


Offshore Electricity Transmission - A Joint Ofgem/BERR Regulatory Policy Update



Document type: *Annex*

Ref: URN 08/966 (BERR)

ANNEX 7 - SYSTEM OPERATOR - TRANSMISSION OWNER CODE (STC)

Overview:

Ofgem and BERR are working together to implement a regulatory regime for offshore electricity transmission networks. The consultation document consults on the license and industry code changes that will be required to facilitate the implementation of the new offshore transmission regime.

This annex set out the proposed changes for the System Operator - Transmission Owner Code.

Annex 7 – System Operator - Transmission Owner Code (STC)

Introduction

This annex sets out the change proposals for the STC that have been developed by NGET for the implementation of the proposed offshore transmission regime. Change proposals have not yet been developed for the subsidiary STC Procedures. These STC change proposals should be viewed as work in progress and we advise that work is progressing on developing both the details of the structure of the proposed offshore transmission regime and the associated implementation proposals.

We note that the draft STC change proposals in this annex reflect the recommendations that were made by the STC working group. We note that these draft STC change proposals do not yet provide for the implementation of our proposals in respect of a requirement for NGET to define a default interface point between the onshore and offshore transmission systems in respect of each User connection application.

We invite views on all aspects of the STC change proposals in this annex. However, we would particularly welcome views on the proposed changes to the STC governance arrangements and the proposed mechanism to enable NGET to obtain securities from an OFTO during the construction of an offshore transmission system.

STC Change Proposals

NGET has reviewed the STC and advised of changes that it considers are required for the implementation of the proposed offshore transmission regime. It should be noted that this review of the STC did not extend to the subsidiary STC Procedures. Change proposals have been developed for the following parts of the STC. NGET did not consider that changes were required to other parts of the STC to implement the proposed offshore transmission regime.

| STC Section | Date of Baseline Text | Changes proposed to: |
|----------------------|-----------------------|--|
| Section B Governance | 4 Feb 2008 | Allow Offshore Transmission Owners (OFTOs) to accede to the STC from the preferred bidder stage. STC Committee membership to include OFTO representatives. Introduce new voting arrangements for STC Parties. The code modification process to introduce an initial consultation stage between STC Parties. |

| STC Section | Date of Baseline Text | Changes proposed to: |
|---|-----------------------|--|
| Section C Transmission Services and Operations | 31 July 2005 | Define a mechanism for proposed changes to a Transmission Owner's Services Capability Specification. Remove the barriers that could prevent an OFTO from contracting with NGET for control and operation of its offshore transmission system. Define a requirement for a new type of interface agreement for interface points between an offshore transmission system and another transmission system. |
| Section D Planning Coordination | 29 October 2007 | Disapply routine investment planning obligations for OFTOs. Define how technical requirements for connections to an offshore transmission system will be defined (in the absence of generic standards). Introduce obligations to have and maintain a Transmission Interface Site specification for each interface point between an offshore transmission system and the onshore transmission system. The construction application process (when there is a requirement for an offshore transmission system). Introduce arrangements for offshore transmission construction securities. Introduce arrangements for the exchange of safety rules and Site Responsibility Schedules between transmission licensees for each interface point between an offshore transmission system and the onshore transmission system. |
| Section E Payments and Billing | 23 September 2005 | Introduce a mechanism for OFTO payments to NGET. |
| Section F Communications and Data | 23 September 2005 | Exclude from the Disclosure of Confidential Information restrictions in the STC, information that NGET is required to disclose for Ofgem's tender process. |
| Section G General Provisions | 1 February 2008 | Update references to the Grid Code and STC obligations in the transmission licence. |
| Section H Dispute Resolution | 20 November 2006 | Allow for disputes in respect of a Transmission Interface Site Specification to be referred to the Authority for resolution, in certain circumstances. |

| STC Section | Date of Baseline Text | Changes proposed to: |
|---|-----------------------|--|
| Section J Interpretations and Definitions | 1 February 2008 | Facilitate the extension of existing obligations offshore. Facilitate implementation of the differences from current arrangements that are required as part of the offshore transmission regime. |
| New Section K Obligations Unique to Offshore Transmission Systems | N/A | Define offshore transmission system capability requirements (including reactive power and fault ride through capability) at the interface point with an onshore system. All new text so not change marked. |
| Schedule 5 NGET Connection Application | 23 September 2005 | Define the content for an application from NGET to an OFTO. All new text so not change marked. |
| New Part to Schedule 9 Offshore TO Construction Agreement | N/A | Introduce a new part that provides a proforma TO Construction Agreement which would form the basis for agreements between NGET and an OFTO for each offshore transmission system. All new text so not change marked. |
| New Schedule Transmission Interface Agreement | N/A | Introduce a new schedule that provides a proforma Transmission Interface Agreement which would form the basis for agreements between relevant transmission licensees for interface points between an offshore transmission system and the onshore transmission system. All new text so not change marked. |
| New STC Procedure Offshore Party Entry Process | N/A | Define the process from STC accession until a new offshore transmission system is commissioned and energised. All new text so not change marked. |

SECTION B: GOVERNANCE

1. INTRODUCTION

1.1 This Section B sets out:

- 1.1.1 arrangements for admission of Transmission Licensees and Offshore Transmission Owners as Parties to the Code;
- 1.1.2 arrangements for withdrawal of Parties from the Code;
- 1.1.3 arrangements for the establishment and operation of the Committee; and
- 1.1.4 procedures for making amendments to the Code.

2. PARTIES

2.1 For the purposes of this Code, a "**Party**" is a person who is, for the time being, bound by the Code by virtue of being a Party to the Framework Agreement.

3. ADMISSION OF NEW PARTIES

3.1 Accession Procedure for Party Applicants

3.1.1 ~~Only Either~~ a Transmission Licensee which is obliged from time to time by its Transmission Licence to enter into the Framework Agreement or an Offshore Transmission Owner required by the terms of the Offshore Tender Regulations to enter into the Framework Agreement shall have the right to enter into and be a Party to the Framework Agreement subject to, and in accordance with, the provisions of this paragraph 3.

3.1.2 A Party Applicant shall submit to the Committee Secretary:

3.1.2.1 an application form which is in such form as the Parties may from time to time prescribe, giving its Party Details as at the time of its application, together with any supporting documentation so prescribed; and

3.1.2.2 a written undertaking from the Party Applicant (in the form prescribed in the application form) that the Party Details of such Party Applicant are complete and accurate in all material respects.

3.1.3 Upon receipt of the items referred to in sub-paragraph 3.1.2, the Committee Secretary shall promptly:

3.1.3.1 check that the application form has been duly completed by the Party Applicant and the relevant supporting documentation has been provided and, where necessary, liaise with the Party Applicant in order to ensure

that the Party Applicant completes the application form and provides any such supporting documentation required;

3.1.3.2 notify the Authority of the name of the Party Applicant;

3.1.3.3 prepare an Accession Agreement for execution by the Party Applicant;

3.1.3.4 execute and deliver such Accession Agreement on behalf of all Parties to the Party Applicant for execution;

3.1.3.5 send a certified copy of such Accession Agreement, duly executed by the Party Applicant, to the Party Applicant and other Parties; and

3.1.3.6 give notice of the accession of such Party Applicant to the Authority.

3.1.4 Subject to and in accordance with the provisions of this paragraph 3.1, each Party hereby irrevocably and unconditionally authorises the Committee Secretary to execute and deliver an Accession Agreement to a Party Applicant on its behalf and to admit the Party Applicant as a Party.

3.1.5 Accession of a Party Applicant to the Framework Agreement shall be effective on and from the date of the Accession Agreement.

3.2 Party Entry Processes

3.2.1 Transmission Licensees (Onshore only)

Following accession to the Framework Agreement under sub-paragraph 3.1.5, a Transmission Licensee shall be a Party save that the rights and obligations of such Party and the rights and obligations of the other Parties in respect of such Party under Sections C, D and paragraphs 2.2 and 3 of Section G of this Code shall not take effect, unless and to the extent otherwise agreed between the Parties, until the date of notification of completion of the Party Entry Processes (as defined in sub-paragraph 3.2.3 below) for that Party under sub-paragraph 3.2.4.

3.2.2 Offshore Transmission Owners

Following accession to the Framework Agreement under sub-paragraph 3.1.5, an Offshore Transmission Owner shall be a Party save that the rights and obligations of such Party and the rights and obligations of the other Parties in respect of such Party under Section C and paragraphs 2.2 and 3 of Section G of this Code shall not take effect, unless and to the extent otherwise agreed between the Parties, until the date or dates notified by NGET in accordance with the Party Entry Processes (as defined in sub-paragraph 3.2.3 below and more particularly described in the relevant Code Procedures) for that Party under sub-paragraph 3.2.4.

- 3.2.3 For the avoidance of doubt, where this Code provides for agreement to be made between the Parties, on acceding to the Framework Agreement, a Party shall be deemed to agree with any and all decisions that have been reached by the other Parties prior to the date of the relevant Accession Agreement until such time as the Parties shall otherwise agree.
- 3.2.34 As soon as reasonably practicable, but in any event not more than 30 days following the accession of a Party to the Framework Agreement under sub-paragraph 3.1.5, each Party shall use its reasonable endeavours to agree the procedures, processes and steps required to be taken by each of the Parties (such agreement not to be unreasonably withheld) such that each Party can comply and continue to comply with its obligations under this Code including any obligations or rights referred to in sub-paragraph 3.2.1 (here referred to as the “**Party Entry Processes**”) on and from the date of notification of completion of such Party Entry Processes under sub-paragraph 3.2.45. The Party Entry Processes shall include, without limitation, the establishment and testing of communications arrangements, exchange of data, development and amendment of, creation or accession to (as appropriate) Services Capability Specification, Interface Agreements, TO Construction Agreements, Outages Proposals, Transmission Investment Plans and Code Procedures and such Party Entry Processes may be amended as required from time to time upon agreement by the Parties (such agreement not to be unreasonably withheld). The Party Entry Processes to be followed by an Offshore Transmission Owner who has acceded to this Code pursuant to the Offshore Tender Regulations are as set out in the relevant Code Procedures.
- 3.2.45 Each Party shall expeditiously undertake such actions as are required of it under and pursuant to the Party Entry Processes in order to give effect to the timely completion of the Party Entry Processes. Completion of the Party Entry Processes shall be deemed to take effect from the date of notification of such completion by the Committee Secretary to the Authority on behalf of the Parties following agreement by the Parties as to such notice. For the avoidance of doubt, to the extent that any obligations or rights did not take effect under sub-paragraph 3.2.1 prior to and for the duration of the Party Entry Processes, such obligations or rights shall, from the date of notification of completion of the Party Entry Processes under this sub-paragraph 3.2.45, take effect and thereby apply to the relevant Party, or Parties as relevant, in their entirety.
- 3.2.56 A Party may refer a failure to agree pursuant to sub-paragraphs 3.2.1 to 3.2.45 or any other dispute in relation to the scope, content or performance of the Party Entry Processes, to the Authority as a Dispute in accordance with Section H, paragraph 4.1.
- 3.2.67 Prior to a person becoming a Party, the Parties shall, if requested to do so by the Authority, take all reasonable steps to develop (in consultation with that person) the Party Entry Processes that could apply were that person to accede to the Framework Agreement, including, the identification of any proposals for the amendment of the Code in accordance with Section B, paragraph 7 that the

Parties may consider to be necessary for the purpose of the Party Entry Processes that might apply were that person to accede.

4. PARTY DETAILS

4.1 For the purposes of this Code, the "**Party Details**" of a Party, which shall include for the purposes of this paragraph 4, a Party Applicant, are the following details and documentation of the Party:

4.1.1 its full name and contact details;

4.1.2 the name, address, and facsimile number of the person for whose attention notices issued in accordance with Section G, paragraph 12 should be marked;

4.1.3 details for service of process;

4.1.4 a copy of its current Transmission Licence (in the case of an Offshore Transmission Owner a copy of the notice of its preferred bidder status shall be provided and following this a copy of its Transmission Licence shall be provided as soon as it is available); and

4.1.5 the Party's VAT registration number; and

4.1.6 its Party Category.

4.2 Each Party shall:

4.2.1 provide its Party Details to the Committee Secretary; and

4.2.2 ensure that its Party Details for the time being provided to the Committee Secretary remain accurate and complete in all material respects.

4.3 Without prejudice to the generality of paragraph 4.2, if at any time:

4.3.1 a Party wishes to change any of its contact details forming part of such Party Details; or

4.3.2 the Party Details of a Party otherwise cease for whatever reason to be accurate and complete in all material respects,

then such Party shall notify the Committee Secretary as soon as reasonably practicable (and, wherever possible, in advance of such change) and shall provide such further information and supporting documentation as the Committee Secretary may reasonably require to evidence such change.

4.4 The Committee Secretary shall:

4.4.1 maintain an up-to-date list of the contact details forming a part of the Party Details in respect of each of the Parties and ensure that such list is available on the Code Website;

- 4.4.2 upon receipt of Party Details from a Party pursuant to paragraph 4.2, make available such Party Details to each of the other Parties and the Authority; and
- 4.4.3 promptly update the Party Details pursuant to paragraph 4.3 and notify the Parties and the Authority of any such changes.

5. WITHDRAWAL

5.1 Procedure

- 5.1.1 Each Party (the "**Withdrawing Party**") shall be entitled to withdraw from the Framework Agreement (including pursuant to an assignment or transfer under Section G paragraph 6) and thereby cease to be a Party from the Withdrawal Date under sub-paragraph 5.1.4.
- 5.1.2 A Withdrawing Party shall give notice to the Committee Secretary, each of the other Parties and the Authority of its intention to withdraw from the Framework Agreement (a "**Withdrawal Notice**"), which Withdrawal Notice shall include a Proposed Withdrawal Date. In any case where a Party is notified that its Transmission Licence will be revoked, that Party shall be deemed to have issued a Withdrawal Notice on the date of such notice of revocation.
- 5.1.3 As soon as reasonably practicable following the date of issue of a Withdrawal Notice under sub-paragraph 5.1.2, each Party shall use its reasonable endeavours to agree the procedures, processes and steps required to be taken by each of the Parties (such agreement not to be unreasonably withheld) such that a remaining Party would not be caused to be in breach of its obligations under the Code as a consequence of the withdrawal of the Withdrawing Party ("**Decommissioning Actions**") after the Withdrawal Date (as defined at sub-paragraph 5.1.4) and such Decommissioning Actions may be amended as required from time to time upon agreement by the Parties (such agreement not to be unreasonably withheld).
- 5.1.4 Each Party shall expeditiously undertake such actions as are required of it under and pursuant to the Decommissioning Actions to give effect to their timely completion, following which, the Committee Secretary shall give notice to the Authority of the completion of such Decommissioning Actions on behalf of the Parties following agreement by the Parties of such notice. Such notification shall specify the date upon which the Withdrawing Party shall withdraw from the Framework Agreement which date (subject to sub-paragraph 5.1.5) shall be referred to herein as the "**Withdrawal Date**".
- 5.1.5 A Withdrawing Party cannot withdraw from the Framework Agreement and thereby cease to be a Party to the Code until the Withdrawal Date or, if at such Withdrawal Date, the Withdrawing Party is subject to a Transmission Licence Condition by virtue of which it is required to be a Party and/or to comply with the Code or which would otherwise be infringed if the Withdrawing Party withdrew from the Framework Agreement. In such event, the Withdrawal Date shall be postponed to such date as it no longer applies. The Withdrawing Party shall

notify the Authority of the date from which the Transmission Licence Condition no longer applies and copy such notice to each of the other Parties.

- 5.1.6 A Party may refer a failure to agree the Decommissioning Actions pursuant to sub-paragraph 5.1.3 or other dispute in relation to the scope, content or performance of the Decommissioning Actions as a Dispute to the Authority in accordance with Section H, paragraph 4.1.
- 5.1.7 Prior to the issue of a Withdrawal Notice, the Parties shall, if requested to do so by the Authority, take all reasonable steps to develop the Decommissioning Actions that could apply upon issue of a Withdrawal Notice under sub-paragraph 5.1.2.

5.2 Consequential Provisions

- 5.2.1 Where a Withdrawing Party withdraws from the Framework Agreement and thereby ceases to be a Party pursuant to paragraph 5.1, the provisions of this paragraph 5.2 shall apply.
- 5.2.2 With effect from the Withdrawal Date (as amended under sub-paragraph 5.1.5 as appropriate):
 - 5.2.2.1 the Withdrawing Party shall, subject to the provisions of sub-paragraph 5.2.3, be automatically released and discharged from all of its obligations and liabilities under the Code (including, for the avoidance of doubt, relevant Code Procedures to which they are a party and the Framework Agreement); and
 - 5.2.2.2 each other Party shall, subject to the provisions of sub-paragraph 5.2.3, be automatically released and discharged from all of its obligations and liabilities to the Withdrawing Party under the Code (including, for the avoidance of doubt, relevant Code Procedures to which they are a party and the Framework Agreement).
- 5.2.3 Any release and discharge referred to in sub-paragraph 5.2.2 shall not extend to the rights and liabilities (whether actual, contingent, accrued or otherwise) of a Party as at the Withdrawal Date (whether or not the other Parties are aware of such rights and liabilities at the Withdrawal Date).
- 5.2.4 Save as provided in sub-paragraph 5.2.2, the Framework Agreement and Code shall, upon withdrawal of any Party, remain in full force and effect and binding on each of the other Parties.
- 5.2.5 Withdrawal of a Withdrawing Party from the Framework Agreement shall not affect and shall be without prejudice to any accrued rights or liabilities that such Withdrawing Party may have under the Code, which rights or liabilities shall continue to be governed by the terms of this Code and the provisions of Section A, paragraph 3 and Section F, paragraph 2 and this paragraph 5.2 shall survive the withdrawal of the Withdrawing Party from the Framework Agreement.

6. THE COMMITTEE

6.1 Establishment and composition

6.1.1 The Parties shall establish a committee ("**Committee**") which shall be constituted in accordance with the further provisions of this paragraph 6.

6.1.2 ~~Each Party shall be entitled to send two r~~Representatives of the Parties ("**Party Representatives**") shall be entitled to attend ~~to~~ each meeting of the Committee ("**Committee Meeting**"). Such Party Representatives shall be appointed as follows: or such other number of representatives as may be agreed between the Parties from time to time ("**Party Representatives**").

- NGET may appoint not more than two persons by giving notice of such appointment to the Committee Secretary, and may remove and re-appoint by notice.
- Each Onshore Transmission Owner may appoint not more than two persons by giving notice of such appointment to the Committee Secretary, and may remove and re-appoint by notice.
- -Offshore Transmission Owners may appoint not more than two persons in accordance with Annex B1.

6.1.3 The Committee shall be assisted by a secretary ("**Committee Secretary**") who shall be a person appointed and provided by NGET. The Committee Secretary shall carry out such activities as are specified in this Code and as are otherwise agreed between the Parties from time to time but shall not have a right to vote at any Committee Meeting.

6.1.4 In addition to the Party Representatives and Committee Secretary, there shall be a chair of the Committee who shall be appointed annually (or as otherwise agreed by the Parties) by and with the agreement of ~~all of~~ the Parties and who shall, taking into account the functions set out in sub-paragraph 6.3.2, carry out such activities as may be agreed between the Parties from time to time but shall not have a right to vote at any Committee Meeting ("**Chair**").

6.1.5 The Authority shall be entitled to receive notice of, and to appoint one or more representatives to attend and speak at, any Committee Meeting but, for the avoidance of doubt, such representatives shall not have a right to vote at any such Committee Meeting.

6.1.6 Any person designated by the Authority under sub-paragraph 7.2.2.1(b) below shall be entitled to receive notice of, and to appoint up to two representatives to attend and speak at, any Committee Meeting but, for the avoidance of doubt, such representative(s) shall not have a right to vote at any such Committee Meeting and shall not be deemed to be Party Representatives.

6.1A Alternate Representatives

6.1A.1 At the same time that Party Representatives are appointed under paragraph 6.1.2, no more than 2 Alternate Representatives representing Offshore Transmission Owners may be appointed in accordance with the procedure set out in Annex B1.

6.1A.2 Such Alternate Representatives will form a group from which Party Representatives representing Offshore Transmission Owners may select a person to act as their alternate under this Paragraph 6.1A.

6.1A.3 A Party Representative representing Offshore Transmission Owners may appoint such an Alternate Representative to be his alternate for any one Committee meeting, and may remove a person so appointed as alternate, by giving notice of such appointment or removal to the Committee Secretary. A Party Representative must choose an Alternate Representative who has not been already chosen by another Party Representative for that Committee Meeting. If there are no Alternate Representatives left who have not already been so chosen by another Party Representative, the Party Representative may chose as his alternate any Alternate Representative or other Party Representative who is not already acting as alternate for more than one Party Representative.

6.1A.4 All information to be sent by the Committee Secretary to Party Representatives pursuant to this Section B shall also be sent by the Committee Secretary to each Alternate Representative (whether or not currently selected as an alternate for a Party Representative) by electronic mail (where relevant details shall have been provided by each Alternate Representative).

6.1A.5 Alternates: General Provisions

6.1A.5.1 The appointment or removal by a Party Representative of an alternate shall be effective from the time when such notice is given to the Committee Secretary or (if later) the time specified in such notice.

6.1A.5.2 The Committee Secretary shall promptly notify all Party Representatives and Parties of appointment or removal by any Party Representative of any alternate and (where relevant details have been provided to the Committee Secretary) despatch by electronic mail shall fulfil this obligation.

6.1A.5.3 In accordance with paragraph 6.1A, an alternate may act as alternate for more than one Party Representative.

6.1A.6 Alternates: Rights, Cessation and References

6.1A.6.1 Where a Party Representative has appointed an alternate:

6.1.6.1.1 the alternate shall be entitled to receive notices of meetings of the Committee unless the appointing Party Representative shall otherwise notify the Committee Secretary; and,

6.1.6.1.2 the alternate shall be entitled to attend, speak and vote at any meeting of the Committee at which the Party Representative by whom he was appointed is not present, and at such meeting to exercise and discharge all of the functions, duties and powers of such Party Representative;

6.1.6.1.3 the alternate shall cast one vote for each Party Representative by whom he was appointed, in addition (where he is a Party Representative himself) to his own vote;

6.1A.6.2 Paragraphs 6.3, 6.4 and 6.6 shall apply to the alternate as if he were the appointing Party Representative and a reference to a Party Representative elsewhere in this Code shall, unless the context otherwise requires, include his duly appointed alternate.

6.1A.6.3 for the avoidance of doubt, the appointing Party Representative shall not enjoy any of the rights transferred to the alternate at any meeting at which, or in relation to any matter on which, the alternate acts on his behalf.

6.1A.7 A person appointed as an alternate shall automatically cease to be such alternate:

6.1A.7.1 if the appointing Party Representative ceases to be a Party Representative;

6.1A.7.2 if any of the circumstances in Paragraph 6.1C.1(b) applies in relation to such person,

but, in the case of an Alternate Representative, shall continue to be an Alternate Representative available for appointment under paragraph 8.6.2.

6.1B Term of Office

6.1B.1 The term of office of a Party Representative and Alternate Representatives in each case representing Offshore Transmission Owners shall be a period expiring on 31 March every year following the Offshore Go-Live Date. A Party Representative and Alternate Representative shall be eligible for reappointment on expiry of his term of office.

6.1C Removal from Office

6.1C.1 A person shall cease to hold office as a Party Representative or an Alternate Representative.

(a) upon expiry of his term of office unless re-appointed;

(b) if he:

(i) resigns from office by notice delivered to the Panel Secretary;

(ii) becomes bankrupt or makes any arrangement or composition with his creditors generally;

(iii) is or may be suffering from mental disorder and either is admitted to hospital in pursuance of an application under the Mental Health Act 1983 or the Mental Health (Scotland) Act 1960 or an order is made by a court having jurisdiction in matters concerning mental disorder for his detention or for the appointment of a receiver, *curator bonis* or other person with respect to his property or affairs;

(iv) becomes prohibited by law from being a director of a company under the Companies Act 1985;

(v) dies; or

(vi) is convicted on an indictable offence; or

(c) if the Committee resolves (and the Authority does not veto such resolution by notice in writing to the Panel Secretary within 15 Business Days) that he should cease to hold office on grounds of his serious misconduct;

6.1C.2 A Committee resolution under Paragraph 6.1C.1(c) shall, notwithstanding any other paragraph, require the vote in favour of at least all Party Representatives less one (other than the Party Representative or Alternate Representative who is the subject of such resolution) and for these purposes an abstention shall count as a vote cast in favour of the resolution. A copy of any such resolution shall forthwith be sent to the Authority by the Panel Secretary.

6.1C.3 A person shall not qualify for appointment as a Party Representative or Alternate Representative if at the time of the proposed appointment he would be required by the above paragraph to cease to hold that office.

6.1C.4 The Panel Secretary shall give prompt notice to all Party Representatives, all CUSC Parties and the Authority of the appointment or re-appointment of any Party Representative or Alternate Representative or of any Party Representative or Alternate Representative ceasing to hold office and publication on the Code Website and (where relevant details are supplied to the Panel Secretary) despatch by electronic mail shall fulfil this obligation

6.2 **Functions of the Committee**

6.2.1 The functions of the Committee shall be the:

6.2.1.1 evaluation and administration of amendments to the Code in accordance with the procedures set out in this Section B;

6.2.1.2 review of the consequences of amendments to the Code;

6.2.1.3 administration of the Code as specified in this Section B; and

6.2.1.4 establishment of joint working arrangements pursuant to sub-paragraph 7.2.9.1 below.

6.2.2 The Committee shall endeavour at all times to perform its functions:

6.2.2.1 in an efficient, economical and expeditious manner, taking account of the complexity, importance and urgency of particular Proposed Amendments; and

6.2.2.2 with a view to ensuring that the Code facilitates achievement of the Applicable STC Objectives.

6.3 Structure of Committee Meetings

6.3.1 Committee Meetings shall be held on a monthly basis unless otherwise requested by a Party Representative and with the agreement of the other ~~Parties~~Party Representatives, or as otherwise specifically provided for in this Section B, at such time, at such place in Great Britain and in such form including, without limitation, by way of teleconference as the ~~Parties~~Party Representatives shall decide.

6.3.2 In the event that the Chair is not present within fifteen minutes of the scheduled start of any Committee Meeting and has not nominated another person to take the position of chair pursuant to sub-paragraph 6.4.2, those Party Representatives present shall appoint one of their number to act as Chair for that Committee Meeting. Subject to paragraph 6.4, the functions of the Chair include:

6.3.2.1 to ensure that Committee Meetings are conducted in a proper, impartial and efficient manner;

6.3.2.2 to ensure that each Party Representative, any person invited to speak pursuant to sub-paragraph 6.5.1, any representatives of any person designated by the Authority under sub-paragraph 6.1.6 and any representative of the Authority have been given a reasonable opportunity to speak on any matter raised in a notice issued to each Party pursuant to sub-paragraph 6.3.5; and

6.3.2.3 to ensure that any relevant matter is put to a vote pursuant to paragraph 6.4 during the Committee Meeting.

6.3.3 In the event that the Committee Secretary is not present within fifteen minutes of the scheduled start of any Committee Meeting, those Party Representatives present shall appoint one of their number to act as Committee Secretary for that Committee Meeting.

6.3.4 A Party or other person designated under sub-paragraph 7.2.2.1(b) may submit matters and any supporting papers for consideration at a Committee Meeting to be received by the Committee Secretary not less than five Business Days before

the date of that Committee Meeting or such shorter period as the Parties may agree.

6.3.5 In accordance with this paragraph 6.3, a Committee Meeting shall be convened by the Committee Secretary, by notice to each Party Representative:

6.3.5.1 setting out the date, time and place of the Committee Meeting and (unless the Parties-Party Representatives decide otherwise) giving at least ten Business Days' notice before the date of the Committee Meeting;

6.3.5.2 accompanied by an agenda of the matters for consideration at the Committee Meeting and any supporting papers at the time the notice is given,

and subsequently send to the Parties-Party Representatives any supporting papers received not less than five Business Days before the date of the Committee Meeting or such shorter period as the Parties may agree.

6.3.6 The Committee Secretary shall send a copy of the notice convening a Committee Meeting, and the agenda and papers accompanying the notice to the following persons at the same time as the notice under sub-paragraph 6.3.5 is given to the Parties:

6.3.6.1 the appointed representative(s) of the Authority; and

6.3.6.2 any other person designated by the Authority under sub-paragraph 7.2.2.1(b),

and subsequently send to such persons any supporting papers received not less than five Business Days or on such earlier date as the Parties receive such supporting papers under sub-paragraph 6.3.5.

6.3.7 With the consent of all Parties-Party Representatives the requirements of this paragraph 6.3 as to the date of, manner in and notice on which a Committee Meeting is convened, may be waived or modified including, without limitation, pursuant to sub-paragraph 6.3.8 (save that the Parties-Party Representatives may not exercise this right to waive or detrimentally modify the rights held by Authority representatives or persons designated by the Authority under sub-paragraph 7.2.2.1(b)).

6.3.8 Where:

6.3.8.1 any matter not contained in the agenda for a Committee Meeting is put before a Committee Meeting; and

6.3.8.2 in the opinion of the Party Representatives it is necessary (in view of the urgency of the matter) that the Committee should resolve upon such matter at the Committee Meeting,

(subject always to the provisions of paragraph 6.4), the Party Representatives may so resolve upon such matter at the Committee Meeting.

6.4 Proceedings at Committee Meetings

6.4.1 Subject as expressly provided in the Code, the Party Representatives may regulate the conduct of and adjourn and convene Committee Meetings as they deem fit.

6.4.2 The Chair shall preside as chairman of every Committee Meeting unless the Chair is unable to attend in which case such other person shall take the position of chair as the Chair shall nominate to act in his place.

6.4.3 Subject to sub-paragraph 6.4.6, no business shall be transacted at any Committee Meeting unless a Quorum (as defined in sub-paragraph 6.4.5) is present.

6.4.4 Each (and only each) Party Representative shall be entitled to exercise one vote at a Committee Meeting ~~through its Party Representative(s)~~. A matter before the Committee must be agreed unanimously in accordance with sub-paragraph 6.6 in order to be passed.

6.4.5 For the purposes of this paragraph 6, a "Quorum" shall be constituted where each Party Category is represented by at least one Party Representative, unless ~~a Party~~

(a) all of the Party Representatives representing a Party Category notifies notify the Committee Secretary and the other Parties—Party Representatives that the matters to be discussed at such Committee Meeting do not materially affect #the Party Category, in which case such Party Representatives (with the consent of the other PartiesParty Representatives) may waive its-their right to attend and vote, or

(b) no Party Representatives have been appointed in accordance with paragraph 6.1.2 by a Party Category.

For the avoidance of doubt, in the circumstances where Party Representatives representing a Party Category have waived their right to attend a meeting matters may only to be voted upon that are contained within the agenda or papers circulated pursuant to paragraph 6.3.5 or 6.3.6.

6.4.6 Where a Quorum is not present, the Committee Secretary shall seek to adjourn such Committee Meeting to a later date unless it is the third consecutive Committee Meeting that has been required to be adjourned as a consequence of the failure to attend by a particular Party, in which case, such Committee Meeting shall nonetheless proceed and subsequent ratification of decisions taken at the Committee Meeting by such non-attending Party shall not be required unless the lack of attendance by such Party (on any of the three occasions) was as a consequence of an omission to send such Party the details of the Committee

Meeting required pursuant to sub-paragraph 6.3.5 (unless otherwise agreed pursuant to sub-paragraph 6.3.7), in which case such ratification must be obtained.

6.4.7 An omission to send Committee Meeting documents to a person entitled to receive them under sub-paragraph 6.3.6.2 shall not prevent a Committee Meeting from proceeding unless otherwise directed by the Authority.

6.4.8 As soon as is practicable after each Committee Meeting, the Committee Secretary shall prepare and send to the Parties and the Authority the minutes of such Committee Meeting, which shall be approved (or amended and approved) by the Committee at the next Committee Meeting after they were so sent and, when approved, the Committee Secretary shall publish the approved minutes (excluding any matter which it was agreed at such Committee Meeting was not appropriate for such publication) on the Code Website.

6.5 Attendance by other persons

6.5.1 A Party may, with the agreement of the other Parties, invite any person other than a person already entitled to attend under paragraph 6.1 to attend all of, or any part of, a Committee Meeting and to speak at such Committee Meeting or part thereof, where that person so attends. For the avoidance of doubt, a person invited under this paragraph 6.5 shall not have a right to vote at any such Committee Meeting or part thereof.

6.6 Agreement of the Parties

6.6.1 Where any provision of this Section B refers to or requires the agreement of the Parties, the Party Representatives or the Relevant Parties, that agreement must be unanimous unless the contrary intention is shown such agreement must be sought in accordance with the provisions of this paragraph 6.6:

6.6.2 The agreement of the Parties or Party Representatives shall be considered to be reached where:

6.6.2.1 There is the unanimous agreement among the Party Representatives, or

6.6.2.2 The number of votes cast in favour of a matter considered in accordance with the Code Voting Procedure is not less than 65%.

6.6.3 Where any provision of this Section B refers to or requires the agreement of the Relevant Parties then such agreement shall be considered to be reached where:

6.6.3.1 There is unanimous agreement amongst the Party Representatives representing the Relevant Party Categories; or,

6.6.3.2 The number of votes cast in favour of a matter considered in accordance with the Code Voting Procedure is not less than 65%.

6.7 Code Voting Procedure

6.7.1 The purpose of this paragraph 6.7 is to make provision for the Parties to vote as to whether any proposal should be accepted or rejected (the “Code Voting Procedure”).

6.7.2 Each proposal shall be put to a vote of the Parties only in accordance with paragraph 6.6.

Groups

6.7.3 The Offshore Transmission Owner Parties, shall cast their votes on a corporate group basis, so that all of the Parties in such Party Category that fall within a single Group shall collectively have only one vote. NGET, SPT and SHETL shall cast their votes individually, so that each such Party has one vote. References in this paragraph 6.7 and in paragraph 6.8 to a “Group” shall, therefore, in the case of NGET, SPT and SHETL, be taken as references to a “Party”.

6.7.4 The Committee shall procure the design, establishment and maintenance of a system by which:

6.7.4.1 a report on each proposal to be voted upon is sent to all Parties eligible to vote, specifying the matters to be voted upon, the Parties eligible to vote and the time period within which votes must be cast;

6.7.4.2 each Group within each Party Category that is eligible to vote may cast one (and not more than one) vote on each of the questions comprising each vote;

6.7.4.3 each Group that votes is given the opportunity (but is not obliged) to comment on the reasons for its vote;

6.7.4.4 the vote of each Group is cast by means of a standard form;

6.7.4.5 the vote of each Group is cast in such a way as to permit its authentication as the valid and properly authorised vote of that Group;

6.7.4.6 the vote of each Group may be transmitted in such a manner as (so far as is reasonably practicable) ensures that it is secure and will not be interfered with; and

6.7.4.7 the votes of all of the Groups are received and collated for the purposes of Paragraph 6.8.

6.7.5 The Committee shall ensure that all Parties are informed of the means by which they may have access to and use the system established under Paragraph 6.7.4 for the purposes of the Code Voting Procedure, and of any changes made to that system from time to time which are likely to affect the way in which it may be accessed and used.

The Vote

6.7.6 In respect of each proposal and the report relating to that proposal, the Groups within the Party Categories specified in that report as eligible to vote shall be entitled to cast a vote to accept or to reject each of the questions comprising each vote

6.7.7 Each Group which casts a vote on whether to accept or reject the proposal:

6.7.7.1 vote on the basis of its judgment, made by it in good faith, as to whether or not, if the proposal were made, the proposal would better facilitate the achievement of the Applicable STC Objectives than if that proposal were not made; and

6.7.7.2 where it wishes to do so, provide a statement in accordance with the system established under Paragraph 6.7.4 of the reasons, by reference to the Applicable STC Objectives, for its vote.

6.7.8 Where, in respect of a proposal and a Party Category that is specified in the relevant Change Report as being eligible to vote, no Group in that Party Category casts a vote, such Party Category shall, for the purposes of Paragraph 6.8, be treated as if it were not eligible to vote.

6.8 Decision

6.8.1 A proposal shall be accepted where, in respect of each Party Category that was eligible to vote, the number of Groups in that Party Category which voted to accept the proposal is greater than 65% of the total number of Groups in that Party Category which voted

6.8.2 In all other cases a Change Proposal shall be rejected.

6.8.3 The Secretariat shall, as soon as is reasonably practicable after making a declaration under paragraph 6.8.4.3, give notice of that declaration to:

6.8.3.1 each Party;

6.8.3.2 any person or body that is designated in writing by the Authority for the purpose of paragraph 7.2.2.1 (b); and

6.8.3.3 the Authority.

7. AMENDMENT OF THE CODE AND CODE PROCEDURES

7.1 General

7.1.1 For the purposes of this paragraph 7 only, references to the "Code" shall be deemed not to include reference to the Code Procedures or to Schedule Two.

7.1.2 The process for amending Code Procedures and Schedule Two is set out in paragraph 7.3.

- 7.1.3 The Code and Code Procedures may (and may only) be amended from time to time pursuant to the Transmission Licence.
- 7.1.4 An amendment to the Code or to a Code Procedure may necessitate amendment to the contents of a relevant TO Construction Agreement (as opposed to the form of the terms which are set out in a Schedule to the Code and therefore a part of the Code) and, in those circumstances, those agreements contain provisions for such alterations to be effected.
- 7.1.5 Each Party shall keep under review whether any possible change to this Code or any Code Procedure would better facilitate achievement of the Applicable STC Objectives and shall, in accordance with this paragraph 7 and, to the extent that such matter is not covered by a Proposed Amendment or a proposed amendment to a Code Procedure, propose such change which, in the Party's opinion, would do so.
- 7.1.6 The Parties shall endeavour at all times to act pursuant to this Section B, paragraph 7:
- 7.1.6.1 in an efficient, economical and expeditious manner taking account of the complexity, importance and urgency of a particular amendment; and
- 7.1.6.2 with a view to ensuring that the Code, Schedule Two and the Code Procedures facilitate achievement of the Applicable STC Objectives.

7.2 **Amendment of the Code**

7.2.1 The remainder of this paragraph 7.2 is subject to the Urgent Proposed Amendment procedures under sub-paragraph 7.2.6.

7.2.2 **Proposed Amendments**

7.2.2.1 A proposal to amend the Code may be made by any of the following:

- (a) a Party; or
- (b) such person or persons having a relevant interest as may be designated in writing for this purpose by the Authority from time to time; or,

(c) a Party Representative

(referred to in this Section B as the "**Proposer**").

7.2.2.2 A proposal made pursuant to sub-paragraph 7.2.2.1 shall be submitted in writing to the Committee Secretary and shall contain the following information in relation to such proposal:

- (a) the name of the Proposer;

- (b) a description (in reasonable but not excessive detail) of the issue or defect which the proposal seeks to address;
- (c) a description (in reasonable but not excessive detail) of the proposal and of its nature and purpose;
- (d) where possible, an indication of those parts of the Code and Code Procedures which, in the opinion of the Proposer, would be likely to require amendment in order to give effect to (or would otherwise be affected by) the proposal and an indication of the nature and contents of those amendments or effects (including, where relevant, any need for the establishment of new Code Procedures or removal of existing Code Procedures);
- (e) the reasons why the Proposer believes that the proposal would better facilitate achievement of the Applicable STC Objectives as compared with the then current version of the Code, together with background information in support thereof;
- (f) where possible, an indication of the potential impact of the proposal on the BSC, CUSC or any Core Industry Document;
- (g) where possible, an indication of the potential impact of the proposal on relevant computer systems and processes used by the Parties and on any Proposed Amendment; and
- (h) where a Proposer is a person falling under sub-paragraph 7.2.2.1(b), a statement to the effect that the Proposer acknowledges that, on acceptance of the proposal as a Proposed Amendment for consideration by the Committee (pursuant to sub-paragraph 7.2.2.3) and, notwithstanding that the Proposer is not a Party, the Proposer shall grant a licence and provide a warranty in the same terms as set out in sub-paragraph 7.2.2.5.

If a proposal fails to contain any information required under this sub-paragraph 7.2.2.2, the Committee Secretary shall notify the Proposer, who may submit a revised proposal in compliance with this sub-paragraph 7.2.2.

7.2.2.3 A proposal made pursuant to and in compliance with sub-paragraph 7.2.2.2 shall be processed as a “**Proposed Amendment**” as further provided in this paragraph 7.2.

7.2.2.4 Upon receipt of a Proposed Amendment, the Committee Secretary shall as soon as reasonably practicable:

- (a) send a copy of the Proposed Amendment (including the information set out in sub-paragraphs 7.2.2.2(a) to (h)) to the Parties, the Authority and any other person designated by the Authority under sub-paragraph 7.2.2.1(b);
- (b) subject to the provisions of paragraph 6.3, put the Proposed Amendment on the agenda for the next Committee Meeting; and
- (c) post the Proposed Amendment on the Code Website or, failing that, publish the Proposed Amendment in such other manner as the Parties deem appropriate to bring it to the attention of interested third parties.

7.2.2.5 It shall be a condition to the right to make a proposal to amend the Code under this paragraph 7.2 that the Proposer:

- (a) grants a non-exclusive royalty-free licence to all Parties who request the same covering all present and future rights, Intellectual Property Rights and moral rights it may have in such proposal (as regards use or application in Great Britain); and
- (b) warrants that, to the best of its knowledge, information and belief, no other person has asserted to the Proposer that such person has any Intellectual Property Rights or moral rights or rights of confidence in such proposal inconsistent with the Parties' rights to make, publish or use such proposal,

and, in making a proposal, a Party shall be deemed to have granted the licence and given the warranty contained in sub-paragraphs (a) and (b) above respectively.

7.2.2.6 The Proposer may withdraw its Proposed Amendment on notice to the Committee Secretary at any time, in which case, the Committee Secretary shall promptly notify the other Parties, the Authority and any other person designated by the Authority under sub-paragraph 7.2.2.1(b) and then, six Business Days after issue of such notice by the Committee Secretary, shall (unless a notice is received pursuant to sub-paragraph 7.2.2.7):

- (a) revise the Amendment Register;
- (b) remove the Proposed Amendment from the agenda of the next Committee Meeting (as relevant); and
- (c) remove the Proposed Amendment from the Code Website.

7.2.2.7 Each Party, or any other person designated by the Authority under sub-paragraph 7.2.2.1(b), may within five Business Days of the date of a notice from the Committee Secretary under sub-paragraph 7.2.2.6, notify the Committee Secretary that it is prepared to support the Proposed Amendment in place of the original Proposer. If such notice is received, the name of such Party or other person designated by the Authority under sub-paragraph 7.2.2.1(b) shall replace that of the original Proposer and such Party or other person shall be treated as the Proposer of the Proposed Amendment and, subject to the provisions of paragraph 6.3 the Proposed Amendment shall otherwise continue in accordance with this paragraph 7.2. If more than one notice is received under this sub-paragraph 7.2.2.7, the first received notice shall have effect.

7.2.2.8 Each Party, or any other person designated by the Authority under sub-paragraph 7.2.2.1(b), may propose one or more alternatives to a Proposed Amendment. Such alternative proposal(s) may be so submitted to the Committee Secretary at any time up until the point at which a Proposed Amendment is referred to the Assessment and Report Phase under sub-paragraphs 7.2.3.3 or 7.2.4.4 and shall be submitted in the same form as a proposal pursuant to sub-paragraph 7.2.2.2 and, upon compliance with which, such proposal shall be referred to as an "**Alternative Amendment**". An Alternative Amendment may be withdrawn and supported in the same manner as a Proposed Amendment pursuant to sub-paragraphs 7.2.2.6 and 7.2.2.7. The Proposer of an Alternative Amendment shall be deemed to be a Proposer for the purposes of this paragraph 7.2.

7.2.3 **Committee Amendment Meetings**

7.2.3.1 Pursuant to sub-paragraph 7.2.2.4, the Committee shall consider a Proposed Amendment or any Alternative Amendment (unless it or they have been withdrawn under sub-paragraph 7.2.2.6) at the next Committee Meeting, in accordance with and subject to the provisions of paragraph 6.3, and at such Committee Meeting shall use all reasonable endeavours to decide (as and where relevant) whether:

- (a) the Parties require additional information in order to assess whether the Proposed Amendment or any Alternative Amendment would better facilitate achievement of the Applicable STC Objectives;
- (b) pursuant to a recommendation under sub-paragraph 7.2.6.1(a) to recommend to the Authority that the Proposed Amendment or any Alternative Amendment should be treated as an Urgent Proposed Amendment;

(c) pursuant to sub-paragraph 7.2.3.4, to amalgamate the Proposed Amendment with any other Proposed Amendment.

7.2.3.2 Where, pursuant to sub-paragraph 7.2.3.1(a) above, the Committee decides that any of the Parties requires additional information or the Committee cannot reach a decision on such matter, the Committee shall refer the Proposed Amendment or any Alternative Amendment for evaluation under sub-paragraph 7.2.4.

7.2.3.3 Where, pursuant to sub-paragraph 7.2.3.1(a) above, the Committee decides that the Parties do not require additional information, the Committee shall refer the Proposed Amendment or any Alternative Amendment directly to the Assessment and Report Phase under sub-paragraph 7.2.5.

7.2.3.4 The Committee may decide to amalgamate a Proposed Amendment with one or more other Proposed Amendment(s) where the subject matter of such Proposed Amendment is sufficiently proximate to justify amalgamation on the grounds of efficiency and/or where such Proposed Amendment(s) are logically dependent on each other.

7.2.3.5 Where Proposed Amendments are amalgamated pursuant to sub-paragraph 7.2.3.4:

(a) such Proposed Amendments shall be treated as a single Proposed Amendment;

(b) references in this Section B to a Proposed Amendment shall include and apply to a group of two or more Proposed Amendments so amalgamated; and

(c) the Proposers of each such amalgamated Proposed Amendment shall co-operate in deciding which of them shall constitute the Proposer of such amalgamated Proposed Amendment, failing which agreement, the Proposed Amendments shall continue separately as before.

7.2.4 Evaluation Phase

7.2.4.1 The ~~Parties-Committee~~ shall use ~~their-its~~ reasonable endeavours in order to ensure that the Evaluation Phase as set out in this sub-paragraph 7.2.4 shall take no longer than two months from its referral under sub-paragraph 7.2.3.2 up to the referral to the Assessment and Report Phase under sub-paragraph 7.2.4.4 unless otherwise agreed by the Authority.

7.2.4.2 Following referral of a Proposed Amendment or any Alternative Amendment pursuant to sub-paragraph 7.2.3.2, the Committee shall invite representations or commission such studies, working groups

and other evaluation as it deems appropriate in order that each Party is provided with sufficient information such that it can assess whether the Proposed Amendment or any Alternative Amendment would better facilitate achievement of the Applicable STC Objectives.

7.2.4.3 Following receipt of any representations, study, working group report or other evaluation pursuant to sub-paragraph 7.2.4.2, the Committee shall consider whether the information provided is sufficient for each Party to form a view as to whether the Proposed Amendment or any Alternative Amendment better facilitate achievement of the Applicable STC Objectives and may invite such further representations, studies, working groups and other evaluation as it deems appropriate until the Committee considers that the information provided is sufficient.

7.2.4.4 Following completion of this Evaluation Phase under this sub-paragraph 7.2.4, the Committee shall refer the Proposed Amendment or any Alternative Amendment directly to the Assessment and Report Phase under sub-paragraph 7.2.5.

7.2.5 Assessment and Report Phase

7.2.5.1 The ~~Parties~~ Committee together with the Proposer shall use their reasonable endeavours in order to ensure that the Assessment and Report Phase as set out in this sub-paragraph 7.2.5 shall take no longer than ~~five~~ six months from its initiation by referral under sub-paragraphs 7.2.3.2 or 7.2.4.4 up to submission of the Amendment Report to the Authority under sub-paragraph 7.2.5.11(a) unless otherwise agreed by the Authority.

7.2.5.2 Following referral to the Assessment and Report Phase under sub-paragraphs 7.2.3.3 or 7.2.4.4, the Committee together with the Proposer shall ~~commission from each of the Parties~~ prepare an analysis and impact assessment (to the extent that such assessment has not already been provided as part of the Evaluation Phase) (“**Assessment**”). Such Assessment shall include to the extent reasonably practicable an assessment by ~~each Party~~ the Committee and the Proposer of the likely effect of the Proposed Amendment and any Alternative Amendment on ~~that the GB Party's~~ Transmission System and ~~its Party's~~ other systems ~~(and, to the extent reasonably practicable on the Transmission System and systems of the other Parties)~~, including a description of any works necessary to implement the change and an estimate of the development, capital and operating costs associated with implementing the changes to the Code and Code Procedures in such manner as the Committee feels fit, provided that, so far as any such Assessment requires information which is not generally available concerning ~~that Party's~~ the GB Transmission System, such Assessment shall be made on the basis of ~~that Party's~~ the Committee's and the Proposer's proper assessment (which ~~that~~

~~Party~~the Committee and the Proposer shall make available for these purposes) of the impact of the Proposed Amendment or any Alternative Amendment on ~~that Party's~~the GB Transmission System.

- 7.2.5.3 Following completion of the Assessment under sub-paragraph 7.2.5.2 the Committee together with the Proposer shall prepare a report and initial recommendation as to whether the Proposed Amendment and any Alternative Amendment better facilitate achievement of the Applicable STC Objectives. In so doing, the Committee and the Proposer shall ~~take into account each Party's Assessment and~~ use all reasonable endeavours to decide whether the Proposed Amendment or any Alternative Amendment would better facilitate achievement of the Applicable STC Objectives and therefore whether or not to recommend to the Authority that a Proposed Amendment or any Alternative Amendment should or should not be made.
- 7.2.5.4 Where the Committee together with the Proposer cannot reach a decision pursuant to sub-paragraph 7.2.5.3, ~~each Party~~the Committee shall prepare ~~its own~~a written ~~opinion~~statement reflecting the Committee's and the Proposer's discussions as to whether the Proposed Amendment or any Alternative Amendment would better meet the Applicable STC Objectives and whether or not ~~it~~each Party Representative and/or the Proposer recommends to the Authority that a Proposed Amendment or any Alternative Amendment should or should not be made and such written ~~opinions~~statement shall be incorporated into the report.
- 7.2.5.5 Where the Committee and the Proposer ~~is~~are jointly proposing to recommend to the Authority that a Proposed Amendment or any Alternative Amendment should not be made, the Committee and the Proposer shall consult with the Authority as to whether the Authority would like the Amendment Report to include the proposed text to amend the Code. If the Authority does not wish the Amendment Report to include the proposed text to amend the Code, no text need be included. If the Authority does want the Amendment Report to include the proposed text to amend the Code and no detailed text has yet been prepared, unless otherwise agreed ~~between the Parties~~by the Committee or directed by the Authority, the Proposer shall prepare such text to amend the Code and shall seek the views of the ~~other Parties~~Committee and take such views into account in preparing such text.
- 7.2.5.6 Where the Committee, Proposer or any Party is intending to recommend to the Authority that a Proposed Amendment or any Alternative Amendment should be made, such text to amend the Code shall be prepared by the Proposer, unless the ~~Parties~~Committee otherwise agrees that such text should be prepared by another Party or person and the Proposer (or other such person, as appropriate)

shall seek the views of the ~~other Parties~~Committee and take such views into account in preparing such text.

7.2.5.7 Where proposed text to amend the Code has been produced pursuant to sub-paragraphs 7.2.5.5 or 7.2.5.6 (or otherwise) the Committee (and any Proposer ~~who is a person designated by the Authority under sub-paragraph 7.2.2.1(b) and~~ whose Proposed Amendment or Alternative Amendment is the subject of the text) shall decide whether to approve (or amend and then approve) the proposed text, failing which decision, the text shall stand but each ~~Party~~Party Representative (and any Proposer of such Proposed Amendment or Alternative Amendment that is the subject of the text, ~~where such Proposer is a person designated by the Authority under sub-paragraph 7.2.2.1(b)~~) shall prepare written representations giving its own opinion on such text.

7.2.5.8 Following completion of the steps set out in sub-paragraphs 7.2.5.2 to 7.2.5.7 above (where relevant), the Committee Secretary shall prepare an proposed initial version of the Amendment Report setting out:

- (a) the Proposed Amendment and any Alternative Amendments;
- (b) the recommendation of the Committee (or, where the ~~Parties are~~Committee and/or the Proposer are not in agreement, the separate ~~recommendations of each of the Parties~~statement prepared pursuant to sub-paragraph 7.2.5.4) as to whether or not such Proposed Amendment or any Alternative Amendment should be made, including the ~~Parties' Committee's and Proposer's~~Committee's and Proposer's analysis of whether (and, if so, to what extent) the Proposed Amendment or any Alternative Amendment would better facilitate achievement of the Applicable STC Objectives and the views and rationale in respect thereof;
- (c) draft text prepared pursuant to sub-paragraph 7.2.5.7 and any representations on such text where relevant;
- (d) a summary of the Committee's and Proposer's Assessment(s) provided pursuant to sub-paragraph 7.2.5.2;
- (e) the proposed Implementation Date of the Proposed Amendment or any Alternative Amendments as agreed by the Committee, failing which, as shall be proposed by the Proposer and, in the latter case, accompanied by the written representations of the ~~other Parties~~Committee and any ~~person designated by the Authority under sub-paragraph~~

7.2.2.1(b) Proposer giving their own opinion as to what the Implementation Date should be; and

- (f) (to the extent that such matters are not included pursuant to sub-paragraph (d)), an analysis of:
- (i) the impact of the Proposed Amendment and any Alternative Amendment on the BSC, CUSC and Core Industry Documents, Code Procedures and contents of any Interface Agreement or TO Construction Agreement;
 - (ii) the changes which would be required to give effect to the Proposed Amendment and any Alternative Amendment in relation to the BSC, CUSC and Core Industry Documents, Code Procedures and contents of any Interface Agreement or TO Construction Agreement;
 - (iii) the mechanism and likely timescale for making the changes referred to in sub-paragraph (ii);
 - (iv) the changes or developments which would be required to central computer systems and, if practicable, processes used in connection with the operation of arrangements established under the BSC, CUSC and Core Industry Documents;
 - (v) the mechanism and likely timescale for making the changes referred to in sub-paragraph (iv);
 - (vi) an estimate of the costs associated with making and delivering the changes referred to in sub-paragraphs (ii) and (iv), such costs being expected to relate to: for (ii), the costs of implementing amendments to the BSC, CUSC and Core Industry Document(s), Code Procedures, Interface Agreement and TO Construction Agreement, and for (iv), the costs of changes to computer systems and possibly processes which are established for the operation of the BSC, CUSC and Core Industry Documents,

together with a summary of representations of the Parties Committee and the Proposer in relation to such matters,

(here referred to as the "Proposed-Initial Amendment Report") which Proposed-Initial Amendment Report shall be approved and amended as appropriate by the Committee (save for the contents of

those sections where representations are to be provided by each Party in its own capacity as specified above).

