SCHEDULE 4

PAYMENT MECHANISM

SCHEDULE 4

Payment Mechanism

1.   **DEFINITIONS**

In this Agreement, the following expressions shall have the following meanings:

"Accrual Adjustment" means the Accrual Adjustment calculated in accordance with paragraph 4 of this Schedule 4 (*Payment Mechanism*);

"Actual Milestone Index" means the Condition Indices achieved or the cumulative number of Street Lights and items of Traffic Signal/Control Infrastructure Certified as having been Removed during the Core Investment Period in accordance with Clause 26.2 (*Completion of a Milestone*) of this Contract;

"Adjusted Forecast Electricity Consumption" means the figure for the forecast electricity consumption in kWh for the relevant Contract Year, as set out in Schedule 10 (*Forecast Unmetered Electricity Consumption*) of this Contract as adjusted from time to time to take account of any Accruals and De-Accruals in accordance with paragraph 4 of this Schedule 4 (*Payment Mechanism*), divided by twelve (12);

"Alternative Lighting Forecast Consumption Adjustment" means the calculation set out in Annex 1 of this Schedule 4 (Payment Mechanism);

"Authority Gain-Share" means the Authority's share of the Refinancing Gain in respect of the Refinancing undertaken in December 2016, which the Authority has elected to receive as reduction in the Monthly Unitary Charge, calculated in accordance with paragraph 2.2.1 of this Schedule 4 (Payment Mechanism);

"Base Annual Unitary Charge" means the annual un-indexed total amount being:

(a)   £57,992,120 until 31 December 2016; and;

(b)   £58,035,176 from (and including) 1 January 2017 onwards.

"**Capital Contribution**" means the amount to be paid by the Authority to the Service Provider in accordance with Clause 26.4 of the Contract and calculated in accordance with paragraph 3.1.4 of this Schedule 4 (*Payment Mechanism*);

"Carbon Adjustment" means the Carbon Adjustment calculated in accordance with paragraph 6 of this Schedule 4 (*Payment Mechanism*);

 "Carbon Service Point" means a point accrued for a failure relating to a carbon-related Performance Requirement in accordance with Performance Requirements 1.124a-1.124c of Schedule 2 (*Output Specification*);

"Direct Service Point" means a point accrued for a failure relating to a Performance Requirement in accordance with Table 1 to table 10 of Schedule 2 (*Output Specification*);

"Energy Consumption Saving" means the calculation set out in paragraph 3.5 of this Schedule 4 (*Payment Mechanism*);

"Energy Payment" means the Energy Payment calculated in accordance with paragraph 3.4 of this Schedule 4 (*Payment Mechanism*);

"Forecast Milestone Index" means the Condition Indices forecast to be achieved or the forecast cumulative number of Street Lights and items of Traffic Signal/Control Infrastructure to be Removed during the Core Investment Period as set out in Schedule 35 (*Milestones*)of this Contract;

"Grace Period" means the period commencing from the Service Commencement Date, during which no Performance Adjustment will be incurred;

"Initial Performance Requirement" means the initial identification of a requirement for Service in accordance with paragraph 5.1.7 of this Schedule 4 (*Payment Mechanism*);

"Milestone Adjustment Factor" means the factor applied to the Monthly Unitary Charge during the Core Investment Period calculated in accordance with paragraph 3.3 of this Schedule 4 (*Payment Mechanism*);

"Milestone Proportion" means the proportion given for each Milestone in Schedule 35 (*Milestones*);

"Non-Core Services Payment" means the payment for Non-Core Services made in accordance with paragraph 3.1 of this Schedule 4 (*Payment Mechanism*);

"Performance Adjustment" means the Performance Adjustment calculated in accordance with paragraph 5 of this Schedule 4 (*Payment Mechanism*);

"Performance Failure" means the number of Repeat Periods for the relevant Performance Requirement in the relevant Month or, where Repeat Periods do not apply to the Performance Requirement, then the number of failures to achieve the Performance Requirement in the Month;

"Performance Requirement" means minimum standards of service provision relating to each Service Standard as set out in Schedule 2 (*Output Specification*);

"Permitted Threshold" means ▮▮▮▮ Service Points, being the level of Service Points accrued in a Month below which no Performance Adjustment shall be incurred in accordance with paragraph 5 of this Schedule 4 (*Payment Mechanism*);

"Rectification" means measures taken by the Service Provider to remedy the failure of a Service Standard so that the relevant Service is performed to the relevant Performance Requirements and **"Rectify"** will be construed accordingly;

"Rectification Period" means the period relating to each Performance Requirement as set out in Schedule 2 (*Output Specification*), which elapses from the point when the Service Provider becomes aware of a failure, or should have become aware of the failure had it been carrying out Services and other obligations of the Contract in accordance with the requirements of the Contract or the expiry of the Grace Period whichever is the later, and during which the Service Provider must rectify fully the failure in order to avoid incurring a Performance Adjustment;

"Repeat Period" means the period relating to each Performance Requirement as set out in Schedule 2 (*Output Specification*), which elapses from the end of a Rectification Period and during which the Service Provider must rectify fully the failure in order to avoid incurring a further Performance Adjustment;

"Service Point" means a point accrued for a failure relating to a Performance Requirement in accordance with Table 1 to Table 10 of Schedule 2 (*Output Specification*)**;**

"Starting Milestone Index" means, for each Milestone, the Condition Indices or the cumulative number of Street Lights and items of Traffic Signal/Control Infrastructure required to be Removed as at the Service Commencement Date;

"Subsequent Performance Requirement" means the subsequent alternative identification of a requirement for Service in accordance with paragraph 5.1.7 of this Schedule 4 (*Payment Mechanism*);

"Sundry Adjustments" means the Sundry Adjustments calculated in accordance with paragraph 3.1 of this Schedule 4 (*Payment Mechanism*);

"Target Milestone Index" means, for each Milestone, the Condition Indices to be achieved or the cumulative number of Street Lights and items of Traffic Signal/Control Infrastructure to be Removed by the Service Provider at the end of the Core Investment Period;

"Traffic Management Adjustment" means the Traffic Management Adjustment calculated in accordance with paragraph 7 of this Schedule 4 (*Payment Mechanism*); and

"Traffic Management Service Point" means a point accrued for a failure to comply with the Traffic Management Target for the relevant Contract Year in accordance with Performance Requirement 1.121 of Schedule 2 (*Output Specification*).

SCHEDULE 4

Payment Mechanism

2. **ANNUAL UNITARY CHARGE AND MONTHLY UNITARY CHARGE**

    2.1 **Adjustment of Annual Unitary Charge**

        2.1.1 The Annual Unitary Charge and the Monthly Unitary Charge shall be calculated and adjusted from time to time in accordance with this Schedule 4 (*Payment Mechanism*), Clause 56 (*Payment and Financial Matters*) and any other express provisions of this Contract.

