

LARGE USER VOLUME AGREEMENT

between

PARTIES

SCOTTISH WATER BUSINESS STREAM LIMITED, a company incorporated in Scotland (registered no. SC294924) and whose registered office is at 55 Buckstone Terrace, Edinburgh, EH10 6XH (**SWBS** or **us/we/our**); and

[#], a company registered under the Companies Act (registered no. **[#]**) and having its registered office at **[#]** (**the Customer** or **you/your**).

BACKGROUND

This Agreement sets out the terms and conditions under which the LUVA Tariff is made available in relation to the supply by SWBS of Services to the Customer at the Site.

1 Definitions and interpretation

1.1 Unless the context requires otherwise:

Actual Consumption means, in relation to a Charging Period, the amount of water supplied by us to you at the Site during that Charging Period;

Agreement means these terms and conditions (including the Schedule) together with the Standard Terms and Conditions;

Base Figure means, in relation to the first Charging Period, the amount of water supplied by us to you at the Site in the calendar year (January to December) immediately preceding the Commencement Date as specified in the Schedule (or as otherwise agreed in writing), and in relation to each subsequent Charging Period, the Actual Consumption in the immediately preceding Charging Period (or as otherwise agreed in writing);

Charging Period means a period of twelve months commencing on the Commencement Date or any anniversary of the Commencement Date;

Commencement Date means [1 April 2007 notwithstanding the dates of execution hereof] [the last date of execution of this Agreement] (**delete as appropriate**);

Final Charging Period means the Charging Period in which the Termination Date occurs;

Large User Tariff means the volumetric water charges applicable to customers other than those who are (i) on the LUVA Tariff; or (2) served by a meter of diameter not exceeding 20mm, as set out in our published Scheme of Charges;

LUVA Tariff means the schedule of tariffs set out in the Schedule and as may be amended from time to time by written notification from us;

Minimum Consumption means, in relation to a Charging Period, 75% of the Base Figure;

Schedule means the schedule to these terms and conditions;

Services means the supply by us to you of water and, where applicable, sewerage (i.e. waste water, surface water and trade effluent) services, meter services and other services which we may offer to provide to you in respect of the Site;

Site means the site identified in the Schedule;

Standard Terms and Conditions means our standard terms and conditions for the supply of Services, the current version of which is available from our website at www.swbusinessstream.co.uk; and

Termination Date means the date of termination of this Agreement.

1.2 Unless the context requires otherwise, words and phrases defined in the Standard Terms and Conditions shall be given the same meaning in these terms and conditions.

1.3 If there is any conflict or inconsistency between these terms and conditions and any provisions of the Standard Terms and Conditions, these terms and conditions shall take precedence.

2 Commencement and duration

2.1 This Agreement shall come into force on the Commencement Date and shall continue in force until terminated in accordance with its terms.

2.2 Any previous agreement or arrangement subsisting between us and relating to the supply of water and/or sewerage services to the Site shall terminate immediately prior to this Agreement coming into force, but without prejudice to any outstanding claim or demand by either party against the other under the terms of such agreement or arrangement.

3 Base Figure

3.1 You agree to give us a minimum of three months' written notice of any material alteration to your anticipated water consumption at the Site. In addition, we may contact you from time to time (and will do so at least annually) to discuss your water consumption at the Site. Following any such notification or discussion, we will review the Base Figure and notify you in writing of any change to the Base Figure.

4 Entitlement to LUVA Tariff

4.1 If you comply with all of the conditions set out in clause 4.2, your charges for water consumption at the Site will be based on the LUVA Tariff.

4.2 The conditions referred to in clause 4.1 are:

4.2.1 that your Base Figure does not fall below 100MI; and

4.2.2 that we do not cease to supply you with both water and sewerage services; and

4.2.3 that you are not in breach of your obligations under this Agreement (including, for the avoidance of doubt, your obligations under the Standard Terms and Conditions).

5 Calculation of charges

5.1 You agree to pay the volumetric charges for the supply of water under these terms and conditions together with any other charges and costs properly due in connection with this Agreement (including, without limitation, any published fixed charges or costs in connection with the Standard Terms and Conditions and any published charges for other services provided by us).

5.2 In addition to the charges payable under Clause 5.1, if in any Charging Period your Actual Consumption is less than the Minimum Consumption, you agree to pay the charges associated with the volumetric difference between the Minimum Consumption and the Actual Consumption, such charges to be calculated according to the LUVA Tariff applicable during that Charging Period.

5.3 If Scottish Water increases its wholesale charges for water during a Charging Period, we may increase the LUVA Tariff (but will not necessarily do so). Any such increase will be limited to the increase in wholesale costs charged to us by Scottish Water. We will send you an amended LUVA Tariff and notify you of the date from which it is to take effect.

5.4 If Scottish Water decreases its wholesale charges for water during a Charging Period, we will decrease the LUVA Tariff to reflect the reduction in wholesale costs. We will send you an amended LUVA Tariff and notify you of the date from which it is to take effect.

6 Payment

6.1 During each Charging Period, we will issue [monthly] [quarterly] invoices in arrears in respect of the Services. The volumetric water charge for each such invoice will be based on actual or estimated meter readings. **(delete as appropriate)**

6.2 At the end of each Charging Period (or as soon as reasonably practicable thereafter) we will issue you with an invoice in respect of any additional charges payable in terms of Clause 5.2.

