

DATED

2007

THAMES WATER UTILITIES LIMITED

and

LWS

Wholesale Supply Agreement

THIS AGREEMENT is dated the _____ day of _____ 2007
BETWEEN:-

- (1) **THAMES WATER UTILITIES LIMITED** Company Number 2366661 whose registered office is situated at Clearwater Court, Vastern Road, Reading RG1 8DB ("Thames" which expression shall include any statutory successor as water undertaker)
- (2) **LWS** Company Number whose registered office is situated at("the LWS")

WHEREAS:

- A. Thames is the statutory Water Undertaker for the area the subject of this Agreement and provides a range of Water Services
- B. The LWS is a Licensed Water Supplier under the terms of the Act
- C. Thames has agreed to provide the LWS use of the Supply System upon the terms and conditions set out in this Agreement
- D. This Agreement is made for the purposes of section 66A of the Act
- E. The Parties agree and acknowledge that the Supply System shall remain the property of or vested in Thames both during and after the term of this Agreement

NOW IT IS HEREBY AGREED AS FOLLOWS

1. DEFINITIONS

1.1 In this Agreement the following terms shall have the following meanings:-

Term	Definition
the Act	The Water Industry Act 1991

Business Day

a Day other than a Saturday or a Sunday or a public or bank holiday in England

Charges Scheme

Thames's published Charges Scheme under the provisions of the Act detailing the charges it shall make for providing its services

Combined License	Shall have the meaning as set out in Section 17A (6) of the Act
Competent Authority	The WRSA or any local, national or supra-national agency, authority, department, inspectorate, minister, official court, tribunal or public or statutory person of the United Kingdom or the European Union which has jurisdiction over Thames or an LWS or the subject of this Agreement
Confidential Information	Shall have the meaning given in clause 18
Connection Charge	The charge payable to Thames to cover the direct cost of works and materials required to connect a premises to its main
Customer Annex	A completed document signed by the LWS and Thames in the form of the pro forma in Annex 2 to this Agreement relating to each and every LWS Customer in the Thames area served by Thames as water undertaker for which LWS requires a wholesale supply of water.
Customer Guarantee Scheme	Shall mean Thames's Customer Guarantee Scheme, subject to any amendments made by Thames from time to time
Customer Transfer Protocol	The Customer Transfer Protocol published by the WRSA in November 2005 or any amendment or replacement thereof
Day	One calendar day
Discontinuance Notice	Shall have the meaning given in clause 15
Dispute	Disagreement between the Parties
Due Date	The date that Supply Charges are payable under the provisions of Schedule 2 and Clause 5

EIR	The Environmental Information Regulations 2004
EIR Exemption	Any applicable exemption to the EIR
Exempted Information	Any information or category of information, document, report, contract or other material containing information relevant to this Agreement that has been designated by the mutual agreement of the Parties as potentially falling within a EIR Exemption
Exit Point	The controlling stop valve being the point on the Supply System where the LWS is permitted to draw off an agreed supply to service its customer(s)

Feasibility Study The study (if applicable) carried out by or on behalf of Thames in relation to the LWS's application for use of the Supply System a copy of which is annexed hereto at Annex 1

Force Majeure Shall have the meaning given in clause 8.1

Group		Either Party and any of its subsidiaries holding companies or any subsidiary of any such holding company (as such terms are defined in the Companies Act 1985)
Instrument Appointment	of	An Instrument of Appointment granted under the Act to enable a party to provide water services to a defined geographical area
Intellectual Property		Copyright, confidential information, design rights, topographical rights, patents, trade marks (registered or unregistered), service marks, registered designs or any applications thereof, and all other intellectual or industrial property rights of a similar nature
Legal Requirement		Any order of a Competent Authority or Act of Parliament, Directive, regulation or licence, consent or similar permission issued by a Competent Authority including an Instrument of Appointment
Licensed Supplier	Water	Means a company which is the holder for the time being of a Water Supply Licence under the terms of the Act
LWS Customer(s)		Person(s) being provided with water services by the LWS via a Wholesale Supply Agreement
LWS Default		Shall have the meaning given in clause 15
LWS Equipment		Means the telemetry or flow management equipment installed by the LWS in accordance with Schedule 1.
LWS's Works		Where applicable all of the works necessary to comply with LWS's obligations under this Agreement such works as are described in any Customer Annex
Modification		Shall have the meaning given in clause 23

a Party	By reference to this Agreement shall mean Thames or the LWS and “the Parties” shall mean Thames and the LWS
Pipework	Pipes that are owned and maintained by the LWS or a third party other than Thames
Retail Licence	Shall have the meaning as set out in Section 17A (4) of the Act
Standard Service	Shall mean the level of service relating to the Supply System that is received by Thames’s own customers, but shall not include any entitlement to payment under the Customer Guarantee Scheme.
Supply Charges	The charges levied by Thames for use of the Supply System as set out in Schedule 2

Supply System Shall mean that part of the supply system of Thames by reference to the meaning given to the supply system of a water undertaker in Section 17 B (5) of the Act which will be used to supply water to the LWS under this Agreement

Supply System Configuration Changes	Where applicable all of the works on the Supply System necessary to accommodate a supply to an LWS Customer such works as are described in any Customer Annex
Termination	Termination of this Agreement for whatever reason
Termination Date	Shall have the meaning given in Clause 15
Undertaker	A company appointed to provide water and/or sewerage services to a defined geographical area, acting under an Instrument of Appointment under the Act
Water Meter	A device installed at an Exit Point to measure the quantity of water delivered to an LWS Customer's premises
Water Quality	Properties of water defined by reference to specific criteria specified by the Legal Requirements
Water Quality Regulations	The Water Supply (Water Quality) Regulations 1989 and 2000 and all amendments.
Water Services	The collection, treatment and distribution of water for domestic and non-domestic purposes as defined by the Act
Water Supplies	Means the quantities of water required by the LWS Customers set out in the Customer Annex
Water Supply Licence	Shall have the meaning as set out in Section 17A of the Act
WRSA	Water Services Regulation Authority or other government body which serves as the economic regulator for the water industry in England and Wales from time to time.
the Thames Licence	The Instrument of Appointment held by Thames as a statutory water undertaker under the terms of the Act

- 1.2 References to any statute, or to any statutory provision, statutory instrument, order or regulation made thereunder, includes that statute, provision, instrument, order or regulation as amended, modified, consolidated, re-enacted, or replaced from time to time, whether before or after the date of this Agreement and also includes any previous statute, statutory provision, instrument, order or regulation, amended, modified, consolidated, re-enacted or replaced by such statute, provision, instrument, order or regulation but excludes any such thing having retrospective effect
- 1.3 All references to a statutory provision shall be construed as including references to all statutory instruments or orders, regulations or other subordinate legislation made pursuant to that statutory provision
- 1.4 Unless the context otherwise requires, references to the singular include the plural, references to any gender include all other genders, and references to "persons" shall include bodies corporate, unincorporated associations and partnerships
- 1.5 A reference in this Agreement to any party shall include a reference to that party's successors and assigns
- 1.6 The Schedules and any Annexes to this Agreement shall form part of this Agreement
- 1.7 Words importing persons shall include firms and corporations and vice versa
- 1.8 Words importing the singular shall include the plural and vice versa
- 1.9 Clause headings are for ease of reference only and shall not affect the interpretation of this Agreement or of the clause to which they relate
- 1.10 References to "include" or "including" shall be construed without limitation to the generality of the words
- 1.11 To the extent that there is a conflict between or ambiguity relating to a Customer Annex and this Agreement the terms set out in the Customer Annex shall prevail
- 1.12 Words and expressions defined in the Companies Act 1985 (as amended) shall have the same meanings when used in this Agreement unless the context otherwise requires

2. COMMENCEMENT AND TERM

- 2.1 This Agreement shall subject as provided below come into effect on the [] and shall continue in force unless terminated in accordance with the provisions of clause 15.
- 2.2 In the interests of maintaining an efficient, equitable and sustainable use of the Supply System in accordance with guidance issued by a Competent Authority, three months before each five year anniversary of the commencement of this Agreement or on the notice of a Competent Authority of the coming into force of a change in Legislation affecting this Agreement the Parties shall enter into

discussions regarding the operation of the Agreement since the commencement of the last review (as appropriate) and its possible amendment for the next five year period.

