



Smart Meters Programme Schedule 8.2

(Change Control) (CSP South version)

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Amendment History		
Version	Date	Status
v.1	Signature Date	Execution copy

**SCHEDULE 8.2
CHANGE CONTROL**

PART A – OVERVIEW

This Schedule 8.2 sets out the procedure for dealing with Changes and comprises the following parts:

Part	Scope
Part A	Overview
Part B	Definitions
Part C	General principles
Part D	Common Changes
Part E	Charging principles
Part F	Process for Changes
Part G	Urgent Changes
Part H	Operational Changes
Part I	Additional Services
Part J	Miscellaneous

The format and content of the Change Request Form, the Preliminary Assessment Form, the Impact Assessment Form and the Change Authorisation Note shall be finalised by the DCC within thirty (30) days of the Effective Date and such forms, as amended from time to time, will be appended to this Schedule in Appendices 1 to 4.

Main categories of Change

This Schedule 8.2 addresses the following main categories of Change:

Category	Meaning
"Common Change"	means any Change which may affect one or more of the DCC Service Providers or any part(s) of any services provided by any DCC Service Provider, or give rise to consequential changes that would need to be addressed under one or more of the DCC Service Provider Contracts.
"Contract Change"	means any Change to this Agreement (or the Services to be provided under this Agreement), other than an Operational Change.
"Operational Change"	means any change in the Contractor's operational procedures which complies with the requirements of paragraph 11.1 of Part H of this Schedule 8.2.

PART B – DEFINITIONS

1. DEFINITIONS

In this Schedule 8.2:

"Additional Service"	means any Service that the Contractor is not obliged to provide (or, at the request of the DCC, provide, including as identified in Schedule 2.7 (Catalogue Services)) at the time of the relevant Change Request;
"Additional Service Implementation Plan"	has the meaning given in Appendix 5;
"Additional Service Implementation Tests"	has the meaning given in Appendix 5;
"Additional Service PM Specs"	has the meaning given in Appendix 5;
"Baseline Contract"	has the meaning given in paragraph 15.4 of Part J of this Schedule 8.2;
"Change Authorisation Note"	means the form used by the parties to set out the agreed Contract Change and which shall be substantially in the form of Appendix 4 to this Schedule 8.2;
"Change Communication"	means any Change Request, Preliminary Assessment, Impact Assessment, Change Authorisation Note or other communication sent or required to be sent pursuant to this Schedule 8.2;
"Change Log"	means the change log to be maintained by the Contractor in accordance with paragraph 15 of Part J of this Schedule 8.2;
"Change Rejection Notice"	has the meaning given in paragraph 9 of Part F of this Schedule 8.2;
"Change Request"	means a written request for a Contract Change which shall be substantially in the form of Appendix 1 to this Schedule 8.2;
"Charges Adjustment"	has the meaning given in paragraph 4.1 of Part E of this Schedule 8.2;
"Common Change"	has the meaning given in Part A of this Schedule 8.2;
"Contract Change"	has the meaning given in Part A of this Schedule 8.2;

"Contractor's Change Manager"	means the person appointed to that position by the Contractor from time to time and notified in writing to the DCC;
"DCC's Change Manager"	means the person appointed to that position by the DCC from time to time and notified in writing to the Contractor;
"Impact Assessment"	means a detailed impact assessment of a Change Request substantially in the form of Appendix 3 to this Schedule 8.2 and as further described in paragraph 7 of Part F of this Schedule 8.2;
"Operational Change"	has the meaning given in Part A of this Schedule 8.2;
"Preliminary Assessment"	has the meaning given in paragraph 6.1 of Part F of this Schedule 8.2; and
"Urgent Change"	has the meaning given in paragraph 10 of Part G of this Schedule 8.2.

PART C – GENERAL PRINCIPLES

2. GENERAL PRINCIPLES

General obligations of the parties

- 2.1 The parties acknowledge and agree that:
- (a) both parties shall conduct discussions relating to proposed Changes in good faith and neither party shall act unreasonably in implementing the Change Control Procedure;
 - (b) the Contractor shall ensure that all proposals made by it in connection with this Schedule 8.2 offer a level of service which is commensurate with Good Industry Practice; and
 - (c) subject to Clause 53 (Change in Mandatory Requirements), the Contractor shall price all Changes in accordance with Part E of this Schedule 8.2.

Change in Mandatory Requirements

- 2.2 If a Change is required in order to comply with a Change in Mandatory Requirements, this Schedule 8.2 shall be subject to Clause 53 (Change in Mandatory Requirements).

Operational Changes

- 2.3 Operational Changes shall be subject to Part H of this Schedule 8.2. If either party (acting reasonably and in good faith) is in doubt at any time about whether a Change falls within the definition of an Operational Change, then it shall be processed as a Contract Change.

Contract Changes

- 2.4 Under this Change Control Procedure:
- (a) either party may request a Contract Change which it shall initiate by issuing a Change Request in accordance with paragraph 5 of Part F of this Schedule 8.2;
 - (b) the Contractor will assess and document the potential impact of a proposed Contract Change in accordance with paragraphs 6 and 7 of Part F of this Schedule 8.2;
 - (c) the DCC shall have the right to request amendments to an Impact Assessment, approve the proposed Contract Change or reject the proposed Contract Change in the manner set out in paragraph 8 of Part F of this Schedule 8.2;
 - (d) the Contractor shall have the right to reject a proposed Contract Change solely in the manner set out in paragraph 9 of Part F of this Schedule 8.2; and

- (e) unless otherwise agreed by the parties in writing (including in respect of an Urgent Change), no proposed Contract Change shall be implemented by the Contractor until such time as a Change Authorisation Note has been signed and issued in accordance with paragraph 8.2 of Part F of this Schedule 8.2.

