

Scheme for determining the Terms and Conditions of a Deemed Contract for Supply of Gas

WHEREAS: Southern Electric Gas Limited may supply or may be required to supply gas to Customers otherwise than in pursuance of a contract therefore Southern Electric Gas Limited (trading as either "Scottish Hydro", "Southern Electric", "Atlantic", "SWALEC" or "SSE"), pursuant to and in accordance with Schedule 2B to the Gas Act 1986, HEREBY MAKES A SCHEME AS FOLLOWS which determines terms and conditions to be incorporated into a Deemed Contract for the supply of gas to such Customers..

Part I. General Provisions of the Scheme

1. Commencement, Scope, and Application

1.1 This Scheme applies to each customer who is supplied with gas in the following circumstances:

1.1.1 where Southern Electric Gas Limited is deemed to be the appropriate supplier in accordance with Paragraph 8(2) of Schedule 2B to the Gas Act 1986, as amended or

1.1.2 where Southern Electric Gas Limited supplies gas to any Relevant Premises otherwise than in pursuance of a contract, and shall continue in effect unless it is terminated in accordance with Paragraph 9 of this Scheme.

1.2 Southern Electric Gas Limited shall be deemed to have contracted with the Customer (or owner of the property if the premises are unoccupied) (i) in the case of Paragraph 1.1.1 above, from the date that the Customer started to use the supply of gas or from such date that Southern Electric Gas Limited began to supply gas to the Customer (whichever is the earlier) and (ii) in the case of Paragraph 1.1.2 above from the time that Southern Electric Gas Limited began to supply the Customer with gas or from the date the Customer becomes responsible for the supply of gas or starts using the gas (whichever is the earlier) (each the **Contract Start Date**).

1.3 This Scheme comes into effect from the Commencement Date.

1.4 With effect from the Commencement Date any Customers who are being supplied with gas by Southern Electric Gas Limited other than under a contract for the supply of gas and to the extent they do not enter into a contract for the supply of gas with another gas supplier including Southern Electric Gas Limited in respect of such Relevant Premises shall automatically transfer onto this Deemed Scheme and shall be subject to the Terms and Conditions incorporated into the Deemed Contract.

1.5 The Customer hereby agrees that Southern Electric Gas Limited can obtain such information from the Customer's previous supplier in connection with the Customer's supply of gas hereunder as will enable Southern Electric Gas Limited to take over the Supply. Such information to include, but not to be limited to, information relating to the Customer's meter and metering equipment or any outstanding charges owed by the Customer to its previous supplier.

2. Deemed Contract

2.1 With effect from the relevant Contract Start Date, a Customer shall be deemed to have contracted with Southern Electric Gas Limited for a supply of gas at the Relevant Premises in accordance with a Deemed Contract which incorporates the Terms and Conditions.

2.2 No collateral agreement between Southern Electric Gas Limited and a Customer shall have the effect of varying any of the Terms and Conditions unless:

(a) it is expressly contemplated in the Terms and Conditions; and

(b) it is comprised in a written document signed by a duly authorised representative of Southern Electric Gas Limited.

2.3 If an Industrial & Commercial Customer's gas usage exceeds 73,200 kWh therms per annum the provisions of Paragraph 15 of Part III shall apply.

3. Transitional Provisions

3.1 Southern Electric Gas Limited shall be entitled to recover any debt owned by a Customer in respect of the period of supply prior to the Contract Start Date (and any costs associated with the recovery of such debt) and any other costs incurred by Southern Electric Gas Limited in respect of their supplying or being required to supply gas to a Customer in terms of this Deemed Contract.

3.2 In the event that Southern Electric Gas Limited has made a payment to a previous gas supplier in respect of unpaid charges for gas supplied to the Relevant Premises then Southern Electric Gas Limited shall be entitled to recover that payment from the Customer who is now responsible for the supply of gas to such Relevant Premises, together with any reasonable administration charges incurred by Southern Electric Gas Limited either by way of lump sum or instalments to be added to the Customer's Bill.