- 2.3 In particular the Parties shall take into account:
 - 2.3.1 The experience of the Parties in operating this Agreement for the previous period;
 - 2.3.2 Any changes since the last review of changes in Legal Requirements;
 - 2.3.3 Any changes in non statutory guidance issued by a Competent Authority;
 - 2.3.4 Current practice in the water industry in the United Kingdom regarding the operation of a Wholesale Supply Agreement.

The Parties shall use their best endeavours to come to an agreement regarding the amendments (if any) requested by a Party as a result of the matters listed in Clause 2.3 above, and any such agreement shall be recorded in writing and signed on behalf of both parties and shall have the effect of amending this Agreement from the beginning of the next review period. If amendments to the Agreement are requested by one Party and an agreement is not reached at least 6 (six) weeks prior to the relevant anniversary then the matter shall be submitted to the dispute resolution mechanism set out in Clause 12

3. USE CONDITIONS

- 3.1 The LWS confirms and warrants that he holds a Retail or Combined Licence
- 3.2 The provisions of this Agreement are conditional upon the production by the LWS of the Security Deposit (if applicable) referred to in clause 24;

4. SUPPLY TO LWS CUSTOMERS VIA THE SUPPLY SYSTEM

- 4.1 In consideration of the agreement on the part of the LWS herein contained, with effect from the commencement date and on the terms and conditions of this Agreement, Thames a) grants the LWS permission to have access to and use the Supply System; and b) agrees to provide the LWS with the Water Supplies.

5. CHARGES

- 5.1 In consideration of the provision of Water Services in accordance with clause 4.1 above, the LWS, (subject to the provisions of clause 5.2), subject to receipt of invoices from Thames and compliance by Thames with the terms of this Agreement, shall pay to Thames the Supply Charges as described, varied and set out in Schedule 2 and the Customer Annexes
- 5.2 Invoices for the Supply Charges shall be raised for periods agreed in the

Customer Annex .All Supply Charges shall be payable without any deduction or right of legal or equitable set-off

- 5.3 All amounts expressed as payable by an LWS pursuant to this Agreement and whether the amount thereof is set out in this Agreement or determined elsewhere are exclusive of any applicable Value Added Tax (“VAT”) and accordingly VAT shall be payable in addition to the Supply Charges at the rate from time to time in force against delivery of a valid VAT invoice

6. ENTITLEMENTS UNDER THE ACT

- 6.1 Nothing in this Agreement shall prevent Thames from exercising any entitlement or discharging any duty under the Act or pursuant to the Thames Licence which may involve the suspension of or the refusal to convey water to or allow water to be conveyed to any premises or allow water to be used for any specified purposes or at all by the owners or occupiers from time to time of any premises.
- 6.2 Where under the Act or pursuant to the Thames Licence Thames is not required to connect or maintain a connection of or has exercised or is entitled to exercise any right to disconnect or is required to disconnect any premises, or (having disconnected them) is not required to reconnect any premises or is entitled to refuse to convey water or to allow water to be conveyed to any premises or allow water to be used for any specified purposes or at all by the owners or occupiers from time to time of any premises, Thames shall not be in breach of its obligations under this Agreement
- 6.3 Thames shall inform the LWS (save in the case of emergency) as soon as reasonably practicable prior to the exercise of an entitlement as described under clause 6.2 above to disconnect or refuse to convey water or allow water to be conveyed or allow water to be used and shall notify the LWS as soon as reasonably practicable once such entitlement has been exercised

7. OWNERSHIP OF THE SUPPLY SYSTEM

- 7.1 Nothing within this Agreement alters Thames’s ownership of the Supply System or its responsibility to manage and operate the Supply System and this Agreement does not confer any responsibilities for ownership, maintenance or other use of the Supply System to the LWS or to the LWS Customer(s)
- 7.2 For the avoidance of doubt any financial contribution direct or indirect by the LWS to the improvement reinforcement and / or replacement of the Supply System does not give any right of ownership in respect thereof to the LWS and the Supply System shall be and remain the sole property of Thames at all times and the LWS shall not have any rights of use of the Supply System other than such rights as are specifically granted by this Agreement for the period this Agreement remains in force
- 7.3 For the avoidance of doubt, any LWS Equipment installed at Exit Points shall not be a part of the Supply System
- 7.4 Nothing in this Agreement shall prevent or restrict Thames from altering

amending expanding developing or re-developing its Supply System

8. FORCE MAJEURE

- 8.1 For the purposes of this Agreement, subject to clause 8.2, “Force Majeure” includes: -
- 8.1.1 war declared or undeclared, threat of war, act of public enemy, terrorist act, blockade, revolution, riot, insurrection, civil commotion, public demonstration, sabotage, act of vandalism;
- 8.1.2 strike, lockout or other industrial disturbance;
- 8.1.3 governmental restraint or the coming into force of any Legal Requirement;
beyond the reasonable control of either Party and which causes or results in the failure of the affected Party to perform or delay in performing any of its obligations owed to any other Party under this Agreement
- 8.2 Inability (however caused) to pay or a Legal Requirement which makes the carrying out of a Party’s obligations more expensive shall not be Force Majeure
- 8.3 The act or omission of any agent or contractor of a Party shall not be Force Majeure unless such act or omission is caused by or results from events and/or circumstances which would be Force Majeure within the meaning of clause 8.1 if such person were the affected party
- 8.4 Subject to clause 8.5, the affected Party shall be relieved from liability (including any requirement under this Agreement to make payment of any sum or to take any other action) for any delay or failure in the performance of any obligation under this Agreement which is caused by or results from Force Majeure
- 8.5 The affected Party shall be relieved from liability under clause 8.4 only for so long as and to the extent that the occurrence of Force Majeure and/or the effects of such occurrence could not be overcome by measures which the affected Party might reasonably be expected to take with a view to resuming performance of its obligations
- 8.6 Following any occurrence of Force Majeure the affected Party shall:-
- 8.6.1 as soon as reasonably practicable notify the other Party of the occurrence and nature of the Force Majeure, the expected duration thereof (insofar as the same can reasonably be assessed) and the obligations of the affected Party’s whose performance is affected thereby; and
- 8.6.2 from time to time thereafter provide to the other Party reasonable details of:-
- (a) developments in the matters notified under clause 8.6.1, and
- (b) the steps being taken by the affected Party to overcome the Force Majeure occurrence or its effects and to resume performance of its relevant obligations
- 8.7 For the avoidance of doubt a serious deficiency of supplies caused by an exceptional shortage of rain shall not constitute Force Majeure however the provisions of The Water Resources Act 1991 shall apply to the same

8.8 This clause shall not apply to the satisfaction of the use conditions set out in clause 3 above

9. LIABILITY

9.1 Neither Party shall in any circumstances be liable in respect of any breach of this Agreement or any Customer Annex to the other Party for

9.1.1 any indirect or consequential loss, loss of profit, loss of revenue, loss of use, loss of contract, loss of goodwill, or

9.1.2 from any costs resulting from the liability of a Party to any other person howsoever and whenever arising

9.2 Nothing in this Agreement shall limit or exclude either Party's liability for death or personal injury caused by negligence or for fraudulent misrepresentation

9.3 Where any provision of this Agreement provides for the payment of a specific or calculable sum by a Party in respect of the breach of any of the obligations under this Agreement the Parties agree that the payment of such sum shall be the sole remedy of the Party not in breach

