

**SECTION 2C – DISTRIBUTOR TO GAS SUPPLIER
RELATIONSHIPS**

SCOPE OF SECTION 2C

This Section 2C and the Schedules referred to in it set out the terms and conditions pursuant to which a DNO/IDNO Party shall allow a Gas Supplier Party to undertake Permitted Third Party Metering Works, and thereafter to maintain any Smart Metering Comms Hub Devices installed pursuant to those works.

52A. INTERPRETATION OF SECTION 2C

Party Obligations

52A.1 In this Section 2C, in the Schedules when applied pursuant to this Section 2C, and in the terms defined in Clause 1 when used in this Section 2C or those Schedules, a reference to a Company is a reference to each Party that is either a DNO Party or an IDNO Party separately and individually and, where an obligation is imposed on, or a right granted to, a **Company**, that obligation is imposed on, and that right is granted to, each such Party separately and independently.

52A.2 In this Section 2C, in the Schedules when applied pursuant to this Section 2C, and in the terms defined in Clause 1 when used in this Section 2C or those Schedules, a reference to a **Gas Supplier** is:

52A.2.1 a reference to each Party that is a Gas Supplier Party separately and individually and, where an obligation is imposed on, or a right is granted to, a Gas Supplier, that obligation is imposed on, and that right is granted to, each such Party separately and independently; and

52A.2.2 when made in relation to a Company and any period of time, a reference to each Gas Supplier Party (separately, individually and to the relevant extent) who is (or was), during that period, the Responsible Gas Supplier for a Premises connected to that Company's Distribution System.

52A.3 This Section 2C, and the Schedules when applied pursuant to it, shall:

52A.3.1 only create rights and obligations between DNO/IDNO Parties (on the one hand) and Gas Supplier Parties (on the other), and shall not create rights or obligations between DNO/IDNO Parties and other DNO/IDNO Parties or between Gas Supplier Parties and other Gas Supplier Parties;

52A.3.2 not apply to the OTSO Party or to Supplier/DG Parties;

52A.3.3 only create obligations between a Company and a Gas Supplier to the extent that, and in relation to those periods for which, that Gas Supplier is (or was)

a Responsible Gas Supplier for a Premises connected to that Company's Distribution System; and

52A.3.4 not impose any obligations between a Company and a Gas Supplier in relation to periods for which that Gas Supplier is (or was) not a Responsible Gas Supplier for a Premises connected to that Company's Distribution System.

References in Relation to Companies and Gas Suppliers

52A.4 In this Section 2C, in the Schedules when applied pursuant to this Section 2C, and in the terms defined in Clause 1 when used in this Section 2C or those Schedules, unless the context otherwise requires, references to:

52A.4.1 an Exit Point or Entry Point are, when made in relation to a Company, references to an Exit Point or Entry Point on that Company's Distribution System;

52A.4.2 a Premises are, when made in relation to a Gas Supplier and any period of time, references to a Premises for which the Gas Supplier is (or was) the Responsible Gas Supplier during that period of time;

52A.4.3 a Connectee, Connected Installation, Connection Agreement, Metering Point, Premises or Smart Metering Comms Hub Device, are (when made in relation to a Company) references to a Connectee, Connected Installation, Connection Agreement, Metering Point, Premises or Smart Metering Comms Hub Device relating to an Exit Point on such Company's Distribution System; or

52A.4.4 a Connectee, Connected Installation, Connection Agreement, Exit Point, Metering Point or Smart Metering Comms Hub Device, are (when made in relation to a Gas Supplier and any period of time) references to a Connectee, Connected Installation, Connection Agreement, Exit Point, Metering Point or Smart Metering Comms Hub Device relating to a Premises for which the Gas Supplier was the Responsible Gas Supplier during that period of time.

Application Limited to Whole Current Metering

52A.5 This Section 2C shall only apply to Exit Points or Entry Points for which the import or export of electricity is metered directly by putting the full electrical current through the meter (known as ‘whole current metering’).

52B. DE-ENERGISATION AND RE-ENERGISATION WORKS

Requirements for those undertaking Works

52B.1 Any and all Permitted Third Party Metering Works, De-energisation Works and Re-energisation Works carried out by or on behalf of the Gas Supplier pursuant to this Clause 52B shall only be carried out by a person working on behalf of a Gas Meter Asset Manager engaged by the Gas Supplier.

Good Industry Practice

52B.2 The Company and the Gas Supplier shall each act in accordance with Good Industry Practice when carrying out, or procuring the carrying out of, any and all works pursuant to this Clause 52B.

