



Smart Meters Programme Schedule 8.4

(Records and Audit Provisions) (CSP Central version)

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Amendment History		
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v.1	Signature Date	Execution Copy

**SCHEDULE 8.4
RECORDS AND AUDIT PROVISIONS**

OVERVIEW

This Schedule 8.4 comprises the following parts:

Part	Scope
Part A	DCC Audits
Part B	Regulatory requirements
Part C	Record-keeping
Appendix 1	Records to be kept by the Contractor

The parties' rights and obligations under this Schedule 8.4 are without prejudice to:

- (a) the parties' rights and obligations under Part E (Security Audits) of Schedule 2.5 (Security Management Plan);
- (b) the parties' rights and obligations under Schedule 8.10 (Enhanced Scrutiny and Step-in);
- (c) any other audit, inspection or access rights of the DCC under this Agreement;
and
- (d) any other data retention requirements under this Agreement, including Schedule 2.1 (DCC Requirements).

PART A – DCC AUDITS

1. SCOPE OF DCC AUDITS

1.1 The DCC may conduct an audit under this Part A of Schedule 8.4 (each, a "**DCC Audit**") for the following purposes:

- (a) to verify the accuracy of the Charges (and proposed or actual variations to them in accordance with this Agreement), including all invoices issued by the Contractor under this Agreement;
- (b) to verify the Contractor's compliance with its obligations under this Agreement, including any obligations under or relating to:
 - (i) Clause 19 (Transparency);
 - (ii) Clause 22 (Quality Assurance);
 - (iii) Clause 25 (Services Improvement);
 - (iv) Clause 27 (Environment);
 - (v) Clause 41 (Contractor Personnel);
 - (vi) Clause 44 (Health and Safety);
 - (vii) Clause 45 (Equality and Diversity);
 - (viii) Clause 49 (Protection of Personal Data);
 - (ix) Clause 69 (Prevention of Corruption);
 - (x) Schedule 2.1 (DCC Requirements);
 - (xi) Schedule 2.2 (Performance Measures and Monitoring);
 - (xii) Schedule 2.3 (Standards);
 - (xiii) Schedule 2.6 (Insurance);
 - (xiv) Schedule 4.3 (Sub-contractors);
 - (xv) Schedule 7.3 (Value for Money);
 - (xvi) Schedule 7.4 (Financial Distress); and/or
 - (xvii) Schedule 8.6 (Business Continuity and Disaster Recovery Plan);
- (c) to verify the Contractor's performance against any Milestones imposed under this Agreement from time to time;
- (d) to verify the Contractor's compliance with any initiatives, targets or other requirements under, or carried out pursuant to, Schedule 2.4 (Continuous Improvement);

- (e) to verify the Contractor's compliance with applicable Law and any obligations of the Contractor under this Agreement which are intended to enable or support the DCC's compliance with the DCC Obligations;
- (f) to verify that the Contractor has maintained accounts and records as are required under this Agreement (including this Schedule 8.4) and review the same;
- (g) to carry out any internal or statutory audit and/or certification of the DCC's accounts;
- (h) to carry out an examination pursuant to section 6(1) of the National Audit Act 1983 of the economy, efficiency and effectiveness with which the DCC has used its resources;
- (i) to verify the accuracy and completeness of any information or reports delivered by the Contractor under this Agreement;
- (j) to verify that the Contractor's risk and other controls and operating procedures (as such matters relate to the Services) are operating effectively;
- (k) to inspect the Contractor System (or any part of it) and any other Assets to verify compliance with the requirements of this Agreement; and/or
- (l) to review the accuracy and completeness of the Asset Register.

2. OBLIGATIONS OF THE CONTRACTOR

- 2.1 The Contractor shall provide the DCC and its agents (being any internal or external auditors of the DCC or professional services providers) with all reasonable co-operation and assistance in relation to each DCC Audit, including:
- (a) access to all accounts, records and reports maintained by the Contractor or any other Contractor Person in relation to this Agreement (provided that, in relation to any Sub-Contractor other than a Key Subcontractor, the Contractor shall use all reasonable endeavours to procure such access), including the ability to take copies of such accounts, records and reports;
 - (b) reasonable access to any Sites (or other premises) and other resources (including the Contractor System and other Assets) used by any Contractor Person (whether exclusively or non-exclusively) in relation to the performance of the Services (provided that, in relation to any Sub-Contractor other than a Key Subcontractor, the Contractor shall use all reasonable endeavours to procure such access); and
 - (c) reasonable access to Contractor Personnel.
- 2.2 The Contractor shall procure that any Contractor Person shall promptly provide any co-operation, documentation, data, information or other assistance reasonably requested by the DCC from time to time in relation to

any DCC Audit under this Part A (provided that, in relation to any Sub-Contractor other than a Key Subcontractor, the Contractor shall use all reasonable endeavours to procure such co-operation, documentation, data, information or other assistance).