9.4 Nothing in this clause 9 shall prevent any Party from or restrict it in enforcing any obligation (including suing for a debt) owed to it under or pursuant to this Agreement

9.5 Nothing in this clause 9 shall constitute a waiver by either Party of any right or remedy in respect of a breach by the other Party of any Legal requirement

9.6 Nothing in this Agreement shall be construed as imposing upon Thames any obligation or duty to, or enforceable by an LWS Customer and the LWS shall not make any commitment to any LWS Customer binding on or purporting to bind Thames

9.7.1 Nothing in this Agreement shall prevent Thames from exercising any right or remedy which it may have against an LWS Customer at law or pursuant to the Act or otherwise

10. COMPENSATION

10.1 In the event that Thames shall be in breach of the terms and conditions of this Agreement as a result of which LWS's Customers suffer any loss of or reduction in the services provided to them by LWS and LWS incurs any liability to LWS's Customers to compensate them therefor, Thames shall indemnify and keep indemnified LWS from and against such compensation and shall reimburse the same to LWS on demand (subject to the provision of reasonable supporting evidence therefore) Provided that:

a) where the Customer has a remedy against Thames, this indemnity does not apply; and

b) Where the Customer does not have a remedy against Thames, in no circumstances shall Thames's liability to indemnify and keep indemnified the LWS under this Clause exceed the amount of compensation to which the LWS Customers would have been entitled in the same circumstances if they were customers of Thames.

11. INSURANCE

11.1 Both Parties shall maintain in force for the duration of this Agreement, at their own cost, such insurance policies as are reasonable and adequate having regard to its obligations and liabilities under this Agreement but including without limitation:

11.1.1 public liability insurance for a minimum of five million pounds (£5,000,000); and

11.1.2 employer's liability insurance for a minimum amount of cover of five million pounds (£5,000,000)

11.2 Such policies shall be unlimited in terms of the number of claims during the period of cover, subject to the maximum liability under the policy in question

12. DISPUTE RESOLUTION

12.1 The parties will use their best endeavours, in good faith and in a timely manner, to negotiate a settlement to any Dispute.

12.2 In the event of a Dispute which cannot be resolved by negotiation:

12.2.1 if the dispute is within the jurisdiction of the WRSA, either party shall be

entitled to refer the same thereto for determination

- 12.2.2 if the dispute is within the jurisdiction of the Secretary of State, either party shall be entitled to refer the same thereto for determination;
- 12.2.3 if the dispute relates to water quality and:
 - a) is within the jurisdiction of the Chief Inspector of the Drinking Water Inspectorate; or
 - b) the parties are otherwise prepared to refer it to the Chief Inspector for adjudication and the Chief Inspector is prepared to so adjudicate,either party in relation to Clause 12.2.3(a) shall be entitled to and both parties in relation to Clause 12.2.3(b) shall refer the same thereto for determination or adjudication as the case may be;
- 12.2.4 any dispute not falling to be determined under sub-clauses 12.2.1, 12.2.2 or 12.2.3 hereof, shall be referred for determination by arbitration in accordance with the Arbitration Act 1996, by either party to an arbitrator agreed between them or failing agreement, appointed by the President for the time being of Chartered Institute of Water and Engineering Management on the application of either party; the decision of any such arbitrator both as to the substance of the dispute referred to him and as to the responsibility for costs of the arbitrator's determination, to be binding on the parties unless there is evidence of manifest error.

13. INTELLECTUAL PROPERTY RIGHTS

- 13.1 All Intellectual Property and data owned or duly licensed by each Party during the term of this Agreement in relation to the operation or maintenance of the Network, shall remain vested in that Party and the other Party shall acquire no proprietary rights in or licence to use such Intellectual Property without the express written agreement of the Party in which it is vested.
- 13.2 Where pursuant to this Agreement LWS provides or arranges for the provision of data to Thames:
 - 13.2.1 such data (as provided to Thames by LWS) shall be the property of LWS; and
 - 13.2.2 LWS hereby grants to Thames a perpetual, non-exclusive, royalty-free licence (which shall survive any termination of this Agreement) in respect of such data and all intellectual property rights therein to use, copy, adapt and deal with such data for the purposes of performance and implementation of this Agreement and its water undertaking and for other purposes reasonably contemplated by this Agreement, but not otherwise.
- 13.3 Where pursuant to this Agreement Thames provides or arranges for the provision of data to LWS:
 - 13.3.1 such data (as provided to LWS by Thames) shall be the property of Thames;

and

- 13.3.2. Thames hereby grants to LWS a perpetual, non-exclusive, royalty-free licence (which shall survive any termination of this Agreement) in respect of such data to use and deal with such data for the limited purposes of performance and implementation of this Agreement and for no other or improper purpose.

14 COMPLIANCE WITH LEGAL REQUIREMENTS

- 14.1 The LWS and Thames shall be responsible for ensuring that all operations or activities that they (or their employees agents or contractors) carry out in pursuance of this Agreement comply at all times with all relevant Legal Requirements and with all relevant regulations codes of practice guidance or directions whether or not notified to the other Party or issued by any other relevant Competent Authority
- 14.2 The LWS and Thames shall use their reasonable endeavours to ensure that at all times they are kept fully and accurately informed of all Legal Requirements and codes of practice guidance or directions relevant to the water industry which are relevant to the performance of their obligations under this Agreement.
- 14.3 Nothing in this Agreement shall restrict the ability of Thames to carry out any of its statutory obligations.

15 TERMINATION

- 15.1 This Agreement may terminate pursuant to clause 15.2.1, 15.4 or 15.6 and for the purposes of this Agreement the "Termination Date" is the date with effect from which (in accordance with clause 15.2.1 15.4 or 15.6) this Agreement terminates
- 15.2 The LWS may at any time by giving notice ("Discontinuance Notice") to Thames apply to terminate this Agreement
- 15.2.1 This Agreement shall not be allowed to terminate under this clause 15.2 until such time as:-
- (a) all amounts payable or (other than in respect of any recurrent charge becoming payable by reason only of the lapse of time after the date on which the last of the other requirements of this clause 0 is satisfied) which may become payable by the LWS to Thames pursuant to any provision of this Agreement have been paid in full; and
 - (b) any outstanding breach being a breach capable of remedy and of which Thames has given notice to the LWS by the LWS of any provision of this Agreement shall have been remedied
- 15.2.2 Where the LWS has given notice under this clause 15.2 the LWS and Thames shall remain bound by this Agreement to which the LWS is party until the requirements of clause 15.2.1 are satisfied;
- 15.2.3 Where the LWS has given notice under this clause 15.2, after the satisfaction of

the last of the requirements of clause 15.2.1 to be satisfied this Agreement shall terminate with effect from the [10th] Business Day following such satisfaction;

15.3 For the purposes of this clause there shall have occurred an “LWS Default” in relation to the LWS in any of the following events or circumstances:

15.3.1 where in relation to any amount (or amounts in aggregate) of not less than [£10,000] which has become due for payment by the LWS under this Agreement

- (a) the LWS has not paid the amount in full by the [10th] Business Day after the due date for payment, and
- (b) on or after the [10th] Business Day after the due date for payment Thames has given notice to the LWS requiring payment of such amount, and
- (c) the LWS has not paid such amount in full by the [20th] Business Day after the date of Thames’s notice under clause 15.2; or

15.3.2 where:-

- (a) the LWS is in material breach of any material provision (other than a payment obligation) of this Agreement; and
- (b) the breach is capable of remedy by the LWS; and
- (c) Thames has given notice (making reference to this clause 15.3) of such breach to the LWS; and
- (d) within 14 Days after Thames’s notice under clause 15.2, the LWS does not either:
 - (i) remedy the breach in all material respects, where the breach is capable of remedy within such period of 14 Days; or
 - (ii) where the breach is not so capable of remedy, provided to Thames a programme (setting out the steps to be taken by the LWS and the timetable for taking such steps) for the remedy of the breach as soon as is reasonably practicable; and