    2.2 **Monthly Unitary Charge**

        2.2.1 Subject to paragraphs 2.3 and 3.2 of this Schedule 4 (*Payment Mechanism*), the Monthly Unitary Charge for the Month, (**"MUC$_m$"**) shall be calculated in accordance with the following formula:

$$MUCm = \frac{AUC_n}{12} - \frac{AG}{12 \times MAF_m}$$

Note: The effect of the term $\dfrac{AG}{12 \times MAF_m}$ in this formula is to pass the value of $\dfrac{AG}{12}$ to the Monthly Unitary Payment (MUP$_m$) at paragraph 3.1.2 unmodified by the multiplication by MAF$_m$.

where:

AUC_n = the Annual Unitary Charge as defined and calculated in paragraph 3.2 of this Schedule 4 (*Payment Mechanism*).

MAF_m =

the applicable Milestone Adjustment Factor, calculated in accordance with paragraph 3.3 of this Schedule 4 (*Payment Mechanism*);

AG =

The Authority Gain-share determined as:

(a) £0 until 31 December 2016;

(b) ██████ from (and including) 1 January 2017 to 30 September 2031; and

(c) £0 from (and including) 1 October 2031 onwards.

2.3 Incomplete Months

2.3.1 With respect to the first and last Month of the Term, MUC_m shall be calculated in accordance with the following formula:

MUC_m =

$$AUC_n \ x \ \frac{b}{c}$$

where:

AUC_n =

the Annual Unitary Charge as defined and calculated in paragraph 3.2 of this Schedule 4 (*Payment Mechanism*);

b =

the number of days the Service is provided in the relevant Month; and

c =

365 (or 366 in a leap year).

3. MONTHLY PAYMENT

3.1 Calculation of Monthly Payment

3.1.1 The Monthly Payment (**"MP_m"**) shall be calculated in accordance with the following formula and such payment

shall be made in accordance with Clause 56 (*Payment and Financial Matters*) of this Contract:

$$MP_m = MUP_m + CC_m + NCSP_{m-1} +/- ECS_m - CA_m - TMA_m +/- SA_m$$

where:

$MUP_m =$ the Monthly Unitary Payment in respect of the Month, and calculated in accordance with the formula in paragraph 3.1.2 below;

$CC_m =$ The Capital Contribution in respect of the Month and calculated in accordance with the formula in paragraph 3.1.4 below;

$NCSP_{m-1} =$ any Non-Core Services Payment due in relation to the Month 1 Month prior to the current Month and calculated in accordance with Paragraphs 2 and 3 of Schedule 7 (*Non-Core Services*) of the Contract;

$ECS_m =$ any Energy Consumption Savings in respect of the Month, due to the Authority or to the Service Provider, and calculated in accordance with paragraph 3.5 of this Schedule 4 (*Payment Mechanism*);

$CA_m =$ any Carbon Adjustment in respect of the Month, due to the Authority, and calculated in accordance with paragraph 6 of this Schedule 4 (*Payment Mechanism*);

$TMA_m =$ any Traffic Management Adjustment in respect of the Month, due to the Authority, and calculated in accordance with paragraph 7 of this Schedule 4 (*Payment Mechanism*);

$SA_m =$ any Sundry Adjustments due for the Month including:

- The agreed Sundry Adjustment in relation to ███████ ████████ in accordance with paragraph 8 of this

Schedule 4 (*Payment Mechanism*);

- any interest payable by the Authority to the Service Provider under this Contract;

- any interest payable by the Service Provider to the Authority under this Contract;

- any adjustments to reflect previous overpayments;

- any adjustments to reflect previous underpayments;

- any adjustment due in respect of Agreed Abatement under Schedule 18 (*Change Protocol)* of the Contract*;*

- any other amounts payable by the Authority to the Service Provider under the Contract; and

- any other amounts payable by the Service Provider to the Authority under the Contract.

3.1.2 The Monthly Unitary Payment in respect of the Month (MUP_m) shall be calculated in accordance with the following formula:

$$MUP_m = ((MUC_m \ x \ MAF_m) \ +/- \ PenA_{m-2} + EP_m \ -EPA_m + AA_{m-1} - \sum_{1-10}^{SS} PA_{m-2})$$

where:

$MUC_m =$ the Monthly Unitary Charge in respect of the Month, calculated in accordance with paragraphs 2.2 and 2.3 and the indexation provisions of paragraph 3.2 of this Schedule 4 (*Payment Mechanism*);

$MAF_m =$ the applicable Milestone Adjustment Factor, calculated in accordance with paragraph 3.3 of this Schedule 4 (*Payment*

Mechanism);

$PenA_{m-2}$ The applicable Pension Adjustment, due in respect of the Month 2 Months prior to the current Month, calculated in accordance with paragraph 3.6 of this Schedule 4 (*Payment Mechanism*); .

$EP_m =$ the Energy Payment in respect of the Month, calculated in accordance with paragraph 3.4.2 of this Schedule 4 (*Payment Mechanism*);

EPA_m the Energy Payment in respect of the Month, calculated in accordance with paragraph 3.4.3 of this Schedule 4 (*Payment Mechanism*);

$AA_{m-1} =$ any Accrual Adjustment due in respect of the Month 1 Month prior to the current Month, relating to Accrued/De-Accrued Project Network Parts, calculated in accordance with paragraph 4 of this Schedule 4 (*Payment Mechanism*); and

$PA_{m-2} =$ any Performance Adjustments due in respect of the Month 2 Months prior to the Month in which the MUC relates in respect of Service Standards 1 to 10 and calculated in accordance with paragraph 5 of this Schedule 4 (*Payment Mechanism*).

3.1.3   The aggregate of MUP_m for each Month in respect of a Contract Year shall never be less than zero (0). Where, in any Month, MUP_m is negative, then this shall, in the first instance, be carried back and reclaimed against positive MUP_m from previous Months in the same Contract Year otherwise, where there are insufficient positive amounts, shall be carried forward and set off against MUP_m for subsequent Months in the same Contract Year.