7.2.5.9 Pursuant to sub-paragraph 7.2.5.8, the Committee Secretary shall circulate the Initial Amendment Report to each of the Parties and invite each of the Parties to provide its Assessment, such Assessment to be provided in a consistent manner and including such information as is contained within the Committee's Assessment provided in accordance with sub-paragraph 7.2.5.2. Should a Party decide to provide an Assessment in accordance with this sub-paragraph 7.2.5.9 the Party shall provide such assessment in accordance with the timescales specified by the Committee Secretary when circulating the Initial Amendment Report.

7.2.5.10 Pursuant to sub-paragraph 7.2.5.~~89~~, the Committee Secretary shall:

(a) Incorporate any Assessments provided by Parties pursuant to 7.2.5.9 into the Initial Assessment Report in so doing forming a proposed Amendment Report (here referred to as the "Proposed Amendment Report")

(b) circulate the Proposed Amendment Report to each of the Parties, any persons designated by the Authority under sub-paragraph 7.2.2.1(b) and such persons or bodies as have responsibility for progressing changes to the BSC, CUSC and Core Industry Documents and publish it on the Code Website or otherwise in such manner as may be deemed appropriate by the Parties to bring it to the attention of other persons who may have a relevant interest in the Proposed Amendment or any Alternative Amendment;

(~~bc~~) invite representations in relation to the Proposed Amendment Report within such period as the Committee shall determine (and, in any event, not more than one month); and

(~~ed~~) on receipt of representations pursuant to sub-paragraph (b), prepare a summary of such representations.

7.2.5.~~10~~11 Pursuant to sub-paragraph 7.2.5.~~910~~, the Committee shall consider the representations made in response to the Proposed Amendment Report and shall instruct the Committee Secretary to make such changes to the Proposed Amendment Report as may be agreed by the Committee (save for the contents of those sections where representations are to be provided by each Party, the Proposer or other person designated by the Authority under sub-paragraph 7.2.2.1(b) (where appropriate) in its own capacity, as specified above, in which case such Party may, after notifying the Committee, direct

the Committee Secretary to make reasonable changes to its representations).

7.2.5.4412 Following the process referred to in sub-paragraph 7.2.5.4011, the Proposed Amendment Report shall be referred to as the "**Amendment Report**". The Committee Secretary shall finalise the Amendment Report and attach the summary of representations prepared pursuant to sub-paragraph 7.2.5.910(ed) (together with the actual representations received), to the Amendment Report and shall promptly:

- (a) submit such Amendment Report to the Authority; and
- (b) copy such Amendment Report to each of the Parties, the Proposer, persons designated by the Authority under sub-paragraph 7.2.2.1(b) and each owner of the BSC, CUSC and Core Industry Documents and post it on the Code Website.

7.2.5.4213 Each Amendment Report shall be addressed and furnished to the Authority and none of the facts, opinions or statements contained in such Amendment Report may be relied upon by any other person.

7.2.5.4314 NGET shall copy any notice received by it from the Authority following submission of the Amendment Report in relation to the approval (or otherwise) of a Proposed Amendment or any Alternative Amendment to each of the Parties and persons designated by the Authority under sub-paragraph 7.2.2.1(b) and the Committee Secretary shall publish such notice on the Code Website.

7.2.6 Urgent Proposed Amendments

7.2.6.1 Any Party may:

- (a) recommend to the Committee that a proposal to amend the Code be treated as an Urgent Proposed Amendment and provide a suggested timetable in relation to same; or
- (b) request that the Committee Secretary convenes a Committee Meeting by such means as are reasonably practicable to obtain the agreement of the Committee (or otherwise) that the proposal be treated as an Urgent Proposed Amendment; or
- (c) where a Committee Meeting cannot be arranged pursuant to sub-paragraph (b) above due to lack of agreement on the part of the Parties Party Representatives, itself refer the proposal to the Authority for determination as to whether such proposal may be treated as an Urgent Proposed Amendment and, if so, as to the procedure and timetable which should apply in

respect thereof and, in doing so, shall state that the Committee has not considered the matter.

- 7.2.6.2 If the Committee decides that such proposal should be treated as an Urgent Proposed Amendment pursuant to sub-paragraph 7.2.6.1, the Committee shall promptly consult with the Authority as to whether such proposal should be treated as an Urgent Proposed Amendment and, if so, as to the procedure and timetable which should apply in respect thereof.
- 7.2.6.3 If the Committee is not in agreement pursuant to sub-paragraph 7.2.6.1 that a proposal be treated as an Urgent Proposed Amendment, any Party may itself refer the matter to the Authority but, in doing so, shall state that the Committee do not recommend that the proposal be treated as an Urgent Proposed Amendment.
- 7.2.6.4 The Committee shall:
- (a) not treat any proposal as an Urgent Proposed Amendment except with the prior consent of the Authority;
 - (b) comply with the procedure and timetable in respect of any Urgent Proposed Amendment approved by the Authority; and
 - (c) comply with any instruction of the Authority issued in respect of such Urgent Proposed Amendment.
- 7.2.6.5 For the purposes of this sub-paragraph 7.2.6, the procedure and timetable in respect of an Urgent Proposed Amendment may (with the approval of the Authority pursuant to sub-paragraphs 7.2.6.2 or 7.2.6.3) deviate from all or part of the Amendment Procedures (save for this sub-paragraph 7.2.6) or follow any other procedure or timetable approved by the Authority.
- 7.2.6.6 Any Amendment Report (unless the Authority states that this is not required pursuant to sub-paragraphs 7.2.6.2 or 7.2.6.3) in respect of an Urgent Proposed Amendment (as relevant pursuant to sub-paragraph 7.2.6.5) shall include a statement as to why the Committee or the Proposer (as relevant) believes that such proposal should be treated as an Urgent Proposed Amendment and the extent to which the procedure followed deviated from the other Amendment Procedures that would apply to a Proposed Amendment.
- 7.2.6.7 The ~~Parties-Committee~~ shall respectively take all reasonable steps to ensure that an Urgent Proposed Amendment is considered, evaluated and (subject to the approval of the Authority) implemented as soon as reasonably practicable, having regard to the urgency of the matter and, for the avoidance of doubt, an Urgent Proposed Amendment may

(subject to the approval of the Authority) result in an amendment to the Code being made on the day on which such proposal is submitted.

7.2.7 **Amendment Register**

7.2.7.1 The Committee Secretary shall establish and maintain a register (the "**Amendment Register**") which shall record, in such form as the Committee may determine, the matters set out in sub-paragraph 7.2.7.3.

7.2.7.2 The purpose of the Amendment Register shall be to assist the Committee in the operation of the Amendment Procedures under this Code and to enable the Parties and other interested third parties (including any person designated by the Authority under sub-paragraph 7.2.2.1(b)) to be reasonably informed of the progress of Proposed Amendments including any Alternative Amendments, Urgent Proposed Amendments and Approved Amendments from time to time.

7.2.7.3 The Amendment Register shall record:

- (a) details of each Proposed Amendment and any Alternative Amendment or Urgent Proposed Amendment (including the name of the Proposer, the date of the Proposed Amendment or any Alternative Amendment or Urgent Proposed Amendment and a brief description of the Proposed Amendment or any Alternative Amendment) or Urgent Proposed Amendment;
- (b) the current status and progress of each Proposed Amendment or any Alternative Amendment or Urgent Proposed Amendment and the anticipated date for reporting to the Authority in respect thereof;
- (c) the current status and progress of each Approved Amendment; and
- (d) such other matters as the Committee may consider appropriate from time to time in order to achieve the purposes set out in sub-paragraph 7.2.7.2.

7.2.7.4 The Amendment Register shall, in addition to those matters set out in sub-paragraphs 7.2.7.3, also include details of:

- (a) each Proposed Amendment or any Alternative Amendment which has been withdrawn pursuant to sub-paragraph 7.2.2.6 or rejected by the Authority; and

- (b) each Approved Amendment which has been implemented pursuant to sub-paragraph 7.2.10,

for a period of six months after such withdrawal, rejection or implementation, or such longer period as the Committee may determine.

- 7.2.7.5 The Committee Secretary shall publish the Amendment Register (as updated from time to time and indicating the revisions since the previous issue) on the Code Website or (in the absence, for whatever reason, of the Code Website) in such other manner and with such frequency (being not less than once per month) as the **Parties Committee** may agree, in order to bring it to the attention of interested third parties and send a copy of same to each of the Parties and any person designated by the Authority under sub-paragraph 7.2.2.1(b).

7.2.8 Monthly Progress Report

- 7.2.8.1 The Committee shall prepare and submit to the Authority each month (or such less frequent period as shall be agreed with the Authority if there is no material matter arising to report) a report (to be known as the "**Progress Report**") setting out the matters referred to in sub-paragraph 7.2.8.2 in respect of the preceding month (or such longer period, as applicable) and the Committee Secretary shall then send a copy of the Progress Report to each Party and persons designated by the Authority under sub-paragraph 7.2.2.1(b).

- 7.2.8.2 The Progress Report shall contain:

- (a) the current version of the Amendment Register;
- (b) details of the scheduling and timetable for consideration of each Proposed Amendment or any Alternative Amendment or Urgent Proposed Amendment and completion of the Amendment Report in respect thereof in the context of all other current Proposed Amendments or any Alternative Amendment or Urgent Proposed Amendment (including an indication of the priority that the Committee affords to and between such proposals);
- (c) details of any decision to amalgamate Proposed Amendments under sub-paragraph 7.2.3.4;
- (d) details of any circumstances which lead the Committee or any Party to believe that the Implementation Date for an Approved Amendment is unlikely to be met and, if so, why;
- (e) such other matters as the Authority may request to be included from time to time; and

(f) the basis for each of the decisions referred to above.

7.2.8.3 In the event that the Authority at any time submits a written request to the Committee to provide to it any information with respect to consideration or progress of any Proposed Amendment, Alternative Amendment or Urgent Proposed Amendment, the Committee shall promptly comply with such request.

7.2.8.4 If, following discussion with the Committee, the Authority issues a notice to the Committee Secretary requesting the Committee:

(a) not to amalgamate Proposed Amendments as set out in the Progress Report; or

(b) to amend the timetable for a Proposed Amendment or any Alternative Amendment or Urgent Proposed Amendment (including the priority afforded to and between such proposals),

the Committee Secretary shall send a copy of the notice to each Party, Party Representative and any person designated by the Authority under sub-paragraph 7.2.2.1(b)). The Committee shall comply with such notice.

7.2.8.5 The Committee Secretary shall publish each Progress Report on the Code Website within seven Business Days after it is sent to the Authority, provided that the Committee Secretary shall exclude therefrom any notice issued by the Authority pursuant to this paragraph 7.

7.2.9 Change Co-ordination

7.2.9.1 The Committee shall establish (and, where appropriate, revise from time to time) joint working arrangements with each panel or other body responsible for proposing change to the BSC, CUSC or Core Industry Document, to facilitate the identification, co-ordination, making and implementation of change to the BSC, CUSC or Core Industry Document or such other designated documents consequent on an amendment to the Code, in a full and timely manner. Such working arrangements shall include, without limitation, inviting representatives from panels and bodies referred to in this sub-paragraph 7.2.9.1 to participate in any working groups established or discussions with the Committee or any Party pursuant to this paragraph 7, when the Committee or a Party or Parties otherwise identify the likelihood of an impact of a Proposed Amendment and any Alternative Amendment, on the BSC, CUSC, Core Industry Document or such other designated document.

7.2.9.2 The working arrangements referred to in sub-paragraph 7.2.9.1 shall be such as enable the consideration, development and evaluation of Proposed Amendments and Alternative Amendments, and the implementation of Approved Amendments, to proceed in a full and timely manner and enable changes to the BSC, CUSC or Core Industry Document or other designated documents consequent on an Approved Amendment to be made and given effect wherever possible (subject to any necessary consent of the Authority) at the same time as such Approved Amendment is made and given effect.

7.2.10 Implementation

7.2.10.1 Upon service by NGET to the Parties and any person designated by the Authority under sub-paragraph 7.2.2.1(b), of a signed notice of amendment in accordance with a direction of the Authority issued pursuant to NGET's Transmission Licence, the Code shall be amended in accordance with the terms of such notice.

7.2.10.2 An amendment to the Code shall take effect from the date and time as specified in the notice referred to in sub-paragraph 7.2.10.1 or, in the absence of any such specified time and date, 00:00 hours on the day next following the date of service of such notice.

7.2.10.3 The Parties shall be responsible for implementing any Approved Amendment in accordance with this sub-paragraph 7.2.10.

7.2.10.4 The Relevant Parties to Code Procedures shall as soon as reasonably practicable make such amendments to Code Procedures or adopt such new Code Procedures as are necessary to give full and timely effect to an Approved Amendment by the Implementation Date.

7.2.10.5 In relation to Approved Amendments:

- (a) each Party shall use its reasonable endeavours to progress changes made to the BSC, CUSC and Core Industry Documents (to the extent that it is a party to them) in order to give full and timely effect to an amendment to the Code by the Implementation Date;
- (b) each Party shall do what is required to those of its systems and processes which support the operation of the Code as may be necessary in order to give full and timely effect to an amendment to the Code by the Implementation Date; and
- (c) each Party must keep the Committee informed of any matter that may affect the ability for the Implementation Date to be met.

7.2.10.6 Without prejudice to the obligations of the Parties under this sub-paragraph 7.2.10, the Implementation Date may be extended or shortened with the prior approval of, or at the direction of, the Authority.

7.2.10.7 The Committee or any Party shall apply to the Authority for an extension of the Implementation Date if it becomes aware of any circumstances that are likely to cause a delay in the implementation of an Approved Amendment.

7.2.10.8 An amendment made pursuant to and in accordance with this paragraph 7.2 shall not be impaired or invalidated in any way by any inadvertent failure to comply with or give effect to this sub-paragraph 7.2.10.

7.3 Amendment and Creation of Code Procedures

7.3.1 The Relevant Parties may amend (whether by way of modification, deletion, addition, replacement or otherwise) existing Code Procedures or create additional Code Procedures subject to and in accordance with the procedures set out in this paragraph 7.3.

7.3.2 The Relevant Parties may only make amendments to existing Code Procedures or create additional Code Procedures if and to the extent that:

7.3.2.1 the amendment or addition falls within the terms and arrangements set out in Standard Condition B12; and

7.3.2.2 the amendment or addition does not impair, frustrate or invalidate the provisions of the Code; and

7.3.2.3 the amendment or addition does not impose new obligations or liabilities or restrictions of a material nature on Parties which are not subsidiary to the rights and obligations of the Parties under the Code; and

7.3.2.4 the amendment or addition is not inconsistent or in conflict with the Code, Transmission Licence Conditions or other relevant statutory requirements; and

7.3.2.5 the Relevant Parties deem that the amendment or addition is appropriate to support compliance with the Code.

7.3.3 All Relevant Parties shall use reasonable endeavours to agree between themselves any amendment to an existing Code Procedure or creation of a new Code Procedure that is proposed by a Relevant Party.

7.3.4 The Relevant Parties may agree an amendment to an existing Code Procedure or creation of a new Code Procedure under this paragraph 7.3 despite the prohibition in sub-paragraph 7.3.2.3 only where the Authority has notified the

Relevant Parties in writing that they may do so. The Parties shall provide the Authority with such information as it may direct in order to inform its decision under this sub-paragraph 7.3.4.

- 7.3.5 Where the Relevant Parties are unable to reach agreement pursuant to sub-paragraph 7.3.3, any such Relevant Party may promptly forward the matter as a Dispute to the Authority under Section H, paragraph 4.1 whereupon the Parties shall comply with such determination and direction as the Authority may make after taking such steps as the Authority may deem fit in order to make such direction (including, without limitation, seeking representations from the Parties and any other person and consulting on any potential amendment to an existing Code Procedure or creation of a new Code Procedure). The Parties shall be bound by such direction as the Authority shall make in relation to an amendment to a Code Procedure or creation of a new Code Procedure until such time as the Relevant Parties can agree between themselves any changes pursuant to this paragraph 7.3.
- 7.3.6 For the avoidance of doubt, any direction made by the Authority pursuant to sub-paragraph 7.3.5 shall not constitute approval of any such amendment to a Code Procedure or creation of a new Code Procedure and any notice issued by the Authority pursuant to sub-paragraph 7.3.4 shall only constitute a waiver of such prohibition for the purpose of this Code and shall not constitute approval of the amendment to a Code Procedure or creation of a new Code Procedure in any other respect.
- 7.3.7 Where an amendment to a Code Procedure or the creation of a new Code Procedure is agreed pursuant to sub-paragraph 7.3.3 or directed pursuant to sub-paragraph 7.3.5 then the Relevant Parties shall co-ordinate the sending of the text of the amended Code Procedure or new Code Procedure (and including the proposed effective date for such amendment or new Code Procedure), signed and dated by all Relevant Parties, to the Committee Secretary (for and on behalf of all Relevant Parties).
- 7.3.8 Upon receipt of a signed amended Code Procedure or new Code Procedure pursuant to sub-paragraph 7.3.7, the Committee Secretary shall immediately (and in any event prior to the effective date specified by the Relevant Parties in such amended Code Procedure or new Code Procedure):
- 7.3.8.1 send a copy of the amended Code Procedure or new Code Procedure to each of the Relevant Parties and to the Authority;
 - 7.3.8.2 update Schedule Two to include the relevant details of the amended Code Procedure or new Code Procedure;
 - 7.3.8.3 send a notice containing a copy of the amended Schedule Two to the Authority, each of the Parties and to such other person as the Authority may designate from time to time, upon the date of which notice, such

amended Schedule shall be deemed to be an amendment to the Code for the purposes of this Section B;

7.3.8.4 post a copy of the amended Schedule Two on the Code Website; and

7.3.8.5 update the library of Code Procedures pursuant to Section A, paragraph 3.

7.3.9 An amendment to a Code Procedure or the addition of a new Code Procedure pursuant to this paragraph 7.3 shall take effect on the date specified in any notice issued pursuant to Section B, sub-paragraph 7.3.8.3.

7.3.10 Unless otherwise directed by the Authority, only the Committee Secretary shall be entitled to amend Schedule Two, and shall only be entitled to do so in accordance with and pursuant to sub-paragraph 7.3.8.

7.4 **Publication**

7.4.1 Subject to this Section B, any representations submitted by a Party or other person pursuant to the Amendment Procedures (including, without limitation, any Proposed Amendment, Alternative Amendment, Urgent Proposed Amendment, Assessment or representation or text in relation to any of these) may be made publicly available or disclosed to another Party or Parties or other persons pursuant to this Section B except as expressly requested by such Party or other person by notice in writing to the Committee Secretary (of which notice, the Committee Secretary shall then notify the other Parties and any persons designated under sub-paragraph 7.2.2.1(b)).

7.4.2 The Parties or, for the avoidance of doubt, the Committee Secretary, shall not be liable for any accidental publication of a representation made pursuant to sub-paragraph 7.2.5.

7.4.3 For the avoidance of doubt, all representations made pursuant to this paragraph 7 (whether or not marked confidential) may be sent to the Authority.

7.4.4 In addition to sub-paragraph 7.4.1, where any provision of this Section B provides for data, information or reports to be published or made available to Parties and/or other persons, the Committee shall exclude therefrom any matters in respect of which the Authority issues a notice to the Committee Secretary or Parties for the purposes of this paragraph 7.

Annex B1 – Election of Offshore Transmission Owner Party Representatives

B1.1 General

B1.1.1 Introduction

B1.1.1.1 This Annex B1 sets out the basis for election of Offshore Transmission Owner Party Representatives and Offshore Transmission Owner Alternate Representatives for the purpose of Paragraphs 6.1.2 and 6.1A.1

B1.1.1.2 This Annex B1 shall apply:

(a) in relation to each year (the “Election Year”) in which the term of office of Offshore Transmission Owner Party Representatives and Offshore Transmission Owner Alternate Representatives expires, for the purposes of electing Offshore Transmission Owner Party Representatives and Offshore Transmission Owner Alternate Representatives to hold office with effect from 1st April in that year;

(b) subject to and in accordance with Paragraph B1.4, upon a Offshore Transmission Owner Party Representative and/or Offshore Transmission Owner Alternate Representatives ceasing to hold office before the expiry of his term of office.

B1.1.1.3 For the purposes of an election under Paragraph B1.1.1.2(a) references to Offshore Transmission Owner are to persons who are Offshore Transmission Owner as at 20th December in the previous year.

B1.1.1.4 The Committee Secretary shall administer each election of Offshore Transmission Owner Party Representatives and Offshore Transmission Owner Alternate Representatives pursuant to this Annex B1.

B1.1.2 Election timetable

B1.1.2.1 The Committee Secretary shall not later than 7th January in the election year prepare and circulate to all Offshore Transmission Owners (by publication on the Committee Secretary Website and, where relevant details are supplied, by electronic mail), with a copy to the Authority, an invitation to nominate candidates who must be willing to be either a Offshore Transmission Owner Party Representative or an Alternate Representative and a timetable for the election (the “Election Timetable”), setting out:

(a) the date by which nominations of candidates are to be received, which shall not be less than three (3) weeks after the timetable is circulated;

(b) the date by which the Committee Secretary shall circulate a list of candidates and voting papers;

(c) the date by which voting papers are to be submitted, which shall not be less than three (3) weeks after the date for circulating voting papers;

(d) the date by which the results of the election will be made known, which shall not be later than 15th March in the Election Year.

B1.1.2.2 If for any reason it is not practicable to establish an election timetable in accordance with Paragraph B1.2.1.1 or to proceed on the basis of an election timetable which has been established, the Committee Secretary may establish a different timetable, or revise the election timetable, by notice to all Parties, the Committee and the Authority, provided that such timetable or revised timetable shall provide for the election to be completed before 1st April in the Election Year.

B1.1.2.3 A nomination or voting paper received by the Committee Secretary later than the respective required date under the election timetable (subject to any revision under Paragraph B1.1.2.2) shall be disregarded in the election.

B1.2. CANDIDATES

B1.2.1 Nominations

B1.2.1.1 Nominations for candidates shall be made in accordance with the Election Timetable.

B1.2.1.2 Subject to Paragraph B1.1.1.3, each Offshore Transmission Owner may nominate one candidate for election by giving notice to the Committee Secretary.

B1.2.2 List of candidates

B1.2.2.1 The Committee Secretary shall draw up a list of the nominated candidates and circulate the list to all Offshore Transmission Owners by the date specified in the Election Timetable.

B1.2.2.2 The list shall specify the Offshore Transmission Owner by whom each candidate was nominated and any affiliations which the candidate may wish to have drawn to the attention of Offshore Transmission Owners.

B1.2.2.3 Except where Paragraphs B1.4.3 or B1.4.4 apply, if two (2) or fewer candidates are nominated no further steps in the election shall take place and such candidate(s) shall be treated as elected as Offshore Transmission Owner Party Representatives and Paragraph B1.3.2.4 shall apply in relation to such candidate(s).

B1.2.2.4 Where Paragraph B1.4.3 applies, if only one (1) candidate is nominated, no further steps in the election shall take place and such candidate shall be treated as elected as a Party Representative and Paragraph B1.3.2.4 shall apply in relation to such candidate.

B1.2.2.5 Where Paragraph B1.4.4 applies, if two (2) or fewer candidates are nominated, no further steps in the election shall take place and such candidate(s) shall be treated as elected as Alternate Representatives and Paragraph B1.3.2.4 shall apply in relation to such candidate(s).

B1.3. VOTING

B1.3.1 Voting papers

B1.3.1.1 Voting papers shall be submitted in accordance with the election timetable.

B1.3.1.2 Each Offshore Transmission Owner may submit one voting paper.

B1.3.2 Preference votes and voting rounds

B1.3.2.1 Each Offshore Transmission Owner submitting a voting paper shall vote by indicating on the voting paper a first, second and third preference ("Preference Votes") among the candidates.

B1.3.2.2 A voting paper need not indicate a second, or a third, preference, but the same candidate may not receive more than one Preference Vote in a voting paper.

B1.3.2.3 Candidates shall be elected in three voting rounds (together where necessary with a further round under Paragraph B1.3.6) in accordance with the further provisions of this Paragraph B1.3.

B1.3.2.4 The Committee Secretary shall determine which candidates are elected and announce (to the Authority and all Offshore Transmission Owners) the results of the election in accordance with the election timetable.

B1.3.2.5 The Committee Secretary shall not disclose the Preference Votes cast by Offshore Transmission Owners or received by candidates; but a Offshore Transmission Owner may by notice to the Authority require that the Authority scrutinise the conduct of the election, provided that such Offshore Transmission Owner shall bear the costs incurred by the Authority in doing so unless the Authority recommends that the election results should be annulled.

B1.3.2.6 Further references to voting papers in this Paragraph B1.3 do not include voting papers which are invalid or are to be disregarded (i.e. voting papers not made or submitted in accordance with the STC.)

B1.3.3 First voting round

B1.3.3.1 In the first voting round:

(a) the number of first Preference Votes allocated under all voting papers to each candidate shall be determined.

(b) the first round qualifying total shall be:

_____ (T / N) + 1

_____ where

T is the total number of first Preference Votes in all voting papers;

N is the number of Offshore Transmission Owners' Party Representatives and/or Alternate Representatives to be elected.

B1.3.3.2 If the number of first Preference Votes allocated to any candidate is equal to or greater than the first round qualifying total, that candidate shall be elected.

B1.3.4 Second voting round

B1.3.4.1 In the second voting round:

(a) the remaining candidates are those which were not elected in the first voting round;

(b) the remaining voting papers are voting papers other than those under which the first Preference Votes were for candidates elected in the first voting round;

(c) the number of first and second Preference Votes allocated under all remaining voting papers to each remaining candidate shall be determined;

(d) the second round qualifying total shall be

$$\underline{(T' / N') + 1}$$

where T' is the total number of first Preference Votes and second Preference Votes allocated under all remaining voting papers; N' is the number of Party Representatives and/or Alternate Representatives remaining to be elected after the first voting round.

B1.3.4.2 If the number of first and second Preference Votes allocated to any remaining candidate is equal to or greater than the second round qualifying total, that candidate shall be elected.

B1.3.5 Third voting round

B1.3.5.1 In the third voting round:

(a) the remaining candidates are those which were not elected in the first or second voting rounds;

(b) the remaining voting papers are voting papers other than those under which the first or second Preference Votes were for candidates elected in the first or second voting rounds;

(c) the number of first, second and third Preference Votes allocated under all remaining voting papers to each remaining candidate shall be determined;

(d) the third round qualifying total shall be

$$\frac{(T'' / N'') + 1}{}$$

where T'' is the total number of first Preference Votes, second Preference Votes and third Preference Votes allocated under all remaining voting papers;

N'' is the number of Party Representatives remaining to be elected after the first and second voting rounds.

B1.3.5.2 If the number of first, second and third Preference Votes allocated to any remaining candidate is equal to or greater than the third round qualifying total, that candidate shall be elected.

B1.3.6 Further provisions

B1.3.6.1 If after any voting round the number of candidates achieving the required Preference Votes threshold exceeds the number of persons remaining to be elected, the following tie-break provisions shall apply between the tied candidates. In addition, if after the third voting round any Party Representative(s) or Alternate Representative(s) remain to be elected the following tie-break provisions shall apply between the remaining candidates:

- (a) the tied or remaining candidates (as applicable) shall be ranked in order of the number of first Preference Votes allocated to them, and the candidate(s) with the greatest number of such votes shall be elected;
- (b) in the event of a tie between two or more candidates within Paragraph (a), the candidate(s) (among those tied) with the greatest number of second Preference Votes shall be elected;
- (c) in the event of a tie between two or more candidates within Paragraph (b), the Committee Secretary shall select the candidate(s) (among those tied) to be elected by drawing lots.

B1.3.7 Alternate Representatives and Party Representatives

B1.3.7.1 Except where Paragraphs B1.4.3 or B1.4.4 apply, the two (2) candidates receiving the greatest number of votes shall be elected as Offshore Transmission Owners' Party Representatives and the next two (2) shall be elected as Offshore Transmission Owners' Alternate Representatives.

B1.3.7.2 Where Paragraph B1.4.3 applies the number of candidate(s) up to and including the number of Party Representative Interim Vacancies receiving the greatest number of votes pursuant to the Interim Committee and Alternate Election Process shall be elected as Offshore Transmission Owners' Party Representative(s) and the remaining candidates up to and including the number of Alternate Representative Interim Vacancies receiving the greatest number of votes shall be elected as Alternate Representative(s).

B1.3.7.3 Where Paragraph B1.4.4 applies the two (2) candidates receiving the greatest number of votes pursuant to the Alternate Election Process shall be elected as Alternate Representatives.

B1.4. VACANCIES

B1.4.1 General

B1.4.1.1 If a Party Representative ceases to hold office pursuant to Paragraph 6.1C.1 (b) (i) then Paragraph B1.4.2 shall apply.

B1.4.1.2 If a Party Representative ceases to hold office pursuant to Paragraph 6.1C.1 (a), 6.1C.1 (b) (ii) to (vi) (inclusive) or 6.1C.1 (c) to (e) (inclusive) then Paragraph B1.4.3 shall apply.

B1.4.1.3 If an Alternate Representative ceases to hold office pursuant to Paragraph 6.1C (the "Resigning" Alternate Representative) then Paragraph B1.4.4 shall apply.

B1.4.1.4 The provisions of Paragraph B1.2.1.2 shall apply, mutatis mutandis, to any replacement Party Representative or any replacement Alternate Representative under this Paragraph B1.4.

B1.4.2 Replacement of a Party Representative who ceases to hold office pursuant to Paragraph 6.1C.1 (b) (i)

B1.4.2.1 Where this Paragraph B1.4.2 applies, and in accordance with the duties set out in Paragraph 6.2, such Party Representative may appoint a replacement Party Representative (subject to Paragraph B1.4.2.2) for the remainder of the term of office of such Party Representative and shall notify the Panel Secretary of a replacement Party Representative at the same time as they resign. If such Party Representative does not appoint a replacement at the time of notifying the Panel Secretary of their resignation then such Party Representative will be replaced in accordance with Paragraph B1.4.3 and this Paragraph B1.4.2.1 shall no longer apply.

B1.4.2.2 A Party Representative shall only appoint an Alternate Representative to be his replacement pursuant to Paragraph B1.4.2.1 and such Alternate Representative chosen to be a Party Representative shall then become a Resigning Alternate Representative and be replaced in accordance with Paragraph B1.4.4.

B1.4.3 Replacement of a Party Representative who ceases to hold office pursuant to Paragraph 6.1C.1 (a), 6.1C.1 (b) (ii) to (vi) (inclusive) or 6.1C.1 (c) to (e) inclusive)

B1.4.3.1 Subject to Paragraph B1.4.3.2, such Party Representative shall, where one or more Alternate Representative(s) hold office, be replaced by the Alternate Representative who previously received the highest number of cumulative Preference Votes but if there were a tie-break in relation to such Preference Votes then the tie-break provisions set out in Paragraph B1.3.6.1 shall apply, in either circumstance such

Alternate Representative selected to be a Party Representative shall then become a Resigning Alternate Representative and be replaced in accordance with Paragraph B1.4.4.

B1.4.3.2 If there are no Alternate Representatives in office upon a Party Representative ceasing to hold office then:

(a) Where there are not less than six (6) months remaining until the next full election further Party Representatives shall be elected in accordance with Paragraphs B1.2, B1.3 and subject to the following Paragraphs B1.4.3.3 to B1.4.3.5 (inclusive) (the "Interim Committee and Alternate Election Process").

(b) Where there are less than six (6) months remaining until the next full election no further Party Representatives or Alternate Representatives shall be elected pursuant to this Paragraph B1.4.3 and the positions shall remain vacant until the next full election.

B1.4.3.3 Where this Paragraph B1.4.3.3 applies the Committee Secretary shall indicate in the invitation referred to at Paragraph B1.1.2.1 the number of vacancies for both Party Representative(s) ("Party Representative Interim Vacancies") and Alternate Representative(s) ("Alternate Representative Interim Vacancies") for which the Interim Committee and Alternate Election Process is being held.

B1.4.3.4 Any Party Representative(s) or Alternate Representative(s) elected pursuant to the Interim Committee and Alternate Election Process shall cease to hold office at the next full election.

B1.4.3.5 The timetable for the Interim Committee and Alternate Election Process shall be expedited and the Committee Secretary shall prepare a timetable accordingly.

B1.4.4 Replacement of a Resigning Alternate Representative

B1.4.4.1 Subject to Paragraph B1.4.4.2 a Resigning Alternate Representative shall not be replaced.

B1.4.4.2 If there are no Alternate Representatives remaining in office following the resignation of an Alternate Representative or their appointment as Party Representative in accordance with B1.4.2 or B1.4.3 then

(a) Where there are not less than six (6) months remaining until the next full election further Alternate Representatives shall be elected in accordance with Paragraphs B1.2, B1.3 and subject to the following paragraphs B1.4.4.3 to B1.4.4.5 (inclusive) (the "Alternate Election Process").

(b) Where there are less than six (6) months remaining until the next full election no further Alternate Representatives shall be elected and the positions shall remain vacant until the next full election

B1.4.4.3 Where this paragraph B1.4.4.3 applies, a reference in Paragraphs B1.2 and B1.3 to an Offshore Transmission Owners' Party Representative or Party Representative

shall not apply except in the case of Paragraph B1.3.5.1 (d) where the reference to “Party Representatives” shall be read and construed as a reference to “Alternate Representatives”.

B1.4.4.4 Any Alternate Representative(s) elected pursuant to the Alternate Election Process shall cease to hold office at the next full election.

B1.4.4.5 The timetable for the Alternate Election Process shall be expedited and the Committee Secretary shall prepare a timetable accordingly.

SECTION C: TRANSMISSION SERVICES AND OPERATIONS

PART ONE: PROVISION OF TRANSMISSION SERVICES

1. INTRODUCTION

1.1 This Section C, Part One deals with the provision of Transmission Services by Transmission Owners to NGET and the obligations of NGET in relation to its operation of the GB Transmission System, and sets out:

- 1.1.1 the process for each Transmission Owner to specify the technical limits that normally apply to its Transmission Services in a Services Capability Specification;
- 1.1.2 the process for developing and implementing Services Restoration Proposals to restore Transmission Services in the event of any unplanned reduction in the technical limits actually applicable to the provision of Transmission Services from time to time; and
- 1.1.3 provisions dealing with the co-ordination and direction by NGET of the flow of electricity onto and over the GB Transmission System in accordance with technical limits and Licence Standards.

2. TRANSMISSION SERVICES

2.1 In accordance with the provisions of this Code, each Transmission Owner shall provide services to NGET consisting of:

- 2.1.1 making available those parts of its Transmission System which are intended for the purposes of conveying, or affecting the flow of, electricity, so that such parts are capable of doing so and are fit for those purposes;
- 2.1.2 a means of enabling NGET to direct the configuration of those parts of that Transmission Owner's Transmission System made available to it and, consistent with such means, giving effect to any such direction from time to time; and
- 2.1.3 a means of enabling NGET to obtain information in relation to that Transmission Owner's Transmission System which information is needed by NGET to enable it to co-ordinate and direct the flow of electricity onto and over the GB Transmission System and, consistent with such means, providing such information to NGET,

(together here referred to as "**Transmission Services**").

2.2. Each Transmission Owner agrees with NGET to provide Transmission Services and to plan, develop, operate and maintain its Transmission System in accordance with its

Transmission Licence and this Code, subject to any Transmission Derogations from time to time.

- 2.3 NGET shall have the right to make use of the Transmission Services provided to it under this Code in pursuance of its activities and the discharge of its obligations under its Transmission Licence and the Act and only in pursuance of such activities or discharge of such obligations.

3. SERVICES CAPABILITY SPECIFICATION

- 3.1 Each Transmission Owner shall separately have and maintain, at all times, a specification of its Transmission Services (here referred to as "**Services Capability Specification**") and shall:

3.1.1 maintain its Services Capability Specification (in accordance with Section D, Part One, sub-paragraph 2.89.2) by including, without limitation, information describing the parameters and levels within and to which its Transmission Services have been planned to be provided, or such higher levels up to which its Transmission Services are normally capable of being so provided, to NGET: such information to include and identify the technical limits that would normally apply to the provision of its Transmission Services (such technical limits as identified in the Service Capability Specification here referred to as the "**Normal Capability Limits**" applicable to those Transmission Services); and

3.1.2 submit a copy of its Services Capability Specification to NGET and immediately submit to NGET copies of any amendments made to it under paragraphs 3.2 or 3.3.

- 3.2 Each Transmission Owner shall keep its Services Capability Specification under review at all times and may amend the content of its Services Capability Specification, including amendments to any Normal Capability Limits:

3.2.1 in the case of the correction of typographical errors only, at any time by submitting copies of such amendments to NGET; and

3.2.2 in all other cases, pursuant to Section D, Part One, sub-paragraph 2.89.2.

- 3.3 Changes to the form of a Transmission Owner's Services Capability Specification may be proposed:

3.3.1 In the case of an Onshore Transmission Owner's Services capability Specification:

3.3.1.1 by the Transmission Owner at any time, any such change to be agreed between the Transmission Owner and NGET (any failure to agree shall be referable to the Authority as a Dispute in accordance with Section H, paragraph 4.1); or

3.3.1.2 by NGET at any time, any such change to be agreed between the Transmission Owner and NGET. Any failure to agree shall be referable to the Authority as a Dispute in accordance with Section H, paragraph 4.1.

3.3.2 In the case of an Offshore Transmission Owner's Services Capability Specification, changes to its form may be proposed by the Transmission Owner or NGET using the agreed procedures for the management of Offshore Services Capability Specifications.

3.4 In addition to the obligation to submit a copy of its Services Capability Specification and copies of any amendments to NGET under this paragraph 3, a Transmission Owner shall provide to NGET such other information as may reasonably be requested by NGET from time to time in order to support the full and effective enjoyment of the rights of NGET pursuant to paragraph 2. Any dispute as to the reasonableness of such request shall be referable to the Authority as a Dispute in accordance with Section H, paragraph 4.1.

4. TRANSMISSION SERVICES LIMITS

4.1 Each Transmission Owner shall provide Transmission Services to NGET, pursuant to paragraph 2, in accordance with its Services Capability Specification (including to any Normal Capability Limits) except, and only to the extent that:

4.1.1 the provision of such Transmission Services is reduced due to an Outage in accordance with Section C, Part Two;

4.1.2 its Transmission Services are not, other than by reason of an Outage, physically capable of being provided or are not capable, for immediate safety reasons or pursuant to environmental obligations, of being provided in accordance with the Services Capability Specification (referred to as a "**Services Reduction**"); or

4.1.3 the Transmission Owner has notified NGET of technical limits applying in excess of Normal Capability Limits pursuant to paragraph 4.14.

4.2 Each Transmission Owner shall at all times act in accordance with Good Industry Practice in providing Transmission Services to NGET.

4.3 The technical limits to which NGET has been notified that Transmission Services are actually capable of being provided from time to time (being the Normal Capability Limits or such other technical limits as apply due to an Outage, a Services Reduction or any higher limits notified under paragraph 4.14) shall be referred to as the "**Operational Capability Limits**" applicable to those Transmission Services.

4.4 A Transmission Owner shall notify NGET immediately in the event that it becomes aware at any time that the relevant Operational Capability Limits have been exceeded by NGET in accordance with the agreed procedures for the operation of the GB Transmission System.

4.5 Each Transmission Owner shall monitor, in accordance with the agreed procedures for the operation of the GB Transmission System and Good Industry Practice, the provision

of its Transmission Services and notify NGET (except in such circumstances as may from time to time be agreed between the Transmission Owner and NGET), as a matter of urgency, as soon as such Transmission Owner becomes aware:

4.5.1 of a Services Reduction (including notifying NGET of the revised technical limits that apply to such Transmission Services due to the Services Reduction); or

4.5.2 of a risk, materially beyond the normal level of risk, of an imminent Services Reduction (here referred to as a "**Services Reduction Risk**").

4.6 As a part of, or otherwise at the same time as, notice to NGET under paragraph 4.5, unless it is not reasonably practicable to do so (in which case a Transmission Owner shall do so as soon as reasonably practicable thereafter), a Transmission Owner shall notify NGET of:

4.6.1 in the case of a Services Reduction Risk, and where so requested by NGET, relevant data or information for the relevant Transmission Services including the technical limits that would apply as a consequence of the relevant Services Reduction if it were to occur;

4.6.2 the reasons for any Services Reduction (or, where relevant, a Services Reduction Risk) including, without limitation, information in relation to any Event which caused or contributed to, or which may cause or contribute to, the Services Reduction or Services Reduction Risk;

4.6.3 additional relevant information including the likely duration of any Services Reduction (or, where relevant, Services Reduction Risk); and

4.6.4 unless otherwise agreed with NGET, such Transmission Owner's proposal, in reasonable but not excessive detail, (referred to here as a "**Services Restoration Proposal**") for, as appropriate:

4.6.4.1 any interim works or other actions which are able to be undertaken by such Transmission Owner to minimise the effect of the Services Reduction or Services Reduction Risk and including, where relevant, any revised Operational Capability Limits that would apply during the period of such Services Reduction or Services Reduction Risk;

4.6.4.2 restoring the Transmission Services such that they are provided in accordance with their Services Capability Specification (and to their Normal Capability Limits); and

4.6.4.3 otherwise removing, mitigating or dealing with a Services Reduction Risk,

including, in the case of sub-paragraphs 4.6.4.2 and 4.6.4.3, where necessary and appropriate, by proposing to amend the content of its Services Capability Specification (including any Normal Capability Limits) pursuant to Section D, Part One, paragraph 2.89.2.

- 4.7 Nothing in sub-paragraph 4.6.4 shall prevent the Parties from agreeing in advance Services Restoration Proposals to apply generally to particular types of Services Reductions or Services Reduction Risks. If such a Services Restoration Proposal is proposed in advance by a Party, any failure to agree shall be referable to the Authority as a Dispute in accordance with Section H, paragraph 4.1.
- 4.8 On or as soon as reasonably practicable after notification by the Transmission Owner of a Services Reduction (or, where relevant, a Services Reduction Risk) pursuant to paragraph 4.5, NGET and the relevant Transmission Owner shall discuss the Services Reduction (or, where relevant, Services Reduction Risk) and, in particular, agree any Services Restoration Proposal(s) notified under sub-paragraph 4.6.4 or agree that any Services Restoration Proposal(s) agreed in advance under paragraph 4.7 apply. Any failure to agree shall be referable to the Authority as a Dispute in accordance with Section H, paragraph 4.1.
- 4.9 A Party which has agreed a Services Restoration Proposal pursuant to paragraph 4.8 may at any time notify (either verbally or in writing) each other Party involved in such Services Restoration Proposal of any modification which it considers is required to be made to such Services Restoration Proposal in order to deal more appropriately with the Services Reduction or Services Reduction Risk. NGET and the relevant Transmission Owner shall discuss and agree any such modification. Any failure to agree a proposed modification shall be referable to the Authority as a Dispute in accordance with Section H, paragraph 4.1.
- 4.10 A Transmission Owner shall give effect to any Services Restoration Proposal agreed with NGET pursuant to paragraph 4.8 (as modified from time to time pursuant to paragraph 4.9).
- 4.11 If the Parties are unable to reach agreement on any Services Restoration Proposal or any proposed modification to such Services Restoration Proposal, a Transmission Owner shall nevertheless give effect to its Services Restoration Proposal (including any modification which such Transmission Owner, in its discretion, considers is required), subject to any subsequent determination of a relevant Dispute referred to the Authority pursuant to paragraphs 4.7, 4.8 or 4.9.
- 4.12 Each Transmission Owner shall take reasonable and appropriate preparatory steps, including, without limitation, having appropriate replacement Plant and Apparatus available, to minimise the duration or effect of Services Reductions and Services Reduction Risks and shall:
- 4.12.1 notify NGET of such steps from time to time or when otherwise reasonably requested by NGET; and
- 4.12.2 comply with any reasonable request from NGET to take or modify preparatory steps as specified in such request.
- 4.13 Any dispute in relation to the adequacy of the preparatory steps taken by a Transmission Owner pursuant to paragraph 4.12 or the reasonableness of a request by NGET shall be referable to the Authority as a Dispute in accordance with Section H, paragraph 4.1 (in

the event of a dispute under this paragraph 4.13, a Transmission Owner may take such preparatory steps as it considers, in its discretion, are reasonable and appropriate, subject to the subsequent determination of any Dispute referred to the Authority pursuant to this paragraph 4.13).

- 4.14 For the avoidance of doubt, nothing in the Code shall prevent a Transmission Owner, in its discretion, from notifying NGET (including, without limitation, in response to a request from NGET) that technical limits temporarily apply in respect of specified Transmission Services in excess of their Normal Capability Limits. In any such event the Transmission Owner shall at the same time also notify NGET of any conditions that apply to the use of such Transmission Services at technical limits above their Normal Capability Limits.

5. CONFIGURATION ON NGET'S DIRECTIONS

- 5.1 A Transmission Owner may only configure such parts of its Transmission System as are made available pursuant to sub-paragraph 2.1.1 of this Section C, Part One, in accordance with directions given by NGET, except:

5.1.1 where otherwise agreed with NGET; or

5.1.2 for safety purposes or pursuant to environmental obligations in accordance with Section G, paragraph 2.

- 5.2 Notwithstanding sub-paragraph 5.1.1, but subject at all times to Section G, paragraph 2, each Transmission Owner shall comply with any reasonable direction by NGET to configure any part of its Transmission System.

- 5.3 Any direction from NGET to a Transmission Owner pursuant to paragraphs 5.1 and 5.2 shall be in the form agreed with such Transmission Owner from time to time.

5.4 Operational Switching

5.4.1 Notwithstanding that a Transmission Owner is not a party to the CUSC and is not thereby required to comply with the Grid Code, a Transmission Owner shall comply with section OC7.6 of the Grid Code (as amended from time to time) and any Local Switching Procedure agreed pursuant to that section.

5.4.2 NGET shall comply with, and shall procure that a User shall comply with section OC7.6 of the Grid Code and any Local Switching Procedure agreed pursuant to that section where and to the extent that such section applies to NGET and the User.

6. NGET OBLIGATIONS

- 6.1 In co-ordinating and directing the flow of electricity onto and over the GB Transmission System, NGET shall:

6.1.1 take all reasonably practicable steps to determine, and shall ensure, that it does so in accordance with Licence Standards; and

6.1.2 in complying with Licence Standards, ensure that neither:

6.1.2.1 Operational Capability Limits; nor

6.1.2.2 such technical limits or other conditions as NGET becomes aware are necessary and safe in accordance with Good Industry Practice (including, without limitation, any conditions notified to it pursuant to paragraph 4.14),

are exceeded or would be exceeded on the occurrence of a Secured Event.

6.2 NGET shall not be in breach of paragraph 6.1 where an Unsecured Event causes or would cause Operational Capability Limits or other relevant limits to be exceeded.

6.3 In the event that NGET shall at any time become aware that Operational Capability Limits or, where relevant, other conditions notified to it pursuant to paragraph 4.14 are being or have been exceeded, then NGET shall, in accordance with Licence Standards and in accordance with the agreed procedures for the operation of the GB Transmission System, where applicable, immediately:

6.3.1 direct or configure the relevant Transmission System or take such other steps as are appropriate so that such Operational Capability Limits or other conditions are no longer being exceeded;

6.3.2 inform the relevant Transmission Owner including, without limitation, by providing (in reasonable but not excessive detail) details of and reasons for the Operational Capability Limits or other conditions being exceeded; and

6.3.3 without prejudice to any other rights and remedies arising under this Code, identify and carry out (in consultation with the Transmission Owner where appropriate) such actions as are reasonably necessary and appropriate to ensure that such event shall not re-occur.

6.4 NGET shall, in accordance with the agreed procedures for the operation of the GB Transmission System (except to the extent otherwise agreed with the relevant Transmission Owner), notify a Transmission Owner, as a matter of urgency, if NGET becomes aware (otherwise than from such Transmission Owner) of any Event or circumstance which is or is likely to materially affect such Transmission Owner's provision of Transmission Services in accordance with its Services Capability Specification, including of any current or likely Services Reduction or Services Reduction Risk.

PART TWO: TRANSMISSION OUTAGE PLANNING

1. INTRODUCTION

1.1 This Section C, Part Two deals with the placement and implementation of Outages on the GB Transmission System, and sets out the processes for:

1.1.1 the co-ordinated development of Outage Proposals by each Transmission Owner;

- 1.1.2 NGET to prepare Outage Plans for the GB Transmission System taking into account each Transmission Owner's Outage Proposals;
- 1.1.3 the real-time implementation of each Outage through a pre-agreed Outage Implementation Process; and
- 1.1.4 provision for the reinstatement of Transmission Services which are the subject of an Outage, where so directed by NGET.

2. OUTAGE PLAN

- 2.1 In accordance with the provisions of this Section C, Part Two, NGET shall develop and maintain a separate Outage Plan of the Outages which are planned to occur on the GB Transmission System in respect of each current and each of the following six Financial Years.
- 2.2 NGET shall update each Outage Plan from time to time to reflect the best and most current information available to it and so that each contains, to the extent and in such detail as is reasonably practicable and appropriate at the time, a description of those Outages which are planned to occur on the GB Transmission System during the course of the relevant Financial Year. These may include Outages proposed by each Transmission Owner pursuant to this Section C, Part Two and any other Outages which NGET plans in respect of the GB Transmission System.
- 2.3 NGET shall ensure that, to the extent that it is reasonable and appropriate to do so, each Transmission Owner is provided with the most up-to-date version of those parts of each Outage Plan as contain or relate to Outages of, or any other Outages which are likely to materially affect, that Transmission Owner's Transmission System. In each case, NGET shall identify those changes made to an Outage Plan since the last version provided to the relevant Transmission Owner.
- 2.4 In the course of developing its Outage Plans, NGET shall, to the extent that it is reasonable and practicable to do so:
 - 2.4.1 discuss and exchange relevant information with each other Party to the extent that such information is likely to have a material effect on the Outages proposed by such other Party and including, without limitation, the data in respect of User Outages set out in Schedule 3; and
 - 2.4.2 take into account each Outage Proposal in the preparation of its Outage Plan for the relevant Financial Year (any dispute in relation to the manner in which matters contained in an Outage Proposal are included or not included in an Outage Plan shall be referable to the Authority as a Dispute pursuant to Section H, paragraph 4.1).

3. OUTAGE PROPOSALS

- 3.1 Each Transmission Owner shall co-operate and assist NGET in developing NGET's Outage Plans, including by:
 - 3.1.1 developing and maintaining Outage Proposals, in accordance with paragraph 3.2, with the objective of providing NGET with a proposed placement of Outages for each Financial Year that facilitates as co-ordinated and economical placement of Outages on the GB Transmission System as is reasonably foreseeable and practicable, given the information available to such Transmission Owner; and
 - 3.1.2 providing NGET with the most up-to-date version of each of its Outage Proposals up until the date on which the final version of each such Outage Proposal is submitted to NGET pursuant to paragraph 3.7.
- 3.2 Each Transmission Owner shall develop and maintain, in consultation with NGET, a separate Outage Proposal of the Outages which are planned to occur on the Transmission Owner's Transmission System in respect of the current and each of the following six Financial Years.
- 3.3 Each Transmission Owner shall update each Outage Proposal from time to time, up until the final version of its Outage Proposal is submitted under paragraph 3.7, to reflect the best and most current information available to it and so that each contains, to the extent and in such detail as is reasonably practicable and appropriate at the time, a description of those Outages which are planned to occur on its Transmission System during the course of the relevant Financial Year.
- 3.4 Each Transmission Owner shall, in preparing its Outage Proposal in respect of each Financial Year, and NGET shall, in planning Outages on its Transmission System in respect of each Financial Year, discuss and exchange relevant information with each other Party to the extent that such information is likely to have a material effect on the Outages of such other Party.
- 3.5 Each Transmission Owner shall develop its Outage Proposals taking into account, to the extent that it is reasonable and practicable to do so, the activities and reasonable requests of each other Party and the information provided to it under this Code.
- 3.6 Each Transmission Owner shall, at the request of NGET, take all reasonably practicable steps to assist NGET in co-ordinating and facilitating User Outages and Outages of each other Party.
- 3.7 On or before Week 28, each Transmission Owner shall submit to NGET the final version of such Transmission Owner's Outage Proposal for the following Financial Year, and shall ensure that such Outage Proposal is as full and complete as reasonably practicable and contains, without limitation:
 - 3.7.1 the proposed start and finish date(s) and times of each Outage;

- 3.7.2 details of the technical limits which the Transmission Owner anticipates will apply to its Transmission Services whilst they are the subject of the Outage (where not otherwise specified, Transmission Services on Outage shall be deemed to be wholly withdrawn);
- 3.7.3 if necessary, any information about the associated configuration of any parts of the GB Transmission System and associated arrangements that may be required in relation to the Outage;
- 3.7.4 information to assist NGET with the efficient sequencing of Outages, including the relationship, if any, between each Outage and any other proposed Outages;
- 3.7.5 an indication of the importance which the Transmission Owner affixes to each Outage;
- 3.7.6 details of the Transmission Owner's flexibility margins in respect of each Outage (for example, alternative dates upon which they could be taken, or the potential for movement of other Outage dates or times);
- 3.7.7 the Emergency Return to Service Time for those parts of the Transmission System associated with each Outage (including, where appropriate, a statement of the steps that would be taken to restore the provision of the relevant associated Transmission Services or such alternative steps as NGET and the relevant Transmission Owner may agree which are intended to give a similar or substitutive effect and, where such steps do not restore such Transmission Services to their Normal Capability Limits, the limits which would otherwise apply),

(the matters in sub-paragraphs 3.7.5, 3.7.6 and 3.7.7 being here referred to together as "**Flexibility Parameters**").