(e) in the case in clause 15.3.2 (d) (ii); the LWS does not:

- (i) remedy the breach in all material respects with all reasonable diligence and so far as reasonably practicable in accordance with the programme provided under that clause or a revised programme pursuant to clause 15.3.2 (e)(ii); and
 - (ii) where notwithstanding the reasonable diligence of the LWS it is not reasonably practicable for the LWS to remedy the breach in accordance with that programme, provide to Thames a revised such programme; and
- (f) the breach remains unremedied in any material respect after the expiry of 7 Days after a further notice by Thames to the LWS to the effect that the LWS has not complied with clause 15.3.2 (d) or (e) or

15.3.3 where:

- (a) the LWS is in material breach of any relevant provision (other than a payment obligation) of this Agreement; and

- (b) the breach is not capable of remedy; and
- (c) Thames has given notice (making reference to this clause 15.3) of the breach to the LWS; and
- (d) At any time within the period of 12 months following Thames's notice under clause 15.3.3 (c), there occurs a further material breach by the LWS of the same provision of this Agreement; and
- (e) Thames has given a notice of such further breach to the LWS and a period of 7 Days has expired following such notice; or

15.3.4 where:

- (a) the LWS is unable to pay its debts (within the meaning of Section 123(1) or (2) of the Insolvency Act 1986, but subject to clause 15.4), or any voluntary arrangement is proposed in relation to it under Section 1 of that Act or it enters into any composition or scheme of arrangement (other than for the purpose of a bona fide solvent reconstruction or amalgamation); or
- (b) the LWS has a receiver (which expression shall include an administrative receiver within the meaning of Section 29 of the Insolvency Act 1986) of the whole or any material part of its assets or undertaking appointed; or
- (c) the LWS has an administration order under Section 8 of the Insolvency Act 1986 made in relation to it; or
- (d) the LWS passes any resolution for winding-up (other than for the purpose of a bona fide solvent reconstruction or amalgamation); or
- (e) the LWS becomes subject to an order by the High Court for winding-up; or

15.3.5 where the LWS no longer holds a Retail or Combined Licence

15.3.6 where any material governmental or other licence, consent or authority required by the LWS to enable it to observe or perform any of its obligations under this Agreement ceases to be in full force and effect so that it becomes unlawful for the LWS to observe or perform any of its obligations hereunder;

15.3.7 the continuation of a Force Majeure event affecting the LWS for a period of time which in the reasonable opinion of Thames materially prejudices compliance by the LWS of its obligations to Thames;

15.4 For the purposes of clause 15.3.4(a), Section 123(1)(a) of the Insolvency Act 1986 shall have effect as if for “£750” there was substituted [“£10,000”]; and the LWS shall not be deemed to be unable to pay its debts for the purposes of that Section if any such demand as is mentioned in the said Section is being contested in good faith by the LWS with recourse to all appropriate measures and procedures

15.5 Upon the occurrence of an LWS Default, and at any time after such occurrence at which the LWS Default is continuing, Thames may give notice (“Termination Notice”) to the LWS to the effect that the LWS shall cease to be allowed use of the Supply System with effect from the date (which may be any date on or after the date on which the notice is given) specified in the notice

15.6 Where Thames gives a Termination Notice to the LWS, with effect from the date specified in the notice, this Agreement shall terminate

- 15.7 The giving of a Termination Notice and the application of clause 15.6 shall not affect the rights and obligations of Thames and the LWS under this Agreement accrued up to the date referred to in clause 15.6, which shall continue to be enforceable notwithstanding that clause
- 15.8 Where Thames has given a Termination Notice it shall be entitled to inform such persons as it thinks fit that it has done so, including the Director, the LWS Customers and any person from whom Thames believe the LWS to have purchased water for delivery to the Supply System
- 15.9 For the purposes of clause 15.3.2(a) and 15.3.3(a) the following breaches are excluded:
- 15.9.1 a breach which results from a breach by Thames of this Agreement,
- 15.9.2 a breach other than a wilful breach of a provision of this Agreement where this Agreement specifically provides some other remedy for such breach and such other remedy may reasonably be considered to be adequate in the circumstances
- 15.10 For the purposes of clause 15.3 a breach is a material breach of a relevant provision of this Agreement where and only where:
- 15.10.1 in the case of a material provision, the breach is wilful or reckless, or
- 15.10.2 in the case of any provision, as a result of the breach Thames or the LWS is in material breach of any material provision of this Agreement or any Legal Requirement or incurs any material liability or expense

16 CONSEQUENCES OF TERMINATION

- 16.1 Thames shall arrange for final meter readings to be taken and final invoices to be rendered
- 16.2 Except where expressly stated to the contrary, the rights and obligations of the Parties under this Agreement shall cease immediately upon Termination however any Termination shall be without prejudice to the operation or continued operation of clauses 5, 9, 13, 16 or 18 of this Agreement and any other provisions of this Agreement which are capable of operating or expressed to operate after Termination

17 INTERIM SUPPLIER

- 17.1 The LWS shall serve a notice on Thames upon the LWS ceasing to supply water to any premises of an LWS Customer informing Thames to that effect.
- 17.2 Upon the LWS ceasing to supply water to any premises of an LWS Customer the LWS shall remain liable for the Supply Charges for any water supplied to those premises until the earlier of ;
- 17.2.1 Thames receiving a notice in accordance with clause 17.1 above; or
- 17.2.2 Thames receiving notice that the provisions of section 63AC (1) of the Act apply
- 17.3 In the event that LWS shall fail to supply water to LWS's Customers in circumstances in which the statutory interim duty of supply upon Thames under

section 63AC of the Act arises, Thames confirms to LWS that it will fulfil such duty to such LWS's Customers in accordance with and subject to the limitations set out in such section.. the charges for any such supply by Thames shall be determined in accordance with section 63AC of the Act and shall be payable by the LWS's Customers to Thames

18 INFORMATION AND CONFIDENTIALITY

- 18.1 The confidentiality obligations contained herein shall supersede the terms of the Confidentiality Agreement between the Parties dated [] in respect of all matters relating to this Agreement.
- 18.2 Where under the provisions of this Agreement either Party is required to disclose information to the other the requirement shall be to only disclose information as is reasonably necessary to enable each Party to undertake their respective obligations under this Agreement
- 18.3 The LWS and Thames shall each procure that all confidential information which may already have come into its ownership, possession or control or of a Group company pursuant to or in the course of the negotiation, implementation or performance of this Agreement relating to the affairs of the other or its operation or management, or otherwise in connection with or in anticipation of the performance of this Agreement (hereinafter referred to as "the Confidential Information"), shall:-
- 18.3.1 not be used for any purpose other than the performance of this Agreement and the carrying on of a water [and sewerage] undertaking business, the operation, administration, maintenance and development of the Supply System
- 18.3.2 not be disclosed during the continuance of this Agreement to any third party (other than a Competent Authority requiring such disclosure) except insofar as this may be required for the proper operation of this Agreement, and then only under appropriate conditions of confidence approved by the other; and
- 18.3.3 not after Termination be used for any purpose whatever or disclosed to any third party
- 18.4 Upon Termination, each Party shall procure that all documents and other written material (including material on disks and tape) containing Confidential Information relating to the other Party shall be returned (together with all copies thereof) to the other Party
- 18.5 Each Party shall take such steps as the other Party may from time to time reasonably require:-
- 18.5.1 to take all reasonable steps to ensure that each Authorised Representative to whom it discloses such Confidential Information is made aware of the provisions of this Agreement and observes the obligations contained herein
- 18.5.2 to endeavour to procure (if requested) that any person or persons employed in performing work in connection with this Agreement stipulated from time to time by the other Party shall give a written undertaking direct to the other Party in a form and terms consistent with the terms of this Agreement;