- 2.3 Notwithstanding anything to the contrary in this Schedule, the Contractor shall not be required to provide access to any of the following to the DCC or any of its agents:
- (a) information, data, systems or personnel relating exclusively to: (i) the performance of services for other customers of the Contractor or the relevant Sub-contractors; and/or (ii) the internal operations of the Contractor or the relevant Sub-contractors, which do not relate to the performance of the Services or the Contractor's other obligations under this Agreement;
 - (b) information protected by legal professional privilege;
 - (c) drafts or preparatory documents (but only where the final form document has been made available under this Schedule 8.4); and/or
 - (d) except as provided in this Agreement, including in Schedules 8.5 (Exit), 9.1 (TUPE) or 9.2 (Personnel and Key Personnel), any personal data of the Contractor Personnel where such access is prohibited by applicable Laws (in which case the Contractor will redact the relevant personal data and provide the redacted version of the relevant document to the DCC and its agents).

3. **FREQUENCY OF DCC AUDITS**

3.1 Subject to the limitations set out in paragraph 3.2, the DCC may conduct DCC Audits at any time during the Service Period and for up to twenty-four (24) months after the Termination Date.

3.2 Except as set out in paragraph 3.3:

- (a) the DCC shall provide at least fifteen (15) Working Days' written notice of its intention to conduct a DCC Audit, specifying in reasonable detail the purpose and scope of the DCC Audit and the estimated duration;
- (b) the DCC may not conduct a DCC Audit more than once in any Contract Year during the Service Period;
- (c) the DCC may not conduct a DCC Audit more than once in any twenty-four (24) month period after the Termination Date; and
- (d) the DCC shall use reasonable endeavours to conduct a DCC Audit within the Contractor's normal working hours.

3.3 The limitations set out in paragraph 3.2 shall not apply where a DCC Audit is to be conducted by the DCC in connection with:

- (a) any actual or suspected fraud or criminal activity by the Contractor or any other Contractor Person;

- (b) any actual or suspected breach of applicable Law by the Contractor or any other Contractor Person; and/or
- (c) any actual or suspected material breach by the Contractor or any other Contractor Person of this Agreement, any Work Package or any of the provisions of this Agreement referred to in Clauses 60.2.1.3 to 60.2.1.6.

4. DCC OBLIGATIONS

- 4.1 The DCC shall use reasonable endeavours to ensure that the conduct of any DCC Audit does not unreasonably delay or disrupt the provision of the Services or unreasonably disrupt the operations of the Contractor generally and shall, in undertaking any DCC Audit, comply with such reasonable policies as the Contractor may notify in advance and in writing as generally applicable in respect of access to its Sites.
- 4.2 The DCC shall ensure that any third party conducting a DCC Audit on behalf of the DCC shall, prior to commencing that DCC Audit, be subject to confidentiality obligations in favour of the DCC on terms which provide substantially equivalent protection in relation to the Contractor's Confidential Information as the provisions of Clause 50 (Confidentiality) of this Agreement.

5. COST OF DCC AUDITS

The parties shall bear their own respective costs and expenses incurred in respect of this Part A of Schedule 8.4, unless any DCC Audit identifies any material breach by the Contractor or any other Contractor Person of this Agreement, any Work Package or any of the provisions of this Agreement referred to in Clauses 60.2.1.3 to 60.2.1.6, in which case, the Contractor shall reimburse the DCC for the reasonable costs incurred by the DCC in relation to the relevant DCC Audit.

6. OUTCOME OF DCC AUDITS

- 6.1 If any DCC Audit identifies any overcharging by the Contractor in relation to any invoice issued by the Contractor under this Agreement, the Contractor shall pay to the DCC, within twenty (20) Working Days after the date of a notice from the DCC requesting repayment of such overcharge:
 - (a) the amount of the overcharge; and
 - (b) interest (calculated at the Default Interest Rate) in respect of the period between the date on which the overcharged amount was originally received by the Contractor until the date of its repayment to the DCC.