- 3.8 Following the submission of its final Outage Proposal pursuant to paragraph 3.7, a Transmission Owner shall not make or submit any further change(s) to its Outage Proposal for the following Financial Year and any further changes to the Outage Plan for such Financial Year shall be made in accordance with paragraph 5.

4. NGET ISSUE OF THE OUTAGE PLAN

- 4.1 On or before Week 34, NGET shall issue to each Transmission Owner such parts of the Outage Plan for the following Financial Year (being the same Outage Plan from which NGET will circulate relevant information to Users in accordance with Operating Code No.2) as cover Outages of, or any other Outages which are likely to materially affect, that Transmission Owner's Transmission System.
- 4.2 NGET may involve each Transmission Owner, and each Transmission Owner shall participate, as requested by NGET, in any discussions or correspondence with Users and other third parties from time to time relating to any proposed changes to the Outage Plan in respect of Outages of, or any other Outages which are likely to materially affect, such Transmission Owner's Transmission System.

- 4.3 On or before Week 49, NGET shall ensure that the Outage Plan for the following Financial Year takes into account any information or feedback received from Transmission Owners and from Users and otherwise, and shall revise and re-issue to each Transmission Owner such parts of the Outage Plan as cover Outages of, or any other Outages which are likely to materially affect, that Transmission Owner's Transmission System.
- 4.4 For the avoidance of doubt, any involvement or discussions of Transmission Owners with NGET or Users or other third parties under this paragraph 4 shall be in addition to each Transmission Owner's right to request change(s) to the Outage Plan for the following Financial Year under paragraph 5.

5. CHANGE PROCESS FOLLOWING ISSUE OF FINAL VERSION OF OUTAGE PROPOSAL

- 5.1 This paragraph 5 shall only apply to an Outage Plan from the date on which Transmission Owners are required to have submitted to NGET their final Outage Proposals for the following Financial Year pursuant to paragraph 3.7.
- 5.2 Each Party shall keep the Outage Plan under review at all times (including up to the end of an Outage) and as soon as a Party becomes aware that a change is required to such Outage Plan, including any requirement for a new Outage or changes to the scheduled dates or times for, or cancellation of, an existing Outage, that Party shall:
- 5.2.1 if it is a Transmission Owner, request a change to the Outage Plan to NGET including with such request a brief description of the reason(s) for the change; or
- 5.2.2 if it is NGET, notify each Transmission Owner that NGET itself requests or another Transmission Owner has requested (where it has received a request under sub-paragraph 5.2.1) a change to the Outage Plan to the extent that it considers that such change affects Outages of, or any other Outages which are likely to materially affect, that Transmission Owner's Transmission System, with a brief description of the reason(s) for the change.
- 5.3 A request made or notice provided pursuant to paragraph 5.2 may be made or provided verbally where it is necessary and expedient to do so, provided that such request or notice is confirmed in writing as soon as reasonably practicable by the Party making it.
- 5.4 Any request for a new Outage made pursuant to paragraph 5.2 shall include, to the extent reasonably practicable, the matters set out in paragraph 3.7.
- 5.5 The obligation set out in paragraph 5.2 shall apply to the review by NGET of the Outage Plan as a whole and by each Transmission Owners only in respect of such parts of the Outage Plan as have been disclosed to it under paragraph 4.3.
- 5.6 The Parties shall at all times up to the end of an Outage also keep the information provided to each other in connection with each Outage in the Outage Plan under review and shall promptly notify each other Party of any changes in circumstances requiring changes to such information.

- 5.7 Following a request for a change to an Outage Plan made pursuant to paragraph 5.2, the Party requesting such change and any Transmission Owners which receive notification pursuant to sub-paragraph 5.2.2 shall agree how the change may be accommodated. Any failure to agree shall be referable by any of the relevant Parties to the Authority as a Dispute in accordance with Section H, paragraph 4.1.
- 5.8 NGET shall promptly update the Outage Plan to adopt any change agreed pursuant to paragraph 5.7 and in the event of a failure to agree NGET may, at its discretion, give effect to a change, including by updating the Outage Plan to adopt such change, subject to any subsequent determination of a Dispute referred to the Authority pursuant to paragraph 5.7.
- 5.9 On and from the date on which NGET re-issues the Outage Plan for the following Financial Year pursuant to paragraph 4.3, it shall maintain for 5 years a register which records in relation to any request for a change to such Outage Plan which is made after that date in accordance with this paragraph 5 (including any cancellation of an Outage):
- 5.9.1 a description of the change, including (where appropriate) the date(s) and times specified for an Outage in the Outage Plan at the time of the change and as changed;
 - 5.9.2 the identity of the Party which proposed or requested the change; and
 - 5.9.3 a brief description of the reason for the change;
 - 5.9.4 a indicator of whether NGET made such a change to the Outage Plan and a brief description of the reasons for the decisions including an indication of any withdrawal of a request for an outage change by the party proposing or requesting the change; and
 - 5.9.5 in relation to an Outage Change (as defined in the licence), the net costs reasonably incurred by the Transmission Owner as a result of the Outage Change as declared to NGET and which are agreed by NGET and the Transmission Owner or where there is a failure to agree, as the Authority determines pursuant to paragraph 9 of Schedule A to the Transmission Owner's Licence.
- 5.10 NGET shall make the register in paragraph 5.9 available to each Transmission Owner to the extent that it contains information in respect of Outages of, or any other Outages which are likely to materially affect, that Transmission Owner's Transmission System.

6. IMPLEMENTATION OF OUTAGES

- 6.1 NGET, and each Transmission Owner in relation to whose Transmission System an Outage contained in the Outage Plan is due to occur, shall jointly prepare for such Outage including by agreeing over a reasonably prudent period beforehand the process required (and the associated configuration of the GB Transmission System that will be required) to be undertaken by each Party in order to implement the Outage in accordance with the Outage Plan (the "**Outage Implementation Process**"). Any failure to agree

shall be referable to the Authority as a Dispute in accordance with Section H, paragraph 4.1.

- 6.2 In the event that NGET and a Transmission Owner shall at any time be unable to agree the Outage Implementation Process to apply in respect of an Outage, the Outage Implementation Process shall be as directed by NGET subject to the subsequent determination of any Dispute referred to the Authority pursuant to paragraph 6.1.
- 6.3 The Transmission Owner on whose Transmission System an Outage is due to occur or is occurring shall notify NGET of the extent and duration of any change(s) in Operational Capability Limits that will apply to such Transmission Services as are affected by such Outage, in each case:
 - 6.3.1 at the same time as the Transmission Owner makes any request to NGET pursuant to paragraph 5.2 which would have the effect of varying a notification already given under this paragraph 6.3; and
 - 6.3.2 immediately following receipt of a direction from NGET for the discontinuance of such Outage pursuant to paragraph 7.
- 6.4 NGET, and the Transmission Owner in relation to whose Transmission System the Outage will occur or is occurring (as appropriate), shall each comply with and undertake such actions as are required of them under and in accordance with the Outage Implementation Process.
- 6.5 Where a Party becomes aware of any matter which may affect its ability to meet its obligations pursuant to an Outage Implementation Process, it shall promptly notify the other Party and both shall agree a change to such Outage Implementation Process. Any failure to agree shall be referable to the Authority as a Dispute in accordance with Section H, paragraph 4.1.
- 6.6 In the event that two Parties shall at any time be unable to agree a change to an Outage Implementation Process under paragraph 6.5, such Outage Implementation Process shall remain unchanged, subject to the subsequent determination of any Dispute referred to the Authority pursuant to paragraph 6.5.

7. EMERGENCY RETURN TO SERVICE DURING AN OUTAGE

- 7.1 NGET may at any time direct that a Transmission Owner discontinue an Outage within the relevant Emergency Return to Service Time, whether or not expiry of the planned period of the Outage is otherwise imminent, by so notifying the relevant Transmission Owner, provided that:
 - 7.1.1 NGET shall consult with such Transmission Owner before issuing any such direction (any dispute in relation to a direction made by NGET pursuant to this paragraph 7.1 shall be referable to the Authority as a Dispute in accordance with Section H, paragraph 4.1); and

- 7.1.2 pending the subsequent resolution of any Dispute referred to the Authority under sub-paragraph 7.1.1, the relevant Transmission Owner shall, if NGET so requests, take the steps proposed in relation to such Outage pursuant to sub-paragraph 3.7.7 of this Section C, Part Two (or as otherwise agreed with NGET) to restore the provision of Transmission Services.
- 7.2 A direction notified pursuant to paragraph 7.1 may be notified verbally where it is necessary and expedient to do so, provided that NGET confirms such direction in writing as soon as reasonably practicable.

PART THREE: OTHER

1. INTRODUCTION

- 1.1 This Section C, Part Three deals with:
- 1.1.1 the Testing of each Transmission Owner's Transmission System and arrangements between the Parties to facilitate the testing and commissioning of User Equipment;
 - 1.1.2 Transmission Owners entering into Interface Agreements with Users in relation to Connection Sites and New Connection Sites; and
 - 1.1.3 other operational matters including Event Reporting and Joint Investigations, Black Start, and the De-energisation of User Equipment.

2. TESTING TRANSMISSION OWNER'S TRANSMISSION SYSTEMS

2.1 Testing

- 2.1.1 Where reasonably requested by another Party, each Party shall to the extent that it is reasonably practicable for it to carry out Tests on its Transmission System (and in the case of NGET, the GB Transmission System) and shall co-operate with the carrying out of Tests by such other Party on that Party's Transmission System (and where such other Party is NGET, the GB Transmission System).
- 2.1.2 Where reasonably requested by NGET, a Transmission Owner shall provide access to its Test results and maintenance records in relation to any of its Plant or Apparatus located on Users' Sites.

2.2 Commissioning and on-load testing of User Equipment

- 2.2.1 A Transmission Owner shall, where requested by NGET, assist with the commissioning and on-load testing of a User Equipment or equipment for which a User is responsible and NGET shall pay Reasonable Charges to the Transmission Owner in respect of any assistance so provided.

3. REQUIREMENT TO ENTER INTO INTERFACE AGREEMENT

3.1 In relation to Connection Sites and New Connection Sites in Scotland or Offshore, each Transmission Owner to whose Transmission System such Connection Site or New Connection Site is or will be connected shall, and NGET shall procure that each relevant User shall, enter into an Interface Agreement in a form to be agreed between such Transmission Owner and User but based substantially on the form set out in Exhibit O, Part B to the CUSC where such Interface Agreement(s) is/are required.

3.2 In relation to Transmission Interface Sites and New Transmission Interface Sites, each Transmission Owner, or NGET where applicable, to whose Transmission System such Transmission Interface Site or Transmission Interface Site is or will be connected (the "Transmission Interface Site Parties") shall, enter into a Transmission Interface Agreement.

3.3 Each Transmission Interface Agreement shall be in a form agreed between such Transmission Interface Site Parties but based substantially on the form set out in [new STC Schedule xx] and as drafted in the first instance by the relevant Offshore Transmission Owner.

3.24 A Transmission Owner shall notify NGET as soon as reasonably practicable after it has concluded:

3.4.1 a binding Interface Agreement with a User; or

3.4.2 a Transmission Interface Agreement with a Transmission Interface Site Party, where NGET is not party to the Transmission Interface Agreement at the site concerned.

4. EVENT REPORTING AND JOINT INVESTIGATIONS

4.1. Notification of Events and Significant Incidents by Transmission Owners

4.1.1 Each Transmission Owner shall, as soon as it becomes aware of any Event on its Transmission System which has had or may have an Operational Effect on the GB Transmission System or a User System, notify NGET (either verbally or in writing), as a matter of urgency, to the extent that such information is not otherwise provided to NGET pursuant to Section C, Part One, paragraphs 4.4, 4.5 or 4.6.

4.1.2 NGET shall, as soon as it becomes aware of any Event on the GB Transmission System or a User System which has had or may have an Operational Effect on a Transmission Owner's Transmission System, notify such Transmission Owner (either verbally or in writing) as a matter of urgency.

4.1.3 Each Party may (irrespective of whether or not it has received a notification under sub-paragraph 4.1.1 or 4.1.2), in its discretion, determine that an Event is a

Significant Incident and request that, where relevant, NGET or any Transmission Owner(s) whose Transmission System(s) has been or may be affected by the Significant Incident prepare and submit a report in accordance with sub-paragraph 4.1.4.

4.1.4 Each Party (the "**Responding Party**") shall, if requested to do so by another Party (the "**Requesting Party**") pursuant to sub-paragraph 4.1.3, prepare and submit a written report to the Requesting Party as soon as reasonably practicable in relation to a Significant Incident which shall include, without limitation, the following information:

4.1.4.1 a description of the Significant Incident (including, without limitation, any associated Services Reduction or Service Reduction Risk);

4.1.4.2 the time and date of the Significant Incident;

4.1.4.3 the location(s) of the Significant Incident;

4.1.4.4 Plant and/or Apparatus directly involved (and not merely affected by the Event(s) giving rise to the Significant Incident);

4.1.4.5 a response to any question(s) raised by the Requesting Party in relation to the Event or Significant Incident; and

4.1.4.6 any other information reasonably requested by the Requesting Party in relation to the Event or Significant Incident.

4.1.5 Each Party shall, where reasonably requested to do so by another Party, assist in answering any questions from or otherwise providing information (in the case of NGET) to a User or in the case of any Party, to any other Party, in relation to an Event or Significant Incident on such Transmission Owner's Transmission System.

4.2. **Joint Investigations**

4.2.1 Where a Significant Incident has occurred and a written report has been submitted to a Requesting Party under sub-paragraph 4.1.3, such Requesting Party, or any Party which has submitted a written report in relation to such Significant Incident, may request in writing to the other, and to any other Party which has been or is likely to be affected by the Significant Incident, that a Joint Investigation be conducted (all Parties participating in a Joint Investigation are referred to collectively as the "**Investigation Parties**").

4.2.2 As soon as reasonably practicable following a request under sub-paragraph 4.2.1, the Investigation Parties shall endeavour to agree whether to undertake a Joint Investigation and any matters related to the conduct of such Joint Investigation and which may include, without limitation:

- 4.2.2.1 where requested by NGET, the involvement of any User(s) or other person(s);
- 4.2.2.2 whether the Joint Investigation should also deal with any Related Significant Incidents;
- 4.2.2.3 the form and rules of and procedure for conducting the Joint Investigation;
- 4.2.2.4 provision for dealing with the costs of the Joint Investigation; and
- 4.2.2.5 provision for the withdrawal of an Investigation Party or other person involved in the Joint Investigation.

4.2.3 For the avoidance of doubt:

- 4.2.3.1 a Joint Investigation shall not be conducted unless the Investigation Parties have reached agreement pursuant to sub-paragraph 4.2.2; and
- 4.2.3.2 a Joint Investigation shall not constitute, and shall remain separate from, any Dispute otherwise arising pursuant to Section H.

5. BLACK START

- 5.1.1 Notwithstanding that a Transmission Owner is not a party to the CUSC and is not thereby required to comply with the Grid Code, a Transmission Owner shall comply with sections OC9.4 and OC9.5 of the Grid Code (as amended from time to time) and any Local Joint Restoration Plan and OC9 De-Synchronised Island Procedure agreed with the Transmission Owner pursuant to those sections.
 - 5.1.2 NGET shall comply with, and shall procure that a User shall comply with sections OC9.4 and OC9.5 of the Grid Code and any Local Joint Restoration Plan or OC9 De-Synchronised Island Procedure agreed pursuant to OC9.4 or OC9.5 where and to the extent that such section applies to NGET and the User.
- 5.2 In the event of a Total Shutdown or Partial Shutdown, NGET will, as soon as reasonably practical, inform each Transmission Owner (or, in the case of a Partial Shutdown, each Transmission Owner which in NGET's reasonable opinion need to be informed) that a Total Shutdown, or, as the case may be, a Partial Shutdown, exists and that NGET intends to implement a Black Start, following which the Parties shall comply with the processes set out in the arrangements agreed pursuant to paragraph 5.1.

6. ENERGISATION AND DE-ENERGISATION

- 6.1 On notification from NGET, a Transmission Owner shall promptly comply with any instruction from NGET in relation to:
 - 6.1.1 the Energisation of User Equipment specified in such notice; or
 - 6.1.2 the De-energisation of User Equipment specified in such notice.

7. PROVISION OF TRAINING

- 7.1 NGET and each Transmission Owner, upon reasonable request from the other including, without limitation, as to numbers and duration, provide such nominated personnel as shall be agreed between NGET and such Transmission Owner and at the expense of the Party providing such training, with training on the processes that NGET or the Transmission Owner (as appropriate) is required to follow, or that it may otherwise develop, in the discharge of its obligations arising in relation to paragraph 5 of this Part Three.
- 7.2 Any training provided pursuant to paragraph 7.1 shall be in such form and on such terms as the Party providing such training shall, at its discretion, determine is reasonable and both relevant Parties shall co-operate in the performance of such training.
- 7.3 Any dispute arising in relation to the provision of, or failure to provide, training pursuant to this paragraph 7, shall be referable to the Authority as a Dispute in accordance with Section H, paragraph 4.1.

8. GB TRANSMISSION SYSTEM PERFORMANCE REPORTING

- 8.1 NGET shall discuss and evaluate with each Transmission Owner any proposed changes to the statement ("**Condition C17 Statement**") setting out the criteria by which system availability, security and service quality of the GB Transmission System may be measured pursuant to Standard Condition C17 of its Transmission Licence which may be proposed by NGET or a Transmission Owner.
- 8.2 NGET shall, prior to seeking the approval of the Authority for any change to the Condition C17 Statement, consult with each Transmission Owner and take into account any concerns that a Transmission Owner may have regarding changes to the costs it would incur by complying with its obligations under Standard Condition D3 [or Standard Condition E13 as applicable](#) of its Transmission Licence as a consequence of any proposed change to the statement.
- 8.3 Parties shall agree a timetable for the key stages of the production of the GB Transmission System Performance Report ("**GB Transmission System Performance Report Timetable**") to enable NGET to meet its obligations for submission of the report to the Authority within the specified timescales of Standard Condition C17. Any failure to agree a GB Transmission System Performance Report Timetable may be referred as a Dispute to the Authority in accordance with Section H, paragraph 4.1.
- 8.4 In the event that NGET and a Transmission Owner fail to agree a GB Transmission System Performance Report Timetable, or any part thereof, then, subject to the determination of any Dispute referred to the Authority pursuant to paragraph 8.3, the Transmission Owner shall comply with such timetable as NGET may specify.
- 8.5 Following the submission of relevant information from each Transmission Owner pursuant to Paragraph 2 of Standard Condition D3 [or Standard Condition E13 as applicable](#) of the Transmission Owner's Transmission Licence, NGET shall provide to each Transmission Owner those parts of the initial draft text of the report produced

pursuant to Paragraph 3 of Standard Condition C17 of NGET's Transmission Licence ("**GB Transmission System Performance Report**") as are of relevance to it and shall liaise with each of them in order to agree any amendments to the initial draft text of the GB Transmission System Performance Report requested by a Transmission Owner. Any failure to agree such amendments to the initial draft text of the report may be referred as a Dispute to the Authority in accordance with Section H, paragraph 4.1.

- 8.6 In the event that NGET and a Transmission Owner fail to agree any amendments to the initial draft text of the GB Transmission System Performance Report then, subject to the determination of any Dispute referred to the Authority pursuant to paragraph 8.5, NGET's proposals in respect of such amendments shall prevail.

SECTION D: PLANNING CO-ORDINATION

PART ONE: TRANSMISSION PLANNING

1. INTRODUCTION

- 1.1 This Section D, Part One deals with the planning and development of Transmission Owners' Transmission Systems and relevant parts of the GB Transmission System on a co-ordinated basis, and sets out:
- 1.1.1 the process for Transmission Owners to develop and implement Transmission Investment Plans in respect of their Transmission Systems and NGET to develop and implement NGET Investment Plans;
 - 1.1.2 the general principles for identifying the Default Planning Boundary at Connection Sites for the purpose of planning and development; and
 - 1.1.3 provision for the Parties to co-operate in relation to the preparation by NGET of the Seven Year Statement.

2. TRANSMISSION PLANNING

2.1 Transmission Investment Plans and NGET Investment Plans

- 2.1.1 In accordance with the provisions of this Section D, Part One, each Transmission Owner shall develop and maintain a separate Transmission Investment Plan in respect of the current and each of the following six Financial Years and in the case of an Offshore Transmission Owner, to the extent and in such detail as is proportionate with the volume and impact of planned works.
- 2.1.2 Each Transmission Owner shall update each Transmission Investment Plan from time to time to reflect the best and most current information available to it and so that each contains, to the extent and in such detail as is reasonably practicable and appropriate at the time, for the relevant Financial Year:
- 2.1.2.1 a description of any proposed Change(s) to its Transmission System;
 - 2.1.2.2 a description of any proposed variation(s) in the Transmission Services to be provided to NGET under Section C, Part One, paragraph 2.1 and including (where appropriate) any new or revised Normal Capability Levels that will apply;
 - 2.1.2.3 an indication of the works required to give effect to the proposed Changes under sub-paragraph 2.1.2.1 above (here referred to as the "**Planned Works**") and the likely material effect of such Planned Works on Users;

- 2.1.2.4 an indication of any works which a User may have to carry out as a result of any proposed Change to a Connection Site;
 - 2.1.2.5 an indication of any Outages (in reasonable but not excessive detail) likely to be required to give effect to the Planned Works;
 - 2.1.2.6 a description of any technical or operational assumptions which the Transmission Owner has, in planning and developing its Transmission System, assumed would apply to Plant or Apparatus of another Party or User Equipment at a Connection Site; and
 - 2.1.2.7 any other relevant information which the Transmission Owner considers may materially affect a Transmission Investment Plan of another Party or an NGET Investment Plan.
- 2.1.3 Each Transmission Owner shall ensure that, to the extent that it is reasonable and appropriate to do so:
- 2.1.3.1 NGET is provided with the most up-to-date version of its Transmission Owner's Transmission Investment Plans; and
 - 2.1.3.2 such Transmission Owner provides such parts of the up-to-date versions of its Transmission Investment Plans to each other Transmission Owner as may have a material effect upon that other Transmission Owner's Transmission Investment Plans,
- and in each case shall clearly identify those changes made to each Transmission Investment Plan since the last version provided to the relevant Party.
- 2.1.4 In accordance with the provisions of this Section D, Part One, NGET shall develop and maintain a separate plan, in respect of the current and each of the following six Financial Years, for those proposed Changes to its Transmission System which are likely to have a material effect upon any Transmission Owner's Transmission Investment Plan (referred to as "**NGET Investment Plan**").
- 2.1.5 NGET shall update each NGET Investment Plan from time to time to reflect the best and most current information available to it and so that each contains, to the extent and in such detail as is reasonably practicable and appropriate at the time, for the relevant Financial Year, the same matters in relation to NGET as are required to be set out in relation to Transmission Owners in their Transmission Investment Plans under sub-paragraph 2.1.2.
- 2.1.6 NGET shall ensure that, to the extent that it is reasonable and appropriate to do so, each Transmission Owner is provided with such parts of its up-to-date NGET Investment Plans as may have a material effect upon that Transmission Owner's Transmission Investment Plans and shall clearly identify those changes made to each NGET Investment Plan since the last version provided to such Transmission Owner.

2.2 Transmission System Technical Criteria and Planning Assumptions

- 2.2.1 NGET shall prepare and update Planning Assumptions from time to time and shall promptly provide such new or updated Planning Assumptions to Transmission Owners to be used by them in planning and developing their Transmission Systems.
- 2.2.2 A Transmission Owner may at any time submit a request to NGET for a change to Planning Assumptions it has received pursuant to sub-paragraph 2.2.1, provided that such request shall contain a description (in reasonable but not excessive detail) of the reason(s) for the request.
- 2.2.3 If NGET receives a request for a change to Planning Assumptions pursuant to sub-paragraph 2.2.2 it shall, as soon as reasonably practicable:
- 2.2.3.1 notify the Transmission Owner submitting the request and any other Transmission Owner, which is likely to be materially affected by the requested change, whether or not and, where relevant, how NGET intends to accommodate such request; and
 - 2.2.3.2 where relevant, change and re-issue such Planning Assumptions (and any related Planning Assumptions) accordingly.
- 2.2.4 A Transmission Owner may refer to the Authority as a Dispute in accordance with Section H, paragraph 4.1:
- 2.2.4.1 any notice received from NGET under 2.2.3.1; or
 - 2.2.4.2 any failure by NGET to respond to a request submitted under sub-paragraph 2.2.2 within a reasonable period of time, taking into account the nature, complexity and urgency of the request.
- 2.2.5 Notwithstanding any request submitted by a Transmission Owner pursuant to sub-paragraph 2.2.2 above, each Transmission Owner shall continue to take into account the Planning Assumptions provided by NGET, for the purposes of sub-paragraph 2.2.7 of this Section D, Part One, subject to any subsequent changes made to such Planning Assumptions by NGET under sub-paragraph 2.2.3 or any determination of a Dispute referred to the Authority pursuant to sub-paragraph 2.2.4.
- 2.2.6 Without limitation to Section C, Part One, paragraph 2.2, in planning and developing its Transmission System, each Transmission Owner shall ensure that its Transmission System complies with:

2.2.6.1 the minimum technical, design and operational criteria and performance requirements set out or referred to in Connection Conditions 6.1, 6.2, 6.3 and 6.4 and in Planning Code 6.2; or

2.2.6.2 such other technical criteria or requirements as apply to any relevant part of its Transmission System by virtue of a current Transmission Derogation; ~~and;~~

~~and, in the case of an Offshore Transmission System, each Transmission Owner shall also ensure that:~~

~~2.2.6.3 its Transmission System meets the minimum technical, design and operational criteria and performance requirements set out or referred to in Section K of this Code; and~~

~~2.2.6.4 transmission equipment is manufactured to International Electrotechnical Commission (IEC) Standards and where located Offshore is suitable for operation in a marine environment.~~

2.2.7 Each Transmission Owner shall plan and develop its Transmission System taking into account the Planning Assumptions provided to it by NGET and any other information provided to it under this Code and on the basis that User Plant and Apparatus complies with:

2.2.7.1 the minimum technical design and operational criteria and performance requirements set out in Connection Conditions 6.1, 6.2, 6.3 and 6.4; or

2.2.7.2 such other criteria or requirements as NGET may from time to time notify the Transmission Owner are applicable to specified User Plant and Apparatus pursuant to sub-paragraph 2.2.8; and

2.2.7.3 in relation to each Connection Site, such technical design and operational criteria as are set out in the Connection Site Specification,

and, unless otherwise advised by the relevant Party, that each other Party complies with the provisions of this Code and any applicable Licence Standards in planning or developing any other part of the GB Transmission System.

2.2.8 NGET shall notify each Transmission Owner whose Transmission System is likely to be materially affected by the design or operation of a User's Plant and Apparatus where NGET:

2.2.8.1 becomes aware that such User has or is likely to apply for a User Derogation;

2.2.8.2 is itself applying for a derogation under the GB Grid Code in relation to the Connection Site on which such User's Plant and Apparatus is located or to which it otherwise relates; or

2.2.8.3 is otherwise notified by such User that specified Plant or Apparatus is normally capable of operating at levels better than those set out in Connection Conditions 6.1, 6.2, 6.3 and 6.4.

2.2.9 Each Transmission Owner shall promptly notify NGET if such Transmission Owner becomes aware that a User's Plant or Apparatus has failed, or is likely to fail, otherwise than in accordance with a User Derogation, to comply with the technical design and operational criteria or performance requirements applying pursuant to sub-paragraph 2.2.7.

2.3 Co-ordination of Transmission Investment Planning

2.3.1 The Parties shall, at all times in the case of NGET and Onshore Transmission Owners and when actively engaged in Investment Planning in the case of Offshore Transmission Owners:

2.3.1.1 co-operate and assist each other in the development and implementation of co-ordinated Transmission Investment Plans and NGET Investment Plans;

2.3.1.2 meet from time to time (including by telephone if the Parties so agree) to agree arrangements to facilitate such development and implementation; and

2.3.1.3 plan and develop their Transmission Systems taking into account, to the extent that it is reasonable and practicable to do so, the activities and reasonable requests of each other Party relating to the planning and development of such other Party's Transmission System.

2.3.2. Without limitation to sub-paragraph 2.3.1, each Transmission Owner shall include in its Transmission Investment Plans and NGET shall include in its NGET Investment Plans such information directly related to the matters set out in sub-paragraphs 2.1.2.1 to 2.1.2.6 or the current or future characteristics of the Transmission Owner's Transmission System or, in the case of NGET, the GB Transmission System, as:

2.3.2.1 NGET reasonably requests; or

2.3.2.2 a Transmission Owner reasonably requests (to the extent that the information requested may have a material effect upon the requesting Transmission Owner's Transmission Investment Plan(s)).

2.4 Changes to Transmission Investment Plans and NGET Investment Plans

2.4.1 For the avoidance of doubt, a Transmission Owner may change any part of its Transmission Investment Plan(s) and NGET may change any part of its NGET Investment Plan(s) at any time, provided that the Party making such change provides an updated version of its Transmission Investment Plan or NGET

Investment Plan (as appropriate) to other relevant Parties in accordance with sub-paragraphs 2.1.3 or 2.1.6.

2.4.2 A Party may at any time submit to another Party a request ("**Planning Request**") for a change to such parts as it has been provided with pursuant to sub-paragraphs 2.1.3 or 2.1.6 of, in the case where such other Party is a Transmission Owner, that other Party's Transmission Investment Plan(s) or, in the case where such other Party is NGET, the NGET Investment Plan(s), provided that each Planning Request shall:

2.4.2.1 contain a description of the requested change (in reasonable but not excessive detail) and the reason for the Planning Request; and

2.4.2.2 be submitted as soon as reasonably practicable after the Party submitting the Planning Request becomes aware of the need for such change.

2.4.3 A Party which receives a Planning Request under sub-paragraph 2.4.2 shall notify the Party which submitted such Planning Request whether or not and, where relevant, how it intends to accommodate the Planning Request and shall, as soon as reasonably practicable, update its Transmission Investment Plan(s) or, in the case of NGET, its NGET Investment Plan(s), accordingly.

2.4.4 A Party may refer to the Authority as a Dispute in accordance with Section H, paragraph 4.1:

2.4.4.1 any notice issued under sub-paragraph 2.4.3 in response to a Planning Request; or

2.4.4.2 any failure by a Party to respond to a Planning Request within a reasonable period of time, taking into account the nature, complexity and urgency of the Planning Request.

2.4.5 Each Transmission Investment Plan or NGET Investment Plan shall be developed and implemented as proposed by the Party required to develop and maintain it under this Section D, Part One, subject to the subsequent determination of any Dispute referred to the Authority pursuant to sub-paragraph 2.4.4.

2.5 **Arrangements with Users concerning Modifications (including Replacement of Assets)**

2.5.1 NGET shall identify those Planned Works of each Transmission Owner which will require arrangements to be made between NGET and Users in relation to a Modification (including, for the avoidance of doubt, any Replacement of Assets) and, taking into account the point in time at which NGET was first made aware of Planned Works, shall:

- 2.5.1.1 take all reasonably practicable steps to make such arrangements within the time required to enable such Transmission Owner to undertake the Planned Works in accordance with its Transmission Investment Plan; and
- 2.5.1.2 promptly notify such Transmission Owner of any such Modification and keep it informed of NGET's progress in making such arrangements (including, without limitation, notifying it of any determination by the Authority in relation to a dispute between NGET and a User which is relevant to such Planned Works).
- 2.5.2 Subject to sub-paragraph 2.5.5, where NGET identifies that Planned Works proposed by a Transmission Owner constitute a Modification and require arrangements to be made with a User, such Transmission Owner shall not undertake such Modification otherwise than in accordance with the provisions of this Section D, Part Two and any relevant TO Construction Agreement.
- 2.5.3 Each Transmission Owner shall comply with any reasonable request from NGET for such assistance or further information as NGET requires in connection with identifying or making arrangements with Users pursuant to 2.5.1.
- 2.5.4 For the avoidance of doubt, and subject to sub-paragraph 2.5.5, a Transmission Owner shall not undertake any Modification unless and until NGET has notified such Transmission Owner that NGET has either agreed such Modification with the affected User or that any dispute between NGET and the User in relation to such Modification has been determined by the Authority pursuant to the CUSC.
- 2.5.5 Each Transmission Owner shall take all reasonable steps to avoid exercising its rights pursuant to this sub-paragraph 2.5.5 but, in the event that it has reasonable grounds to believe, given its Transmission Licence and statutory duties, that a Transmission Connection Asset should be replaced prior to notice being received pursuant to sub-paragraph 2.5.4, the Transmission Owner shall consult with NGET as far as reasonably practicable but shall be entitled to replace such Transmission Connection Asset.

2.6 **Connection Site Specification**

- 2.6.1 Each Transmission Owner shall have and maintain, at all times, a specification ("**Connection Site Specification**") which sets out the following information in relation to each Connection Site located on its Transmission System:
 - 2.6.1.1 a description of the Transmission Connection Assets at the Connection Site and a clear identification of the boundary between Transmission Connection Assets and User Equipment;
 - 2.6.1.2 any information reasonably requested by NGET in order to enable NGET to settle or amend its bilateral agreement with such User in respect of the Connection Site;

- 2.6.1.3 a description of the technical design and operational criteria which the Transmission Owner, in planning and developing its Transmission System, had assumed would apply to User Equipment at the Connection Site or to User Equipment of Embedded Users;
- 2.6.2 Each Transmission Owner shall submit to NGET a **Connection Site Specification** as described in Section D, Part One, sub-paragraph 2.6.1 as and when any information contained in such a **Connection Site Specification** is amended.
- 2.6.3 A dispute in relation to any change made to the Connection Site Specification by a Transmission Owner, or the reasonableness of a request for information made by NGET pursuant to sub-paragraph 2.6.1.2, may be referred as a Dispute to the Authority pursuant to Section H, paragraph 4.1.
- 2.6.4 Each Connection Site Specification shall be as proposed by the relevant Transmission Owner, subject to the subsequent determination of any Dispute referred to the Authority pursuant to sub-paragraph 2.6.3.

2.7 Transmission Interface Site Specification

- 2.7.1 At each Transmission Interface Site, the relevant Transmission Interface Site Parties shall have and maintain, at all times, a shared specification ("Transmission Interface Site Specification") which sets out:
- 2.7.1.1 a description of their Transmission Assets at the Transmission Interface Site and a clear identification of the boundary between each Transmission Interface Site Party's Transmission Assets;
- 2.7.1.2 a description of the technical, design and operational criteria which that Transmission Interface Site Party has applied to its equipment in planning and developing its Transmission System.
- 2.7.2 Each Transmission Interface Site Party shall submit to the other relevant Transmission Interface Site Parties a new Transmission Interface Site Specification as described in Section D, Part One, sub-paragraph 2.7.1 as and when any information contained in such a Transmission Interface Site Specification is amended.
- 2.7.3 At Transmission Interface Sites where NGET is not a Transmission Interface Site Party, such Transmission Owner shall supply NGET with a copy of a Transmission Interface Site Specification as and when any information contained in such a Transmission Interface Site Specification is amended.
- 2.7.4 A dispute in relation to any change made to the Transmission Interface Site Specification by a Transmission Interface Site Party, may be referred as a Dispute to the Authority pursuant to Section H, paragraph 4.1; and

2.7.5 Each Transmission Interface Site Specification shall be as proposed by the relevant Transmission Interface Site Party, subject to the subsequent determination of any Dispute referred to the Authority pursuant to sub-paragraph 2.7.4.

2.8 Transmission Owner Derogated Plant

2.8.1 A Transmission Owner shall, where requested by NGET, use all reasonable endeavours to carry out such Planned Works as are necessary to ensure that each item of Derogated Plant owned or operated by such Transmission Owner is brought up to the Required Standard applicable to it no later than the Back Stop Date applicable to it.

2.89 Implementation

2.89.1 Each Transmission Owner shall give effect to its Transmission Investment Plans and NGET shall give effect to its NGET Investment Plans.

2.89.2 Where a Transmission Owner develops its Transmission System as a consequence of giving effect to its Transmission Investment Plan pursuant to sub-paragraph 2.89.1, it shall promptly update its:

2.89.2.1 Services Capability Specification to reflect each variation to the Transmission Services it provides under Section C, Part One (including by inserting or amending any applicable Normal Capability Limits); ~~and~~

2.89.2.2 Connection Site Specification to reflect any changes to the Transmission Connection Assets or User Equipment at a Connection Site located on such Transmission Owner's Transmission System; ~~and-~~

2.9.2.3 Transmission Interface Site Specifications to reflect any changes to the Transmission Assets at Transmission Interface Sites located on such Transmission Owner's Transmission System.

2.9.3 Where NGET develops its Transmission System as a consequence of giving effect to its Transmission Investment Plan pursuant to sub-paragraph 2.9.1, it shall promptly update its Transmission Interface Site Specifications to reflect any changes to the Transmission Assets at Transmission Interface Sites located on NGET's Transmission System.

2.89.34 Without limitation to sub-paragraph 2.3.1, the Parties shall give effect to their Transmission Investment Plans or, in the case of NGET, its NGET Investment Plans, in a co-ordinated manner and taking into account, to the extent that it is reasonable and practicable for each Party to do so, the activities and requirements of each of the other Parties including, where reasonably requested to do so by another Party, by:

2.89.34.1 undertaking any incidental activities or works which that other Party reasonably identifies are required to facilitate the development of

such other Party's Transmission System pursuant to sub-paragraph 2.8.1; and

2.98.34.2 giving advice or assistance in order to enable that other Party to obtain such Consents as that Party may require.

3. DEFAULT PLANNING BOUNDARY

3.1 For the purposes of planning and developing Construction Projects in accordance with Section D, Part Two and subject to any contrary agreement between the relevant Transmission Owner and NGET (which agreement shall include, for these purposes, the Connection Site Specification and any TO Construction Agreements), the Default Planning Boundary shall be at the electrical boundary, such boundary to be determined in accordance with the following principles:

3.1.1 in relation to Plant and Apparatus located between the Transmission System and a Power Station, the electrical boundary is at the busbar clamp on the busbar side of the busbar isolators on Generators and Power Station transformer circuits;

3.1.2 save as specified in sub-paragraph 3.1.3 below, in relation to Plant and Apparatus located between the Transmission System and a Distribution System, the electrical boundary is at the busbar clamp on the busbar side of the Distribution System voltage busbar selector isolator(s) of the Transmission System circuit or if a conventional busbar does not exist, an equivalent isolator. If no isolator exists an agreed bolted connection at or adjacent to the tee point shall be deemed to be an isolator for these purposes;

3.1.3 in relation to Plant and Apparatus located between the Transmission System and a Distribution System and forming a part of the Transmission System but designed for a voltage of 132kV or below in England and Wales, and below 132kV in Scotland, the electrical boundary is at the busbar clamp on the busbar side of the busbar selector isolator on the Distribution System circuit or, if a conventional busbar does not exist, an equivalent isolator. If no isolator exists, an agreed bolted connection at or adjacent to the tee point shall be deemed to be an isolator for these purposes;

3.1.4 in relation to Plant and Apparatus located between the Transmission System and the system of a Non-Embedded Customer, the electrical boundary is at the clamp on the circuit breaker side of the cable disconnections at the Non-Embedded Customer's sub-station; and

3.1.5 in the case of a metal clad switchgear bay the electrical boundary will be the equivalent of those specified in this paragraph 3.1 save that:

3.1.5.1 for rack out switchgear, the electrical boundary will be at the busbar shutters;

3.1.5.2 for SF6 switchgear, the electrical boundary will be at the gas zone separators on the busbar side of the busbar selection devices.

3.1.6 in relation to Plant and Apparatus located between the GB Transmission System and an Interconnector at the busbar clamp on the busbar side of the busbar isolators in the Interconnector transformer circuits at a Connection Site.

3.2 If, in accordance with a request received from a User, NGET wants to use, at a Connection Site, transformers of specialised design for unusual load characteristics at the electrical boundary, these shall form part of the relevant Transmission Owner's Transmission System but NGET shall pay the Transmission Owner for the proper and reasonable additional cost thereof as identified by the Transmission Owner in the TO Connection Offer covering such transformers. In this paragraph 3.2 "unusual load characteristics" means loads which have characteristics which are significantly different from those of the normal range of domestic, commercial and industrial loads (including loads which vary considerably in duration or magnitude).

3.3 For the avoidance of doubt nothing in this paragraph 3 shall effect any transfer of ownership in any Plant and Apparatus.

4. SEVEN YEAR STATEMENT

4.1 Preparation of Seven Year Statement

4.1.1 NGET shall, prior to seeking the approval of the Authority for a form of seven year statement pursuant to Standard Condition C11 of its Transmission Licence ("**Seven Year Statement**"), consult with each Transmission Owner and take into account any concerns that a Transmission Owner may have regarding changes to the costs it would incur by complying with its obligations under sub-paragraph 4.1.2 as a consequence of any proposed change in the form of Seven Year Statement.

4.1.2 NGET shall agree with each Transmission Owner a programme of activities required to be undertaken by that Transmission Owner in order to support NGET in NGET's preparation of each Seven Year Statement ("**SYS Programme**") and that Transmission Owner shall carry out such activities as are specified in the SYS Programme. Any failure to agree a SYS Programme may be referred as a Dispute to the Authority in accordance with Section H, paragraph 4.1.

4.1.3 In the event that NGET and a Transmission Owner fail to agree a SYS Programme, or any part thereof, then, subject to the determination of any Dispute referred to the Authority pursuant to sub-paragraph 4.1.2, the Transmission Owner shall carry out such SYS Programme as NGET may specify.

4.1.4 NGET shall provide to each Transmission Owner those parts of the initial draft text of each Seven Year Statement as are of relevance to it and shall liaise with each of them in order to agree any amendments to the initial draft text of the Seven Year Statement requested by a Transmission Owner. Any failure to agree

such amendments may be referred as a Dispute to the Authority in accordance with Section H, paragraph 4.1.

4.1.5 In the event that NGET and a Transmission Owner fail to agree any amendments to the initial draft text of the Seven Year Statement then, subject to the determination of any Dispute referred to the Authority pursuant to sub-paragraph 4.1.4, NGET's proposals in respect of such amendments shall prevail.

4.1.6 For the avoidance of doubt, nothing in this paragraph 4.1 shall preclude the Parties from progressing activities pursuant to sub-paragraphs 4.1.1, 4.1.2 and 4.1.4 at the same time.

PART TWO: CONSTRUCTION

1. INTRODUCTION

1.1 This Section D, Part Two, deals with arrangements between NGET and Transmission Owners in relation to Construction Projects on or which otherwise materially affect [the GB Transmission System](#) and the disconnection of Users connected to [the GB Transmission System](#). This Part Two includes paragraphs relating to:

1.1.1 the process by which NGET and each Transmission Owner enter into a bilateral TO Construction Agreement for the construction of a New Connection or Modification or System Construction;

1.1.2 Communications Plant requirements at Connection Sites; and

1.1.3 provision for the permanent disconnection of User Equipment connected to a Transmission Owner's Transmission Systems.

2. NGET CONSTRUCTION APPLICATIONS

2.1 In this Code:

2.1.1 "**Construction Project**" refers (as appropriate) to a New Connection, Modification or a System Construction; and

2.1.2 "**NGET Construction Application**" refers to an application submitted by NGET to a Transmission Owner in relation to a Construction Project, and which is (as appropriate) a:

2.1.2.1 NGET Connection Application;

2.1.2.2 NGET Modification Application; or

2.1.2.3 System Construction Application.

2.2 If NGET considers it may be necessary for a Construction Project to be undertaken, it shall submit a NGET Construction Application in accordance with paragraph 2.3 to:

- 2.2.1 the Transmission Owner, if any, whose Transmission System is located at the Relevant Connection Site;
- 2.2.2 any Transmission Owner in relation to whose Transmission System the Relevant Connection Site satisfies the criteria set out in Schedule Four;
- 2.2.3 any Onshore Transmission Owner whose Transmission System is located at the point where a new Offshore Transmission System required to connect the Relevant Connection Site will connect to an Onshore Transmission System;
- 2.2.4 a nominated Offshore Transmission Owner whose Transmission System will be located at the Relevant Connection Site;
- 2.2.35 any Transmission Owner which does not receive a NGET Construction Application pursuant to sub-paragraphs 2.2.1 or 2.2.2, 2.2.3 or 2.2.4, but which:
 - 2.2.3.1 otherwise receives Construction Planning Assumptions pursuant to paragraph 3.2 in relation to the Relevant Connection Site; or
 - 2.2.3.2 NGET otherwise identifies is likely to be required to enter into a TO Construction Agreement in respect of the Construction Project,

(NGET and each Transmission Owner which receives a NGET Construction Application shall be referred to in this Section as a "**Construction Party**").

- 2.3 NGET shall submit a NGET Construction Application:
 - 2.3.1 pursuant to sub-paragraph 2.2.1 and 2.2.2, as soon as is reasonably practicable, and in any event within three Business Days of the User Application Date in relation to such Relevant Connection Site;
 - 2.3.2 pursuant to 2.2.3, as soon as reasonably practicable, and in any event to the Onshore Transmission Owner within three Business Days of the User Application Date in relation to such Relevant Connection Site;
 - 2.3.3 pursuant to 2.2.4, as soon as reasonably practicable, and to the Offshore Transmission Owner within three Business days of such Offshore Transmission Owner acceding to this Code;
 - 2.3.4 pursuant to sub-paragraph 2.2.3 where it relates to a NGET Modification Application as a consequence of the nomination of an Offshore Transmission Owner, as soon as reasonably practicable, and in any event within [] Business days of such Offshore Transmission Owner acceding to this Code; and
 - 2.3.5 pursuant to sub-paragraph 2.2.53, at the same time as Construction Planning Assumptions are submitted to a Transmission Owner under paragraph 3.2 or, where applicable, at the same time as NGET gives a Transmission Owner notice under paragraph 3.3.

- 2.4 For the purposes of this Section D, Part Two, a NGET Construction Application shall be deemed to be effective if it is complete and clear in all material respects.
- 2.5 If a Transmission Owner reasonably considers that a NGET Construction Application is not effective it shall, as soon as reasonably practicable and in any event within five Business Days of receipt of the NGET Construction Application, notify NGET of:
- 2.5.1 the detailed reasons why it considers the NGET Construction Application is incomplete or unclear in a material respect; and
 - 2.5.2 the amendments (including clarifications, additional information, data or other material) it considers are required to make the NGET Construction Application effective,
- and shall otherwise use its best endeavours to liaise with and assist NGET (and, where reasonably requested by NGET, any relevant third parties) so that the NGET Construction Application is made effective as soon as reasonably practicable. Any dispute in relation to the effectiveness of a NGET Construction Application may be referred as a Dispute to the Authority in accordance with Section H, paragraph 4.1.
- 2.6 Each Transmission Owner shall charge NGET and NGET shall pay Engineering Charges in relation to a NGET Construction Application in accordance with Schedule Ten.
- 2.7 NGET shall immediately notify each other Construction Party following:
- 2.7.1 any change in the NGET Construction Application or associated information provided to such Construction Party; or
 - 2.7.2 the withdrawal of the relevant User Application by a User, in which case such notice shall also constitute notice of withdrawal by NGET of any relevant NGET Construction Application.

3. PROVISION OF CONSTRUCTION PLANNING ASSUMPTIONS FOLLOWING A NGET CONSTRUCTION APPLICATION

- 3.1 NGET shall prepare and update **Construction Planning Assumptions** from time to time and shall promptly provide such new or updated Construction Planning Assumptions to Transmission Owners to assist in the preparation of TO Construction Offers. Such Construction Planning Assumptions shall only be used by each Transmission Owner in preparation of TO Construction Offers.
- 3.2 If NGET generates an updated set of Construction Planning Assumptions pursuant to paragraph 3.1, it shall:
- 3.2.1 immediately provide to each Transmission Owner such parts of the set of Construction Planning Assumptions as NGET reasonably determines are likely to materially affect such Transmission Owner's Transmission System; and
 - 3.2.2 at the same time as Construction Planning Assumptions are provided to any Transmission Owner(s) pursuant to sub-paragraph 3.2.1, either:

3.2.2.1 identify the NGET Construction Application already submitted to such Transmission Owner under sub-paragraphs 2.2.1 or 2.2.2 to which the Construction Planning Assumptions relate; or

3.2.2.2 submit a new NGET Construction Application to such Transmission Owner pursuant to sub-paragraph 2.2.43.

3.3 NGET shall notify each Transmission Owner which receives an NGET Construction Application as soon as reasonably practicable and, in any event:

3.3.1 in the case of an Offshore Transmission Owner who was not an STC Party at the User Application Date, within two Business Days of that Offshore Transmission Owner's accession to this code; or

3.3.2 in all other cases within two Business Days of the User Application Date,

if it does not intend to generate a set of Construction Planning Assumptions in respect of the relevant Construction Project. In such circumstances NGET shall specify the relevant Construction Planning Assumptions which it has previously provided to the relevant Transmission Owner and the data of such provisions which shall be deemed to be the Construction Planning Assumptions for the purposes of such Construction Project.

3.4 NGET may, in its discretion, change a set of Construction Planning Assumptions (including any deemed Construction Planning Assumptions under paragraph 3.3) by giving notice to the relevant Transmission Owner(s), at any time up to the later of the time at which the TO Construction Offer to which such Construction Planning Assumptions apply:

3.4.1 is accepted by NGET pursuant to paragraph 5.3; or

3.4.2 no longer remains open for acceptance pursuant to paragraph 5.1.

3.5 A Transmission Owner may submit a request to NGET for a change to Construction Planning Assumptions it has received pursuant to paragraphs 3.2 or 3.4 or which have been deemed pursuant to paragraph 3.3, provided that such request shall contain a description (in reasonable but not excessive detail) of the reason(s) for the request.

3.6 If NGET receives a request for a change to Construction Planning Assumptions pursuant to paragraph 3.5 it shall, as soon as reasonably practicable:

3.6.1 notify the Transmission Owner submitting the request and any other Transmission Owner, which is likely to be materially affected by the requested change, whether or not and, where relevant, how NGET intends to accommodate such request; and

3.6.2 where relevant, change and re-issue such Construction Planning Assumptions accordingly.

3.7 A Transmission Owner may refer to the Authority as a Dispute in accordance with Section H, paragraph 4.1:

- 3.7.1 any notice received from NGET under 3.6.1; or
- 3.7.2 any failure by NGET to respond to a request made by such Transmission Owner under paragraph 3.5 within a reasonable period of time, taking into account the nature, complexity and urgency of the request.
- 3.8 Notwithstanding any request submitted by a Transmission Owner pursuant to paragraph 3.5 above, each Transmission Owner shall continue to take into account the Construction Planning Assumptions provided by NGET pursuant to sub-paragraph 2.2.3 (or deemed pursuant to paragraph 3.3), for the purposes of paragraph 4.3 of this Section D, Part Two, subject to any subsequent changes made to such Construction Planning Assumptions by NGET under paragraphs 3.4 or 3.6 or any determination of a Dispute referred to the Authority pursuant to paragraph 3.7.
- 3.9 For the avoidance of doubt, any change made to Construction Planning Assumptions pursuant to paragraphs 3.4 or 3.6 shall change the existing set of Construction Planning Assumptions and shall not constitute a separate set of Construction Planning Assumptions.
- 3.10 NGET shall act in accordance with Good Industry Practice in deciding whether to generate any set of Construction Planning Assumptions and, where relevant, in generating or modifying such Construction Planning Assumptions pursuant to this paragraph 3.