3.1.4   The Capital Contribution ("**CC")** at each Milestone Determination Date shall be calculated in accordance with the following formula:

CC_m =

The greater of:

(i)   (Achieved   Milestone   Factor   x   Maximum   Cumulative   Capital   Contribution(MCCC))- Ccprev; and

(ii)   £zero

where:

Achieved Milestone Factor $((AMAF - SMAF) / (TMAF - SMAF))$

$TMAF$ =   the Target Milestone Adjustment Factor for the relevant Planned Milestone Determination Date calculated in accordance with Table B or one (1) where the Milestone Determination Date occurs after the last Planned Milestone Determination Date;

$AMAF$ =   the MAF_m as defined in Paragraph 3.3 of this Schedule 4 (*Payment Mechanism*) for the Month in which the Milestone Determination date falls;

$SMAF$ =   the Starting Milestone Adjustment Factor at the start of the CIP as shown in Schedule 35 (*Milestones*); and

$CCprev$ the sum of the Capital Contributions calculated in respect of any previous Milestone Determination Dates;

$MCCC$ *the aggregate amount shown against the relevant Milestone Year in Table A*

Table A

Milestone Year	Maximum Figure
1	███████████████
2	███████████████
3	███████████████
4	███████████████
5	███████████████

Table B

Milestone Year	TMAF
1	███████████████
2	███████████████
3	███████████████
4	███████████████
5+	1.0

3.2 Indexation: Annual Unitary Charge

3.2.1 The Annual Unitary Charge shall be adjusted on 1 April in each year following the Planned Service Commencement Date (**"Indexation Review Date"**) until the earlier of the Expiry Date or the Termination Date in accordance with the following formula:

$$AUC_n = AUC_0 \, x \, (1-X) + (AUC_0 \, x \, (X) \, x \, I_n)$$

where:

$AUC_0 =$	the Base Annual Unitary Charge;
$X =$	the variable element of AUC_0 to which indexation will apply being ▮%
$I_n =$	$RPIX_n / RPIX_0$;
$RPIX_n =$	the value of RPIX for the month of January immediately preceding the Indexation Review Date; and
$RPIX_0 =$	the value of RPIX for the month of June 2012.

3.3 Milestone Adjustment Factor

3.3.1 The Milestone Adjustment Factor (**"MAF_m"**) for the Month shall be calculated in accordance with the following formula:

$$MAF_m = 1 - \left(\sum_{s=1}^{65} \left((TI_s - AI_{ms}) / (TI_s - SI_s) \right) \times MSP_s \times AP \right)$$

* Note: the 65 Milestones represent the Milestone "S" references in Schedule 35 of the Contract (Milestones), which total 58 in number, recognising that Milestones 29-35 inclusive are not required.

where:

$s =$	each relevant Milestone in Schedule 35 *(Milestones)*;
$TI_s =$	the Target Milestone Index for Milestone s at the end of the CIP as shown in Schedule 35 *(Milestones)*;
$AI_{ms} =$	the lesser, or greater in the case of the Carriageway

and Footway Condition Indices, of the Actual Milestone Index achieved on the first day of Month m for Milestone s and the Forecast Milestone Index for the first day of Month m for Milestone s;

$SI_s =$ the Starting Milestone Index for Milestone s at the start of the CIP as shown in Schedule 35 (*Milestones*); and

$MSP_s =$ the applicable Milestone Proportion allocated to the Milestone s in Schedule 35 (*Milestones*).

$AP =$ the Adjustment Proportion to be spread across the CIP i.e. 0.25

3.3.2   At Service Commencement MAF will equal ▮.

3.4   **Energy Payment**

3.4.1   The Service Provider shall comply with the provisions of Clause 57 (*Electricity Procurement*) of this Contract.

3.4.2   Where the Service Provider enters into the Electricity Contract in accordance with Paragraph 1.1 of Schedule 9 (*Electricity Procurement)* the Energy Payment (**"EP$_m$"**) shall be calculated in accordance with the following formula:

$EP_m =$

$$\sum_{ETB=1}^{Z} APETB_m \, x AFC_m$$

where:

$ETB_m =$ the relevant Electricity Tariff Band as included under the current energy contract from Band 1 to Band Z, where Z is the number of bands under the

current Electricity Contract;

$APETB_m =$ the actual price of electricity for the relevant Month in pence per kWh (for each ETB), including, without limitation, all fixed and standing charges, all associated metering and data management charges, the climate change levy (and any replacement levy or charge) and any premium charged for any specific terms and conditions related to the supply of electricity to the Powered Apparatus;

$AFC_m =$ $AFEC_m - AltLFCA_m$;

$AFEC_m =$ the Adjusted Forecast Electricity Consumption (for each ETB) prevailing in Month m. Where the Month for which AFEC is required is not a full calendar month, AFEC shall be pro rated so that it only represents the consumption for the appropriate proportion of the calendar month;

$AltLFCA_m =$ the Alternative Lighting Forecast Consumption Adjustment (for each ETB) prevailing in Month m as calculated in accordance with Annex 1 of this Schedule 4 (*Payment Mechanism*).

3.4.3. Where the Authority enters into the Electricity Contract in accordance with Paragraph 1.2 of Schedule 9 (*Electricity Procurement)* and pays directly for the supply of electricity to the Apparatus, any overspend in Energy Consumption will be recovered from the Service Provider on an annual basis as an adjustment to the Monthly Payment and shall be calculated in accordance with the following formula:

EPA_m = Service Provider's energy consumption overspends (if any) provided that where this is a positive value it shall be zero, calculated in accordance with the following formula

$$-\left(\left(\sum_{m=1}^{12} AFC_m - \sum_{m=1}^{12} MAC_m\right) \times WAP_n\right)$$

where:

MAC_m = the actual monthly electricity consumption in kWh (for each ETB) paid for by the Authority for the relevant Contract Year, as shown on the relevant electricity invoices or other documentation where consumption is not shown on the electricity invoice received by the Authority

WAP_n = the weighted average actual price of electricity for the relevant Contract Year in pence per kWh, including all fixed and standing charges, all associated metering and data management charges, the climate change levy (and any replacement levy or charge) and any premium charged for any specific terms and conditions related to the supply of electricity to the Powered Apparatus.

3.5 Energy Consumption Savings

3.5.1 The Service Provider shall set out in the Monthly Monitoring Report submitted to the Authority in the first Month of the second and each subsequent Contract Year, the Actual Electricity Consumption which shall be in the form of the Electricity Consumption Report in accordance with Paragraph 3 of Schedule 9 (*Electricity Market Test*). To the extent that there are any savings in respect of electricity consumption in the previous Contract Year, the Service Provider shall set out in the Draft Monthly Payment Report submitted to the Authority in the second Month of the second and each subsequent Contract Year, (and also in that Draft Monthly Payment Report submitted in accordance with

Clause 56.14 (*Payment for final Month of the Term*) such savings calculated in accordance with the following formula:

3.5.2 Where the Service Provider enters into the Electricity Contract in accordance with Paragraph 1 of Schedule 9 (*Electricity Procurement*);

$ECS_n =$ Authority share of the Service Provider's Energy Consumption Savings (if any) provided that where this is a negative value it shall be zero, calculated in accordance with the following formula:

$$0.5 \ x \ \left(\left[0.98x\sum_{m=1}^{12} AFC_m \right] - AC_n \right) \ x \ WAP_n$$

where:

$AFC_m =$ as defined in paragraph 3.4.2 of this Schedule 4 (*Payment Mechanism*) in kWh for the Month m;

$AC_n =$ the annual Actual Electricity Consumption in kWh for the relevant Contract Year;

$WAP_n =$ the weighted average actual price of electricity for the relevant Contract Year in pence per kWh, including all fixed and standing charges, all associated metering and data management charges, the climate change levy (and any replacement levy or charge) and any premium charged for any specific terms and conditions related to the supply of electricity to the Powered Apparatus.