This Schedule 8.2 is without prejudice to the specific arrangements contemplated by Clause 13.6 of this Agreement.

Obligation to implement Changes

- 2.5 Subject to paragraph 2.4(e), the Contractor acknowledges that all Changes proposed by the DCC must be carried out by the Contractor (except where it is entitled to serve a Change Rejection Notice).

Testing and implementation programmes

- 2.6 To the extent that any Contract Change requires testing and/or a programme for implementation, then the parties shall (unless otherwise specified by the DCC) follow the procedures set out in Schedule 6.1 (Implementation Planning) and Schedule 6.2 (Testing and Acceptance) and, where appropriate, the Change Authorisation Note relating to such a Contract Change shall specify any applicable Milestone(s) and Milestone Date(s) in respect of such Contract Change for the purposes of such procedures.

Position until Contract Change has been agreed

- 2.7 Until such time as a Change Authorisation Note has been signed and issued by the DCC's Change Manager on behalf of the DCC in accordance with this Schedule 8.2, then:
 - (a) unless the DCC expressly agrees otherwise in writing, the Contractor shall continue to supply the Services in accordance with the existing terms of this Agreement as if the proposed Contract Change did not apply; and
 - (b) any discussions, negotiations or other communications which may take place between the DCC and the Contractor in connection with any proposed Contract Change, including the submission of any Change Communications, shall be without prejudice to each party's other rights and remedies under this Agreement.

Use of PRINCE2 and other methodologies

- 2.8 In connection with the preparation, implementation, management and/or delivery of any Preliminary Assessment, Impact Assessment, Change Authorisation Note and/or any proposed Change, the DCC may (by reasonable prior notice to the Contractor's Change Manager) expressly require the Contractor to comply with any:
 - (a) PRINCE2 principles and/or methodologies; and/or
 - (b) other principles and/or methodologies consistent with Good Industry Practice.

Neither failure by the DCC to expressly require compliance with such principles and/or methodologies, nor full compliance by the Contractor with the same, shall relieve the Contractor of its liabilities and obligations under this Agreement.

PART D – COMMON CHANGES

3. APPROACH TO COMMON CHANGES

- 3.1 Where, at any time, the DCC (acting reasonably) considers that a Change under this Agreement is a Common Change, it may designate such Change as a Common Change.
- 3.2 The DCC may require that:
- (a) the Contractor (acting reasonably) considers any proposals or suggestions made by the DCC as to whether:
 - (i) the Contractor or a DCC Service Provider should take a specific role (including leading or acting as integrator) in relation to the Common Change; and/or
 - (ii) if the Contractor or another DCC Service Provider is best placed to coordinate work relating to the Change Request, Preliminary Assessment, Impact Assessment and/or Change Authorisation Note in relation to the Common Change;
 - (b) the Contractor and any DCC Service Provider affected by the Common Change co-operate in the preparation of any Change Request, Preliminary Assessment, Impact Assessment and/or Change Authorisation Note under this Schedule 8.2 in relation to the Common Change; and/or
 - (c) the Common Change is discussed (and the Contractor uses all reasonable endeavours to reach agreement) at one or more meetings of the Management Boards in accordance with Schedule 8.1 (Governance).
- 3.3 Without limiting the DCC's rights under paragraph 8 of Part F of this Schedule 8.2, when reviewing, rejecting or requesting amendments to a Change Request, Preliminary Assessment, Impact Assessment or Change Authorisation Note relating to a Common Change, the DCC shall take appropriate account of:
- (a) any impact of the Common Change on the Contractor and/or any of the DCC Service Providers (and the services provided by or on behalf of them); and/or
 - (b) any consequential changes that would need to be addressed under this Agreement or any DCC Service Provider Contract as a result of the Common Change.
- 3.4 The Contractor undertakes to co-operate with the DCC and the affected DCC Service Providers to:
- (a) assess the impact of any Common Changes on (i) this Agreement and any relevant DCC Service Provider Contracts and (ii) the Contractor and any affected DCC Service Providers (and the services provided by or on behalf of them); and

- (b) seek to agree an appropriate manner in which any such Common Changes may be implemented which either:
 - (i) wherever possible, has a positive impact on (i) this Agreement and any relevant DCC Service Provider Contracts and (ii) the Contractor and any affected DCC Service Providers (and the services provided by or on behalf of them); or
 - (ii) where this is not feasible, minimises any adverse impact on (i) this Agreement and any relevant DCC Service Provider Contract and (ii) the Contractor and any affected DCC Service Providers (and the services provided by or on behalf of them).

3.5 The Contractor acknowledges that its obligations under paragraphs 3.2 and 3.4 may include:

- (a) complying with the applicable provisions of Schedule 8.7 (Cooperation);
- (b) taking appropriate steps under any applicable Cooperation Agreement; and/or
- (c) participating in Management Board meetings in accordance with Schedule 8.1 (Governance),

in relation to the Common Change.