4. TO CONSTRUCTION OFFERS

- 4.1 Each Transmission Owner which receives a NGET Construction Application shall notify NGET whether such Transmission Owner intends to submit a TO Construction Offer in respect of the relevant Construction Project including, without limitation, where the Transmission Owner is not submitting a TO Construction Offer because it is not obliged to do so under Standard Condition D4A of the Act. A Transmission Owner shall give such notice as soon as reasonably practicable but, in any event, on or before the later of:
 - 4.1.1 twenty-five calendar days less one Business Day after the NGET Application Date; and
 - 4.1.2 twenty-three calendar days less one Business Day after the Construction Assumptions Date.
- 4.2 Where a Transmission Owner does not require Transmission Construction Works to be undertaken in respect of a Construction Project or where it otherwise notifies NGET under paragraph 4.1 that it will not be submitting a TO Construction Offer, it shall
 - 4.2.1 at the same time as it provides notice pursuant to paragraph 4.1, also notify NGET of any technical design or operational criteria which the Transmission Owner intends, in planning and developing its Transmission System, to assume will apply to User Equipment at the Relevant Connection Site; and

- 4.2.2 otherwise not (subject to any contrary determination of a Dispute referred to the Authority under paragraph 4.3) submit a TO Construction Offer to NGET in relation to such Construction Project.
- 4.3 NGET may refer as a Dispute to the Authority in accordance with Section H, paragraph 4.1, any notice it receives:
- 4.3.1 under paragraph 4.1 that a Transmission Owner does not intend to submit a TO Construction Offer in relation to a Construction Project; or
- 4.3.2 under sub-paragraph 4.2.1 of any assumptions which a Transmission Owner intends to make in relation to User Equipment at a Relevant Connection Site.
- 4.4 A Transmission Owner shall prepare each TO Construction Offer so that, if the Construction Project to which it relates is constructed, such Transmission Owner would continue to comply with the obligations in respect of the planning and development of its Transmission System set out in Part One, paragraph 2.2 of this Section D by giving effect to such TO Construction Offer, except that:
- 4.4.1 for the purpose of Part One, paragraph 2.2, such Transmission Owner shall take into account Construction Planning Assumptions provided to it under paragraph 3 (as modified or updated pursuant to paragraphs 3.4 or 3.6) in respect of the Construction Project in the place of any other Planning Assumptions; ~~and~~
- 4.4.2 the technical design and operational criteria for the Relevant Connection Site shall be as set out in the NGET Construction Application together with any site-specific information relating to the relevant Connection Site set out in the TO Construction Offer; ~~and-~~
- 4.4.32 the technical design and operational criteria for any Transmission Interface Site shall be as set out in the NGET Construction Application together with any site-specific information relating to the Transmission Interface Site set out in the TO Construction Offer.
- 4.5 A TO Construction Offer may, where it is necessary for the relevant Transmission Owner to carry out additional extensive system studies to evaluate more fully the impact of a proposed Construction Project, indicate the areas that require more detailed analysis. Before such additional studies are required, NGET shall indicate whether it wishes the Transmission Owner to undertake the work necessary to proceed to make a revised TO Construction Offer within the period specified in paragraph 4 or, where relevant, any other timescale directed or consented to by the Authority.
- 4.6 NGET shall provide Detailed Planning Data to a Transmission Owner, where reasonably requested by such Transmission Owner, to enable it to carry out any detailed system studies referred to in paragraph 4.5, provided that such Transmission Owner can reasonably demonstrate that such provision is relevant and necessary.
- 4.7 Subject to paragraph 4.2, a Transmission Owner which receives an effective NGET Construction Application under paragraph 2.2 above shall, unless otherwise agreed with

NGET or determined or directed by the Authority, submit a TO Construction Offer to NGET as soon as reasonably practicable and, in any event, on or before the later of:

4.7.1 In the case of an NGET Connection Application to an Offshore Transmission Owner whose Transmission System is to be located at the Relevant Connection Site:

4.7.1.1 n months less thirteen Business Days after the NGET Application Date;
and

4.7.1.2 where relevant, [n] months less fifteen Business Days after the Construction Assumptions Date.

4.7.2 Otherwise:

4.7.2.1 three months less thirteen Business Days after the NGET Application Date; and

4.7.2.2 where relevant, three months less fifteen Business Days after the Construction Assumptions Date.

4.8 NGET and a Transmission Owner may agree that the Transmission Owner may submit its TO Construction Offer otherwise than in accordance with the dates set out in paragraph 4.7 provided that:

4.8.1 a TO Construction Offer to which sub-paragraph 4.7.1 applies shall be submitted not later than three months less five Business Days after the NGET Application Date; and

4.8.2 a TO Construction Offer to which sub-paragraph 4.7.2 applies shall be submitted not later than three months less seven Business Days after the Construction Assumptions Date,

unless otherwise determined by the Authority in accordance with an application under Standard Condition C9 of NGET's Transmission Licence.

4.9 In the event that NGET modifies Construction Planning Assumptions after a Transmission Owner has submitted its TO Construction Offer for the Construction Project to which such Construction Planning Assumptions apply, the Transmission Owner shall revise and re-submit its TO Construction Offer to NGET, taking into account such modified Construction Planning Assumptions, as soon as reasonably practicable.

4.10 For the avoidance of doubt, the revision of a TO Construction Offer under paragraph 4.5 varies the existing TO Construction Offer and will not constitute a new TO Construction Offer nor affect the time for which such existing TO Construction Offer remains open for acceptance pursuant to paragraph 5.1.

5. ACCEPTANCE OF TO CONSTRUCTION OFFERS BY NGET

- 5.1 A TO Construction Offer shall remain open for acceptance from the date on which it is submitted to NGET pursuant to paragraph 4 to a date not less than six months from the NGET Application Date unless an application is made to the Authority under Standard Condition C9 of NGET's Transmission Licence. In which event, such period shall remain open for acceptance until the date 17 days after any determination by or other direction from the Authority pursuant to such application.
- 5.2 A Party may refer any dispute in connection with a TO Construction Offer as a Dispute to the Authority in accordance with Section H, paragraph 4.1.
- 5.3 If NGET wishes to accept a TO Construction Offer, it shall do so by promptly notifying the relevant Transmission Owner in the form specified in such TO Construction Offer and by providing such Transmission Owner with an executed copy of the relevant TO Construction Agreement. Following notification of such acceptance, the Transmission Owner shall construct the relevant parts of the Construction Project in accordance with this Code and the executed TO Construction Agreement.

6. GENERAL PROVISIONS CONCERNING THE DEVELOPMENT OF TO CONSTRUCTION OFFERS

- 6.1 The Construction Parties shall, in respect of each Construction Project:
- 6.1.1 agree a joint timetable, subject to and in accordance with the dates set out in paragraph 4 of this Section D, Part Two, for the development of co-ordinated TO Construction Offers and, in the case of NGET, any other planning or analysis required in the course of preparing the NGET Offer;
- 6.1.2 co-operate and assist each other in order that TO Construction Offers, plans or analysis prepared by NGET and any application(s) for Consent(s) which are or are likely to be required in respect of the Construction Project, are co-ordinated; and
- 6.1.3 provide each other with information about, in the case of a Transmission Owner as provider, the contents of its TO Construction Offer and, in the case of NGET as provider, any information about its relevant planning or analysis, to the extent that such information may materially affect such other Construction Party's TO Construction Offer or, in the case where such other Construction Party is NGET, its relevant planning or analysis.
- 6.2 In addition to any Construction Planning Assumptions provided in accordance with paragraph 3 of this Section D, Part Two, NGET shall keep each other Construction Party reasonably informed of the likelihood of, and provide information in relation to, any potential circumstances which, if they occurred, might reasonably be expected to change the Construction Planning Assumptions or otherwise materially affect the preparation of

relevant TO Construction Offers including, without limitation, information in relation to any other potential New Connections or Modifications.

- 6.3 If a Transmission Owner which receives additional information pursuant to paragraph 6.2 reasonably identifies that such information, if incorporated into any Construction Planning Assumptions, would be likely to affect its TO Construction Offer, such Transmission Owner shall promptly notify NGET that its TO Construction Offer would be likely to be so affected.

7. GENERAL PROVISIONS CONCERNING NEW CONNECTIONS AND MODIFICATIONS

- 7.1 Subject to the payment of its Reasonable Charges, if any, as provided for in this paragraph 7.1, each Party shall provide all advice and assistance reasonably requested by another Party to enable it adequately to assess the implications (including the feasibility):

7.1.1 of making a Modification to User Equipment or a User's System (whether such Modification is the result of Planned Works proposed by the Party requesting advice or assistance or at the request of a User); ~~or~~

7.1.2 of constructing a New Connection Site (including adequately assessing the feasibility of making any NGET Connection Application or considering the terms of any TO Construction Offer); or

7.1.3 in the case of a New Connection Site located Offshore, of a material change to the Construction Planning Assumptions concerning the proposed design of the Offshore Transmission System upon which an accepted TO Construction Offer was based.

- 7.2 If a proposed Modification referred to in paragraph 7.1 is the result of Planned Works proposed by the Party which has received a request for advice or assistance, that Party shall provide such advice and assistance free of charge. If a Modification referred to in paragraph 7.1 is or may be proposed by the Party requesting advice or assistance, or a User, or if the advice and assistance is in respect of a New Connection Site, the Party may charge NGET Reasonable Charges for such advice and assistance.

- 7.4 When giving advice and assistance pursuant to paragraph 7.1, each Party shall comply with Good Industry Practice.

8. OFFSHORE TRANSMISSION CONSTRUCTION SECURITIES

8.1 Each Offshore Transmission Owner shall, on acceptance of their TO Construction Offer provide security for an Offshore Construction Secured Amount equivalent to [x] % of the Forecast Offshore Construction Cost.

8.2 Each Offshore Transmission Owner shall provide security in respect of its TO Construction Agreement in the form of:

8.1.1 in the case of an Offshore Transmission Owner which meets the NGET Credit Rating Requirement at the date of the TO Construction Agreement, in accordance with Paragraph 8.3; and

8.1.2 in the case of an Offshore Transmission Owner which does not meet the NGET Credit Rating Requirement at the date of the TO Construction Agreement or thereafter ceases to meet it, in accordance with Paragraph 8.2.

8.3 Provision Of Offshore Construction Securities Where The Transmission Owner Meets Credit Rating

8.3.1 Each Offshore Transmission Owner shall, as soon as possible after entering into a TO Construction Connection Agreement and in any event no later than one month after such date, confirm to NGET the position on whether it meets the NGET Credit Rating Requirement. Thereafter not less than 75 days before 1 April and 1 October in each year the User shall confirm its NGET Credit Rating Requirement position to NGET (which in the case of a long term private credit rating shall be confirmed by Standard and Poor's or Moody's within a period of 45 days prior to the date of confirmation). The Offshore Transmission Owner shall inform NGET in writing forthwith if it becomes aware it does not meet the NGET Credit Rating Requirement or if it is or is likely to be put on credit watch or any similar credit surveillance procedure which may give NGET reasonable cause to believe that the Offshore Transmission Owner may not be able to sustain its Credit Rating for at least 6 months.

8.3.2 In the event that the Offshore Transmission Owner has elected to provide NGET with an indicative credit rating and NGET is of the reasonable opinion that the Offshore Transmission Owner has ceased to comply with the requirements of Paragraph 8.3.1 then NGET may require the Offshore Transmission Owner forthwith:-

8.3.2.1 to apply to Standards and Poor's and/or Moody's for a further indicative long term private credit rating; or

8.3.2.2 to confirm to NGET that it shall provide the security referred to in Paragraph 8.3.4.

8.3.3 In the event of the Offshore Transmission Owner:-

8.3.3.1 not meeting the NGET Credit Rating Requirement; or

8.3.3.2 having a credit rating below NGET Credit Rating Requirement; or

8.3.3.3 not having obtained from Standard and Poor's or Moody's within 30 days of the written notification under Paragraph 8.3.2 above an indicative long term private credit rating.

or if NGET becomes aware that:

8.3.3.4 the Offshore Transmission Owner ceases to meet the NGET Credit Rating Requirement; or

8.3.3.5 the Offshore Transmission Owner is put on credit watch or other similar credit surveillance procedure as specified above which may give NGET reasonable cause to believe that the Offshore Transmission Owner may not be able to maintain an NGET Credit Rating Requirement for at least 6 months; or

8.3.3.6 the Offshore Transmission Owner has not obtained from Standard and Poor's or Moody's within 30 days of the written notification by NGET under Paragraph 8.3.2 above a further indicative long term private credit rating,

the Offshore Transmission Owner shall (where appropriate on receipt of written notification from NGET) comply with the terms of Paragraph 8.3.4.

8.3.4 The Offshore Transmission Owner shall within 21 days of the giving of a notice under Paragraph 8.3.3 or within 30 days of the Offshore Transmission Owner confirming to NGET under Paragraph 8.3.2 that it will provide the security specified in Paragraph 8.4.2 (whichever is the earlier), provide NGET with the security specified below to cover the Offshore TO Construction Secured Amount.

8.3.5 Until the facts or circumstances giving rise to the obligations of the Offshore Transmission Owner to provide the security have ceased then the provisions of Paragraph 8.4 shall apply.

8.3.6 In the event of NGET's credit requirements being reviewed at any time NGET shall advise the Offshore Transmission Owner in writing of the new credit requirements and if acceptable to the Offshore Transmission Owner the security arrangements will be amended accordingly.

8.3.7 In the event that the facts or circumstances giving rise to the obligations of the Offshore Transmission Owner to provide the security have ceased, then NGET shall release the security.

8.4 Provision Of Offshore Construction Securities Where Offshore Transmission Owner Does Not Meet Credit Rating

8.4.1 Each Offshore Transmission Owner hereby agrees that it shall at the date of the relevant TO Construction Agreement provide to NGET or procure the provision to NGET of, and the Offshore Transmission Owner shall at all times thereafter (unless and until the TO Construction Agreement shall be terminated and all sums due or which will or might fall due in respect of which security is to be provided shall have been paid) maintain or procure that there is maintained in full force and effect (including by renewal or replacement), a security arrangement of a type specified in Paragraph 8.4.2 from time to time and for the time being to provide security for the Offshore Transmission Owner's obligation to pay the Offshore TO Construction Secured Amount..

8.4.2 Security can be provided by:

8.4.2.1 A Performance Bond or Letter of Credit from a Qualified Bank for the Offshore TO Construction Secured Amount, such Performance Bond or Letter of Credit to be

Valid for at least the period [xx] and to be renewed periodically where applicable in the manner stated in Paragraph 8.5.2.3; or

8.4.2.2 A cash deposit in a Bank Account at least for the Offshore TO Construction Secured Amount, such cash deposit to be increased or reduced periodically where applicable in the manner stated in Paragraph 8.5.2.4; or

8.4.2.3 A Performance Bond from a Qualified Company for the Offshore TO Construction Secured Amount, such Performance Bond to be Valid for at least the period stated in such Secured Amount Statement and to be renewed periodically where applicable in the manner stated in Paragraph 8.5.2.3.

8.5.2 General Provisions

8.5.2.1 Any Notice of Drawing to be delivered to Barclays Bank PLC or any other bank at which the Bank Account shall have been opened or a Qualified Bank or a Qualified Company may be delivered by hand, by post or by facsimile transmission.

8.5.2.2 If the Offshore Transmission Owner becomes aware that the bank issuing the Performance Bond or Letter of Credit ceases to be a Qualified Bank or that NGET giving the Performance Bond ceases to be a Qualified Company, the Offshore Transmission Owner shall notify NGET in writing as soon as it becomes so aware. If NGET becomes aware that the bank issuing the Performance Bond or Letter of Credit ceases to be a Qualified Bank or that NGET giving the Performance Bond ceases to be a Qualified Company, NGET may notify the Offshore Transmission Owner to that effect in writing. Where the bank or NGET so ceases to be either a Qualified Bank or a Qualified Company (as the case may be) as a consequence of NGET having reasonable cause to doubt the continued rating of the said bank or company, such notice shall be accompanied by a statement setting out NGET's reasons for having such doubt. The Offshore Transmission Owner shall within 21 days of the giving of such notice by NGET or the Offshore Transmission Owner whichever is the earlier provide a replacement Performance Bond and/or Letter of Credit from a Qualified Bank or Qualified Company, as the case may be, and/or provide a cash deposit in the required amount in a Bank Account. From the date the replacement Performance Bond or Letter of Credit or Bank Account cash deposit is effectively and unconditionally provided and Valid, NGET will consent in writing to the security which it replaces being released.

8.5.2.3 The following provisions shall govern the issuance, renewal and release of the Performance Bond or Letter of Credit:-

a) The Performance Bond or Letter of Credit shall be Valid initially from the date required in accordance with Paragraph 8.3.4 or 8.4.1 respectively at least to and including the following 31st March or 30th September whichever is the earlier date. Such Performance Bond or Letter of Credit

shall be for an amount not less than the Offshore TO Construction Secured Amount.

- b) On a date which is at least 45 days (or if such day is not a Business Day then on the immediately preceding Business Day) before the next following 31st March or 30th September whichever is the earlier date such Performance Bond or Letter of Credit shall be renewed so as to be Valid for not less than 6 months commencing from the immediately following 1st April or 1st October (as the case may be). Such renewed Performance Bond or Letter of Credit shall be for an amount not less than the Offshore Construction Secured Amount during the period that such renewed Performance Bond or Letter of Credit shall be Valid.
- c) Thereafter, the renewed Performance Bond or Letter of Credit shall be further renewed in like manner every 6 months.

8.5.2.4 The following provisions shall govern the maintenance of cash deposits in the Bank Account:

- a) The amount of the cash deposit to be maintained in the Bank Account shall be maintained from the date required in accordance with Paragraph 8.3.4 or 8.4.1 respectively at least to and including the following 31st March or 30th September, whichever is the earlier date. Such cash deposit shall be the Offshore TO Construction Secured Amount.
- b) Any interest accruing to the Bank Account shall be for the account of and belong to the Offshore Transmission Owner absolutely, and NGET agrees to take any steps required to be taken by it for the release from the Bank Account and payment to the Offshore Transmission Owner of such interest as soon as the same shall have been credited to the Bank Account and NGET shall have received notice of such credit.

8.5.2.5 Notwithstanding any provision aforesaid:

- a) The Offshore Transmission Owner may provide different securities to NGET at any one time, each securing a different amount, provided that the aggregate amount secured by such securities shall be not less than the Offshore TO Construction Secured Amount.
- b) The Offshore Transmission Owner may upon the expiry of at least 14 days prior written notice to NGET, substitute one type of security for another provided that unless NGET shall otherwise agree in writing such substituted security must be Valid from 1st April or 1st October (as the case may be) and committed at least 45 days before the immediately preceding 31st March or 30th September (as the case may be) in the following manner:-
 - i) where a Performance Bond or a Letter of Credit is to substitute for other securities, it must be issued or given at least 45 days

before such immediately preceding 31st March or 30th September (as the case may be).

ii) where a cash deposit in a Bank Account is to substitute for other securities, it must be deposited into the Bank Account at least 45 days before such immediately preceding 31st March or 30th September (as the case may be).

c) Upon request by the Offshore Transmission Owner to NGET, securities substituted in the aforesaid manner shall, providing the substitute security shall be Valid, be released on the following 1st April or 1st October (as the case may be).

9. COORDINATION OF CONSTRUCTION PROJECTS

9.1 Where a Construction Project involves Works being undertaken by more than one Party, each Transmission Owner which is party to a TO Construction Agreement in respect of the Construction Project and NGET (together referred to as "**Joint Project Parties**") shall throughout the construction and commissioning of the Construction Project:

9.1.1 co-operate and assist each other in the development of co-ordinated TO Construction Programmes and, in the case of NGET, any other planning or analysis it undertakes in respect of the Construction Project;

9.1.2 provide each other from time to time with relevant information to the extent that such information may materially affect the Works of such other Joint Project Parties;

9.1.3 meet from time to time, if so requested by another Joint Project Party, to agree arrangements to facilitate such development; and

9.1.4 otherwise develop their TO Construction Programmes or, in the case of NGET, any other relevant planning or analysis, taking into account, to the extent that it is reasonable and practicable to do so, the activities and requirements of each other Joint Project Party.

9.2 Without limitation to paragraph 8.1, the Joint Project Parties shall liaise throughout the construction and commissioning of a Construction Project and each shall provide to each other Joint Project Party all information relating to its own Works and, in the case of NGET, User Works, reasonably necessary to assist each other Joint Project Party in the performance of that other's part of the Works, and shall use all reasonable endeavours to co-ordinate and integrate their respective part of the Works. There may be meetings between representatives of the Joint Project Parties and/or the User at intervals to be agreed between the Joint Project Parties and/or the User (as appropriate). Each Joint Project Party shall deliver to each other Joint Project Party a written report of its progress during each Calendar Quarter within seven days of the end of that Calendar Quarter.

10. COMMUNICATIONS PLANT

10.1 NGET and a Transmission Owner which is constructing a New Connection Site shall agree the Communications Plant to be provided and installed by the Transmission Owner and this may include, without limitation, Communications Plant to facilitate communications between the relevant User and NGET. Any failure to agree may be referred as a Dispute to the Authority in accordance with Section H, paragraph 4.1.

11. CONNECTION SITE RULES

11.1 Prior to the Completion Date under a TO Construction Agreement, the following shall be submitted pursuant to the terms of the TO Construction Agreement:

11.1.1 copies of the Safety Rules applicable at the relevant Transmission Owner Sites or User Sites which will be used at the User/Transmission Owner interface, as followed and forwarded in accordance with the criteria set out in Section G, subparagraphs 2.2.7 to 2.2.10; and

11.1.2 notice in writing from a Transmission Owner submitted directly to the relevant User as directed by NGET, notifying NGET when it has done so, of its Safety Coordinators, which notice shall be updated and resubmitted by the Transmission Owner whenever there is a change to the identity of its Safety Coordinators or to the Connection Points; and

11.1.3 written confirmation from a Transmission Owner submitted directly to the relevant User as directed by NGET, notifying NGET when it has done so, that the Safety Coordinators acting on behalf of such Transmission Owner are authorised and competent pursuant to the requirements of OC8; and

11.1.4 written notice from a Transmission Owner submitted directly to NGET notifying NGET of a list of the managers who have been duly authorised to sign Site Responsibility Schedules on behalf of the Transmission Owner; and

11.1.5 written notice from a User, as procured by NGET and submitted directly by the User to the relevant Transmission Owner of:

11.1.5.1 the User's Safety Co-ordinators, which notice shall be updated yearly and whenever there is a change to the identity of the User's Safety Coordinators or to the Connection Points;

11.1.5.2 a list of persons appointed by the User to undertake operational duties on the User's System and to issue and receive operational messages and instructions in relation to the User's System; and

11.1.5.3 an appointed person or persons responsible for the maintenance and testing of User's Plant and Apparatus;

11.1.6 a list of the User's managers who have been duly authorised to sign Site Responsibility Schedules on behalf of the User as procured by NGET and submitted by NGET to the relevant Transmission Owner; and

- 11.1.7 written confirmation from a User, as procured by NGET and submitted directly by the User to the relevant Transmission Owner, that the Safety Co-ordinators acting on behalf of such User are authorised and competent pursuant to the requirements of OC8B.

12. TRANSMISSION INTERFACE SITE RULES

12.1 Prior to the Completion Date under a TO Construction Agreement, the following shall be submitted by each Transmission Interface Site Party directly to the other relevant Transmission Interface Site Party or Parties and to NGET where NGET is not a Transmission Interface Site Party:

12.1.1 a copy of the Transmission Interface Site Party's Safety Rules applicable at the relevant Transmission Interface Site;

12.1.2 notice in writing of its Safety Coordinators, which notice shall be updated and resubmitted by the Transmission Interface Site Party whenever there is a change to the identity of its Safety Coordinators or to the Transmission Interface Site;

12.1.3 written confirmation that the Safety Coordinators acting on behalf of the Transmission Interface Site Party are authorised and competent pursuant to the requirements of OC8; and

12.1.4 written notice of a list of the managers who have been duly authorised to sign Site Responsibility Schedules on behalf of the Transmission Interface Site Party.

13. CONNECTION SITE SPECIFICATIONS

13.1 Prior to the provision of an Agreement for Energisation or Agreement for an Interim Operational Notification from a Transmission Owner, the Transmission Owner shall provide to NGET a new or revised Connection Site Specification as described in Section D, Part One, sub-paragraph 2.6.1 that reflects the information contained in the relevant TO Construction Agreement(s) .

14. TRANSMISSION INTERFACE SITE SPECIFICATIONS

14.1 Prior to the to the Completion Date under an Offshore TO Construction Agreement, the Offshore Transmission Owner shall provide to any relevant Transmission Interface Site Party and to NGET where NGET is not an Interface Site Party a new or revised Transmission Interface Site Specification as described in Section D, Part One, sub-paragraph 2.7.1 that reflects the information contained in the relevant TO Construction Agreement(s).

14.2 The relevant Transmission Interface Site Parties shall provide such Offshore Transmission Owner with the information required to enable the Offshore Transmission Owner to prepare such Transmission Interface Site Specification.

15. SITE RESPONSIBILITY SCHEDULES

15.1 In order to inform site operational staff of agreed responsibilities for Plant and/or Apparatus at an operational interface:

15.1.1 In the case of a Connection Site, a Site Responsibility Schedule shall be produced for a Connection Site by the Transmission Owner whose Transmission System is connected to such Connection Site and NGET shall provide such Transmission Owner with the information required to enable the Transmission Owner to prepare such Site Responsibility Schedule.

15.1.2 In the case of a Transmission Interface Site, a Site Responsibility Schedule shall be produced by the Offshore Transmission Owner whose Transmission System is connected to such Transmission Interface Site and the relevant Transmission Interface Site Parties shall provide such Offshore Transmission Owner with the information required to enable the Offshore Transmission Owner to prepare such Site Responsibility Schedule.

15.2 A Transmission Owner shall forward a Site Responsibility Schedule prepared by it pursuant to paragraph 14.1.1 to NGET and agree any changes that may be required to such Site Responsibility Schedule with NGET. Upon finalisation of the Site Responsibility Schedule pursuant to this paragraph 14.2, the Transmission Owner shall forward a duly signed Site Responsibility Schedule to NGET and NGET shall promptly sign and procure signatures from the relevant User as required and forward such signed copy of the Site Responsibility Schedule back to the Transmission Owner.

15.3 An Offshore Transmission Owner shall forward a Site Responsibility Schedule prepared by it pursuant to paragraph 14.1.2 to both NGET and any other relevant Transmission Interface Site Parties and agree any changes that may be required to such Site Responsibility Schedule with NGET or the other relevant Transmission Interface Site Parties. Upon finalisation of the Site Responsibility Schedule pursuant to this paragraph 14.3, the Offshore Transmission Owner shall forward a duly signed Site Responsibility Schedule to both NGET and any relevant Transmission Interface Site Parties and both NGET and the other Transmission Interface Site Parties shall promptly sign and forward such signed copy of the Site Responsibility Schedule back to the Offshore Transmission Owner.

15.4 Each Site Responsibility Schedule must have recorded on it the Safety Rules which apply to each item of Plant and/or Apparatus in accordance with Section G, paragraph 2.2.

15.5 In carrying out their obligations under this paragraph 14, the Parties shall, and NGET shall procure that Users shall, comply with Appendix 1 of the Connection Conditions to the Grid Code (as amended from time to time).

16. ACCESS

16.1 The provisions relating to access to Transmission Owner's Sites by Users and to User's Sites by Transmission Owners, are set out in the Interface Agreement between such Transmission Owner and User.

16.2 The provisions relating to access to Transmission Interface Sites by other Transmission Owners or NGET, are set out in the Transmission Interface Agreement between such Transmission Owners or NGET.

16.23 In addition to the provisions relating to access referred to in paragraph 16.1, where a Transmission Owner Site contains exposed HV conductors, unaccompanied access will only be granted to individuals holding an Authority for Access issued by the Transmission Owner. The procedure for applying for authority for Access is contained in the Interface Agreement.

44.17. DISCONNECTION AND REMOVAL OF TRANSMISSION CONNECTION ASSETS

44.17.1 NGET shall provide six months notice to a Transmission Owner of the date that NGET intends to permanently disconnect User Equipment which is connected to such Transmission Owner's Transmission System.

44.17.2 NGET may provide a Transmission Owner with more than six months notice of an intended permanent disconnection of User Equipment connected to such Transmission Owner's Transmission System only where NGET has obtained the prior consent of the relevant User to give such longer notice.

17.3 Where NGET permanently disconnects a User which was connected to a Transmission Owner's Transmission System:

17.3.1 NGET shall procure that such User removes any of the User Equipment on such Transmission Owner's land within six months of the date of disconnection under paragraph 17.1 or such longer period as may be agreed between the User and such Transmission Owner; and

17.3.2 such Transmission Owner shall remove any of the Transmission Owner Connection Assets on the land of the User concerned within six months of termination under paragraph 17.1 or such longer period as may be agreed between the User and such Transmission Owner.

17.4 Each Transmission Owner shall give, and NGET shall procure, that any relevant User gives, such rights to access land as are reasonably required in order to facilitate the removal of User Equipment and Transmission Owner Connection Assets pursuant to this paragraph 17.

17.5 NGET shall not be in breach of its obligation to provide notice pursuant to 17.1 to the extent that any failure or delay in giving notice to a Transmission Owner was caused by a failure or delay by the relevant User in providing notice to NGET under the CUSC.

PART THREE: TEC EXCHANGE

1. TEC EXCHANGE PROCESS

1.1 If NGET considers it may be necessary, it shall submit a NGET TEC Exchange Rate Application in accordance with paragraph 1.2 to:

- 1.1.1 the Transmission Owner, if any, whose Transmission System is located at the Relevant Connection Site of the Increasing User or the Decreasing User;
- 1.1.2 any Transmission Owner in relation to whose Transmission System the Relevant Connection Site of the Increasing User or the Decreasing User satisfies the criteria set out in Schedule Four; and
- 1.1.3 any Transmission Owner which does not receive a NGET TEC Exchange Rate Application pursuant to sub-paragraphs 1.1.1 or 1.1.2, but which:
 - 1.1.3.1 otherwise receives TEC Exchange Planning Assumptions pursuant to paragraph 2.1 or 2.2 in relation to the Relevant Connection Site of the Increasing User or the Decreasing User; or
 - 1.1.3.2 NGET otherwise identifies is likely to be required to calculate a TEC Exchange Rate in respect of the Exchange Rate Request,

(NGET and each Transmission Owner which receives a NGET TEC Exchange Rate Application shall be referred to in this Section as a "**TEC Exchange Party**").

- 1.2 NGET shall submit a NGET TEC Exchange Rate Application:
 - 1.2.1 pursuant to sub-paragraphs 1.1.1 and 1.1.2, as soon as reasonably practicable, and in any event within three Business Days of the User Application Date in relation to such Relevant Connection Site of the Increasing User or the Decreasing User.
 - 1.2.2 pursuant to sub-paragraph 1.1.3, at the same time as TEC Exchange Planning Assumptions are submitted to a Transmission Owner under paragraph 2.2 or, where applicable, at the same time as NGET gives a Transmission Owner notice under paragraph 2.3.
- 1.3 For the purposes of this Section D, Part Three, a NGET TEC Exchange Rate Application shall be deemed to be effective if it is complete and clear in all material respects.
- 1.4 If a Transmission Owner reasonably considers that a NGET TEC Exchange Rate Application is not effective it shall, as soon as reasonably practicable and in any event within five Business Days of receipt of the NGET TEC Exchange Rate Application, notify NGET of:
 - 1.4.1 the detailed reasons why it considers the NGET TEC Exchange Rate Application is incomplete or unclear in a material respect; and
 - 1.4.2 the amendments (including clarifications, additional information, data or other material) it considers are required to make the NGET TEC Exchange Rate Application effective,

and shall otherwise use its best endeavours to liaise with and assist NGET (and, where reasonably requested by NGET, any relevant third parties) so that the NGET TEC Exchange Rate Application is made effective as soon as reasonably practicable. Any

dispute in relation to the effectiveness of a NGET TEC Exchange Rate Application may be referred as a Dispute to the Authority in accordance with Section H, paragraph 4.1.

- 1.5 NGET shall immediately notify each other TEC Exchange Party following:
 - 1.5.1 any change in the NGET TEC Exchange Rate Application or associated information provided to such TEC Exchange Party; or
 - 1.5.2 the withdrawal of the relevant User Application by a User, in which case such notice shall also constitute notice of withdrawal by NGET of any relevant NGET TEC Exchange Rate Application.

2. **PROVISION OF TEC EXCHANGE PLANNING ASSUMPTIONS FOLLOWING A NGET TEC EXCHANGE RATE APPLICATION**

- 2.1 In addition to Planning Assumptions used for general transmission planning pursuant to Section D, Part One, paragraph 2.2, NGET may, as a consequence of a User Application for a TEC Exchange Rate Request, also generate a separate set of Planning Assumptions which take into account the power flows which NGET expects are likely to result from a TEC Trade for use by each Transmission Owner only in the preparation of a TO TEC Exchange Rate ("**TEC Exchange Planning Assumptions**").
- 2.2 If NGET generates TEC Exchange Planning Assumptions, it shall do so as soon as reasonably practicable and, in any event, within five Business Days of the User Application Date and shall:
 - 2.2.1 immediately provide to each Transmission Owner such parts of the set of TEC Exchange Planning Assumptions as NGET reasonably determines are likely to materially affect such Transmission Owner's Transmission System; and
 - 2.2.2 at the same time as TEC Exchange Planning Assumptions are provided to any Transmission Owner(s) pursuant to sub-paragraph 2.2.1, either:
 - 2.2.2.1 identify the NGET TEC Exchange Rate Application already submitted to such Transmission Owner under sub-paragraphs 1.1.1 or 1.1.2 to which the TEC Exchange Planning Assumptions relate; or
 - 2.2.2.2 submit a new NGET TEC Exchange Rate Application to such Transmission Owner pursuant to sub-paragraph 1.1.3.
- 2.3 NGET shall notify each Transmission Owner which receives an NGET TEC Exchange Rate Application as soon as reasonably practicable and, in any event, within two Business Days of the User Application Date, if it does not intend to generate a set of TEC Exchange Planning Assumptions in respect of the relevant Exchange Rate Request. Following such notice NGET shall inform each Transmission Owner that receives a NGET TEC Exchange Rate Application which previously notified Planning Assumptions should apply and such Planning Assumptions shall be deemed to also be TEC Exchange Planning Assumptions for the purposes of such NGET TEC Exchange Rate Application.

- 2.4 NGET may, in its discretion, change a set of TEC Exchange Planning Assumptions (including any deemed TEC Exchange Planning Assumptions under paragraph 2.3) by giving notice to the relevant Transmission Owner(s), at any time up to the date not less than three months after the User Application Date.
- 2.5 A Transmission Owner may submit a request to NGET for a change to TEC Exchange Planning Assumptions it has received pursuant to paragraphs 2.2 or 2.4 or which have been deemed pursuant to paragraph 2.3, provided that such request shall contain a description (in reasonable but not excessive detail) of the reason(s) for the request.
- 2.6 If NGET receives a request for a change to TEC Exchange Planning Assumptions pursuant to paragraph 2.5 it shall, as soon as reasonably practicable:
- 2.6.1 notify the Transmission Owner submitting the request and any other Transmission Owner, which is likely to be materially affected by the requested change, whether or not and, where relevant, how NGET intends to accommodate such request; and
- 2.6.2 where relevant, change and re-issue such TEC Exchange Planning Assumptions accordingly.
- 2.7 A Transmission Owner may refer to the Authority as a Dispute in accordance with Section H, paragraph 4.1:
- 2.7.1 any notice received from NGET under 2.6.1; or
- 2.7.2 any failure by NGET to respond to a request made by such Transmission Owner under paragraph 2.5 within a reasonable period of time, taking into account the nature, complexity and urgency of the request.
- 2.8 For the avoidance of doubt, any change made to TEC Exchange Planning Assumptions pursuant to paragraphs 2.4 or 2.6 shall change the existing set of TEC Exchange Planning Assumptions and shall not constitute a separate set of TEC Exchange Planning Assumptions.
- 2.9 NGET shall act in accordance with Good Industry Practice in deciding whether to generate any set of TEC Exchange Planning Assumptions and, where relevant, in generating or modifying such TEC Exchange Planning Assumptions pursuant to this paragraph 2.

3. **TEC EXCHANGE RATES**

- 3.1 A TO shall prepare each TO TEC Exchange Rate so that, if the TEC Trade to which it relates becomes effective, such Transmission Owner would continue to comply with the obligations in respect of the planning and development of its Transmission System set out in Part One, paragraph 2.2 of this Section D by giving effect to such NGET TEC Exchange Rate Application, except that:

- 3.1.1 for the purpose of Part One, paragraph 2.2, such Transmission Owner shall take into account TEC Exchange Planning Assumptions provided to it under paragraph 2 (as modified or updated pursuant to paragraphs 2.4 or 2.6) in respect of the NGET TEC Exchange Rate Application in the place of any other Planning Assumptions.
- 3.2 A Transmission Owner which receives an effective NGET TEC Exchange Rate Application under paragraph 1.2 above shall, unless otherwise agreed with NGET or determined or directed by the Authority, submit a TO TEC Exchange Rate to NGET as soon as reasonably practicable and, in any event, on or before the later of:
- 3.2.1 three months less thirteen Business Days after the User Application Date; and
- 3.2.2 where relevant, three months less fifteen Business Days after the TEC Exchange Assumptions Date.
- 3.3 NGET and a Transmission Owner may agree that the Transmission Owner may submit its TO TEC Exchange Rate otherwise than in accordance with the dates set out in paragraph 3.2 provided that:
- 3.3.1 a TO TEC Exchange Rate to which sub-paragraph 3.2.1 applies shall be submitted not later than three months less five Business Days after the User Application Date; and
- 3.3.2 a TO TEC Exchange Rate to which sub-paragraph 3.2.2 applies shall be submitted not later than three months less seven Business Days after the TEC Exchange Assumptions Date,
- unless otherwise directed by the Authority.
- 3.4 In the event that NGET modifies TEC Exchange Planning Assumptions after a Transmission Owner has submitted its TO TEC Exchange Rate for the NGET TEC Exchange Rate Application to which such TEC Exchange Planning Assumptions apply, the Transmission Owner shall revise and re-submit its TO TEC Exchange Rate to NGET, taking into account such modified TEC Exchange Rate Planning Assumptions, as soon as reasonably practicable.

PART FOUR: STATEMENT OF WORKS

1. STATEMENT OF WORKS PROCESS

- 1.1 If NGET considers it may be necessary, it shall submit a NGET Request for a Statement of Works in accordance with paragraph 1.2 to:

- 4.1.1 the Transmission Owner, if any, whose Transmission System is located at the Relevant Connection Site;
- 4.1.2 any Transmission Owner in relation to whose Transmission System the Relevant Connection Site satisfies the criteria set out in Schedule Four; and
- 4.1.3 any Transmission Owner which does not receive a NGET Request for a Statement of Works pursuant to sub-paragraphs 1.1.1 or 1.1.2, but which:
 - 4.1.3.1 otherwise receives Statement of Works Planning Assumptions pursuant to paragraph 2.2 in relation to the Relevant Connection Site; or
 - 4.1.3.2 NGET otherwise identifies is likely to be required to submit a TO Statement of Works Notice in respect of the Statement of Works Project,

(NGET and each Transmission Owner which receives a NGET Request for a Statement of Works shall be referred to in this Section as a “**Statement of Works Party**”).

1.2 NGET shall submit a NGET Request for a Statement of Works:

- 1.2.1 pursuant to sub-paragraphs 1.1.1 and 1.1.2, as soon as reasonably practicable, and in any event within three Business Days of the User Application Date in relation to such Relevant Connection Site; and
- 1.2.2 pursuant to sub-paragraph 1.1.3, at the same time as Statement of Works Planning Assumptions are submitted to a Transmission Owner under paragraph 2.2 or, where applicable, at the same time as NGET gives a Transmission Owner notice under paragraph 2.3.

1.3 For the purposes of this Section D, Part Four, a NGET Request for a Statement of Works shall be deemed to be effective if it is complete and clear in all material respects.

1.4 If a Transmission Owner reasonably considers that a NGET Request for a Statement of Works is not effective it shall, as soon as reasonably practicable and in any event within five Business Days of receipt of the NGET Request for a Statement of Works, notify NGET of:

- 1.4.1 the detailed reasons why it considers the NGET Request for a Statement of Works is incomplete or unclear in a material respect; and
- 1.4.2 the amendments (including clarifications, additional information, data or other material) it considers are required to make the NGET Request for a Statement of Works effective,

and shall otherwise use its best endeavours to liaise with and assist NGET (and, where reasonably requested by NGET, any relevant third parties) so that the NGET Request for a Statement of Works is made effective as soon as reasonably practicable. Any dispute

in relation to the effectiveness of a NGET Request for a Statement of Works may be referred as a Dispute to the Authority in accordance with Section H, paragraph 4.1.

- 1.5 Each Transmission Owner shall charge NGET and NGET shall pay Engineering Charges in relation to a NGET Request for a Statement of Works in accordance with Schedule Ten.
- 1.6 NGET shall immediately notify each other Statement of Works Party following:
 - 1.6.1 any change in the NGET Request for a Statement of Works or associated information provided to such Statement of Works Party; or
 - 1.6.2 the withdrawal of the relevant User Application by a User, in which case such notice shall also constitute notice of a withdrawal by NGET of any relevant NGET Request for a Statement of Works.

2. **PROVISION OF STATEMENT OF WORKS PLANNING ASSUMPTIONS FOLLOWING A NGET REQUEST FOR A STATEMENT OF WORKS**

- 2.1 In addition to Planning Assumptions used for general transmission planning pursuant to Section D, Part One, paragraph 2.2, NGET may, as a consequence of a User Application for a Request for a Statement of Works, also generate a separate set of Planning Assumptions which take into account the power flows which NGET expects are likely to result from the Statement of Works Project for use by each Transmission Owner only in the preparation of a TO Statement of Works Notice ("**Statement of Works Planning Assumptions**").
- 2.2 If NGET generates Statement of Works Planning Assumptions, it shall do so as soon as reasonably practicable and, in any event, within five Business Days of the User Application Date and shall:
 - 2.2.1 immediately provide to each Transmission Owner such parts of the set of Statement of Works Planning Assumptions as NGET reasonably determines are likely to materially affect such Transmission Owner's Transmission System; and
 - 2.2.2 at the same time as Statement of Works Planning Assumptions are provided to any Transmission Owner(s) pursuant to sub-paragraph 2.2.1, either:
 - 2.2.2.1 identify the NGET Request for a Statement of Works already submitted to such Transmission Owner under sub-paragraphs 1.1.1 or 1.1.2 to which the Statement of Works Planning Assumptions relate; or
 - 2.2.2.2 submit a new NGET Request for a Statement of Works to such Transmission Owner pursuant to sub-paragraph 1.1.3.
- 2.3 NGET shall notify each Transmission Owner which receives a NGET Request for a Statement of Works as soon as reasonably practicable and, in any event, within two

Business Days of the User Application Date, if it does not intend to generate a set of Statement of Works Planning Assumptions in respect of the relevant Statement of Works Project. Following such notice the general Planning Assumptions provided to Transmission Owners pursuant to Section D, Part One, paragraph 2.2 shall be deemed to also be Statement of Works Planning Assumptions for the purposes of such Statement of Works Project.

- 2.4 NGET may, in its discretion, change a set of Statement of Works Planning Assumptions (including any deemed Statement of Works Planning Assumptions under paragraph 2.3) by giving notice to the relevant Transmission Owner(s), at any time up to the submission by the Transmission Owner(s) of the TO Statement of Works to which such Statement of Works Planning Assumptions apply.
- 2.5 A Transmission Owner may submit a request to NGET for a change to Statement of Works Planning Assumptions it has received pursuant to paragraphs 2.2 or 2.4 or which have been deemed pursuant to paragraph 2.3, provided that such request shall contain a description (in reasonable but not excessive detail) of the reason(s) for the request.
- 2.6 If NGET receives a request for a change to Statement of Works Planning Assumptions pursuant to paragraph 2.5 it shall, as soon as reasonably practicable:
 - 2.6.1 notify the Transmission Owner submitting the request and any other Transmission Owner, which is likely to be materially affected by the requested change, whether or not and, where relevant, how NGET intends to accommodate such request; and
 - 2.6.2 where relevant, change and re-issue such Statement of Works Planning Assumptions accordingly.
- 2.7 A Transmission Owner may refer to the Authority as a Dispute in accordance with Section H, paragraph 4.1:
 - 2.7.1 any notice received from NGET under 2.6.1; or
 - 2.7.1 any failure by NGET to respond to a request made by such Transmission Owner under paragraph 2.5 within a reasonable period of time, taking into account the nature, complexity and urgency of the request.
- 2.8 Notwithstanding any request submitted by a Transmission Owner pursuant to paragraph 2.5 above, each Transmission Owner shall continue to take account the Statement of Works Planning Assumptions provided by NGET pursuant to sub-paragraph 1.1.3 (or deemed pursuant to paragraph 2.3), for the purposes of paragraph 3.3 of this Section D, Part Four, subject to any subsequent changes made to such Statement of Works Planning Assumptions by NGET under paragraphs 2.4 or 2.6 or any determination of a Dispute referred to the Authority pursuant to paragraph 2.7.

- 2.9 For the avoidance of doubt, any change made to Statement of Works Planning Assumptions pursuant to paragraphs 2.4 or 2.6 shall change the existing set of Statement of Works Planning Assumptions and shall not constitute a separate set of Statement of Works Planning Assumptions.
- 2.10 NGET shall act in accordance with Good Industry Practice in deciding whether to generate any set of Statement of Works Planning Assumptions and, where relevant, in generating or modifying such Statement of Works Planning Assumptions pursuant to this paragraph 2.

3. TO STATEMENT OF WORKS NOTICE

- 3.1 Each Transmission Owner which receives a NGET Request for a Statement of Works shall notify NGET in accordance with paragraph 3.2 whether or not such Transmission Owner requires Transmission Construction Works to be undertaken in respect of a Statement of Works Project (such notice to be referred to as a “**TO Statement of Works Notice**”). Where the TO Statement of Works Notice specifies that Transmission Construction Works are required, then, at any time within the period referred to at paragraph 3.6, NGET may submit to the Transmission Owner a NGET Modification Application. Where the TO Statement of Works Notice specifies that Transmission Construction Works are not required it shall specify whether or not, in planning and developing its Transmission System, the Transmission Owner has assumed that any technical design or operational criteria will apply to User Equipment at the Relevant Connection Site, and details of what such criteria are.
- 3.2 A Transmission Owner shall submit a TO Statement of Works Notice as soon as reasonably practicable but, in any event, on or before the later of:
- 3.2.1 twenty-five calendar days less one Business Day after the NGET Application Date; and
- 3.2.2 twenty-three calendar days less one Business Day after the Statement of Works Assumptions Date.
- 3.3 NGET may refer as a Dispute to the Authority in accordance with Section H, paragraph 4.1, any TO Statement of Works Notice:
- 3.3.1 that a Transmission Owner does not require Transmission Construction Works to be undertaken in respect of a Statement of Works Project; or
- 3.3.2 of any assumptions which a Transmission Owner intends to make in relation to User Equipment at a Relevant Connection Site.
- 3.4 A Transmission Owner shall prepare each TO Statement of Works Notice so that, if the Statement of Works Project to which it relates is constructed, such Transmission Owner would continue to comply with the obligations in respect of the planning and development

of its Transmission System set out in Part One, paragraph 2.2 of this Section D by giving effect to such Transmission Construction Works, except that:

- 3.4.1 for the purpose of Part One, paragraph 2.2, such Transmission Owner shall take into account Statement of Works Planning Assumptions provided to it under paragraph 2 (as modified or updated pursuant to paragraphs 2.4 or 2.6) in respect of the Statement of Works Project in the place of any other Planning Assumptions; and
 - 3.4.2 the technical design and operational criteria for the Relevant Connection Site shall be as set out in the NGET Request for a Statement of Works together with any site-specific information set out in the TO Statement of Works Notice.
- 3.5 In the event that NGET modifies Statement of Works Planning Assumptions after a Transmission Owner has submitted its TO Statement of Works Notice for the Statement of Works Project to which such Statement of Works Planning Assumptions apply, the Transmission Owner shall revise and re-submit its TO Statement of Works Notice to NGET, taking into account such modified Statement of Works Planning Assumptions, as soon as reasonably practicable.
- 3.6 At any time up to twenty-eight calendar days plus ninety-three Business Days after the User Application Date, NGET may submit to the Transmission Owner (and such submission shall be deemed to be) a NGET Modification Application in respect of a Statement of Works Project. Processing of such deemed NGET Modification Application shall be as set out in Part Two of this Section D.

SECTION E: BILLING AND PAYMENT

1. INTRODUCTION

1.1 This Section E sets out:

1.1.1 the constituent parts of TO Charges that are payable by NGET to Transmission Owners (the detailed description and method of calculation of which are set out in Schedule Ten, [Schedule XX](#) and the Transmission Licences of the relevant Parties);

[1.1.2 the constituent parts of NGET Charges that are payable by Transmission Owners to NGET \(the detailed description and method of calculation of which are set out in Schedule XX and the Transmission Licences of the relevant Parties\);](#)

1.1.23 the invoicing and payment arrangements for TO Charges, [NGET Charges](#) and other payments payable by Parties under the Code or a TO Construction Agreement, including the dates upon which such payments fall due;

1.1.34 arrangements for dealing with disputes regarding TO Charges, [NGET Charges](#) and other amounts payable under the Code or a TO Construction Agreement; and

1.1.45 provisions in relation to the payment of interest on late payments and rights of dispute in relation to payments and otherwise pursuant under this Section E.

2. TO CHARGES

2.1 NGET shall pay to Transmission Owners TO Charges comprising the following:

2.1.1 charges specified in Part One of Schedule Ten (referred to as "**TO General System Charges**"); and

2.1.2 charges specified in Part Two of Schedule Ten (referred to as "**TO Site-Specific Charges**"); [and](#)

[2.1.3 securities specified in Part Three of Schedule 10 \(referred to as "**TO Securities**"\).](#)

2.2 Each Transmission Owner shall determine its TO General System Charges in accordance with Part One of Schedule Ten.

2.3 Each Transmission Owner shall determine its TO Site-Specific Charges in accordance with Part Two of Schedule Ten.

3. [NGET Charges](#)

[3.1 Transmission Owners shall pay to NGET, NGET Charges comprising the following:](#)

3.1.1 charges specified in Part One of Schedule XX (referred to as "**Offshore Construction Securities**"); and

3.1.2 charges specified in Part Two of Schedule XX (referred to as "**Offshore Compensation Amounts**").

3.2 Offshore Construction Securities shall be determined in accordance with Part One of Schedule XX / the Offshore Tender Regulations.

3.3 Offshore Compensation Amounts shall be determined in accordance with Part Two of Schedule XX / each Offshore Transmission Owner's Transmission Licence.

4. **INVOICING AND PAYMENT**

34.1 Each Party entitled to receive payment under this Code or a TO Construction Agreement, including, for the avoidance of doubt, a Transmission Owner entitled to receive TO Charges ("**Receiving Party**"), shall invoice the Party required to make such payment to the Receiving Party ("**Paying Party**") in accordance with the provisions of this Section E, unless otherwise specified in this Code, or such TO Construction Agreement or agreed between the Receiving Party and the Paying Party.

34.2 Other than in respect of TO Charges, the arrangements in relation to which are set out in paragraph 34.3 below, a Receiving Party shall despatch an invoice to the relevant Paying Party:

34.2.1 not less than thirty days prior to the due date for payment where such due date is specified or otherwise agreed between the Receiving Party and Paying Party; or

34.2.2 not less than thirty days after the date on which such payment accrued, where such due date is not specified or otherwise agreed between the Receiving Party and Paying Party,

and the Paying Party shall make such payment:

(i) by the specified or otherwise agreed due date in the case of invoices received under sub-paragraph 34.2.1; or

(ii) within thirty days of the date of the Receiving Party's invoice under sub-paragraph 34.2.2.

34.3 NGET shall pay TO Charges and all other payments due under a TO Construction Agreement to Transmission Owners, in the following manner:

34.3.1 in the case of recurrent monthly TO Charges or other payments, on the later of:

34.3.1.1 the 15th day following the day that the Transmission Owner's invoice therefor was despatched; and

[34.3.1.2](#) the 16th day of the month to which the invoiced TO Charges or other payments relate,

unless, in any such case, such payment day is not a Business Day in which case payment shall be made on the next Business Day; or

[34.3.2](#) where TO Charges or other payments are payable other than monthly, within thirty days of the date of the Transmission Owner's invoice therefor.

[34.4](#) The dates for payment as set out in paragraphs [34.2\(i\)](#) and (ii), [34.3.1.1](#) and [34.3.1.2](#) and [34.3.2](#) above shall constitute, in each case, the "**Due Date**" for the purposes of this Section E.

[34.5](#) All payments including, without limitation, TO Charges under this Section E shall be made in Pounds Sterling by the variable direct debit method, or such other form of bankers automated payment or other payment method or currency as shall be approved by the relevant Receiving Party, to the account number, bank and branch as the Receiving Party may from time to time notify to the relevant Paying Party.

[34.6](#) Each Receiving Party shall provide such bank account information as a Paying Party reasonably requires from time to time in order to process payments to such Receiving Party in accordance with this Section E or otherwise under this Code or a TO Construction Agreement.

[34.7](#) All payments payable under this Code and each TO Construction Agreement are (unless otherwise specified in this Code, such TO Construction Agreement or agreed between the relevant Receiving Party and Paying Party) exclusive of VAT, which shall be added to such payments, if applicable at the rate applicable at such time. All invoices issued by Parties pursuant to this Section E shall be valid VAT invoices and shall set out the requisite details of the taxable supply to which the given invoice relates.

[34.8](#) All payments under this Code shall (except to the extent otherwise required by law) be paid in full, free and clear of and without deduction set off or deferment, save as otherwise agreed by the Receiving Party and Paying Party or pursuant to a direction, other decision or award following a Dispute referred under paragraph [45.1](#) below.

[34.9](#) Nothing in this Section E shall be construed as preventing a Receiving Party from withdrawing and replacing (without affecting the Due Date for payment) any invoice or associated statement before the Due Date for payment of such invoice, by agreement with the relevant Paying Party, where the Receiving Party is aware of any error in such invoice or associated statement.

[45.](#) **DISPUTES**

[45.1](#) Any disputes arising out of or in relation to TO Charges, [NGET Charges](#) or other payments under a TO Construction Agreement, this Code or otherwise pursuant to this Section E, may be referred to the Authority as a Dispute in accordance with Section H, paragraph [45.1](#) of this Code.

45.2 If a Paying Party disputes any amount shown in an invoice or statement as payable by it in respect of any TO Charges, [NGET Charges](#) or other payments payable under a TO Construction Agreement or otherwise under this Section E, the Paying Party shall nevertheless pay the amount shown in full and may not withhold payment or any part thereof, but without prejudice to the Paying Party's right subsequently to refer such invoice or statement as a Dispute pursuant to paragraph 45.1 above.

56. **INTEREST ON LATE PAYMENT**

56.1 If any charges or payments payable under this Code or a TO Construction Agreement are not paid on or before the Due Date, unless otherwise specified in this Code, such TO Construction Agreement or otherwise agreed between the relevant Receiving Party and Paying Party, the Paying Party shall pay interest at the Default Interest Rate on the unpaid charge or payment from the Due Date until the day on which payment is made.

SECTION F: COMMUNICATIONS AND DATA

1. INTRODUCTION

1.1 This Section F sets out:

1.1.1 general obligations of confidentiality, including restrictions on the circumstances in which Confidential Information may be Disclosed by a Party to its Affiliates, Related Undertakings, employees or to any third parties; and

1.1.2 restrictions on the circumstances in which information may be provided by a Party to a Transmission Owner under this Code.