4. Definitions and Interpretation

4.1 In this Scheme, unless the contrary intention appears:

"Authority"	means the Gas and Electricity Markets Authority established under section 1 of the Utilities Act 2000;
"Bill"	means a bill in respect of Charges for gas supplied by Southern Electric Gas Limited, and shall include any demand, invoice, statement of account or other instrument by which a Customer is required to pay such Charges;
"Commencement Date"	means 1 October 2001;
"Charges"	means charges due in respect of the supply of gas to a Customer at the Relevant Premises;
"Credit Method of Payment"	means payment either monthly, quarterly or such other period as Southern Electric Gas Limited determines;
"Customer"	means a customer to whom this Scheme applies, as stated in paragraph 1.1;
"Deemed Contract"	means a contract which by virtue of Schedule 2B of the Gas Act 1986 is deemed to be made between Southern Electric Gas Limited and a Customer but does not include a contract which by virtue of Paragraph 19(2) of

	Schedule 5 of the Gas Act 1995 is deemed to have been made and to which these terms and conditions apply;
"Domestic Customer"	means a Customer supplied or requiring to be supplied with gas at premises which are domestic premises (as defined from time to time in the standard conditions of the Supply Licence) (but excluding such Customer in so far as he is supplied at premises other than domestic premises);
"Economic Loss"	means any loss of profits, revenues, interest, business goodwill, or commercial, market, or economic opportunity, whether direct or indirect, and whether or not foreseeable;
"Equipment"	means meters, pipelines or other apparatus to deliver, measure and control the flow of gas at the Relevant Premises;
"Gas Supply Network"	means the pipeline system operated by the Transporter for the conveyance of Gas;
"Industrial & Commercial Customer"	means a Customer who is not a Domestic Customer;
"Installation"	means the Customer's gas system connected by a meter to a Transporter's system;
"non-Domestic Customer"	means a Customer who is not a Domestic Customer;
"Parties"	means Southern Electric Gas Limited and the Customer, and "Party" shall be construed accordingly;
"Pricing Arrangement"	means the prices for gas supply published by Southern Electric Gas Limited from time to time and available on request from Southern Electric Gas Limited;
"Relevant Premises"	means, in relation to any Customer, the premises at which that Customer is supplied with gas by Southern Electric Gas Limited;
"Scheme"	means this scheme made pursuant to Schedule 2B to the Gas Act 1986, as set out fully at Parts I to IV hereof;
"Security Deposit"	means a payment made by a Customer to be held by Southern Electric Gas Limited as security for charges in relation to the supply of gas in accordance with the Supply Licence;
"Southern Electric Gas Limited"	means Southern Electric Gas Limited, its successors, transferees and assigns;
"Supply Licence"	means any licence granted to Southern Electric Gas Limited under section 7A(1) of the Gas Act

	1986 (as amended by the Gas Act 1995), or treated as being so granted by virtue of the provisions of Part II of Schedule 5 to the Gas Act 1995;
"Terms and Conditions"	means the terms and conditions set out at Parts I to IV of this Scheme;
"Transporter"	means the licensed operator of the Gas Supply Network through which the gas is transported to you;
"Working Day"	means a day (other than a Saturday or a Sunday) on which Banks are open for normal banking business in England if the Relevant Premises is in England or Wales, or in Scotland if the Relevant Premises is in Scotland.

4.2 Unless the contrary intention appears, words or expressions used in this Scheme:

(a) which are also used in the Gas Act 1986, the Gas Act 1995 or the Utilities Act 2000 shall have the same meaning as is given in the relevant Act; and
(b) shall be construed as if they were words or expressions in an Act of Parliament to which the provisions of the Interpretation Act 1978 apply.

4.3 References in this Scheme to "he", "his", and "him" in relation to a Customer shall include a reference to the feminine and shall be treated, where the Customer is not a private individual, as including references to "it" and "its" as appropriate.

4.4 Unless the contrary intention appears, references in this Scheme to numbered Paragraphs or Parts shall be read as references to the Paragraphs or Parts of this Scheme which bear those numbers.

