

Date 1 September 2004

National Grid Company plc ("the Licensee")
1-3 Strand
London WC2N 5EH
Great Britain

To the company secretary of the Licensee

Designation of changes to the Connection and Use of System Code (CUSC) and direction to modify the CUSC

The Licensee holds a transmission licence treated as granted under section 6(1)(b) of the Electricity Act 1989 as amended ("the Licence").

For the purpose of paragraph 7(b) of standard condition C10 of the Licence, the Secretary of State hereby:

- (a) designates the changes to the CUSC specified in the attached schedule ("the designated changes"); and
- (b) directs the Licensee to amend the CUSC so as to incorporate the designated changes on the dates set out in the schedule.

Yours faithfully



Dr E.A.M. Baker
Director, Domestic and European Markets, Energy Markets Unit
For and on behalf of the Secretary of State for Trade and Industry

Department of Trade and Industry

1 Victoria Street
London SW1H 0ET

Fax

Minicom

Enquiries +44 (0)20 7215 5000

www.dti.gov.uk

STATEMENT OF AMENDMENTS

This table sets out the amendments to the GB CUSC which are to take effect on immediately.

CUSC Text Location	Amendments
Section 1	
1.2.4	Row 1 in the table replace “ NGC ” with “ GB ”.
1.2.4	Row 3 in the table replace “ NGC ” with “ GB ”.
1.3.1(a)	Second line replace “ NGC ” with “ GB ”.
1.3.1(c)(i)	Replace the three references to “ NGC ” with “ GB ”.
1.3.2	Replace the reference to “ NGC ” with “ GB ”.
1.4.1	Replace the reference to “ NGC ” with “ GB ”.
Section 2	
Contents Page, 2.17	Replace “ NGC ” with “Transmission Connection”.
2.1.1	Replace “ NGC ” with “ GB ”.
2.1.2	Replace the two references to “ NGC ” with “ GB ”.
2.2.1	Replace the reference in line 5 to “ NGC ” with “ GB ”.
2.2.2(b)	Replace the reference to “ NGC ” with “ GB ” on line 5.
2.2.3	Replace the reference to “ NGC ” with “ GB ” on line 7.
2.2.4	Replace the references to “ NGC ” with “ GB ” on lines 1 and 3
2.3.1.	Replace reference to “ NGC ” on lines 3 and 6 with “ GB ”.
2.3.2	Replace the two references to “ NGC ” with “ GB ”.
2.4	Replace reference to “ NGC ” on line 4 with “ GB ”.
2.5	Replace reference to “ NGC ” on line 4 with “ Transmission Connection ” and replace reference to “ NGC ” on last line with “ GB ”.
2.6	<p>Amend paragraph as identified by the change marking in the text below:-</p> <p>Subject to the provisions of the Grid Code and the relevant Bilateral Connection Agreement, NGC and each User shall, as between NGC and that User, be entitled to plan and execute outages of parts of <u>in the case of NGC the GB Transmission System or Transmission Plant or Transmission Apparatus and in the case of the User its respective System or Plant or Apparatus at any time and from time to time.</u></p>
2.7	Replace reference to “ NGC ” on line 2 with “ GB ”.
2.9.4	Insert the words:- “in England and Wales” after the word “ Commissioned ” on line 1.
2.10	<p>Amend paragraph as identified by the change marking in the text below:-</p> <p>2.10 SAFETY RULES</p>

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	<p style="text-align: center;"><u>Safety Rules</u></p> <p><u>2.10.1</u> In relation to a Connection Site <u>in England and Wales</u> NGC and each User will each supply to the other <u>and in relation to a Connection Site in Scotland</u> NGC shall <u>procure that the Relevant Transmission Licensee supplies to the User</u> a copy of their 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.</p> <p><u>2.10.2</u> In relation to a Connection Site in Scotland each User will <u>supply to the Relevant Transmission Licensee a copy of their 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.</u></p>
2.11	<p>Amend paragraph as identified by the change marking in the text below:-</p> <p>2.11 INTERFACE AGREEMENT</p> <p><u>2.11.1</u> In relation to Connection Sites and New Connection Site(s) in England and Wales NGC and each User undertake to enter into an Interface Agreement with each other <u>and in relation to Connection Sites and New Connection Sites(s) in Scotland</u> NGC shall procure that the Relevant Transmission Licensee shall enter into an Interface Agreement with a User <u>in either case</u> in a form to be agreed between them but based substantially on the forms set out in Exhibit O to the CUSC as appropriate <u>in relation to Connection Site(s) and New Connection Site(s)</u> where <u>such Interface Agreement(s) is/are required pursuant to the applicable Bilateral Connection Agreement or otherwise.</u></p> <p><u>2.11.2</u> In relation to Connection Sites and New Connection Site(s) in Scotland the User <u>undertakes to enter into an Interface Agreement with the Relevant Transmission Licensee in a form to be agreed between them but based substantially on the forms set out in Exhibit O to the CUSC as appropriate where such Interface Agreement(s) is/are required pursuant to the applicable Bilateral Connection Agreement or</u></p>

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	<u>otherwise.</u>
2.12.1(a)	Replace reference to “ NGC ” on line 2 with “ GB ”.
2.12.1(b)	Replace reference to “ NGC ” on line 3 and line 6 with “ GB ”.
2.12.1(c)	Amend paragraph as identified by the change marking in the text below:- (c) in relation to <u>Transmission Plant</u> and <u>Transmission Apparatus</u> located between the <u>NGC-GB Transmission System</u> and a Distribution System and owned by NGC but designed for a voltage of 132KV or below, <u>in England and Wales and below 132kV in Scotland</u> , 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;
2.12.1(d)	Replace reference to “ NGC ” on line 2 with “ GB ”.
2.12.2	Amend paragraph as identified by the change marking in the text below:- 2.12.2 If a User wants to use transformers of specialised design for unusual load characteristics at the electrical boundary, NGC shall own such transformers these shall not be owned by the User and shall form part of the GB Transmission System but the User shall pay NGC for the proper and reasonable additional cost thereof as identified by NGC in the Offer covering such transformers. In this Paragraph 2.12.2 “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).
2.13.2	Replace “C7D” with “C8”.
2.13.3	Replace “C7E” with “C9”.
2.14.2	Delete reference to “ NGC ” on line 2 and replace with “the Transmission Connection ”.
2.14.3(a)	Delete reference to “ NGC ” on line 3 and replace with “ Transmission Connection ”.

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2.14.3(b)	Delete references to “ NGC ” on lines 4 and 7 and replace with “ Transmission Connection ”.
2.14.3(c)	Delete reference to “ NGC ” on line 6 and replace with “ Transmission Connection ”.
2.15.4	Replace “ NGC ” with “ Transmission Connection ” on line 2. Replace “ NGC ” with “ GB ” on lines 4 and 5. Replace “C7” and “C7B” with “C4” and “C6” respectively.
2.17 heading	Replace reference to “ NGC ” with “ TRANSMISSION CONNECTION ”.
2.17.1	Replace reference to “ NGC ” with “ Transmission Connection ” on line 3.
2.17.2	Amend paragraph as identified by the change marking in the text below:- 2.17.2 Where in NGC ’s reasonable opinion to enable NGC to comply with its statutory and licence duties and/or to enable any Relevant Transmission Licensee to comply with its statutory and licence duties it is necessary to replace an an NGC Transmission Connection Asset NGC shall give written notice of this (a “ Replacement Notice ”) such notice to be given (subject to Paragraph 2.17.7) as soon as practicable.
2.17.4	Replace reference to “ NGC ” on last line with “ Transmission Connection ”.
2.17.5	Replace reference to “ NGC ” on last line with “ Transmission Connection ”. Replace reference to “C7E” with “C9”.
2.17.6	Replace second reference to “ NGC ” on first line with “ Transmission Connection ”.
2.17.7	Amend paragraph as identified by the change marking in the text below:- 2.17.7 NGC shall take all reasonable steps to avoid exercising its rights pursuant to this Paragraph but in the event that NGC has reasonable grounds to believe, given its licence and statutory duties or the statutory and licence duties of a Relevant Transmission Licensee that an an NGC Transmission Connection Asset should be replaced prior to or during the process outlined above then NGC shall consult with the User(s) as far as reasonably practicable and shall be entitled to replace such NGC Transmission Connection Asset and shall advise the User(s) of this and as soon as practicable make an offer for such replacement which can be accepted or referred in