PART E – CHARGING PRINCIPLES

4. PRICING OF CHANGES

General principles

- 4.1 Any adjustment to the Charges (or any additional implementation charges) in relation to a Change (each, a "**Charges Adjustment**") shall:
- (a) be agreed in accordance with this Schedule 8.2; and
 - (b) subject to the remainder of this paragraph 4.1, be calculated in accordance with the principles and applicable rates set out in Schedule 2.7 (Catalogue Services) and/or Schedule 7.1 (Charges and Payments), as applicable.
- 4.2 The Contractor acknowledges that, under the SEC and the DCC Licence, the DCC is required to ensure that both (i) the provision of the Services and (ii) the Charges represent value for money for the SEC Parties and Consumers throughout the Service Period. Accordingly, the Contractor agrees that any Charges Adjustment proposed by it shall be reasonable, taking appropriate account of:
- (a) the nature and scope of the Change;
 - (b) the costs incurred by the Contractor in relation to the implementation and/or ongoing operation of the Change;
 - (c) where applicable, the impact of the Change on the Contractor's costs relating to the provision of the Services; and
 - (d) where applicable, the impact of the Change on the risk profile of the Contractor under this Agreement.

Requirements for Charges Adjustments

- 4.3 Any Charges Adjustment shall be subject to the Contractor:
- (a) taking all reasonable steps to minimise any increase in its costs (and, where applicable, maximise any reduction in its costs) arising from the Change, including by ensuring that, where possible:
 - (i) existing resources are used in relation to the implementation and/or ongoing operation of the Change; and
 - (ii) any existing or new resources used in relation to the Change are used in a reasonably efficient manner and in accordance with Good Industry Practice;
 - (b) taking all reasonable steps to mitigate any risks or other adverse effects of the Change (and, where applicable, to take advantage of any positive or beneficial effects of the Change); and
 - (c) providing reasonable evidence to the DCC (as part of the relevant Impact Assessment) in relation to:

- (i) where applicable, how the Change has affected the costs of providing any Services affected by the Change;
 - (ii) any alteration in the resources used to provide the Services (including any new resources to be used in relation to the Change);
 - (iii) how the Contractor has minimised any increase in its costs (and, where applicable, maximised any reduction in its costs) arising from the Change in accordance with paragraph 4.3(a) above;
 - (iv) how the Contractor has mitigated any risks or other adverse effects of the Change (and, where applicable, taken advantage of any positive or beneficial effects of the Change) in accordance with paragraph 4.3(b) above; and
 - (v) how any expenditure that has been avoided as a result of the Change has been taken into account in adjusting the Charges.
- 4.4 A Charges Adjustment will not apply where this Agreement provides that an increase in the Charges in relation to a Change is not permitted, including:
- (a) Clause 12.2.4 (Delays due to Contractor Default);
 - (b) Clause 53.3.2.3 (Change in Mandatory Requirements); and
 - (c) Clause 60.10.1 (Partial Termination).
- 4.5 Any Charges Adjustment shall comply with any express requirements of this Agreement, including:
- (a) Clauses 53.4 to 53.6 (Change in Mandatory Requirements); and
 - (b) Clause 60.10.2 (Partial Termination).
- 4.6 A Charges Adjustment will not apply, and the DCC shall be entitled to a reduction in the Charges in respect of any Change, to the extent:
- (a) expressly stated in this Agreement (including Clause 60.12 (Partial Termination));
 - (b) the implementation of the Change would result in a reduction of the Contractor's costs relating to the provision of the Services; and/or
 - (c) the implementation of the Change would have a positive or beneficial impact on the risk profile of the Contractor under this Agreement.

Margin

- 4.7 The Contractor shall be entitled to include in its proposed Charges Adjustment (including for any Additional Services) a reasonable margin not exceeding the margin for the rest of the Services indicated by the Financial Model as at the Signature Date, unless the Contractor has, to the reasonable satisfaction of the DCC, demonstrated in the relevant Impact Assessment that the implementation of a Change will result in the Contractor being subject to

additional or increased risk (in which case, the parties shall, acting reasonably and in good faith, agree an appropriate margin in relation to the relevant Change).

Charges due to breach by either party

- 4.8 Where any Change is required as a result of any breach by either party of its obligations under this Agreement, any Charges Adjustment shall, unless otherwise agreed by the parties in writing, be without prejudice to the other party's rights and remedies in respect of the relevant breach.

Inability to agree on Charges Adjustment

- 4.9 If the parties are unable to agree on any Charges Adjustment in accordance with this Schedule 8.2 within ninety (90) days after the date of the relevant Change Request, then either party may invoke the Escalation Process.
- 4.10 If, despite completion of the Escalation Process, the parties have failed to agree the Charges Adjustment, then either party may refer the matter to expert determination in accordance with Schedule 8.3 (Dispute Resolution Procedure), provided that the DCC may (at its sole discretion) elect not to proceed with the implementation of the relevant Change following delivery of the Expert's determination, except where the relevant Change is necessary for the Contractor or the Services to comply with any Change in Mandatory Requirements.

XXX PART F – PROCESS FOR CHANGES

5. CHANGE REQUEST

- 5.1 Either party may issue a Change Request to the other party at any time during the Service Period. Each Change Request shall be substantially in the form set out in Appendix 1 to this Schedule 8.2 and must include the following information:
- (a) a brief description of the nature, scope and urgency of the Change;
 - (b) if the Contract Change relates to a Change in Mandatory Requirements;
 - (c) if the Contract Change relates to the provision of Additional Services;
 - (d) a sequential Change Request number (which shall comply with any reasonable numbering policy notified by the DCC to the Contractor's Change Manager from time to time and in any event such number as the DCC may assign);
 - (e) whether the party issuing the Change Request believes that it may be a Common Change or whether that needs to be determined; and
 - (f) whether the party issuing the Change Request considers the proposed Contract Change to be an Urgent Change.