6.3 Invoices must be paid by CHAPS, BACS or Direct Debit only.

- 6.4 We will issue invoices no later than the twelfth day of each month. Payment must reach us by no later than the tenth day of the following month.
- 6.5 We will be entitled to charge interest on late payments. Interest will accrue on a daily basis and is payable at 4% per annum above the Bank of Scotland's base rate from time to time in force from the day after the due date for payment until the date when payment is received.
- 6.6 If you dispute any charges relating to an invoice, you must notify us in writing of the reason(s) why you dispute the invoice prior to the due date for payment. Any undisputed amounts remain due and payable.
- 6.7 All our charges are subject to any applicable UK tax or duty, including VAT at the prevailing rate.

7 Termination

- 7.1 This Agreement can be terminated by us immediately by giving notice in writing:
- 7.1.1 if either of the conditions referred to in Clauses 4.2.1 and 4.2.2 is no longer satisfied (including, for the avoidance of doubt, where you enter into an agreement or arrangement for the supply to the Site (or any part thereof) of water services, or sewerage services, or both water and sewerage services, with a different supplier);
 - 7.1.2 if you go into liquidation, whether voluntary or compulsory (save for the purposes of reconstruction or amalgamation), or a receiver or administrative receiver is appointed in respect of the whole or a material part of your assets, or you make or offer to make an arrangement or composition for the benefit of creditors generally;
 - 7.1.3 if you fail to pay by the due date (as specified in clause 6.4) any amount properly due under this Agreement and non-payment continues 14 days after we send you notice of non-payment specifying the amount; or
 - 7.1.4 if you fail to perform any of your material obligations under this Agreement (not being an obligation to which Clause 7.1.3 applies) and such failure is not remedied to our reasonable satisfaction within 28 days after we send you notice specifying the breach.
- 7.2 This Agreement can be terminated by either party by giving 28 days' notice in writing to the other.

8 Consequences of termination

- 8.1 Upon termination of this Agreement, unless you have entered into a separate agreement with another supplier in relation to the supply to the Site (or any part thereof) of water services, or sewerage services, or both, we will continue to supply you with water and/or sewerage services (as appropriate). Any such supply will be subject to and in accordance with the Standard Terms and Conditions and our published Scheme of Charges and shall be based on the Large User Tariff.

- 8.2 We will arrange for the meter(s) at the Site to be read on the Termination Date (or as soon as reasonably practicable thereafter). We will then issue you with a final invoice.
- 8.3 Where the Agreement is terminated by us in accordance with Clause 7.2, the final invoice will take into account the charges due in terms of Clause 5.1 and any payments made by you in terms of Clause 6.1 up to the Termination Date.
- 8.4 Where the Agreement is terminated by us in accordance with Clause 7.1, or by you in accordance with Clause 7.2, then the final invoice will be calculated as follows:
- 8.4.1 if your water consumption during the Final Charging Period up to the Termination Date is greater than the Minimum Consumption, the final invoice will be for an amount equivalent to such water consumption (together with any other charges due in terms of Clause 5.1), less any payments made in terms of Clause 6.1; or
- 8.4.2 if your water consumption during the Final Charging Period up to the Termination Date is less than the Minimum Consumption, then, subject to Clause 8.5, the final invoice will be for an amount equivalent to the Minimum Consumption (together with any other charges due in terms of Clause 5.1), less any payments made in terms of Clause 6.1.
- 8.5 If, pursuant to Clause 8.1, you continue to be supplied by us after the Termination Date, the final invoice referred to in Clause 8.4.2 will not be issued until after the Relevant Date, and the amount payable will be reduced (where appropriate, to zero) by any liability you have incurred for water consumption under the Large User Tariff between the Termination Date and the Relevant Date.
- 8.6 For the purposes of Clause 8.5, the Relevant Date is the earlier of:
- 8.6.1 the date (where appropriate) that you begin to be supplied by another supplier; and
- 8.6.2 the date of expiry of the Final Charging Period.
- 8.7 Clauses 6.3 to 6.7 shall apply in respect of payment of the final invoice.
- 8.8 Termination will not affect either party's accrued rights under this Agreement.

8.9 The provisions of this Clause 8 shall survive termination of this Agreement.

This Agreement is executed as follows:

For Scottish Water Business Stream Limited

For [Customer]

.....
signature of
director/secretary/authorised signatory

.....
signature of
director/secretary/authorised signatory

.....
full name of above (print)

.....
full name of above (print)

.....
date of signing

.....
date of signing

.....
place of signing

.....
place of signing

.....

This is the Schedule referred to in the foregoing Agreement between SWBS and [Customer].

SCHEDULE

Site:

[Address]

Account

Meter

#####

#####

Base Figure as at 1 April 2007:

[#]MI / year.

This table sets out the LUVA Tariff that applies from 1 April 2007:

Volume band	Tariff as at 1 April 2007
Volume below 100MI	71.62 pence/m³
Volumes between 100MI and 250MI	46.73 pence/m³
Volumes above 250MI	42.48 pence/m³