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	accordance with Paragraph 2.17.5 above.
2.17.8	Replace reference to “ NGC ” on second line with “ Transmission Connection ”.
2.17.9	Replace reference to “ NGC ” on first and sixth line with “ Transmission Connection ”.
2.18.1	Replace reference to “ NGC ” on second but last line with “ Transmission Connection ”.
2.18.2	Amend paragraph as identified by the change marking in the text below:- 2.18.2 NGC shall use its reasonable endeavours to re-use NGC <u>Transmission Connection Assets</u> where Termination Amounts have been paid on the basis set in the Statement of the Connection Charging Methodology . Subject to Paragraph 2.18.4, in the event that a Termination Amount is paid in respect of NGC <u>Transmission Connection Assets</u> and subsequently NGC re-uses such <u>NGC Transmission Connection Assets</u> in respect of which a payment has been made <u>are re-used in the GB Transmission System</u> then NGC shall pay to the User a sum calculated in accordance with the Statement of the Connection Charging Methodology .
2.18.3	Replace reference to “ NGC ” on the first and seventh lines with “ Transmission Connection ” and on line 3 with “ GB ”.
2.18.4	Replace reference to “ NGC ” on sixth line with “ Transmission Connection ”.
2.18.5	Replace reference to “ NGC ” on sixth line with “ Transmission Connection ”.
2.19.1	Amend paragraph as identified by the change marking in the text below:- 2.19.1 Where a User has a connection to the NGC GB <u>Transmission System</u> it shall provide security for Termination Amounts for NGC Transmission Connection Assets <u>Commissioned</u> after the Transfer Date in accordance with this Paragraph 2.19. For the avoidance of doubt references to Termination Amounts in this Part III only relate to Termination Amounts payable in respect of such NGC Transmission Connection Assets <u>Assets</u> .
2.19.2	Replace reference to “ NGC ” on first line with “ GB ”.
Section 3	
Contents Page, 3.2	Replace reference to “NGC” with “GB”.
Contents Page,	Replace reference to “NGC” with “GB”.

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3.4	
3.1	Replace reference to “ NGC ” with “ GB ” on first line.
3.2 heading	Replace reference to “ NGC ” with “ GB ”.
3.2.1	Replace reference to “ NGC ” with “ GB ” on last line.
3.2.3(a)	Replace reference to “ NGC ” with “ GB ” on fourth line.
3.2.3(b)	Replace reference to “ NGC ” with “ GB ” on eighth line.
3.2.4	In first paragraph replace reference to “ NGC ” with “ GB ” on third line.
3.2.4	In second paragraph amend paragraph as identified by the change marking in the text below:- <p style="text-align: center;"><u>Outages</u></p> <p>Subject to the provisions of the Grid Code, NGC and each User (with Plant and/or Apparatus) shall, as between NGC and that User, be entitled to plan and execute outages of parts of <u>in the case of NGC, the GB Transmission System or Transmission Plant or Transmission Apparatus and in the case of a User,</u> its System or Plant or Apparatus, at any time and from time to time.</p>
3.2.6	Replace reference to “ NGC ” on line 3 with “ Transmission ” and replace “ NGC ” on line 10 with “ GB ”.
3.3.1(a)	Replace reference to “ NGC ” on second line with “ GB ”.
3.3.3	Insert “in England and Wales” after “ Commissioned ” on first line.
3.4 heading	Replace reference to “ NGC ” with “ GB ”.
3.4.1	Replace reference to “ NGC ” on last line with “ GB ”.
3.4.2	Replace reference to “ NGC ” on third line with “ GB ”.
3.4.3	Replace reference to “ NGC ” with “ GB ” in line 2 and insert “ Transmission ” before “ Plant ” in line 3 and before “ Apparatus ” in line 4.
3.6.2	Replace reference to “ NGC ” on third line with “ GB ”.
3.7.1	Replace reference to “ NGC ” on first and third lines with “ GB ”.
3.7.2	Replace “C7D” with “C8”.
3.7.3	Replace “C7D” with “C8”.
3.7.4	Replace “C7E” with “C9”.
3.7.5	Replace reference to “ NGC ” with “ GB ” on sixth line.
3.8.3(a)	Replace reference to “ NGC ” with “ GB ” on first line.
3.8.3(b)	Replace reference to “ NGC ” with “ GB ” on second line.
3.8.4	Insert “ GB ” before “ Transmission ” on line 3.
3.9.1	Amend paragraph as identified by the change marking in the text below:- <p>3.9.1 Subject to the provisions of the CUSC, and any relevant</p>

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	<p>Bilateral Agreement, together with the relevant Charging Statements, each User shall with effect from the relevant date set out in the relevant Bilateral Agreement (or in the Use of System Supply Confirmation Notice) be liable to pay to NGC the Use of System Charges in accordance with the CUSC calculated in accordance with the Statement of Use of System Charges and the Statement of the Use of System Charging Methodology <u>and Standard Condition C13 of the Transmission Licence</u>. NGC shall apply and calculate the Use of System Charges in accordance with the Statement of Use of System Charges and the Statement of the Use of System Charging Methodology <u>and Standard Condition C13 of the Transmission Licence</u>.</p>
3.9.2	<p>Amend paragraph as identified by the change marking in the text below:-</p> <p>3.9.2 Each User shall, as between NGC and that User, in accordance with this Part II and Paragraph 6.6, be liable to pay to NGC (or NGC shall be so liable to pay to the User) the Transmission Network Use of System Charges in respect of its use of the NGC-GB Transmission System applied and calculated in accordance with the Statement of Use of System Charges and Statement of the Use of System Charging Methodology <u>and Standard Condition C13 of the Transmission Licence</u>.</p>
3.9.5	Replace reference to “ NGC ” with “the GB ” on first line.
3.22.2	Replace “ NGC ” with “ GB ” on line 6.
Section 4	
4.1.2.5	<p>Amend paragraph as identified by the change marking in the text below:-</p> <p><i>Monitoring</i></p> <p>4.1.2.5 In order to comply with its obligations contained in Grid Code OC 5, NGC may use its the Operational Metering Equipment, or Operational Metering Equipment <u>owned by a Relevant Transmission Licensee</u> in accordance with Paragraph 6.7.3 to ensure that, in respect of each BM Unit, a User is complying with its obligations to provide the Obligatory Reactive Power Service both in accordance with the Grid Code and in accordance with the terms of</p>

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	the Mandatory Services Agreement .
Section 5	
5.1.1(a)	Replace reference to “ NGC ” on line 4 to “ GB ”.
5.1.1(b)	Replace reference to “ NGC ” on lines 2 and 4 to “ GB ”.
5.1.1	In last paragraph replace reference to “ NGC ” on line 6 to “ GB ”.
5.1.3	Replace reference to “ NGC ” on line 3 to “ GB ”.
5.2.1	Replace reference to “ NGC ” on lines 2 and 5 to “ GB ”.
5.2.2	Replace reference to “ NGC ” on line 2 to “ GB ”.
5.3.1(b)(i)	After the word “Court” in line 1, include the words “in England and Wales or an order of the Court of Session in Scotland”.
5.3.1(b)(ii)	Replace number “29” in line 4 with “51”, in order that the reference is to section 251 of the Insolvency Act, and not to section 29.
5.3.4	<p>Amend paragraph 5.3.4(a) as identified by the change marking in the text below:-</p> <p>(a) NGC and that the User shall remove any of the User's Equipment and NGC Assets on, in the case of Connection Sites in England and Wales, the other party's NGC's or, in the case of Connection Sites in Scotland, Relevant Transmission Licensee's land (as appropriate) within 6 months or such longer period as may be agreed between the parties the User and NGC or the Relevant Transmission Licensee (as appropriate) concerned;</p> <p>Insert the following as new sub-paragraph (b)</p> <p>(b) in the case of Connection Sites in England and Wales, NGC shall remove and, in the case of Connection Sites in Scotland, NGC shall procure that the Relevant Transmission Licensee removes, any of the Transmission Connection Assets on the User's land within 6 months or such longer period as may be agreed between the User and NGC or the Relevant Transmission Licensee (as appropriate);</p> <p>Renumber sub-paragraphs (b) and (c) as (c) and (d) respectively.</p>
5.4.1	Replace reference to “ NGC ” on lines 3 and second but last line to “ GB ”.
5.4.3(a)(i)	Replace the second reference to “ NGC ” on second but last line with “ GB ”.
5.4.4	<p>Amend heading and first paragraph as identified by the change marking in the text below:-</p> <p><u>5.4.4 Consequence on NGC Transmission Licence</u></p> <p>If a breach of the nature referred to in Paragraph 5.4.1 continues to the extent that it places or seriously threatens</p>