Part II. Terms and Conditions of each Deemed Contract

5. General Obligations

5.1 Until the Deemed Contract is terminated in accordance with Paragraph 9, Southern Electric Gas Limited shall supply the Customer with gas at the Relevant Premises in accordance with the Deemed Contract.

5.2 The Customer shall pay Charges in respect of the supply of gas hereunder in accordance with the provisions of Paragraphs 6.1 to 6.7. The volume of gas supplied (if any) by Southern Electric Gas Limited will be charged for according to the number of kilowatt hours supplied, which number shall be calculated in the same manner as the number of kilowatt hours conveyed to the Relevant Premises falls to be calculated pursuant to Section 12(1) of the Gas Act 1986.

5.3 Southern Electric Gas Limited may vary any of the Terms and Conditions by a document which refers to this Paragraph and is signed by a duly authorised representative of Southern Electric Gas Limited. Where Southern Electric Gas Limited varies, in accordance with this Paragraph, any of the Terms and Conditions Southern Electric Gas Limited shall publicise notice of the variation in such a manner as in its opinion will secure adequate publicity for it.

6. Charges and Payment

6.1 The Customer shall, from the Contract Start Date, pay to Southern Electric Gas Limited the Charges determined in accordance with Part IV and in accordance with the appropriate Pricing Arrangement as determined by Southern Electric Gas Limited.

6.2 The Customer shall pay the Charges in accordance with the payment method used by the Customer prior to the Contract Start Date. Following the Contract Start Date, Southern Electric Gas Limited may change the Customer's method of payment.

6.3 Southern Electric Gas Limited shall, in respect of the Charges, send to the Customer a Bill or statement of account, as appropriate to the method of payment applying to the Customer.

6.4 6.4.1 If information for charging purposes under the Deemed Contract is not available for whatever reason or is inaccurate, or where the Customer's meter has not been read

immediately before the Contract Start Date, Southern Electric Gas Limited shall be entitled to make a reasonable estimate of Charges and send the Customer an estimated Bill. Appropriate adjustments to a subsequent Bill shall be made by Southern Electric Gas Limited once all the necessary information has become available.

6.4.2 The Customer must pay Value Added Tax, Fossil Fuel Levy, Climate Change Levy and any other applicable tax or duties at the applicable rate imposed from time to time.

6.4.3 Southern Electric Gas Limited may issue any Bill on the basis of its own meter reading, of a meter reading taken by or for the Customer, or on the basis of an estimate made in accordance with Paragraph 6.4.1 above.

6.4.4 Bills issued by Southern Electric Gas Limited to the Customer shall become due and owing as soon as they are issued and the Customer shall pay each Bill in full promptly and in any event within 14 days of the date of issue (**the Due Date**). If any amount is in genuine dispute then the Customer must pay the amount not in dispute and upon settlement of the disputed sum, an appropriate adjustment will be made accordingly by Southern Electric Gas Limited to the next Bill.

6.5 If any Bill is not paid in full on or before the Due Date, Southern Electric Gas Limited may charge the Customer a default rate of interest on late payments which is set out in Paragraph 18 of Part IV and also may add reasonable charges to the next Bill or statement issued to reflect Southern Electric Gas Limited's costs in trying to recover any overdue payments.

6.6 If the Customer fails to pay any Bill, Southern Electric Gas Limited shall be entitled, in addition to its rights under Paragraph 6.5, to request a Security Deposit from the Customer or replace his meter(s) with a prepayment meter(s). Replacement of a meter with a prepayment meter may result in a change to the Customer's Pricing Arrangement. Where in Southern Electric Gas Limited's reasonable opinion it is not safe and/or practicable to provide the Customer with a prepayment meter and the Customer does not provide the Security Deposit requested, Southern Electric Gas Limited may discontinue the supply to the Customer.

6.7 The Customer shall be obliged to pay the Charges until the Deemed Contract is terminated in accordance with the Terms and Conditions.

7. Security Deposits

7.1 Southern Electric Gas Limited may at any time require a Security Deposit from a non-Domestic Customer if the non-Domestic Customer does not successfully pass our credit checking process.