3.5.3 Where the Authority enters into the Electricity Contract in accordance with Paragraph 1 of Schedule 9 (*Electricity Procurement*);

ECS_n = Service Provider share of the energy consumption savings (if any) provided that where this is a negative value it shall be zero, calculated in accordance with the following formula:

$$0.5 \; x \; \left(\left[0.98x\sum_{m=1}^{12} AFC_m \right] - AC_n \right) \; x \; WAP_n$$

where:

AFC_m = as defined in paragraph 3.4.2 of this Schedule 4 (*Payment Mechanism*) in kWh for the Month *m*;

AC_n = the annual Actual Electricity Consumption in kWh for the relevant Contract Year;

WAP_n = the weighted average actual price of electricity for the relevant Contract Year in pence per kWh, including all fixed and standing charges, all associated metering and data management charges, the climate change levy (and any replacement levy or charge) and any premium charged for any specific terms and conditions related to the supply of electricity to the Powered Apparatus.

3.5.4 The value of the Energy Consumption Saving (if any) shall be paid pursuant to paragraph 3.1 of this Schedule 4 (*Payment Mechanism*) as a monthly adjustment, in the case of paragraph 3.5.2 and a payment in the case of paragraph 3.5.3, to the Monthly Payment in the Month subsequent to the Draft Monthly Payment Report in which the Energy Consumption Saving is included.

3.6 **Pension Adjustment**

3.6.1 The Service Provider shall set out in the Draft Monthly Payment Report submitted to the Authority any Pensions

Adjustment to be made arising in respect of an Excess Contribution Rate or Lower Contribution Rate calculated in accordance with Clause 70.2A and 70.2C of the Contract. The Pension Adjustment shall be calculated in accordance with the following formula:

$PenA_{m-2}$ =   *ECR x Total Eligible Pension Scheme Employee's Monthly Wage*

or LCR x Total Eligible Pension Scheme Employee's Monthly Wage

where:

ECR =   Excess Contribution Rate as defined in Clause 70.2A of the Contract

LCR =   Lower Contribution Rate as defined in Clause 70.2C of the Contract

Total Eligible Pension Scheme Employee's Monthly Wage =   The sum of the pensionable pay for all Eligible Pension Scheme Employees of the Service Provider and relevant Sub-contractor for the relevant month.

4. ACCRUALS AND DE-ACCRUALS

4.1 Accrual and De-Accruals of Project Network Parts

4.1.1 An Accrual Adjustment to the Monthly Unitary Payment shall apply in respect of all Project Network Parts which have been increased or reduced between the Service Commencement Date and Month $m-1$ in accordance with Schedule 19 (*Accrual and De-Accrual of Project Network Parts*) of this Contract, and calculated in accordance with the following formula:

$AA_{m-1} =$

$$\frac{1}{12} \times \sum_{k=1}^{K} ((ya_k \times a_{km}) - (yd_k \times d_{km})) \; x \; I_n$$

where:

$K =$ the number of items;

$ya_k =$ the Accrual Value for the relevant type of Project Network k as agreed or determined in accordance with Paragraph 5 of Schedule 19 (*Accrual and De-Accrual of Project Network Parts*) of this Contract;

$yd_k =$ the De-Accrual Value for the relevant type of Project Network k as agreed or determined in accordance with Paragraph [5] of Schedule 19 (*Accrual and De-Accrual of Project Network Parts*) of this Contract;

$a_{km} =$ the aggregate number of items Accrued for each category of Project Network k between the Service Commencement Date and Month $m-1$;

$d_{km} =$ the aggregate number of items De-Accrued for each category of Project Network k between the Service Commencement Date and Month $m-1$;

$I_n =$ $RPIX_n / RPIX_0$ (as defined in paragraph 3.2)

4.1.2 Whenever such an Accrual or De-Accrual of Project Network Parts pursuant to Schedule 19 (*Accrual and De-Accrual of Project Network Parts*) or a Change pursuant to Schedule 18 (Change Protocol), is expected to cause an increase or decrease in aggregate electricity consumption by the Powered Apparatus, the forecasts of electricity usage provided by the Service Provider shall be varied by the addition or reduction of the forecast electricity consumption of each item of Powered Apparatus which has been Accrued or De-Accrued or which was the subject of the Change Notice (calculated in kilowatt hours) in accordance with the Balancing and Settlement Code Procedure 520 or any successor procedure to determine the energy consumption of Powered Apparatus and the burn hours as appropriate to the use of Powered Apparatus.

4.1.3 The Accrual Adjustment to the Monthly Payment shall take effect from the first day of the Month following the date on which the relevant Accrual and/or De-Accrual or Change occurred.

5. **CALCULATION OF MONTHLY PERFORMANCE ADJUSTMENTS**

5.1   **Performance Adjustment Calculation**

5.1.1   In the event that the Service Provider fails to comply with the Performance Requirements set out in Service Standards 1 to 10 of Schedule 2 (*Output Specification*), then the Service Provider shall incur in respect of each failure Service Points or Direct Service Points in accordance with Table 1 to Table 10 of Schedule 2 (*Output Specification*).

5.1.2   Where in any Month the Service Provider incurs Service Points in excess of the Permitted Threshold, or any Direct Service Points, the Service Provider shall incur a Performance Adjustment calculated in accordance with the following formula:

Performance Adjustment = (Number of Service Points + Number of Direct Service Points) x $(VSP_m \: x \: I_n)$

where:

Number of Service Points = the number of Service Points incurred by the Service Provider in the relevant Month;

Number of Direct Service Points = the number of Direct Service Points incurred by the Service Provider in the relevant Month;

VSP_m = the Value Per Service Point or Direct Service Points being ▮▮▮▮

I_n = $RPIX_n / RPIX_0$ (as defined in paragraph 3.2)

21

5.1.3 Where in any Month Service Points or Direct Service Points are accrued in respect of a Performance Requirement, then the Service Points or Direct Service Points shall be multiplied in accordance with the following table.

