

THIS TRANSMISSION RELATED AGREEMENT is made on the _____ day of _____ 200

BETWEEN

- (1) ~~National Energy System Operator Limited~~ ~~a company registered in England with number 11014226 whose registered office is St Catherines Lodge, Bearwood Road, Sindlesham, Berkshire RG41 5BN (“The Company”)~~ **NATIONAL GRID ELECTRICITY SYSTEM OPERATOR LIMITED** a company registered in England and Wales with company number 11014226 whose registered office is at 1-3 Strand, London, WC2N 5EH (“**The Company**”, which expression shall include its successors and/or permitted assigns); and
- (2) [] a company registered in [] with number [] whose registered office is at [] (“**User**”, which expression shall include its successors and/or permitted assigns).

WHEREAS

- (A) **The Company** and the **User** are parties to the **CUSC Framework Agreement** which gives effect to the document designated by the **Secretary of State** and adopted by **The Company** as the Connection and Use of System Code pursuant to the **ESO Transmission Licence**, as from time to time modified pursuant to the **Transmission ESO Licence** (the “**CUSC**”).
- (B) **The Company** and the **User** are parties to a [**Bilateral Connection Agreement**] [**Bilateral Embedded Generation Agreement**] dated [] (ref: []) in respect of the connection to and/or use of the **National Electricity Transmission System** at [] (the “**Bilateral Agreement**”).
- (D) Under the terms of the **Bilateral Agreement** restrictions on availability apply under certain conditions and as a result the **User** is required to enter into this **Transmission Related Agreement** on the terms and subject to the conditions set out below.

NOW IT IS HEREBY AGREED as follows:

1. DEFINITIONS, INTERPRETATION AND CONSTRUCTION

- 1.1 Unless the subject matter or context otherwise requires or is inconsistent therewith, terms and expressions defined in Section 11 of the **CUSC** and in the **Bilateral Agreement**, [the **Construction Agreement**,] the **Balancing and Settlement Code** and the **Grid Code** have the same meanings, interpretations or constructions in this **Transmission Related Agreement**.
- 1.2 “**Base Rate**” shall be defined in respect of any day as 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 week-day other than a Saturday on which banks are open in the City of London (the “**Business Day**”).

- 1.3 “**Enhanced Rate**” shall be defined in respect of any day as the rate per annum which is 4 % per annum above the base lending rate from time to time of Barclays Bank plc at the close of business immediately preceding the **Business Day**.
- 1.4 “**Party**” shall be defined as each party to this **Transmission Related Agreement** and any successor(s) in title to, or permitted assign(s) of such person.
- 1.5 References in this **Transmission Related Agreement** to “this **Transmission Related Agreement**” include references to the Schedule hereto.

2. **COMMENCEMENT AND TERM**

- 2.1 This **Transmission Related Agreement** shall come into effect on the date hereof and shall continue in force and effect until the **Bilateral Agreement** is terminated in accordance with the **CUSC**.
- 2.2 Any provisions for payment shall survive termination of this **Transmission Related Agreement**.

3. **PAYMENTS BY THE USER**

- 3.1 Where in accordance with Clause [9] of the **Bilateral Agreement** the provisions of this **Transmission Related Agreement** are expressed to apply then the **User** shall make a payment to **The Company** determined in accordance with Clause 3.2 hereof.
- 3.2 The payment by the **User** referred to in Clause 3.1 above shall be an amount calculated on a **Settlement Period** basis and for each relevant **BM Unit** and shall be determined in accordance with the provisions set out below:-

Where in respect of all or part of an **Outage Period**:-

- (a) in respect of a **BM Unit**, either the prevailing **Maximum Export Limit** or the prevailing **Maximum Import Limit** is other than that permitted under Clause [10/9] of the **Bilateral Agreement**; and
- (b) **The Company** issues in accordance with the **Grid Code** a **Bid-Offer Acceptance** requiring the **BM Unit** to reduce the absolute value of **Output** or **Demand** to the figure as required under Clause [9] of the **Bilateral Agreement**, then the following formula shall apply:-

$$PNGC_i = \sum_{J \in j} \sum^n \left(\min(0, PB^{n_{ij}}) \times QAB^{n_{ij}} + \max(0, PO^{n_{ij}}) \times QAO^{n_{ij}} \right)$$