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	<p>to place in the immediate future NGC in breach of the Transmission Licence <u>and/or places or seriously threatens to place in the immediate future any Relevant Transmission Licensee in breach of its transmission licence NGC</u> may:</p>
5.4.5(a)(iii)	Replace reference to “ NGC ” on last line with “ GB ”.
5.4.5(a)(iv)	<p>Amend paragraph as identified by the change marking in the text below:-</p> <p>(iv) in the case of a De-energisation under Paragraph 5.4.4 ceasing in NGC’s opinion to place or seriously threaten to place in the immediate future NGC in material breach of the Transmission Licence <u>and/or places or seriously threatens to place in the immediate future any Relevant Transmission Licensee in material breach of its transmission licence.</u></p>
5.4.5(b)	Replace “C7E” with “C9”.
5.4.7(a)	<p>Amend paragraph as identified by the change marking in the text below:-</p> <p>(a) NGC shall in relation to such an Event of Default of a User in relation to a Connection Site:</p> <p>(i) <u>Disconnect all the User’s Equipment at the Connection Site; and</u></p> <p>(ii) <u>NGC and the User concerned shall by arrangement between them remove any of the User’s Equipment and NGC Assets on, in the case of Connection Sites in England and Wales, NGC’s or, in the case of Connection Sites in Scotland, the other party’s<u>Relevant Transmission Licensee’s</u> land (as appropriate) within six (6) months of the date of termination or such longer period as may be agreed between NGC <u>or the Relevant Transmission Licensee</u> (as appropriate) and the relevant User;</u> <u>and</u></p> <p>(iii) <u>in the case of Connection Sites in England and Wales, NGC shall remove and, in the case of Connection Sites in Scotland, NGC shall procure that the Relevant Transmission Licensee removes, any of the Transmission Connection Assets on the land of the User concerned within 6 months or such</u></p>

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	<p><u>longer period as may be agreed between the User and NGC or the Relevant Transmission Licensee (as appropriate).</u></p> <p>Such User shall (notwithstanding any longer time for payment which but for such termination the User may have for payment pursuant to the CUSC or the relevant Bilateral Agreement) within 14 days from the date of termination pay to NGC all amounts due and owing on the date of such termination and be liable to pay to NGC Termination Amounts applicable to the Connection Site, such payments to be made within 14 days of the date of NGC's invoice(s) in respect thereof;</p>
5.5.5.1	<p>Amend paragraph as identified by the change marking in the text below:-</p> <p>NGC may terminate the relevant Bilateral Agreement and all others to which the User is a party and revoke the Use of System Supply Confirmation Notice and Use of System Interconnector Confirmation Notice forthwith by notice to the User if:-</p> <p>(a) NGC has given a valid notice of default pursuant to Paragraph 5.5.2; and</p> <p>(b) such event of default remains unremedied at the expiry of the later of:-</p> <p>(i) the period of 6 months from the date of such notice; and</p> <p>(ii) where the User disputes bona fide the event of default and has promptly brought and is actively pursuing proceedings against NGC to determine the dispute, the date on which the dispute is resolved or determined.</p> <p>Upon termination pursuant to this Paragraph the User shall pay to NGC the Termination Amounts calculated in accordance with the Charging Statements and shall disconnect all the User's Equipment at the Connection Site and: NGC and</p> <p><u>aa)</u> the User concerned shall by arrangement between them remove any of the User's Equipment and NGC Assets on, <u>in the case of Connection Sites in England and Wales, the other party's NGC's or, in the case of Connection Sites in Scotland, Relevant Transmission Licensee's</u> land <u>(as appropriate)</u> within 6 months of the date of termination or</p>

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	<p>such longer period as may be agreed between the parties <u>NGC or the Relevant Transmission Licensee (as appropriate) and the User; and</u></p> <p><u>bb) in the case of Connection Sites in England and Wales, NGC shall remove and, in the case of Connection Sites in Scotland, NGC shall procure that the Relevant Transmission Licensee removes, any of the Transmission Connection Assets on the land of the User concerned within 6 months or such longer period as may be agreed between the User and NGC or the Relevant Transmission Licensee (as appropriate); and</u></p> <p><u>cc) the provisions of Paragraph 5.4.7 shall apply <i>mutatis mutandis</i>.</u></p>
<p>5.7.3</p>	<p>Amend paragraph as identified by the change marking in the text below:-</p> <p>5.7.3 Within 6 months of the date of such termination or such longer period as may be agreed between the parties <u>NGC and the User in the case of Connection Sites in England and Wales, and/or between the Relevant Transmission Licensee and the User in the case of Connection Sites in Scotland:</u></p> <p><u>(a) the parties</u> User <u>shall by arrangement with each other remove any of the User's Equipment and NGC Assets on, in the case of Connection Sites in England and Wales, the other party's</u> NGC's <u>or, in the case of Connection Sites in Scotland, Relevant Transmission Licensee's land (as appropriate); and</u></p> <p><u>(b) in the case of Connection Sites in England and Wales, NGC shall remove and, in the case of Connection Sites in Scotland, NGC shall procure that the Relevant Transmission Licensee removes, any of the Transmission Connection Assets on the land of the User concerned.</u></p>
<p>5.9.5</p>	<p>Amend paragraph as identified by the change marking in the text below:-</p> <p>If a breach of the nature referred to in Paragraph 5.9.4 continues to the extent that it places or seriously threatens to place in the immediate future NGC in breach of the NGC Transmission Licence <u>and/or places or seriously threatens to place in the immediate future any Relevant Transmission Licensee in breach of its transmission</u></p>

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	<p><u>licence</u>, NGC may Deenergise the Non-Embedded Customer's Equipment at the Connection Site upon the expiry of at least five (5) Business Days prior written notice to the User, provided that at the time of expiry of such notice the breach concerned remains unremedied.</p>
Section 6	
6.2	<p>Amend paragraph as identified by the change marking in the text below:-</p> <p>NGC agrees with each User to <u>(and in respect of licence obligations contained within Section D of a transmission licence, procure that a Relevant Transmission Licensee shall)</u> make available, plan, develop, operate and maintain the NGC GB Transmission System in accordance with the NGC Transmission Licence <u>transmission licences</u> and with the Grid Code subject to any Derogations from time to time.</p>
6.7.1	Replace reference to " NGC " on sixth line with " GB ".
6.7.6	Replace "an NGC " on second line with "a Transmission Connection ".
6.7.8	<p>Amend paragraph as identified by the change marking in the text below:-</p> <p>The User shall have the right to collect and record pulses from the meters comprised in the Energy Metering System(s) at the Connection Site. <u>In relation to Connection Sites in England and Wales, NGC shall give the User access in accordance with the Interface Agreement to collect and record such pulses and to install and maintain such lines and equipment as may be reasonably necessary. <u>In relation to Connection Sites in Scotland, NGC shall procure that the Relevant Transmission Licensee shall give the User access in accordance with the Interface Agreement to collect and record such pulses and to install and maintain such lines and equipment as may be reasonably necessary.</u></u></p>
6.8.3(b)(iii)	Replace " NGC " with " Transmission " on lines 4 and 6.
6.8.3(b)(iv)	Replace " NGC " with " Transmission " on lines 4 and 9.
6.9.2.3	Delete reference to " NGC " on line 5 and replace "C7E" with "C9".
6.9.3.1	Replace reference to " NGC " with " GB " on first line.
6.9.3.2	Replace "C7E" with "C9".
6.12	<p>On line 1 of 6.1.2.1 replace reference to "6.12.5" with "6.12.6"</p> <p>Amend paragraph 6.12.1.2 as identified by the change marking in the text below:-</p>