Table B: Multipliers for Performance Adjustments

Aggregate number of Performance Failures that have commenced in the relevant Month for the same Performance Requirement	M
0-4	
5-10	
11-20	
over 20	

5.1.4 Unless otherwise stated, in Schedule 2 (*Output Specification*) and in this Schedule 4 (*Payment Mechanism)*, any period expressed in terms of:

5.1.4.1 a month or months shall mean the period starting at the relevant time and date in the first month and ending at the same time and date in the following or subsequent month;

5.1.4.2 a day or days shall mean a full 24-hour period starting at the relevant time on the first day and ending at the same time the following or subsequent day;

5.1.4.3 a Business Day shall have the meaning given to it in Schedule 1 (*Definitions)* of this Contract and:

5.1.4.3.1 the length of a Business Day shall be the full 24-hour period starting at the relevant time on the first day and ending at the same time the following day (for example, a period that is stated to be three (3) Business Days commencing at 15:00:00 on a Friday is exceeded at the commencement of the first hour of the fourth (4) Business Day being 15:00:00 on the following Wednesday (except where a bank holiday occurs during this time period)); and

5.1.4.3.2 where an event triggering a Rectification Period or Repeat Period expressed in Business Days occurs on a day other than a Business Day, such Rectification Period or Repeat Period shall commence at 00:00:01 on the next following Business Day.

5.1.5 No Performance Adjustments in relation to any Service Standards may be imposed other than in accordance with the terms and procedures set out in this Schedule 4 (*Payment Mechanism*).

5.1.6 Subject to paragraph 5.1.7, Rectification Periods shall be deemed to commence from the time and date that the Service Provider first became aware or should reasonably have become aware of the relevant event of failure to meet a Performance Requirement.

5.1.7 Where, in relation to a particular requirement for Service, the Service Provider believes (acting reasonably) that a Performance Requirement (the "Initial Performance Requirement") applies to such requirement for Service, but subsequently discovers that an alternative Performance Requirement (the "Subsequent Performance Requirement") applies to such requirement for Service, the Service Provider shall be required to carry out the Service within the Subsequent Performance Requirement within any relevant time period stated within the Subsequent Performance Requirement, and the Rectification Period and Repeat Period

for the Subsequent Performance Requirement shall apply, and such requirement shall commence from the time and date that the Service Provider first became aware (or believed) or should reasonably have become aware (or believed) that the Initial Performance Requirement was applicable.

5.1.8 Performance Adjustments shall begin to accrue from the expiry of the relevant Rectification Period or (where no Rectification Period is specified) from the date and time at which the Service Provider first became aware of or should reasonably have become aware of the failure to meet a Performance Requirement and shall continue to accrue in respect of each Repeat Period that commences prior to Rectification.

5.1.9 Performance Adjustments shall cease to accrue from the time that the relevant event of failure to meet a Performance Requirement has been Rectified save as otherwise expressly stated in this Schedule 4 (*Payment Mechanism*).

5.1.10 No Performance Adjustment will be incurred in respect of any failure to comply with any Performance Requirement during any applicable Grace Period.

5.1.11 In respect of any failure by the Service Provider to comply with Performance Requirement 1.41(b) due to a failure of the MIS to actively communicate via the Authority's Integration Hub in the period from the Service Commencement Date until 31st March 2013, provided that the Service Provider is complying with the provisions set out at Appendix 1.6.5 to Method Statement 1.6 the Authority confirms that,:

5.1.11.1 the level of Service Points shall not exceed ▆▆▆▆ in any Month;

5.1.11.2 the provisions of paragraph 5.1.3 shall not apply to any Service Points incurred;

5.1.11.3 the Service Provider shall not be deemed to be in breach of Method Statements 1.6 and 1.8 in relation to the performance of the Services relating to Performance Requirement 1.41(b);

5.1.11.4 for the purposes of limbs (n), (o) and (p) of the definition of 'Service Provider Default' any Performance Adjustment made in respect of a failure by the Service Provider to comply with Performance Requirement and 1.41(b) shall be disregarded; and

5.1.11.5 the Performance Adjustments that may be imposed on the Service Provider arising from a failure to comply with Performance Requirement 1.41(b) shall be subject to an overall cap of ▊▊▊▊▊▊ .

6. .**CARBON ADJUSTMENT**

6.1.1 The Service Provider shall set out in the Draft Monthly Payment Report submitted to the Authority in the second Month of the second and each subsequent Contract Year (and also in that Draft Monthly Payment Report submitted in accordance with Clause 56.14 (*Payment for final Month of the Term*) of this Contract any Carbon Adjustment arising during the previous Contract Year.

6.1.2 A Carbon Adjustment shall apply in the event that the Service Provider fails to comply with the Carriageways and Footways Carbon Model Target, Street Lighting Carbon Model Target or Powered Apparatus Energy Carbon Model Target set out in the Annual Investment Programme.

6.1.3 The Carbon Adjustment (**"CA_m"**) shall be calculated in accordance with the following formula:

$$CA_m = \frac{CA_n}{CYR}$$

where:

$CA_n =$ Number of Carbon Service Points x X;

Number of Carbon Service Points =   the number of Carbon Service Points incurred by the Service Provider in the Contract Year n;

$X =$ ■ x I_n;

$I_n =$ $RPIX_n / RPIX_0$ (as defined in paragraph 3.2); and

$CYR =$ the number of Months remaining in the Contract Year n following the Month in which the Actual Monthly Payment Report contains the Carbon Adjustment.

6.1.4 The value of the Carbon Adjustment (if any) shall be paid pursuant to paragraph 6 of this Schedule 4 (*Payment Mechanism*) as a monthly adjustment to the Monthly Payment made over the remaining Months of the Contract Year in which the Actual Monthly Payment Report in which the Carbon Adjustment is included.

7. **TRAFFIC MANAGEMENT ADJUSTMENT**

    7.1.1   The Service Provider shall set out in the Draft Monthly Payment Report submitted to the Authority in the second Month of the second and each subsequent Contract Year (and also in that Draft Monthly Payment Report submitted in accordance with Clause 56.14 (*Payment for final Month of the Term*) of this Contract any Traffic Management Adjustment arising during the previous Contract Year.

    7.1.2   A Traffic Management Adjustment shall apply in the event that the Service Provider fails to comply with the Traffic Management Targets set out in the Annual Investment Programme.

    7.1.3   The Traffic Management Adjustment (**"TMA_m"**) shall be calculated in accordance with the following formula:

$$TMA_m = \frac{TMA_n}{CYR}$$

where:

$$TMA_n = \text{Number of Traffic Management Service Points x X;}$$

Number of Traffic Management Service Points =	the number of Traffic Management Service Points incurred by the Service Provider in the Contract Year n;
$X =$	■ x I_n;
$I_n =$	$RPIX_n \,/\, RPIX_0$ (as defined in paragraph 3.2); and
$CYR =$	the number of Months remaining in the Contract Year n following the Month in which the Actual Monthly Payment Report contains the Traffic Management Adjustment.

       7.1.4   The value of the Traffic Management Adjustment (if any) shall be paid pursuant to paragraph 7 of this Schedule 4 (*Payment Mechanism*) as a monthly adjustment to the Monthly Payment made over the remaining Months of the Contract Year in which the Actual Monthly Payment Report in which the Traffic Management Adjustment is included.