6. PRELIMINARY ASSESSMENT

Timescales for preparation

6.1 Within eight (8) Working Days after:

- (a) the date of receipt of a Change Request from the DCC; or
- (b) the date of issue of a Change Request by the Contractor,

the Contractor shall provide to the DCC a preliminary assessment of the relevant Change which complies with the requirements of this paragraph 6 (a "**Preliminary Assessment**").

Format

6.2 Unless otherwise agreed by the parties in writing, each Preliminary Assessment shall be substantially in the form set out in Appendix 2 to this Schedule 8.2.

Content: General requirements

6.3 Each Preliminary Assessment shall, as a minimum, include the following information (in reasonable detail):

- (a) any issues or concerns of the Contractor (acting reasonably) regarding the technical feasibility of the Change;
- (b) an estimate of any likely Charges Adjustment required in relation to the Change;
- (c) an estimate of the timescales that would be required for the implementation of the Change;
- (d) a fixed price for the initial preparation, negotiation and finalisation of an Impact Assessment in accordance with paragraphs 7 to 9 of this Part F;
- (e) the timescales for the initial preparation and delivery of an Impact Assessment in accordance with paragraph 7 of this Part F;
- (f) any additional information reasonably required by the Contractor from the DCC in order to provide an Impact Assessment in relation to the Change; and
- (g) any other information, which would otherwise be addressed in the relevant Impact Assessment in accordance with paragraph 7, that is reasonably requested by the DCC given the nature, scope and urgency of the Change (but taking appropriate account of what the Contractor can reasonably be expected to achieve within the timescales referred to in paragraph 6.1 above).

Requirements for estimated Charges Adjustment and timescales

6.4 The information referred to in paragraphs 6.3(b) and 6.3(c) shall be estimates only and will not be contractually binding on the Contractor. However, in preparing such estimates, the Contractor shall:

- (a) act reasonably and in good faith;
- (b) take appropriate account of the information available to the Contractor at that time which is relevant to the preparation of such estimates; and
- (c) where necessary to prepare such estimates, make reasonable enquiries of any Contractor Persons or other third parties who are relevant to the preparation of such estimates.

Any estimate of the likely Charges Adjustment shall comply with Part E of this Schedule 8.2.

Requirements for Impact Assessment pricing

- 6.5 The fixed price referred to in paragraph 6.3(d) shall be:
- (a) where applicable, consistent with the requirements of paragraph 7.10 of Part F of this Schedule 8.2;
 - (b) calculated in accordance with the principles and applicable rates set out in Schedule 2.7 (Catalogue Services) and/or Schedule 7.1 (Charges and Payments); and
 - (c) reasonable, taking appropriate account of:
 - (i) the nature and scope of the relevant Change (as specified in the Change Request); and
 - (ii) the time and effort required to prepare, negotiate and finalise the Impact Assessment in accordance with paragraphs 7 to 9 of this Part F.

Requirements for Impact Assessment timescales

- 6.6 The timescales referred to in paragraph 6.3(e) shall provide for the initial preparation and delivery of an Impact Assessment:
- (a) as soon as reasonably practicable, taking appropriate account of the nature, scope and urgency of the Change (as specified in the Change Request); and
 - (b) in any event (unless otherwise agreed by the parties in writing following delivery by the Contractor of the Preliminary Assessment) by no later than thirty (30) days from the date on which the DCC requests the Contractor to prepare an Impact Assessment in accordance with paragraph 7.1(b) below.

Cost of Preliminary Assessments

- 6.7 Each party shall bear its own costs in relation to the preparation of each Preliminary Assessment.

No right of refusal

- 6.8 The Contractor shall not be entitled to refuse to prepare a Preliminary Assessment. Paragraph 9 shall not apply to the preparation of Preliminary Assessments.

7. **IMPACT ASSESSMENT**

General

- 7.1 Following receipt of the Preliminary Assessment from the Contractor, the DCC:

- (a) may request that the Preliminary Assessment is discussed further by the parties (in which case, the parties shall convene a meeting of the Operational Management Team or any of the Management Boards in accordance with Schedule 8.1 (Governance)); and
- (b) shall notify the Contractor in writing whether it wishes to proceed with the preparation of an Impact Assessment. The DCC shall not reject preparation of an Impact Assessment where the relevant Change is necessary for the Contractor or the Services to comply with any Change in Mandatory Requirements.

- 7.2 If the DCC requests the Contractor to prepare an Impact Assessment in accordance with paragraph 7.1(b), then, subject to paragraph 9, the Contractor shall provide an Impact Assessment relating to the relevant Change to the DCC in accordance with the requirements of this paragraph 7.

- 7.3 The DCC shall provide any information referred to in paragraph 6.3(f) above as soon as is reasonably practicable and the Contractor shall provide the DCC with sufficient information to enable it to understand fully the nature of the information requested. The timescales for the provision of the Impact Assessment shall be extended by the time taken by the DCC to provide the relevant information.

Format

- 7.4 Unless otherwise agreed by the parties in writing, each Impact Assessment shall be substantially in the form set out in Appendix 3 to this Schedule 8.2.

Timescales for preparation

- 7.5 Unless otherwise agreed by the parties in writing and subject to paragraph 7.3, each Impact Assessment shall be provided to the DCC in accordance with the timescales set out in the relevant Preliminary Assessment (as further described in paragraphs 6.3(e) and 6.6 above).