- 6.2 If any DCC Audit identifies any undercharging by the Contractor in relation to any invoice issued by the Contractor under this Agreement, the DCC shall issue a notice to the Contractor identifying such undercharge and the Contractor shall invoice the DCC the amount of the undercharge within twenty (20) Working Days after the date of the relevant notice from the DCC.
- 6.3 If any DCC Audit identifies:
- (a) any material breach by the Contractor or any other Contractor Person as further described in Clause 60 (Termination Rights), the DCC shall be entitled to exercise its applicable rights and remedies under this Agreement (including, where applicable, requiring the Contractor to comply with Clause 61 (Remedial Plan Process)); or
 - (b) any other failure by the Contractor to comply with its obligations under this Agreement, the Contractor shall promptly (and at its own cost) rectify such failure.
- 6.4 Where the DCC, in its sole discretion, considers that it would be useful for the Contractor to review and comment on the draft findings of a DCC Audit, the Contractor shall provide such comments within a reasonable period as requested by the DCC.

PART B – REGULATORY REQUIREMENTS

1. REGULATORY ACCOUNTS OF DCC

DCC's obligations under DCC Licence

1.1 The Contractor acknowledges that, under the DCC Licence:

Regulatory Accounts

- (a) the DCC must prepare Regulatory Accounts for each Regulatory Year;
- (b) the DCC must keep (or cause to be kept) for a period approved by the Authority, but no less than the period referred to in section 388(4)(b) of the Companies Act 2006 and in the manner referred to in that section, such accounting records and other records as are necessary to ensure that all of the revenues, costs, assets, liabilities, reserves and provisions of, or that are reasonably attributable to, each of the Authorised Business Activities of the DCC are separately identifiable in those records (and in those of any Affiliate or Related Undertaking of the DCC);
- (c) the Regulatory Accounts are to be prepared on a consistent basis derived from the accounting records and other records referred to in paragraph 1.1(b) in respect of each Regulatory Year;
- (d) the Regulatory Accounts must have the contents specified in, and must otherwise comply with the requirements specified in, the DCC Licence;

Audit requirements

- (e) the DCC must procure an audit of its Regulatory Accounts (and supporting reports and reviews) in accordance with the requirements specified in the DCC Licence, together with a report by the relevant auditor that states whether the Regulatory Accounts fairly present the financial position, financial performance and cash flows of the Authorised Business Activities;
- (f) the DCC must deliver the Regulatory Accounts, and the auditor's report, to the Authority in accordance with the requirements of the DCC Licence; and
- (g) the DCC must publish the Regulatory Accounts (excluding any information agreed by the Authority to be confidential) in accordance with the DCC Licence.

Contractor's obligations

1.2 Without limiting the Contractor's other obligations under this Agreement, the Contractor shall:

- (a) promptly provide any co-operation, documentation, data, information or other assistance reasonably requested by the DCC from time to time in relation to the DCC's compliance with its obligations under the DCC

Licence regarding the preparation, audit and publication of the Regulatory Accounts (and any associated activities); and

- (b) ensure that appropriate representatives of the Contractor (or, where applicable, any Contractor Person), including any representatives specifically identified by the DCC, attend any meetings with the DCC or its auditors that are reasonably requested by the DCC from time to time in relation to the DCC's compliance with its obligations under the DCC Licence regarding the preparation, audit and publication of the Regulatory Accounts (and any associated activities).

2. COMPLIANCE OFFICER

DCC's obligations under the DCC Licence

2.1 The Contractor acknowledges that, under the DCC Licence, the DCC is required to appoint an independent officer (the "**Compliance Officer**") for the purposes of monitoring and facilitating the DCC's compliance with the requirements and prohibitions established and imposed by the following conditions of the DCC Licence:

- (a) Condition 9 (Independence and autonomy of the Licensee);
- (b) Condition 10 (Protection of Confidential Information); and
- (c) Condition 11 (No abuse of the Licensee's special position),

(the "**Chapter 3 Requirements**").

2.2 The tasks and duties of the Compliance Officer shall include:

- (a) providing relevant advice and information to the DCC for the purpose of facilitating its compliance with the Chapter 3 Requirements;
- (b) monitoring the effectiveness of the practices, procedures and systems adopted by the DCC in accordance with the Compliance Statement (as further described in Schedule 8.9 (Operations Manual));
- (c) advising whether, to the extent that the implementation of such practices, procedures and systems requires the co-operation of any other person, they are designed so as reasonably to allow the required co-operation;
- (d) investigating any complaint or representation that is made available to him by the DCC about a matter arising under or because of the Chapter 3 Requirements;
- (e) recommending and advising on remedial action that any such investigation has shown to be necessary or desirable;
- (f) providing relevant advice and information to the DCC for the purposes of ensuring its effective implementation of the practices, procedures, and systems referred to in paragraph 2.2(b), and of taking any remedial action recommended in accordance with sub-paragraph 2.2(e); and

- (g) reporting annually to the DCC's directors about his activities during the period covered by the report, including the fulfilment of any other duties assigned to him by the DCC.

