.4 The definition of "De-energisation" is altered to read:

"De-energisation" means the deliberate movement of any switch or the removal of any fuse or the taking of any other step whereby no electrical current can flow between the Distribution System and the Customer's Installation at a Connection Point and/or the Interruption Point, or any other step undertaken for or on behalf of the Company occurring at or on the Customer's Installation, following a Relevant Fault, which causes a reduction or reduced current flow in order to disconnect any Connection Equipment (and **"De-energise(d)"** shall be construed accordingly).

2.5 The definition of "Re-energisation" is altered to read:

"Re-energisation" means the movement of any switch or the installation of any fuse or the taking of any other step whereby electrical current can flow between the Distribution System and the Customer's Installation at the Connection Point and/or the Interruption Point, including the taking of any other step whereby electrical current can flow between the Distribution System and the Customer's Installation at the Connection Point and/or the Interruption Point following an event of De-energisation (and **"Re-energised"** shall be construed accordingly).

2.6 Clause 5.5 of the Applicable NTC Sections is altered to read:

"5.5 The Company may De-energise the Connection Point and/or the Interruption Point:

5.5.1 if it is necessary or reasonable for the Company to do so as part of a System Outage carried out in accordance with its statutory rights and obligations and good industry practice;

5.5.2 in order to permit other persons to connect to the Distribution System;
and

5.5.3 if the Company considers it necessary or reasonable to conduct testing of Managed Supply,

in which case, the Company shall give the Customer such notice of the De-energisation as is required by law (and shall use its reasonable endeavours to provide as long a notice as is practicable)."

2.7 The first line of Clause 5.6 is altered to read, and the following shall be inserted into the Applicable NTC Sections to be a new Clause 5.6.1A of the Applicable NTC Sections (and for the avoidance of doubt Clauses 5.6.1 to 5.6.7 shall, subject to the global change made by Clause 2.2 of this Part A, remain unaltered):

"5.6 The Company may, at any time without the need to give prior notice to the Customer, De-energise the Connection Point and/or the Interruption Point if:

5.6.1A *the Company decides to do so (at its sole discretion), following a Relevant Fault, in order to continue the electrical current flow from the Distribution System to Standard Customers;"*

2.8 Clause 5.9 of the Applicable NTC Sections is altered to read:

"5.9 Where the Connection Point and/or the Interruption Point is De-energised otherwise than pursuant to Clause 5.2, the Company shall, subject to the terms of the Managed Connection Agreement, Re-energise the Connection Point and/or the Interruption Point as soon as the Company considers reasonable (at its sole discretion) after the circumstances leading to the De-energisation have ceased to exist."

2.9 The following Clause shall be inserted into the Applicable NTC Sections to be a new Clause 8.4 of the Applicable NTC Sections:

"8.4 The Customer shall allow the Company (at the Company's sole option), in accordance with the terms of the Construction and Installation Agreement and Appendices 2 and 3 of the Managed Connection Agreement, at any time during the term of this Agreement to enter the Property in order to install the Company's Equipment (or any part of it) and the Customer shall provide, or shall procure that a third party provides (as applicable), such assistance as may be reasonably requested by the Company from time to time in order to install the Company's Equipment with the costs of such assistance to be agreed in advance and to be payable by the Company."

2.10 Clause 15.2.4 of the Applicable NTC Sections is altered to read:

"15.2.4 where such incident or series of related incidents entitles the Customer to claim compensation from the Company under this Agreement and any other agreement (including any other connection agreement, the Managed Connection Agreement and/or the Construction and Installation Agreement), the Company's aggregate liability under this Agreement and all such other agreements in respect of that incident or series of related incidents shall not exceed one million pounds (£1,000,000), irrespective of whether the Customer has claimed under this Agreement and/or any such other agreement; and"

2.11 The following Clause shall be inserted into the Applicable NTC Sections to be a new Clause 15.10 of the Applicable NTC Sections:

"15.10 For the avoidance of doubt, any compensation paid by the Company to the Customer under any other agreement (including any other connection agreement, the Managed Connection Agreement and/or the Construction and Installation

Agreement) shall count towards the liability cap set out in Clause 15.2.4 and any amount so paid shall be deducted from the available amount under the liability cap set out in Clause 15.2.4."