7.2 Southern Electric Gas Limited may at any time require a Security Deposit from a Domestic Customer if the customer does not meet our credit criteria or, unless: (a) the Domestic Customer is prepared to be supplied through a prepayment meter and it is reasonably practicable in all the circumstances (including, in particular, the risk of loss or damage) for Southern Electric Gas Limited to provide such a meter; or (b) it is unreasonable in all the circumstances to do so.

7.3 Southern Electric Gas Limited shall be entitled to set off a Security Deposit, and any interest accrued on it, against the Charges:

(a) which are due and owing to it by the Customer who gave the Security Deposit; and
(b) which remain unpaid by that Customer 28 days after a Bill was sent to him which included the Charges.

8. Meters and Metering

8.1. Except where Paragraph 8.8 applies, any meter installed on the Relevant Premises shall be made available to the Customer by Southern Electric Gas Limited (to the extent Southern Electric Gas Limited is able to do so whether or not it is owned by Southern Electric Gas Limited) in consideration of the payment by the Customer of the Charges.

8.2 The Customer shall ensure, using all reasonable endeavours, that the Equipment is protected and is free from damage and interference and shall notify Southern Electric Gas Limited immediately if any such damage or interference to the Equipment occurs.

8.3 The Customer shall be responsible for making sure that their Installation is safe and that it will not interfere with the Equipment or gas supply to other customers. If the Customer's Installation is not in good condition or interferes with the supply to other customers Southern Electric Gas Limited reserves the right to terminate the supply. In providing a supply, this is not an indication that Southern Electric Gas Limited accepts that the Customer's Installation is safe. Southern Electric Gas Limited is not responsible for any loss or damage resulting from any fault in the Customer's Installation or the use or misuse of gas.

8.4 If the Customer uses a prepayment meter, it is the Customer's responsibility to ensure that sufficient credit is purchased and the Customer shall take all reasonable steps to retain and look after the key and/or plastic card or other device, keeping it clean, safe and free from damage.

8.5 If the Customer agrees an appointment with Southern Electric Gas Limited and cannot keep it then the Customer will be required to inform Southern Electric Gas Limited in so far as reasonably practicable not later than midday the day before and where the Customer has failed to give such reasonable notice the Customer may be charged in accordance with Part IV Paragraph 17.1(iii).

8.6 The Customer shall indemnify Southern Electric Gas Limited against the reasonable costs of replacing or repairing any Equipment which has been damaged or interfered with as a result of any act or omission of the Customer in contravention of Paragraph 8.2.

8.7 The Customer shall permit the Transporter or any other person duly authorised by Southern Electric Gas Limited, rights of access to the Relevant Premises at all reasonable times, and at any time in the case of an emergency, for any purpose under this Deemed Contract and to inspect, read, install, operate, replace, maintain and renew any Equipment which shall remain in the ownership of the Transporter, Southern Electric Gas Limited or any third parties, as the case may be.

8.8 The Customer may arrange for any meter at the Relevant Premises to be provided by himself or by any other person, provided that the meter must be of a type and standard of design and accuracy complying with and shall be installed and maintained in compliance with the IGE Meter Recommendations, the Gas (Meters) Regulations 1983, the Gas Safety (Installation and Use) Regulations 1994 and any other applicable Act of Parliament, regulation, licence or Directive of any Competent Authority, as in force at the date of the installation of the meter and stamped by a meter examiner in accordance with Section 17 of the Gas Act 1986, as amended, provided he obtains the consent of Southern Electric Gas Limited and agrees to such reasonable additional terms in relation to the provision of the meter as Southern Electric Gas Limited may propose.

8.9 If the Customer's meter cannot measure or record the supply of gas as appropriate to the Charges and the method of payment, Southern Electric Gas Limited shall be entitled to either: charge the Customer Charges which reflect a rate compatible with the information provided by the meter; or where the Customer requests a change to their supply and as a result the meter no longer provides information which is compatible with the Charges change the meter, at the Customer's request and expense, in which case the Customer will be charged a rate compatible, with the information provided by the new meter.

