TERMS OF CONNECTION FOR A CONNECTION TO THE MUA DISTRIBUTION SYSTEM (the **Agreement**)

1 Definitions and Interpretations

1.1 In this Agreement, the following terms shall have the following meaning:

Accepted Capacity has the meaning given to it in clause 6.1(a)

Act has the meaning ascribed to it in the National Terms of Connection;

Asset Value Offer means the written offer issued by MUA setting out the terms on which MUA will make the Asset Value Payment in respect of the Connection of the Site

Asset Value Payment means the upfront payment made by MUA in respect of the Connection of the Site, as specified the Asset Value Offer

Authority has the meaning ascribed to it in the National Terms of Connection;

Connect has the meaning ascribed to it in the National Terms of Connection, and **Connection** and **Connected** shall be construed accordingly;

Connection Offer means the offer made by MUA following a notice by the Customer or an agent on behalf of the Customer in accordance with section 16A of the Act;

Customer has the meaning ascribed to it in the National Terms of Connection;

Distribution Licence means the electricity distribution licence granted to MUA by the Authority pursuant to section 6(1)(c) of the Act;

Distribution System has the meaning ascribed to it in the National Terms of Connection;

Energisation has the meaning ascribed to it in the National Terms of Connection, and **Energised** shall be construed accordingly;

Energisation Date means the date in which the Site is Energised;

MUA means MUA Electricity Limited (No 10622250) with its registered office Hiview House, Highgate Road, London, United Kingdom, NW5 1TN

National Terms of Connection means the terms and conditions that MUA requires the Customer to accept in return for making and maintaining a Connection to its Distribution System, subject to the terms of this Agreement, and a copy of which may be requested in writing from the Energy Networks Association, 4 More London Riverside, London, SE1 2AU or from www.connectionterms.co.uk, and which may be amended from time to time

Site means the premises owned or operated by the Customer that is Connected to the Distribution System

Use of System Charges means those charges that are calculated in accordance with MUA's Use of System Charges Statement;

Use of System Charging Statement means the statement that is published by MUA in accordance with the Distribution Licence;

Use of System Charging Methodology means the methodology that is published by MUA in accordance with the Distribution Licence;

2 Commencement and Duration

2.1 This Agreement shall take effect from the Energisation Date and shall remain in force until terminated in accordance with the National Terms of Connection.

3 General

3.1 This Agreement is supplemental to, and incorporates the National Terms of Connection. In the event of any ambiguity, conflict or inconsistency between the terms of this Agreement and the terms of the National Terms of Connection, then the terms of this Agreement will prevail.

3.2 The Customer agrees that MUA shall, on the application of any person purporting to be an owner and/or occupier (or prospective owner and/or occupier) of the Site, be entitled to disclose to such person the fact that this Agreement contains terms which differ from the terms set out in the National Terms of Connection (www.connectionterms.co.uk).

4 Connection to the Distribution System

4.1 The Site will remain Connected to the Distribution System in accordance with the provisions of this Agreement, the Act, and any other legal requirement that may apply from time to time.

5 Customer Obligations

5.1 The Customer shall pay all Use of System Charges to MUA in accordance with the terms as they are issued to the Customer, and as may be amended from time to time in accordance with the Use of System Charging Statement.

5.2 The Customer shall, prior to selling or leasing its interest in the Site (or otherwise permitting a third party to occupy the Site) ensure that the existence and provisions of this Agreement are brought to the attention of such third party. For information, any such third party should note that it may automatically be bound by the provisions of this Agreement in accordance with the National Terms of Connection (www.connectionterms.co.uk).

6 Capacity Reduction and Disconnection

6.1 The Customer accepts that:

(a) the Asset Value Offer and Asset Value Payment are based upon assumptions regarding the expected long-term utilisation of the Connection of the Site to the Distribution System and the Customer's expected demand and capacity usage over such Connection (**Accepted Capacity**); and

(b) material changes to the assumptions relating to the Accepted Capacity may adversely affect the economic basis on which the Connection Offer and Asset Value Payment was made and accepted.

6.2 Where the Customer requests any change which materially alters the assumptions relating to the Accepted Capacity referred to in clause 6.1 (including without limitation any reduction in the Accepted Capacity or disconnection of the Site from the Distribution System), MUA shall be entitled to recover from the Customer:

(a) an appropriate proportion of the unrecovered investment made by MUA which is unrecovered as a result of such change, and

(b) associated costs to ensure that such costs are not borne by other users of the Distribution System.

6.3 Without prejudice to the generality of clause 6.2, where MUA has made an Asset Value Payment or otherwise invested in the Distribution System on the basis of the Customer's anticipated demand, MUA reserves the right to recover an appropriate proportion of any unrecovered investment where:

(a) the Accepted Capacity is permanently reduced;

(b) the Connection is permanently disconnected;

(c) the Customer's actions materially reduce the anticipated utilisation of the Distribution System; or

(d) any other event occurs which materially impacts the economic basis on which the Connection Offer was accepted, including without limitation if the Accepted Capacity is not fully achieved or utilised within a period of five (5) years from the Energisation Date (or such other date agreed in writing).

6.4 Any charge payable by the Customer under this clause 6 shall be assessed by MUA on a case-by-case basis and may take account of factors including:

(a) the amount of the Asset Value Payment made by MUA;

(b) the period for which the Connection has remained Connected and utilised;

(c) the remaining unrecovered investment;

(d) the extent of any reduction in the Accepted Capacity agreed in the Connection Offer;

(e) the value of any stranded network assets or capacity that is created as a result of the Customer’s request;

(f) reasonable administration, engineering and operational costs incurred or to be incurred by MUA; and

(g) any other costs reasonably incurred or to be incurred as a consequence of the Customer's request.

6.5 Any charge payable by the Customer under this clause 6 shall be reasonable, proportionate and determined in accordance with MUA's Use of System Charging Methodology and Distribution Licence.

6.6 MUA shall provide to the Customer details of any charge due by the Customer under this clause 6 which shall be payable by the Customer prior to MUA processing the requested reduction to the Accepted Capacity or disconnection of the Connection.