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	<p>the liability of any such other CUSC Party to any other person for loss in respect of physical damage to the property of any other person, <u>subject, for the avoidance of doubt, to the requirement that the amount of such liability claimed by such other CUSC Party should be mitigated in accordance with general law.</u></p> <p>Amend paragraph 6.12.2 as identified by the change marking in the text below:-</p> <p>Nothing in the CUSC shall exclude or limit the liability of the Party Liable <u>in respect of fraudulent misrepresentation or</u> death or personal injury resulting from the negligence of the Party Liable or any of its officers, employees or agents and the Party Liable shall indemnify and keep indemnified each of the other CUSC Parties, its officers, employees or agents, from and against all such and any loss or liability which any such other CUSC Party may suffer or incur by reason of any claim on account of <u>fraudulent misrepresentation,</u> death or personal injury resulting from the negligence of the Party Liable or any of its officers, employees or agents.</p> <p>Insert the following as a new sub-paragraph 6.12.3</p> <p>In consideration of the rights conferred upon each CUSC Party (other than NGC) under the CUSC, the right of such CUSC Party (other than NGC) to claim in negligence, other tort, or otherwise howsoever against a Relevant Transmission Licensee in respect of any act or omission of such Relevant Transmission Licensee in relation to the subject matter of the STC is hereby excluded and each CUSC Party (other than NGC) agrees not to pursue any such claim save that nothing in this paragraph 6.12.3 shall restrict the ability of such CUSC Party to claim in respect of fraudulent misrepresentation or death or personal injury resulting from the negligence of a Relevant Transmission Licensee.</p> <p>Renumber existing 6.12.3 so that it becomes 6.12.4 as consequence of insertion of new 6.12.3. Renumber sub-paragraphs accordingly.</p> <p>On first line of renumbered 6.12.4 replace “6.12.5” with “6.12.6”.</p> <p>Renumber existing sections 6.12.4 to 6.12.9 so that they become 6.12.5 to 6.12.10 and renumber sub-paragraphs accordingly.</p>
6.13.3	Replace reference to “ NGC ” on line 6 with “ GB ”.
6.15.1.3(a)	Replace reference to “ NGC ” on first line with “ GB ”.
6.15.1.3(b)	Replace reference to “ NGC ” on last line with “ GB ”.
6.22	Replace existing paragraph with the following:-

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	<p>6.22 THIRD PARTY RIGHTS</p> <p>6.22.1 Subject to the remainder of this Paragraph 6.22, a Relevant Transmission Licensee may rely upon and enforce the terms of Paragraph 6.12.3, against a CUSC Party (other than NGC) as specified therein.</p> <p>6.22.2 The third party rights referred to in Paragraph 6.22.1 (and any other terms of the CUSC which expressly provide that a third party may in his own right enforce a term of the CUSC) 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 CUSC.</p> <p>6.22.3 Notwithstanding any other provisions of the CUSC, the CUSC Parties may (pursuant to section 8), amend the CUSC without recourse to 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 CUSC would have an impact on the rights of third parties conferred under Paragraph 6.22.1, then NGC shall bring such impact to the attention of CUSC Parties and third persons to the extent that such impact is not already brought to their attention in an Amendment Proposal by the Proposer.</p> <p>6.22.4 Except as provided in Paragraph 6.22.1 (or insofar as the CUSC otherwise expressly provides that a third party may in its own right enforce a term of the CUSC), a person who is not a CUSC Party has no right under the Contracts (Rights of Third Parties) Act 1999 to rely upon or enforce any term of the CUSC but this does not affect any right or remedy of a third party which exists or is available apart from that Act.</p>
6.23.1	<p>Amend paragraph as identified by the change marking in the text below:-</p> <p>6.23.1 Subject and without prejudice to Section 7 and to Paragraph 6.23.4 below, all the CUSC Parties irrevocably agree that <u>only</u> the courts of England <u>and Wales and the courts of Scotland</u> are to have</p>

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	<p>exclusive jurisdiction to settle any disputes which may arise out of or in connection with the CUSC including the Grid Code and any Bilateral Agreement or Mandatory Services Agreement and that accordingly any suit, action or proceeding (together in this Paragraph 6.23 referred to as "Proceedings") arising out of or in connection with the CUSC and any Bilateral Agreement or Mandatory Services Agreement may be brought in such courts.</p>
6.23.2	<p>Amend paragraph as identified by the change marking in the text below:-</p> <p>6.23.2 Each CUSC 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 6.23 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 English courts <u>of England and Wales or the courts of Scotland</u> shall be conclusive and binding upon such CUSC Party and may be enforced in the courts of any other jurisdiction.</p>
6.23.3	<p>Amend paragraph as identified by the change marking in the text below:-</p> <p>6.23.3 Each CUSC Party which is not incorporated in any part of England and Wales<u>Great Britain</u> agrees that if it does not have, or shall cease to have, a place of business in England and Wales<u>Great Britain</u> it will promptly appoint, and shall at all times maintain, a person in England and Wales<u>Great Britain</u> irrevocably to accept service of process on its behalf in any Proceedings in England<u>Great Britain</u>.</p>
6.29	<p>Amend paragraph as identified by the change marking in the text below:-</p> <p>Each and every User connected to or using the NGC-GB Transmission System shall be a BSC Party except for:</p> <p><u>6.29.1 Non-Embedded Customers</u> being supplied by a Trading Party; and-</p> <p><u>6.29.2 A User acting in the category of Exempt Power Station</u> directly connected to the GB</p>

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	<u>Transmission System where another party is responsible under the BSC for the export from such Exempt Power Station.</u>
Communications Plant (CC.6.5) – Appendix 1	In heading replace “NGC” with “Transmission”. Replace reference to “NGC” with “Transmission” within this table as follows:- Second column in first box Second column in second box Second column in fourth box Third column in first box Third column in second box Third column in third box Third column in fourth box Fifth column in first box
Communications Plant (CC.6.5) – Appendix 1	In heading replace “NGC” with “Transmission”. Replace reference to “NGC” with “Transmission” within this table as follows:- Second column fourth box Third column first box Third column second box Third column fourth box Fifth column first box
Communications Plant (CC.6.5) – Appendix 1 Demand	Replace reference to “NGC” with “Transmission” within this table as follows:- Second column fourth box Third column first box Third column second box Third column fourth box
Appendix 2 Operating Metering (CC.6.5.6)	Replace reference to “NGC” with “Transmission” within this table as follows:- First column fourth box Fourth column second box Fourth column third box Fourth column fourth box Fourth column fifth box Fourth column sixth box Fourth column seventh box Fourth column eighth box Fourth column ninth box Sixth column fourth box
Section 7	
7.3.2	Delete the following on last line of the paragraph:- “(as defined in the Civil Procedure Rules 1998)”

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7.4.4	<p>Insert new paragraphs as follows:-</p> <p>7.4.4. Subject to paragraph 7.4.5 the CUSC 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:</p> <p>(a) 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 Other Disputes or an Other Dispute and any dispute(s) referred under the STC), where NGC or a CUSC Party (or a party to a dispute under the STC) so requests in writing to the Electricity Arbitration Association copied to each of NGC and/or the other CUSC Parties (as the case may be) and relevant STC parties setting out the reasons for such consolidation; or</p> <p>(b) that a dispute referred to it (whether pending or underway and whether another dispute or a dispute referred to it under the STC) 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 an Other Dispute or a dispute referred under the STC).</p>
7.4.5	<p>Insert new paragraph as follows:-</p> <p>7.4.5 The consent of the CUSC Parties under paragraph 7.4.4(a) 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 Other Dispute or the STC dispute to the Electricity Arbitration Association which is the subject of such request.</p>
7.5.1	<p>Delete in the second line “(as defined in the Civil Procedure Rules 1998)”.</p> <p>Delete in the second but last line “(pursuant to the Civil Procedure Rules 1998)”.</p>
Section 8	
8.5.1(b)(iii)	Add the following in line 3 after “1983”:-