Works Undertaken by the Gas Supplier

52B.3 If the Gas Supplier wishes at any time to undertake Permitted Third Party Metering Works in respect of a Third Party Metering Point, then the Gas Supplier may (to the extent reasonably required in order to do so, and with no prior notice to the Company) De-energise the Exit Point and/or Entry Point to which the Third Party Metering Point relates in order to do so; provided that the Gas Supplier Re-energises that Exit Point and/or Entry Point as soon as reasonably practicable thereafter.

52B.4 If the Gas Supplier resolves to De-energise and/or Re-energise an Exit Point and/or Entry Point pursuant to Clause 52B.3, then the Gas Supplier shall:

52B.4.1 (subject to Clauses 52B.2 and 52C) decide on the extent and nature of the De-energisation Works and Re-energisation Works, and shall undertake such De-energisation Works and Re-energisation Works at its own cost; and

52B.4.2 comply with the Relevant Instruments and the Distribution Code in relation to the De-energisation Works and Re-energisation Works.

Company's Right to De-energise

52B.5 Notwithstanding the right of the Gas Supplier under this Clause 52B to install a Smart Metering Comms Hub Device (and to keep it installed), the Company may, at any

time with no prior notice to the Gas Supplier, De-energise any Exit Point and/or Entry Point if:

52B.5.1 the Company is entitled to do so pursuant to the Connection Agreement relating to such Exit Point and/or Entry Point; or

52B.5.2 the Company is entitled to do so pursuant to the Relevant Instruments or Section 2A;

52B.5.3 the Company is instructed, pursuant to the terms of the Connection and Use of System Code or the Balancing and Settlement Code, to do so;

52B.5.4 the Company reasonably considers it necessary to do so for safety or system security reasons;

52B.5.5 the Company reasonably considers it necessary to do so to avoid interference with the regularity or efficiency of its Distribution System (including where the Smart Metering Comms Hub Device is interfering with the Company's Distribution System);

52B.5.6 an accident or emergency occurs or threatens to occur which requires the Company to do so to avoid the risk of personal injury to any person or physical damage to the property of the Company, its officers, employees or agents, or the property of any other person;

52B.5.7 the rights of the Gas Supplier are suspended in accordance with Clause 54.2; or

52B.5.8 subject to the terms of a replacement agreement, this Agreement is terminated, or the Gas Supplier ceases to be a Party in accordance with the provisions of Clause 54.

52B.6 If the Company resolves to De-energise an Exit Point and/or Entry Point pursuant to Clause 52B.5, then:

52B.6.1 (subject to Clauses 52B.2 and 52C) the Company shall decide on the extent and nature of the De-energisation Works required to De-energise the Exit Point and/or Entry Point;

52B.6.2 the Company shall Re-energise the Exit Point and/or Entry Point as soon as is reasonably practicable after the circumstance giving rise to such De-energisation has ended (and shall determine the extent and nature of the Re-energisation Works required to Re-energise the Exit Point and/or Entry Point); and

52B.6.3 there shall be no charge to the Gas Supplier in respect of such De-energisation Works and/or Re-energisation Works, except where the Company resolves to De-energise an Exit Point and/or Entry Point because of the Gas Supplier's Permitted Third Party Metering Works, the Smart Metering Comms Hub Device or a breach by the Gas Supplier of this Agreement (in which case the Gas Supplier shall pay the Company's reasonable costs incurred in relation to the De-energisation Works and the subsequent Re-energisation Works).

Other Matters

52B.7 For the avoidance of doubt, the Gas Supplier shall only be entitled to Re-energise an Exit Point and/or Entry Point that has been De-energised by (or on behalf of) the Gas Supplier pursuant to this Agreement.

52B.8 In undertaking De-energisation Works and Re-energisation Works as permitted by this Clause 52B, the Company may reposition the Smart Metering Comms Hub Device (or any part of it) on the meter board (but may not otherwise alter the position of the Smart Metering Comms Hub Device).

52B.9 Subject to any contrary agreement between the Gas Supplier and the Electricity Supplier, where the Gas Supplier has no further need for the Smart Metering Comms Hub Device (and there is no reasonable prospect of the Gas Supplier, or any future Gas Supplier, needing to use that Smart Metering Comms Hub Device in the future), then the Gas Supplier shall remove that Smart Metering Comms Hub Device (or, to the extent consistent with Good Industry Practice, render it inoperable in accordance with Good Industry Practice). Where a Smart Metering Comms Hub Device has been rendered inoperable pursuant to this Clause 52B.9, then the Company shall at any time thereafter be entitled to remove and dispose of that Smart Metering Comms Hub Device.