2.12 Clause 19.2 of the Applicable NTC Sections is deleted and the numbering and cross-references in the Applicable NTC Sections are amended accordingly.

2.13 Clause 19.5.2 of the Applicable NTC Sections is altered to read:

"19.5.2 the Customer shall allow the Company (at the Company's sole option) for a period of no less than three (3) months following the ending or termination of this Agreement to enter the Property in order to remove the Company's Equipment (or any part of it) and the Customer shall provide, or shall procure that a third party provides (as applicable), such assistance as may be reasonably requested by the Company from time to time in order to remove the Company's Equipment with the costs of such assistance to be agreed in advance and to be payable by the Company; and/or"

2.14 Clause 19.5.3 of the Applicable NTC Sections is deleted and the numbering and cross-references in the Applicable NTC Sections are amended accordingly.

2.15 In accordance with Clause 23.3 of the Applicable NTC Sections, the addresses for notices are:

(a) to the Company: for the attention of the:

Business Improvement Manager,
Customer Contracts and Supplier Liaison
Electricity North West Limited,
Hartington Road,
Preston, PR1 8AF

(b) to the Customer: for the attention of the:

[insert name and address]

**PART B – ADDITIONAL TERMS SUPPLEMENTING THE APPLICABLE NTC SECTIONS FOR
EXISTING DEMAND AND GENERATION CUSTOMERS**

1. Defined Terms

1.1 In this Part B and the following Part C, the following additional definitions apply:

"Activation Date" means any date, following the Effective Date, from when the Company is entitled to activate Managed Supply for the Customer;

"Availability Payment" means a payment of [insert] to be paid by the Company to the Customer on [insert date] of each [month/year] during the Trial Period and any Renewal Term(s);

"Customer Premises" means any land, building, structure and/or electrical installation of the Customer to which this Managed Connection Agreement applies;

"Demand Side Response" means an intentional reduction in the Customer's load to enable the balancing of the load on the electricity network. Other types of demand side response contracts include, but are not limited to, Short Term Operating Reserve (STOR), frequency response and TRIAD;

"RPI" means the average annual retail price index measure of inflation in the United Kingdom as published by the Office for National Statistics available at www.ons.gov.uk/ons/taxonomy/index.html?nscl=Retail+Prices+Index;

"Standard Connection" means a standard GSOP connection;

"Total Managed Capacity" means the total overall capacity of Managed Supply as set out in Appendix 1;

"Trial Period" means a period of eighteen (18) months, commencing at 00.01am on 1 April 2013 and ending at 11.59pm on 30 September 2014; and

"Utilisation Payment" means a payment made by the Company to the Customer taking into account the Total Managed Capacity and the duration of the particular De-energisation as set out in more detail in Clause 3.3.

2. Commencement, Term and Termination

2.1 This Managed Connection Agreement shall commence on the Effective Date and shall, subject to Clause 2.3, automatically terminate at the end of the Trial Period.

2.2 The Company shall commence Managed Supply from the Activation Date.

2.3 At any time prior to the expiry of the Trial Period, or the then current Renewal Period, the Parties may agree to extend the term of this Managed Connection Agreement for further periods of twelve (12) months ("**Renewal Term(s)**") on agreeing such Renewal Term in writing.

2.4 On expiry of this Managed Connection Agreement:

(a) the Company will evaluate the licensed electricity network through which electricity is conveyed to and from the Connection Points to determine whether any reinforcement is required to convert Managed Supply into a Standard Connection ("**Network Reinforcement**");

(b) all costs and charges for Network Reinforcement shall be paid by the Company; and

(c) the Company shall transfer the Customer onto a Standard Connection.

3. Payment

3.1 In consideration of the Customer participating in Managed Supply, the Company shall pay the Customer any applicable Availability Payments and any applicable Utilisation Payments as determined in accordance with this Clause 3 and Part C.

3.2 Any Availability Payments shall be paid by the Company to the Customer in accordance with Clause 17 of the Applicable NTC Sections.

3.3 The Utilisation Payments are to be calculated as determined by the Company and the Customer and as agreed by the Company and the Customer in writing.

3.4 Any Utilisation Payments shall be paid by the Company to the Customer within ninety (90) days of the end of the applicable De-energisation, but otherwise Clause 17 of the Applicable NTC Sections shall apply in full.