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	“or the Mental Health (Scotland) Act 1960”
8.14.1	<p>Amend paragraph as identified by the change marking in the text below:-</p> <p>8.14.1 NGC shall establish (and, where appropriate, revise from time to time) joint working arrangements for change co-ordination with each Core Industry Document Owner <u>and with the STC committee</u> to facilitate the identification, co-ordination, making and implementation of change to Core Industry Documents <u>and the STC</u> consequent on an Amendment in a full and timely manner.</p>
8.14.2	<p>Amend paragraph as identified by the change marking in the text below:-</p> <p>8.14.2 The working arrangements referred to in Paragraph 8.14.1 shall be such as enable the consideration, development and evaluation of Amendment Proposals, and the implementation of Approved Amendments, to proceed in a full and timely manner and enable changes to Core Industry Documents <u>and the STC</u> consequent on an amendment to be made and given effect wherever possible (subject to any necessary consent of the Authority) at the same time as such Amendment is made and given effect.</p>
8.15.1	<p>Amend paragraph as identified by the change marking in the text below:-</p> <p>8.15.1 A proposal to modify the CUSC may be made by a CUSC Party, by the GECC or by a BSC Party or, under Paragraphs 8.21.8 and 8.23.5, by the Amendments Panel <u>or by a Relevant Transmission Licensee in relation to Exhibit O Part IB and Exhibit O Part IIB only.</u></p>
8.15.2(g)	After the word “Documents” add “and the STC ;” on the last line.
8.17.3	<p>Amend paragraph as identified by the change marking in the text below:-</p> <p>8.17.3 A Working Group shall comprise at least five (5) persons (who may be Panel Members) selected by the Amendments Panel from those nominated by CUSC Parties for their relevant experience and/or expertise in the areas forming the subject-matter of the Amendment Proposal(s) to be considered by such Working Group (and the Amendments Panel shall ensure, as far as possible, that an appropriate cross-section of</p>

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	<p>representation, experience and expertise is represented on such Working Group) provided that there shall always be at least one member representing NGC. CUSC Parties may notify the Panel Secretary at any time of the names of persons they wish to nominate, together with an indication of their expertise, for inclusion on a standing list of persons who would be available to sit on Working Groups. In selecting persons to sit on a particular Working Group, the Amendments Panel shall have regard to this standing list- <u>and if, and only if, the Amendments Panel is of the view that an Amendment Proposal is likely to have an impact on the STC, the Amendments Panel may invite the STC committee to appoint a representative to become a member of the Working Group.</u> A representative of the Authority may attend any meeting of a Working Group as an observer and may speak at such meeting.</p>
8.18.1	On line 5 replace “England & Wales” with “ Great Britain ”.
8.18.2	<p>Amend paragraph as identified by the change marking in the text below:-</p> <p>8.18.2 A Standing Group shall comprise at least five (5) persons (who may be Panel Members) selected by the Amendments Panel from those nominated by CUSC Parties for their relevant experience and/or expertise in the aspect or issue to be considered by such Standing Group (and the Amendments Panel shall ensure, as far as possible, that an appropriate cross-section of representation, experience and expertise is represented on such Standing Group) provided that there shall always be at least one member representing NGC <u>and if, and only if, the Amendments Panel is of the view that an Amendment Proposal is likely to have an impact on the STC, the Amendments Panel may invite the STC committee to appoint a representative to become a member of the Standing Group.</u> A representative of the Authority may attend any meeting of a Standing Group as an observer and may speak at such meeting.</p>
8.19.5	Insert “and the secretary of the STC committee” after “ Core Industry Document Owners ”.
8.20.2(h)(i)	Insert “and the STC ” on the last line after “Documents”.
8.20.2(h)(ii)	Insert “and the STC ” on the second line after “Documents”.
8.20.2(h)(iv)	Insert “and the STC ” on the last line after “Documents”.
8.20.2(h)(vi)	Insert “and the STC ” on the fifth line after “Documents” and also last line after “Documents”.
8.20.2(i)	Insert “and the STC ” on the last line after “Documents”.
8.20.2(k)	Insert “and the STC committee” on the second line after “ Owners ”.
8.23.2(e)	Insert new subclause “(e) the secretary of the STC committee”.

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Section 9	
contents page - Part I	Replace reference to “NGC” with “GB”.
contents page	9.7 add “Transmission Connection” after “Maintenance of”.
contents page Part II	9.18 Replace reference to “NGC” with “GB”.
contents page Part II	9.20 Replace reference to “NGC” with “GB”.
9.1	Replace reference to “NGC” with “GB” on line 3 and line 5.
Part I heading	Replace reference to “NGC” with “GB” on line 1.
9.2	Replace reference to “NGC” with “GB” on line 1 and 13 before “ Transmission System ”.
9.3.1	Replace reference to “NGC” with “GB” on line 5.
9.3.3(a)	Replace reference to “NGC” with “GB” on line 7.
9.3.3(b)	Replace reference to “NGC” with “GB” on line 1.
9.4	Replace reference to “NGC” with “GB” on line 3.
9.5	Replace reference to “NGC” with “GB” on line 4.
9.6	Replace reference to “NGC” with “GB” on line 2 and line 5.
9.6A	Replace “NGC” with “GB” before “Transmission” on line 1.
9.7 heading	Add “ TRANSMISSION CONNECTION ” after “ MAINTENANCE OF ” in the heading.
9.7	Replace reference to “NGC” with “Transmission Connection” on line 4. Replace reference to “NGC” with “GB” on second but last line.
9.8	Amend paragraph as identified by the change marking in the text below:- 9.8 OUTAGES Subject to the provisions of the Grid Code and any Operating Agreement , NGC and the User shall as between themselves be entitled to plan and execute outages of parts of, <u>in the case of NGC, the GB Transmission System or Transmission Plant or Transmission Apparatus and, in the case of the User, its System or Plant or Apparatus at any time and from time to time.</u>
9.9.2	Replace reference to “NGC” with “Transmission Connection” on line 2.
9.9.3(a)	Replace reference to “NGC” with “Transmission Connection” on line 3.
9.9.3(b)	Replace reference to “NGC” with “Transmission Connection” on line 3 and also second but last line.
9.9.3(c)	Replace reference to “NGC” with “Transmission Connection” on line 6.
9.9.7	Replace reference to “NGC” with “Transmission Connection” on line 2.

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9.11	Replace reference to “ NGC ” with “ GB ” on line 2.
9.13.4	Insert “in England and Wales” after “Connection Site Commissioned” on line 1,
9.14.	<p>Amend paragraph as identified by the change marking in the text below:-</p> <p>9.14 SAFETY RULES</p> <p><u>9.14.1</u> In relation to a Connection Site in England and Wales NGC and the User will each supply to the other <u>and in relation to a Connection Site in Scotland</u> NGC shall procure that the <u>Relevant Transmission Licensee supplies to the User</u> a copy of their 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.</p> <p><u>9.14.2</u> In relation to a Connection Site in Scotland each User will supply to the <u>Relevant Transmission Licensee</u> a copy of their 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.</p>
9.15.	<p>Amend paragraph as identified by the change marking in the text below:-</p> <p>9.15 INTERFACE AGREEMENT</p> <p><u>9.15.1</u> In relation to <u>Connection Sites and New Connection Sites</u> in England and Wales NGC and the User undertakes to enter into an Interface Agreement with each other <u>and in relation to Connection Sites and New Connection Sites in Scotland</u> NGC shall procure that the <u>Relevant Transmission Licensee</u> shall enter into an Interface Agreement with a User in either case in a form to be agreed between them but based substantially on the forms set out in Schedule 2 as appropriate in relation to Connection Site(s) and New Connection Site(s) where <u>such Interface Agreement(s)</u> is/are required pursuant to the applicable Bilateral Connection Agreement or otherwise.</p> <p><u>9.15.2</u> In relation to <u>Connection Sites and New Connection Sites</u> in Scotland the User undertakes to enter into an Interface Agreement with the <u>Relevant Transmission Licensee</u> in a form to be agreed</p>