Non-Interference

- 52B.10 The Company shall ensure that the Gas Supplier (and its Gas Meter Asset Manager when acting in its capacity as such) is entitled to interfere with the Distribution System to the extent it is necessary to do so in exercising the Gas Supplier's rights or complying with its obligations under this Clause 52B or Clause 52C. The Gas Supplier shall not (and shall ensure that its Gas Meter Asset Manager when acting in its capacity as such shall not) otherwise interfere with the Distribution System (subject to any contrary agreement between the Gas Supplier and the Company).
- 52B.11 The Gas Supplier shall ensure that the Company is entitled to interfere with the Smart Metering Comms Hub to the extent it is necessary to do so in exercising the Company's rights or complying with its obligations under this Clause 52B or Clause 52C. The Company shall not otherwise interfere with the Smart Metering Comms Hub (subject to any contrary agreement between the Gas Supplier and the Company).
- 52B.12 The Gas Supplier shall indemnify the Company against all actions, proceedings, costs, demands, claims, expenses, liability, loss or damage arising directly from physical damage to the property of any person caused by the Gas Supplier's Gas Meter Asset Manager in exercising the Gas Supplier's rights under this Clause 52B (but excluding liability for any loss of profit, loss of revenue, loss of use, loss of contract or loss of goodwill, and subject to a cap of £1 million per incident or series of related incidents).
- 52B.13 For the purposes of Clause 53.4, the Company and the Gas Supplier agree that matters relating to Smart Metering Comms Hub Devices that are not the subject of express rights and obligations under this Section 2C (including the standard to which such devices are to be maintained) are outside of the subject matter of this Agreement (and neither the Company nor the Gas Supplier waive their rights or remedies under Clause 53.4 in respect of the same).

52C. METER OPERATION CODE OF PRACTICE AGREEMENT

- 52C.1 The Gas Supplier shall procure that the Gas Meter Asset Manager which carries out Permitted Third Party Metering Works, De-energisation Works and/or Re-energisation Works pursuant to Clause 52B 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 those works.
- 52C.2 The Company shall be party to, and shall comply with, the Meter Operation Code of Practice Agreement.

52D. PROVISION OF INFORMATION

Dangerous Incidents

52D.1 Where the Gas Supplier (or any of its contractors or agents) receives a report or enquiry from any person about any matter or incident that does or is likely to:

52D.1.1 cause danger or require urgent attention in relation to the supply or distribution of electricity in the Company's Distribution Services Area through the Distribution System; or

52D.1.2 affect the maintenance of the security, availability and quality of service of the Distribution System,

the Gas Supplier shall notify the Company 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 Gas Supplier shall notify the Company by telephone or post using the telephone number and postal address identified in the Company's Security and Safety of Supplies Statement or such other telephone number as may from time to time be notified in writing by the Company.

Damage or Interference

52D.2 The Gas 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 the Company where the Gas Supplier has (or in the case of the Gas Supplier's contractors and agents, such contractors and agents have) reason to believe:

52D.2.1 that there has been damage to the Electrical Plant or Electric Lines owned by the Company; or

52D.2.2 that there has been interference with any electricity metering equipment at an Entry Point or an Exit Point on the Company's Distribution System that has prevented such metering equipment from correctly registering the quantity of electricity supplied,

unless the Gas Supplier believes that the damage or interference was caused by the Company.

52D.3 Where the Gas Supplier has reason to believe that any damage or interference reported by it (or by its contractors or agents) under Clause 52D.2 has been caused by a criminal act, it shall provide the Company with such information as is reasonably required for investigating the incident and resolving any safety concerns arising out of it.

52E. CONFIDENTIALITY RESTRICTIONS ON THE COMPANY

Confidential Information

52E.1 In this Clause 52E, Confidential Information means any information which the Company or any Affiliate or Related Undertaking of the Company:

52E.1.1 receives from the Gas Supplier under this Agreement; or

52E.1.2 receives from any Connectee, which, if received from the Gas Supplier, would fall within Clause 52E.1.1; or

52E.1.3 receives from the Gas Supplier in error, but which would usually be considered to be confidential,

and the provisions of this Clause 52E shall apply to such Confidential Information, save where the Gas Supplier notifies or otherwise gives prior written agreement to the Company that such Confidential Information need not be treated as confidential.