Content

- 7.6 Each Impact Assessment shall, as a minimum, include the following information (in reasonable detail):

General

- (a) details of the proposed Contract Change (including the reason for the Contract Change and any specifications or requirements specified by the DCC);

Impacts on Smart Metering Programme

- (b) whether the Contractor (having made reasonable enquires and analysis) believes the proposed Contract Change to be a Common Change;
- (c) where known to the Contractor (having made reasonable enquires and analysis), details of the impact of the proposed Contract Change on other aspects of the Smart Metering Programme, including:
 - (i) the DCC Environment and/or the DCC Services;
 - (ii) the End-to-end Smart Metering System;
 - (iii) any DCC Eco-System Entity (or the Systems used by any DCC Eco-System Entity in relation to the Smart Metering Programme); and/or
 - (iv) Consumers (including on Smart Appliances and Smart Metering Systems);
- (d) where applicable, a proposal for a vulnerability assessment using controlled penetration techniques from a HMG CHECK approved organisation for sensitive parts of a Contractor Solution;
- (e) identification of risks (including an information security risk assessment) and an associated risk treatment plan;

Additional Services

- (f) if the Change Request relates to Additional Services, the additional information set out in Appendix 5 (Additional Services) (and the Impact Assessment shall otherwise be consistent with the requirements of Part I of this Schedule 8.2);

Impact on Services and this Agreement

- (g) details of the impact of the proposed Contract Change on:
 - (i) the Services and the Contractor's ability to meet its other obligations under this Agreement;
 - (ii) the Contractor Solution;
 - (iii) the Performance Measures;
 - (iv) the processing, storage and/or transmission of the DCC Data;
 - (v) the Milestones, Implementation Plan and any other timetable previously agreed by the parties;

- (vi) the Operations Manual, BCDR Plan, Continuous Improvement Plan, Quality Plan and/or Exit Plan;
- (vii) all interfaces, systems and services relevant to the provision of and/or use of the Services;
- (viii) any environmental or health and safety risks or assessments;
- (ix) any Intellectual Property Rights which will be used or cease to be used to provide the Services in consequence of the Change; and
- (x) any other aspects of (and/or variation required to) this Agreement;

Charges Adjustment

- (h) details of any Charges Adjustment, together with any information necessary to explain the basis for calculations of the Charges Adjustment (including any information or evidence required in accordance with Part E of this Schedule 8.2);

Implementation of the Change

- (i) to the extent not otherwise addressed, a timetable for the implementation of the Change, together with any proposals for the testing of the Change and any acceptance processes (details of which shall be reasonably sufficient to demonstrate to the DCC that the operational and technical results of the Change are in conformity with all outcomes and requirements specified by the DCC and any other operational and technical matters identified by the Contractor);
- (j) where known to the Contractor (having made reasonable enquires and analysis), details of any dependencies or assumptions relating to the actions or inactions of the DCC or any third parties (including DCC Service Providers);

Compliance with Mandatory Requirements etc.

- (k) sufficient details of how the proposed Contract Change will ensure compliance with any applicable Mandatory Requirements and Core Standards (or any applicable Changes in Mandatory Requirements);
- (l) a detailed risk assessment;
- (m) where known to the Contractor (having made reasonable enquires and analysis), details of the impact of the proposed Contract Change on:
 - (i) the DCC Services and/or End-to-end Smart Metering System;
 - (ii) the Smart Metering Programme (including its agenda, strategy and requirements); and
 - (iii) the needs and requirements of the DCC and DCC Eco-System Entities in relation to the Change (including as identified by

the DCC, including in any output based specification and/or Change Request);

Other

- (n) any other information required pursuant to any other provision of this Agreement; and
- (o) such other information as the DCC may reasonably request, or which are considered by the Contractor to be relevant (or reasonably ought to be considered relevant), including such information as may be relevant to the business, financial, technical and commercial, consumer and safety impact of the proposed Change.

Provision of additional information to the DCC

- 7.7 If the DCC (acting reasonably) requires any additional information from the Contractor in order to fully assess the Impact Assessment, it shall notify the Contractor accordingly, detailing the information that it requires.
- 7.8 Following receipt of a notice from the DCC under paragraph 7.7, the Contractor shall issue a revised Impact Assessment, incorporating the requested information, to the DCC within thirty (30) days of receiving such notification. At the DCC's discretion, the parties may repeat the process described in paragraphs 7.7 and 7.8 until the DCC is satisfied that it has sufficient information to properly evaluate the Impact Assessment.

Cost of Impact Assessments

- 7.9 Unless otherwise agreed in writing by the parties and subject to paragraph 7.10 below, the Contractor shall be entitled to invoice the DCC for the fixed price referred to in paragraph 6.3(d) and 6.5 above following delivery of the Impact Assessment in accordance with paragraph 7.5 above.
- 7.10 The Contractor shall bear its own costs associated with the preparation, negotiation and finalisation of an Impact Assessment where this Agreement provides that such costs shall be borne by the Contractor, including:
 - (a) Clause 12.2.4 (Delays due to Contractor Default);
 - (b) Clause 53.3.2.3 (Change in Mandatory Requirements); and
 - (c) Clause 60.10.1 (Partial Termination).
- 7.11 Except as set out in paragraphs 7.9 and 7.10 above, each party shall bear its own costs in relation to the preparation, negotiation and finalisation of each Impact Assessment.