2. GENERAL CONFIDENTIALITY

2.1 Each Party undertakes that it shall at all times:

2.1.1 keep all Confidential Information confidential and, except as expressly permitted under sub-paragraph 2.1.3, not Disclose any Confidential Information to any of its Affiliates, Related Undertakings, employees or to any other person;

2.1.2 not copy or use in any manner any Confidential Information for any purposes other than the Permitted Activities;

2.1.3 provide copies of the Confidential Information only to those Business Personnel who properly require access to the Confidential Information and always on a strict need-to-know basis solely for or in relation to the Permitted Activities, and inform each of them of the restrictions contained in this Section F; and

2.1.4 procure that any Business Personnel or other person(s) to whom it discloses Confidential Information observe(s) the restrictions set out in this Section F, and be responsible for any failure by such person(s) to observe such restrictions.

2.2 Nothing in this paragraph 2 shall apply to:

2.2.1 any Confidential Information which has entered the public domain otherwise than as a direct or indirect result of any contravention of this Section F; or

2.2.2 any Confidential Information which, after it is furnished to Business Personnel:

2.2.2.1 is acquired by a Party in circumstances in which this paragraph 2 does not apply; or

2.2.2.2 is acquired by a Party in circumstances in which this paragraph 2 does apply and thereafter ceases to be subject to the restrictions imposed by this paragraph 2,

otherwise than as a direct or indirect result of any contravention of this Section F or any other confidentiality obligation binding upon the person Disclosing such Confidential Information; or

2.2.3 any Confidential Information Disclosed to any person where the Disclosing Party, in making the Disclosure, is expressly permitted or required to make such Disclosure to such person:

2.2.3.1 in compliance with the duties of such Disclosing Party under any Relevant Instrument or any other Legal Requirement or requirement of a Competent Authority; or

2.2.3.2 in compliance with the conditions of the Disclosing Party's Transmission Licence; or

2.2.3.3 in response to a requirement of any stock exchange or regulatory authority or the Panel on Take-Overs and Mergers; or

2.2.3.4 pursuant to the arbitration rules of the Electricity Arbitration Association or pursuant to any judicial or other arbitral process or tribunal having jurisdiction in relation to the Disclosing Party or its Affiliates or Related Undertakings; or

2.2.4 any Confidential Information to the extent that a Disclosing Party is expressly permitted or required to Disclose that information under the terms of this Code; or

2.2.5 any Confidential Information in relation to the affairs of a User, to the extent that the Disclosing Party is expressly permitted or required to Disclose that information under any arrangement with such User; or

2.2.6 a Disclosure of any Confidential Information by the Disclosing Party to the Authority or any other Competent Authority.

2.3 For the avoidance of doubt, nothing in this paragraph 2 shall apply to any Disclosure of Confidential Information by NGET to the extent that it is expressly permitted or required to Disclose such Confidential Information under the terms of an Other Code [or the Offshore Tender Regulations](#).

2.4 Each Party undertakes that, having regard to the activities in which any Business Person of such Party is engaged and the nature and effective life of any Confidential

Information divulged to him by virtue of such activities, such Party shall not unreasonably continue (taking into account any industrial relations concerns reasonably held by it) to divulge Confidential Information to any such Business Person in relation to whom such Party has become aware of his intention to become engaged as an employee or agent of any other person who is:

2.4.1 authorised by Licence or Exemption to generate, participate in the transmission of, distribute or supply electricity; or

2.4.2 an electricity broker or who is known to be engaged in the writing of electricity sale and purchase contracts (which shall include the entering into or acquiring the benefit of a contract conferring rights or obligations by way of option, in relation to or by reference to the sale, purchase or delivery of electricity at any time or the price at which electricity is sold or purchased at any time); or

2.4.3 known to be retained as a consultant to any such person who is referred to in sub-paragraphs 2.4.1 and 2.4.2,

save where the Party could not, in all the circumstances, reasonably be expected to refrain from divulging to such Business Person Confidential Information which is required for the proper performance of his duties.

2.5 Without prejudice to the other provisions of this paragraph 2, each Party shall procure that any additional copies made of the Confidential Information, whether in hard copy or computerised form, will clearly identify the Confidential Information as confidential.

2.6 Notwithstanding any other provision of the Code, the provisions of this paragraph 2 shall continue to bind each Party after its cessation as a Party for whatever reason.

3. RESTRICTIONS ON THE PROVISION OF INFORMATION BETWEEN THE PARTIES

3.1 For the avoidance of doubt, any provision of this Code which provides for co-operation and assistance between the Parties or which otherwise permits or requires the provision of information between the Parties shall remain subject to the restrictions set out in this paragraph 3.

3.2 A Party shall not Disclose any information which it receives under or pursuant to this Code to a Transmission Owner other than in the course of performing its respective rights and obligations under this Code.

3.3 A Party shall not Disclose any Transmission Information or User Data to a Transmission Owner under this Code or otherwise other than:

3.3.1 as, and to the extent, set out in Schedule Three; and

- 3.3.2 any incidental information which is reasonably required to support or clarify, or that is otherwise directly related to, information Disclosed under sub-paragraph 3.3.1.
- 3.4 Paragraphs 3.2 and 3.3 shall not apply to:
- 3.4.1 information that is in the public domain (otherwise than as a direct or indirect result of any contravention of this Section F); or
- 3.4.2 any information which the Disclosing Party is expressly permitted or required to Disclose to the Transmission Owner:
- 3.4.2.1 in compliance with the duties of such Disclosing Party under any Relevant Instrument or any other Legal Requirement or requirement of a Competent Authority; or
- 3.4.2.2 in compliance with the conditions of the Disclosing Party's Transmission Licence; or
- 3.4.2.3 in response to a requirement of any stock exchange or regulatory authority or the Panel on Take-Overs and Mergers; or
- 3.4.2.4 pursuant to the arbitration rules of the Electricity Arbitration Association or pursuant to any judicial or other arbitral process or tribunal having jurisdiction in relation to the Disclosing Party or its Affiliates or Related Undertakings; or
- 3.4.3 any information which the Disclosing Party has first made available to all Parties and all Other Code Parties on equivalent terms (including, without limitation, as to charges and non-Disclosure obligations) and otherwise in accordance with paragraph 3.5.
- 3.5 For the purpose of sub-paragraph 3.4.3 above, a Party shall make available information by publishing a notice on the Code Website stating that such information is available (or, where the Disclosing Party is a Transmission Owner, by forwarding such notice to NGET, which notice NGET shall then promptly publish on the Code Website).
- 3.6 For the avoidance of doubt, nothing in this paragraph 3 shall be taken to limit or restrict the information which may be Disclosed by a Party to NGET under this Code.
- 3.7 Information which a Party is permitted or obliged to Disclose to any other Party pursuant to this Code shall not be regarded as being in the public domain by reason only of being so Disclosed.

3.8 Notwithstanding any other provision of the Code, the provisions of this paragraph 3 shall continue to bind each Party after its cessation as a Party for whatever reason.

SECTION G: GENERAL PROVISIONS

1. INTRODUCTION

- 1.1 This Section G contains those provisions that are generic to this Code including, inter alia:
- 1.1.1 provisions to be adhered to by the Parties in relation to safety and environmental issues and nuclear installations;
 - 1.1.2 the limitation of liability of Parties under the Code and the third party rights that apply;
 - 1.1.3 the restrictions on transfer and subcontracting of Parties' rights and obligations under the Code, Framework Agreement or any TO Construction Agreement and the arrangements to apply on disposal by a Party of the whole or a part of its business; and
 - 1.1.4 other provisions defining the legal and contractual relationship between the Parties under this Code.

2. SAFETY AND ENVIRONMENT

2.1 General

- 2.1.1 For the avoidance of any doubt, nothing in or pursuant to this Code shall:
- 2.1.1.1 be taken to require a Party to do anything which could or would be unsafe or contrary to that Party's environmental obligations; nor
 - 2.1.1.2 prevent a Party from doing anything which could or would be unsafe or contrary to that Party's environmental obligations to omit to do.
- 2.1.2 A Transmission Owner shall notify NGET in the event that, and as soon as, such Transmission Owner:
- 2.1.2.1 becomes aware that, for safety purposes or pursuant to environmental obligations of such Transmission Owner, the Transmission Owner is reasonably likely to configure, or has urgently had to configure, any part of its Transmission System or otherwise take any steps other than in accordance with a direction from NGET; or
 - 2.1.2.2 becomes aware that, for safety purposes or pursuant to environmental obligations of such Transmission Owner, it is reasonably likely to be, or has been, prevented, restricted or delayed from complying with a direction from NGET in relation to the configuration of any part of its Transmission System.
- 2.1.3 Each Party shall use its best endeavours to identify and remove or lessen the likelihood of any circumstances arising in which such Party might seek to place

reliance upon the provisions of paragraph 2.1.1 including, without limitation, by discussing such issues with the other Parties where appropriate.

2.2 User and Transmission Owner Safety Requirements

2.2.1 Notwithstanding that a Transmission Owner is not a party to the CUSC and is not thereby required to comply with the Grid Code, a Transmission Owner shall comply with:

2.2.1.1 Operating Code No 8, Appendix 2 of the Grid Code ("[Update Grid Code Reference](#)"); and

2.2.1.2 (in carrying out its obligations under Section D, Part Two, paragraph [142](#)), Appendix 1 of the Connection Conditions of the Grid Code,

(each as amended from time to time).

2.2.2 NGET shall comply with, and shall procure that a User shall comply with, OC8B and Appendix 1 of the Connection Conditions of the Grid Code where and to the extent that such section applies to NGET and the User.

2.2.3 Each Transmission Owner shall provide to NGET a copy of and any updates to its Safety Rules as applicable from time to time.

2.2.4 NGET shall ensure that no busbar Protection, mesh corner Protection, circuit-breaker fail Protection relays, AC or DC wiring (other than power supplies of DC tripping associated with a Generating Unit itself) may be worked upon or altered by Generator personnel in the absence of a representative of the Transmission Owner or written authority from the Transmission Owner to whose Transmission System the Connection Site at which such works are to be undertaken is connected.

2.2.5 Where a Transmission Owner owns the busbar Protection at the Connection Point Site, NGET shall ensure that no busbar Protection, circuit-breaker failure Protection relays, AC or DC wiring (other than power supplies of DC tripping associated with the Network Operator or Non-Embedded Customer's Apparatus itself) may be worked upon or altered by the Network Operator or Non-Network Operator or Non-Embedded Customer's personnel in the absence of a representative of the Transmission Owner or written authority from the Transmission Owner.

2.2.6 A Transmission Owner shall use its best endeavours to provide a representative or to submit a written authority to NGET on request from NGET for the purposes of paragraphs 2.2.4 and 2.2.5.

2.2.7 Unless otherwise agreed pursuant to paragraph 2.2.9, a Transmission Owner entering and working on its Plant and/or Apparatus on a User Site will work to such User's Safety Rules as advised by and forwarded to the Transmission Owner by NGET.

- 2.2.8 Unless otherwise agreed pursuant to paragraph 2.2.10, NGET shall procure that a User entering and working on that User's Plant and/or Apparatus on a Transmission Owner Site will work to the Transmission Owner's Safety Rules, which Safety Rules, the Transmission Owner shall forward to the User directly as directed by NGET and notify NGET that it has done so.
- 2.2.9 A Transmission Owner may, with a minimum of six weeks notice, apply to NGET for permission to work according to its own Safety Rules when working on its own Plant and/or Apparatus at a User Site rather than the User's Safety Rules. NGET shall consult with the relevant User and, subject to NGET and the User's agreement that the Transmission Owner's Safety Rules provide for a level of safety commensurate with those set out in paragraph 2.2.7, NGET will notify the Transmission Owner in writing that, with effect from the date requested by the Transmission Owner, the Transmission Owner may use its own Safety Rules when working on the Transmission Owner's Plant and/or Apparatus on that User Site, which Safety Rules, the Transmission Owner shall forward to the User directly as directed by NGET and notify NGET that it has done so. Until such written approval from NGET, the Transmission Owner will continue to use the Safety Rules in accordance with paragraph 2.2.7.
- 2.2.10 NGET may (on behalf of a User), with a minimum of six weeks notice, apply to a Transmission Owner and consult with that Transmission Owner regarding permission for work to be carried out to the User's Safety Rules when work is carried out by such User on the User's Plant and/or Apparatus at the Transmission Owner's Site rather than the Transmission Owner's Safety Rules. If the Transmission Owner and NGET agree that the User's Safety Rules provide for a level of safety commensurate with those set out in paragraph 2.2.8, NGET will notify the User in writing, copied to the Transmission Owner, that, with effect from the date requested by the User, the User may use its own Safety Rules when working on such User's Plant and/or Apparatus on that Transmission Owner's Site, which Safety Rules, NGET shall procure that the User shall forward to the Transmission Owner directly. Until such written approval from NGET, NGET shall procure that the User shall continue to use the Transmission Owner's Safety Rules in accordance with paragraph 2.2.8.
- 2.2.11 If, pursuant to paragraph 2.2.9, NGET notifies a Transmission Owner that the Transmission Owner's own Safety Rules shall apply, this shall not imply that the Transmission Owner's Safety Rules will apply to entering the User's Site and access to the Transmission Owner's Plant and/or Apparatus on that User's Site. A User has responsibility for the whole of its User Site and entry and access will always be in accordance with such User's Site access procedures.
- 2.2.12 If, pursuant to paragraph 2.2.10, NGET notifies a User that the User's own Safety Rules shall apply, this shall not imply that, for such Transmission Owner's Site, the User's Safety Rules will apply to entering the Transmission Owner's Site, and access to the User's Plant and/or Apparatus on that Transmission Owner's Site. A Transmission Owner has responsibility for the whole of its Transmission Owner

Site and entry and access will always be in accordance with such Transmission Owner's Site access procedures.

3. NUCLEAR INSTALLATIONS

- 3.1 Where required by NGET upon reasonable notice, a Transmission Owner shall take any reasonable and proper action whatsoever to the extent necessary in order to comply with (or avert an anticipated breach of) any of the matters specified in paragraph 3.2.
- 3.2 The matters referred to in paragraph 3.1 are any covenant, agreement, restriction, stipulation, instruction, provision, condition or notice contained, or referred to, in a licence for the time being in force, granted in accordance with the Nuclear Installations Act 1995 (or legislation amending, replacing or modifying the same), or any consent, or approval issues, or to take effect from time to time under such licence, any emergency arrangements, operating rules or other matters from time to time under such licence, any emergency arrangements, operating rules or other matters from time to time approved by the relevant authority under, or pursuant to, any such agreements, restrictions, stipulations, instructions, conditions or notices.
- 3.3 NGET shall indemnify and keep indemnified any Transmission Owner for any loss, damage, costs and expenses incurred by that Transmission Owner as a consequence of any action of that Transmission Owner pursuant to paragraph 3.1 (to the extent that the action was not required by any licence or agreement binding on that Transmission Owner).
- 3.4 Where requested by NGET upon reasonable notice, SP Transmission Limited shall provide such information and advice in relation to its obligations and rights under the Scottish NSLPAs as shall be reasonable to enable NGET to comply with its obligations under the Code, the Grid Code and the CUSC.
- 3.5 Where requested by NGET upon reasonable notice, SP Transmission Limited shall undertake such actions in relation to its obligations and rights under the Scottish NSLPAs as shall be reasonable to enable NGET to comply with its obligations under the Code, the Grid Code and the CUSC.
- 3.6 Where requested by SP Transmission Limited upon reasonable notice, NGET shall provide such information and advice as shall be reasonable to enable SP Transmission Limited to comply with the Scottish NSLPAs.
- 3.7 Where requested by SP Transmission Limited upon reasonable notice, NGET shall undertake such actions as shall be reasonable to enable SP Transmission Limited to comply with the Scottish NSLPAs.
- 3.8 SP Transmission Limited shall notify NGET as soon as reasonable practicable of any proposal to amend the Scottish NSLPAs and shall consult with NGET in relation to the potential impact of any such proposal on the Code, the Grid Code and the CUSC to ensure that the views of NGET on that proposal are obtained and, where NGET so requires, communicated to the relevant counterparty to the Scottish NSLPAs.

- 3.9 NGET shall notify SP Transmission Limited as soon as reasonably practicable of any proposal to amend the Code and/or the Grid Code and/or the CUSC which may affect the Scottish NSLPAs and shall consult with SP Transmission Limited in relation to the potential impact of any such proposal on the Scottish NSLPAs to ensure that the views of SP Transmission Limited on that proposal are obtained and, where SP Transmission Limited so requires, considered as part of the consultation process in relation to the Grid Code and the CUSC.

4. LIMITATION OF LIABILITY

- 4.1 This paragraph 4, insofar as it excludes or limits liability, shall override any other provision in the Code provided that nothing in this paragraph 4 shall exclude or restrict or otherwise prejudice or affect any of:

4.1.1 the rights, powers, duties and obligations of any Party which are conferred or created by the Act, that Party's Transmission Licence, or the Regulations; or

4.1.2 the rights, powers, duties and obligations of the Authority or the Secretary of State under the Act, any Transmission Licence or otherwise howsoever.

- 4.2 Subject to any liquidated damages provisions of any TO Construction Agreement and to the indemnities provided for under paragraphs 3.3 and 4.3 of this Section G, each Party agrees and acknowledges that no Party (the "**Party Liable**") nor any of its officers, employees or agents shall be liable to any other Party, for loss arising from any breach of the Code or TO Construction Agreement, other than for loss directly resulting from such breach and which, at the date hereof, was reasonably foreseeable as not unlikely to occur in the ordinary course of events from such breach in respect of:

4.2.1 physical damage to the property of any other Party or its respective officers, employees or agents; or

4.2.2 the liability of any other Party, its officers, employees or agents to any other person for loss in respect of physical damage to the property of that or any other person, subject, for the avoidance of doubt, to the requirement that the amount of such liability claimed by such other Party should be mitigated in accordance with general law.

provided that the liability of any Party in respect of all claims for such loss shall not exceed £5million per incident or series of related incidents.

- 4.3 Nothing in this Code shall exclude or limit the liability of the Party Liable or restrict the ability of any Party to claim in respect of fraudulent misrepresentation or death or personal injury resulting from the negligence of the Party Liable and the Party Liable shall indemnify and keep indemnified each other Party from and against all such and any loss or liability which any such other Party may suffer or incur by reason of any claim on account of fraudulent misrepresentation or death or personal injury resulting from the negligence of the Party Liable or any of its officers, employees or agents.

- 4.4 In consideration of the rights conferred upon each Transmission Owner under the Code, the right of any of the Transmission Owners to claim in negligence, other tort, or otherwise howsoever against a CUSC Party (other than NGET) in respect of any act or omission of such CUSC Party (other than NGET) in relation to the subject matter of the CUSC is hereby excluded and each Transmission Owner agrees not to pursue any such claim save that nothing in this paragraph 4.4 shall restrict the ability of a Transmission Owner to claim in respect of fraudulent misrepresentation or death or personal injury resulting from the negligence of the CUSC Party (other than NGET).
- 4.5 Subject to any liquidated damages provisions of any TO Construction Agreement, and to the indemnities provided for under paragraphs 3.3 and 4.3 of this Section G, the Party Liable nor any of its officers, employees or agents, shall not in any circumstances whatsoever be liable in relation to the Code or its obligations under the Code, to another Party for:
- 4.5.1 any loss of profit, loss of revenue, loss of use, loss of contract or loss of goodwill;
or
- 4.5.2 any indirect or consequential loss; or
- 4.5.3 loss resulting from the liability of another Party to any other person howsoever and whensoever arising, save as provided in sub-paragraph 4.2.1 and 4.2.2.
- 4.6 The rights and remedies provided by the Code to the Parties are exclusive and not cumulative and exclude and are in place of all substantive (but not procedural) rights or remedies express or implied and provided by common law or statute in respect of the subject matter of the Code, including, without limitation, any rights any Party may possess in tort which shall include actions brought in negligence and/or nuisance. Accordingly, each of the Parties hereby waives to the fullest extent possible all such rights and remedies provided by common law or statute, and releases a Party which is liable to another Party or other Parties, its or their officers, employees and agents to the same extent from all duties, liabilities, responsibilities or obligations provided by common law or statute in respect of the matters dealt with in the Code and undertakes not to enforce any of the same except as expressly provided herein.
- 4.7 Each of the paragraphs of this paragraph 4 shall:
- 4.7.1 be construed as a separate and several contract term, and if one or more of such paragraphs is held to be invalid, unlawful or otherwise unenforceable the other or others of such paragraphs shall remain in full force and effect and shall continue to bind the Parties; and
- 4.7.2 survive termination of the Code and/or the Framework Agreement.
- 4.8 Each Party acknowledges and agrees that each of the other Parties holds the benefit of paragraphs 4.2 to 4.6 above for itself and as trustee and agent for its officers, employees and agents.

4.9 Each Party acknowledges and agrees that the provisions of this paragraph 4 have been the subject of discussion and negotiation and are fair and reasonable having regard to the circumstances as at the Code Effective Date.

4.10 For the avoidance of doubt, nothing in this paragraph 4 shall prevent or restrict any Party enforcing any obligation (including suing for a debt) owed to it under or pursuant to the Code.

5. THIRD PARTY RIGHTS

5.1 Subject to the remainder of this paragraph 5, a CUSC Party (other than NGET) may rely upon and enforce the terms of paragraph 4.4, against a Transmission Owner and an Other Code Party (other than NGET) may rely upon and enforce the terms of Section F, sub-paragraph 3.4.3 against a Party.

5.2 The third party rights referred to in paragraph 5.1 may only be enforced by the relevant third party subject to and in accordance with the provisions of the Contracts (Rights of Third Parties) Act 1999 and all other relevant terms of this Code.

5.3 Notwithstanding any other provision of the Code, the Parties may (pursuant to Section B), amend the Code without the consent of a third party and accordingly, section 2(1) of the Contracts (Rights of Third Parties) Act 1999 shall not apply, save that, where and to the extent that any amendment to the Code would have an impact on the rights of third parties conferred under paragraph 5.1, then NGET shall bring such impact to the attention of Parties and third persons to the extent that such impact is not already brought to their attention in a Proposed Amendment by the Proposer.

5.4 Except as provided in paragraph 5.1, a person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 to rely upon or enforce any term of the Code but this does not affect any right or remedy of a third party which exists or is available other than pursuant to that Act.

6. TRANSFER AND SUB-CONTRACTING

6.1 The rights, powers, duties and obligations of a Party under the Framework Agreement, the Code or any TO Construction Agreement are personal to that Party and that Party may not assign or transfer the benefit or burden of those documents save in the following circumstances:

6.1.1 upon the disposal by that Party of the whole of its business or undertaking it shall have the right to transfer its rights and obligations under the Framework Agreement, the Code or any TO Construction Agreement to the purchaser thereof on condition that the purchaser (if not already a Party) enters into an Accession Agreement pursuant to Section B and confirms to the relevant Parties in writing either that all of the technical or related conditions, data, information, operational issues or other matters notified and/or agreed pursuant to Part One, Section C, paragraphs 3 and 4 or any other matters specified in or pursuant to a relevant TO Construction Agreement, by the purchaser will remain unchanged or, if any such matters are to be changed, the purchaser first notifies the relevant Parties in writing

of such changes which the relevant Parties will consider and, until such consideration is complete, the transfer shall not be effective. If, having considered such changes, the relevant Parties in their reasonable opinion do not consider the proposed changes reasonably satisfactory to relevant Parties, they shall consult with the purchaser and, pending the outcome thereof to the relevant Parties' reasonable satisfaction, the transfer shall not be effective, provided always, that any failure to reach an agreement under this sub-paragraph 6.1.1 may be referred by a Party as a Dispute to the Authority under Section H, paragraph 4.1. Such transfer shall become effective once the changes are reasonably satisfactory to the relevant Parties or have been determined to be so following resolution of such Dispute;

6.1.2 upon the disposal by a Party of part of its business or undertaking comprising a part of its Transmission System that Party shall have the right to transfer its rights and obligations under this Code or any TO Construction Agreement to the purchaser thereof on condition that the purchaser (if not already a Party) enters into an Accession Agreement pursuant to Section B and confirms to the relevant Parties in writing either that all of the technical or related conditions, data, information, operational issues or other matters notified and/or agreed pursuant to Part One, Section C, paragraphs 3 and 4 by the purchaser will remain unchanged or if any such matters are to be changed, the purchaser first notifies the relevant Parties in writing of such changes which the relevant Parties will consider promptly and in any event within 28 days of receiving notice of such change and until such consideration is complete the assignment shall not be effective. If having considered such changes the relevant Parties in their reasonable opinion do not consider the proposed changes reasonably satisfactory to the relevant Parties, they shall consult with the purchaser and pending the outcome thereof to the relevant Parties' reasonable satisfaction the transfer shall not be effective, provided always, that any failure to reach an agreement under this sub-paragraph 6.1.2 may be referred by a Party as a Dispute to the Authority under Section H, paragraph 4.1. Such transfer shall become effective once the changes are reasonably satisfactory to the Parties or have been determined to be so under Section H; and

6.1.3 a Party may assign or charge its rights or benefits under the Framework Agreement, the Code or any TO Construction Agreement in whole or in part by way of security.

6.2 Each Party shall have the right to sub-contract or delegate the performance of any of its obligations or duties arising under the Code without the prior consent of any other Party. The subcontracting by a Party of the performance of any obligations or duties under the Framework Agreement, the Code or any TO Construction Agreement shall not relieve that Party from liability for performance of such obligation or duty.

7. INTELLECTUAL PROPERTY

7.1 All Intellectual Property Rights relating to the subject matter of the Code or any TO Construction Agreement conceived, originated, devised, developed or created by a Party, its officers, employees, agents or consultants during the currency of the Code or any TO

Construction Agreement shall vest in such Party as sole beneficial owner thereof save where the Parties agree in writing or the provisions of this Code expressly state otherwise.

8. FORCE MAJEURE

8.1 If any Party (the "**Non-Performing Party**") shall be unable to carry out any of its obligations under the Code or any TO Construction Agreement due to a circumstance of Force Majeure, the Code or any TO Construction Agreement shall remain in effect, but:

- 8.1.1 the Non-Performing Party's relevant obligations;
- 8.1.2 the obligations of each of the other Parties owed to the Non-Performing Party under the Code or TO Construction Agreement as the case may be; and
- 8.1.3 any other obligations of the other Parties under the Code or TO Construction Agreement owed between themselves which the relevant Party is unable to carry out directly as a result of the suspension of the Non-Performing Party's obligations,

shall be suspended for a period equal to the circumstance of Force Majeure provided that:

- (a) such circumstances do not constitute a Secured Event;
- (b) the suspension of performance is of no greater scope and of no longer duration than is required by the Force Majeure;
- (c) no obligations of any Party that arose before the Force Majeure causing the suspension of performance are excused as a result of the Force Majeure;
- (d) the Non-Performing Party gives the other Parties prompt notice describing the circumstance of Force Majeure, including the nature of the occurrence and its expected duration, and continues to furnish regular reports to the other Parties with respect thereto during the period of Force Majeure;
- (e) the Non-Performing Party uses all reasonable efforts to remedy its inability to perform; and
- (f) as soon as practicable after the event which constitutes Force Majeure, the Parties shall discuss how best to continue their operations so far as possible in accordance with the Code or TO Construction Agreement.

9. PRIVILEGE

9.1 No Party shall be required to produce documents pursuant to any provision of the Code which such Party could not be compelled to produce in civil proceedings in any court in England and Wales or Scotland or to supply information which such Party could not be compelled to give in evidence in any such proceedings.

10. WAIVER

- 10.1 No delay by or omission of any Party or the Committee (including the Committee Secretary) in exercising any right, power, privilege or remedy under the Code, the Framework Agreement or any TO Construction Agreement shall operate to impair such right, power, privilege or remedy or be construed as a waiver thereof.
- 10.2 Any single or partial exercise of any such right, privilege or remedy shall not preclude any other or future exercise thereof or the exercise of any other right, power, privilege or remedy.
- 10.3 For the avoidance of doubt, the Parties acknowledge and agree that nothing in the Code, Framework Agreement or any TO Construction Agreement shall exclude or restrict or otherwise prejudice or affect any of the rights, powers, privileges, remedies, duties and obligations of the Secretary of State or the Authority under the Act or any Transmission Licence or otherwise under any applicable law.

11. NOMINATED REPRESENTATIVE

- 11.1 Each Party undertakes to the other Parties that where, under any provision of the Code, action is taken by a representative of that Party, it shall ensure that its representative is duly authorised to take such action.

12. COMMUNICATIONS

- 12.1. Save to the extent otherwise set out in the Code or any TO Construction Agreement or otherwise agreed by the Parties, any notice, direction, request or other communication to be given by one Party to another under or in connection with the matters contemplated by the Code, the Framework Agreement or any TO Construction Agreement shall be addressed to the recipient and sent to the address or facsimile number of such other Party provided under Section B.
- 12.2 Such notice or other communication, shall be in writing and shall be given by letter delivered by hand or sent by first class prepaid post (airmail if overseas) or facsimile unless otherwise specified in this Code or otherwise agreed between the Parties, and shall be deemed to have been received:
- 12.2.1 in the case of delivery by hand, when delivered; or
- 12.2.2 in the case of first class prepaid post, on the second day following the day of posting or (if sent airmail overseas or from overseas) on the fifth day following the day of posting; or
- 12.2.3 in the case of facsimile, on acknowledgement of the addressee's facsimile receiving equipment (where such acknowledgement occurs before 1700 hours on the day of acknowledgement and in any other case on the day following the day of acknowledgement).

12.3 Each Party shall use all reasonable endeavours to ensure that all information provided from that Party to another is accurate and complete and submitted in good faith.

12.4 The provisions of this paragraph 12 extend to any notice or other communication to be given by or to the Committee Secretary.

13. COUNTERPARTS

13.1 The Accession Agreement, Framework Agreement and any TO Construction Agreement or Code Procedures may be executed in any number of counterparts and by the different parties on separate counterparts, each of which when executed and delivered shall constitute an original, but all the counterparts shall together constitute one and the same instrument.

14. SEVERANCE OF TERMS

14.1 If any provision of the Code or any TO Construction Agreement is or becomes or is declared invalid, unenforceable or illegal by the courts of any competent jurisdiction to which it is subject or by order of any other Competent Authority such invalidity, unenforceability or illegality shall not prejudice or affect the remaining provisions of the Code or TO Construction Agreement which shall continue in full force and effect notwithstanding such invalidity, unenforceability or illegality.

15. LANGUAGE

15.1 Every notice or other communication to be given by one Party to another under the Code shall be in the English language.

16. DATA PROTECTION ACT

16.1 Each Party warrants that it has effected, and undertakes that it will during the term of the Code effect and maintain all such notifications and registrations as it is required to effect and maintain under the Data Protection Act 1998 to enable it to lawfully perform the obligations imposed on it by the Code.

16.2 Each Party undertakes to comply with the Data Protection Act 1998 in the performance of its obligations under the Code.

16.3 Each Party undertakes that, in any case where information to be disclosed by it under the Code may lawfully be disclosed only with the prior consent of the person to whom the information relates, it will use its reasonable endeavours to obtain such prior consents so as to enable it promptly to perform its obligations under as envisaged by the Code.

17. JURISDICTION

17.1 Subject to Section H, the Parties irrevocably agree that only the courts of England and Wales and the courts of Scotland are to have jurisdiction to settle any disputes which may arise out of or in connection with this Code or any TO Construction Agreement and that accordingly any claim or action ("**Proceedings**") arising out of or in connection with this Code or any TO Construction Agreement may be brought in such courts.

17.2 Each Party irrevocably waives any objection which it may have now or hereafter to the laying of the venue of any Proceedings in any such court as is referred to in this paragraph 17 and any claim that any such Proceedings have been brought in an inconvenient forum and further irrevocably agrees that judgement in any Proceedings brought in the courts of England and Wales or the courts of Scotland shall be conclusive and binding upon such Party and may be enforced in the courts of any jurisdiction.

17.3 For the avoidance of doubt, nothing contained in paragraphs 17.1 and 17.2 above shall be taken as permitting a Party to commence Proceedings in the courts where the Code otherwise provides for Proceedings to be referred to arbitration or to the Authority.

18. GOVERNING LAW

18.1 This Code and any TO Construction Agreement shall be governed by and construed in accordance with English law.

19. NO PARTNERSHIP

19.1 Nothing in this Code is intended to or shall operate to create a partnership or joint venture of any kind between the Parties.

20. TRANSMISSION DEROGATIONS

20.1 A Party's obligation(s) under this Code shall be relieved, as regards any other Party, to the extent and for such period as such obligation(s) are specified as being relieved by a direction issued by the Authority under [\[paragraph 15 of Standard Condition B12\]](#) of its Transmission Licence.

SECTION H: DISPUTES

1. INTRODUCTION

1.1 This Section H sets out:

1.1.1 the obligations on the Parties to escalate and seek to resolve Disputes;

1.1.2 the types of Dispute that are referable to the Authority under this Code and the arrangements and obligations in relation to such referrals; and

1.1.3 the types of Dispute that are referable to arbitration under this Code and the arrangements and obligations in relation to such referrals.

2. GENERAL

2.1 Subject to any contrary provision of the Act, any Transmission Licence and the Regulations, and the rights, powers, duties and obligations of the Authority or the Secretary of State under the Act or Transmission Licences or otherwise howsoever, any Dispute between the Parties shall be resolved as provided in the applicable Section of this Code and this Section H.

3. ESCALATION

3.1 Notwithstanding the remaining provisions of this Section H, Parties shall identify and progress Disputes without undue delay and consistently with the objective of resolving such Disputes as early and as efficiently as reasonably practicable.

3.2 A Party may raise a Dispute by issuing a Dispute Notice to the Authority and each of the other Dispute Parties.

3.3 As soon as reasonably practicable, and in any event within 10 Business Days (or such longer period as the Dispute Parties may agree) of the date of issue of a Dispute Notice, representatives of each of the Dispute Parties who have authority to resolve the Dispute shall use their best endeavours to seek to resolve such Dispute.

3.4 If the Dispute Parties are unable to resolve a Dispute pursuant to paragraph 3.3, then the Dispute Parties' obligations under that paragraph shall no longer apply to that Dispute and a Dispute Party may refer the matter to the Authority or to arbitration as appropriate in accordance with paragraphs 4 and 5 below.

4. REFERRALS TO THE AUTHORITY

4.1 Subject to paragraph 3, a Party may refer a Dispute falling under sub-paragraphs 4.3 or 4.4 or an Implementation Dispute under paragraph 4.6 to the Authority for determination by issuing a Reference Notice to the Authority copied to each of the other Dispute Parties.

- 4.2 Subject to paragraph 4.5 below, any Dispute falling under this paragraph 4 shall not be capable of being referred to arbitration pursuant to the rules of the Electricity Arbitration Association or otherwise, or to any court.
- 4.3 In addition to those matters falling under paragraph 4.4, the following matters shall constitute a Dispute referable to the Authority under the Code:
- 4.3.1 a failure to agree pursuant to Section A, paragraph 4.4;
 - 4.3.2 a failure to agree pursuant to Section B, sub-paragraph 3.2.5 or any other dispute in relation to the scope, content or performance of the Party Entry Processes;
 - 4.3.3 a failure to agree pursuant to Section B, sub-paragraph 5.1.6 or any other dispute in relation to the scope, content or performance of the Decommissioning Actions;
 - 4.3.4 a failure to agree pursuant to Section B, sub-paragraph 7.3.4;
 - 4.3.5 a failure to agree an amendment to the form of the Services Capability Specification pursuant to Section C, Part One, paragraphs 3.2 or 3.3;
 - 4.3.6 a dispute in relation to the reasonableness of a request for further information by NGET pursuant to Section C, Part One, paragraph 3.4;
 - 4.3.7 a dispute in relation to the provision of, or failure to provide, training pursuant to Section C, Part Three, paragraph 7.3;
 - 4.3.8 a failure to agree a GB Transmission Performance Report Timetable or any part thereof pursuant to Section C, Part Three, paragraph 8.3;
 - 4.3.8 a failure to agree amendments to draft text of a GB Transmission System Performance Report pursuant to Section C, Part Three, paragraph 8.5;
 - 4.3.10 a failure to agree a SYS Programme or any part thereof pursuant to Section D, Part One, sub-paragraph 4.1.2;
 - 4.3.11 a failure to agree amendments to draft text of a Seven Year Statement pursuant to Section D, Part One, sub-paragraph 4.1.4;
 - 4.3.12 a dispute pursuant to Section E, paragraph 5.1;
 - 4.3.13 a failure to agree under Section G, sub-paragraphs 6.1.1 or 6.1.2; and
 - 4.3.14 a dispute as to whether a matter falling under paragraph 4.4 materially and adversely affects a Dispute Party's ability to develop and maintain an efficient, co-ordinated and economical system of electricity in Great Britain for the purpose of determining such Dispute Party's entitlement to refer a matter to the Authority under paragraph 4.4.
- 4.4 In addition to those matters falling under paragraph 4.3, the following matters shall constitute a Dispute referable to the Authority by a Dispute Party under the Code only

where such matter(s) materially adversely affect(s) that Dispute Party's ability to develop and maintain an efficient, co-ordinated and economical system of electricity transmission in Great Britain:

- 4.4.1 a failure to agree a Services Restoration Proposal or any modification to a Services Restoration Proposal under Section C, Part One, paragraphs 4.7 and 4.8 or 4.9;
- 4.4.2 a dispute in relation to either a request by NGET or the adequacy of preparatory steps taken by a Transmission Owner pursuant to Section C, Part One, paragraph 4.13;
- 4.4.3 a dispute in relation to the manner in which matters contained in an Outage Proposal are included, or are not included, in an Outage Plan pursuant to Section C, Part Two, paragraph 2.4;
- 4.4.4 a failure to agree in relation to any Outage Plan or Outages Implementation Process pursuant to Section C, Part Two, paragraphs 5.7, 6.1 or 6.5;
- 4.4.5 a dispute in relation to a direction issued by NGET regarding discontinuation of an Outage or Outages pursuant to Section C, Part Two, paragraph 7.1;
- 4.4.6 a dispute in relation to a request for a change to Planning Assumptions pursuant to Section D, Part One, paragraph 2.2;
- 4.4.7 a dispute in relation to a Planning Request pursuant to Section D, Part One, sub-paragraph 2.4.4;
- 4.4.8 a dispute in relation to the reasonableness of a request by NGET for information pursuant to Section D, Part One, sub-paragraph 2.6.2;
- 4.4.9 a dispute in relation to a Transmission Interface Site Specification pursuant to Section D, Part One, sub-paragraph 2.7.3;
- ~~4.4.94.10~~ a dispute in relation to a the effectiveness of a NGET Construction Application pursuant to Section D, Part Two, paragraph 2.5;
- ~~4.4.104.11~~ a dispute in relation to a request for a change to Construction Planning Assumptions pursuant to Section D, Part Two, paragraph 3.7;
- 4.4.11 a dispute in relation to a notice by the Transmission Owner that it does not intend to submit a TO Construction Offer or a notice of any assumptions which a Transmission Owner intends to make in relation to User Equipment at a Relevant Connection Site pursuant to Section D, Part Two, paragraph 4.3;
- 4.4.12 a dispute in connection with a TO Construction Offer pursuant to Section D, Part Two, paragraph 5.2;
- 4.4.13 a failure to agree Communications Plant under Section D, Part Two, paragraph 9.1;

- 4.4.14 a dispute in relation to the effectiveness of a NGET TEC Exchange Rate Application pursuant to Section D, Part Three, paragraph 1.4;
 - 4.4.15 a dispute in relation to a request for a change to TEC Exchange Planning Assumptions pursuant to section D, Part Three, paragraph 2.7;
 - 4.4.16 a dispute in relation to the effectiveness of a NGET Request for a Statement of Works pursuant to Section D, Part Four, paragraph 1.4;
 - 4.4.17 a dispute in relation to a request for a change to Statement of Works Planning Assumptions pursuant to Section D, Part Four, paragraph 2.7; and
 - 4.4.18 a dispute in relation to a TO Statement of Works Notice by the Transmission Owner that it does not require Transmission Construction Works to be undertaken in respect of a Statement of Works Project or of any assumptions which a Transmission Owner intends to make in relation to User Equipment at a Relevant Connection Site pursuant to Section D, Part Four, paragraph 3.3.
- 4.5 The Authority's determination of a Dispute pursuant to this paragraph 4 shall, without prejudice to any ability to apply for judicial review of any determination, be final and binding on the Dispute Parties.
- 4.6 It is expected that, in most cases, the Authority's determination of a Dispute pursuant to this paragraph 4 will set out the effect of the determination in terms of any actions or other steps that the Dispute Parties should take. To the extent that there is a Dispute between the Dispute Parties over the implementation of any such determination by the Authority (an "**Implementation Dispute**"), then any such Dispute Party may, subject again to the obligation to hold initial discussions in the same terms as under paragraph 3.3, refer the Implementation Dispute back to the Authority for determination.
- 4.7 Following a determination under this paragraph 4, each Dispute Party shall take such steps as are required to give full and timely effect to that determination including, without limitation, issuing, withdrawing or modifying any document, notice, plan or process or taking any other steps required pursuant to this Code.

5. REFERRALS TO ARBITRATION

- 5.1 Subject to paragraph 3, a Dispute Party may, unless otherwise specified in this Code, refer:
- 5.1.1 a Dispute that is specifically designated for referral to arbitration under this Code;
or
 - 5.1.2 any other Dispute not referable to the Authority under paragraph 4.1,
- to arbitration pursuant to the applicable rules of the Electricity Arbitration Association in force from time to time by issuing a Reference Notice to the Electricity Arbitration Association and to each of the other Dispute Parties and the Authority.

- 5.2 Whatever the nationality, residence or domicile of any Dispute Party and wherever the Dispute arose, the law of England shall be the proper law of reference to arbitration under this paragraph 5 and, in particular (but not so as to derogate from the generality of the foregoing), the provisions of the Arbitration Act 1996 shall apply to any such arbitration wherever it or any part of it shall be conducted save as prescribed below.
- 5.3 Subject to paragraph 5.4 the Parties hereby consent to the President of the Electricity Arbitration Association deciding at his discretion and ensuring, so far as practicable, that the proceedings relating to such a decision are managed effectively, fairly and expeditiously:
- 5.3.1 following the same process as set out in Article 13 of the Electricity Arbitration Association rules in respect of pending arbitrations, that two or more disputes referred to it for arbitration (whether pending or underway), be consolidated or otherwise heard together (whether or not such disputes are all Disputes or a Dispute and any dispute(s) referred under an Other Code), where a Party (or Other Code Party to a dispute under an Other Code) so requests in writing to the Electricity Arbitration Association copied to each of the other Parties and relevant Other Code Parties setting out the reasons for such consolidation; or
- 5.3.2 that a dispute referred to it (whether pending or underway and whether a Dispute or a dispute referred to it under an Other Code) be stayed for a period not exceeding three months after the referral of such dispute to the Electricity Arbitration Association, pending resolution of another dispute referred to it (whether pending or underway and whether a Dispute or a dispute referred under an Other Code).
- 5.4 The consent of the Parties under paragraph 5.3.1 shall be deemed not to have been given where a request for consolidation thereunder is received by the Electricity Arbitration Association more than three months (or such other period as the Electricity Arbitration Association may at its discretion determine) after the referral of any Dispute or Other Code dispute to the Electricity Arbitration Association which is the subject of such request.
- 5.5 Any arbitrator or panel of arbitrators appointed by the Electricity Arbitration Association rules under this paragraph 5 shall determine such issues as are referred to him or them consistently with any determination by the Authority of a Dispute under paragraph 4, whether or not relating to the same or different facts.
- 5.6 The arbitrator of a Dispute under this paragraph 5 may order that the arbitration be stayed pending approval of a proposal to amend the Code under the Code Amendment Procedures by the Authority.
- 5.7 Subject to any order of the arbitrator, the Dispute Parties shall keep confidential and not use for any collateral or ulterior purpose the subject matter of the arbitration and all information, documents and materials produced for, or arising in relation to the arbitration including any relief granted save insofar as is necessary to enforce any such relief.

- 5.8 The arbitrator may make any award concerning the costs of the parties or the costs of the arbitration as he considers appropriate.
- 5.9 The determination of an arbitrator under this paragraph 5 shall be final and binding on the Dispute Parties.
- 5.10 Following a determination under this paragraph 5, each Dispute Party shall take such steps as are required to give effect to that determination including, without limitation, under this Code.

SECTION J: INTERPRETATION AND DEFINITIONS

1. INTRODUCTION

- 1.1 This Section J sets out the general rules to be applied in interpreting this Code and any TO Construction Agreement and the defined terms used in this Code (other than those defined elsewhere in this Code).

2. INTERPRETATION AND CONSTRUCTION

- 2.1 In this Code and in each TO Construction Agreement:

2.1.1 the interpretation rules in this paragraph 2; and

2.1.2 the words and expressions defined in paragraph 3,

shall, unless the subject matter or context otherwise requires or is inconsistent therewith, apply.

- 2.2 If in order to comply with any obligation in the Code or any TO Construction Agreement any Party is under a duty to obtain, or in the case of NGET (where appropriate) procure that a User so obtain, the consent or approval (including any statutory licence or permission) ("**the Consent**") of a third party (or the Consent of another Party) such obligation shall be deemed to be subject to the obtaining of such Consent which the Party requiring the Consent shall use its reasonable endeavours to obtain or, in the case of NGET (where appropriate) procure that a User obtain, including (if there are reasonable grounds therefor) pursuing any appeal in order to obtain such Consent.

- 2.3 If such Consent is required from any Party then such Party shall grant such Consent unless it is unable to do so or it would be unlawful for it to do so provided that such grant by such Party may be made subject to such reasonable conditions as such Party shall reasonably determine.

- 2.4 For the avoidance of doubt if the Party who is under a duty to obtain, or in the case of NGET (where appropriate) to procure that a User so obtain, such Consent fails to obtain such Consent having complied with this paragraph 2, the obligation on that Party (in relation to which such Consent is required) shall cease.

- 2.5 Without limitation to paragraphs 2.2, 2.3 or 2.4, each Party shall, to the extent reasonably practicable, comply with any request from a Party for advice or assistance in connection with seeking, obtaining or maintaining Consents.

- 2.6 In this Code and in each TO Construction Agreement:

2.6.1 unless the context otherwise requires, all references to a particular paragraph, Part, Section, Schedule or Annex shall be a reference to that paragraph, Part, Section, Schedule or Annex in or to the Code;

- 2.6.2 a table of contents, headings and introductions are inserted for convenience only and shall be ignored in construing the Code or a TO Construction Agreement as the case may be;
- 2.6.3 references to the word "include" or "including" are to be construed without limitation to the generality of the preceding words;
- 2.6.4 a reference to an Act of Parliament or any part or section or other provision or schedule to an Act of Parliament is a reference to that Act of Parliament and to all orders, regulations, instruments or other subordinate legislation made under or deriving validity from the relevant Act of Parliament;
- 2.6.5 unless the context otherwise requires, any reference to an Act of Parliament, statutory provision, subordinate legislation or code ("**Legislation**") is a reference to such Legislation as amended and in force from time to time and to any Legislation which re-enacts or consolidates (with or without modification) any such Legislation; and
- 2.6.6 references to the masculine shall include the feminine and references in the singular shall include the plural and vice versa and words denoting persons shall include any individual, partnership, firm, company, corporation, joint venture, trust, association, organisation or other entity, in each case whether or not having separate legal personality.