7.1A   Permit Schemes

       7.1A.1 The Authority grants the Service Provider relief from any obligation to make payment of any fee or charge arising under or by virtue of any Permit Scheme provided that this paragraph 7.1A shall not prevent the Authority from making Performance Adjustments on account of any failure by the Service Provider to comply with Performance Requirement 1.92(a).

       7.1A.2 The Authority agrees that, notwithstanding 7.1A.1, in any circumstances where the Service Provider makes payment of any amount to the Authority in accordance with any Permit Scheme except in relation to any Performance Adjustment pursuant to Performance Requirement 1.92(a), the Authority shall account the Service Provider for any such amount and the Service Provider shall be entitled to claim a Sundry Adjustment in respect of such amount in accordance with paragraph 3.1

8.   SUNDRY ADJUSTMENT FOR ███████████████████████████

A Sundry Adjustment shall be made to the relevant Monthly Payment in accordance with the figures in Table C

Table C

Milestone Year	Relevant Months	Monthly Sundry Adjustment
3	January 2016 to December 2016 inclusive	████████████
4	January 2017 to December 2017 inclusive	████████████

ANNEX 1 TO SCHEDULE 4 (*PAYMENT MECHANISM*)

A.1.1 The Alternative Lighting Forecast Consumption Adjustment ("AltLFCA"), for each ETB, shall be calculated from time to time whenever the Authority elects to require a change to the current lighting regime. Where during the Contract Term the Authority requires the Service Provider to make a change to the Lighting Activation Levels and/or Power Variation Levels set out in the Mayrise Database and Annexure 1 to Service Standard 4 of Schedule 2 (*Output Specification*) the value of AFC shall be adjusted by the sum calculated on a monthly basis in accordance with the following formula:

$AltLFCA =$ $\qquad$ $SwitchLA + DimLA_1 + DimLA_2$

where:

$SwitchLA =$ $\qquad$ $\sum_{1 to N} (s \times n \times h);$

$s =$ $\qquad$ the relevant value in kWh (as applicable) from Table 1 of this Schedule 4 (*Payment Mechanism*) below dependent on the category of Powered Apparatus from category 1 to N;

$n =$ $\qquad$ the number of units of each category of Powered Apparatus from category 1 to N for which the new regime relates;

$h =$ $\qquad$ the number of hours for which each item of Powered Apparatus from category 1 to N is switched off compared to the period under the current switching regime;

$DimLA_1 =$ $\qquad$ Where the Authority requests a change to the level of Dimming for an item of Powered Apparatus, calculated as follows;

$$\sum_{1toN}(d \times n \times h \times (1 - perc))$$

Where:	Using Table 2a of this Schedule 4 (*Payment Mechanism*) below;
$d =$	the relevant value in kWh (as applicable) dependent on the category of Powered Apparatus from category 1 to N;
$n =$	the number of units of each category of Powered Apparatus from category 1 to N for which the new dimming regime relates;
$h =$	the number of hours for which each item of Powered Apparatus from category 1 to N is dimmed under the current dimming regime;
$perc =$	the percentage of power consumption that the Powered Apparatus will be increased or reduced by under the revised dimming regime (as a percentage of the power consumption for that item of Powered Apparatus under the original dimming regime).
$DimLA_2 =$	Where the Authority requests a change to the number of hours for which an item of Powered Apparatus is dimmed, calculated as follows;

$$\sum_{1toN}(d \times n \times h)$$

Where:	Using Table 2b of this Schedule 4 (*Payment Mechanism*) below;
$d =$	the relevant value in kWh (as applicable) dependent on the category of Powered Apparatus from category 1 to N;

$n =$ the number of units of each category of Powered Apparatus from category 1 to N for which the new dimming regime relates;

$h =$ the number of hours for which each item of Powered Apparatus from category 1 to N is dimmed compared to the number of hours for the period under the current dimming regime;

Table 1: Summary of Variables used in the Calculation of SwitchLA

Category of Powered Apparatus	Powered Apparatus description *	Forecast energy saving in kWh for each hour that the item of Powered Apparatus is switched off (s)	Number of units of Powered Apparatus in that Category which are subject to the revised switching regime (n)	Number of hours that Category of Powered Apparatus is switched off compared to the period under the current switching regime (+/-h)
1 - Street Lighting	CDMT 70w	0.0870		
	CDMT 150w	0.1680		
	CPOT 60w	0.0690		
	CPOT 90w	0.1000		
	CPOT 140w	0.1573		
	HPI 250w	0.2670		
	MBFU 80w	0.0950		
	MBI 150w	0.1730		
	SON 50w	0.0627		
	SON 70w	0.0876		
	SON 100w	0.1131		
	SON 150w	0.1662		
	SON 250w	0.2793		
	SOX 35w	0.0660		

Category of Powered Apparatus	Powered Apparatus description *	Forecast energy saving in kWh for each hour that the item of Powered Apparatus is switched off (s)	Number of units of Powered Apparatus in that Category which are subject to the revised switching regime (n)	Number of hours that Category of Powered Apparatus is switched off compared to the period under the current switching regime (+/-h)
	SOX 55w	0.0765		
	SOX 90w	0.1122		
	SOX 135w	0.1692		
	SOXE 91w	0.1070		
	LED 10	0.0145		
	LED 12	0.0165		
	LED 14	0.0185		
	LED 16	0.0205		
	LED 18	0.0225		
	LED 24	0.0295		
	LED 28	0.0345		
	LED 32	0.0405		
	LED 36	0.0455		
	LED 40	0.0495		
	LED 44	0.0545		
	LED 48	0.0585		
	LED 52	0.0625		
	LED 52 (700mA)	0.1335		
	LED 10 klm	0.0680		
	LED 11 klm	0.0720		
	LED 12 klm	0.0800		
	LED 13 klm	0.0890		
	LED 14 klm	0.0920		
	LED 15 klm	0.0990		
	LED 16 klm	0.1080		
	LED 17 klm	0.1120		
	LED 18 klm	0.1160		
	LED 19 klm	0.1240		
	LED 20 klm	0.1310		
	LED 21 klm	0.1390		
	LED 22 klm	0.1460		