8.10 The Customer may arrange for any meter at the Relevant Premises to be read or operated or any other related activity to be carried out by any other person, provided that he:

- (a) obtains the consent of Southern Electric Gas Limited and the Transporter;
- (b) agrees to such reasonable additional terms, and enters into (and procures that the other person enters into) any such reasonable additional agreements, as Southern Electric Gas Limited and the Transporter may propose; and
- (c) indemnifies Southern Electric Gas Limited against any loss or damage suffered by it in consequence of an act or omission of that person.

9. Termination and Suspension

9.1 The Deemed Contract shall terminate in respect of a Customer as follows:

9.1.1 where the Customer ceases to own or occupy the Relevant Premises, the Deemed Contract shall terminate on the earlier of:

- (a) the date on which the Customer quits the Relevant Premises, where the Customer has given to Southern Electric Gas Limited at least two Working Days' notice before quitting the Relevant Premises;

- (b) the second Working Day after the Customer gives notice to Southern Electric Gas Limited that the Customer has ceased to own or occupy the Relevant Premises;

- (c) the date on which the meter is next due to be read where the Customer has ceased to occupy the Relevant Premises; or

- (d) the date on which any subsequent owner or occupier begins to take a supply of gas at the Relevant Premises under a contract with any gas supplier including Southern Electric Gas Limited or under a deemed contract; or

9.1.2 where the Customer enters into a contract for the supply of gas to the Relevant Premises with any gas supplier including Southern Electric Gas Limited, the Deemed Contract shall terminate on the date when the gas supply commences under that contract; or

9.1.3 where the Relevant Premises are lawfully disconnected, other than for routine maintenance purposes the Deemed Contract shall terminate with effect from the date of such disconnection; or

9.1.4 where the Relevant Premises are cut-off at the Customer's request; or

9.1.5 where the Authority revokes Southern Electric Gas Limited's licence to supply gas; or

9.1.6 a Direction given to a gas supplier other than Southern Electric Gas Limited, in pursuance of a standard condition of that gas supplier's licence coming into effect in relation to the Relevant Premises in question; or

9.1.7 where Southern Electric Gas Limited has exercised its rights under Paragraph 6.6, the Deemed Contract shall terminate on the date Southern Electric Gas Limited discontinues the supply.

9.2 Southern Electric Gas Limited may terminate the Deemed Contract in respect of a Customer immediately on written notice to such Customer:

9.2.1 if:

- (a) the Customer becomes subject to an order for his winding-up (except for the purpose of any reconstruction or amalgamation);

- (b) an administrator or a receiver is appointed in respect of the whole or part of the Customer's business;

- (c) the Customer makes or offers to make any composition with his creditors;

- (d) the Customer is declared bankrupt or insolvent by a court of competent jurisdiction; or

9.2.2 where the Customer is in material breach of any of the Terms and Conditions provided Southern Electric Gas Limited has given written notice to the Customer specifying the breach and giving the Customer not less than 14 days to remedy the same and the Customer has failed to so remedy the breach (at his own expense) during that 14 day period; or

9.2.3 where it is unreasonable in all the circumstances for Southern Electric Gas Limited to be required to supply the Customer with gas or paragraph 10.1 applies.

9.3 In the event that the Deemed Contract terminates pursuant to Paragraph 9 (other than pursuant to subparagraph

9.1.5), Southern Electric Gas Limited shall be entitled to recover its reasonable charges incurred in discontinuing the supply and its debt recovery costs (if any).

9.4 In the event that Southern Electric Gas Limited is given a direction under Section 2(1)(b) of the Energy Act 1976 prohibiting or restricting the supply of gas to specified persons, then, for so long as the direction is in force, and so far as is necessary or expedient for the purposes of, or in connection with, the direction:

9.4.1 Southern Electric Gas Limited shall be entitled to discontinue or restrict the supply of gas to the Customer; and 9.4.2 on receipt of notice from Southern Electric Gas Limited the Customer shall refrain from using, or restrict his use, of gas in accordance with the terms of such notice.

9.5 In the event Southern Electric Gas Limited is no longer obliged to provide this Scheme or a replacement scheme under the Supply Licence or under the Gas Act 1986 or any replacement thereof, Southern Electric Gas Limited may, at its sole discretion, terminate this Deemed Contract in respect of a Customer by giving not less than 14 days prior notice.