8. DCC'S RIGHT OF APPROVAL

Response by the DCC

- 8.1 Within thirty (30) days after receiving the Impact Assessment from the Contractor (or, where applicable, within thirty (30) days after receiving any additional information from the Contractor pursuant to paragraphs 7.7 and

7.8), the DCC shall evaluate the Impact Assessment and shall do one of the following:

- (a) approve the proposed Contract Change, in which case the parties shall follow the procedure set out in paragraph 8.2 below;
- (b) (in its absolute discretion) reject the Contract Change, in which case it shall notify the Contractor of the rejection. The DCC shall not reject any proposed Contract Change to the extent that the Contract Change complies with the requirements of this Agreement (including Clause 53 (Change in Mandatory Requirements)) and is also necessary for the Contractor or the Services to comply with any Change in Mandatory Requirements. The DCC's shall also comply with any express restrictions in this Agreement regarding the exercise of its right of rejection under this paragraph 8.1(b) (including paragraph 1.4 of Part F of Schedule 8.5 (Exit)). If the DCC does reject a Contract Change, then it shall explain its reasons in writing to the Contractor as soon as is reasonably practicable following such rejection; or
- (c) require the Contractor to modify the Impact Assessment, in which event, subject to paragraph 9, the Contractor shall make such modifications within ten (10) days of such request or such other period agreed by the parties in writing (such agreement not to be unreasonably withheld, taking account of the extent of the modifications required by the DCC). The DCC's right to require modifications in relation to any Charges Adjustment shall be limited to addressing any aspects of the Impact Assessment which do not comply with Part E of this Schedule 8.2 (including paragraph 4.2). Any failure by the parties to agree the Charges Adjustment itself shall be subject to paragraphs 4.9 and 4.10 of Part E.

Subject to paragraphs 7.7 and 7.8 above, on receiving the modified Impact Assessment, the DCC shall approve or reject, pursuant to paragraphs 8.1(a) or 8.1(b), the proposed Contract Change within ten (10) days.

Approval by the DCC

8.2 If the DCC approves the proposed Contract Change pursuant to paragraph 8.1(a), then:

- (a) the DCC shall notify the Contractor accordingly;
- (b) the Contractor shall, within three (3) Working Days of such notification, deliver two (2) copies of a Change Authorisation Note (as signed by the Contractor's Change Manager);
- (c) following receipt by the DCC of the signed Change Authorisation Note from the Contractor, the DCC's Change Manager shall sign both copies on behalf of the DCC and return one copy to the Contractor; and
- (d) with effect from the DCC's signature under paragraph 8.2(c), the Change Authorisation Note shall constitute a binding variation to this Agreement.

- 8.3 If the DCC does not countersign both copies of the Change Authorisation Note within ten (10) Working Days of receipt, then the Contractor shall notify the DCC accordingly. If the DCC does not sign the Change Authorisation Note within five (5) Working Days of the date of receipt of such notification, then the Contractor may refer the matter to the Fast Track Dispute Resolution Procedure unless the DCC (subject to paragraph 8.1(b)) notifies the Contractor that it does not wish to proceed with the Change.

9. **CONTRACTOR'S RIGHT OF APPROVAL**

- 9.1 Subject to paragraphs 6.8 and 9.2, the Contractor shall be entitled to reject a Contract Change proposed by the DCC by notifying the DCC accordingly (a "**Change Rejection Notice**") if the Contractor (acting reasonably) believes (and can demonstrate to the DCC) that the Contract Change:

- (a) would materially and adversely affect the risks to the health and safety of any person;
- (b) would require the Services to be performed in a way that infringes any Laws that are legally binding on the Contractor;
- (c) would result in any material Consent being revoked and incapable of reinstatement within a reasonable period;
- (d) would require an additional Consent which cannot be obtained by the Contractor;
- (e) is not technically feasible (given the Contractor's expertise and the nature of the Services), provided that the Contractor may not rely on this exception where this Agreement provides that the Contractor, and/or the Contractor Solution must have the capability and flexibility required by the Change; and/or
- (f) would result in the Contractor being in breach of this Agreement, provided that the Contractor has notified the DCC accordingly, and the parties (acting reasonably and in good faith) are unable to agree on an appropriate amendment to this Agreement to resolve such issue.

The Contractor's right of rejection under this paragraph 9.1 shall include the right to refuse to provide and/or modify an Impact Assessment in accordance with paragraphs 7.2 or 8.1(c) respectively.

- 9.2 Where the Change is required in order to comply with a Change in Mandatory Requirements, the Contractor shall only be entitled to issue a Change Rejection Notice in the circumstances described in Clause 53.3.2.1.
- 9.3 Where the circumstances referred to in paragraph 9.1 or 9.2 apply, the Contractor shall issue a Change Rejection Notice to the DCC:
- (a) as soon as reasonably practicable (taking account of the need to properly assess such circumstances before issuing a Change Rejection Notice); and

- (b) in any event, by no later than the date on which it would otherwise be required to deliver an Impact Assessment in respect of the relevant Change in accordance with paragraph 7.

Each Change Rejection Notice shall include full details of the Contractor's reasons for rejection of the relevant Change, together with reasonable supporting evidence.

9.4 If, following the Change Rejection Notice:

- (a) the parties are unable to agree suitable amendments in relation to the proposed Contract Change which address the issues raised in the Change Rejection Notice; or
- (b) the DCC disputes the Contractor's entitlement to issue a Change Rejection Notice,

then either party may refer the matter to the Fast Track Dispute Resolution Procedure.

PART G – URGENT CHANGES

10. URGENT CHANGES

If the DCC (acting reasonably) believes or where the Authority directs that any Contract Change needs to be dealt with on an expedited basis (each, an "**Urgent Change**"), it shall notify the Contractor accordingly and the parties (acting reasonably and in good faith) shall attempt to agree on an appropriate method for expediting the applicable procedures and obligations set out in this Schedule 8.2, which may include:

- (a) proceeding directly to the preparation of an Impact Assessment without the preparation of a Preliminary Assessment; and/or
- (b) agreeing to the preparation of a streamlined Impact Assessment which does not contain all of the information referred to in paragraph 7 of Part F.