Contractor's obligations

2.3 Without limiting the Contractor's other obligations under this Agreement, the Contractor shall:

- (a) promptly provide any co-operation, documentation, data, information or other assistance reasonably requested by the Compliance Officer from time to time in relation to the performance of the Compliance Officer's tasks and duties (including those set out in paragraph 2.2 above); and
- (b) ensure that appropriate representatives of the Contractor (or, where applicable, any Contractor Person), including any representatives specifically identified by the Compliance Officer, attend any meetings with the Compliance Officer that are reasonably requested by the DCC from time to time in relation to the performance of the Compliance Officer's tasks and duties (including those set out in paragraph 2.2 above).

3. COMPLIANCE REPORT

DCC's obligations under the DCC Licence

3.1 The Contractor acknowledges that, under the DCC Licence:

- (a) the DCC is required to produce a report (the "**Compliance Report**") on an annual basis regarding:
 - (i) its compliance during the reporting year with the Chapter 3 Requirements; and
 - (ii) its implementation during that year of the practices, procedures and systems maintained pursuant to the Compliance Statement (as further described in Schedule 8.9 (Operations Manual));
- (b) each Compliance Report is required to:
 - (i) detail the activities of the Compliance Officer during the reporting year;
 - (ii) refer to such other matters as may be appropriate in relation to the DCC's implementation during the reporting year of the practices, procedures and systems adopted in accordance with the Compliance Statement;
 - (iii) set out the details of any investigations carried out by the Compliance Officer during the reporting year, including:

- (A) the number, type, and source of any complaints or representations on which those investigations were based;
 - (B) the outcome of the investigations; and
 - (C) any remedial action taken by the DCC following them; and
- (iv) state the Compliance Officer's opinion of the extent to which the DCC complied with the Chapter 3 Requirements during the reporting year.

Contractor's obligations

3.2 Without limiting the Contractor's other obligations under this Agreement, the Contractor shall:

- (a) promptly provide any co-operation, documentation, data, information or other assistance reasonably requested by the DCC from time to time in relation to the preparation of the Compliance Report by the DCC; and
- (b) ensure that appropriate representatives of the Contractor (or, where applicable, any Contractor Person), including any representatives specifically identified by the DCC, attend any meetings with the DCC that are reasonably requested by the DCC from time to time in relation to the preparation of the Compliance Report by the DCC.

4. **REGULATORY INSTRUCTIONS AND GUIDANCE**

DCC's obligations under the DCC Licence

4.1 The Contractor acknowledges that the Authority is entitled to issue Regulatory Instructions and Guidance ("**RIGs**") under the DCC Licence in relation to:

- (a) Quality of Service Information; and
- (b) Price Control Information,

(together, the "**Specified Information**").

4.2 The Contractor acknowledges that the matters that may be included, or for which provision may be made, in any RIGs issued by the Authority are:

- (a) a complete statement of the information that is to comprise the Specified Information;
- (b) instructions and guidance on the Authority's requirements with respect to the collection, recording, and provision of Specified Information;

- (c) instructions and guidance on the standards of accuracy and reliability that are applicable to the recording of the Specified Information (including different classes of Specified Information);
- (d) a timetable for the development of such systems, processes, and procedures as are required to achieve such standards for the Specified Information;
- (e) provision with respect to the meaning of words and phrases used in defining the Specified Information;
- (f) requirements as to the form and manner in which, or the frequency with which, the Specified Information must be recorded;
- (g) requirements as to the form and manner in which, or the frequency with which, the Specified Information must be provided to the Authority; and
- (h) provision about how the Authority may monitor and assess the DCC's compliance with the RIGs.

4.3 The Contractor acknowledges that:

- (a) no Specified Information that is to provided by the DCC to the Authority pursuant to any RIGs issued under the DCC Licence may exceed what could reasonably be requested from the DCC by the Authority under the terms of the DCC Licence; and
- (b) certain of the Quality of Service Information and/or the Price Control Information may be subject to publication by the Authority (having particular regard to section 105 of the Utilities Act 2000).