3. DEFINITIONS

The following terms shall have the following meanings:

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| "Accession Agreement" | an agreement in the form set out in Schedule One whereby a Party Applicant accedes to the Framework Agreement; |
| "Act" | the Electricity Act 1989; |
| "Active Power" | As defined in the Grid Code |
| "Affiliate" | as defined in Standard Condition A1; |
| "Agreed Transitional Timetable" | as defined in sub-paragraph 10.1.1 of Section I; |
| "Agreement for Energisation" | A written statement produced by the Transmission Owner confirming that NGET may release an Energisation Notice to a User; |
| "Agreement for Interim Operational Notification" | A written statement produced by the Transmission Owner confirming that NGET may release an Interim Operational Notification to a User; |

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| "Alternative Amendment" | an alternative to a Proposed Amendment proposed in accordance with Section B, sub-paragraph 7.2.2.8; |
| <u>Alternate Representatives</u> | <u>Persons appointed as such pursuant to Section B, sub-paragraph 6.1A</u> |
| "Amendment Procedures" | the procedures to be followed in respect of amendments to the Code as set out in Section B, paragraph 7; |
| "Amendment Register" | the register established and maintained by the Committee Secretary in accordance with Section B, sub-paragraph 7.2.7.1; |
| "Amendment Report" | the report in respect of a Proposed Amendment or any Alternative Amendment as defined in Section B, sub-paragraph 7.2.5.11; |
| "Apparatus" | all equipment in which electrical conductors are used, supported or of which they may form a part; |
| "Applicable STC Objectives" | as defined in Standard Condition B12 <u>[and Standard Condition E12]</u> ; |
| "Approved Amendments" | Proposed Amendments including Urgent Amendment Proposals or Alternative Amendments to the Code approved by the Authority in accordance with Section B; |
| "Assessment" | the analysis and impact assessment commissioned in accordance with and as defined in Section B, sub-paragraph 7.2.5.2; |
| "Assessment and Report Phase" | the process for assessing Proposed Amendments and any Alternative Amendments and formulating an Amendment Report as set out in Section B, sub-paragraph 7.2.5; |
| "Authority" | the Gas and Electricity Markets Authority established under section 1 of the Utilities Act 2000; |
| "Back-Stop Date" | the date by which an item of Derogated Plant is to attain its Required Standard, as specified in or pursuant to a Transmission Derogation; |
| <u>"Bank Account"</u> | <u>a separately designated bank account in the name of NGET at such branch of Barclays Bank PLC, or such branch of any other bank, in the City of London as is notified by NGET to the Transmission Owner, bearing interest from (and including) the date of deposit of principal sums to (but excluding) the date of withdrawal of principal sums from such account, mandated for withdrawal of principal solely by NGET against delivery of a</u> |

Notice of Drawing for the amount demanded therein and mandated for the transfer of any interest accrued to the Bank Account to such bank account as the Transmission Owner may specify;

"Base Rate" in respect of any day, the rate per annum which is equal to the base lending rate from time to time of Barclays Bank PLC as at the close of business on the immediately preceding Business Day;

"Bi-annual Estimate" the estimate of payments required to be provided by NGET to a Transmission Owner in respect of a Construction Project and defined in respect of each Transmission Owner in its TO Construction Agreement with NGET for such Construction Project;

"Black Start" the process necessary for a recovery from a Total Shutdown or Partial Shutdown;

"BSC" as defined in Standard Condition C1 of NGET's Transmission Licence;

"BSC Framework Agreement" as defined in Standard Condition C1 of NGET's Transmission Licence;

"Business Day" any week day other than a Saturday on which banks are open for domestic business in the City of London;

"Business Personnel" any person who:

- (a) is an officer of the Party; or
- (b) is an employee of the Party, carrying out any administrative, finance or other corporate services of any kind which, wholly or in part, relate in the case of NGET, to the Main Business and in the case of a Transmission Owner, the Transmission Business; or
- (c) is engaged by or on behalf of the Party as an agent, sub-contractor or adviser to or otherwise to perform work in relation to services for in the case of NGET the Main Business and in the case of a Transmission Owner, the Transmission Business,

and **"Business Personnel"** shall be construed accordingly;

"Calendar Quarter" each of the three calendar month periods commencing on, respectively, January 1, April 1, July 1 and September 1 each

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| | calendar year; |
| "Chair" | the person appointed in accordance with and as defined in Section B, sub-paragraph 6.1.4; |
| "Change" | any addition, replacement, refurbishment, renovation, modification, alteration, construction or withdrawal; |
| "Code" | this System Operator – Transmission Owner Code, as required by Standard Condition B12 and Standard Condition E12 , as amended or modified from time to time and references to the Code include the Code as given contractual force and effect by the Framework Agreement; |
| "Code Effective Date" | the date of execution of the Framework Agreement; |
| "Code Procedures" | the procedures forming a part of this Code as more particularly defined in Section A, paragraph 2.3; |
| "Code Voting Process" | means that process set out in Section B, sub-paragraph 6.7 |
| "Code Website" | the website for the Code established and maintained by NGET; |
| "Commissioned" | Plant and Apparatus certified by the Independent Engineer as having been commissioned in accordance with the relevant Commissioning Programme; |
| "Commissioning Programme" | in relation to a particular Construction Project, as defined in the TO Construction Agreement between NGET and the Transmission Owner to whose Transmission System the Relevant Connection Site is or will be Connected; |
| "Commissioning Programme Commencement Date" | as defined for a Commissioning Programme in the TO Construction Agreement between NGET and the Transmission Owner to whose Transmission System the Relevant Connection Site is or will be Connected; |
| "Committee" | the committee established and defined under Section B, sub-paragraph 6.1.1; |
| "Committee Meeting" | a meeting of the Committee as defined in Section B, sub-paragraph 6.1.2; |
| "Committee Secretary" | the secretary appointed from time to time in accordance with Section B, sub-paragraph 6.1.3; |
| "Communications Plant" | electronic communications network infrastructure, including control telephony, used to facilitate real-time communications; |

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| "Competent Authority" | the Secretary of State, the Authority and any local or national agency, authority, department, inspectorate, minister (including Scottish ministers), ministry, official or public or statutory person (whether autonomous or not) of, or of the government of, the United Kingdom or the European Community; |
| "Completion Date" | in relation to a Construction Project, as defined in respect of each Transmission Owner in its TO Construction Agreement with NGET; |
| "Condition C17 Statement" | as defined in Section C, Part Three, paragraph 8.1; |
| "Confidential Information" | means: <ul style="list-style-type: none"> (a) in the case of NGET, any information relating to the affairs of a Transmission Owner which is furnished to NGET or its Business Personnel under this Code or any TO Construction Agreement or pursuant to a direction under section 34 of the Act or pursuant to the provisions of the Fuel Security Code; and (b) in the case of a Transmission Owner, all data and information relating to the affairs of a Party or User supplied to it or its Business under the provisions of this Code or any TO Construction Agreement or pursuant to a direction under section 34 of the Act or pursuant to the provisions of the Fuel Security Code; |
| "Connection" | a direct connection to the GB Transmission System by a User (and "Connected" shall be construed accordingly); |
| "Connection Conditions" | that part of the Grid Code which is identified as the Connection Conditions; |
| "Connection Entry Capacity" | the figure specified as such for a Connection Site and each Generating Unit as set out in the relevant NGET Construction Application; |
| "Connection Point" | as defined in the Grid Code as at the Code Effective Date; |
| "Connection Site" | each location at which User Equipment and Transmission Connection Assets required to connect that User to the GB Transmission System are situated. If two or more Users own or operate Plant and Apparatus which is connected at any particular location that location shall constitute two (or the appropriate number of) Connection Sites; |
| "Connection Site" | as defined in Section D, Part One, sub-paragraph 2.6.1; |

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| Specification" | |
| "Consents" | in relation to a particular Construction Project, as defined in the relevant TO Construction Agreement, and otherwise as defined in this Section J, paragraph 2.2; |
| "Construction Assumptions Date" | <p>in respect of each Transmission Owner, the date on which such Transmission Owner:</p> <p>(a) receives Construction Planning Assumptions from NGET pursuant to Section D, Part Two, paragraph 3.2; or</p> <p>(b) receives notice that NGET does not intend to generate a set of Construction Planning Assumptions under Section D, Part Two, paragraph 3.3,</p> <p>in relation to the Construction Project to which such Construction Planning Assumptions apply;</p> |
| "Construction Party" | as defined in Section D, Part Two, paragraph 2.2; |
| "Construction Planning Assumptions" | The background comprising information held by NGET relating to the GB Transmission System, [and User System(s) (as appropriate)], including data submitted pursuant to or included within the Grid Code, CUSC Contracts and any other data held by NGET. |
| "Construction Project" | as defined in Section D, Part Two, paragraph 2.1; |
| "Core Industry Document" | as defined in Standard Condition A1; |
| "Current User" | as defined in sub-paragraph 8.2.1 of Section I; |
| "Current User Application" | as defined in sub-paragraph 8.2.3 of Section I; |
| "CUSC" | as defined in Standard Condition C1 of NGET's Transmission Licence; |
| "CUSC Contract" | as defined in the Grid Code; |
| "CUSC Framework Agreement" | as defined in Standard Condition C1 of NGET's Transmission Licence; |
| "CUSC Party" | as defined in Standard Condition A1; |
| "Customer" | a person to whom electrical power is provided (whether or not he is the provider of such electrical power) other than power to meet Station Demand of that person; |

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| "Data Registration Code" | that part of the Grid Code that is identified as the Data Registration Code; |
| <u>"DC Converter"</u> | <u>As defined in the Grid Code</u> |
| "Decommissioning Actions" | the procedures, processes and steps required to be taken by Parties as defined in Section B, sub-paragraph 5.1.3; |
| "Decreasing User" | a User considering a reduction in their TEC to enable the Increasing User to increase their TEC as part of a TEC Trade; |
| "De-energisation" | the movement of any isolator, breaker or switch or the removal of any fuse whereby no electricity can flow to or from the relevant System through User Equipment; |
| "Default Interest Rate" | the Base Rate at the due date for payment of an amount under the Code plus two per cent per annum; |
| "Default Planning Boundary" | the boundary between a Transmission Owner's Transmission System and a User System that is considered as the default by the Transmission Owner for the purpose of planning and developing the GB Transmission System in relation to Construction Projects at a Relevant Connection Site and determined in accordance with Section D, Part One, paragraph 3; |
| "Derogated Plant " | Plant or Apparatus which is the subject of a Transmission Derogation; |
| "De-Synchronised Island Procedure" | as defined in the Grid Code as at the Code Effective Date; |
| "Directive" | includes any present or future directive, requirement, instruction, direction or rule of any Competent Authority, (but only, if not having force in law, if compliance with the Directive is in accordance with the general practice of persons to whom the Directive is addressed) and includes any modification, extension or replacement thereof then in force; |
| "Disclose" | disclose, reveal, report, publish or transfer by any means and "Disclosure" and "Disclosing" shall be construed accordingly; |
| "Dispute" | a failure to agree or other dispute between the Parties under or otherwise arising in relation to the subject matter of the Code or a TO Construction Agreement including, without limitation, a dispute involving a breach or alleged breach of this Code or a TO Construction Agreement; |

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| "Dispute Notice" | a notice sent to the Authority and each of the other Dispute Parties in order to raise a Dispute under Section H, paragraph 3.2 setting out the details of the Dispute; |
| "Dispute Parties" | a Party initiating a Dispute and each other Party which is, or is likely to be, materially affected by such Dispute; |
| "Distribution Code(s)" | the distribution code(s) drawn up pursuant to Distribution Licences as from time to time revised in accordance with such licences; |
| "Distribution Licence" | a licence issued under section 6(1)(c) of the Act; |
| "Distribution System" | as defined in the CUSC as at the Code Effective Date; |
| "Earthing" | as defined in the Grid Code as at the Code Effective Date; |
| "Effective Date" | In relation to each TO Construction Agreement, unless otherwise agreed between the relevant Parties, the date of execution of such TO Construction Agreement; |
| "Electricity Arbitration Association" | the unincorporated members' club of that title formed inter alia to promote the efficient and economic operation of the procedure for the resolution of disputes within the electricity supply industry by means of arbitration or otherwise in accordance with its arbitration rules; |
| "Embedded User" | any User whose User Equipment is not Connected; |
| "Emergency Return to Service Time" | the period of time required for a Transmission Owner to restore the part(s) of a Transmission System affected by an Outage so that such part(s) or any other relevant parts of the Transmission System can again be made available, to the extent identified in the Outage Plan, for the purpose of conveying and affecting the flow of electricity pursuant to Section C, Part Two, sub-paragraph 3.7.7; |
| "Energisation" | the movement of any isolator, breaker or switch or the insertion of any fuse so as to enable Energy to flow from and to the relevant System through Equipment (and "Energised" shall be construed accordingly); |
| "Energy" | the electrical energy produced, flowing or supplied by an electric circuit during a time interval, being the integral with respect to time of the power, measured in units of watt-hours or standard multiples thereof i.e. |

1000 Wh = 1kWh

1000 kWh = 1 MWh

1000MWh = 1 GWh

1000 GWh = 1 TWh

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| "Engineering Charges" | the charges levied, by each Transmission Owner, in relation to a NGET Construction Application or NGET Request for a Statement of Works; |
| "Evaluation Phase" | the phase for evaluation of Proposed Amendments and any Alternative Amendments under Section B, sub-paragraph 7.2.4; |
| "Event" | an unscheduled or unplanned occurrence on, or relating to, a Transmission System including, without limitation, faults, incidents, breakdowns and adverse weather conditions; |
| "Exchange Rate Request" | as defined in the CUSC as at the Code Effective Date; |
| "Exemption" | an exemption granted under section 5 of the Act; |
| "External Interconnections" | as defined in the Grid Code as at the Code Effective Date; |
| "Financial Year" | the period of 12 months ending on 31 March in each calendar year; |
| "Flexibility Parameters" | as defined in Section C, Part Two, paragraph 3.7; |
| "Force Majeure" | in relation to any Party, any event or circumstance which is beyond the reasonable control of such Party and which results in or causes the failure of that Party to perform any of its obligations under the Code including act of God, strike, lockout or other industrial disturbance, act of the public enemy, war declared or undeclared, threat of war, terrorist act, blockade, revolution, riot, insurrection, civil commotion, public demonstration, sabotage, act of vandalism, lightning, fire, storm, flood, earthquake, accumulation of snow or ice, lack of water arising from weather or environmental problems, explosion, fault or failure of Plant and Apparatus (which could not have been prevented by Good Industry Practice), governmental restraint, Act of Parliament, other legislation, bye law and Directive (not being any order, regulation or direction under sections 32, 33, 34 and 35 of the Act) provided that lack of funds or performance or non-performance by an Other Code Party shall not be interpreted as a cause beyond the reasonable control of that Party; |

Construction Cost

point of acceptance of an Offshore TO Construction Offer;

"Framework Agreement"

the agreement of that title, in the form approved by the Secretary of State, by which this Code is made contractually binding between the parties to that agreement, as amended from time to time with the approval of the Secretary of State;

"Fuel Security Code"

the Code of that name designated by the Secretary of State, as from time to time modified in accordance with the Transmission Licences ;

"GB Transmission System"

as defined in Standard Condition A1;

"GB Transmission System Performance Report"

as defined in Section C, Part Three, paragraph 8.5;

"GB Transmission System Performance Report Timetable"

as defined in Section C, Part Three, paragraph 8.3;

"Generating Unit"

unless otherwise provided in the Grid Code as at the Code Effective Date any Apparatus which produces electricity;

"Generator"

a person who generates electricity under licence or exemption under the Act;

"Go Live Date"

the date which the Secretary of State indicates in a direction shall be the BETTA go-live date;

"Good Industry Practice"

in relation to any undertaking and any circumstances, the exercise of that degree of skill, diligence, prudence and foresight which would reasonably and ordinarily be expected from a skilled and experienced operator engaged in the same type of undertaking under the same or similar circumstances;

"Great Britain" or "GB"

England and Wales and Scotland;

"Grid Code"

the code of that name drawn up pursuant to NGET's Transmission Licence, as from time to time modified in accordance with NGET's Transmission Licences;

Group

means, in respect of each Party Category and subject to Section B, sub-paragraph 6.7.3, each Party that is a member of that Party Category collectively with that Party's Affiliates (if any) who are also members of that Party Category.

"High Voltage" or "HV"

as defined in the Grid Code as at the Code Effective Date;

"Implementation Date"

the date proposed as the date for the implementation of a Proposed Amendment or any Alternative Amendment in

accordance with and as defined in Section B, sub-paragraph 7.2.5.8(e);

"Implementation Dispute"

as defined in Section H, paragraph 4.6;

"Increasing User"

a User considering an increase in their TEC as a direct result of a reduction in the Decreasing User's TEC as part of a TEC Trade;

"Independent Engineer"

the engineer specified as such in a TO Construction Agreement. Provided that:

- (a) where the Parties to the TO Construction Agreement fail to agree on a suitable engineer within 120 days of the date of the TO Construction Agreement; or
- (b) where any Independent Engineer appointed from time to time shall fail, refuse or cease to act in a capacity set out in the TO Construction Agreement and no substitute engineer of suitable standing and qualification can be agreed by the Parties to the TO Construction Agreement within 30 calendar days;

then such engineer as the President of the Institution of Electrical Engineers shall, on the application of either Party, nominate shall be the Independent Engineer.

"Intellectual Property Rights"

patents, trade marks, service marks, rights in designs, trade names, copyrights and topography rights (whether or not any of the same are registered and including applications for registration of any of the same) and rights under licences and consents in relation to any of the same and all rights or forms of protection of a similar nature or having equivalent or similar effect to any of the same which may subsist anywhere in the world;

"Interface Point"

as the context admits or requires either;

- (a) the electrical point of connection between an Offshore Transmission System and an Onshore Transmission System, or
- (b) the electrical point of connection between an Offshore Transmission System and an Onshore Distribution System;

"Interface Point Capacity"

The maximum amount of Active Power transferable at the Interface Point as declared by an Offshore Transmission

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| <p><u>Owner, expressed in whole MW.</u></p> | |
| <p><u>Each Offshore Transmission Owner shall ensure that the Interface Point Capacity it declares to NGET is such that it is not less than the sum of the declared Transmission Entry Capacities of each Power Station connected to that Offshore Transmission Owner's Offshore Transmission System when all such Offshore Transmission Plant and Apparatus is in service.</u></p> | |
| <p>"Interim Operational Notification"</p> | <p>Certification issued by NGET to the User from time to time to allow the User Equipment to be, or remain, synchronised.</p> |
| <p>"Interim SYS"</p> | <p>the interim GB SYS referred to in Standard Condition C11 of NGET's Transmission Licence;</p> |
| <p>"Interconnector"</p> | <p>as defined in the BSC as at the Code Effective Date;</p> |
| <p>"Interface Agreement"</p> | <p>an agreement entered into by a Transmission Owner with a User pursuant to Section C, Part Three, paragraph 3.1 <u>or an agreement entered into by a Transmission Owner with another Transmission Owner pursuant to Section C, Part Three, paragraph 3.2;</u></p> |
| <p><u>"Intermittent Power Source"</u></p> | <p><u>As defined in the Grid Code</u></p> |
| <p>"Investigation Party"</p> | <p>as defined in Section C, Part Three, sub-paragraph 4.2.1;</p> |
| <p>"Isolation"</p> | <p>as defined in the Grid Code as at the Code Effective Date;</p> |
| <p>"Joint Investigation"</p> | <p>an investigation conducted jointly by Investigation Parties and, where relevant, other persons into a Significant Incident or Related Significant Incidents under Section C, Part Three, paragraph 4.2;</p> |
| <p>"Joint Project Party"</p> | <p>as defined in Section D, Part Two, paragraph 8.1;</p> |
| <p>"Legal Requirement"</p> | <p>any Act of Parliament, regulation, licence or Directive;</p> |
| <p>"Legislation"</p> | <p>as defined in paragraph 2.6.5 of this Section J;</p> |
| <p><u>"Letter of Credit"</u></p> | <p><u>a) in respect of Section D, Paragraph 8.4.2 shall mean an irrevocable standby letter of credit in a form reasonably satisfactory to NGET but in any case expressed to be governed by the Uniform Customs and Practice for Documentary Credits 1993 Revision ICC Publication No. 500 or such other form as may be reasonably satisfactory to NGET and allowing for partial drawings and providing for the payment to NGET on demand</u></p> |

forthwith on and against NGET's delivery to the issuer thereof of a Notice of Drawing of the amount demanded therein;

(b) in all other cases shall mean an unconditional irrevocable standby letter of credit in such form as NGET may reasonably approve issued for the account of the Transmission Owner in sterling in favour of NGET, allowing for partial drawings and providing for the payment to NGET forthwith on demand by any United Kingdom clearing bank or any other bank which in each case has a long term debt rating of not less than single "A" by Standard and Poor's Corporation or by Moody's Investors Services, or such other bank as NGET may approve and which shall be available for payment at a branch of the issuing bank

"Licence Standards"

the standards and requirements, in respect of each Party, referred to in its Transmission Licence and in accordance with which:

(a) such Party is required to plan and develop its Transmission System; and

(b) NGET is required to co-ordinate and direct the flow of electricity onto and over the GB Transmission System,

as varied from time to time in respect of a Transmission Owner by a Transmission Derogation or, in the case of NGET, by any relevant direction issued by the Authority;

"Liquidated Damages"

as defined separately between NGET and each Transmission Owner undertaking Works as part of a Construction Project in an applicable TO Construction Agreement;

"Local Joint Restoration Plan"

as defined in the Grid Code as at the Code Effective Date;

"Local Safety Instructions"

as defined in the Grid Code as at the Code Effective Date;

"Local Switching Procedure"

as defined in the Grid Code as at the Code Effective Date;

"Low Voltage" or "LV"

as defined in the Grid Code as at the Code Effective Date;

"Main Business"

any business of NGET as at the Code Effective Date and any business which NGET must carry out under its Transmission Licence;

"Material Effect"

where used in relation to the identification of a Modification only, shall mean an effect causing:

- (a) NGET or a Transmission Owner to effect any works or to alter the manner of operation of Transmission Plant or Transmission Apparatus at a Connection Site; or
- (b) a User to effect any works or to alter the manner of operation or Plant or Apparatus at the Connection Site or the site of connection,

which, in either case, involves NGET or the relevant Transmission Owner or User in expenditure of more than £10,000;

The phrase "material effect" where otherwise used in the Code shall not be construed as being so limited.

"Medium Voltage" or "MV"

as defined in the Grid Code as at the Code Effective Date;

"Modification"

any:

- (a) actual or proposed replacement, renovation, modification, alteration, or construction by or on behalf of a User or a Transmission Owner to either the User's Plant or Apparatus or the manner of its operation or the Transmission Owner's Transmission Plant or Transmission Apparatus or the manner of its operation which in either case has or may have a Material Effect on a User at a particular Connection Site;
- (b) Replacement of Assets (irrespective of whether such Replacement of Assets has a Material Effect on a User at a particular Connection Site); or
- (c) increase in Transmission Entry Capacity, not otherwise associated with the construction or modification of User Equipment, requested by a User under the CUSC;~~or~~
- (d) Transmission Construction Works associated with an earlier Request for a Statement of Works; or
- (e) a material change in the Construction Planning Assumptions concerning the proposed design of an Offshore Transmission System upon which an accepted TO Construction Offer was based;

"Network Operator"

as defined in the Grid Code as at the Code Effective Date;

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| "New Connection" | a new or proposed Connection for which NGET has received a User Application but in respect of which a New Connection Site has not yet become Connected and Energised; |
| "New Connection Site" | the proposed Connection Site for a New Connection; |
| "New Construction Planning Assumptions" | as defined in sub-paragraph 9.2.1 of Section I; |
| "New Transitional Application" | as defined in sub-paragraph 9.1.3 of Section I; |
| <u>"New Transmission Interface Site"</u> | <u>a new or proposed Transmission Interface Site but in respect of which such New Transmission Interface Site has not yet become Connected and Energised;</u> |
| "NGET" | National Grid Electricity Transmission plc (No 2366977) whose registered office is at 1-3 Strand, London WC2N 5EH; |
| "NGET Application Date" | in respect of each Transmission Owner, the date on which such Transmission Owner receives an effective NGET Construction Application or NGET Request for a Statement of Works in relation to a Construction Project; |
| <u>"NGET Charges"</u> | <u>charges comprising the Offshore Construction Securities and Offshore Compensation Amounts</u> |
| "NGET Connection Application" | an application made by NGET to a Transmission Owner pursuant to Section D, Part Two, paragraph 2.2 in relation to the construction of a New Connection Site and containing the information set out in Schedule Five; |
| "NGET Construction Application" | as defined in Section D, Part Two, sub-paragraph 2.1.2; |
| "NGET Investment Plan" | as defined in Section D, Part One, sub-paragraph 2.1.4; |
| "NGET Modification Application" | an application made by NGET to a Transmission Owner pursuant to Section D, Part Two, paragraph 2.2 in relation to the construction of a Modification and containing the information set out in Schedule Six; |
| "NGET Request for a Statement of Works" | an application made by NGET to a Transmission Owner pursuant to Section D, Part Four, paragraph 1.1 in relation the assessment of the impact on the GB Transmission System of a Power Station connecting to a Distribution System and containing the information set out in Schedule 13; |
| NGET TEC Exchange Rate | an application made by NGET to a Transmission Owner |

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| Application | pursuant to Section D, Part Three, paragraph 1.1 in relation to the calculation of a TO TEC Exchange Rate and containing the information set out in Schedule 11; |
| "Non-Embedded Customer" | as defined in the CUSC as at the Code Effective Date; |
| "Non-Performing Party" | a Party that is unable to carry out any of its obligations under the Code in accordance with Section G, paragraph 8.1; |
| "Normal Capability Limits" | as defined in Section C, Part One, sub-paragraph 3.1.1; |
| <u>"Normal Operating Range"</u> | <p><u>Subject as provided below, the voltage on the 400kV part of the Onshore Transmission System at each Interface Point with an Offshore Transmission System will normally remain within $\pm 5\%$ of the nominal value unless abnormal conditions prevail. The minimum voltage is -10% and the maximum voltage is $+10\%$ unless abnormal conditions prevail, but voltages between $+5\%$ and $+10\%$ will not last longer than 15 minutes unless abnormal conditions prevail. Voltages on the 275kV and 132kV parts of the Onshore Transmission System at each Interface Point with an Offshore Transmission System will normally remain within the limits $\pm 10\%$ of the nominal value unless abnormal conditions prevail. At nominal System voltages below 132kV the voltage of the Onshore Transmission System at each Interface Point with an Offshore Transmission System will normally remain within the limits $\pm 6\%$ of the nominal value unless abnormal conditions prevail. Under fault conditions, voltage may collapse transiently to zero at the point of fault until the fault is cleared.</u></p> <p><u>NGET and an Offshore Transmission Owner may agree greater or lesser variations in voltage to those set out above in relation to a particular Interface Point, and insofar as a greater or lesser variation is agreed, the relevant figure set out above shall, in relation to that Offshore Transmission System at the particular Interface Point, be replaced by the figure agreed;</u></p> |
| <u>"Notice of Drawing"</u> | <u>a notice of drawing signed by or on behalf of NGET substantially in the form set out in Schedule xx</u> |
| <u>"Offshore"</u> | <u>means in the Offshore Waters [and when used in conjunction with another term and not defined means that the associated term is to be read accordingly];</u> |
| <u>["Offshore Compensation Amounts"]</u> | <u>[as defined in Section E, sub-paragraph 3.1.2;]</u> |
| <u>["Offshore Construction Securities"]</u> | <u>[as defined in Section E, sub-paragraph 3.1.1;]</u> |

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| <u>“Offshore Tender Regulations”</u> | <u>Those regulations made by the Authority in accordance with section 6C of the Act to facilitate the determination on a competitive basis of the person to whom an offshore transmission licence is to be granted</u> |
| <u>“Offshore TO Construction Agreement”</u> | <u>As defined in Schedule [insert schedule number for Offshore TOCA], sub-paragraph x.xx</u> |
| <u>“Offshore Construction Secured Amount”</u> | <u>The amount to be secured by the Offshore Transmission Owner under Section D, paragraph 8.1</u> |
| <u>“Offshore Transmission Owner”</u> | <p><u>Either,</u></p> <ul style="list-style-type: none"> <u>(a) such person in relation to whose Transmission Licence the Standard Conditions in Section E (offshore transmission owner standard conditions) have been given effect; or,</u> <u>(b) A Party who has acceded to this Code prior to the grant of a Transmission Licence referred to in (a) above as a requirement of the Offshore Tender Regulations</u> |
| <u>“Offshore Waters”</u> | <u>has the meaning given to “offshore waters*” in Section 90(9) of the Energy Act 2004;</u> |
| “One Off Works” | the works described as such in a TO Construction Agreement; |
| <u>“Onshore”</u> | <u>means within Great Britain excluding Offshore [and when used in conjunction with another term and not defined means that the associated term is to be read accordingly];</u> |
| <u>“Onshore TO Construction Agreement”</u> | <u>as defined in Schedule Eight, sub-paragraph 1.1.3;</u> |
| <u>“Onshore Transmission Owner”</u> | <u>Scottish Hydro-Electric Transmission Limited or SP Transmission Limited or such other person in relation to whose Transmission Licence the Standard Conditions in Section D (transmission owner standard conditions) have been given effect;</u> |
| "Operating Code" | that part of the Grid Code which is identified as the Operating Code; |
| "Operational" | in relation to Works undertaken by a Transmission Owner as part of a Construction Project, means that such Works have been completed and, in the case of Works at a Connection Site, Commissioned so that, subject to any Works being undertaken by NGET or another Transmission Owner, the User can use the GB Transmission System and any User Equipment the subject of the Construction Project to undertake those acts and things capable of being undertaken pursuant to the CUSC; |

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| "Operational Capability Limits" | as defined in Section C, Part One, paragraph 4.3; |
| "Operational Effect" | an effect which causes the GB Transmission System to operate (or be at a materially increased risk of operating) differently to the way in which it would or may have normally operated in the absence of such effect; |
| "Other Code" | as the context admits or requires, any of the CUSC, CUSC Framework Agreement, Grid Code, BSC, BSC Framework Agreement and any agreement entered into pursuant to any of these; |
| "Other Code Party" | other than NGET, a party (including its officers, employees or agents) to or under any Other Code; |
| "Outage" | (as the context admits or requires): <ul style="list-style-type: none"> (a) a planned temporary reduction in the extent to which Transmission Services are provided by a Transmission Owner pursuant to Section C, Part One, paragraph 2.1; or (b) a planned temporary withdrawal from service (either partially or completely) of NGET Plant and Apparatus in England and Wales comprising part of the GB Transmission System; |
| "Outage Change" | has the meaning given in the Transmission Licence; |
| "Outage Implementation Process" | as defined in Section C, Part Two, paragraph 6.1; |
| "Outage Plan" | the plan for the placement of Outages for each Financial Year developed and maintained by NGET in accordance with Section C, Part Two; |
| "Outage Proposal" | the proposal in respect of proposed Outages for each Financial Year developed, maintained and submitted to NGET by each Transmission Owner in accordance with, and including those matters set out in, Section C, Part Two; |
| "Part" | a part of this Code as referred to herein; |
| "Partial Shutdown" | the same as a Total Shutdown except that all generation has ceased in a separate part of the Total System and there is no electricity supply from External Interconnections or other parts of the Total System to that part of the Total System and, therefore that part of the Total System is shutdown, with the result that it is not possible for that part of the Total System to |

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| | begin to function again without NGET's directions relating to Black Start; |
| "Party" | as defined in Section B, paragraph 2.1; |
| "Party Applicant" | a Transmission Licensee or person obliged by the Offshore Tender Regulations wishing to enter into the Framework Agreement; |
| <u>"Party Category"</u> | means, as the context requires, one of the following categories: (a) NGET; (b) Scottish Hydro Electric Transmission Limited; (c) SP Transmission Limited; and (d) the Offshore Transmission Owner Parties collectively; |
| "Party Details" | the details required from a Party and Party Applicant under Section B, sub-paragraph 3.1.2 and paragraph 4.1 as applicable; |
| "Party Entry Processes" | the procedures, processes and steps required to be taken by a Party on entry to the Code as defined in Section B, sub-paragraph 3.2.3; |
| "Party Liable" | as defined in Section G, paragraph 4.2; |
| "Party Representatives" | the representatives of the Parties as defined in Section B, sub-paragraph 6.1.2; |
| "Paying Party" | as defined in Section E, paragraph 3.1; |
| "Permitted Activities" | activities carried on by: (a) NGET, for the purposes of its Main Business; and (b) a Transmission Owner, for the purpose of its Transmission Business; |
| <u>"Performance Bond"</u> | an on first demand without proof or conditions irrevocable performance bond or performance guarantee executed as a deed in a form reasonably satisfactory to NGET but in any case allowing for partial drawings and providing for the payment to NGET on demand forthwith on and against NGET delivery to the issuer thereof of a Notice of Drawing of the amount demanded therein; |
| "Planned Works" | as defined in Section D, Part One, sub-paragraph 2.1.2.3; |
| "Planning Assumptions" | in respect of each Transmission Owner: |

- (a) NGET's forecasts of power flows onto and off the Transmission Owner's Transmission System under conditions which NGET reasonably foresees will arise in the course of a Financial Year; or
- (b) information which NGET reasonably considers is necessary to allow the Transmission Owner to forecast power flows on to and off a Transmission Owner's Transmission System under conditions which NGET reasonably foresees will arise in the course of a Financial Year of operation,

developed, in each case, in accordance with Schedule Three;

"Planning Code"

that part of the Grid Code which is identified as the Planning Code;"

"Plant"

fixed and moveable items used in the generation and/or supply and/or transmission of electricity other than Apparatus;

"Power Factor"

As defined in the Grid Code;

"Power Station"

as defined in the CUSC as at the Code Effective Date;

"Proceedings"

as defined in Section G, paragraph 17.1;

"Progress Report"

the progress report prepared and submitted by the Committee in accordance with Section B, sub-paragraph 7.2.8.1;

"Proposed Amendment"

a proposed amendment to this Code as defined at Section B, sub-paragraph 7.2.2.3;

"Proposed Amendment Report"

the proposed form of the Amendment Report developed in accordance with and as defined in Section B, sub-paragraph 7.2.5.8;

"Proposer"

a Party or other person making a proposal for an amendment to the Code as defined in Section B, paragraph 7.2.2.1;

"Protection"

as defined in the Grid Code as at the Code Effective Date;

"Qualified Bank"

a City of London branch of a bank, its successors and assigns, which has throughout the validity period of the Performance Bond or Letter of Credit it issues in favour of NGET, a rating of at least A- in Standard and Poor's long term debt rating or A3 in Moody's long term debt rating provided that such bank is not during such validity period put on any credit watch or any

similar credit surveillance which gives NGET reasonable cause to doubt that such bank may not be able to maintain the aforesaid rating throughout the validity period and no other event has occurred which gives NGET reasonable cause to have such doubt;

"Qualified Company"

a company which is a public company or a private company within the meaning of section 1(3) of the Companies Act 1985 and which is either :

(a) a shareholder of the User or any holding company of such shareholder-or

(b) any subsidiary of any such holding company, but only where the subsidiary

(i) demonstrates to The Company's satisfaction that it has power under its constitution to give a Performance Bond other than in respect of its subsidiary;

(ii) provides an extract of the minutes of a meeting of its directors recording that the directors have duly concluded that the giving of the Performance Bond is likely to promote the success of that subsidiary for the benefit of its members;

(iii) provides certified copies of the authorisation by every holding company of the subsidiary up to and including the holding company of the User, of the giving of the Performance Bond,

(the expressions "holding company" and "subsidiary" having the respective meanings assigned thereto by section 736, Companies Act 1985 as supplemented by section 144(3), Companies Act 1989) and which has throughout the validity period of the Performance Bond it gives in favour of The Company, a rating of at least A- in Standard and Poor's long term debt rating or A3 in Moody's long term debt rating or such lesser rating which The Company may in its absolute discretion allow by prior written notice given pursuant to a resolution of its board of directors for such period and on such terms as such resolution may specify provided that such company is not during such validity period put on any credit watch or any similar credit surveillance procedure which gives The Company reasonable cause to doubt that such company may not be able to maintain the aforesaid rating throughout the validity period of the Performance Bond and no other event has occurred which

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| | gives The Company reasonable cause to have such doubt; |
| "Quorum" | the quorum required for a Committee Meeting as defined in Section B, sub-paragraph 6.4.5; |
| | "Reactive Power" |
| "Reasonable Charges" | As defined in the Grid Code; reasonable cost reflective charges comparable to charges for similar services obtainable in the open market; |
| "Receiving Party" | as defined in Section E, paragraph 3.1; |
| "Reference Notice" | a notice sent to the Authority or the Electricity Arbitration Association (as appropriate) and copied to each other Dispute Party in relation to a Dispute under Section H, paragraphs 4.1 or 5.1 setting out details of the Dispute; |
| "Regulations" | the Electricity Safety, Quality and Continuity Regulations 2002; |
| "Related Significant Incidents" | a series of Significant Incidents in which one or more Significant Incidents cause or exacerbate one or more other Significant Incidents; |
| "Related Undertaking" | as defined in Standard Condition A1; |
| "Relevant Connection Site" | in respect of each Construction Project, Exchange Rate Request or Request for a Statement of Works: <ul style="list-style-type: none"> (a) the Connection Site or New Connection Site which is the subject of the relevant User Application; or (b) in the case of a User Application made to NGET by an Embedded User, the connection site of such Embedded User; |
| "Relevant Instrument" | any or, as the context may require, a particular one of the following: <ul style="list-style-type: none"> (a) the Act and all subordinate legislation made under the Act; (b) the Data Protection Act 1998 and all subordinate legislation made under it; (c) any Transmission Licence and any determination or notice made or issues by the Authority pursuant to the terms thereof, <p>and whether under any of the foregoing or otherwise, all authorisations, approvals, licences, exemptions, filings, registrations, notarisations, consents, guidelines and other</p> |

matters which are required or which a Party acting in accordance with Good Industry Practice would obtain or comply with for the purposes of the Code, of or from any Competent Authority;

"Relevant Parties"

the Parties to a Code Procedure or proposed new Code Procedure;

"Relevant Party Category"

means, as the context requires, a Party Category containing at least one Relevant Party

"Replacement of Assets"

any replacement of Transmission Connection Assets by NGET or a Transmission Owner which is the subject of, or otherwise requires, notice to be given by NGET to a User under and pursuant to the CUSC;

"Request for a Statement of Works"

an application made by a User to NGET under and pursuant to the CUSC in order that the impact on the GB Transmission System of a Power Station connecting to that User's Distribution System may be assessed;

"Required Standard"

in relation an item of Derogated Plant, the respective standard required of that item (which shall not exceed that required by the Grid Code or the Licence Standard(s) as specified in or pursuant to a Transmission Derogation);

"Safety Co-ordinators"

As defined in the Grid Code as at the Code Effective Date;

"Safety Rules"

the rules of NGET, a Transmission Owner or a User that seek to ensure that persons working on Plant and/or Apparatus to which the rules apply are safeguarded from hazards arising from the System;

"Schedule"

a schedule to and forming a part of this Code as referred to herein;

"Scottish NSLPAs"

the agreement (as from time to time amended) between SP Transmission Limited and British Energy Generation (UK) Limited in relation to (i) Hunterston power station and Torness power station and (ii) the agreement (as from time to time amended) between SP Transmission Limited and British Nuclear Fuels plc in relation to Chapelcross power station.

"Section"

a section of and forming a part of this Code as referred to herein;

"Secured Event"

as defined in respect of the GB Transmission System and each of the Parties' Transmission Systems in the Licence

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| | Standards; |
| "Services Capability Specification" | the specification of Transmission Owner Services provided and maintained in accordance with Section C, Part One, paragraph 3.1; |
| "Services Reduction" | as defined in Section C, Part One, sub-paragraph 4.1.2; |
| "Services Reduction Risk" | as defined in Section C, Part One, sub-paragraph 4.5.2; |
| "Services Restoration Proposal" | as defined in Section C, Part One, sub-paragraph 4.6.4; |
| "Seven Year Statement" | the annual statement prepared by NGET in accordance with Section D, Part One, paragraph 4 and Standard Condition C11 of its Transmission Licence; |
| "Seven Year Statement Works" | the works set out for a Transmission Owner in the Seven Year Statement and in a TO Construction Agreement which in such Transmission Owner's reasonable opinion are required to be completed before the Completion Date to ensure that the GB Transmission System complies with the requirements of Standard Condition C17 of NGET's Transmission Licence prior to a Construction Project being made Operational; |
| "Significant Incident" | <p>an Event which any Party determines, pursuant to Section C, Part Three, paragraph 4.1.3, has had or may have a significant effect on the GB Transmission System including, without limitation, an Event(s) having an Operational Effect which results in, or may result in:</p> <ul style="list-style-type: none"> (a) operation of Plant and/or Apparatus either manually or automatically; (b) voltage on any part of the GB Transmission System moving outside statutory limits; (c) frequency of any part of the GB Transmission System falling outside statutory limits; or (d) instability of any part of the GB Transmission System. |
| "Site Responsibility Schedule" | as defined in the Grid Code as at the Code Effective Date; |
| "Standard Condition" | a standard condition of Transmission Licences; |
| "Standard Planning Data" | the data listed in Part 1 of Appendix A of the Planning Code; |

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| "Station Demand" | as defined in the CUSC as at Code Effective Date; |
| "Statement of Works Assumptions Date" | <p>in respect of each Transmission Owner, the date on which such Transmission Owner:</p> <p>(a) receives Statement of Works Planning Assumptions from NGET pursuant to Section D, Part Four, paragraph 2.2; or</p> <p>(b) receives notice that NGET does not intend to generate a set of Statement of Works Planning Assumptions under Section D, Part Four, paragraph 2.3,</p> <p>in relation to the Statement of Works Project to which such Statement of Works Planning Assumptions apply;</p> |
| "Statement of Works Party" | as defined in Section D, Part Four, paragraph 1.1; |
| "Statement of Works Planning Assumptions" | as defined in Section D, Part Four, paragraph 2.1; |
| "Statement of Works Project" | refers to the project associated with a NGET Request for a Statement of Works; |
| <u>"Supergrid Voltage"</u> | As defined in the Grid Code |
| "SYS Programme" | as defined in Section D, Part One, sub-paragraph, 4.1.2; |
| "System" | as defined in the CUSC as at the Code Effective Date; |
| <u>"System Back-Up Protection"</u> | As defined in the Grid Code |
| "System Construction" | Transmission Reinforcement Works or any other Works required to be undertaken by a Transmission Owner in order to facilitate the use or change in the use of the GB Transmission System by a User; |
| "System Construction Application" | an application made by NGET to a Transmission Owner pursuant to Section D, Part Two, paragraph 2.2 in relation to System Construction and containing the information set out in Schedule Seven; |
| "TEC Exchange Assumption Date" | <p>in respect if each Transmission Owner, the date on which such Transmission Owner:</p> <p>(a) receives TEC Exchange Planning Assumptions from NGET pursuant to Section D, Part Three, paragraph 2.2;</p> |

or

(b) receives notice that NGET does not intend to generate a set of Construction Planning Assumptions under Section D, Part Two, paragraph 2.3,

in relation to the NGET TEC Exchange Rate Application to which such TEC Exchange Planning Assumption apply;

"TEC Exchange Party" as defined in Section D, Part Three, paragraph 1.1;

"TEC Exchange Planning Assumption" as defined in Section D, Part Three, paragraph 2.1;

"TEC Trade" as defined in the CUSC as of the Code Effective Date;

"Tests" tests involving simulating conditions or the controlled application of irregular, unusual or extreme conditions on a Transmission System or any part of a Transmission System or any other tests of a minor nature but which do not include commissioning or re-commissioning tests (and **"Testing"** shall be construed accordingly);

"Third Party Works" the works specified as such in a TO Construction Agreement;

"TO Charges" charges comprising the TO General System Charges and TO Site-Specific Charges;

"TO Commissioning Programme" the sequence of operations/tests necessary to connect User Works and Transmission Connection Asset Works to the GB Transmission System for the purpose of making the User Works available for operation to be determined, in respect of a Transmission Owner, pursuant to the relevant TO Construction Agreement between such Transmission Owner and NGET;

"TO Construction Agreement" ~~as defined in Schedule Eight, sub-paragraph 1.1.3; an~~ [Onshore TO Construction Agreement or an Offshore TO Construction Agreement;](#)

"TO Construction Offer" an offer made by a Transmission Owner to NGET pursuant to Section D, Part Two, paragraph 4 and containing those matters set out in Schedule Eight;

"TO Construction Programme" as agreed between NGET and a Transmission Owner in relation to a Construction Project, or part of a Construction Project, and set out in the relevant TO Construction Agreement;

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| "TO Final Sums" | the amount payable by NGET on termination of a TO Construction Agreement being the aggregate from time to time and for the time being of: <ul style="list-style-type: none"> (a) all Engineering Charges arisen prior to the date of termination; (b) fees, expenses and costs (excluding costs on account of interest charges incurred by the Transmission Owner) of whatever nature reasonably and properly incurred or due by the Transmission Owner in respect of any part of the Transmission Construction Works; |
| "TO General System Charges" | as defined in Section E, sub-paragraph 2.1.1; |
| "TO Site Specific Charges" | as defined in Section E, sub-paragraph 2.1.2; |
| "TO Statement of Works Notice" | as defined in Section D, Part Four, paragraph 3.1; |
| "TO TEC Exchange Rate" | the Transmission Entry Capacity available to a specific User as a direct result of a specific reduction in the Transmission Entry Capacity available to another User as calculated by a Transmission Owner and provided to NGET in accordance with Schedule 12; |
| "Total System" | the GB Transmission System and all User Systems in Great Britain; |
| "Total Shutdown" | as defined in the Grid Code as at the Code Effective Date; |
| "Transition Period" | as defined in Standard Condition A1; |
| "Transitional Connection Site" | as defined in sub-paragraph 9.1.3.1 of Section I; |
| "Transitional Connection Site Specification" | as defined in sub-paragraph 8.1.1 of Section I; |
| "Transitional Construction Planning Assumptions" | as defined in sub-paragraph 8.3.1 of Section I; |
| "Transitional Implementation Dispute" | as defined in paragraph 13.5 of Section I; |
| "Transitional Investment Plans" | as defined in sub-paragraph 7.1.1 of Section I; |

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| "Transitional NGET Investment Plan" | as defined in sub-paragraph 7.2.1 of Section I; |
| "Transitional Outage Plan" | as defined in sub-paragraph 5.1.1 of Section I; |
| "Transitional Outage Proposal" | as defined in sub-paragraph 5.2.1 of Section I; |
| "Transitional Planning Assumptions" | as defined in sub-paragraph 7.3.1 of Section I; |
| "Transitional Services Capability Specification" | as defined in paragraph 4.1 of Section I; |
| "Transmission" | when used in conjunction with another term relating to equipment, whether defined or not, that the associated term is to be read as being part of or directly associated with the GB Transmission System and not of or with a User System; |
| "Transmission Business" | as defined in Standard Condition A1; |
| "Transmission Connection Asset(s)" | the assets specified as Transmission Connection Assets: <ul style="list-style-type: none"> (a) in the Connection Site Specification; and (b) in relation to assets still being constructed, in the relevant TO Construction Agreement; |
| "Transmission Connection Asset Works" | the works specified as such in a TO Construction Agreement; |
| "Transmission Construction Works" | as defined in Schedule Eight, sub-paragraph 1.1.3; |
| "Transmission Derogation" | a direction issued by the Authority relieving a Transmission Owner from the obligation under its Transmission Licence to comply with standards or requirements in accordance with which it is otherwise required to plan and develop its Transmission System (including any conditions which apply in respect of such derogation, and "Derogated" shall be construed accordingly; |
| "Transmission Entry Capacity" | the figure specified as such for a Connection Site in a NGET Construction Application or NGET TEC Exchange Application; |
| "Transmission Information" | information related to the planning, development, operation or configuration of any part of a Transmission System or of the GB Transmission System, but not including User Data; |

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| <u>“Transmission Interface Agreement”</u> | <u>as defined in Schedule xx, paragraph x.xx</u> |
| <u>“Transmission Interface Site”</u> | <u>each location at which Plant and/or Apparatus forming part of an Offshore Transmission System and Plant and/or Apparatus forming part of an Onshore Transmission System required to connect that Offshore Transmission System to the Onshore Transmission System (or vice versa) are situated.</u> |
| <u>“Transmission Interface Site Party”</u> | <u>as defined in Section C, Part Three, sub-paragraph 3.2</u> |
| <u>“Transmission Interface Site Specification”</u> | <u>as defined in Section D, Part One, sub-paragraph 2.7.1</u> |
| "Transmission Investment Plan" | the plan developed by each Transmission Owner in relation to the development and maintenance each Financial Year of its Transmission System pursuant to Section D, Part One, sub-paragraph 2.1.1 and containing those matters set out in sub-paragraph 2.1.2; |
| "Transmission Licence" | a transmission licence granted or treated as granted under section 6(1)(b) of the Act; |
| "Transmission Licence Conditions" | the conditions contained in and amended from time to time in accordance with a Transmission Licence; |
| "Transmission Licensee" | the holder for the time being of a Transmission Licence; |
| "Transmission Owner" | Scottish Hydro Electric Transmission Limited or SP Transmission Limited or such other person in relation to whose Transmission Licence the Standard Conditions in Section D (transmission owner standard conditions) have been given effect; <u>an Onshore Transmission Owner or an Offshore Transmission Owner</u> |
| "Transmission Owner Site" | a site owned (or occupied pursuant to a lease, licence or other agreement) by a Transmission Owner in which there is a Connection. For the avoidance of doubt, a site owned by a User but occupied by a Transmission Owner is a Transmission Owner Site; |
| "Transmission Reinforcement Works" | in relation to a particular Construction Project, as defined in respect of each relevant Transmission Owner in its TO Construction Agreement; |
| "Transmission Services" | as defined in Section C, Part One, paragraph 2; |

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| "Transmission System" | in respect of each Party, has the meaning given to the term "licensee's transmission system" in Standard Condition A1; |
| "Unsecured Event" | as defined in respect of the GB Transmission System and each of the Transmission Owner's Transmission Systems in the Licence Standards; |
| "Urgent Proposed Amendment" | an urgent proposal to amend the Code proposed in accordance with Section B, sub-paragraph 7.2.6; |
| "User(s)" | any person (other than NGET or a Transmission Owner) who is authorised to generate, participate in the transmission of, distribute or supply electricity or who is included in a class of person or persons which has been granted an exemption from section 6 of the Act and any person engaged in the sale or purchase of electricity or who otherwise purchases or acquires for purchase electricity; |
| "User Application" | <p>an application made by a User to NGET under and pursuant to the CUSC in respect of:</p> <ul style="list-style-type: none"> (a) a New Connection; or (b) a Modification; or (c) use of the GB Transmission System; or (d) an Exchange Rate Request; or (e) a Request for a Statement of Works by such User. |
| "User Application Date" | the date of receipt by NGET of an effective User Application pursuant to the CUSC; |
| "User Data" | information of or related to a User or Users including, without limitation, information about the business of a User, a User Site, User Works, User Outage or the operation or configuration of any User Equipment or User System. |
| "User Derogation" | a direction issued by the Authority relieving a User from the obligation under its Licence to comply with such parts of the Grid Code or any Distribution Code as may be specified in such direction, and "Derogated" shall be construed accordingly; |
| "User Equipment" | the Plant and Apparatus owned by a User (ascertained in the absence of agreement to the contrary by reference to the rules set out in Section D, Part One, paragraph 3) which: (a) is connected to the Transmission Connection Assets forming part |

of the GB Transmission System at any particular Connection Site or New Connection Site to which that User wishes so to connect or (b) is connected to a Distribution System to which that User system wishes so to connect;

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| "User Outage" | a planned Outage of part or all of a User System or User Equipment; |
| "User Site" | a site owned (or occupied pursuant to a lease, licence or other agreement) by a User in which there is a Connection. For the avoidance of doubt, a site owned by NGET or a Transmission Owner but occupied by a User is a User Site; |
| "User System" | as defined in the CUSC as at Code Effective Date; |
| "User Works" | those works to be undertaken by a User which are necessary for installation of User Equipment and which are specified for each Construction Project in the relevant TO Construction Agreement(s); |
| "Value Added Tax" "VAT" | has the meaning given to such term in the Value Added Tax Act 1994 and any tax of a similar nature which may be substituted for a levied in addition to it; |
| "Week" | shall have the same meaning as the term "Week" is used in the Grid Code as at the Code Effective Date; |
| "Withdrawal Date" | the date defined in Section B, paragraph 5.1.4 upon which the Withdrawing Party shall withdraw from the Framework Agreement; |
| "Withdrawal Notice" | the notice issued by a Party wishing to withdraw from the Framework Agreement as defined in Section B, sub-paragraph 5.1.2; |
| "Withdrawing Party" | a Party wishing to withdraw from the Framework Agreement in accordance with Section B, sub-paragraph 5.1.1; |
| "Works" | as the context admits or requires, Transmission Construction Works, NGET Works and User Works. |

SECTION K: OBLIGATIONS UNIQUE TO OFFSHORE TRANSMISSION SYSTEMS

PART ONE: OFFSHORE TRANSMISSION OWNER CONNECTION REQUIREMENTS

1. INTRODUCTION

1.1 This Section K, Part One deals with the provision of certain services by Offshore Transmission Owners to NGET, and sets out:

1.1.1 the process for each Offshore Transmission Owner to provide a reactive capability and a voltage control capability at the Interface Point;

1.1.2 the obligation on each Offshore Transmission Owner to ensure that its Offshore Transmission System has a Fault Ride Through Capability,

1.1.3 the obligation on each Offshore Transmission Owner who owns an Offshore Transmission System which includes a DC Converter to provide additional damping facilities for DC Converters forming part of that Offshore Transmission System,

1.1.4 the process for each Offshore Transmission Owner who owns an Offshore Transmission System which includes a DC Converter to provide a signal indicating the Frequency of the Onshore Transmission System to each User who owns a Offshore Power Station connected to that Offshore Transmission System and to ensure that the Offshore Transmission System can operate robustly under a range of System Frequencies, and;

1.1.5 the obligation on each Offshore Transmission Owner to ensure that any transformers forming part of that Offshore Transmission System are capable of being neutrally earthed.

2. REACTIVE CAPABILITY AND VOLTAGE CONTROL

2.1 All Offshore Transmission Systems must be capable of transmitting Active Power equivalent to the Interface Point Capacity at any point between the limits 0.95 Power Factor lagging and 0.95 Power Factor leading at the Interface Point. With all plant in service, the Reactive Power limits defined at the Interface Point Capacity

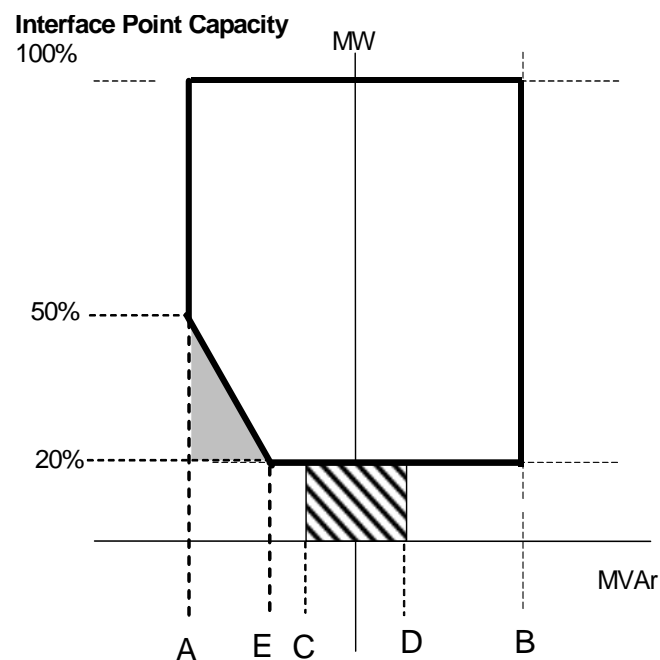
(a) at lagging Power Factor will apply to all Active Power transfer levels above 20% of the Interface Point Capacity as defined in figure K1 below and / or,

(b) at leading Power Factor will apply at all Active Power transfer levels above 50% of the Interface Capacity as defined in figure K1 below, and / or,

With all Plant in service the Reactive Power limits shall reduce linearly below 50% Active Power transfer as shown in figure K1 below unless the requirement to maintain the Reactive Power limits defined at the Interface Point Capacity at leading Power Factor down to 20% Active Power transfer is specified in the Transmission Interface Site Specification.

- 2.2 Each Offshore Transmission System shall be capable of contribution to voltage control by continuous changes to the Reactive Power supplied at the Interface Point in accordance with the requirements specified in Appendix B.
- 2.3 In the case of an Offshore Transmission System a continuously acting automatic control system is required to provide control of the voltage at the Interface Point without instability over the entire operating range of the Offshore Transmission System. The performance of this automatic control system shall be in accordance with the requirements specified in Appendix B. When transferring Active Power equivalent to less than 20% of the Interface Point Capacity the automatic control system may continue to provide voltage control utilising any available reactive capability. If voltage control is not being provided, the automatic control system shall be designed to ensure a smooth transition between the shaded area bounded by CD and the non-shaded area bound by AB in Figure K1 below. The performance requirements for this automatic control system will be specified in the Transmission Interface Site Specification.

Figure K1



Point A is equivalent (in MVAr) to 0.95 leading Power Factor at active power transfer equal to the Interface Point Capacity.

Point B is equivalent (in MVAr) to 0.95 lagging Power Factor active power transfer equal to the Interface Point Capacity.

Point C is equivalent (in MVAr) to -5% of active power transfer equal to the Interface Point Capacity.

Point D is equivalent (in MVAR) to +5% of active power transfer equal to the Interface Point Capacity.

Point E is equivalent (in MVAR) to -12% of active power transfer equal to the Interface Point Capacity.

- 2.4 The requirement for voltage control facilities, including for example additional damping control facilities, where in NGET's view these are necessary for system reasons will be specified in the Transmission Interface Site Specification.
- 2.5 Other control facilities, including constant Reactive Power output control modes (but excluding VAR limiters) are not required. However, if present in the voltage control system they will be disabled unless recorded in the Transmission Interface Site Specification. Where an Offshore Transmission Owner retains the responsibility for the operation of such facilities such operation will only be in accordance with instructions to direct the configuration of the GB Transmission System as given by NGET.
- 2.5 At the Interface Point the Active Power transfer from an Offshore Transmission System under steady state conditions should not be affected by voltage changes on the Onshore Transmission System in the Normal Operating Range by more than the change in Active Power losses at reduced or increased voltage. The Reactive Power output under steady state conditions should be fully available within the voltage range $\pm 5\%$ at 400kV, 275kV and 132kV.

3 FAULT RIDE THROUGH CAPABILITY

3.1 Fault Ride Through

- (a) Short circuit faults at Supergrid Voltage up to 140ms in duration
 - (i) Each Offshore Transmission System shall remain connected to the remainder of the Total System at the Interface Point without tripping of any Plant and/or Apparatus comprising that Offshore Transmission System, for a close-up solid three-phase short circuit fault or any unbalanced short circuit fault on the Onshore Transmission System operating at Supergrid Voltages for a total fault clearance time of up to 140 ms. A solid three-phase or unbalanced earthed fault results in zero voltage on the faulted phase(s) at the point of fault. The duration of zero voltage is dependent on local protection and circuit breaker operating times. This duration and the fault clearance times will be specified in the Transmission Interface Site Specification. Following fault clearance, recovery of the Supergrid Voltage to 90% on the Onshore Transmission System (which may include the Interface Point) may take longer than 140ms as illustrated in Appendix A Figures A.1.1 (a) and (b).

- (ii) Each Offshore Transmission System shall be designed such that upon both clearance of the fault on the Onshore Transmission System as detailed in 3.1 (a) (i) and within 0.5 seconds of the restoration of the voltage at the Interface Point to be within the Normal Operating Range Active Power transfer capability shall be restored to at least 90% of the level available immediately before the fault. During the period of the fault as detailed in 3.1 (a) (i) each Offshore Transmission System shall generate maximum reactive current without exceeding the transient rating limit at the Interface Point.
- (iii) Each DC Converter forming part of an Offshore Transmission System shall be designed to meet the Active Power recovery characteristics as specified in the Transmission Interface Site Specification upon clearance of the fault on the Onshore Transmission System as detailed in 3.1 (a) (i).