Category of Powered Apparatus	Powered Apparatus description *	Forecast energy saving in kWh for each hour that the item of Powered Apparatus is switched off (s)	Number of units of Powered Apparatus in that Category which are subject to the revised switching regime (n)	Number of hours that Category of Powered Apparatus is switched off compared to the period under the current switching regime (+/-h)
	LED 23 klm	0.1540		
	LED 24 klm	0.1630		
	LED 25 klm	0.1710		
	LED 26 klm	0.1800		
	LED 27 klm	0.1890		
	LED 28 klm	0.1990		
	LED 29 klm	0.2080		
	LED 30 klm	0.2180		
	LED 31 klm	0.2280		
	LED 32 klm	0.2390		
	LED 33 klm	0.2500		
2 - High Masts	SON 400w	0.4340		
	LED 40 klm	0.3505		
3 - Illuminated Signs	PLL 11w	0.0170		
	PLL 24w	0.0250		
	MCFU 8w	0.0150		
	LED 6w	0.0077		
	LED 15w	0.0190		
	LED 30w	0.0370		
4 - Illuminated Bollards	PLL 11w	0.0160		
	LED 4w	0.0058		
	LED 12w	0.0154		
5 - Subways	MCFU 8w	0.0150		
	MCFU 58w	0.0710		
	MCFU 70w	0.0830		
	PLL 11w	0.0170		
	PLL 36w	0.0430		
	PLL 55w	0.0630		

Category of Powered Apparatus	Powered Apparatus description *	Forecast energy saving in kWh for each hour that the item of Powered Apparatus is switched off (s)	Number of units of Powered Apparatus in that Category which are subject to the revised switching regime (n)	Number of hours that Category of Powered Apparatus is switched off compared to the period under the current switching regime (+/-h)
6 - Beacons	CDMT 35w	0.0470		
	LED 10w	0.0130		
	LED 52w	0.0647		
7 - Traffic Signals & ITS	3 Aspect signal head (dimmed)	0.0152		
	3 Aspect signal head (undimmed)	0.0180		
	3 Aspect signal head LED	0.0072		
	2 Aspect signal head	0.0208		
	2 Aspect signal head LED	0.0061		
	Pedestrian push button unit	0.0130		
	Pedestrian push button unit LED	0.0087		
	Toucan indicators	0.0200		
	Puffin (integral)	0.0066		
	Toucan (integral)	0.0078		
	Box sign	0.0360		
	Detector pack	0.0250		
	Loop detector	0.0040		
	Signal controller	0.0842		
	Signal controller (ELV)	0.0670		
	VMS	0.2500		
	Counters	0.1800		
	CCTV	0.0540		
	CCTV (wireless)	0.0280		
	OUT	0.0450		
	ANPR	0.0480		
	VAS/SID	0.0100		
	WiFi Router	0.0080		
8- Other	CDMT 35w	0.0480		

Category of Powered Apparatus	Powered Apparatus description *	Forecast energy saving in kWh for each hour that the item of Powered Apparatus is switched off (s)	Number of units of Powered Apparatus in that Category which are subject to the revised switching regime (n)	Number of hours that Category of Powered Apparatus is switched off compared to the period under the current switching regime (+/-h)
Apparatus				
	CDMT 70w	0.0880		
	LED 8w	0.0050		
	MBI 150w	0.1730		
	MCFU 18w	0.0300		
	SON 100w	0.1100		

* Where multiple lamp/luminaire configurations are used, the forecast energy saving should be factored accordingly

Table 2a: Summary of Variables used in the Calculation of DimLA$_1$

Category of Powered Apparatus	Powered Apparatus description	Forecast energy saving in kWh for each hour that the item of Powered Apparatus is dimmed to its current level (d)	Number of units of Powered Apparatus in that Category which are subject to the revised dimming regime (n)	Number of hours that Category of Powered Apparatus is dimmed under the current dimming regime (h)
1 - Street Lighting	CPOT 60w Residential	0.0186		2115
	CPOT 60w City Centre	0.0248		2115
	CPOT 90w City Centre	0.0367		2115
	CPOT 140w City Centre	0.0582		2115
	SON 50w Residential	0.0158		2115
	SON 50w City Centre	0.0211		2115
	SON 70w Residential	0.022		2115
	SON 70w City Centre	0.0293		2115
	SON 100w Residential	0.0314		2115
	SON 100w City Centre	0.0419		2115
	LED 10 Residential	0.0042		2115
	LED 10 Traffic Routes	0.0042		3525

Category of Powered Apparatus	Powered Apparatus description	Forecast energy saving in kWh for each hour that the item of Powered Apparatus is dimmed to its current level (d)	Number of units of Powered Apparatus in that Category which are subject to the revised dimming regime (n)	Number of hours that Category of Powered Apparatus is dimmed under the current dimming regime (h)
	LED 12 Residential	0.0048		2115
	LED 14 Residential	0.0054		2115
	LED 16 Residential	0.006		2115
	LED 18 Residential	0.0066		2115
	LED 24 Residential	0.0087		2115
	LED 28 Residential	0.0102		2115
	LED 28 Traffic Routes	0.0102		3525
	LED 32 Residential	0.012		2115
	LED 36 Residential	0.0135		2115
	LED 36 Traffic Routes	0.0135		3525
	LED 40 Residential	0.0147		2115
	LED 44 Residential	0.0162		2115
	LED 48 Residential	0.0174		2115
	LED 52 Residential	0.0186		2115
	LED 52 Traffic Routes	0.0186		3525
	LED 52 City Centre	0.0248		2115
	LED 52 (700mA) Residential	0.0399		2115
	LED 10 klm Traffic Routes	0.0201		3525
	LED 11 klm City Centre	0.0284		2115
	LED 12 klm Traffic Routes	0.0237		3525
	LED 13 klm Traffic Routes	0.0264		3525
	LED 14 klm Traffic Routes	0.0273		3525
	LED 15 klm Residential	0.0294		2115
	LED 15 klm Traffic Routes	0.0294		3525
	LED 16 klm Residential	0.0321		2115
	LED 16klm Traffic Routes	0.0321		3525
	LED 16 klm City Centre	0.0428		2115
	LED 17 klm Traffic Routes	0.0333		3525
	LED 18 klm Traffic Routes	0.0345		3525

Category of Powered Apparatus	Powered Apparatus description	Forecast energy saving in kWh for each hour that the item of Powered Apparatus is dimmed to its current level (d)	Number of units of Powered Apparatus in that Category which are subject to the revised dimming regime (n)	Number of hours that Category of Powered Apparatus is dimmed under the current dimming regime (h)
	LED 19klm Residential	0.0492		2115
	LED 19klm Traffic Routes	0.0369		3525
	LED 19 klm City Centre	0.0492		2115
	LED 20 klm Traffic Routes	0.039		3525
	LED 21 klm Traffic Routes	0.0414		3525
	LED 22 klm Traffic Routes	0.0435		3525
	LED 23 klm Traffic Routes	0.0459		3525
	LED 24 klm Traffic Routes	0.0486		3525
	LED 25 klm Residential	0.051		2115
	LED 25 klm Traffic Routes	0.051		3525
	LED 26 klm Traffic Routes	0.0537		3525
	LED 27 klm Traffic Routes	0.0564		3525
	LED 28 klm Residential	0.0792		2115
	LED 28klm Traffic Routes	0.0594		3525
	LED 28 klm City Centre	0.0792		2115
	LED 29 klm Residential	0.0621		2115
	LED 29 klm Traffic Routes	0.0621		3525
	LED 30 klm Traffic Routes	0.0651		3525
	LED 31 klm Traffic Routes	0.0681		3525
	LED 32 klm Traffic Routes	0.0714		3525
	LED 33 klm Traffic Routes	0.0747		3525
2 - High Masts	LED 40 klm	0.1050		3525