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	between them but based substantially on the forms set out in Exhibit O to the CUSC as appropriate where such Interface Agreement(s) is/are required pursuant to the applicable Bilateral Connection Agreement or otherwise.
9.16.1	Replace reference to “ NGC ” with “ GB ” on line 5.
9.18.2	Replace “C7D” with “C8”.
9.18.3	Replace “C7D” with “C9”.
PART II heading	Replace reference to “ NGC ” with “ GB ”.
9.19	Replace reference to “ NGC ” with GB ” on line 2 and line 6.
9.20 heading	Replace reference to “ NGC ” with “ GB ”.
9.20.1	Replace reference to “ NGC ” with “ GB ” on line 3.
9.20.4	Amend paragraph as identified by the change marking in the text below:- 9.20.4 Subject to the provisions of the Grid Code and any Operating Agreement NGC shall be entitled to plan and execute outages of parts of its the GB Transmission System or Transmission Plant or Transmission Apparatus at any time and from time to time.
9.21.1	Replace reference to “ NGC ” with “ GB ” on line 1.
9.21.2	Replace reference to “C7D” with “C8”.
9.21.3	Replace reference to “C7D” with “C8”.
9.21.4	Replace “C7E” with “C9”.
9.21.5	Replace reference to “ NGC ” with “ GB ” on line 5.
9.23.1	Replace reference to “ NGC ” with “ GB ” on line 1 and line 4.
Section 10	
10.5	Replace reference to “ NGC ” with “ Transmission Connection ” on line 4.
Section 11	
“ Authorised Electricity Operator ”	Amend as identified by the change marking in the text below:- any person (other than NGC in its capacity as operator of the NGC GB Transmission System) who is authorised to generate, transmit participate in the transmission of , distribute or supply electricity and for the purposes of Standard Condition C47 of the Transmission Licence shall include any person who has made application to be so authorised which application has not been refused and any person transferring electricity to or from England and Wales Great Britain across an interconnector or who has made

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	application for use of interconnector which has not been refused;
“Competent Authority”	Amend as identified by the change marking in the text below:- the Secretary of State , the Authority and any local or national agency, authority, department, inspectorate, minister <u>(including Scottish ministers)</u> , ministry, official or public or statutory person (whether autonomous or not) of, or of the government of, the United Kingdom or the European Community;
“Connection”	Replace “NGC” with “GB”
“Connection Charges”	Replace “NGC” with “GB”
“Connection Site”	Amend as identified by the change marking in the text below:- each location more particularly described in the relevant Bilateral Agreement at which a User's Equipment and NGC Transmission Connection Assets required to connect that User to the NGC-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 ;
"CUSC Implementation Date"	Delete existing definition and replace with “00.01 on the 18 September 2001;”
“Disconnect” or “Disconnection”	Amend paragraph (c) as identified by the change marking in the text below:- (c) for Users acting in a capacity other than those detailed in (a) or (b), means permanent physical disconnection of a User's Equipment at any given Connection Site which permits removal thereof from the Connection Site or removal of all NGC's Transmission Connection Assets therefrom (as the case may be);
“Distribution System”	Replace “NGC” with “GB” on last line.
“Exempt Power Station”	Insert new definition:- a Power Station where the person generating electricity at that Power Station is exempt from the requirement to hold a Generation Licence under the Act ;
“GB Transmission System” or “GBTS”	Insert new definition:- the system consisting (wholly or mainly) of high voltage electric wires owned or operated by transmission licensees within Great Britain and used for the transmission of electricity from one Power Station to a sub-station or to another Power Station or between sub-stations or to or from any External Interconnection and includes any electrical plant or meters owned or operated by any

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	transmission licensee within Great Britain in connection with the transmission of electricity but shall not include Remote Transmission Assets ;
“ Great Britain ”	Insert new definition:- as defined in Schedule 1 of the Transmission Licence ;
“ Grid Supply Point ”	Replace reference to “ NGC ” with “ GB ”
“ Interconnector Owner ”	Replace reference to “ NGC ” with “ GB ”
“ Interconnector User ”	In paragraph (a) replace “ NGC ” with “ GB ”.
“ Interface Agreement ”	Insert new definition:- the agreement(s) entered into pursuant to Paragraph 2.11 and Paragraph 9.15 based substantially on the forms set out in Exhibit O to the CUSC ;
“ Interruption ”	Replace “ NGC ” with “ GB ”.
“ Joint System Incident ”	Replace “ NGC ” with “ GB ” where “ NGC ” currently precedes “ Transmission System ”
“ Licence Standards ”	Replace “Special” with “Standard” and replace “A2” with “C17”.
“ Material Effect ”	Amend as identified by the change marking in the text below:- an effect causing a CUSC Party <u>NGC or a Relevant Transmission Licensee</u> to effect any works or to alter the manner of operation of its <u>Transmission Plant</u> and/or <u>Transmission Apparatus</u> at the Connection Site or the site of connection or a User to effect any works or to alter the manner of operation of its Plant and/or Apparatus at the Connection Site or the site of connection which in either case involves that party that CUSC Party in expenditure of more than £10,000;
“ Modification ”	Amend as identified by the change marking in the text below:- any actual or proposed replacement, renovation, modification, alteration, or construction by or on behalf of a User or NGC to either that CUSC Party's <u>the User's Plant or Apparatus</u> or the manner of its operation or Transmission Plant or Transmission Apparatus or the manner of its operation which in either case has or may have a Material Effect on another CUSC Party at a particular Connection Site ;
“ Net Asset Value ”	Replace “ NGC ” with “ Transmission Connection ”
“ NGC Assets ”	Delete
“ NGC Asset Works ”	Delete
“ NGC's Engineering ”	Replace “ NGC ” on last line with “ GB ”

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Charges	
“NGC Reinforcement Works”	Delete
“NGC Transmission System”	Delete
“NGC Works”	Delete
“Non-Embedded Customer”	Replace “NGC” with “GB”
“Offer”	Replace the reference to “NGC” which immediately precedes “Transmission System” on line 2 with “GB” .
“One Off Charge”	Replace “NGC” with “Construction” .
“Public Distribution System Operator”	Replace “England and/or Wales” with “Great Britain” .
“Relevant Transmission Licensee”	Insert new definition:- means SP Transmission Limited in south of Scotland and Scottish Hydro- Electric Transmission Limited in north of Scotland;
“Replacement Period”	Replace the 3 references to “NGC” with “Transmission Connection” .
“Safety Coordinator(s)”	Amend as identified by the change marking in the text below:- <u>a person or persons nominated by NGC and each User in relation to Connection Points (as defined in the Grid Code) in England and Wales or nominated by the Relevant Transmission Licensee and each User in relation to Connection Points in Scotland to be responsible for the co-ordination of Safety Precautions (as defined in the Grid Code) at each Connection Point when work and/or testing is to be carried out on a system which necessitates the provision of Safety Precautions on HV Apparatus, pursuant to OC8;</u>
“Safety Rules”	Insert “, a Relevant Transmission Licensee ” after “NGC” on line 1.
“Statement of the Connection Methodology”	Replace “C7B” with “C6”.
“Statement of Use System Charges”	Replace “C7” with “C4”.
“Statement of the Use of System Charging Methodology”	Replace “C7” with “C5”.
“Station Demand”	In first paragraph replace “NGC” with “GB” .
“System”	Replace “NGC” with “GB”
“System Operator”	Insert new definition:-

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– Transmission Owner Code or STC	the STC entered into by NGC pursuant to the Transmission Licence as from time to time revised in accordance with the Transmission Licence ;
“ Total System ”	Replace “ NGC ” with “ GB ” and replace “England and Wales” with “ Great Britain ”.
“ Transmission ”	Insert new definition:- means, 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 the User System ;
“ Transmission Business ”	Replace the references to “ NGC ” which immediately precede “ Transmission System ” with “ GB ”.
“ Transmission Connection Assets ”	Insert new definition:- the Transmission Plant and Transmission Apparatus necessary to connect the User's Equipment to the GB Transmission System at any particular Connection Site in respect of which NGC charges Connection Charges (if any) as listed or identified in Appendix A to the Bilateral Connection Agreement relating to each such Connection Site ;
“ Transmission Connection Asset Works ”	Insert new definition:- in relation to a particular User , as defined in its Construction Agreement ;
“ Transmission Reinforcement Works ”	Insert new definition:- in relation to a particular User , as defined in its Construction Agreement ;
“ Use of System ”	Replace “ NGC ” with “ GB ” on line 1.
“ Use of System Charges ”	Replace references to “C7” and “C7A” with references to “C4” and “C5” respectively, and delete “and” and “ Schedule 3 to”. Immediately after “Section 9 Part II” insert “and as amended in accordance with Standard Condition C13 of the Transmission Licence ”.
“ Use of System Interconnector Confirmation Notice ”	Replace “ NGC ” with “ GB ” on line 4.
“ Use of System Interconnector Offer and Confirmation Notice ”	Replace “ NGC ” with “ GB ” on line 3.
“ Use of System ”	Replace “ NGC ” with “ GB ” on line 5.