4.4 The Contractor acknowledges that, under the DCC Licence:

- (a) the DCC must at all times act in accordance with RIGs issued by the Authority in accordance with the DCC Licence; and
- (b) the DCC must have in place and maintain (and must ensure that the Contractor has in place and maintains) appropriate records (including accounting records), systems, processes and procedures to enable the DCC:
 - (i) to measure, record and collect such Quality of Service Information and/or Price Control Information as may be specified from time to time in the RIGs;
 - (ii) to report Quality of Service Information in respect of such periods, in such a manner, and within such timeframes as are specified in the RIGs; and
 - (iii) to report Price Control Information to the Authority in respect of the period comprising each separate Regulatory Year by not later than 31 July in the next Regulatory Year.

4.5 The Contractor acknowledges that:

- (a) the Authority is entitled to modify any RIGs already in force or issue new RIGs, in accordance with the procedures set out in Condition 33 of the DCC Licence; and
- (b) the DCC must comply with any modified or new RIGs issued by the Authority (subject to the provisions of Part C of Condition 33 of the DCC Licence).

Contractor's obligations

4.6 Without limiting its other obligations under this Agreement, the Contractor shall at all times:

- (a) act in accordance with all aspects of the RIGs issued by the Authority in accordance with the DCC Licence which are applicable to the Contractor and/or the Services (as notified to the Contractor by the DCC in writing from time to time), including any modified or new RIGs issued by the Authority from time to time;
- (b) have in place and maintain appropriate records (including accounting records), systems, processes and procedures, as determined by the DCC (acting reasonably) from time to time, to enable the DCC:
 - (i) to measure, record and collect such Quality of Service Information and/or Price Control Information as may be specified from time to time in the RIGs;
 - (ii) to report Quality of Service Information in respect of such periods, in such a manner, and within such timeframes as are specified in the RIGs; and
 - (iii) to report Price Control Information to the Authority in respect of the period comprising each separate Regulatory Year by not later than 31 July in the next Regulatory Year.

5. AUTHORITY REVIEWER

DCC's obligations under the DCC Licence

5.1 The Contractor acknowledges that, under the DCC Licence:

- (a) the Authority may itself review, or arrange for a person appointed by the Authority (a "**Reviewer**") to review, any matters in the Quality of Service Information and/or Price Control Information reported by the DCC in respect of which the Authority requires clarification;
- (b) subject to paragraph 5.1(e), the DCC must give the Authority or (as the case may be) the Reviewer all such assistance as it or he may reasonably require for the purposes of any review carried out under Conditions 31 and/or 32 of the DCC Licence;
- (c) the DCC's obligation to assist the Authority or a Reviewer includes an obligation to allow it or him to carry out any inspections, measurements, or tests considered necessary in relation to any systems, processes, or procedures operated or maintained for or in

relation to the requirements of Conditions 31 and/or 32 of the DCC Licence;

- (d) the DCC's obligation to assist the Authority or a Reviewer also includes an obligation to ensure that the Contractor will also (if requested to do so) assist the Authority or that Reviewer; and
- (e) the DCC is not required to perform its obligations in relation to a Reviewer and his functions unless the Reviewer has entered into an agreement with the DCC to maintain confidentiality on reasonable terms.

Contractor's obligations

- 5.2 If requested by the DCC at any time, the Contractor shall give the Authority or (as the case may be) the Reviewer, in relation to Specified Information relevant to the Contractor and/or the Services, such assistance as it or he may reasonably require for the purposes of any review carried out under Conditions 31 and/or 32 of the DCC Licence, including by providing access to the Records referred to in Part C of this Schedule 8.4 on request.
- 5.3 The Contractor's obligation to assist the Authority or a Reviewer under paragraph 5.2 includes the obligation:
 - (a) to allow it or him to carry out any inspections, measurements, or tests considered necessary in relation to any systems, processes, or procedures operated or maintained for or in relation to the requirements of Conditions 31 and/or 32 of the DCC Licence; and
 - (b) to ensure that any Contractor Persons will also (if requested to do so) assist the Authority or that Reviewer.