Restrictions on Use and Disclosure

52E.2 Where the Company or any Affiliate or Related Undertaking of the Company receives or acquires Confidential Information, the Company shall (and shall procure that such Affiliate or Related Undertaking shall):

52E.2.1 not use the Confidential Information for any purpose other than as required or expressly permitted under this Agreement or any other agreement entered into between the Company and the Gas Supplier for the provision of services by the Distribution Business of the Company;

52E.2.2 without prejudice to Clause 52E.2.1, not use the Confidential Information in a manner which may obtain for the Company or any Affiliate or Related Undertaking of the Company (as the case may be) any commercial advantage in the operation of a Supply Business;

52E.2.3 not authorise access to nor disclose any Confidential Information other than:

- (A) to such of the employees of the Company or any Affiliate or Related Undertaking of the Company as require to be informed thereof for the effective performance of the Company's obligations under this Section 2C or any other agreement entered into between the Company and the Gas Supplier for the provision of services by the Distribution Business of the Company or for the effective operation of the Distribution Business;
- (B) to such agents, consultants, professional or other advisors, and contractors as require to be informed thereof or to provide advice which is in connection with the operation of the Company's Distribution Business;
- (C) to the Authority;
- (D) information which the Company or any Affiliate or Related Undertaking of the Company (as the case may be) is required or permitted to make disclosure of:
 - (i) in compliance with the duties of the Company or any Affiliate or Related Undertaking of the Company (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 levying charges (where applicable); and

52E.2.4 take all reasonable steps to ensure that any such person as is referred to in sub-clauses 52E.2.3(A) and (B) to whom the Company or any Affiliate or Related Undertaking of the Company (as the case may be) 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 Clause 52E.

Other Matters

52E.3 Not Used.

52E.4 The Gas Supplier agrees that where the Company uses or discloses Confidential Information in accordance with this Clause 52E, such Confidential Information need not be treated as confidential for the purposes of Condition 42 of the Distribution Licence to the extent of such use or disclosure.

52E.5 The Company undertakes that, in any case where information to be disclosed by it under this 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 Gas Supplier as the case may be, promptly to perform its obligations under this Section 2C, provided that where the consent of the Connectee is required to be obtained for the purposes of this Section 2C, the Gas Supplier (and not the Company) shall have the obligation to obtain such consent under Clause 52F.

52F. CONFIDENTIALITY RESTRICTIONS ON THE GAS SUPPLIER

Confidential Information

52F.1 In this Clause 52F, Confidential Information means:

52F.1.1 any information (whether in writing, in disc or electronic form, or otherwise) which has been properly disclosed by the Company under this Agreement but which would usually be considered to be confidential; and

52F.1.2 any information which is marked as confidential or which is provided together with a covering letter or fax indicating its confidential nature,

and, to the extent that any Affiliate or Related Undertaking of the Gas Supplier is in possession of Confidential Information, the Gas Supplier shall procure that such Affiliate or Related Undertaking observes the restrictions in Clauses 52F.2 to 52F.4 (inclusive) as if in each such Clause there was substituted for the Gas Supplier the name of the Affiliate or Related Undertaking.

Restrictions on Use and Disclosure

52F.2 The Gas Supplier hereby undertakes to the Company 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:

52F.2.1 in the circumstances set out in Clause 52F.3;

52F.2.2 to the extent otherwise required or expressly permitted by this Agreement or any other agreement entered into between the Company and the Gas Supplier for the provision of services by the Distribution Business of the Company; or

52F.2.3 with the prior consent in writing of the Company.

52F.3 The circumstances set out in this Clause 52F.3 are:

52F.3.1 where the Confidential Information, before it is furnished to the Gas Supplier, is in the public domain;

52F.3.2 where the Confidential Information:

- (A) is acquired by the Gas Supplier in circumstances in which this Clause 52F does not apply;
- (B) is acquired by the Gas Supplier in circumstances in which this Clause 52F does apply and thereafter ceases to be subject to the restrictions imposed by this Clause 52F; or
- (C) (after it is furnished to the Gas Supplier) enters the public domain,

otherwise (in any such case) than as a result of (i) a breach by the Gas Supplier of its obligations in this Clause 52F; or (ii) a breach by the person who disclosed that Confidential Information of that person's confidentiality obligation, and the Gas Supplier is aware of such breach;

52F.3.3 if the Gas Supplier is required or permitted to make disclosure of the Confidential Information to any person:

- (A) in compliance with any 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; or

52F.3.4 the disclosure of Confidential Information to any Affiliate or Related Undertaking of the Gas Supplier, to the employees, directors, agents, consultants and professional advisers of the Gas Supplier or any Affiliate or Related Undertaking of the Gas Supplier, in each case on the basis set out in Clause 52F.4.

52F.4 The Gas Supplier shall take all reasonable steps to ensure that any such person as is referred to in Clause 52F.3.4 to whom the Gas 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 Clause 52F.

Other Matters

52F.5 Not Used.

52F.6 The Gas Supplier undertakes that, in any case where information to be disclosed under this 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 (as the case may be) the Company promptly to perform its obligations under this Section 2C.