PART H – OPERATIONAL CHANGES

11. OPERATIONAL CHANGE PROCEDURE

11.1 Any changes identified by the Contractor to improve operational efficiency of the Services may be implemented as an Operational Change (subject to the provisions and procedures set out in this paragraph 11) without following the Change Control Procedure for Contract Changes provided they do not (at any time, including when fully implemented):

- (a) have a negative impact on the DCC or any other DCC Eco-System Entity (and are not a Common Change);
- (b) affect the interfaces or interoperability of the Services with any part of the End-to-end Smart Metering System, Other Energy Industry Systems or any Smart Appliance;
- (c) relate to a Change in Mandatory Requirements;
- (d) require any change to this Agreement or are otherwise inconsistent with any of the DCC's rights and/or the Contractor's obligations under this Agreement;
- (e) have a direct impact on use of the Services or DCC Services (a Change will not have a direct impact if it changes the way in which the Services or DCC Services are delivered but will not adversely affect the output of the Services or DCC Services or increase the risks in performing or receiving the Services or DCC Services);
- (f) materially impact the risk or cost of delivering the Services or DCC Services or performing relevant obligations; or
- (g) involve the DCC paying any additional Charges or other costs (including affecting the Contractor's costs of performing the Services or other costs of the DCC).

11.2 The Contractor shall notify the DCC of any Operational Change which could:

- (a) generate cost savings and/or other financial gains; and/or
- (b) otherwise offer increased value for money,

(each, a "**Relevant Operational Change**").

11.3 The Contractor's notice under paragraph 11.2 shall include reasonable details of:

- (a) the proposed Relevant Operational Change;
- (b) the timescales for implementation of the Relevant Operational Change; and
- (c) the manner in which the Relevant Operational Change could (i) generate cost savings and/or other financial gains and/or (ii) otherwise offer increased value for money.

- 11.4 The parties shall comply with their respective obligations, and may exercise their respective rights, under Part B of Schedule 7.3 (Value for Money) in respect of any Relevant Operational Change.
- 11.5 The Contractor shall not be relieved of any obligations under or in relation to this Agreement, and the DCC assumes no risk, responsibility or liability as a result of (or in connection with), any Operational Change.

PART I – ADDITIONAL SERVICES

12. ADDITIONAL SERVICES

12.1 The Contractor acknowledges that nothing in this Agreement shall oblige the DCC to take any Additional Services from the Contractor or prevent the DCC from receiving such or similar Additional Services from any third party.

12.2 If the DCC elects to receive the Additional Services direct from a third party, the Contractor shall co-operate in a reasonable manner and in good faith with that third party including by making available reasonable documents, materials, know-how and information (other than Contractor's Confidential Information that cannot be disclosed by the DCC to such third party pursuant to Clause 50) that may assist the third party in integrating its services and ICT with the Services.

12.3 The DCC may elect that it (rather than the Contractor) shall propose and/or specify the Additional Services output based specification, Additional Services Implementation Plan to effect the Additional Services, the Additional Services Implementation Tests and any new or amended Additional Service PM Specs. The Contractor shall:

- (a) only object or reject such proposals for the same reasons as set out in paragraph 9.1 of Part F of this Schedule 8.2; and
- (b) identify (in the relevant Impact Assessment) any additional or alternative proposals with regard to any of the materials referred to in this paragraph 12.3 that:
 - (i) may lead to reduced Charges or a more desirable outcome for the DCC (including more efficient implementation and/or more robust testing); and
 - (ii) the Contractor would otherwise have been obliged to propose (or would otherwise have proposed) in accordance with this Schedule 8.2 had the DCC not made its proposals,

and shall otherwise (unless the DCC otherwise elects to accept any such additional or alternative proposals) incorporate the DCC's proposals into the Impact Assessment produced by the Contractor in accordance with paragraph 7 of Part F of this Schedule 8.2.

12.4 Unless otherwise agreed by the parties in writing, the Additional Services shall comply with all requirements applicable to the Services during the Service Period.

12.5 The Contractor shall ensure that all Additional Service PM Specs proposed by it:

- (a) are appropriate to the requirements of the DCC taking account of all relevant requirements (including the need for the DCC to comply at all times with the DCC Obligations);
- (b) shall be no less stringent than the equivalent arrangements in respect of the existing Services;

- (c) shall offer a level of performance and service obligation (and/or DCC's remedies if such levels are not achieved) that is generally regarded as the level to be expected:
 - (i) from a service provider complying with Good Industry Practice; and
 - (ii) having regard to the nature and scope of the Additional Services in facilitating the provision of the DCC Services and the associated need for an overall high degree of reliability and accuracy;
- (d) take into account all factors relating to the Additional Services, including the identification of appropriate Performance Measures for Additional Services which may be set out by the DCC in the relevant Change Request but will be identified in any event in the Impact Assessment by the Contractor;
- (e) shall (unless the DCC otherwise elects) align with and achieve the principles of the Performance Framework (as set out in paragraph 2 of Part A of Schedule 2.2 (Performance Measures and Monitoring)) and the objectives of the Performance Measures (as set out in paragraph 2 of Part B of Schedule 2.2 (Performance Measures and Monitoring)); and
- (f) do not have the effect of reducing the levels of performance and service obligation (and/or DCC's remedies if such levels are not achieved) applicable to existing Services.