6. ANNUAL SERVICE REPORT

DCC's obligations under the DCC Licence

- 6.1 The Contractor acknowledges that, under the DCC Licence:
 - (a) the DCC must, by not later than 31 July in each Regulatory Year (commencing on and after 1 April 2014), prepare and submit to the Authority a report (the "**Annual Service Report**") about overall service performance during the previous Regulatory Year (the "**Performance Year**");
 - (b) the concept of overall service performance to which paragraph 6.1(a) refers must be presented, analysed, and evaluated by the DCC in its Annual Service Report by reference both separately and collectively, as appropriate, to:
 - (i) the performance (both generally and in detail) of the DCC in providing the DCC Services to SEC Parties under or pursuant to the Smart Energy Code (the "**DCC Performance**") during the Performance Year; and

- (ii) the performance (both generally and in detail) of each External Service Provider in providing such Relevant Service Capability as it was contracted to provide to the DCC (the "**Provider Performance**") during the Performance Year;
- (c) the Annual Service Report must identify and set out (in appropriate detail) all relevant operational and technical aspects of user service arising from the DCC Performance and the Provider Performance during the Performance Year that the DCC considers should be brought to the Authority's notice, having regard to the functions that the DCC is required to exercise under or by virtue of the Principal Energy Legislation, the DCC Licence and the Smart Energy Code;
- (d) the Authority may require the Annual Service Report to contain a statistical record based on appropriate performance measures with respect to either or both of the DCC Performance and the Provider Performance during the Performance Year, including, in particular, details of any failures, loss of service, or other material faults within the overall expected reliability of such performance;
- (e) any statistical record that is required to be presented in the Annual Service Report by virtue of paragraph 6.1(d) must have such content and be presented in such format and with respect to such periods of time as are specified in any direction issued by the Authority (following consultation with the DCC and the Contractor);
- (f) the DCC must:
 - (i) provide a copy of the final Annual Service Report to the Secretary of State, the SEC Panel and each External Service Provider;
 - (ii) give a copy of the final Annual Service Report to any other person who requests it; and
 - (iii) publish the final Annual Service Report on its website;
- (g) in complying with the requirements referred to in paragraphs 6.1(f)(ii) and 6.1(f)(iii), the DCC must have due regard to the need for excluding from the Annual Service Report, so far as is practicable, any matter that relates to the affairs of a person if the publication of that matter would prejudice, or be likely to prejudice, his commercial interests; and
- (h) any question arising under paragraph 6.1(g) as to whether the publication of some matter that relates to the affairs of a person would prejudice, or would be likely to prejudice, his commercial interests is to be resolved by the Authority following consultation with that person.

Contractor's obligations

- 6.2 Without limiting the Contractor's other obligations under this Agreement, the Contractor shall:

- (a) promptly provide any co-operation, documentation, data, information, analysis, evaluation or other assistance reasonably requested by the DCC from time to time in relation to the preparation of the Annual Service Report, including in relation to:
 - (i) the performance (both generally and in detail) of the Contractor in providing the Services (the "**Contractor Performance**") during the relevant Performance Year;
 - (ii) all relevant operational and technical aspects arising from the Contractor Performance during the Performance Year that the DCC or the Contractor considers should be brought to the Authority's notice as part of the Annual Service Report; and
 - (iii) such statistical records based on appropriate performance measures with respect to the Contractor Performance during the Performance Year as are requested by the DCC (which may include details of any failures, loss of service, or other material faults within the overall expected reliability of such performance). Any such statistical records shall have such content and be presented in such format and with respect to such periods of time as are reasonably specified by the DCC in order to comply with a direction from the Authority referred to in paragraph 6.1(e); and
- (b) ensure that appropriate representatives of the Contractor (or, where applicable, any Contractor Personnel), including any representatives specifically identified by the DCC, attend any meetings with the DCC that are reasonably requested by the DCC from time to time in relation to the preparation of the Annual Service Report (including any of the issues set out in paragraph 6.2(a) above).

6.3 Before submitting any Annual Service Report to the Authority, the DCC shall provide the Contractor with a copy of the draft report. The Contractor (acting reasonably) shall provide any comments on such parts of the draft report as are relevant to the Services within twenty-eight (28) days after receipt of the draft report from the DCC under this paragraph 6.3.

7. **CONTRACTOR PERSONS**

Without limiting the Contractor's other obligations under this Agreement, the Contractor shall procure that any Contractor Person shall promptly provide any co-operation, documentation, data, information or other assistance reasonably requested by the DCC from time to time to the extent necessary for the DCC and/or the Contractor to comply with their respective obligations as further set out in this Part B.

8. **CHARGING FOR ADDITIONAL COSTS**

Where compliance with the provisions in this Part B requires the Contractor to incur material additional costs (being costs that it would not otherwise have incurred under this Agreement), the Contractor may notify the DCC accordingly and the parties (acting reasonably) shall agree any necessary Change to the Charges in accordance with the Change Control Procedure. Any

Change under this paragraph 8 shall be deemed to be a Specific Change in Mandatory Requirements.