3.5 All amounts paid by the Customer for its current connection and/or pursuant to this Managed Connection Agreement, shall be subject to any RPI increases.

4. Change of Ownership, Conflicts and Restrictions

4.1 In the event that ownership or occupancy of the Customer Premises changes during the term of this Managed Connection Agreement from the Customer to a third party ("**Third Party Customer**"), the Customer shall use best endeavours to procure that:

(a) such change of ownership does not impact this Managed Connection Agreement;

(b) that the Managed Connection Agreement is novated by the Customer to the Third Party Customer on the same date that ownership or occupancy of the Customer Premises changes from the Customer to the Third Party Customer; and

(c) that this Managed Connection Agreement remains in force in accordance with its terms for that Customer Premises and the Third Party Customer (together the "**Required Actions**").

4.2 In the event that the Required Actions do not occur for any reason whatsoever:

(a) the Company shall be entitled (in its sole discretion) to De-energise and/or Disconnect the Connection Point and/or the Interruption Point; and

(b) the Customer shall indemnify and keep indemnified the Company, its officers, employees and/or agents from and against all costs, losses, liabilities and/or damages that the Company, its officers, employees and/or agents may suffer or incur by reason of the Required Actions not occurring.

4.3 The Customer agrees that it shall not enter into any other Demand Side Response activities with third parties in relation to the Customer Premises without the prior written consent of the Company (such consent to be at the Company's sole discretion).

4.4 The Customer agrees that is shall not materially alter the Interruption Point (plus or minus 10% of the agreed load as defined in Appendix 1) without the prior written consent of the Company (such consent to be at the Company's sole discretion).

5. Liability

5.1 The Company's aggregate liability to the Customer under this Managed Connection Agreement in respect of any incident or series of related incidents entitling the Customer to claim compensation from the Company under this Managed Connection Agreement shall not exceed one hundred percent (100%) of the charges paid or payable by the Customer to the Company pursuant to this Managed Connection Agreement.

PART C – APPENDICES FOR EXISTING DEMAND AND GENERATION CUSTOMERS

Appendix 1 – Customer Contract Variables

1.	Maximum Import / Export Capacity as per standard connection agreement	kVA
2.	Total Managed Capacity	kVA
3.	Times when De-energisations are allowed	
4.	Days when De-energisations are allowed	
5.	Seasons when De-energisations are allowed	
6.	One off events when De-energisations are not allowed (protected days)	
7.	Number of De-energisations in a specified period	
8.	Maximum interruption duration per De-energisation	

Appendix 2 – Operating Conditions for Post De-energisation Demand Response Services

The Parties agree that the following operating conditions shall apply:

1. Management of the Customer's electrical current flow for Post Fault Demand Response Services shall take place during the periods set out in points 3, 4 and/or 5 of the table in Appendix 1.
2. Management of the Customer's electrical current flow for Post Fault Demand Response Services shall not take place during the periods set out in point 6 of the table in Appendix 1.
3. Management of the Customer's electrical current flow for Post Fault Demand Response Services shall not exceed the number of De-energisations in the specified period as set out in point 7 of the table in Appendix 1.
4. Subject always to Clause 20 of the Applicable NTC Sections, following a Relevant Fault where the Customer's electrical current flow is De-energised, the Company shall Re-energise the Customer's electrical current flow by no later the timescale set out in point 8 of the table in Appendix 1 after electrical current flow has been fully restored to Standard Customers.
5. In the event that the Post Fault Demand Response Services are required for a period of less than fifteen (15) minutes after the Re-energisation of the Customer's electrical current flow, this shall not be classed as a Relevant Fault.
6. The Company shall have full control at all times of the Company Equipment and, without limitation, the Company may open and close automation devices used by the Customer without reference to the Customer. The automation device used by the Customer shall not be used as a means of isolation for work being undertaken on the electrical current flow of the Customer, unless such work is being undertaken by the Company or unless the Company has given its prior written consent to such work.
7. Following Re-energisation, any further same or similar interruptions to the Customer's electrical current flow that occur in a period of twenty-four (24) hours following the applicable Re-energisation shall be classified as part of the original Relevant Fault and no additional Utilisation Payments will be made by the Company to the Customer.

Appendix 3 – Site Ownership and Responsibility

[Insert Site Schematic diagram]

ANNEX I – APPLICABLE NTC TERMS