9.6 In the event that there is a pipeline system emergency (as defined in the Supply Licence), Southern Electric Gas Limited shall notify the non-Domestic Customers affected by such pipeline system emergency and, if so requested by the Transporter or relevant Shipper, discontinue the supply of gas to the Relevant Premises of the non-Domestic Customer. On being told by Southern Electric Gas Limited to do so, the non-Domestic Customer shall use its best endeavours to refrain from using gas during a pipeline system emergency.

10. Liability

10.1 Southern Electric Gas Limited shall not be obliged to supply gas to the Relevant Premises at any time when it is unable to do so due to circumstances beyond its reasonable control, including (without limitation):

- (a) the failure of any gas pipelines, plant or apparatus which are not owned or operated by Southern Electric Gas Limited;
- (b) the disconnection of the Relevant Premises by the Transporter;
- (c) the fault of the Customer; and
- (d) where the Customer has failed to ensure that all necessary agreements for maintaining the connection of the Relevant Premises to any gas transportation system are in place and are valid and effective during the term of the Deemed Contract.

10.2 Southern Electric Gas Limited shall not (save to the extent required by applicable statutory or licence provisions) be obliged to supply gas:

- (a) free of qualitative problems, including, without limitation, fluctuations in pressure; or
- (b) in quantities which are beyond the capacity of the Customer's connection at the Relevant Premises to a gas transportation system.

10.3 Southern Electric Gas Limited shall not in any circumstances be liable to the Customer for any loss or damage which was not a reasonably foreseeable consequence of a breach of the Deemed Contract or which amounts to, or arises from, Economic Loss resulting from negligence by Southern Electric Gas Limited in respect of the supply of gas.

10.4 The maximum liability of Southern Electric Gas Limited for any loss or damage suffered by a non-Domestic

Customer in respect of the supply of gas under the Deemed Contract shall not exceed £100,000 in any calendar year.

10.5 No provision in these Terms and Conditions is intended:

(a) to restrict or limit the liability of Southern Electric Gas Limited or of the Transporter for death or personal injury resulting from the negligence of either of them, their servants or agents; or

(b) to affect the statutory rights of any Customer who takes a supply of gas at Relevant Premises, and these Terms and Conditions shall be construed accordingly.

10.6 In particular, but without prejudice to the generality of Paragraph 10.5, nothing in these Terms and Conditions is intended to restrict or limit liability:

(a) for breach of Part I of the Consumer Protection Act 1987; or

(b) for breach of an implied warranty (if any) under the Supply of Goods and Services Act 1982.

11. Emergencies and Safety

In the event that the Customer suspects or becomes aware of any matter or incident that either causes danger or requires urgent attention in relation to the supply or transportation of gas or affects or is likely to affect the maintenance of the security, availability and quality of service of the gas transportation system of the Transporter, then the Customer shall immediately notify the Relevant Transporter on 0800 111 999 or such other number as may vary from time to time that shall be printed on the reverse of all invoices. If the Customer is a pre-payment customer, these details are supplied to the Customer at regular intervals.

12. Notices

12.1 The Customer may serve any notice or request on Southern Electric Gas Limited by delivering it by hand, a recorded delivery, post, electronic mail or fax to the address of Southern Electric Gas Limited shown on his last Bill.

12.2 Southern Electric Gas Limited may serve any notice or request on the Customer by delivering it to him in person, or by hand, post, electronic mail or fax (where available) to the Relevant Premises.

12.3 In the absence of contrary evidence, any notice or request shall be deemed to be served:

- (a) where it is delivered personally or by hand, at the time of delivery;
- (b) where it is sent by post, 48 hours after posting;
- (c) where it is sent by fax, at 9am on the next Working Day; and
- (d) where it is sent by electronic mail, at 9 am on the next Working Day or on receipt of a delivery receipt, whichever is the earlier.

12.4 Telephone calls made by the Customer to Southern Electric Gas Limited may be recorded for the purposes of on-going staff development and training to ensure high standards of customer service are maintained.