- 18.5.3 to inform the other Party immediately if it comes to the notice of a Party that any Confidential Information has been improperly disclosed or misused; and
- 18.5.4 to prevent (including if necessary and if economically viable, by the commencement and prosecution of any legal proceedings the improper disclosure or misuse of any Confidential Information, and in this connection to promptly give to the other Party such information about any legal proceedings or proposed legal proceedings) of whatever kind; and at the expense of the other Party to take such steps in connection with any legal proceedings or proposed legal proceedings as the other Party may from time to time reasonably and properly require and pursue such other remedies as the other Party may from time to time reasonably and properly require
- 18.6 For the purposes of clause 18.3:
- 18.6.1 information obtained by a Party in the course of the negotiation of this Agreement shall be Confidential Information only insofar as such information was obtained in writing;
- (a) the following information shall (without prejudice to the generality of clause 18.2) be treated as information relating to the affairs of an LWS:
- (i) the identity, address and any other details of a supplier or LWS Customer, or any representative thereof, insofar as disclosed by the LWS to Thames pursuant to or for the purposes of this Agreement;
 - (ii) (without prejudice to clause 0) information provided by the LWS to Thames pursuant to Schedule 1 and details of the LWS's record of payment of charges under this Agreement
- 18.6.2 the following information shall (without prejudice to the generality of clause 18) be treated as relating to the affairs of Thames:
- information provided by Thames to the LWS to Thames in relation to its assets, operations and performance pursuant to or for the purposes of this Agreement
- 18.7 The terms of this Agreement are Confidential Information
- 18.8 For the avoidance of doubt, the provisions of this Agreement are without prejudice to the requirements of The Data Protection Act 1998 and the obligations of the Parties to comply with the same
- 18.9 Where Confidential Information is disclosed by either Party as permitted under clause 18.3 the receiving Party shall (without prejudice to its obligations under this clause 18) take all reasonable steps to secure that the person to whom the information is disclosed:-
- 18.9.1 is aware of the receiving Party's obligations under this clause 18 in relation thereto, and
- 18.9.2 does not use or disclose the information other than as is permitted of such Party in accordance with this clause 18
- 18.10 Nothing in clause 18.3 shall apply:
- 18.10.1 to the disclosure or use by the receiving Party of Confidential Information to which the other Party has consented in writing;

18.10.2 to any Confidential Information which:

- (a) before it is obtained by the receiving Party is in the public domain; or
- (b) after it is obtained by the receiving Party enters the public domain, in either case otherwise than as a result of a breach by the receiving Party of its obligations under this clause 18;

18.10.3 to the disclosure of any Confidential Information to any person if and to the extent that the receiving Party is required to make such disclosure to such person or such disclosure relates to a Dispute if such disclosure is made in good faith:

- (a) in compliance with the duties of the receiving Party under the Act or any other requirement of a Competent Authority; or
- (b) in compliance with the conditions of the Thames Licence or (as the case may be) the Instrument of Appointment held by the LWS or any document referred to in such Instrument of Appointment with which the receiving Party is required by virtue of the Act or such Instrument of Appointment to comply; or
- (c) in compliance with any other Legal Requirement; or
- (d) in response to a requirement of any stock exchange or regulatory authority or the Panel on Take-overs and Mergers; or
- (e) pursuant to any judicial or other arbitral process or tribunal having jurisdiction in relation to the receiving Party; or

18.10.4 to any Confidential Information to the extent that the receiving Party is expressly permitted or required to disclose that information under the terms of any agreement or arrangement made with the other Party or to which the other Party is a party;

18.10.5 to the disclosure of Confidential Information to any lending or other financial institution proposing to provide or arrange the provision of finance to the receiving Party, where and to the extent that the disclosure of such information is reasonably required for the purposes of the provision or arrangement of such finance, and provided that the person to whom the information is disclosed undertakes in writing to and in terms reasonably satisfactory to the other Party to maintain the confidentiality of such information;

18.10.6 to the disclosure of Confidential Information to any insurer proposing to provide or arrange the provision of insurance to the receiving Party, where and to the extent that the disclosure of such information is reasonably required for the purposes of the provision or arrangement of such insurance, and provided that the person to whom the information is disclosed undertakes in writing to and in terms reasonably satisfactory to the other Party to maintain the confidentiality of such information;

18.10.7 to the disclosure of any Confidential Information to the Director, where the receiving Party considers in good faith that the other Party may be in breach of a condition of their Instrument of Appointment, to the extent reasonably necessary to draw such possible breach to the attention of the Director;

18.10.8 to the disclosure of any Confidential Information to any person proposing to make a connection directly or indirectly to the Supply System, where and to the

extent that the disclosure of such information is reasonably required for the purposes of supporting Thames's charges or requirements to allow such proposed connection to the Supply System to be made and provided that the person to whom the information is to be disclosed is informed in writing of the confidentiality of such information and that prior to disclosure, such person has entered into a confidentiality agreement with Thames which prohibits use or disclosure of such Confidential Information in terms no less onerous than those contained in this clause 18

- 18.11 Nothing in clause 18.3 shall apply to the disclosure by Thames of Confidential Information to the WRSA where such information is accessible by the Director
- 18.12 The provisions of clauses 18.3 to 18.11 shall continue, for a period of 3 years after the Discontinuance Date, to bind the LWS and Thames, notwithstanding that the LWS has ceased to be a user of the Supply System and irrespective of the reason for such cessation
- 18.13 Nothing in this Agreement shall be construed as requiring: a) Thames to disclose or use any information in breach of any requirement of the Thames Licence; or
- b) the LWS to disclose or use any information in breach of any requirement of its Retail or Combined Licence
- 18.14 Subject to clause 18.15.1, the data, including metering data, which is processed by or recorded or maintained by Thames (including all intellectual property rights in such data) shall belong to Thames; and subject to clause 18.15.2 Thames may, but without prejudice to clause 18.3 or any other requirement of this Agreement, use and deal with such data as it thinks fit
- 18.15 Where pursuant to this Agreement the LWS provides or arranges for the provision of data to Thames:
- 18.15.1 such data (as provided to Thames by the LWS) shall belong to the LWS;
- 18.15.2 the LWS hereby grants to Thames a perpetual, non-exclusive, royalty-free licence (which shall survive the LWS Discontinuance Date) in respect of such data and all intellectual rights therein to use, copy, adapt and deal with such data for the purposes of performance and implementation of this Agreement and its water undertaking and for other purposes contemplated by this Agreement, but not otherwise;
- 18.15.3 clause 18.13 shall apply in respect of data derived (pursuant to any process) by Thames from such data and in all compilations created by or on behalf of Thames of such data

19 ENVIRONMENTAL INFORMATION REGULATIONS

- 19.1 The Parties recognise that they are subject to legal duties, which may require the release of information under the EIR and may be under an obligation to provide information on request. Such information may include matters relating to, arising out of or under this Agreement in any way.
- 19.2 The Parties recognise that each request for information must be considered individually.