PART C – RECORD-KEEPING

1. The Contractor shall (and, where applicable, shall procure that its Key Sub-contractors shall), during the Service Period and, save as where expressly provided otherwise under this Agreement, a period of at least 7 years following the Termination Date, maintain, or cause to be maintained, complete and accurate documents and records in relation to the provision of the Services (including all records referred to in Appendix 1) (together, the "**Records**").
2. The Contractor shall retain and maintain the Records (including superseded versions of the Records):
 - (a) in accordance with the requirements of Good Industry Practice;
 - (b) in accordance with the data retention requirements under this Agreement, including Schedule 2.1 (DCC Requirements);
 - (c) in accordance with any reasonable instructions of the DCC from time to time (and the Contractor acknowledges that any instructions of the DCC which are intended to ensure compliance with any Mandatory Requirements shall be deemed to be reasonable);
 - (d) in chronological order;
 - (e) in a form that is capable of audit; and
 - (f) at its own expense.
3. Without limiting the DCC's rights under Part A of this Schedule 8.4, the Contractor shall make the Records available for inspection by the DCC on request subject to the DCC giving reasonable notice to the Contractor.
4. Without limiting the Contractor's obligations under Part B of this Schedule 8.4, the Contractor shall make the Records available for inspection by the Authority or the Reviewer on request giving reasonable notice.
5. Original records shall be retained and maintained in an electronic format agreed by the parties (acting reasonably). True copies of the original records may be kept by the Contractor where it is not practicable to retain original records.

Appendix 1 – Records to be kept by the Contractor

1. This Agreement, its Schedules and all amendments to such documents.
2. All formal notices, reports or submissions made by the Contractor to the DCC in connection with the provision of the Services.
3. All Quality Plans, Remedial Plans and Correction Plans prepared by the Contractor under this Agreement.
4. Documents prepared by the Contractor or received by the Contractor from a third party relating to a Force Majeure Event.
5. All certificates, licences, registrations or warranties in each case obtained by the Contractor in relation to the provision of the Services.
6. Documents evidencing any Change of Control in relation to the Contractor.
7. Records that relate to the Services and/or the performance of any of the Contractor's obligations under this Agreement required to be maintained by the Contractor by Law, the DCC Licence and SEC (and related Guidance), including in relation to health and safety matters and health and safety files and all consents.
8. All documents, records and other information required to be prepared by the Contractor under this Agreement in relation to compliance with the SEC and/or the DCC Licence.
9. Detailed, accurate and up to date records and books of account showing all payments made by the Contractor and other Contractor Persons in connection with this Agreement and the steps taken by the Contractor and Contractor Persons to comply with the Anti-Bribery Law, the Anti-Bribery Policies and Clause 69.1.
10. Records and books of accounts that are sufficient to enable the DCC to verify the Contractor's and other Contract Persons compliance with its obligations under Clauses 49 and 69 (and any equivalent provisions under any Sub-contract).
11. All documentation and records to be prepared and/or maintained by the Contractor under Schedule 2.1 (DCC Requirements), Schedule 4.1 (Contractor Solution) and Schedule 4.2 (Technical Infrastructure).
12. All Performance Monitoring Reports, Quarterly Summaries, Annual Summaries, Service Failure Reports and other documentation required to be maintained under Schedule 2.2 (Performance Measures and Monitoring).
13. All documentation and records to be prepared and/or maintained by the Contractor under Schedule 2.3 (Standards).
14. All plans and reports to be prepared and/or maintained by the Contractor under Schedule 2.4 (Continuous Improvement), including all versions of the Continuous Improvement Plan and each of the Innovation Reports.