(b) Supergrid Voltage dips greater than 140ms in duration

In addition to the requirements of 3.1 (a) each Offshore Transmission System shall:

- (i) remain connected to the Onshore Transmission System without tripping of any Plant and/or Apparatus forming part of that Offshore Transmission System, for balanced Supergrid Voltage dips and associated durations on the Onshore Transmission System anywhere on or above the heavy black line shown in Figure K2. Appendix A and Figures A.1.3 (a), (b) and (c) provide an explanation and illustrations of Figure K2; and,

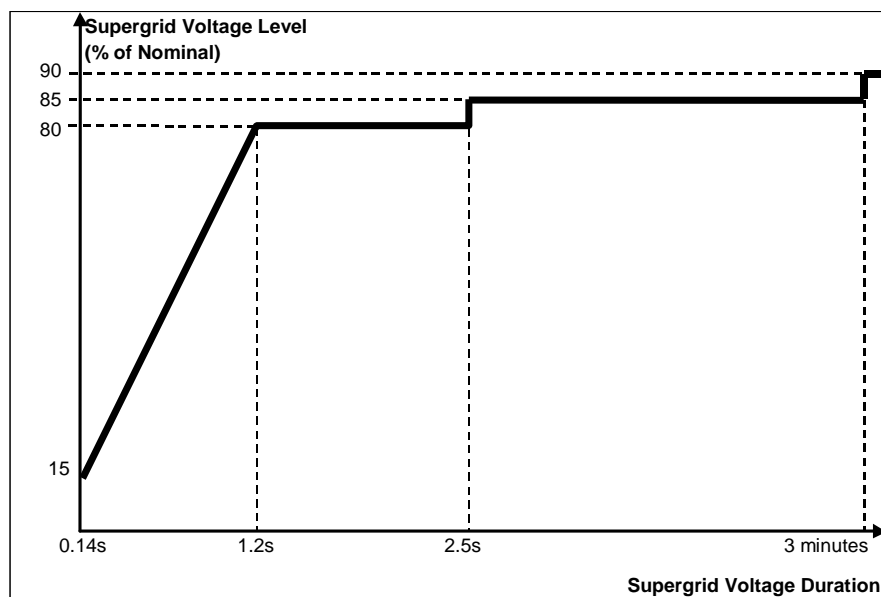


Figure K2

- (ii) provide Active Power transfer capability, during Supergrid Voltage dips on the Onshore Transmission System as described in Figure K2, at least in proportion to the retained balanced voltage at the Interface Point except in the case where there has been a reduction in the Active Power transfer of the Offshore Transmission System in the time range in Figure K2, which has been caused by a reduction in the Active Power generated by any Generating Units connected to such an Offshore Transmission System. In addition, during the voltage dip, each Offshore Transmission System shall generate maximum reactive current at the Interface Point; and,
 - (iii) restore Active Power transfer capability, following Supergrid Voltage dips on the Onshore Transmission System as described in Figure K2, within 1 second of restoration of the voltage at the Interface Point to be within the Normal Operating Range to at least 90% of the level available immediately before the occurrence of the dip except in the case of an Offshore Transmission System where there has been a reduction in the Intermittent Power Source of any Generating Units connected to such Offshore Transmission System in the time range in Figure K2 that restricts the Active Power transfer capability below this level.
- (c) Other Requirements
- (i) In addition to meeting the requirements of Grid Code CC.6.1.5 (b) and CC.6.1.6 at the Interface Point, each Offshore Transmission System will be required to withstand, without tripping, the negative phase sequence loading incurred by clearance of a close-up phase-to-phase fault, by System Back-Up Protection on the Onshore Transmission System operating at Supergrid Voltage.
 - (ii) To avoid unwanted island operation, Offshore Transmission Systems connected to Onshore Systems in Scotland shall be tripped for the following conditions:-
 - (1) Frequency above 52Hz for more than 2 seconds
 - (2) Frequency below 47Hz for more than 2 seconds
 - (3) Voltage as measured at the Interface Point below 80% for more than 2 seconds
 - (4) Voltage as measured at the Interface Point or above 120% (115% for 275kV) for more than 1 second.

The times in sections (1) and (2) are maximum trip times. Shorter times may be used to protect the integrity of an Offshore Transmission System or Power Stations connected to it.

4 ADDITIONAL DAMPING CONTROL FACILITIES FOR DC CONVERTERS

- 4.1 Offshore Transmission Owners who own Offshore Transmission Systems that contain DC Converters must ensure that any of their DC Converters will not cause a sub-synchronous resonance problem on the Total System. Each DC Converter is required to be provided with sub-synchronous resonance damping control facilities.
- 4.2 Where specified in the Transmission Interface Site Specification, each DC Converter forming part of an Offshore Transmission System is required to be provided with power oscillation damping or any other identified additional control facilities.

5. FREQUENCY CAPABILITIES AND SIGNALS

- 5.1 Each Offshore Transmission Owner in respect of each of its Offshore Transmission Systems which include a DC Converter shall provide to each User in respect of its Offshore Power Station(s) connected to and/or using such Offshore Transmission System a continuous signal indicating the real-time Frequency at which the Onshore Transmission System is operating.
- 5.2 The Frequency signal referred to in 5.1 above shall be provided to the Offshore Power Station in a manner and in timescales notified to the Offshore Transmission Owner by NGET through the Transmission Interface Site Specification.
- 5.3 Each Offshore Transmission Owner in respect of each of its Offshore Transmission Systems which include a DC Converter must be capable of
 - (a) continuously maintaining constant Active Power transfer for System Frequency changes within the range 50.5 to 49.5 Hz; and
 - (b) (subject to the provisions of Grid Code CC.6.1.3) maintaining its Active Power transfer at a level not lower than the figure determined by the linear relationship shown in Figure 2 for System Frequency changes within the range 49.5 to 47 Hz, such that if the System Frequency drops to 47 Hz the Active Power transfer does not decrease by more than 5%.

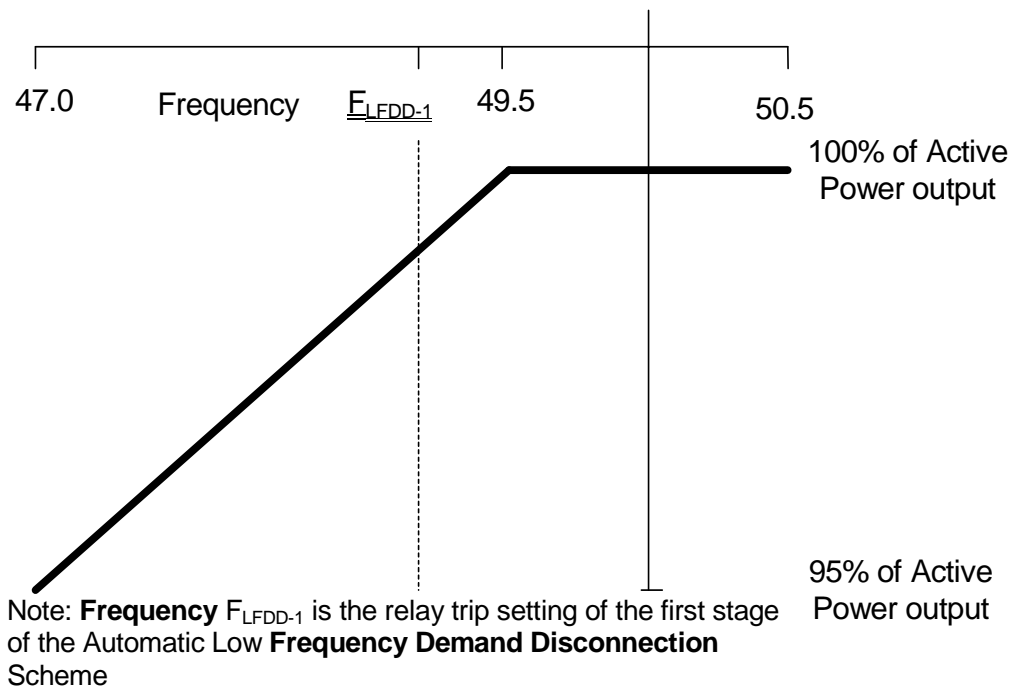


Figure 2

- 5.4 As stated in Grid Code CC.6.1.3, the System Frequency could rise to 52Hz or fall to 47Hz. Each Offshore Transmission System or any constituent element must continue to operate within this Frequency range for at least the periods of time given in Grid Code CC.6.1.3 unless NGET has agreed to any Frequency-level relays and/or rate-of-change-of-Frequency relays which will trip such Offshore Transmission System and any constituent element within this Frequency range, under the Transmission Interface Site Specification.
- 5.5 Offshore Transmission Owners who own Offshore Transmission Systems will be responsible for protecting all their DC Converters against damage should Frequency excursions outside the range 52Hz to 47Hz ever occur. Should such excursions occur, it is up to the Offshore Transmission Owner to decide whether to disconnect his Apparatus for reasons of safety of Apparatus, Plant and/or personnel.
- 6. NEUTRAL EARTHING**
- 6.1 At nominal System voltages of 132kV and above the higher voltage windings of a transformer(s) of an Offshore Transmission System must be star connected with the star point suitable for connection to earth. The earthing and lower voltage winding arrangement shall be such as to ensure that the Earth Fault Factor requirement of paragraph Grid Code CC.6.2.1.1 (b) will be met on the GB Transmission System at nominal System voltages of 132kV and above.

APPENDIX A

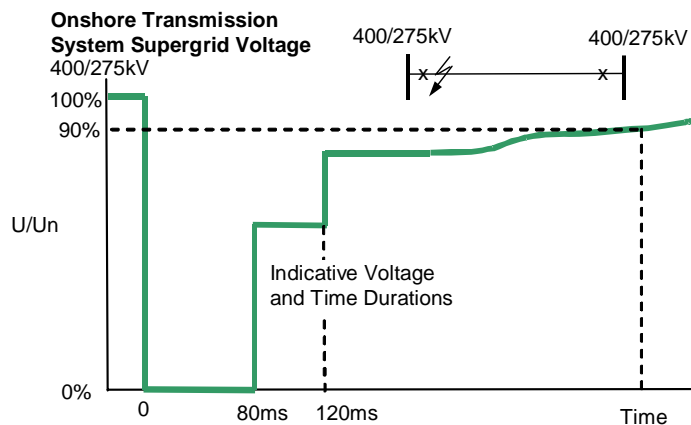
FAULT RIDE THROUGH REQUIREMENT FOR OFFSHORE TRANSMISSION SYSTEMS

A.1.1 SCOPE

The fault ride through requirement is defined in 3.1 (a), (b) and (c). This Appendix provides illustrations by way of examples only of 3.1 (a) (i) and further background and illustrations to 3.1 (b) (i) and is not intended to show all possible permutations.

A.1.2 SHORT CIRCUIT FAULTS AT SUPERGRID VOLTAGE UP TO 140MS IN DURATION

For short circuit faults at Supergrid Voltage up to 140ms in duration on the Onshore Transmission System, the fault ride through requirement is defined in 3.1 (a) (i). Figures A.1.1 (a) and (b) illustrate two typical examples of voltage recovery for short-circuit faults cleared within 140ms by two circuit breakers (a) and three circuit breakers (b) respectively.



Typical fault cleared in less than 140ms: 2 ended circuit

Figure A.1.1 (a)

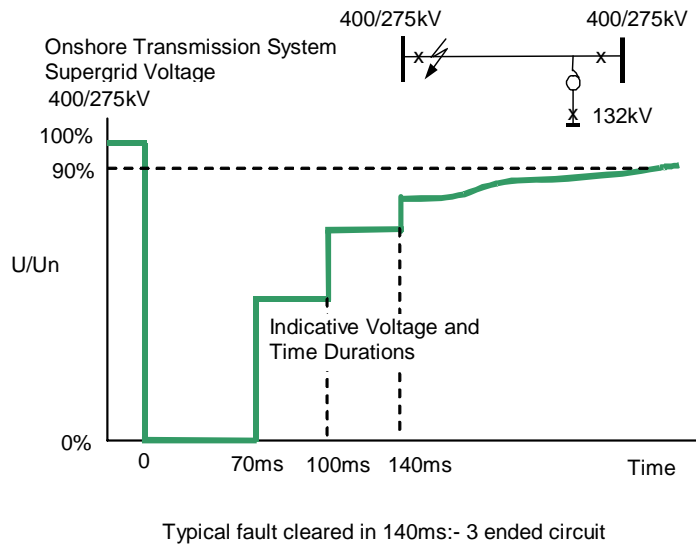


Figure A.1.1 (b)

A.1.3 SUPERGRID VOLTAGE DIPS GREATER THAN 140MS IN DURATION

For balanced Supergrid voltage dips on the Onshore Transmission System having durations greater than 140ms and up to 3 minutes the fault ride through requirement is defined in 3.1 (b) (i) and Figure K1 which is reproduced in this Appendix as Figure A.1.2 and termed the voltage-duration profile.

This profile is not a voltage-time response curve that would be obtained by plotting the transient voltage response at a point on the Onshore Transmission System to a disturbance. Rather, each point on the profile (i.e. the heavy black line) represents a voltage level and an associated time duration which connected Offshore Transmission Systems must withstand or ride through.

Figures A.1.3 (c), (d) and (e) illustrate the meaning of the voltage-duration profile for voltage dips having durations greater than 140ms.

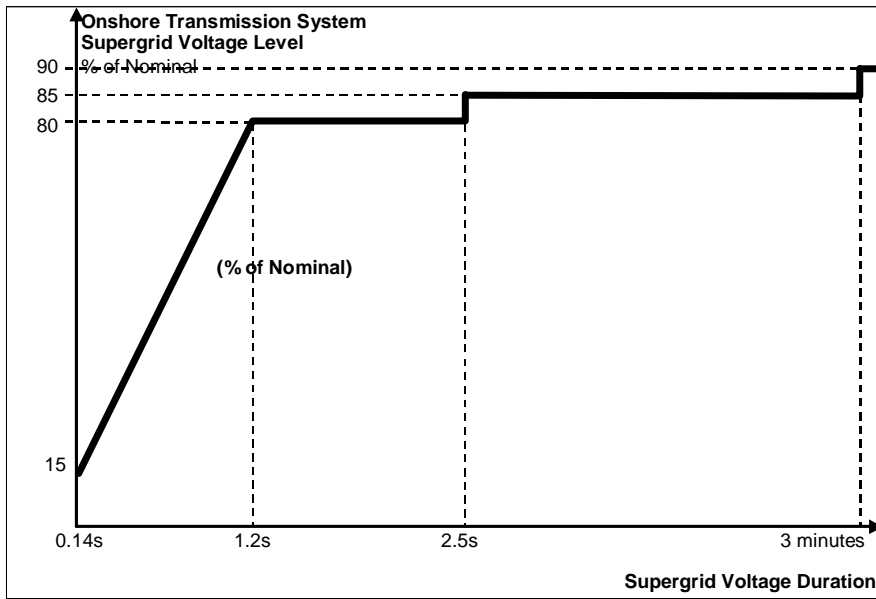


Figure A.1.2

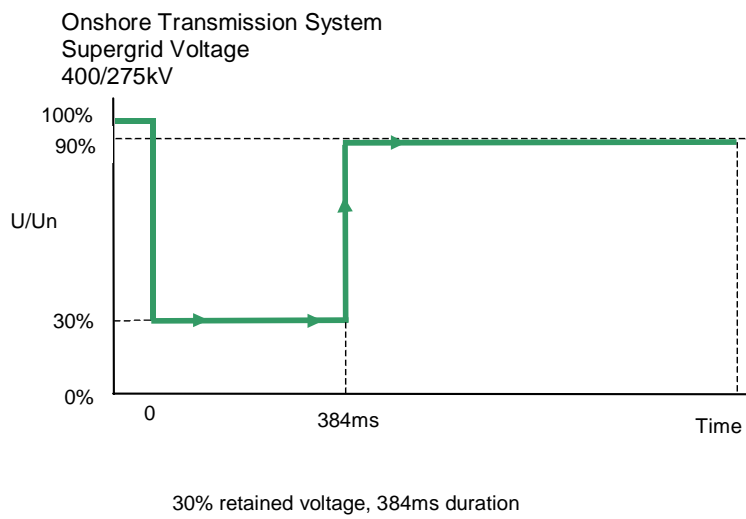
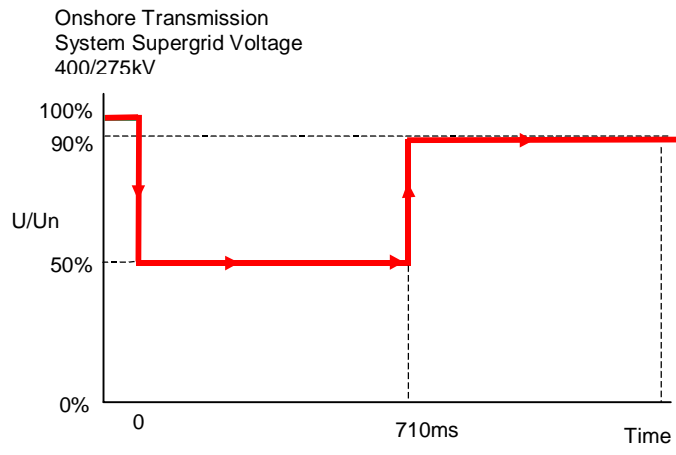
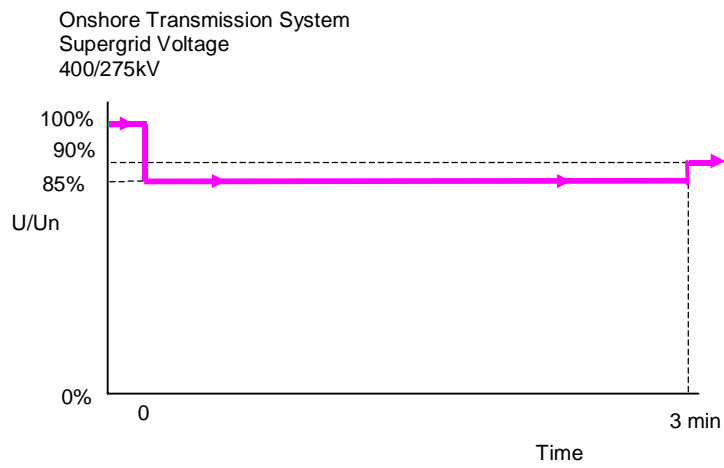


Figure A.1.3(a)



50% retained voltage, 710ms duration

Figure A.1.3(b)



85% retained voltage, 3 minutes duration

Figure A.1.3(c)

APPENDIX B

PERFORMANCE REQUIREMENTS FOR CONTINUOUSLY ACTING AUTOMATIC VOLTAGE CONTROL SYSTEMS FOR OFFSHORE TRANSMISSION SYSTEMS

B.7.1 SCOPE

B.7.1.1 This Appendix sets out the performance requirements of continuously acting automatic voltage control systems for Offshore Transmission Systems that must be complied with by the owner of such an Offshore Transmission System. This Appendix does not limit any site specific requirements that may be included in a Transmission Interface Site Specification where in NGET's reasonable opinion these facilities are necessary for system reasons.

B.7.1.2 Proposals by owners of Offshore Transmission Systems to make a change to the voltage control systems are required to be notified to NGET as soon as the owner of the Offshore Transmission System anticipates making the change. The change may require a revision to the Transmission Interface Site Specification.

B.7.2 Requirements

B.7.2.1 NGET requires that the continuously acting automatic voltage control system for the Offshore Transmission System shall meet the following functional performance specification. If a Network Operator has confirmed to NGET that its network to which an Embedded Offshore Transmission System is connected is restricted such that the full reactive range under the steady state voltage control requirements (B.7.2.2) cannot be utilised, NGET may specify in the Transmission Interface Site Specification alternative limits to the steady state voltage control range that reflect these restrictions. Where the Network Operator subsequently notifies NGET that such restriction has been removed, NGET may propose an amendment to the Transmission Interface Site Specification (in accordance with the STC, section C, Part 1, paragraph 3.3) to remove the alternative limits such that the continuously acting automatic voltage control system meets the following functional performance specification. All other requirements of the voltage control system will remain as in this Appendix.

B.7.2.2 Steady State Voltage Control

- B.7.2.2.4 Figure B.7.2.2b shows the required envelope of operation for Offshore Transmission Systems. The enclosed area within points ABCDEFGH is the required capability range within which the Slope and Setpoint Voltage can be changed.
- B.7.2.2.5 Should the operating point of the Offshore Transmission System deviate so that it is no longer a point on the operating characteristic (figure B.7.2.2a) defined by the target Setpoint Voltage and Slope, the continuously acting automatic voltage control system shall act progressively to return the value to a point on the required characteristic within 5 seconds.
- B.7.2.2.6 Should the Reactive Power output of the Offshore Transmission System reach its maximum lagging limit at an Interface Point voltage above 95%, the Offshore Transmission System shall maintain maximum lagging Reactive Power output for voltage reductions down to 95%. This requirement is indicated by the line EF in figure B.7.2.2b. Should the Reactive Power output of the Offshore Transmission System reach its maximum leading limit at an Interface Point voltage below 105%, the Offshore Transmission System shall maintain maximum leading Reactive Power output for voltage increases up to 105%. This requirement is indicated by the line AB in figure B.7.2.2b.
- B.7.2.2.7 For Interface Point voltages below 95%, the lagging Reactive Power capability of the Offshore Transmission System should be that which results from the supply of maximum lagging reactive current whilst ensuring the current remains within design operating limits. An example of the capability is shown by the line DE in figure B.7.2.2b. For Interface Point voltages above 105%, the leading Reactive Power capability of the Offshore Transmission System should be that which results from the supply of maximum leading reactive current whilst ensuring the current remains within design operating limits. An example of the capability is shown by the line AH in figure B.7.2.2b. Should the Reactive Power output of the Offshore Transmission System reach its maximum lagging limit at an Interface Point voltage below 95%, the Offshore Transmission System shall maintain maximum lagging reactive current output for further voltage decreases. Should the Reactive Power output of the Offshore Transmission System reach its maximum leading limit at an Interface Point voltage above 105%, the Offshore Transmission System shall maintain maximum leading Reactive Power output for further voltage increases.
- B.7.2.3 Transient Voltage Control

B.7.2.3.1 For an on-load step change in Interface Point voltage, the continuously acting automatic control system shall respond according to the following minimum criteria

- (i) the Reactive Power output response of the Offshore Transmission System shall commence within 0.2 seconds of the application of the step. It shall progress linearly although variations from a linear characteristic shall be acceptable provided that the MVar seconds delivered at any time up to 1 second are at least those that would result from the response shown in figure B.7.2.3.1a.
- (ii) the response shall be such that, for a sufficiently large step, 90% of the full reactive capability of the Offshore Transmission System, as required by Section K, paragraph 2.3 (or, if appropriate, B.7.2.2.6 or B.7.2.2.7), will be produced within 1 second
- (iii) the magnitude of the Reactive Power output response produced within 1 second shall vary linearly in proportion to the magnitude of the step change
- (iv) the settling time shall be no greater than 2 seconds from the application of the step change in voltage and the peak to peak magnitude of any oscillations shall be less than 5% of the change in steady state Reactive Power within this time.
- (v) following the transient response, the conditions of B.7.2.2 apply.

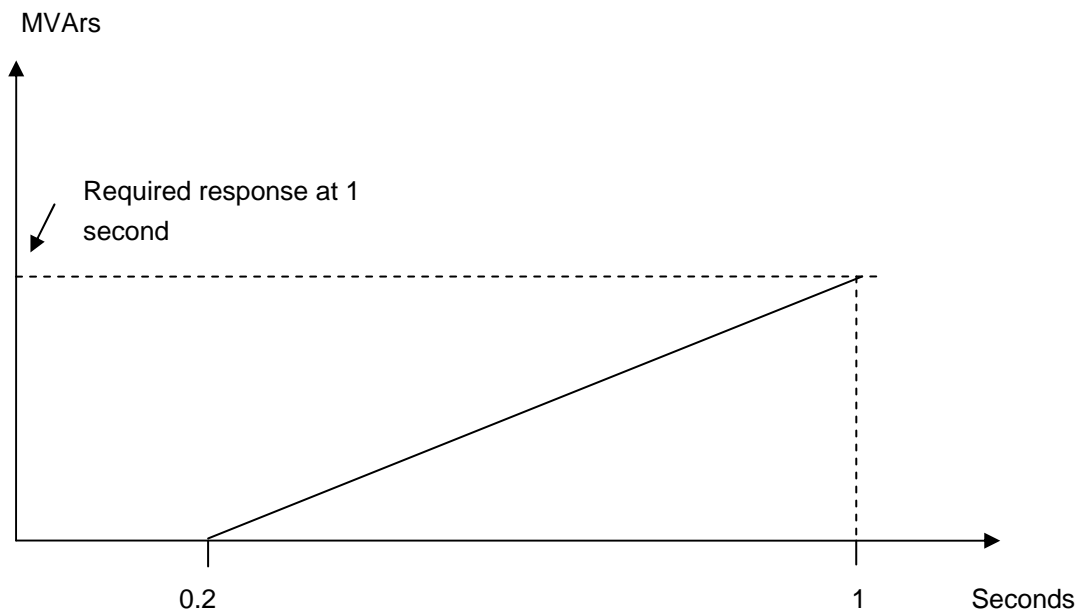


Figure B.7.2.3.1a

B.7.2.4 Power Oscillation Damping

B.7.2.4.1 The requirement for the continuously acting voltage control system to be fitted with a Power System Stabiliser (PSS) shall be specified in the Transmission Interface Site Specification if, in NGET's view, this is required for system reasons. However if a Power System Stabiliser is included in the voltage control system its settings and performance shall be agreed with NGET and commissioned in accordance with STCP19-4.

B.7.2.4 Overall Voltage Control System Characteristics

B.7.2.4.1 The continuously acting automatic voltage control system is required to respond to minor variations, steps, gradual changes or major variations in Interface Point voltage (or Distribution System Entry Point voltage if connected to an onshore Distribution System).

B.7.2.4.2 The overall voltage control system shall include elements which provide a limited bandwidth output. The bandwidth limiting must be consistent with the speed of response requirements and ensure that the highest frequency of response cannot excite torsional oscillations on other plant connected to the network. A bandwidth of 0-5Hz would be judged to be acceptable for this application. All other control systems employed within the Offshore Transmission System should also meet this requirement

B.7.2.4.3 The response of the voltage control system (including the Power System Stabiliser if employed) shall be demonstrated by applying suitable step disturbances into the voltage control system of the Offshore Transmission System, or by changing the actual voltage at a suitable point as specified by NGET. The damping shall be judged to be adequate if the corresponding Active Power response to the disturbances decays within 2 seconds of the application of the step.

SCHEDULE FIVE

NGET CONNECTION APPLICATIONS

1. Requirements for a NGET Connection Application submitted by NGET to a Transmission Owner pursuant to Section D, Part Two, sub-paragraph 2.2.1:

1.1 A NGET Connection Application submitted by NGET to a Transmission Owner pursuant to Section D, Part Two, sub-paragraph 2.2.1 shall contain the following information:

Proposed New Connection Site

- 1.1.1 The User Application Date.
- 1.1.2 Identification of the intended location of the New Connection Site (preferably by reference to an extract from an ordinance survey map), specifying the name of the New Connection Site together with details of access to the New Connection Site, including from the nearest main road.
- 1.1.3 A plan or plans of the proposed New Connection Site indicated (as far as NGET is able) the position of all buildings, structures, plant and apparatus and of all services located on the New Connection Site.
- 1.1.4 Details of whether the New Connection Site is to be heritable or leasehold (to include details of any servitudes or wayleaves or other property rights) insofar as NGET is aware.
- 1.1.5 The occupier of the New Connection Site so far as NGET is aware.
- 1.1.6 Where a sub-station may be needed, an indication by reference to the plan referred to in sub-paragraph 1.1.3, any location for it suggested by the relevant User, giving dimensions of the area.
- 1.1.7 Where the User is prepared to make available to the Transmission Owner the land necessary for the sub-station referred to in sub-paragraph 1.1.6, brief proposals for the Transmission Owner's interest in it including (if relevant) such interest and the consideration to be paid for it.
- 1.1.8 Whether space is available on the New Connection Site for working storage and accommodation areas for the contractors of the Transmission Owner and, if so, an indication by reference to the plan referred to in sub-paragraph 1.1.3 above the location of such areas, giving approximate dimensions of the same.
- 1.1.9 Details (including copies of any surveys or reports) of the physical nature of land in which the User has an interest (whether heritable or leasehold or by way of a servitude or wayleave or other property right) at the proposed New Connection Site including the nature of the ground and the sub-soil including

the results of any tests undertaken by the User in connection with the New Connection.

- 1.1.10 Details and copies of all existing relevant planning and other consents (statutory and otherwise) relating to the New Connection Site and the User Equipment and/or details of any pending applications for the same.
- 1.1.11 Whether access to or use of the New Connection Site for the purposes of installing, maintaining and operating equipment is subject to any existing restrictions and, if so, details of such restrictions.
- 1.1.12 To the extent that NGET is aware of them, identification by reference to a plan (if possible) the owners and (if different) occupiers of the land adjoining the New Connection Site and brief details of the owner's and occupier's respective interests in such land.

Technical Information

- 1.1.13 Standard Planning Data.
- 1.1.14 A copy of the User's Safety Rules.
- 1.1.15 The User's intended Connection Entry Capacity.
- 1.1.16 The User's intended Transmission Entry Capacity.

Programme

- 1.1.17 The User's suggested construction programme in bar chart form for the construction work necessary to install the User Equipment.
- 1.1.18 The date on which NGET wishes the New Connection Site to be made Operational.
- 1.1.19 The details of any charging options exercised by the User to the extent necessary for the Transmission Owner to calculate TO Charges in respect of those options in accordance with its charging methodology.

2. Requirements for a NGET Connection Application submitted by NGET to a Transmission Owner pursuant to Section D, Part Two, sub-paragraph 2.2.2:

- 2.1 A NGET Connection Application submitted by NGET to a Transmission Owner pursuant to Section D, Part Two, sub-paragraph 2.2.2 shall contain the following information:

- 2.1.1 The User Application Date.
- 2.1.2 Standard Planning Data.
- 2.1.3 The User's intended Transmission Entry Capacity.
- 2.1.4 The date on which NGET wishes the New Connection Site to be made Operational.

3. Requirements for a NGET Connection Application submitted by NGET to a Transmission Owner pursuant to Section D, Part Two, sub-paragraph 2.2.3:

3.1 A NGET Connection Application submitted by NGET to a Transmission Owner pursuant to Section D, Part Two, sub-paragraph 2.2.3 shall contain the following information:

Proposed New Connection Site

- 3.1.1 The User Application Date.
- 3.1.2 Identification of the intended location of the [New Transmission Interface Site] (preferably by reference to an extract from an ordinance survey map), specifying the name of the [New Transmission Interface Site] together with details of access to the [New Transmission Interface Site], including from the nearest main road.
- 3.1.3 A plan or plans of the proposed [New Transmission Interface Site] indicated (as far as NGET is able) the position of all buildings, structures, plant and apparatus and of all services located on the [New Transmission Interface Site].
- 3.1.4 Details of whether the [New Transmission Interface Site] is to be heritable or leasehold (to include details of any servitudes or wayleaves or other property rights) insofar as NGET is aware.
- 3.1.5 The occupier of the [New Transmission Interface Site] so far as NGET is aware.
- 3.1.6 Where a sub-station may be needed, an indication by reference to the plan referred to in sub-paragraph 3.1.3, any location for it suggested by the relevant Offshore Transmission Owner, giving dimensions of the area.
- 3.1.7 Where the Offshore Transmission Owner is prepared to make available to the Transmission Owner the land necessary for the sub-station referred to in sub-paragraph 3.1.6, brief proposals for the Onshore Transmission Owner's interest in it including (if relevant) such interest and the consideration to be paid for it.

3.1.8 Whether space is available on the [New Transmission Interface Site] for working storage and accommodation areas for the contractors of the Onshore Transmission Owner and, if so, an indication by reference to the plan referred to in sub-paragraph 3.1.3 above the location of such areas, giving approximate dimensions of the same.

3.1.9 Details (including copies of any surveys or reports) of the physical nature of land in which the Offshore Transmission Owner has an interest (whether heritable or leasehold or by way of a servitude or wayleave or other property right) at the proposed [New Transmission Interface Site] including the nature of the ground and the sub-soil including the results of any tests undertaken by the Offshore Transmission Owner in connection with the [New Transmission Interface Site].

3.1.10 Details and copies of all existing relevant planning and other consents (statutory and otherwise) relating to the [New Transmission Interface Site] and the Offshore Transmission Owner Equipment and/or details of any pending applications for the same.

3.1.11 Whether access to or use of the [New Transmission Interface Site] for the purposes of installing, maintaining and operating equipment is subject to any existing restrictions and, if so, details of such restrictions.

3.1.12 To the extent that NGET is aware of them, identification by reference to a plan (if possible) the owners and (if different) occupiers of the land adjoining the [New Transmission Interface Site] and brief details of the owner's and occupier's respective interests in such land.

Technical Information

3.1.13 Standard Planning Data.

3.1.14 A copy of the Offshore Transmission Owner Safety Rules.

3.1.15 The Offshore Transmission Owner's intended Interface Point Capacity.

Programme

3.1.17 The Offshore Transmission Owner's suggested construction programme in bar chart form for the construction work necessary to install the User Equipment.

3.1.18 The date on which NGET wishes the [New Transmission Interface Site] to be made Operational.

4. Requirements for a NGET Connection Application submitted by NGET to a Transmission Owner pursuant to Section D, Part Two, sub-paragraph 2.2.4:

4.1 A NGET Connection Application submitted by NGET to a Transmission Owner pursuant to Section D, Part Two, sub-paragraph 2.2.4 shall contain the following information:

Proposed New Connection Site

4.1.1 The User Application Date.

4.1.2 Identification of the intended location of the New Connection Site (preferably by reference to an extract from an ordinance survey map), specifying the name of the New Connection Site together with details of access to the New Connection Site.

4.1.3 A plan or plans of the proposed New Connection Site indicated (as far as NGET is able) the position of all buildings, structures, plant and apparatus and of all services located on the New Connection Site.

4.1.4 Details of whether the New Connection Site [subject to a Crown Estate lease] insofar as NGET is aware.

4.1.5 The occupier of the New Connection Site so far as NGET is aware.

4.1.6 Where a sub-station may be needed, an indication by reference to the plan referred to in sub-paragraph 4.1.3, any location for it suggested by the relevant User, giving dimensions of the area.

4.1.7 Where the User is prepared to make available to the Transmission Owner the [Offshore Platform] for the sub-station referred to in sub-paragraph 4.1.6, brief proposals for the Offshore Transmission Owner's interest in it including (if relevant) such interest and the consideration to be paid for it.

4.1.8 Whether space is available on the New Connection Site for working storage and accommodation areas for the contractors of the Offshore Transmission Owner and, if so, an indication by reference to the plan referred to in sub-paragraph 4.1.3 above the location of such areas, giving approximate dimensions of the same.

4.1.9 Details and copies of all existing relevant planning and other consents (statutory and otherwise) relating to the New Connection Site and the User Equipment and/or details of any pending applications for the same.

4.1.10 Whether access to or use of the New Connection Site for the purposes of installing, maintaining and operating equipment is subject to any existing restrictions and, if so, details of such restrictions.

4.1.11 To the extent that NGET is aware of them, identification by reference to a plan (if possible) the owners and (if different) occupiers of the land adjoining the New Connection Site and brief details of the owner's and occupier's respective interests in such land.

Technical Information

4.1.13 Standard Planning Data.

4.1.14 A copy of the User's Safety Rules.

4.1.15 The User's intended Connection Entry Capacity.

4.1.16 The User's intended Transmission Entry Capacity.

4.1.17 The User's intended Reactive Power Capability

Programme

4.1.17 The User's suggested construction programme in bar chart form for the construction work necessary to install the User Equipment.

4.1.18 The date on which NGET wishes the New Connection Site to be made Operational.

4.1.19 The details of any charging options exercised by the User to the extent necessary for the Transmission Owner to calculate TO Charges in respect of those options in accordance with its charging methodology.

53. Requirements for a NGET Connection Application submitted by NGET to a Transmission Owner pursuant to Section D, Part Two, sub-paragraph 2.2.53:

35.1 A NGET Connection Application submitted by NGET to a Transmission Owner pursuant to Section D, Part Two, sub-paragraph 2.2.35 shall contain the following information:

35.1.1 The User Application Date.

35.1.2 The date on which NGET wishes the New Connection Site to be made Operational.

SCHEDULE NINE

TO CONSTRUCTION TERMS

- C. PRO FORMA TERMS FOR TO CONSTRUCTION AGREEMENT BETWEEN NGET AND AN OFFSHORE TRANSMISSION OWNER UNDERTAKING WORKS WHICH INCLUDE WORKS AT A RELEVANT CONNECTION SITE.**

DATED [_____]

[_____] (1)

and

NATIONAL GRID ELECTRICITY TRANSMISSION PLC (2)

[TO CONSTRUCTION AGREEMENT]

Reference: [_____]

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- 1. Definitions, Interpretation and Construction**
- 2. Carrying out the Works**
- 3. Delays**
- 4. Commissioning Programme and Liquidated Damages**
- 5. Independent Engineer**
- 6. Approval to Connect\Becoming Operational**
- 7. TO Final Sums**
- 8. Term**
- 9. The Code**
- 10. Disputes [and TO Event of Default]**
- 11. Variations**

APPENDIX A CONNECTION SITE AND TRANSMISSION CONNECTION ASSETS

APPENDIX B TRANSMISSION INTERFACE SITE

APPENDIX C CONNECTION SITE – SITE SPECIFIC TECHNICAL REQUIREMENTS

**APPENDIX D TRANSMISSION INTERFACE SITE – SITE SPECIFIC TECHNICAL
DESIGN AND OPERATIONAL REQUIREMENTS**

APPENDIX E TRANSMISSION INTERFACE SITE SPECIFICATION

APPENDIX F CONNECTION SITE SPECIFICATION

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APPENDIX H TRANSMISSION REINFORCEMENT WORKS

APPENDIX I USER'S WORKS

APPENDIX J CONSTRUCTION PROGRAMME

APPENDIX K LIQUIDATED DAMAGES

APPENDIX L ONE OFF WORKS

APPENDIX M SEVEN YEAR STATEMENT WORKS AND THIRD PARTY WORKS

APPENDIX N CONSENTS WORKS

APPENDIX O OFFSHORE WORKS ASSUMPTIONS

APPENDIX P USER DATA

[APPENDIX Q TRANSMISSION INTERFACE SITE WORKS]

APPENDIX R INITIAL SERVICES CAPABILITY SPECIFICATION

APPENDIX S MATTERS FOR COMPLETION REPORT

APPENDIX T TO EVENT OF DEFAULT

**APPENDIX U TRANSMISSION OWNER [CHARGES/COSTS] [AND FORECAST
OFFSHORE CONSTRUCTION COST AND OFFSHORE
CONSTRUCTION SECURED AMOUNT]**

APPENDIX V FORM OF BI-ANNUAL ESTIMATE

THIS [] is made on the [] day of [] 20 []

Between

- (1) [] a company registered in [] with number [] whose registered office is at [] (“**Transmission Owner**”) which expression shall include its successors and/or permitted assigns) and
- (2) **NATIONAL GRID ELECTRICITY TRANSMISSION plc** a company registered in England with number 2366977 whose registered office is at 1 – 3 Strand, London, WC2N 5EH (“**NGET**”, which expression shall include its successors and/or permitted assigns).

WHEREAS

- (A) NGET has entered into an agreement with the User for connection to the GB Transmission System at the Connection Site (the “Construction Project”)
- (B) The Transmission Owner has been appointed as [*Preferred Bidder*] for the Offshore Transmission System to which the User will be connected at the Connection Site.
- (C) The Offshore Transmission System is to connect to the Onshore Transmission System owned by [NGET] [the Onshore Transmission Owner] at the Transmission Interface Site.
- (D) Consequent on the Offshore Tender Process NGET has made an NGET Connection Application to the Transmission Owner in accordance with Section D Part Two Paragraph 2 of the Code in respect of the Construction Project.
- (E) Following such NGET Connection Application the Transmission Owner is required to make a TO Construction Offer to NGET in accordance with STC Section D Part Two Paragraph 4 of the Code.
- (F) This Agreement [together with –refer to *NGET Construction Application*] sets out the terms of the TO Construction Offer

NOW IT IS HEREBY AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

- 1.1 Unless the subject matter or context otherwise requires or is inconsistent therewith, terms and expressions in this TO Construction Agreement shall have the same meanings, interpretations or constructions as set out in Section J of the Code and the following terms and expressions shall have the meaning set out below:-

Commissioning Programme means as appropriate the TO Commissioning Programme or the TI Commissioning Programme.

| | |
|--------------------------------------|---|
| Completion Date | the date for completion of the Transmission Construction Works as set out in the TO Construction Programme. |
| Completion Report | the report to be produced by the Transmission Owner pursuant to Clause 6.2 and addressing the matters set out in Appendix S. |
| Confirmation of Compliance Statement | a statement prepared by the Transmission Owner which states that in the opinion of the Transmission Owner, acting as a reasonable and prudent operator, its Transmission System is compliant with the STC, GB SQSS and those other standards specified in Appendix O to which it has designed and constructed its Transmission System. |
| Connection Site | the site of the connection to the GB Transmission System as set out in Appendix A. |
| Connection Site Specification | the specification to be prepared in accordance with Section D Part One Paragraph 2 of the Code [a draft of] which is attached at Appendix F. |
| Consents | <p>means, in relation to any Transmission Construction Works:</p> <ul style="list-style-type: none"> (a) all such planning and other statutory consents [excluding the Crown Estate Lease]; and (b) all wayleaves, easements, rights over or interests in land or any other consent; or (c) permission of any kind as shall be necessary for the construction of the Works or Planned Works and for commencement and carrying on of any activity proposed to be undertaken at or from such Transmission Construction Works when completed; |
| [Consents Works | as set out in Appendix [N]] |
| Construction Backstop | the date specified as such in the TO |

| | |
|--|--|
| Date | Construction Programme. |
| Construction Project | [describe] |
| [Crown Estate Lease] | <i>Edit if User to obtain this</i> |
| Effective Date | the date of this TO Construction Agreement. |
| Forecast Offshore Construction Cost | the sum specified in Appendix U. |
| Initial Services Capability Specification | the initial draft of the Services Capability Specification attached at Appendix R and to be developed by the Transmission Owner pursuant to Clause 2.19 into the Services Capability Specification. |
| Interface Agreement | the agreement to be entered into between the Transmission Owner and the User as required pursuant to Clause 2.20 of this TO Construction Agreement and Section C Part Three Paragraph 3.1 of the Code. |
| Liquidated Damages | the sums specified in or calculated pursuant to Appendix K to this TO Construction Agreement. |
| Offshore Construction Secured Amount | the sum equivalent to [x]% of the Forecast Offshore Construction Cost as specified in Appendix U |
| Offshore Works Assumptions | the matters set out in Appendix O. |
| One Off Works | as set out in Appendix L. |
| [Onshore Transmission Owner | means [] for the purposes of this TO Construction agreement.] |
| [Seven Year Statement Works | as set out in Appendix [M].] |
| Third Party Works | as set out in Appendix M. |
| TI Commissioning Programme | the sequence of operations/tests necessary to connect the Transmission Owners Offshore Transmission System to the Onshore Transmission System at the Transmission Interface Site. |
| TI Commissioning Programme Commencement Date | the date for commencement of the TI Commissioning Programme as set out in the TO Construction Programme. |
| TO Commissioning Programme Commencement Date | the date for commencement of the TO Commissioning Programme as set out in |

| | |
|--|--|
| | the TO Construction Programme. |
| TO Construction Programme | the programme agreed by the Transmission Owner and NGET for the carrying out of Transmission Construction Works as set out in Appendix J |
| TO Event of Default | Those events set out in Appendix [T]. |
| | <i>To identify when termination wouldn't trigger payment of Final sums and/or allow drawdown on securities held.</i> |
| Transmission Connection Assets | as set out in Appendix A |
| Transmission Construction Works | the Transmission Connection Asset Works, Transmission Reinforcement Works, One Off Works and Seven Year Statement Works. |
| Transmission Interface Agreement | the agreement to be entered into by the Transmission Owner and [NGET\Onshore Transmission Owner] pursuant to Clause 2.21 of this Construction Agreement and Section D Part Three Paragraph 3.3 of the Code. |
| Transmission Interface Site | the site of connection between the Offshore Transmission System and the Onshore Transmission System and set out in Appendix B. |
| Transmission Interface Site Specification | the specification be to be prepared in accordance with Section D Part One Paragraph 2.7 of the Code and [a draft of] which is set out at Appendix E. |
| [Transmission Interface Site Works | as set out in Appendix [Q] |
| | <i>These will be the works (if any) to be undertaken by the onshore TOWGET at the interface point to facilitate the connection.]</i> |
| Transmission Reinforcement Works | as set out in Appendix H |
| User | [] |
| User Data | the data in respect of the User's Plant and Apparatus as set out in Appendix P and against which the Transmission Construction Works have been designed. |

User's Works

as set out in Appendix I.

Works

the Transmission Construction Works and User Works [and Interface Site Works].

2. Carrying out of the Works

2.1 Forthwith following the Effective Date, the Transmission Owner shall

(i) agree with the User the Safety Rules and Local Safety Instructions to apply during the TO Construction Programme and TO Commissioning Programme. Failing agreement within three months of the Effective Date, the matter shall be referred to the Independent Engineer for determination in accordance with Clause 5 of this TO Construction Agreement; and

(ii) agree with [NGET] [the Onshore Transmission Owner] the Safety Rules and Local Safety Instructions to apply during the TO Construction Programme and TI Commissioning Programme. Failing agreement within three months of the Effective Date, the matter shall be referred to the Independent Engineer for determination in accordance with Clause 5 of this Construction Agreement.

2.2 In relation to the Connection Site, the Transmission Owner shall, and NGET shall procure that the User shall, ensure that each other is supplied with a copy of the Safety Rules current from time to time, including any site-specific Safety Rules, and also a copy of the Local Safety Instructions applicable at each Connection Site from time to time.

2.3 In relation to the Transmission Interface Site, [the Transmission Owner and NGET shall] [the Transmission Owner shall and NGET shall procure that the Onshore Transmission Owner shall], ensure that each other is supplied with a copy of the Safety Rules current from time to time, including any site-specific Safety Rules, and also a copy of the Local Safety Instructions applicable at the Transmission Interface Site from time to time.

2.4 Subject to paragraphs 2.5 [and 2.7] forthwith following the Effective Date, the Transmission Owner shall use its best endeavours to obtain in relation to the Transmission Construction Works and NGET shall use its best endeavours to [obtain] [procure that the Onshore Transmission Owner obtains] in relation to the Interface Works [and procure that the User obtains in relation to the User Works all Consents. Each shall give advice and assistance to the other to the extent reasonably required by the other in the furtherance of these obligations. Further, each Party shall, and NGET shall procure that the User [and Onshore Transmission Owner] shall, so far as it is legally able to do so, grant to the other, or the User, all such wayleaves, easements, servitude rights or other rights over or interests in land or any other consents reasonably required by the other or the User in order to enable the Works to be expeditiously completed and to enable that other to carry out its obligations to the other under this TO Construction Agreement and in all cases subject to such terms and conditions as are reasonable.

2.5 The following additional provisions shall apply in respect of the Consents and Transmission Construction Works:

2.5.1 All dates specified in this TO Construction Agreement are subject to the Transmission Owner obtaining Consents for the Transmission Construction Works in a form acceptable to it and within the time required to carry out the Transmission Construction Works in accordance with the TO Construction Programme.

2.5.2 In the event of:

- (a) the Consents not being obtained by the required date; or
- (b) the Consents being subject to conditions which affect the dates; or
- (c) the Transmission Owner wishing to amend the Transmission Construction Works to facilitate the granting of the Consents,

the Transmission Owner shall be entitled to revise the Transmission Construction Works (and as a consequence the relevant Appendices of this TO Construction Agreement which set out such Transmission Construction Works and [any related charges]). For the avoidance of doubt such revisions shall be as agreed between the Transmission Owner and NGET and the Transmission Owner shall notify NGET in writing as soon as practicable of any change setting out the scope of changes and the reasons for the same.

2.6 The Parties shall regularly update each other in writing or by such other means as the relevant Parties may agree as to progress made by them and, in the case of NGET, as to progress made by the [User] [Onshore Transmission Owner] from time to time in the obtaining of relevant Consents pursuant paragraphs 2.4 or 2.5.

[2.7[A1] *{The costs referred are assumed to be included/factored into in tender price and so clause can be removed}*

NGET shall be liable to pay to the Transmission Owner:

2.7.1 all of the Transmission Owner's Engineering Charges accrued; and

2.7.2 proper and reasonable out-of-pocket expenses incurred and/or paid or which the Transmission Owner is legally bound to incur or pay,

in seeking and obtaining the Consents the subject of paragraph 2.4 excluding any costs associated with the Seven Year Statement Works and any other works, to the extent that NGET has paid or is liable to pay such costs under another TO Construction Agreement.

NGET acknowledges these out of pocket ancillary expenses may include planning inquiries or appeals and the capital costs together with reasonable legal and surveyors costs of landowners or occupiers in acquiring permanent easements or other rights in

respect of any electric line or underground cable forming part of the Transmission Connection Asset Works. This sum shall not include any capital costs incurred by the Transmission Owner in the acquisition by it of the freehold of any land upon which a land charge is payable. The Transmission Owner shall keep NGET informed of the level of such charges and expenses being incurred. NGET shall pay such sums within 30 (thirty) days of the date of the Transmission Owner's invoice therefor.]

- 2.8 Paragraphs 2.2, 2.3, 2.4 and 2.5 of Section J of the Code relating to Consents shall apply to the construction arrangements set out in this TO Construction Agreement as if set out here in full.
- 2.9 NGET may by written notice to the Transmission Owner terminate this TO Construction Agreement at any time whereupon NGET shall [in addition to the sums for which it is liable under paragraph 2.7] [except and to the extent that TO Construction Agreement is terminated on the basis of a TO Event of Default] be liable to pay to the Transmission Owner a sum equal to the Transmission Owner's estimate or if applicable revised estimate of TO Final Sums. NGET shall pay such sums within 16 (sixteen) days of the date of the Transmission Owner's invoice(s) therefor and (where applicable) on termination the Transmission Owner shall disconnect the User's Equipment at the Connection Site and:
- 2.9.1 [where the Transmission Owner is the owner of the Offshore Platform] NGET shall procure that a User removes any of the User's Equipment on the Offshore Platform within [six months] of the date of termination or such longer period as may be agreed between the Transmission Owner and the User; or
- 2.9.1 [where the User is the owner of the Offshore Platform] the Transmission Owner shall remove any of the Transmission Connection Assets on the Offshore Platform within [six months] of the date of termination or such longer period as may be agreed between the Transmission Owner and the User and subject to any contrary obligations in the Interface Agreement.
- 2.10 The Transmission Owner shall be entitled to contract or sub-contract for the carrying out of its respective parts of the Works. NGET or any contractor on its or the User's behalf (as appropriate) shall be responsible for ensuring the commencement and carrying out of the User Works to such stage of completion as shall render them capable of being Commissioned in accordance with the TO Construction Programme and the Transmission Owner or any contractor on its behalf shall be responsible for commencing and carrying out the Transmission Construction Works to such stage of completion as shall render them capable of being Commissioned in accordance with the TO Construction Programme.
- 2.11 NGET may, at its discretion, notify the Transmission Owner at any time in writing to discontinue, postpone or otherwise delay all or part of any Works or other activities under this TO Construction Agreement and may direct that the Transmission Owner produce an amended TO Construction Programme and/or TO Commissioning Programme and/or TI Commissioning Programme accordingly, as a consequence of:

- 2.11.1 a User breaching any credit or security requirement pursuant to the CUSC or CUSC Construction Agreement;
- 2.11.2 a delay or failure by NGET, a User or another Joint Project Party to obtain any Consents; or
- 2.11.3 a delay or failure by another Joint Project Party under and pursuant to any other TO Construction Agreement in respect of the same Construction Project.
- 2.12 During the period of and at the times and otherwise as provided in the TO Construction Programme and the TO Commissioning Programme the Transmission Owner shall allow NGET or the User and in either case their employees, agents, suppliers, contractors and subcontractors and NGET shall allow and ensure that the User allows (in relation to its sites) the Transmission Owner, its employees, agents, suppliers, contractors and sub-contractors, necessary access to [the Offshore Platform] to enable each to carry out the Transmission Connection Asset Works and One Off Works or User Works but not so as to disrupt or delay the construction and completion of the other's Works on the said [Offshore Platform] or the operation of any other's Plant and Apparatus located thereon, such access to be in accordance with any reasonable regulations relating thereto made by the site owner or occupier.
- 2.13 During the period of and at the times and otherwise as provided in the TO Construction Programme and the TI Commissioning Programme the Transmission Owner shall allow [NGET] [the Onshore Transmission Owner] and their employees, agents, suppliers, contractors and subcontractors and NGET shall [allow] [ensure that the Onshore Transmission Owner allows] the Transmission Owner, its employees, agents, suppliers, contractors and sub-contractors, necessary access to [Transmission Interface Site] to enable each to carry out the Transmission Connection Asset Works and One Off Works or Interface Site Works but not so as to disrupt or delay the construction and completion of the other's Works on the said [Transmission Interface Site] or the operation of any other's Plant and Apparatus located thereon, such access to be in accordance with any reasonable regulations relating thereto made by the site owner or occupier.
- 2.14 Not later than six months prior to
- (i) the TO Commissioning Programme Commencement Date, the Transmission Owner shall provide NGET with a draft TO Commissioning Programme for the Commissioning of the Transmission Connection Assets, and the User's Equipment. NGET shall, as quickly as practicable and in any event within three months of receipt thereof, determine whether or not to approve the proposed TO Commissioning Programme (which approval shall not be unreasonably withheld or delayed) and shall within such three month period either notify the Transmission Owner of its approval or, in the event that NGET reasonably withholds its approval, notify the Transmission Owner of any changes or variations to the proposed commissioning programme recommended by NGET. If the Transmission Owner does not accept such changes or variation submitted by NGET any dispute shall be referred to the Independent Engineer for

determination. The TO Commissioning Programme agreed between the parties or determined by the Independent Engineer as the case may be shall be implemented by the parties and their sub-contractors in accordance with its terms.