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Interconnector Offer Notice	
“Use of System Supply Confirmation Notice”	Replace the last “NGC” with “GB” on line 3.
“Use of System Supply Offer and Confirmation Notice”	Replace the last “NGC” with “GB” on line 3.
“Use of System Supply Offer Notice”	Replace the last “NGC” with “GB” on line 3.
“User’s Equipment”	Replace “NGC” with “the Transmission Connection” on line 5. Replace “NGC” with “GB” on line 6.
“User System”	Replace “NGC” with “GB” on line 14. Replace “NGC” with “GB” on penultimate line.
Section 12	Insert new Section as attached.
Schedule 2 – Exhibit 1, Bilateral Connection Agreement	
Contents Page, Clause 3	Replace reference to “NGC” with “Transmission Connection” .
Contents Page, Appendix A	Replace reference to “NGC” with “Transmission Connection” .
Recital (A)	Remove reference to “NGC” immediately preceding “Transmission Licence” on line 1. Replace reference to “NGC” with “GB” on line 3.
Recital (B)	Replace reference to “NGC” with “GB” on line 2. Remove reference to “NGC” immediately preceding “Transmission Licence” on line 3.
3	Replace reference to “NGC” with “TRANSMISSION CONNECTION” in the heading at clause 3. Replace reference to “NGC” with “Transmission Connection” on line 1 of clause 3.
4	Replace reference to “NGC” with “the Transmission Connection” on line 2.
5	Replace reference to “NGC” with “GB” on line 1.
9	Replace reference to “NGC” with “GB” on line 3.
10.4	Replace first reference to “NGC” with “Construction” on line 2 and replace second reference to “NGC” on line 2 with “Transmission Connection” .
Appendix A, heading	Replace reference to “NGC’S” with “TRANSMISSION CONNECTION” .

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Schedule 2 - Exhibit 2, Bilateral Embedded Generation Agreement	
Recital (A)	Remove first reference to “ NGC ” on line 1. Replace reference to “ NGC ” with “ GB ” on line 3.
Recital (B)	Replace reference to “ NGC ” with “ GB ” on line 1. Remove first reference to “ NGC ” on line 2.
Recital (C)	Replace reference to “ NGC ” with “ GB ” on line 1.
5	Replace reference to “ NGC ” with “ GB ” on line 1.
Schedule 2 - Exhibit 3, Construction Agreement	
Contents Page, Appendix G	Replace “ NGC ” with “Transmission Connection”.
Contents Page, Appendix H	Replace “ NGC ” with “Transmission”.
Recital (A)	Replace reference to “ NGC ” with “ GB ” on line 3.
Recital (B)	Replace reference to “ NGC ” with “ GB ” on line 2. Replace reference to “C7D” with “C8”.
“Charging Date”	Amend definition as identified by the change marking in the text below:- the date upon which the NGC Construction Works are first Commissioned and available for use by the User or if the Independent Engineer before, on or after the Commissioning Programme Commencement Date shall have certified in writing that the NGC Transmission Connection Assets , are completed to a stage where NGC could commence commissioning and by such date the User’s Works shall not have been so certified then the date falling [] days after the date of such certification, provided that the NGC Transmission Reinforcement Works are Commissioned and Seven Year Statement Works are completed as at that date. In the event that the NGC Transmission Reinforcement Works are not so Commissioned and/or the Seven Year Statement Works are not so completed the Charging Date shall be the date on which they are Commissioned and/or completed as appropriate.
“Commissioning Programme”	Amend definition as identified by the change marking in the text below:- the sequence of operations/tests necessary to connect the User’s Works and the NGC Transmission Connection Asset Works to the NGC GB Transmission System for

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	the purpose of making the User's Works available for operation to be determined pursuant to Clause 2.10 of this Construction Agreement .
New definition "Construction Site" Inserted after "Construction Programme"	Insert new definition as follows:- the site where the Transmission Connection Asset Works are being undertaken by or on behalf of NGC .
New definition "Construction Works" Inserted after "Construction Site"	Insert new definition as follows:- the Transmission Connection Asset Works, Transmission Reinforcement Works, Seven Year Statement Works and One Off Works and such additional works as are required in order to comply with any relevant Consents relating to any such works but excluding for the avoidance of doubt any Third Party Works .
"Final Sums", sub-paragraph (2)	Replace reference to " NGC " with " Construction " on line 7.
"Final Sums", sub-paragraph (3)	Replace reference to " NGC " with " Construction " on line 6. Insert the following at end of the sub-paragraph after "basis":- "(including any such arising under the STC);"
"Final Sums", sub-paragraph (4)	Replace reference to " NGC " with " Transmission Connection " on line 2.
"Final Sums"	In the paragraph after sub-paragraph (5) replace reference to " NGC " with " Transmission " on line 5.
"NGC Assets"	Delete definition.
"NGC Asset Works"	Delete definition.
"NGC Works"	Delete definition"
"Seven Year Statement Works"	Amend definition as identified by the change marking in the text below:- the works set out in Table B7 of the statement prepared by NGC pursuant to <u>Standard Condition C1140 Paragraph 5</u> of the Transmission Licence and issued by NGC in [] which in NGC's reasonable opinion are required to be completed before the Completion Date to ensure that the NGC GB Transmission System complies with the requirements of <u>Standard Condition C1742</u> of the Transmission Licence <u>and Standard Condition D3 of any Relevant Transmission Licensee's transmission licence</u> prior to the Connection of the User's Equipment in terms of Clause 7.1 [or 7.2] of this Construction Agreement .
New definition "Transmission Connection Assets" inserted after "Third Party"	Insert new definition as follows:- the assets specified in Appendix A to the Bilateral Connection Agreement .

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Works”	
New definition “Transmission Connection Asset Works” inserted after “Transmission Connection Assets”	Insert new definition as follows:- the works necessary for construction and installation of the Transmission Connection Assets at the Connection Site specified in Appendix G to this Construction Agreement .
New definition “Transmission Reinforcement Works” inserted after “Transmission Connection Asset Works”	Insert new definition as follows:- those works other than the Transmission Connection Asset Works, Seven Year Statement Works and One Off Works , which in the reasonable opinion of NGC are necessary to extend or reinforce the GB Transmission System in relation to and prior to the connection of the User’s Equipment at the Connection Site and which are specified in Appendix H to this Construction Agreement , where Part 1 is works required for the User and Part 2 is works required for wider system reasons.
“Works”	Replace reference to “ NGC ” with “ Construction ”.
2.1	Amend clause as identified by the change marking in the text below:- 2.1 Forthwith following the date of this Construction Agreement <u>(i) in respect of Connection Sites in England and Wales</u> NGC and the User shall agree the Safety Rules and Local Safety Instructions to apply during the Construction Programme and Commissioning Programme ; <u>and (ii) in respect of Connection Sites in Scotland the User shall agree with the Relevant Transmission Licensee the Safety Rules and Local Safety Instructions to apply during the Construction Programme and Commissioning Programme.</u> Failing agreement within three months of the date of this Construction Agreement the matter shall be referred to the Independent Engineer for determination in accordance with Clause 6 of the Construction Agreement .
2.2	Amend clause as identified by the change marking in the text below:- 2.2 Subject to Clauses 2.3 and 2.4 of this Construction Agreement forthwith following the date of this Construction Agreement NGC shall use its best endeavours to obtain in relation to the <u>NGC-Construction Works</u> , and the User shall use its best endeavours to obtain in relation to the User's 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, so far as it is legally able to do so, grant to,