- 19.3 Notwithstanding anything in this Agreement to the contrary including, but without limitation, the general obligation of confidentiality imposed on the Parties pursuant to clause 18, in the event that either Party (“the Relevant Party”) receives a request for information under the EIR, the Relevant Party shall be entitled to disclose all information and documentation (in whatever form) as necessary to respond to that request in accordance with the EIR PROVIDED ALWAYS that where the information requested is information that has been given to the Relevant Party by the other Party (“the Other Party”), the Relevant Party:
- 19.3.1 shall use reasonable endeavours to consult the Other Party as soon as reasonably practicable and the Other Party agrees to respond to such consultation within 7 Days of receiving the consultation notice;
- 19.3.2 shall not disclose any information that the Parties have agreed is Exempted Information and shall rely on the EIR Exemption, at the Other Party’s request and cost, and use reasonable endeavours to ensure that the Exempted Information remains withheld, including the lodging of any appeal against a decision by the Information Commissioner in relation to the request;
- 19.3.3 In the event that the Relevant Party incurs any costs, including but not limited to external legal costs, in seeking to maintain the withholding of the information, including but not limited to responding to information notices or lodging appeals against a decision of the Information Commissioner in relation to disclosure, the Other Party shall indemnify the Relevant Party, save that the Relevant Party shall use reasonable endeavours to consult the Other Party before incurring any such costs and comply with all reasonable requirements of the Other Party before incurring such costs and shall permit the Other Party to take over the sole conduct of the matter if it so chooses.

20 NOTICES

- 20.1 References in this clause 20 to a notice are to a notice or communication to be given by one Party to the other under this Agreement
- 20.2 Any notice shall be in writing and shall be addressed to the recipient Party at the recipient Party’s address, designated e-mail address or facsimile number referred to in Schedule 1 and marked for the attention of the representative (identified by name or title) referred to in that Schedule, or to such other address or facsimile number and/or marked for such other attention as the recipient Party may from time to time specify by notice given in accordance with this clause 20 to the other giving the notice
- 20.3 The initial address, designated e-mail address or facsimile number of a Party, and representative for whose attention notices are to be marked, shall be as specified in Schedule 1
- 20.4 Any notice given by delivery shall be given by letter delivered by hand, and any notice given by post shall be sent by first class prepaid post (airmail if overseas)
- 20.5 Any notice shall be deemed to have been received:
- 20.5.1 in the case of delivery by hand, when delivered; or

- 20.5.2 in the case of first class prepaid post, on the second Day following the day of posting or (if sent airmail overseas or from overseas) on the fifth day following the day of posting; or
- 20.5.3 in the case of e-mail or facsimile, on acknowledgement by the recipient Party's e-mail or facsimile receiving equipment
- 20.6 Where a notice is sent by e-mail or facsimile:
 - 20.6.1 the Party giving the notice shall (but without prejudice to clause 0) if requested by the recipient Party, re-send as soon as reasonably practicable the notice by post; and
 - 20.6.2 in the case of a Termination Notice, Thames shall in any event, within 2 Days following the sending of such e-mail or facsimile, send to the LWS a copy of the notice by first class prepaid post (airmail if overseas)
- 20.7 A Party may specify different addresses, e-mail addresses or facsimile numbers and representatives pursuant to clause 19.2 for the purposes of notices of different kinds or relating to different matters

21 ASSIGNMENT

- 21.1 The LWS may only assign its rights and obligations under this Agreement to another company which is for the time being a member of the same group of companies as the LWS for the purposes of an internal reorganisation or group restructuring PROVIDED THAT:-
 - 21.1.1 the assignee company is a Licensed Water Supplier and has complied with all other requirements which (if the person were the LWS) it would be required under Clause 3 to comply with ; and
 - 21.1.2 the provisions of Clause 24 are complied with in relation to the assignee company
- 21.2 Thames may only assign its rights and obligations under this Agreement to a person holds an Instrument of Appointment as an Undertaker under the Act
- 21.3 Except as provided in this Clause 21, a Party shall not assign or transfer and shall not purport to assign or transfer any of its rights or obligations under this Agreement.
- 21.4 Where a Party assigns its rights and obligations under this Agreement pursuant to this clause 21 the assigning Party shall be released from obligations under this Agreement arising after the time at which the assignment is effective, but shall remain liable for any obligations accruing up to such time

22 THAMES PERFORMANCE

- 22.1 In relation to exercising its discretions and performing obligations under this Agreement Thames shall at all times:-
 - 22.1.1 act in a reasonable and prudent manner in relation to the management and operation of the Supply System; and

- 22.2 For the avoidance of doubt the operation of this clause 22 shall not prevent Thames from performing any obligation under this Agreement
- 22.3 For the avoidance of doubt the provision of a wholesale supply by Thames under the provisions of section 66A of the Act is not exclusive to the LWS and the provisions of this Agreement shall not prevent or constrain Thames from providing access to or use of the Supply System to a third party Licensed Water Supplier

23 MODIFICATION

- 23.1 Subject to the provisions of clause 25.5 no modification to this Agreement or the provisions of any Customer Annex (“Modification”) may be made by the LWS or Thames otherwise than in accordance with the provisions of this clause 23
- 23.2 If either Party (“the Requesting Party”) wishes to make a Modification it shall complete and submit to the other Party (“the Receiving Party”) an application in writing
- 23.3 The Receiving party shall make a Modification Response to the Requesting Party as soon as practicable and in any event not more than one months after receipt by the Receiving Party of the application During such period Thames and the LWS shall discuss in good faith the implications of the proposed Modification
- 23.4 23.5 If the Modification Response is accepted by the Requesting Party this Agreement or the provisions of any Customer Annex as appropriate shall be varied to reflect the terms of the Modification Response and the Modification shall proceed according to the terms of this Agreement or the provisions of any such Customer Annex as so varied
- 23.6 If the Modification Response is not accepted by the Requesting Party, the provisions of Clause 12 (Dispute Resolution) shall apply for the purpose of settling any disputed items

24 GENERAL

- 24.1 This Agreement sets out the entire agreement between the Parties and supersede all prior representations, arrangements, understandings and agreements between the parties relating to the subject matter hereof and subject to clause 0 sets forth the entire complete and exclusive agreement and understanding between the Parties hereto relating to the subject matter hereof Neither Party has relied on any representation, arrangement, understanding or agreement (whether written or oral) not expressly set out or referred to in this Agreement
- 24.2 Nothing contained in a document or referred to in this Agreement, beyond what

- is expressly contemplated by this Agreement as being contained in such document or is necessary for the purposes of giving effect to a provision of this Agreement, shall modify or have any effect for the purposes of this Agreement or be construed as relevant to the interpretation of this Agreement
- 24.3 No failure to exercise nor any delay in exercising on the part of a Party to this Agreement any right of termination or any other right or remedy under this Agreement or otherwise howsoever arising shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or remedy prevent any further or other exercise thereof or the exercise of any other right or remedy The rights and remedies provided herein are cumulative and not exclusive or any rights or remedies provided by law
- 24.4 Nothing herein contained shall be construed as giving rise to the relationship of principal and agent (save as otherwise expressly provided herein) or partnership or joint venture
- 24.5 Without prejudice to the provisions relating to variation in clause 23 no alternative or variation of the terms of this Agreement shall be effective unless agreed to by both Parties in writing expressed to be a variation to this Agreement and signed by a WRSA on behalf of both Parties Thames and the LWS acknowledge that, because of the novel nature of this Agreement the provisions of Schedule 1 may be inaccurate or deficient in some manner Accordingly, each Thames and the LWS undertake to discuss in good faith the correct identification of the details of Schedule 1 with a view to amending the same as necessary to reflect the correct position To the extent that agreement on the proposed alternative, variation or amendment cannot be reached within 3 months the matter shall be referred to Dispute Resolution in accordance with Clause 10 of this Agreement and such details shall be amended accordingly following such agreement or determination (as the case may be)
- 24.6 If any term or provision of this Agreement shall be held to be illegal or unenforceable in whole or in part under any enactment or rule of law, such term or provision or part shall to that extent be deemed not to form part of this Agreement but the validity and enforceability of the remainder of this Agreement shall not be affected
- 24.7 Subject and without prejudice to the provisions of Schedule 3 the parties irrevocably agree that the courts of England are to have exclusive jurisdiction to settle any Disputes which may arise out of or in connection with this Agreement and that accordingly any suit, action or proceeding (collectively “proceedings”) arising out of or in connection with this Agreement may be brought in such courts
- 24.8 Unless a right of enforcement is expressly provided for in this Agreement it is not intended that a third party shall have the right to enforce any term of this Agreement pursuant to the Contract (Rights of Third Parties) Act 1999.
- 24.9 The construction, validity and performance of this Agreement shall be governed in all respects by exclusive Jurisdiction of English law
- 24.10 Every notice or other communication to be given by one Party to the other under this Agreement, shall be in the English language