(ii) the TI Commissioning Programme Commencement Date, the Transmission Owner shall provide [NGET] [the Onshore Transmission Owner] with a draft TI Commissioning Programme for the Commissioning of the Transmission Owners Plant and Apparatus to the Onshore Transmission System at the Transmission Interface Site. [NGET shall, as quickly as practicable and in any event within three months of receipt thereof, determine whether or not to approve the proposed TI Commissioning Programme (which approval shall not be unreasonably withheld or delayed) and shall within such three month period either notify the Transmission Owner of its approval or, in the event that NGET reasonably withholds its approval, notify the Transmission Owner of any changes or variations to the proposed commissioning programme recommended by NGET]. [NGET shall procure that, as quickly as practicable and in any event within three months of receipt thereof, the Onshore Transmission Owner determines whether or not to approve the proposed TI Commissioning Programme (which approval shall not be unreasonably withheld or delayed) and shall within such three month period either notify the Transmission Owner of the Onshore Transmission Owners approval or, in the event that the Onshore Transmission Owner reasonably withholds its approval, notify the Transmission Owner of any changes or variations to the proposed commissioning programme recommended by NGET] If the Transmission Owner does not accept such changes or variation submitted by NGET any dispute shall be referred to the Independent Engineer for determination. The Interface Commissioning Programme agreed between the parties or determined by the Independent Engineer as the case may be shall be implemented by the parties and their sub-contractors in accordance with its terms.

2.15 If at any time prior to the Completion Date there is a) a change to the Offshore Works Assumptions and/or User Data and it is or the Transmission Owner becomes aware that it may be necessary for the Transmission Owner to make any addition to or omission from or amendment to or b) there is no change to the Offshore Works Assumptions and/or User Data but the Transmission Owner in its reasonable discretion wishes to make any addition to or omission from or amendment to its Transmission Connection Asset Works and/or Transmission Reinforcement Works and/or the One Off Works and/or the Third Party Works the Transmission Owner shall as soon as practicable notify NGET in writing of such addition, omission or amendment citing the reasons for the same [and any implications for the TO Construction Programme and/or [costs] and where the parties so agree the relevant Appendices of this TO Construction Agreement shall be automatically amended to reflect the change.

2.16 The Transmission Reinforcement Works are conditional on any relevant nuclear generator granting approval to the carrying out of the Transmission Construction Works in terms of any Nuclear Site Licence Provisions Agreement. In the event of the relevant

nuclear generator not granting approval the Transmission Owner shall be entitled to change the Transmission Construction Works, the TO Construction Programme and all dates specified in this TO Construction Agreement.

2.17 It is hereby agreed and declared for the purposes of the Construction (Design and Management) Regulations 2007 that the Transmission Owner is the only client in respect of the Transmission Construction Works and shall accordingly discharge all the duties of a client under the said Regulations.

2.18 The Transmission Owner and NGET hereby agree and acknowledge that this TO Construction Agreement is not to be treated as a construction contract within the meaning of section 104 of the Housing Grants, Construction and Re-generation Act 1996 and sections 104 to 113 of the said Act shall have no application to any part of the Transmission Construction Works and the Parties' rights and obligations with regard to matters of dispute resolution and payment procedures are as expressly set out herein.

2.19 Services Capability Specification

The Initial Services Capability Specification shall be developed and amended by the parties by agreement as the design of the Transmission Construction Works is finalised such that the parties can agree the Services Capability Specification not later than [] or by such other date as the parties shall agree.

2.20 Interface Agreement

Not later than [6 months] prior to the Completion Date or such other period as the Transmission Owner and the User shall agree the Transmission Owner shall enter into the Interface Agreement with the User.

2.21 Transmission Interface Agreement

By not later than [] or such other period as the Transmission Owner and [NGET] [the Onshore Transmission Owner] shall agree the Transmission Owner and [NGET\the Offshore Transmission Owner] shall enter into the Transmission Interface Agreement.

3. DELAYS

3.1 If either Party shall have reason to believe that it, another Transmission Owner or, in the case of NGET a User, is being delayed or will be delayed in carrying out that Party's or a User's Works (as appropriate) for any reason (whether it is one entitling it to the fixing of a new date under paragraph 3.2 of this TO Construction Agreement or not) it shall forthwith notify the other Party in writing of the circumstances giving rise to the delay and of the extent of the actual and/or anticipated delay.

3.2 If prior to the Completion Date a Party (in this paragraph 3.2 the "**Affected Party**") shall be delayed in carrying out any of the Affected Party's Works (including their commissioning) by reason of (a) any act, default or omission on the part of the other

Party (in this paragraph the "**Defaulting Party**") or of the Defaulting Party's employees, agents, contractors, sub-contractors or, in the case where NGET is the Defaulting Party, by reason of a delay by the User or (b) any act, default or omission on the part of any Transmission Owner which is not a Party to this TO Construction Agreement or its employees, agents, contractors or subcontractors or (c) by reason of an event of Force Majeure, the Affected Party shall be entitled to have such later date or dates fixed as the TO Commissioning Programme Commencement Date and/or (as the case may be) TI Commissioning Programme Commencement Date and/or (as the case may be) the Completion Date as may be fair and reasonable in the circumstances provided that it shall have notified the Defaulting Party in writing of such act, default or omission or event of Force Majeure within 28 days of it becoming aware of the occurrence giving rise to the delay together with an estimate of the proposed delay which it will cause the Affected Party. In the event of a dispute between the parties over what is or are any fair and reasonable date or dates to be fixed in the circumstance this shall be promptly referred to and determined by the Independent Engineer. Once the new date or dates are fixed the TO Construction Programme and/or TO Commissioning Programme and/or TI Commissioning Programme shall be deemed automatically amended as appropriate.

4. COMMISSIONING PROGRAMME AND LIQUIDATED DAMAGES

- 4.1 Each Party shall give written notice to the other declaring its readiness to commence the Commissioning Programme when this is the case.
- 4.2 The Commissioning Programme shall commence forthwith once both Parties shall have given written notice to the other under paragraph 4.1.
- 4.3 The Transmission Construction Works [and Interface Works] shall be deemed to have been Commissioned on the date agreed by the parties or if not agreed on the date that the Independent Engineer certifies in writing to that effect.
- 4.4 In the event that the actual date of commencement of the TO Commissioning Programme shall be later than the TO Commissioning Programme Commencement Date the Transmission Owner (if and to the extent that it is responsible for delayed commissioning beyond the TO Commissioning Programme Commencement Date, such responsibility and/or its extent to be determined by the Independent Engineer failing agreement between the parties) shall be liable to pay to NGET Liquidated Damages for each day that the actual date of commencement of the TO Commissioning Programme is later than the TO Commissioning Programme Commencement Date. It is declared and agreed that such Liquidated Damages shall cease to be payable in respect of any period after the date of actual commencement of the TO Commissioning Programme.
- [4.5 In the event that the actual date of commencement of the TI Commissioning Programme shall be later than the TI Commissioning Programme Commencement Date the Transmission Owner (if and to the extent that it is responsible for delayed commissioning beyond the TI Commissioning Programme Commencement Date, such responsibility and/or its extent to be determined by the Independent Engineer failing

agreement between the parties) shall be liable to pay to NGET Liquidated Damages for each day that the actual date of commencement of the TI Commissioning Programme is later than the TI Commissioning Programme Commencement Date. It is declared and agreed that such Liquidated Damages shall cease to be payable in respect of any period after the date of actual commencement of the TI Commissioning Programme.]

- 4.6 In the event that the actual date on which the Transmission Construction Works are Commissioned is later than the Completion Date the Transmission Owner (if and to the extent that it is responsible for delayed completion beyond the Completion Date, such responsibility and/or its extent to be determined by the Independent Engineer failing agreement between the Parties) shall be liable to pay to NGET Liquidated Damages for each day that the actual date on which the Transmission Construction Works are Commissioned is later than the Completion Date. It is hereby agreed and declared that such Liquidated Damages shall cease to be payable in respect of any period after completion of the Transmission Construction Works.
- 4.7 Liquidated Damages payable under paragraphs 4.4, 4.5 and 4.6 shall accumulate on a daily basis but shall be payable calendar monthly. On or before the 13th day of each month the Party entitled to receive the payment of Liquidated Damages shall send to the other Party a statement of the Liquidated Damages which have accrued due in the previous calendar month. The Party receiving such statement shall in the absence of manifest error pay the Liquidated Damages shown on the statement within 28 days of the date upon which the statement is received.
- 4.8 Without prejudice to and in addition to the obligation of NGET pursuant to paragraph 2.6 the payment or allowance of Liquidated Damages pursuant to this paragraph 4 shall be in full satisfaction of the Transmission Owner's liability for failure to perform its obligations by the TO Commissioning Programme Commencement Date and/or TI Commissioning Programme Commencement Date and/or the Completion Date as appropriate.
- 4.9 In the event that NGET or a User shall have failed, in circumstances not entitling NGET to the fixing of a new date as the TO Commissioning Programme Commencement Date pursuant to paragraph 3.2, to procure that the User complete the User Works by the Construction Backstop Date to a stage where NGET or such User (as appropriate) is ready to commence the TO Commissioning Programme, the Transmission Owner shall have the right to terminate this TO Construction Agreement upon giving notice in writing to NGET. In the event of such termination NGET shall [in addition to the amounts for which it is liable under paragraph 2.7], also be liable to the Transmission Owner to pay a sum equal to the Transmission Owner's estimate or revised estimate of TO Final Sums. NGET shall pay such sums within 14 (fourteen) days of the date of the Transmission Owner's invoice(s) therefor and on termination (where applicable) The Transmission Owner shall disconnect the User Equipment at the Connection Site and
- (a) *[where the offshore platform is owned by the transmission owner]* NGET shall, or shall ensure that the User shall, remove any of the User Equipment on the Offshore Platform within [six months] of the date of termination or such longer

period as may be agreed between the Transmission Owner and NGET or the Transmission Owner and the User and

- (b) *[where the offshore platform is owned by the user]* the Transmission Owner shall remove any Transmission Connection Assets on the Offshore Platform within six months of the date of termination or such longer period as may be agreed between the Transmission Owner or NGET and the User and subject to any contrary obligations in the Interface Agreement..

5. INDEPENDENT ENGINEER

In relation to matters raised pursuant to this TO Construction Agreement, the Parties agree and shall procure that the Independent Engineer shall act as an expert and not as an arbitrator and shall decide those matters referred or reserved to him under this TO Construction Agreement by reference to Good Industry Practice using his skill, experience and knowledge and with regard to such other matters as the Independent Engineer in his sole discretion considers appropriate. All references to the Independent Engineer shall be made in writing by either Party with notice to the other being given contemporaneously as soon as reasonably practicable and in any event within 16 days of the occurrence of the dispute to be referred to the Independent Engineer. The Parties shall promptly supply the Independent Engineer with such documents and information as he may request when considering such question. The Independent Engineer shall use his best endeavours to give his decision upon the question before him as soon as possible following its referral to him. The Parties shall share equally the fees and expenses of the Independent Engineer. The Parties expressly acknowledge that submission of disputes for resolution by the Independent Engineer does not preclude subsequent submission of disputes for resolution by arbitration as provided in Section H of the Code. Pending any such submission the parties shall treat the Independent Engineer's decision as final and binding.

6. GETTING CONNECTED AND BECOMING OPERATIONAL

6.1 Without prejudice to Paragraph 5 and subject to the provisions of this TO Construction Agreement, the Transmission Owner shall assist NGET in Connecting and Energising the User Equipment at the Connection Site including by:

- (a) completing any Transmission Construction Works required to be completed by the Transmission Owner at the times and in such manner as set out in the TO Construction Programme; and
- (b) completing any operations, tests or other activities required to be completed by the Transmission Owner at the times and in such manner as set out in the TO Commissioning Programme and/or TI Commissioning Programme.

6.2 Not later than [] months prior to the expected TI Commissioning Programme Commencement Date the Transmission Owner shall submit to [NGET] [the Onshore Transmission Owner] a statement of readiness to complete the TI Commissioning Programme and the Completion Report.

6.3 Subject to Clause 6.2 [NGET shall] [NGET shall procure that the Onshore Transmission Owner shall] connect the Transmission Owner's Plant and Apparatus to the Onshore Transmission System at the Transmission Interface Site during the course of and in accordance with the TI Commissioning Programme and thereafter to remain so connected as part of the GB Transmission System and subject to the terms of the Transmission Interface Agreement, Transmission Interface Site Specification and the Code.

7. TO FINAL SUMS

7.1 Within 58 days of the date of termination of this TO Construction Agreement the Transmission Owner shall:

- (a) furnish NGET with a further statement showing a revised estimate of TO Final Sums and will provide as soon as practicable evidence of such costs having been incurred; and
- (b) by written notice to NGET inform NGET of all capital items which cost the Transmission Owner in excess of £10,000 and in relation to which an amount on account of TO Final Sums shall have been paid and whether the Transmission Owner (1) wishes to retain the said capital items or (2) dispose of them.

7.2 In respect of all capital items which the Transmission Owner wishes to retain (other than those which have been, or are proposed to be installed as a replacement for Transmission Plant and Transmission Apparatus) the Transmission Owner shall forthwith reimburse to NGET the amount paid by NGET on account of TO Final Sums in respect of the said capital items (including without limitation the amount paid on account of the design, purchase, installation and testing of the said capital item and also associated construction works and interest charges) together with interest calculated thereon on a daily basis from the date of termination of this TO Construction Agreement to the date of payment at Base Rate for the time being and from time to time provided that in the event that the Transmission Owner wishes to retain any capital item which has been installed but wishes to remove it to storage or to another site then it shall only reimburse to NGET the cost of the capital item and not the costs of such installation and shall deduct from any reimbursement due to NGET the costs of removal and/or storage.

7.3 In respect of all capital items which the Transmission Owner wishes to dispose (other than those which have been, or are proposed to be installed as a replacement for Transmission Plant and Transmission Apparatus) it shall forthwith (and subject to the Transmission Owner obtaining the consent of the Authority under its Transmission Licence if required) sell or procure the sale of the said capital item on an arms-length basis as soon as reasonably practicable. Forthwith upon receipt of the sale proceeds the Transmission Owner shall pay to NGET the proceeds received from any such sale together with interest thereon calculated on a daily basis from the date of termination to the date of payment at Base Rate for the time being and from time to time less any reasonable costs associated with the sale including the costs and expenses reasonably incurred and/or paid and/or which the Transmission Owner is legally bound to pay on

removing the capital item, any storage charges and any costs reasonably incurred by the Transmission Owner in respect of reinstatement associated with removal of the capital item. The Transmission Owner shall provide NGET with reasonably sufficient evidence of all such costs and expenses having been incurred. If the Authority does not agree to the disposal of the capital item the capital item shall be retained by the Transmission Owner and the Transmission Owner shall reimburse NGET the notional current market value in situ of the said capital item as between a willing buyer and a willing seller as agreed between the Parties and failing agreement as determined pursuant to Section H of the Code together with interest thereon calculated on a daily basis from the date of termination of this TO Construction Agreement to the date of payment at Base Rate for the time being and from time to time.

7.4 As soon as reasonably practicable after termination of this TO Construction Agreement the Transmission Owner shall provide NGET with a statement of and invoice for the TO Final Sums together with evidence of such costs having been incurred and/or paid and/or having been committed to be incurred. If the TO Final Sums are greater than the payments made by NGET in respect of the Transmission Owner's estimate(s) of TO Final Sums NGET shall within 35 days of the said statement and invoice prepared by the Transmission Owner pay to the Transmission Owner the additional payments due by NGET together with interest calculated thereon on a daily basis at Base Rate for the time being and from time to time from the date of previous payment(s) sums equal to the Transmission Owner's estimate of TO Final Sums to the date of the statement of and invoice for TO Final Sums. If the TO Final Sums is less than the payments made by NGET in respect of the Transmission Owner's estimate of TO Final Sums paid by NGET following termination of this TO Construction Agreement the Transmission Owner shall forthwith pay to NGET the excess paid together with interest on a daily basis at the Base Rate for the time being and from time to time from the date of payment of the fair and reasonable estimate of TO Final Sums to the date of reimbursement by the Transmission Owner of the said excess paid.

7.5 **Provision of Bi-annual Estimate**

The Transmission Owner shall provide to NGET an estimate ("the **Bi-annual Estimate**") in substantially the form set out in the relevant Appendix to this TO Construction Agreement and showing the amounts of all payments required or which may be required to be made by NGET to the Transmission Owner in respect of TO Final Sums and Engineering Charges and other expenses in relation to seeking Consents referred to in paragraph 2.4 at the following times and in respect of the following periods:-

- (a) forthwith and on and with effect from the Effective Date, in respect of the period from the Effective Date until the next following 31st March or 30th September (whichever shall first occur); and
- (b) not less than 82 (eighty-two) days (or if such day is not a Business Day the next following Business Day) prior to each 31st March and 30th September thereafter in respect of the period of six calendar months commencing on the immediately

following 1st April or 1st October (as the case may be), until this TO Construction Agreement shall be terminated or shall expire in accordance with paragraph 8.

The Transmission Owner shall provide NGET with all advice and assistance reasonably requested by NGET in relation to any discussions or correspondence with a User in connection with Bi-annual Estimates.

7.6 **Entitlement to Estimate**

If the Transmission Owner is (for whatever reason) unable on any relevant date to calculate precisely any sum due or which has accrued due or in respect of which NGET has a liability to the Transmission Owner for payment under any of the provisions of this TO Construction Agreement, the Transmission Owner shall be entitled to invoice NGET for a sum equal to the Transmission Owner's fair and reasonable estimate of the sums due or which may become due or in respect of which NGET has a liability to the Transmission Owner for payment. The Transmission Owner shall also be entitled to send NGET further invoices for such sums not covered in previous invoices. NGET shall pay the Transmission Owner all sums so invoiced by the Transmission Owner.

8. **TERM**

8.1 Subject to the provisions for earlier termination set out in the Code, this TO Construction Agreement shall continue in force unless and until terminated in accordance with paragraphs 2.9, or 4.9.

8.2 Any provisions for payment survive the termination of this TO Construction Agreement.

9. **THE CODE**

9.1 The provisions of:

9.1.1 Section E (Payment);

9.1.2 Section F (Confidentiality);

9.1.3 Section G, paragraphs 5 (Third Party Rights), 6 (Transfer and Sub-contracting), 7 (Intellectual Property), 8 (Force Majeure), 9 (Privilege), 10 (Waiver), 11 (Nominated Representative), 12 (Communications), 13 (Counterparts), 14 (Severance of Terms), 15 (Language), 16 (Data Protection Act), 17 (Jurisdiction), 18 (Governing Law), 19 (No Partnership)

of the Code shall apply to this TO Construction Agreement as if set out in this TO Construction Agreement in full.

10. **DISPUTES [AND TO EVENT OF DEFAULT]**

10.1 Except as specifically provided for in this TO Construction Agreement any dispute arising under the terms of this TO Construction Agreement shall be referred to arbitration in accordance with the terms of Section H of the Code.

10.2 In the event that this TO Construction Agreement is terminated by NGET as a result of a TO Event of Default then the Transmission Owner shall be liable to pay to NGET the [Offshore Construction Secured Amount] such payment to be made by the Transmission Owner to NGET within 14 days of the date of NGET's invoice therefor.

11. **VARIATIONS**

11.1 Subject to paragraphs 11.2 and 11.3 below, no variation to this TO Construction Agreement shall be effective unless made in writing and signed by or on behalf of both the Transmission Owner and NGET.

11.2 The Transmission Owner and NGET shall effect any amendment required to be made to this TO Construction Agreement by the Authority as a result of a change in the Code or a Licence or an order or direction made pursuant to the Act or a Licence. NGET hereby authorises and instructs the Transmission Owner to make any such amendments on its behalf and undertakes not to withdraw, qualify or revoke such authority or instruction at any time.

11.3 [The Transmission Owner has the right to vary any Appendices to this TO Construction Agreement in accordance with paragraphs 2.5, 2.15 and 3.2 *as drafted all changes to be agreed or implemented through mod process*].

11.4 Any disputes

IN WITNESS WHEREOF the hands of the duly authorised representatives of the parties hereto at the date first above written

SIGNED BY)

[name])

for and on behalf of)

National Grid Electricity Transmission plc)

SIGNED BY)

[name])

for and on behalf of)

[Transmission Owner])

APPENDIX A

CONNECTION SITE AND TRANSMISSION CONNECTION ASSETS

APPENDIX B

TRANSMISSION INTERFACE SITE

APPENDIX C

CONNECTION SITE – SITE SPECIFIC TECHNICAL REQUIREMENTS

[requirements to be provided by OFTO for User]

APPENDIX D

**TRANSMISSION INTERFACE SITE – SITE SPECIFIC TECHNICAL DESIGN AND
OPERATIONAL REQUIREMENTS**

[requirements to be provided by NGET\TO for OFTO]

APPENDIX E

TRANSMISSION INTERFACE SITE SPECIFICATION

[draft to be attached]

APPENDIX F

CONNECTION SITE SPECIFICATION

[draft to be attached]

APPENDIX G

TRANSMISSION CONNECTION ASSET WORKS

APPENDIX H

TRANSMISSION REINFORCEMENT WORKS

APPENDIX I

USER WORKS

APPENDIX J]

CONSTRUCTION PROGRAMME

APPENDIX K

LIQUIDATED DAMAGES

APPENDIX L

ONE OFF WORKS

APPENDIX M

SEVEN YEAR STATEMENT WORKS and ONE OFF WORKS

APPENDIX N

CONSENTS WORKS

APPENDIX O

OFFSHORE WORKS ASSUMPTIONS

[List Agreed Assumptions Following Tender Including Technical Specification Of Users Equipment, Technical specification of OFTO's plant at transmission interface site and connection site, Site Specific Technical Conditions, Derogations, ownership boundary at connection site and transmission interface site]

APPENDIX P

USER DATA

[CEC and TEC, number, type, rating of machines, including reactive capability]

APPENDIX Q

TRANSMISSION INTERFACE SITE WORKS

[local works if any required to connect OFTO at Transmission Interface Site]

APPENDIX R

INITIAL SERVICES CAPABILITY SPECIFICATION

[Draft to be provided]

APPENDIX S

MATTERS FOR COMPLETION REPORT

[List matters to be included which shall contain

- Confirmation of Compliance Statement;
- type test results\reports;
- confirmation that the signed CUSC Interface Agreement(s) are in place;
- confirmation that the signed Transmission Interface Agreement is in place;
- confirmation that the signed Transmission Interface Site Specification is in place;
- confirmation that the Services Capability Specification is in place;
- confirmation that Safety Rules have been exchanged;
- confirmation that the Connection Site Specification(s) are complete and in place; and,
- confirmation that the Site Responsibility Schedule is complete and in place.]

APPENDIX T

TO Event of Default

[Circumstances in which NGET terminates and OFTO security can be called upon]

APPENDIX U

**TRANSMISSION OWNER [CHARGES\COSTS] [and FORECAST OFFSHORE
CONSTRUCTION COST and OFFSHORE CONSTRUCTION SECURED AMOUNT]**

[charges for NGET pass on to USER]

[amount to be secured by TO]

APPENDIX V

FORM OF BI-ANNUNAL ESTIMATE

[for purposes of clause 7]

DATED _____ 20[]

[]

- and -

[]

TRANSMISSION INTERFACE AGREEMENT

Relating to the installation and operation of [Transmission Assets] of one party on the property of the other party at the [interface\connection] between an Offshore Transmission System and an Onshore Transmission System

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THIS DEED OF AGREEMENT is made on the _____ day of _____ 200[]

BETWEEN

- (1) **[Insert name of Relevant Transmission Licensee\NGET]** a company registered in [] with number [] whose registered office is at [(“X”, which expression shall include its successors and\or permitted assigns); and
- (2) **[Insert name of Relevant Transmission Licensee]** a company registered in [] with number [] whose registered office is at [(“Y”, which expression shall include its successors and/or permitted assigns)

WHEREAS

Certain assets and facilities of the Parties are to be installed on property title to which is vested in the other and connected to the transmission system of the other and this Agreement is entered into by the Parties to give effect to appropriate arrangements in respect of such assets, the use of such assets and facilities and the connection.

NOW IT IS HEREBY AGREED as follows:-

1. DEFINITIONS AND INTERPRETATION

Unless the subject matter or context otherwise requires or is inconsistent therewith, terms and expressions defined in Section J of the System Operator - Transmission Owner Code have the same meanings, interpretations or constructions in this Transmission Interface Agreement and the following terms and expressions bear the following meanings:-

| | |
|----------|---|
| “Assets” | those assets listed in Schedule 1 (including any plinths or other structures (excluding buildings) to or upon which the same are affixed and to or upon which no assets of any other person are affixed and any |
|----------|---|

straps, bolts or other such things for attachment thereto) as any of the same may be Modified pursuant to this Agreement where Part 1 lists those belonging to [X] and Part 2 lists those belonging to [Y];

“Emergency Personnel”

in relation to a Party, all employees of that Party who have appropriate knowledge and experience and are recognised by that Party as being able to carry out competently and safely emergency action for the purposes of clause 9;

“Facility Asset”

those assets listed in Schedule 4 where A Part One and Part Two are assets provided by [X] to [Y] and B Part One and Part Two are assets provided by [Y] to [X];

“Land”

land described in Schedule 2 where Part 1 is land owned by [X] and Part 2 is land owned by [Y];

“Location Managers”

[];

“Modification”

any alteration to or replacement of a Party’s Assets pursuant to clause 3.1 of this Agreement and “Modify” and “Modified” shall be construed accordingly;

“Party”

each person for the time being and from time to time party to this Agreement and any successor(s) in title to, or permitted

| | |
|-----------------------|---|
| | assign(s) of, such person; |
| “Permitted Purpose” | means the maintenance, inspection, testing, removal, operation, modification or repair of that Party’s Assets; |
| “Relocation Proposal” | a proposal by one Party to the other pursuant to sub-clause 5.1 for the relocation of a Party’s Assets; |
| “Right of Access” | full right and liberty during the currency of this Agreement to enter upon and through and remain upon any part of the other Party’s Land (including where relevant any land over which a Party [has a right of servitude, wayleave or similar right – <i>Scotland</i>] [enjoys an easement- <i>England and Wales</i>] which benefits that Party’s Land and the use of which is necessary by the other Party to enable it to exercise the Right of Access hereby granted) PROVIDED to the extent necessary for a Permitted Purpose and subject to the provisions of clause 5; |
| “Services” | In the context of Clause 8, the goods and |

services specified in Schedule 5 where A Part One and Part Two are provided by [X] to [Y] and B Part One and Part Two are provided by [Y] to [X];

“Transmission Interface Site” [];

“Transmission Interface Site Specification” Transmission Interface Site Specification entered into by the Parties pursuant to the STC and dated [];

In this Agreement:-

- (i) unless the context otherwise requires all references to a particular clause, sub-clause, paragraph or Schedule shall be a reference to that clause, sub-clause, paragraph or Schedule in or to this Agreement;
- (ii) the table of contents and headings are inserted for convenience only and shall be ignored in construing this Agreement;
- (iii) references to the words “include” or “including” are to be construed without limitation to the generality of the preceding words;
- (iv) unless there is something in the subject matter or the context which is inconsistent therewith, any reference to an Act of Parliament or any Section thereof or Schedule thereto, or other provision thereof or any instrument, order or regulation made thereunder shall be construed at the particular time as including a reference to any modification, extension, replacement or re-enactment thereof then in force and to all instruments, orders or regulations then in force and made under or deriving validity from the relevant Act of Parliament; and

- (v) references to the masculine shall include the feminine and references in the singular shall include the plural and vice versa and words denoting natural persons shall include companies, corporations and any other legal entity and vice versa.

2. RIGHT TO INSTALL AND RETAIN ASSET

- 2.1 Subject to sub-clause 5.1, each Party hereby grants to the other the right to install and thereafter retain and replace as provided in this Agreement its Assets on the other's Land in such places as are currently proposed (subject to such variations between the date hereof and the actual date of installation as may be agreed to by the Party on whose Land the Assets are to be installed) and such right shall extend to any Modified Assets. The Party owning the Land shall maintain any shelter and/or support enjoyed by the other Party's Assets at the date of this Agreement or when relocated on that Land in accordance with clause 5 and grants to the other Party a Right of Access for the purpose of the maintenance, inspection, testing, removal, operation, modification or repair of any of that Party's Assets.

3. MODIFICATIONS REPLACEMENTS AND ALTERATIONS

- 3.1 A Party (the "requesting Party") may at its own expense replace or alter any of its Assets provided that:-
- 3.1.1 the replacement Assets or the Assets as so altered:-
- (i) are placed in the same or approximately the same position;
 - (ii) fulfil the same or a similar purpose;
 - (iii) can, where relevant, be accommodated in and on existing buildings or structures;

- (iv) do not require additional or improved facilities or services from the other Party (the "Receiving Party");
- (v) do not restrict the actual and intended use of the Receiving Party's Land and any equipment thereon or therein to any materially greater extent than the Assets so replaced or altered; and
- (vi) are either of the same or a similar or smaller size or the alteration is effected substantially within the space occupied by such Assets to enable the Assets to be used up to their full capability; and

3.1.2 prior written notification has been given to the Receiving Party and any obligations in respect of the same under the Code have been complied with.

3.2 If any replacement or alteration permitted by clause 3.1 shall require minor alterations or works to the existing buildings or structures housing or supporting the Asset in question, such alterations or works may be carried out (with the prior written approval of the Receiving Party (such approval not to be unreasonably withheld or delayed)) but at the cost of the Requesting Party.

3.3 To the extent that any of the conditions of clause 3.1 are not in the reasonable opinion of the Receiving Party met in relation to any replacement or alteration, the Receiving Party may by notice in writing require the Requesting Party promptly to remove such replacement or alteration and, if it fails to do so, may remove the same itself at the cost and expense of the Requesting Party. On such removal, the Requesting Party may reinstate the Assets so replaced or altered.

3.4 A Party shall, if considering moving, replacing, or altering any of its Assets, give due consideration as to whether it shall be operationally practicable, desirable and reasonably economic to move such Assets to (or place the replacement or altered Assets on) its own property.

3.5 For avoidance of doubt it is hereby agreed that any dispute between the Parties regarding this clause shall be determined in accordance with the provisions of Clause 10 of this Agreement.

4. SECURITY AND COMPLIANCE WITH STATUTES etc

4.1 Each Party undertakes to maintain and provide security in relation to the Assets in accordance with the arrangements set out in Part I of Schedule 3.

4.2 Each Party shall procure that, as between the Parties, all reasonable and necessary steps are taken, as and when necessary or desirable, in co-operation with the other Party (and, so far as applicable, with any third party), to ensure compliance with the provisions (each such provision or part thereof being in this clause 4 an "Obligation") of:-

- (i) all statutes and Directives applicable to any Assets and/or any part (including the whole) of the Land;
- (ii) any statute or Directive which may affect any other property (of whatever nature) of either Party as a result of the existence, nature, location, or manner of operation of any Assets; and
- (iii) any statute or Directive requiring the reporting of any occurrence relating to or affecting any Assets and/or Land (including the Reporting of Injuries Diseases and Dangerous Occurrence Regulations 1985 and the Regulations).

4.3 Each Party shall, so far as it is aware of the same, unless it has reasonable grounds for believing that the other Party possesses the information, keep the other Party informed of all matters relating to any Obligation or potential Obligation and/or the extent to which such Obligation may be applicable.

4.4 In the event of any dispute as to responsibility, as between the Parties, pursuant to clause 4.2, for compliance with an Obligation, that responsibility shall be allocated, so far as practicable, on the basis that:-

- (i) each Party shall refrain from taking or permitting any act or omission which would prevent compliance with an Obligation; and
- (ii) positive action required in relation to a Party's property as a consequence of the existence, nature, location or manner of operation of that property or any other property of that Party shall be the responsibility of that Party, and, to the extent that such action is required in respect of or affecting any property of the other Party (or property of a third party located in or on that other Party's Land), such action may be taken with the prior approval of that other Party (such approval, subject to (i) above, not to be unreasonably withheld or delayed).

4.5 The Safety Rules and provisions for safety co-ordination agreed between the Parties pursuant to the Code shall apply.

5. RELOCATIONS

5.1 At any time and from time to time during the term of this Agreement, either Party (the "Requesting Party") may with the prior written consent of the other Party (the "Receiving Party") (such consent not to be unreasonably withheld or delayed) require the Receiving Party to relocate any Assets either to a different location on the Requesting Party's Land or to the Receiving Party's Land or a third party's land, such consent to be sought and given or refused in accordance with the following procedure:-

- 5.1.1 The Requesting Party shall serve a written notice on the Receiving Party, which notice shall specify:-

- (a) the Assets which the Requesting Party wishes to be relocated;
- (b) the reasons for such wish;
- (c) the proposed new location for such Assets; and
- (d) the timing of the carrying out of such relocation.

5.1.2 The Receiving Party shall within one month of receipt of any such notice (or such longer period as shall be reasonably necessary) serve a counter notice stating:-

- (a) whether or not in its reasonable opinion such Relocation Proposal is acceptable to it;
- (b) if the Relocation Proposal is not acceptable to the Receiving Party, the grounds for such opinion and the terms of any alternative proposal (the "Alternative Relocation Proposal") covering so far as relevant the matters referred to in items (a) - (d) of clause 5.1.1 which would be acceptable to the Receiving Party; and
- (c) in respect of the Relocation Proposal (if accepted) or of any Alternative Relocation Proposal, the costs likely to be incurred in connection with considering the Relocation Proposal or the Alternative Relocation Proposal and effecting the said relocation of the Assets and the proper and reasonable costs of relocating any other equipment that may be necessary as a result of the relocation of those Assets and any consequential losses including payments to third parties incurred as a result of the relocation of those Assets and the proposed manner and timing of payment of the same by the Requesting Party.

- 5.1.3 If within one month of the date of such counter notice (or such longer period as shall be reasonably necessary) the Requesting Party has not withdrawn the Relocation Proposal and the Parties have not agreed upon it or the Alternative Relocation Proposal (if any) or a variation of either of them (such agreement to include agreement on the costs referred to in item (c) of clause 5.1.2) the matter shall be dealt with in accordance with Clause 10.
- 5.2 Upon approval or settlement of any Relocation Proposal, Alternative Relocation Proposal or variation thereof pursuant to clause 5.1, the Receiving Party shall (conditionally upon it being able to obtain all necessary licences and consents which it will use reasonable endeavours to do) relocate or procure the relocation of the relevant Assets as quickly as reasonably practicable (having regard to, amongst other things, technical and operational requirements and to the availability of all necessary licences and consents).
- 5.3 The Requesting Party shall render all reasonable assistance to the Receiving Party in connection with such relocation licences and consents and pay to the Receiving Party all costs referred to in item (c) of clause 5.1.2 as agreed or settled pursuant to clause 5.1 provided that all reasonable endeavours are used to minimise such costs and in the event that a Relocation Proposal is withdrawn or consent thereto is reasonably withheld pursuant to clause 5.1, the Requesting Party shall pay to the Receiving Party all costs reasonably incurred by the receiving Party in connection with considering the Relocation Proposal and any counter notice.
- 5.4 Such of the provisions of this Agreement as are appropriate and relevant (including the provisions of this clause 5), shall continue to apply to any relocated Assets.

6. REMOVALS

- 6.1 In the event that there shall cease to be a Transmission Interface Specification relating to the Assets each Party shall disconnect itself from the others [transmission system]

and shall remove its Assets from the other Party's Land within [] or such longer period as may be agreed by the Parties.

6.2 Where a Party (the "Failing Party") is obliged to remove any Assets from the other Party's Land, under this Clause 6, and fails to do so in accordance with the relevant provisions, (whether they be contained in this clause 6, clause 3 or clause 5) the other Party shall be entitled to remove the Failing Party's Assets to land belonging to the Failing Party and the Failing Party shall provide all reasonable assistance to enable the other Party safely so to do and shall pay and reimburse to the other Party all costs and expenses reasonably incurred by the other Party in so doing.

7. RIGHTS OF ACCESS

7.1 A Right of Access includes the right to bring on to the Land such vehicles, plant, machinery and maintenance or construction materials as shall be reasonably necessary for the Permitted Purpose.

7.2 A Right of Access given to a Party may be exercised by any person, including third party contractors, reasonably nominated from time to time by that Party. To the extent (if any) that any particular authorisation or clearances may be required to be given by a Party and the procedures for giving and obtaining the same are not for the time being stipulated in arrangements made pursuant to clause 7.3, the same shall be given within a reasonable time from the date of the request therefor, save in the case of emergency in which case it shall be given without delay.

7.3 A Party shall procure that all reasonable arrangements and provisions are made and/or revised from time to time, as and when necessary or desirable, to facilitate the safe exercise by it of any Right of Access with the minimum of disruption, disturbance or inconvenience to the other Party. Such arrangements and provisions shall provide for the other Party to have the right to make directions or regulations from time to time

in relation to a specified matter. Matters to be covered by such arrangements and/or provision shall include:-

- (i) the identification of any relevant Assets;
- (ii) the particular access routes applicable to the land in question having particular regard for the weight and size limits on those routes;
- (iii) any limitations on times of exercise of a Right of Access;
- (iv) any requirements as to prior notification and as to authorisation or security clearance of individuals exercising such Rights of Access, and procedures for obtaining the same;
- (v) the means of communication between the Parties and all employees and/or contractors who may be authorised from time to time by a Party to exercise a Right of Access of any relevant directions or regulations made by the other Party;
- (vi) the identification of and arrangements applicable to Emergency Personnel.
- (vii) Any limitation or restriction on the exercise of such Right of Access to the extent that in the circumstances is reasonable

7.4 Each Party shall procure that any such arrangements and/or provisions (or directions or regulations issued by the other Party pursuant thereto) made from time to time between the Parties shall be observed and performed by it and all persons authorised by it to exercise any Right of Access.

7.4.1 A Party shall procure that all reasonable steps are taken in the exercise of any Right of Access to:-

- (a) avoid or minimise damage to the other Party's Land, or any other property thereon or therein;

(b) cause as little disturbance and inconvenience as possible to the other Party or other occupier of the other Party's Land;

and shall promptly make good any damage caused to the other Party's Land and/or such other property in the course of the exercise of such rights and shall indemnify the other Party against all actions, claims, proceedings, losses, costs and demands arising out of such exercise.

7.4.2 Subject to clause 7.4.1, all such rights shall be exercisable free of any charge or payment of any kind.

7.5 Subject to any contrary arrangements for the time being made under clause 7.3,

7.5.1 a Right of Access for operation or inspection shall be available without prior notice;

7.5.2 a Right of Access for the purpose of maintenance, testing or repair of HV Apparatus shall only be exercisable on the giving of at least seven days prior written notice to the other Party except in the case of loss of generation or demand or other emergency (in which event the other Party shall render all possible assistance in procuring that the Right of Access shall be exercisable as soon as possible); and

7.5.3 a Right of Access for the purpose of Modifying any Assets shall be exercisable only after two weeks prior written notice to the other Party.

8. SERVICES AND USE OF ASSETS

8.1 Subject as hereinafter provided, in relation to each Facility Asset, a Party (the "Owning Party") shall, if required by the other Party (the "Receiving Party") , make the Facility Asset in question available for use by the Receiving Party to such extent as is necessary for the purposes of the Receiving Party's undertaking but not so as to

prejudice the use now or hereafter of such Facility Asset by the Owning Party for its undertaking.

8.2 Subject as hereinafter provided, in relation to each Services, a Party shall, if required by the other Party (the "Receiving Party"), provide the same to the Receiving Party. Such provision shall be of such a quality and quantity and shall be provided at such times as the Receiving Party shall reasonably request. A Party shall not be required to exceed the level of quality or quantity of the Services as are anticipated by the Parties at the date of this Agreement, unless specifically agreed otherwise between the Parties.

8.3 Where the use of any Facility Asset is made available or such Services are supplied as aforesaid, the Parties shall procure that all reasonable arrangements and provisions are made and/or revised from time to time, as and when necessary or desirable between the local personnel employed by each of them in that regard, such arrangements to include:-

8.3.1 the identification of the Facility Asset and/or Services in question including (where relevant) the extent of their availability;

8.3.2 the hours during which such use or provision shall be allowed or made;

8.3.3 any requirements as to notification of use or call for supply or temporary suspension thereof;

8.3.4 any requirements as to authorisation or security clearance of individuals and the procedures for obtaining the same; and

8.3.5 any safety requirements.

8.4 The provision of use of the Facility Asset listed in Schedule 4, Part One and the supply of the Services listed in Schedule 5, Part One shall not be terminated unless the Party providing them ceases to require the Facility Asset or Services for its own use in which

case the supply of the Services or use of the Facility Asset may be terminated by not less than one year's notice in writing;

8.5 The provision of use of the Facility Assets listed in Schedule 4, Part Two and the supply of the Services listed in Schedule 5, Part Two shall continue until terminated by not less than six months notice in writing by either Party. The Party providing the Facility Asset shall maintain the Facility Asset in accordance with Good Industry Practice.

9. NON-INTERFERENCE

9.1 Each Party agrees that neither it nor its agents, employees and invitees will interfere in any way with any of the other Party's Assets without the consent of that Party. For the purposes of this clause "interfere" shall include:-

9.1.1 disconnecting or altering the connection of any of the other Party's Assets to any system of cables, foundations, pipes, drains or other media to which it may be connected from time to time or to prevent supply of any substance or thing through such connected system;

9.1.2 affixing or removing any item or substance of any nature whatsoever to or from any of the other Party's Assets;

9.1.3 damaging any of the other Party's Assets;

9.1.4 allowing any other person to interfere with any of the other Party's Assets;

9.1.5 alter any meters or settings on any of the other Party's Assets;

9.1.6 the obstruction of access to any of the other Party's Assets.

9.2 The obligations contained in this clause 9 shall be suspended to the extent that emergency action is taken by Emergency Personnel in good faith to protect the health and safety of persons or to prevent damage to property. All reasonable care shall be

taken in the course of such emergency action. When the emergency has ended, any damaged property will be reinstated by a Party, save for damage occurring by reason of lack of reasonable care in the course of the emergency action taken by the other Party which shall be the responsibility of such Party.

10. DISPUTE RESOLUTION

- 10.1 Any dispute arising under this Agreement between Location Managers of the Parties shall, if not resolved within 14 days of first arising, be referred at the instance of either party to the respective line managers, or those fulfilling a similar function whether or not so called, of the Parties who shall use all reasonable endeavours to resolve the matter in dispute within one month.
- 10.2 Save where expressly stated in this Agreement to the contrary (including the procedure for initial dispute resolution contained in clause 10.1) and subject to any contrary provision of the Act, the Code, any Licence, or the Regulations, or the rights, powers, duties and obligations of the Authority or the Secretary of State under the Act, any Licence or otherwise howsoever, any dispute or difference of whatever nature howsoever arising under out of or in connection with this Agreement between the Parties shall (subject to any relevant initial dispute resolution procedures referred to in Clause 10.1 having been exhausted) be and is hereby referred to arbitration pursuant to the arbitration rules of the Electricity Supply Industry Arbitration Association in force from time to time.
- 10.3 Whatever the nationality residence or domicile of any Party and wherever the dispute or difference or any part thereof arose the law of England and Wales shall be the proper law of any reference to arbitration hereunder and in particular (but not so as to derogate from the generality of the foregoing) the provisions of the Arbitration Act 1996 (including any modification, extension, replacement or re-enactment thereof for the time being in force) shall apply to any such arbitration wherever the same or any part of it shall be conducted.]

11. TITLE TO ASSETS

11.1 A Party acknowledges that it does not have and will not acquire any title, right or interest in the other's Land save for such rights as are expressly granted herein or otherwise provided nevertheless that, if according to any rule of law, a Party could acquire any such title, right or interest in any of the other Party's Land, then it undertakes [to do all that is required to transfer such right or interest to the other Party to ensure that it shall not, by reason of such right or interest arising, have its full rights in such land diminished (and in the interim to hold such rights in trust for that Party) and shall if requested by that Party, be obliged forthwith to establish trust arrangements valid under Scottish law so as to ensure that any such right or interest shall be held on behalf of that Party] [then such title, right or interest shall be held upon trust, insofar as it relates to that Party's Land, for that Party absolutely].

11.2 Each Party agrees that it shall not by any act or default render the other Party's Assets liable to any distress execution or other legal process, and in the event that the other Party's Assets shall become so liable, shall forthwith give notice of any such proceedings to that Party and shall forthwith notify any third party instituting any such process of the ownership of such Assets.

11.3 If a Party desires to mortgage or charge its Land or its interest therein on which any of the Other Party's Assets are located or to enter into any arrangement which, if made, might affect the rights of the other Party expressly granted herein, then the Party shall ensure that the other Party's Assets are not and will not be subject to the rights granted therein and are not and will not be affected by the mortgage, legal charge or other agreement or arrangement, and shall give prior written notification thereof to the other Party.

11.4 In the event that a Party shall wish to grant rights over or dispose of any interest in or change the use of it's Land that Party shall notify the other Party of such wish and fully consult it in respect thereof and shall not grant such rights or make such disposal or

change of use save on terms securing to the reasonable satisfaction of that other the Rights of Access granted in respect of the it's Land.

12. STC

The provisions of Sections [E (Payments and Billing)?], F (Communications and Data), G Paragraphs 4 (Limitation of Liability), 5 (Third Party Rights), 6 (Transfer and Subcontracting), 7 (Intellectual Property), 8 (Force Majeure), 9 (Privilege), 10 (Waiver), 12 (Communications), 13 (Counterparts), 14 (Severance of Terms), 15 (Language), 16 (Data Protection Act), 17 (Jurisdiction), 18 (Governing Law) [and H (Dispute Resolution)], inclusive of the shall apply to this Transmission Interface Agreement as if set out in this Transmission Interface Agreement.

13. VARIATIONS

The provisions of Schedules 1, 3, 4, 5 and 6 may be varied from time to time by written memorandum signed by an authorised officer of each of the Parties. Subject thereto no variations to this Agreement shall be effective unless made by way of supplemental deed.

14. GOOD INDUSTRY PRACTICE

Both parties shall observe their respective obligations hereunder in accordance with Good Industry Practice

15. TERM AND TERMINATION

This Agreement shall continue until each Party has disconnected form the other Party's [Transmission System] at the Transmission Interface Site and neither Party has assets on the other's Land and no Facility Assets or Services are shared or provided.

16. REGISTRATION AND MEMORANDUM (Scotland only)

16.1 Where any or all of a Party's Land is registered or a Party's interest therein is subject to compulsory registration at the [land register of Scotland] [H.M Land Registry], the Parties hereto agree to apply to the Chief Land Registrar for the registration as appropriate of the rights and obligations granted by or contained in this Agreement and to place on deposit at H.M. Land Registry all relevant Land or Charge Certificates to enable such registration to be effected.

16.2 Where any of a Party's Land is not so registered or subject to compulsory registration, the Parties shall procure within six months of the date hereof that memoranda of this Agreement are endorsed on or otherwise securely attached to the most recent conveyance (in the case of a [freehold\heritable] interest) or the lease under or pursuant to which they hold such land.

17. ENTIRE AGREEMENT

17.1 This Agreement contains the entire agreement between the Parties with respect to the subject matter hereof, and expressly excludes any warranty, condition or other undertaking implied at law or by custom, and supersedes all previous agreements and understandings between the Parties with respect thereto and:-

- (i) each of the Parties acknowledges and confirms that it does not enter into this Agreement in reliance on any representation, warranty or other undertaking not fully reflected in the terms of this Agreement; but
- (ii) Each Party acknowledges that the other Party may have entered or may enter into agreements with other parties who hold a licence containing similar rights and/or liabilities to those contained in this Agreement affecting the Land and any assets thereon. A Party shall, when entering into such agreement with any such party, use reasonable endeavours to avoid conflicts between the provisions thereof and the provisions of this Agreement but in the event of any conflict the Party shall use all reasonable

endeavours to procure that appropriate arrangements are made to settle the same to give full effect (so far as practicable) to the rights and liabilities under this Agreement and under such other agreements as aforesaid. In the event of any dispute as to such conflict and/or arrangements the dispute shall be dealt with in accordance with the STC.

IN WITNESS whereof this Agreement has been entered into as a Deed the day and year first above written.

SCHEDULE 1

Assets

Part 1

Part 2

SCHEDULE 2

Land

Part 1

Part 2

SCHEDULE 3

Part I

Security Details (Clause 4.1)

Part II

Plant MV LV Apparatus

SCHEDULE 4

FACILITY ASSETS

A

Part One

Part Two

B

Part One

Part Two

SCHEDULE 5

SHARED SERVICES PROVIDED

A

Part One

Part Two

B

Part One

Part Two

SCHEDULE 6

Addresses, Fax Nos etc (Cl. 18.)

[Insert details of X]

[]

Telephone:

Facsimile:

[Insert details of Y]

[]

Telephone:

Facsimile:

THE COMMON SEAL of)

].....)

was hereunto affixed in the presence of:-)

THE COMMON SEAL of)

[])

was hereunto affixed in the presence of:-)

3.3.2.1.1 STCP 23-1 Offshore Party Entry Process

3.3.2.1.2 STC Procedure Document Authorisation

| Company | Name of Party Representative | Signature | Date |
|--|-------------------------------------|------------------|-------------|
| National Grid Electricity Transmission plc | | | |
| SP Transmission Ltd | | | |
| Scottish Hydro-Electric Transmission Ltd | | | |

3.3.2.1.3

3.3.2.1.4 STC Procedure Change Control History

| | | |
|---------|----------|------------------------------------|
| Draft 1 | 25/04/08 | Outline Draft for Offshore Project |
|---------|----------|------------------------------------|

Introduction

Scope

This procedure applies to NGET and each Offshore TO. For the purposes of this document, TOs are:

SPT; and

SHETL.

For the purposes of this document, Offshore TOs are those newly acceded STC Parties who have been required to accede to the STC as a consequence of the Offshore Tender Process.

Objectives

This STCP describes the processes and procedures that an Offshore TO is expected to participate in and complete following its accession to the STC as a consequence of the Offshore tender process. This STCP cross-references a number of other STCPs that are an integral part of the obligations a newly acceded STC Party is to discharge under the STC.

Key Definitions

For the purposes of STCP 23-1:

.

Procedure

Accession

Upon achieving the status of a "Preferred Bidder" through the Offshore Tender Process a participant in the Offshore Tender Process will be required to accede to the STC Framework Agreement and comply with the requirements of the STC. The aim of this STC is therefore to describe at a high level the procedures and obligations an Offshore TO will be required to comply with throughout the period commencing at the time of the Preferred Bidder acceding to the STC and ending at the time of energisation of the relevant Offshore Transmission System and any user equipment connected to such Offshore Transmission System.

Accession to the STC shall be achieved in accordance with STC Section A, Paragraph 3.

Offshore TO Construction Agreement

Within [x] days of an Offshore TO acceding to the STC Framework Agreement, NGET shall send to the Offshore TO an NGET Construction Application pertaining to the required Offshore Transmission Works.

Within [1] month of receiving such NGET Construction Application the Offshore TO shall be required to send to NGET an Offshore TO Construction Agreement in accordance with the provisions of STC Section D, Part 2 and STCP xx-xx.

The Offshore TO Construction Agreement shall substantially be in the form of Schedule xx to the STC, and shall contain:

- The intended design of the Offshore Transmission System;
- A programme of works for the completion of the construction of the Offshore Transmission System;
- A draft Services Capability Schedule for the Offshore Transmission System;
- etc;

STCP xx-1 Offshore Party Entry Process

Draft - 14/05/08

Following receipt of such Offshore TO Construction Agreement NGET shall liaise with Other Affected TOs in the preparation of the User Offer. The Offshore TO may be required to provide input into this process as required.

Site-Specific TO Agreements

Offshore Transmission Owners shall enter into the following agreements and specifications within [x] months of Accession to the STC Framework Agreement:

Transmission Site Interface Agreement

This agreement governs the arrangements for the installation of assets, access and the use of services at Transmission Interface Sites. The Offshore Transmission Owner shall be responsible for the initial production of the Transmission Interface Site Agreement (which shall be substantially in the form of Schedule [yy] to the STC).

NGET or the relevant TO who is to be the counterparty to this agreement shall agree the content of the Transmission Interface Site Agreement with the Offshore TO and countersign the agreement within [x] months of receipt of the initial draft.

Transmission Site Interface Specification

Interface Agreements

Site responsibility Schedules

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Offshore Transmission System Construction and Commissioning

Construction of the Offshore Transmission System shall proceed in accordance with STCP 19-2 and at the relevant time (as more particularly described in the TO Construction Agreement or the STCP) the Offshore TO will be expected to comply with STCP 19-3: Operational Notification and Compliance Testing and STCP 19-4: Commissioning and Decommissioning.

Other Activities required prior to Energisation of the Offshore Transmission System

Services Capability Specification

STCP [04-6]?

Establishment and testing of Communications Arrangements

Exchange of Data

Outages Proposals

Transmission Investment Plans

Provision of Offshore TO Safety Rules

Others?.

STCP xx-1 Offshore Party Entry Process

Draft - 14/05/08

Appendix A: Flow Diagram

Note that the Process Diagrams shown in this Appendix A are for information only. In the event of any contradiction between the process represented in this Appendix and the process described in the main body of this STCP, then those provisions in the main body shall prevail.

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STCP xx-1 Offshore Party Entry Process

Draft - 14/05/08

Appendix B: Abbreviations & Definitions

Abbreviations

| | |
|-------|--|
| SHETL | Scottish Hydro-Electric Transmission Ltd |
| SPT | SP Transmission Ltd |
| STC | System Operator Transmission Owner Code |
| TO | Transmission Owner |

Definitions

STC definitions Used:

Grid Code Definitions Used:

CUSC Definitions Used:

Definitions used in the document that are covered in other STCPs:

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