13. Miscellaneous

13.1 Where any provision of these Terms and Conditions is held to be unlawful or unenforceable under any enactment, or by any court of competent jurisdiction, such provision shall be deemed not to be part of these Terms and Conditions to such extent as is necessary for

the enforceability of the remainder of the Terms and Conditions to be unaffected.

13.2 No failure or delay on the part of Southern Electric Gas Limited in enforcing any of its rights under these Terms and Conditions shall be treated as a waiver of those rights, unless they are also expressly waived in writing by a duly authorised representative of Southern Electric Gas Limited.

13.3 The termination of the Deemed Contract shall not affect any rights or liabilities accrued under these Terms and Conditions, and they shall remain enforceable after the termination as if the Deemed Contract were still in force including, without limitation, the payment provisions set out in Paragraphs 6.1 and 6.7.

13.4 The Customer may not assign any of his rights or liabilities under the Deemed Contract without the written consent of Southern Electric Gas Limited.

13.5 Southern Electric Gas Limited may assign, novate or transfer its rights and liabilities under the Deemed Contract, to any authorised gas supplier and the Customer shall be deemed to have consented to any such assignment, novation or transfer by virtue of this Paragraph 13.5.

13.6 These Terms and Conditions shall be read, interpreted, and have effect in accordance with the provisions of Part I of the Scheme.

13.7 Nothing in this Scheme, express or implied, is intended or shall be construed to confer upon, or to give to any person other than a Customer, Southern Electric Gas Limited and the Transporter, and their respective permitted assignees and transferees, any right, remedy or claim under or by reason of this Scheme, the Deemed Contract or the Contracts (Rights of Third Parties) Act 1999. This Scheme and the Deemed Contract and all stipulations and agreements it contains are and shall be for the sole and exclusive benefit of the Customer, Southern Electric Gas Limited and the Transporter and their respective permitted assignees and transferees.

14. Jurisdiction

The Deemed Contract and any disputes arising from it shall be governed by the Laws of England and Wales if the Relevant Premises is in England or Wales or the Laws of Scotland if the Relevant Premises is in Scotland.

Part III. Terms and Conditions of certain Deemed Contracts

15. Daily Metering and Other Commercial Terms for Industrial & Commercial Customers

15.1 An Industrial & Commercial Customer shall provide to Southern Electric Gas Limited a list with the details of three (3) of the Industrial & Commercial Customer's representatives familiar with the location of all the Supply Points in respect of each Relevant Premises to include their job titles and their telephone numbers at which they can be contacted at all times in the case of an emergency or the details of a twenty-four (24) hour contact point. If a Relevant Premises consumes more than 50,000 therms (1,464,000 kWh) the Industrial & Commercial Customer must also provide a fax number capable of 24-hour receipt. The Industrial and Commercial Customer agrees that Southern Electric Gas Limited may pass such details to the Gas Supply Network.

15.2 15.2.1 An Industrial & Commercial Customer shall warrant that it shall not in any Hour, Day or Contract Term consume gas in excess of any of the nominated levels of maximum consumption(s). Such Industrial & Commercial

Customer shall provide Southern Electric Gas Limited with the nominated levels of maximum consumption in respect of each Relevant Premises:

15.2.1.1 within seven (7) days of the Contract Start Date, and

15.2.1.2 at least one (1) calendar month prior to and effective from the anniversary of the Contract Start Date and every anniversary thereafter.

15.2.2 In the event that an Industrial & Commercial Customer anticipates requiring gas in excess of any of the nominated levels of maximum consumption(s) then such Industrial & Commercial Customer shall give Southern Electric Gas Limited not less than forty-nine (49) days' written notice of such Industrial & Commercial Customer's requirements and Southern Electric Gas Limited shall endeavour to supply the excess gas subject to terms being agreed by the Parties provided that Southern Electric Gas Limited shall not be under any obligation to do so.