Where:-

$PNGC_i$ represents the payment from the User to **The Company** in respect of **BM Unit i**

\sum_n represents the sum over all **Bid-Offer Pair Numbers** for the **BM Unit**

\sum

$J \in j$ represents the summation over all **Settlement Periods j** in the set of **Settlement Periods J** being those **Settlement Periods** in respect of which both the events specified in (a) and (b) above occurred

And:

$PB^{n_{ij}}$ = **Bid Price n** for **BM Unit i** in **Settlement Period j**

$QAB^{n_{ij}}$ = **Period BM Unit Total Accepted Bid Volume**

$PO^{n_{ij}}$ = **Offer Price n** for **BM Unit i** in **Settlement Period j**

$QAO^{n_{ij}}$ = **Period BM Unit Total Accepted Offer Volume**

n = **Bid-Offer Pair Number**

i = **BM Unit**

j = **Settlement Period**

3.3 The payment by the **User** referred to in Clause 3.1 above shall be made in accordance with the Schedule to this **Transmission Related Agreement**.

4. **VARIATIONS**

4.1 Subject to Clause 4.2, no variation to this **Transmission Related Agreement** shall be effective unless made in writing and signed by or on behalf of both **The Company** and the **User**.

4.2 **The Company** and the **User** shall effect any amendment required to be made to this **Transmission Related Agreement** by the **Authority** as a result of a change in the **CUSC**, the **ESO Licence** or the **Transmission Licence**, an order or direction made pursuant to the **Act** or a **Licence**, or as a result of settling any of the terms hereof. The **User** hereby authorises and instructs **The Company** to make any such amendment on its behalf and undertakes not to withdraw, qualify or revoke such authority or instruction at any time.

5. **GENERAL PROVISIONS**

The following provisions of the **CUSC** shall apply to this **Transmission Related Agreement** *mutatis mutandis* as if set out in full herein:-

Paragraphs 6.12 (Liability), 6.14 (Transfer and Sub-contracting), 6.15 (Confidentiality), 6.16 (Data), 6.18 (Intellectual Property), 6.19 (Force Majeure), 6.20 (Waiver), 6.21 (Notices), 6.22 (Third Party Rights), 6.23 (Jurisdiction), 6.25 (Governing Law), 6.26 (Severance of Terms), 6.27 (Language), **6.38 (Directions related to national security)**, 7.4 (Disputes) and 7.5 (Third Party Claims).

6. COUNTERPARTS

This **Transmission Related Agreement** may be entered into in any number of counterparts and by different parties in separate counterparts, each of which when signed shall constitute an original but all the counterparts shall together constitute but one and the same agreement.

IN WITNESS WHEREOF the hands of the duly authorised representatives of the parties hereto at the date first above written

SIGNED BY)

)

for and on behalf of)

~~**NATIONAL ENERGY SYSTEM OPERATOR LIMITED NATIONAL GRID ELECTRICITY SYSTEM OPERATOR LIMITED**~~)

SIGNED BY)

)

for and on behalf of)

[])

SCHEDULE OF PAYMENT PRINCIPLES

1.1 On the fifth **Business Day** of each calendar month **The Company** shall where applicable send to the **User** a statement (“the **Provisional Monthly Statement**”) consisting of:-

- (a) a statement (the “**Provisional Statement**”) containing details of the payment calculation(s) made pursuant to Clause 3.2 of this **Transmission Related Agreement** in respect of the previous month; and,

- (b) if relevant, a statement showing adjustments to be made (net of interest) in relation to any dispute regarding the payment calculation(s) in respect of any month prior to the previous month (“**the Provisional Adjustments Statement**”),

in each case showing the payments due to or from the **User** as a result thereof and the net amount due to or from the **User**.

- 1.2 If the **User** disagrees with any of the dates, times, facts or calculations as set out in the **Provisional Statement** and/or the **Provisional Adjustments Statement**, it shall produce to **The Company** the evidence which it relies upon in support of such disagreement. The **Parties** shall discuss and endeavour to resolve the matter but if it cannot be resolved the **Parties** may have recourse to an arbitrator appointed pursuant to Paragraph 7.4 of the **CUSC**. Where a dispute is resolved, **The Company** shall adjust the account between itself and the **User** accordingly in the **Final Statement** where practicable or otherwise in the next **Provisional Adjustments Statement** which it issues.