SCHEDULE 1

Exit Point Information

1 Contact details

- 1.1 LWS name
- 1.2 Contact Details
 - Address
 - Telephone no
 - Fax no
 - E-mail address
 - Company Registration Number

2 Customer Transfer and Management

Customer Transfers

- 2.1 The LWS may transfer customers from Thames to itself by making an application in respect of each LWS Customer it wishes to transfer. Following the successful application, a new Customer Annex in respect of each new Customer will be signed by both parties and the LWS may then initiate the transfer of the customer via the Customer Transfer Protocol (CTP).
- 2.2 Where Thames has already been approached by a third party to transfer a customer to itself and the LWS subject to this Agreement has requested the transfer of the same Customer, Thames will assume that the transfer is being made to the third party making the initial approach unless or until evidence that the customer does not intend to transfer to that supplier is provided.
- 2.3 Where the LWS has requested the transfer of a customer from Thames or another supplier and the CTP process has not commenced within a period of 6 months of such request, Thames will assume that the transfer will not be going ahead and close negotiations. If the LWS subsequently wishes to progress the application transfer, on request Thames will offer a revised Customer Annex to take account of any changes that may have occurred in relation to charges or services available.

Customer Annexes

- 2.4 Attached are individual Customer Annexes in respect of all LWS Customers covered by this Agreement
- 2.5 Customer Annexes in respect of Individual LWS Customers covered by this Agreement may be added to or removed from this Agreement without the need to renegotiate this Agreement where the terms and conditions (other than the Supply Charges payable) not covered by the Customer Annexes for a wholesale supply in respect of the totality of LWS Customers remains the same.
- 2.6 Where the LWS advises Thames that it wishes to add a Customer Annex to this

Agreement, it will notify Thames at the earliest opportunity and complete the customer specific pro-forma application form to be found on Thames's web-site at www.thameswater.co.uk/networkaccess . Thames will provide the LWS with a draft Annex in respect of each new Customer on completion of the application and follow the process set out in the Director's Access Code Guidance.

- 2.7 Where the LWS wishes to remove a Customer from this Agreement, it shall give Thamesdays written notice
- 2.8 Following the signing of a Customer Annex in respect of an LWS Customer by both Parties, the Customer Annex will be appended to this Agreement on the completion of the successful transfer from one supplier to the LWS via the CTP.
- 2.9 A wholesale supply cannot be provided in respect of a customer until such time as a Customer Annex in respect of that customer has been signed by both Parties and a successful transfer of the customer to the LWS is achieved via the CTP.
- 2.10 Where the LWS wishes to vary the terms and conditions of service in respect of any LWS Customer covered by this Agreement, the conditions set out in clause 22 shall apply.

Customer Management

- 2.11 The LWS shall be the first point of contact for all general enquires and complaints relating to water supply services from LWS Customers.
- 2.12 Thames shall investigate any complaints regarding the Supply System and its operation referred to it by the LWS.
- 2.13 Where there are to be interruptions to supply then Thames shall, except in the case of emergencies, give reasonable advance notice to LWS Customers as it would with its own customers.
- 2.14 Communication with the LWS Customer relating to water supply services shall remain the responsibility of the LWS, unless direct contact by Thames is necessary for the carrying out of works.
- 2.15 The LWS shall supply LWS Customers with the correct contact details and procedures, along with an explanation of Thames's responsibilities with regard to problems with the Supply System.
- 2.16 In the event of LWS Customer(s) contacting Thames erroneously, and vice versa, each Party shall provide the LWS Customer with the appropriate correct contact details. 2.17 In the event that an LWS Customer wishes to revert from the LWS back to Thames for its water supply services, it shall be the responsibility of Thames to notify the LWS, along with the transfer date, within twenty Business Days of notification in writing by the LWS Customer of such wish.
- 2.17 In the event of Termination or the LWS ceases trading, the LWS shall notify LWS Customers that their water supply service will be undertaken by Thames, along with relevant contact details for Thames. The LWS shall also notify Thames of the need for LWS Customers to transfer (including transfers to other

Licensed Water Suppliers) and shall supply a full and up to date list of LWS Customer details, along with a date on which transfer shall take place. In any event Thames shall notify LWS Customers of the position within 12 hours of receiving such notification from the LWS.

- 2.18 The LWS shall be responsible for any financial enquiries from LWS Customer(s), and shall be responsible for billing and revenue collection activities in relation to the same.
- 2.19 The LWS shall inform Thames of LWS Customers' names, and addresses and other details, and of any changes in the LWS Customer base using the Supply System , reflecting Thames's Supply System management role. The LWS shall inform Thames if any additional LWS Customers are served within an existing premises supplied by the LWS, or of any modifications to buildings, including any alterations to existing premises that result in the creation of additional separately occupied properties or the merger of previously separately occupied properties. No alterations to pipework shall be made to supply water to new buildings or parts of buildings within an existing premises supplied by the LWS without the approval of Thames.
- 2.20 The LWS shall be responsible for supplying Thames with such details as Thames requires to ensure that vulnerable and other similar customers are protected. This shall include, but is not limited to, customers who are special consumers under the terms of Condition R of Thames's Instrument of Appointment.
- 2.21 Unless otherwise agreed, billing and LWS Customer information shall be supplied to Thames (at no cost to Thames) to enable it to charge for sewerage services. [Where the LWS operates in a third party Undertaker's sewerage undertaking area to enable that Undertaker to charge for sewerage services relevant billing and LWS Customer information shall be passed to the third party Undertaker to enable it to charge for sewerage services.]
- 2.22 All LWS Customers shall receive the Standard Service. Where LWS and Thames have agreed that a specific LWS Customer shall receive the level of service given to Thames's key account customers, , this will be recorded in the relevant Customer Annex.
- 2.23 Where authorised to do so by the LWS Customer, Thames shall advise LWS of any material changes to details relating to LWS Customer, including address, premise changes, new supply connections, metering details or customer details other than those changes notified to Thames by LWS

3 Metering

- 3.1 Except where there are existing meters in place, Thames (or the LWS where agreed otherwise) will, at the expense of the LWS, install the Water Meter and any associated apparatus at or as close as reasonably practicable to each Exit Point. Where the water Meter is located within the LWS Customer's premises, the LWS shall ensure that arrangements for its access to the meter remains in place for a meter reading to be obtained.
- 3.2 The Water Meter and any associated apparatus remain the property of Thames, who will be responsible for any necessary maintenance and replacement. If the LWS wishes to fit telemetry or other flow management devices to the Water Meter , it will obtain permission from Thames first, such permission not to be unreasonably withheld.

- 3.3 Where the Water Meter in place is unable to support the format of telemetry or flow management that the LWS requires, the LWS may request Thames to exchange it for one that will support its device. In carrying out such an exchange Thames will charge the LWS for the cost of the meter and associated work and apparatus.
- 3.4 Thames may estimate the meter reading for any unread period on the basis of average daily consumption calculated by reference to previous meter readings. Readings will be in the following format.