12.6 If the DCC approves the Contractor's proposal to provide any Additional Services pursuant to the Change Control Procedure, for the avoidance of doubt, the Contractor shall at the same time as provision of the Additional Services is commenced, at no additional charge or cost to the DCC, implement and commence provision of any other services, functions and responsibilities which are reasonably and/or necessarily required for the proper performance by the Contractor of those Additional Services and which are not expressly identified in this Agreement as the responsibility of the DCC or another DCC Service Provider.

15. **CHANGE LOG**

- 15.1 The Contractor shall register any Change Request in the Change Log. The Contractor shall be responsible for ensuring that the Change Log remains up-to-date as the status of each Change Request changes. The Contractor shall, on request by the DCC, promptly (and, in any event, within two (2) Working Days of any such request) provide the Change Log to the DCC.
- 15.2 The Change Log shall, in respect of each Change Request, include at least the following information:
- (a) the number of the Change Request (as further described in paragraph 5.1(d) of Part F of this Schedule 8.2);
 - (b) name of the originating party;
 - (c) a brief description of the Change;
 - (d) the current status of the Change (as further described in paragraph 15.3 below); and
 - (e) the date of registration of the Change Request in the Change Log.
- 15.3 The status of the Change Request in the Change Log shall be one of the following:
- (a) **"Raised"** (meaning that the Change Request has been issued, but no Preliminary Assessment or Impact Assessment has been issued);
 - (b) **"Preliminary"** (meaning that a Preliminary Assessment has been issued);
 - (c) **"Pending"** (meaning that an Impact Assessment has been issued);
 - (d) **"Approved by the DCC"** (meaning that a Change Authorisation Notice has been duly signed and issued by the DCC and the relevant Change is awaiting implementation);
 - (e) **"Completed"** (meaning that all implementation tasks are complete);
 - (f) **"Rejected by the DCC"** (meaning closed and not implemented); or
 - (g) **"Rejected by the Contractor"** (meaning closed and not implemented).
- 15.4 The Contractor shall:
- (a) at all times maintain a conformed copy of this Agreement showing in a clear, cumulative and easily comprehensible manner (without inaccuracy or omission and consistent with Good Industry Practice):
 - (i) all Changes made pursuant to this Change Control Procedure; and
 - (ii) all other duly authorised variations,

to this Agreement since the Signature Date (the "**Baseline Contract**");

- (b) ensure that within seven (7) Working Days of any Change Authorisation Note having been signed by both parties that the Baseline Contract has been updated to reflect the same; and
- (c) shall make the Baseline Contract available to the DCC within three (3) Working Day of request from time to time.

Both parties' rights and obligations shall be determined by this Agreement (as amended in accordance with its terms) and the Baseline Contract shall be for mutual convenience and information only.

Appendix 1 – Change Request Form

The format and content of the Change Request Form shall be finalised by the DCC within thirty (30) days of the Effective Date and such form, as amended from time to time, will be appended to this Schedule in this Appendix 1.

Appendix 2 – Preliminary Assessment Form

The format and content of the Preliminary Assessment Form shall be finalised by the DCC within thirty (30) days of the Effective Date and such form, as amended from time to time, will be appended to this Schedule in this Appendix 2.

Appendix 3 – Impact Assessment Form

The format and content of the Impact Assessment Form shall be finalised by the DCC within thirty (30) days of the Effective Date and such form, as amended from time to time, will be appended to this Schedule in this Appendix 3.

Appendix 4 – Change Authorisation Note

The format and content of the Change Authorisation Note shall be finalised by the DCC within thirty (30) days of the Effective Date and such form, as amended from time to time, will be appended to this Schedule in this Appendix 4.

Appendix 5 – Additional Services

1. The Contractor shall ensure that each Impact Assessment relating to any Additional Services includes the following (in reasonable detail):
 - (a) proposed detailed output based specification;
 - (b) proposed detailed implementation timetable and plan to implement the Additional Services ("**Additional Service Implementation Plan**") in accordance with the principles and procedures set out in this Agreement (including Schedule 6.1 (Implementation Planning) and Schedule 6.2 (Testing and Acceptance));
 - (c) proposed detailed acceptance criteria and implementation tests ("**Additional Service Implementation Tests**") (details of which shall be reasonably sufficient to demonstrate to the DCC that the operational and technical results of the Change are in conformity with all outcomes and requirements specified by the DCC and any other operational and technical matters identified by the Contractor) and which shall be in accordance with the principles and procedures set out in this Agreement (including Schedule 6.1 (Implementation Planning) and Schedule 6.2 (Testing and Acceptance));
 - (d) proposed Performance Measures, Service Points and Service Credits (including any matter (including reports and monitoring in relation to the same) equivalent to any of those matters addressed in Schedule 2.2 (Performance Measures and Monitoring) and changes to Schedule 2.2 (Performance Measures and Monitoring)) ("**Additional Service PM Specs**") that in each case comply with the requirements of this Agreement (including paragraph 12.5 of this Schedule 8.2); and
 - (e) the method by which the Additional Services will be procured by the Contractor (including, by way of example, the proportion of Sub-contracts which will be competitively Sub-contracted).
2. The Contractor's obligations under this Appendix 5 are without prejudice to:
 - (a) the other content requirements for Impact Assessments under this Schedule 8.2 (including paragraph 7.6 of Part F); and
 - (b) the Contractor's obligation to ensure that any Impact Assessment under this Appendix 5 reflects, and is consistent with, any specifications or requirements provided by the DCC under this Schedule 8.2 (including under paragraph 12.3 of Part I).