- 1.3 Thirteen **Business Days** after the date specified in paragraph 1.1 **The Company** shall send to the **User** a statement (“**the Final Monthly Statement**”) consisting of:-

- (a) a statement (“**the Final Statement**”) incorporating:-
- (i) in the case of an undisputed **Provisional Statement** (or where any dispute has been resolved and no changes have been effected to the calculations contained in the **Provisional Statement**) the calculation made under paragraph 1.1.(a) together with an invoice for the amount shown as being due to or from the **User** (as the case may be) ; or
 - (ii) In the case of a disputed **Provisional Statement** where the dispute has been resolved prior to the issue of the **Final Statement** and changes to the calculations contained in the **Provisional Statement** have been agreed, a revised calculation made under paragraph 1.1(a) together with an invoice for the amount shown as being due to or from the **User** (as the case may be) ; and
- (b) if a **Provisional Adjustments Statement** has been issued in accordance with paragraph 1.1(b), a statement (“**the Final Adjustments Statement**”) showing adjustments to be made in relation to any dispute concerning any month prior to the previous month together with interest thereon up to and including the date of payment referred to in paragraph 1.5 such adjustments will be reflected in the invoice referred to at paragraph 1.3 (a) .

- 1.4 Where either **Party** discovers that any previous **Provisional Monthly Statement** or **Final Monthly Statement** contains an arithmetic error or omission **The Company** shall adjust the

account between itself and the **User** accordingly in the next **Provisional Adjustments Statement** which it issues, setting out the reason why the adjustment has been made and the provisions of paragraph 1.2 shall apply *mutatis mutandis* to such adjustments.

- 1.5 The due date of payment in respect of any disputed amount subsequently determined or agreed to be payable shall be the date for payment of the relevant **Provisional Statement** from which the dispute arises. The successful **Party** to the dispute shall be entitled to interest at the **Base Rate** on any disputed amount until the date of payment.
- 1.6 Each **Party** shall pay to the other the net amount shown as due from that **Party** in the **Final Monthly Statement** within three **Business Days** of the date on which such statement is issued.
- 1.7 If either **Party** ("the **Defaulting Party**"), in good faith fails to pay under paragraph 1.6 any amount properly due under this **Transmission Related Agreement**, then such **Defaulting Party** shall pay to the other **Party** interest on such overdue amount from and including the due date of such payment to (but excluding) the date of actual payment at the **Base Rate**. Provided that should the **Defaulting Party** otherwise fail to pay any amount properly due under this **Transmission Related Agreement** on the due date then the **Defaulting Party** shall pay to the other **Party** interest on such overdue amount at the **Enhanced Rate** from the due date on which such payment was properly due to (but excluding) the date of actual payment. Any interest shall accrue from day to day.
- 1.8 If following a dispute or by virtue of paragraphs 1.2 or 1.4 it is determined or agreed that a **Party** was entitled to a further payment from the other **Party**, that **Party** shall be entitled to interest at the **Base Rate** on the amount of such further payment from the due date calculated in accordance with paragraph 1.5 until the date of payment.
- 1.9 If following a dispute or by virtue of the provisions of paragraphs 1.2 or 1.4 it is determined or agreed that a **Party** was not entitled to any payment it has received, the other **Party** shall be entitled to interest at the **Base Rate** on the amount so paid from the date of payment until the date of repayment or the date when the first **Party** makes a payment to the other **Party** which takes such payment into account.
- 1.10 Notwithstanding the terms thereof, **The Company** shall be entitled to set off against any amount falling due and payable by **The Company** to the **User** under any **Balancing Services Agreement** from time to time in force, all or a part of any payment or payments falling due and payable by the **User** to **The Company** under this **Transmission Related Agreement**.
- 1.11 All amounts specified hereunder shall be exclusive of any Value Added Tax or other similar tax and **The Company** or the **User** as the case may be shall pay the Value Added Tax at the

rate for the time being and from time to time properly chargeable in respect of all payments made under this **Transmission Related Agreement**.

- 1.12 Save where otherwise stated, references in this Schedule to paragraphs are references to paragraphs of this Schedule.