15. Records of the Contractor's compliance against the initiatives, targets or other requirements referred to in Schedule 2.4 (Continuous Improvement).
16. All versions of the Contractor Security Policy, all versions of the ISMS (together with evidence of the certification of the ISMS by a UKAS Entity), all versions of the Security Management Plan and any other documentation and plans referred to in Schedule 2.5 (Security Management Plan).
17. Records and other evidence relating to the Contractor's compliance with its obligations under Schedule 2.5 (Security Management Plan).
18. Evidence of monitoring security logs from Communication Hubs, the Service Audit Trails and security event logs from all devices distributed across the Contractor Solution supporting the End-to-end Smart Metering System.
19. Evidence from manufacturers of the Communications Hub that the Communications Hubs satisfy all applicable security requirements defined or referred to in this Agreement (including Schedule 11 and SMETS2) and/or the Enrolment Criteria (if applicable).
20. Details of the results of all Security Tests and DCC Security Tests under Schedule 2.5 (Security Management Plan).
21. Details of any Breach of Security or any potential or attempted Breach of Security of which the Contractor is aware having made reasonable enquiries and analysis (and the steps taken by the Contractor to remedy and/or prevent the same, as further described in Schedule 2.5 (Security Management Plan)).
22. Certificates confirming that the Insurances are held by the Contractor during the Service Period and for a period of at least six (6) years following the Termination Date, documents and records relating to any claims made in respect of the Insurances in respect of the Services and any other documentation and plans referred to in Schedule 2.6 (Insurance).
23. Details of all Sub-contractors, as further described in Schedule 4.3 (Sub-contractors) including the information set out in Appendices 1 to 3 of Schedule 4.3.
24. Records relating to the appointment and termination of each Sub-contractor.
25. Details of all Software, as further described in Schedule 5.2 (Software).
26. Copies of each Escrow Agreement entered into under Schedule 5.3 (Escrow).
27. All Implementation Plans and other documentation to be prepared and/or maintained by the Contractor under Schedule 6.1 (Implementation Planning).
28. Details of all Test Documents, Test Quality Audits and other documentation to be prepared and/or maintained by the Contractor under Schedule 6.2 (Testing and Acceptance).
29. Copies of all Certificates issued under Schedule 6.2 (Testing and Acceptance).

30. All Supporting Documentation and any other documents prepared by the Contractor in support of claims for the Charges.
31. Copies of all invoices submitted by the Contractor under this Agreement.
32. Records relating to VAT sought to be recovered by the Contractor under this Agreement.
33. Copies of all versions of the Financial Model under Schedule 7.1 (Charges and Payments).
34. Other documentation and records to be prepared and/or maintained by the Contractor under Schedule 7.1 (Charges and Payments).
35. Financial records, including audited and unaudited accounts (as further described in Schedule 7.4 (Financial Distress)) of the Contractor.
36. Details of any payments made to the Contractor under Schedule 7.2 (Payments on Termination).
37. Copies of each Benchmark Report under Schedule 7.3 (Value for Money).
38. Other documentation, reports and records to be prepared and/or maintained by the Contractor under Schedule 7.3 (Value for Money).
39. Copies of all Financial Distress Service Continuity Plans (as further described in Schedule 7.4 (Financial Distress)) and other documentation, reports and records to be prepared and/or maintained by the Contractor under Schedule 7.4 (Financial Distress).
40. The Change Log and any documents submitted by the Contractor to the DCC pursuant to accordance with the Change Control Procedure (as further described in Schedule 8.2 (Change Control)).
41. Documents submitted by the Contractor pursuant to invocation by it or the DCC of the Dispute Resolution Procedure, Fast Track Dispute Resolution Procedure and/or Escalation Process.
42. All documentation and records required to be prepared by the Contractor under Part B of this Schedule 8.4, including regarding Quality of Service Information and/or Price Control Information.
43. All plans, registers, records and other documentation required to be prepared by the Contractor under Schedule 8.5 (Exit), including the Asset Register and all versions of the Initial Exit Plan and the Final Exit Plan.
44. All versions of the BCDR Plan, all Review Reports and all reports relating to the results of any testing of the BCDR Plan (as further described in Schedule 8.6 (Business Continuity and Disaster Recovery Plan)).
45. All Co-operation Agreements and related documentation under Schedule 8.7 (Co-operation).

46. Documentation and reports relating to Projects, as further described in Schedule 8.8 (Projects), including all Project Requests, Statements of Work, Project Plans and PIDs.
47. All versions of the Operations Manual, as further described in Schedule 8.9 (Operations Manual).
48. All documentation and records required to be prepared by the Contractor under Schedule 9.1 (TUPE), including all versions of the Contractor's Staff List and the Staffing Information.
49. Details of all Key Personnel, as further described in Schedule 9.2 (Personnel and Key Personnel), including records relating to the appointment and succession of each member of the Key Personnel.
50. Evidence from Sub-contractors and (where available) third parties and manufacturers of equipment and systems used to provide the Contractor Solution that the equipment and Contractor Solution satisfy all relevant security requirements as defined from time to time in this Agreement.
51. All other records, notices, documents or certificates required to be produced and/or maintained by the Contractor or any Contractor Person pursuant to this Agreement.