15.2.3 If an Industrial & Commercial Customer consumes gas in excess of any of the nominated levels of maximum consumption(s) without Southern Electric Gas Limited's consent, then:

15.2.3.1 Southern Electric Gas Limited shall be entitled to vary the charges in order to recover any costs, charges and expenses which Southern Electric Gas Limited reasonably determine to have been incurred as a result thereof, and/or

15.2.3.2 Southern Electric Gas Limited may cut off or limit such Industrial & Commercial Customer's supply.

15.2.4 Any amounts payable by such Industrial & Commercial Customer under this Clause 15 shall be made within fourteen (14) days of the date of an invoice from Southern Electric Gas Limited.

15.3 Minimum Annual Consumption(s) (applicable where the Nominated Annual Consumption(s) is or exceeds 3,00,000 kWh (100,000 therms):

15.3.1 An Industrial & Commercial Customer shall warrant that such Industrial & Commercial Customer shall not take less than eighty per cent (80%) of such Industrial & Commercial Customer's nominated levels of annual consumption(s) ("Minimum Annual Consumption") in respect of each Relevant Premises.

The Industrial & Commercial Customer shall provide Southern Electric Gas Limited with the nominated levels of annual consumption(s) in respect of each Relevant Premises within seven (7) days of the Contract Start Date and at least one

(1) calendar month prior to and effective from the anniversary of the Contract Start Date and every anniversary thereafter.

15.3.2 In the event that such Industrial & Commercial Customer's actual consumption for any Relevant Premises falls short of the Minimum Annual Consumption(s) then:

15.3.2.1 Southern Electric Gas Limited shall be entitled to vary the charges in order to recover any costs, charges and expenses which Southern Electric Gas Limited reasonably determine to have been incurred as a result thereof; and/or

15.3.2.2 Southern Electric Gas Limited may cut off or limit such Industrial & Commercial Customer's supply.

15.3.3 Any amounts payable to Southern Electric Gas Limited under this Clause shall be made by such Industrial & Commercial Customer within fourteen (14) days of the date of an invoice from Southern Electric Gas Limited.

Part IV. Schedules of Charges

16. The Customer shall pay the applicable charges published by Southern Electric Gas Limited from time to time and are available on our website or on request from Southern Electric Gas Limited or those deemed applicable to the Relevant Premises by Southern Electric Gas Limited.

17. Additional Charges

17.1 Southern Electric Gas Limited reserves the right to recover the following charges from Customers:

(i) subject to the provisions of Paragraph 6 of Schedule 2B of the Gas Act 1986 (as amended) any charges reasonably incurred in changing a meter;

(ii) any charges reasonably incurred in disconnecting a supply in accordance with Paragraph 6.6 of Part II;

(iii) any charges reasonably incurred where the Customer does not give Southern Electric Gas Limited enough notice in accordance with Paragraph 8.5 of Part II;

(iv) any reasonable charges incurred in the event Southern Electric Gas Limited disconnects or reconnects supply (or procures the disconnection or reconnection of supply) or subject to the provisions of Paragraph 6 of Schedule 2B of the Gas Act 1986 (as amended) repositions the Customer's meter at the Customer's request (or procures the repositioning of such meter at the Customer's request);

(v) any reasonable charge for the issue of any replacement key and/or plastic card or other device or where the Customer requests a site visit to its prepayment meter;

(vi) the cost of the test, where the Customer disputes the accuracy of any meter and the meter is found to be operating within the degree of error permitted by the Gas Act 1986 (as amended) and the regulations thereunder;

(vii) any charges incurred where Southern Electric Gas Limited has made any additional visits to the Relevant Premises at the request of the Customer, other than in the normal course of its business;

(vii) any reasonable charges incurred where Southern Electric Gas Limited has made a visit to inspect or connect a Customer's Installation;

(viii) where the customers are connected to an independent Transporter's network, we reserve the right to charge the additional costs associated with supplying such customers.

18. Late payment

If any Bill or other Charges remain outstanding beyond the Due Date then Southern Electric Gas Limited shall be entitled to charge the Customer interest at the rate of 4% per annum above the prevailing base rate of the National Westminster Bank plc.

19. In the event the Customer does not provide the necessary direct debit instruction or withdraws it during the term of the Deemed Contract, then Southern Electric Gas Limited reserves the right to issue Bills under the Credit Method of Payment.