Meter Reference Number	Reading	Date of reading	Previous reading	Reading status* (A, C, U, LE, CE, UE,)

Reading Status is as follows

A Actual read from LWS or its agent

C LWS Customer read

U Thames read

LE LWS's estimate

CE LWS Customer's estimate

UE Thames estimate

Meter Accuracy

- 3.5 If the LWS is of the opinion that the amount shown on the register of any Water Meter is inaccurate, it may give Thames notice requiring the accuracy of the Water Meter to be tested.
- 3.6 The provisions of Regulation 6 of The Water (Meters) Regulations 1988 shall apply to any test of the Water Meter.
- 3.7 The reasonable expenses of any such test (including the cost of removing the Water Meter and providing a substitute) shall be met by Thames if the Meter is found to be inaccurate by more than 2.5% and by the LWS if the Water Meter is found to be inaccurate by 2.5% or less
- 3.8 If the Water Meter fails or is found to be inaccurate by more than 2.5% in accordance with a test carried out under sub-clause 6.3, such erroneous registration shall be deemed to have arisen not earlier than the first day of the last preceding month and the quantity of water supplied by Thames for the relevant period shall be taken to be such as Thames and the LWS shall agree or in default of such agreement, such as shall be settled under the disputes procedure Schedule 3.

Interference with Meters

3.9 The LWS shall take all reasonable steps to ensure that;

no person improperly breaks any seal affixed to any part of the Water Meter or tampers or otherwise interferes with any supply meter installation;
upon each visit to the Water Meter by any representative of the LWS or by any person engaged by the LWS to obtain an on-site Meter-Read, there is promptly reported to Thames any evidence which is or ought (having regard to the purpose for which that person is visiting the premises) to be apparent to such representative or person of any such seal or any such tampering or interference or otherwise of theft or attempt theft of water.

4 Disconnection of the LWS Customer[s]

4.1 Thames may disconnect the supply to a LWS Customer(s) subject to this Agreement during planned works where notice has been given to the LWS and / or the LWS Customer or without prior notice during an emergency or unplanned works where it is necessary to interrupt or disconnect the supply for operational reasons.

4.2 Thames will not disconnect the supply to the LWS Customer(s) as a result of any default on payment by the LWS where the Agreement remains in force and is not terminated or suspended.

4.3 Thames will not disconnect a supply to the LWS Customer(s) at the request of the LWS in the event of any default of payment or other dispute between the LWS and the LWS Customer(s).

4.4 The LWS may not use Thames apparatus including any stop tap or valve to effect the disconnection of the LWS Customer(s) except where such disconnection is required in the event of an emergency and where any such disconnection is made by the LWS it will notify Thames immediately using the contact points set out in the [Customer Annex] in respect of that LWS Customer.

5 Unmeasured Water Taken

5.1 Where any water taken from the Supply System has not been properly metered such adjustments shall be made in respect of the quantities treated as taken from the Supply System by the LWS as are required to ensure that the quantity of water estimated to be so taken is treated as taken by the LWS.

6 Fire Fighting

6.1 Where water is used by the LWS Customer or the LWS for the purposes of fire fighting or the testing of fire fighting equipment Thames will allow the LWS a credit for the volume of such water used providing that; the LWS notifies Thames in writing of the volume of water used and the dates on which it was used within 30 days of receiving the relevant invoice under clause 5.3; and any additional evidence of such use that Thames may reasonably require. Where notice is received from the LWS after an invoice has been issued by Thames the invoice will remain fully payable and any credit allowed by Thames will be made to a subsequent invoice.

SCHEDULE 2

Charges

1. General

The terms of this Agreement are subject to the payment by the LWS of the charges specified in this Schedule.

1.1 Definitions

1.1.1 Connection and Supply System Extension/Reinforcement Charge

The Connection and Supply System Extension/Reinforcement Charge, if applicable, is payable in respect of the cost of any Works incurred by Thames where necessary, in respect of reinforcement of the Supply System to accommodate the supply to LWS's Customer(s) via the Supply System. "Works" includes (inter alia) materials, design and supervision of construction, acquisition of rights or interest in land, and the reinstatement of any land.

1.1.2 Wholesale Access Charge

The charge for the provision of wholesale supplies to the LWS for the duration of this Agreement.

1.2 Billing and Debt

1.2.1 LWS shall be responsible for billing the LWS Customers and for the collection of monies due in respect of those bills.

2 Wholesale Access Charge

2.1 The Wholesale Access Charge shall be the charge calculated by applying the discount specified in respect of each LWS Customer in the relevant Customer Annex to the tariffs included in the Charges Scheme.

2.2 Thames will invoice the WSL for Supply Charges as soon as reasonably practical following receipt of readings from the Water Meter and payment of the Water Supply Charges will become due three days after the date of the relevant invoice.

AS WITNESS the hands of the parties hereto or their duly authorised representatives the date and year first before written

for and on behalf of **Water Undertaker)**
Limited)

for and on behalf of [**the LWS**])
ANNEX 1– FEASIBILITY STUDY
ANNEX 2 – CUSTOMER ANNEX

LWS Customer Name (including names of all of the parties in any consortium)
2 LWS Customer Registration Number

3 Nominated contact for LWS

Address
Telephone no
Fax no
E-mail address

4 Nominated contact for Thames

Address
Telephone no
Fax no
E-mail address

[Either party may change the details of their nominated contact at any time by giving notice to the other party]

5 Premises Details

Reference Number
Address
Telephone no
Fax no
E-mail address

6 Exit Point 10-digit grid reference

7 Meter Details

8 Charging Terms and Conditions

[Connection and Supply System Extension/Reinforcement Charge]

By [] the LWS shall pay a sum, or provide equivalent third party security, equal to [£] being the agreed initial estimate of the Connection and Supply System Extension/Reinforcement Charge, from which sums shall be drawn down by Thames to meet necessary payments as the construction continues. Thames shall commence these works on [to be agreed]. The actual Connection and Supply System Extension/Reinforcement Charge shall be calculated on the completion of the works and either a further sum shall be paid by the LWS or be re-paid by Thames (in either case within 30 Days of notification by Thames of the costs of the works). [Notwithstanding these provisions, the LWS may wish to choose who carries out the greater part of any necessary work on connections, in accordance with Thames self lay policies.]

Wholesale Access Charge

The LWS shall pay to Thames a charge in accordance with Table 1 below
[Table 1]

9 Start date and Duration

<u>1. DEFINITIONS</u>	2
<u>2. COMMENCEMENT AND TERM</u>	9
<u>3. USE CONDITIONS</u>	10
<u>4. SUPPLY TO LWS CUSTOMER(S) VIA THE SUPPLY SYSTEM</u>	10
<u>5. CHARGES</u>	11
<u>6. ENTITLEMENTS UNDER THE ACT</u>	11
<u>7. OWNERSHIP OF THE SUPPLY SYSTEM</u>	12
<u>8. FORCE MAJEURE</u>	13
<u>9. LIABILITY</u>	14
<u>10. COMPENSATION</u>	16
<u>11. INSURANCE</u>	16
<u>12. DISPUTE RESOLUTION</u>	17
<u>13. INTELLECTUAL PROPERTY RIGHTS</u>	18
<u>14 COMPLIANCE WITH LEGAL REQUIREMENTS</u>	19
<u>15 TERMINATION</u>	20
<u>16 CONSEQUENCES OF TERMINATION</u>	24
<u>17 INTERIM SUPPLIER</u>	25
<u>18 INFORMATION AND CONFIDENTIALITY</u>	25
<u>19 ENVIRONMENTAL INFORMATION REGULATIONS</u>	31
<u>20 NOTICES</u>	32
<u>21 ASSIGNMENT</u>	33
<u>22 THAMES PERFORMANCE</u>	34
<u>23 MODIFICATION</u>	35
<u>24 GENERAL</u>	37
<u>SCHEDULE 1</u>	39
<u>Exit Point Information</u>	39
<u>SCHEDULE 2</u>	47
<u>Charges</u>	47
<u>ANNEX 1– Feasibility Study</u>	51
<u>ANNEX 2 – Customer Annex</u>	52