Table 2b: Summary of Variables used in the Calculation of DimLA$_2$

Category of Powered Apparatus	Powered Apparatus description	Forecast energy saving in kWh for each hour that the item of Powered Apparatus is dimmed to its current level (d)	Number of units of Powered Apparatus in that Category which are subject to the revised dimming regime (n)	Number of hours that Category of Powered Apparatus is dimmed compared to the period under the current dimming regime (+/-h)
1 - Street Lighting	CPOT 60w Residential	0.0186		
	CPOT 60w City Centre	0.0248		
	CPOT 90w City Centre	0.0367		
	CPOT 140w City Centre	0.0582		
	SON 50w Residential	0.0158		
	SON 50w City Centre	0.0211		
	SON 70w Residential	0.022		
	SON 70w City Centre	0.0293		
	SON 100w Residential	0.0314		
	SON 100w City Centre	0.0419		
	LED 10 Residential	0.0042		
	LED 10 Traffic Routes	0.0042		
	LED 12 Residential	0.0048		
	LED 14 Residential	0.0054		
	LED 16 Residential	0.006		
	LED 18 Residential	0.0066		
	LED 24 Residential	0.0087		
	LED 28 Residential	0.0102		
	LED 28 Traffic Routes	0.0102		
	LED 32 Residential	0.012		
	LED 36 Residential	0.0135		
	LED 36 Traffic Routes	0.0135		

Category of Powered Apparatus	Powered Apparatus description	Forecast energy saving in kWh for each hour that the item of Powered Apparatus is dimmed to its current level (d)	Number of units of Powered Apparatus in that Category which are subject to the revised dimming regime (n)	Number of hours that Category of Powered Apparatus is dimmed compared to the period under the current dimming regime (+/-h)
	LED 40 Residential	0.0147		
	LED 44 Residential	0.0162		
	LED 48 Residential	0.0174		
	LED 52 Residential	0.0186		
	LED 52 Traffic Routes	0.0186		
	LED 52 City Centre	0.0248		
	LED 52 (700mA) Residential	0.0399		
	LED 10 klm Traffic Routes	0.0201		
	LED 11 klm City Centre	0.0284		
	LED 12 klm Traffic Routes	0.0237		
	LED 13 klm Traffic Routes	0.0264		
	LED 14 klm Traffic Routes	0.0273		
	LED 15 klm Residential	0.0294		
	LED 15 klm Traffic Routes	0.0294		
	LED 16 klm Residential	0.0321		
	LED 16klm Traffic Routes	0.0321		
	LED 16 klm City Centre	0.0428		
	LED 17 klm Traffic Routes	0.0333		
	LED 18 klm Traffic Routes	0.0345		
	LED 19klm Residential	0.0492		
	LED 19klm Traffic Routes	0.0369		
	LED 19 klm City	0.0492		

Category of Powered Apparatus	Powered Apparatus description	Forecast energy saving in kWh for each hour that the item of Powered Apparatus is dimmed to its current level (d)	Number of units of Powered Apparatus in that Category which are subject to the revised dimming regime (n)	Number of hours that Category of Powered Apparatus is dimmed compared to the period under the current dimming regime (+/-h)
	Centre			
	LED 20 klm Traffic Routes	0.039		
	LED 21 klm Traffic Routes	0.0414		
	LED 22 klm Traffic Routes	0.0435		
	LED 23 klm Traffic Routes	0.0459		
	LED 24 klm Traffic Routes	0.0486		
	LED 25 klm Residential	0.051		
	LED 25 klm Traffic Routes	0.051		
	LED 26 klm Traffic Routes	0.0537		
	LED 27 klm Traffic Routes	0.0564		
	LED 28 klm Residential	0.0792		
	LED 28klm Traffic Routes	0.0594		
	LED 28 klm City Centre	0.0792		
	LED 29 klm Residential	0.0621		
	LED 29 klm Traffic Routes	0.0621		
	LED 30 klm Traffic Routes	0.0651		
	LED 31 klm Traffic Routes	0.0681		
	LED 32 klm Traffic Routes	0.0714		
	LED 33 klm Traffic Routes	0.0747		
2 - High Masts	LED 40 klm	0.1050		

A.1.2   Prior to any amendment to the switching or dimming regime the Parties shall agree the appropriate entries for Table 1 and/or Table 2 of this Schedule 4 (*Payment Mechanism*). The Authority should advise the Service Provider no less than ten (10) Business Days in advance of the Monitoring Meeting the details of any changes it wishes to make to the lighting regime. The Service Provider shall provide the Council with details of the proposed impact of the changes (including but not limited to the appropriate entries for Table 1 and/or Table 2 of this Schedule 4 (Payment Mechanism) for which the Service Provider shall give due consideration to BSCP 520 and other industry standard information) no less than five (5) Business Days in advance of the Monitoring Meeting.   The Parties shall discuss and agree the changes required as a result of the proposed lighting regime at the Monitoring Meeting following which any changes can be implemented by the Service Provider. If the Parties are unable to agree the changes required they shall be determined in accordance with Clause 82 (*Dispute Resolution*) of this Contract.

A.1.3   In the event that one of the impacts of a change in the lighting regime is the likely breach of the terms of the current energy contract (including the likelihood that default prices may be incurred under such contract) the Parties will consider the extent of additional costs and may agree that it is appropriate to carry out an Electricity Market Test (in accordance with Schedule 9 (*Electricity Market Test*) of this Contract. Any additional costs incurred as a result of such Electricity Market Test, taking account of the costs already included in the Base Case for regular Electricity Market Tests required under Schedule 9 (*Electricity Market Test*) of this Contract, shall be for the account of the Authority.

A.1.4   Should the Contract commence with a switching off and/or dimming regime in place this will be reflected in the forecast electricity consumption in Schedule 10 (*Forecast Unmetered Electricity Consumption*) of this Contract as at the date of the Contract and the adjustment AltLFCA will not be utilised for that particular switching off and/or dimming regime. The Authority will inform the Service Provider when the switching off and/or dimming period is to end, if the timing is any different to that in place as at the date of the Contract, and the Service Provider shall provide updated versions of the

forecast electricity consumption in Schedule 10 (*Forecast Unmetered Electricity Consumption*) of this Contract. All updated forecasts are subject to the review and approval of the Authority who reserves the right to request a revision or determination in accordance with Clause 82 (*Dispute Resolution*) of this Contract.