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	<p>the other in relation to Connection Sites in England and Wales, the other, or in relation to Connection Sites in Scotland, the Relevant Transmission Licensee, all such wayleaves, easements, <u>servitude rights</u>, rights over or interests (but not estates <u>as regards land in England and Wales and not heritable or leasehold interests as regards land in Scotland</u>) in land or any other consents reasonably required by the other <u>or the Relevant Transmission Licensee</u> 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 Construction Agreement and in all cases subject to such terms and conditions as are reasonable.</p>
2.3	Replace reference to “ NGC ” with “ Construction ” in line 2.
2.3.1	<p>Amend clause as identified by the change marking in the text below:-</p> <p>2.3.1 All dates specified in this Construction Agreement are subject to NGC obtaining Consents for the NGC Construction Works in a form acceptable to it within the time required by them to carry out the NGC Construction Works in accordance with the Construction Programme.</p>
2.3.2(c)	<p>Replace reference to “NGC” with “Construction” on line 1. Next paragraph replace reference to “NGC” with “Construction” on line 1.</p>
2.4.1	<p>Amend last paragraph of clause as identified by the change marking in the text below:-</p> <p>The User 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 <u>or other rights</u> in respect of any electric line or underground cable forming part of the NGC Transmission Connection Asset Works. This sum shall not include any capital costs incurred by NGC, <u>in relation to Connection Sites in England and Wales, in the acquisition by it of the freehold of any land or any Relevant Transmission Licensee, in relation to Connection Sites in Scotland,</u> in the acquisition by it of the freehold <u>feuhold</u> of any land. NGC shall keep the User informed of the level of such charges and expenses being incurred. The User shall pay such sums within 28 (twenty eight) days of the date of NGC's invoice therefor.</p>
2.5	Amend clause as identified by the change marking in the text

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	<p>below:-</p> <p>2.5 Prior to the commencement of the NGC–Transmission Connection Asset Works the User shall have the right to terminate this Construction Agreement upon giving not less than 7 (seven) days notice in writing to NGC. In the event of the User terminating this Construction Agreement in terms of this Clause 2.5 the User shall in addition to the payments for which it is liable under Clause 2.4 hereof be liable to pay to NGC a sum equal to NGC's estimate or if applicable revised estimate of Final Sums. The User shall pay such sums within 14 (fourteen) days of the date of NGC's invoice(s) therefor on termination where applicable NGC shall disconnect the User's Equipment at the Connection Site and: NGC and</p> <p><u>(a) the User shall by arrangement between them remove any of the User's Equipment and NGC Assets on, in relation to Connection Sites in England and Wales, the NGC's other party's or, in relation to Connection Sites in Scotland, Relevant Transmission Licensee's land within 6 months of the date of termination or such longer period as may be agreed between NGC or the Relevant Transmission Licensee (as appropriate) and the User; and-</u></p> <p><u>(b) in the case of Connection Sites in England and Wales, NGC shall remove and, in the case of Connection Sites in Scotland, NGC shall procure that the Relevant Transmission Licensee removes, any of the Transmission Connection Assets on the User's land within 6 months of the date of termination or such longer period as may be agreed between NGC or the Relevant Transmission Licensee (as appropriate) and the User.</u></p>
2.6	<p>Amend clause as identified by the change marking in the text below:-</p> <p>If the User fails to obtain all Consents for the User's Works having complied with the obligations in Clause 2.2 of this Construction Agreement the obligation on the User to complete the User's Works shall cease and the User may by written notice to NGC terminate this Construction Agreement whereupon the User shall in addition to the sums for which it is liable under Clause 2.4 hereof be liable to pay to NGC a sum equal to NGC's estimate or if applicable revised estimate of Final Sums. The User shall pay such sums within 14 (fourteen) days of the date of NGC's invoice(s) therefor and (where applicable) on</p>

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	<p>termination NGC shall disconnect the User's Equipment at the Connection Site and;</p> <p>(a) NGC and the User shall by arrangement between them remove any of the User's Equipment and NGC's Assets on, <u>in relation to Connection Sites in England and Wales, the other party's NGC's or, in relation to Connection Sites in Scotland, Relevant Transmission Licensee's land within 6 months of the date of termination or such longer period as may be agreed <u>between NGC or the Relevant Transmission Licensee (as appropriate) and the User; and</u></u></p> <p>(b) <u>in the case of Connection Sites in England and Wales, NGC shall remove and, in the case of Connection Sites in Scotland, NGC shall procure that the Relevant Transmission Licensee removes, any of the Transmission Connection Assets on the User's land within 6 months of the date of termination or such longer period as may be agreed between NGC or the Relevant Transmission Licensee (as appropriate) and the User.</u></p>
2.7	<p>Amend clause as identified by the change marking in the text below:-</p> <p>Both parties shall be entitled to <u>contract or sub-contract for</u> the carrying out of their respective parts of the Works <u>(which in the case of NGC shall include work carried out by a Relevant Transmission Licensee or its contractors or sub-contractors)</u>. The User or any contractor on its behalf shall be responsible for commencing and for carrying out the User's Works to such stage of completion as shall render them capable of being Commissioned in accordance with the Construction Programme and NGC or any contractor on its behalf shall be responsible for commencing and carrying out the <u>NGC Construction Works</u> to such stage of completion as shall render them capable of being Commissioned in accordance with the Construction Programme.</p>
2.9	<p>Amend clause as identified by the change marking in the text below:-</p> <p>During the period of and at the times and otherwise as provided in the Construction Programme and the Commissioning Programme NGC and the User shall <u>each</u> allow the <u>other User</u>, its employees, agents, suppliers,</p>

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	<p>contractors and sub-contractors necessary access to its own<u>the Construction site</u> Site and the User shall allow NGC or, in the case of Connection Sites in Scotland, the Relevant Transmission Licensee and in either case their <u>employees, agents, suppliers, contractors and sub-contractors necessary access to its site</u> to enable that other<u>each</u> to carry out the NGC<u>Transmission Connection</u> Asset Works and One Off Works or User's Works but not so as to disrupt or delay the construction and completion of the other's Works on the said sites or the operation of the 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.</p>
2.10	Replace reference to " NGC " with " Transmission Connection " on line 3.
2.11	<p>Amend clause as identified by the change marking in the text below:-</p> <p>If at any time prior to the Completion Date it is necessary for NGC or NGC in its reasonable discretion wishes to make any addition to or omission from or amendment to the NGC <u>Transmission Connection</u> Asset Works and/or NGC <u>Transmission</u> Reinforcement Works and/or the One Off Works and/or the Third Party Works NGC shall notify the User in writing of such addition, omission or amendment and Appendices [B1 (One Off Works), G (NGC <u>Transmission Connection</u> Asset Works) H (NGC <u>Transmission</u> Reinforcement Works) and N (Third Party Works)] to this Construction Agreement and consequently Appendices [A (NGC <u>Transmission Connection</u> Assets) and B (Connection Charges and One Off Charges)] to the associated Bilateral Connection Agreement shall be automatically amended to reflect the change.</p>
2.12	Replace reference to " NGC " immediately preceding " Asset Works " with " the Transmission Connection ".
2.13	<p>Amend clause as identified by the change marking in the text below:-</p> <p>2.13 [The NGC <u>Transmission</u> Reinforcement Works are conditional on British Energy Generation Limited and/or Magnox Electric plc (as the case may be)-granting approval to the carrying out of the NGC <u>Construction</u> Works in terms of the Nuclear Site Licence Provisions Agreement being an agreement dated 30 March 1990 between NGC</p>

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	<p>and Nuclear Electric plc (now called Magnox Electric plc) and an agreement dated 31 March 1996 between NGC and British Energy Generation Limited (and described as such). In the event of British Energy Generation Limited and/or Magnox Electric plc (as the case may be) not granting approval NGC shall be entitled to change the NGC Construction Works, the Construction Programme and all dates specified in this Construction Agreement.]</p>
2.14	Replace reference to “ NGC ” where it immediately precedes “ Works ” with “ Construction ” on line 3.
2.15	Replace reference to “ NGC ” where it immediately precedes “ Works ” with “ Construction ” on line 5.
4.5	Replace reference to “ NGC ” with “ Construction ” on following lines:- Line 1, line 6 and line 9.
4.8	<p>Amend clause as identified by the change marking in the text below:-</p> <p>In the event that the User shall have failed, in circumstances not entitling it to the fixing of a new date as the Commissioning Programme Commencement Date pursuant to Clause 3.2, to complete the User's Works by [] to a stage where the User is ready to commence the Commissioning Programme, NGC shall have the right to terminate this Construction Agreement upon giving notice in writing to the User. In the event of such termination the User shall in addition to the amounts for which it is liable under Clause 2.4 to this Construction Agreement be liable to NGC to pay to NGC a sum equal to NGC's estimate or revised estimate of Final Sums. The User shall pay such sums within 14 (fourteen) days of the date of NGC's invoice(s) therefor and on termination (where applicable) NGC shall disconnect the User's Equipment at the Connection Site and:</p> <p><u>(a) NGC and the User shall by arrangement between them remove any of the User's Equipment and NGC Assets on, in relation to Connection Sites in England and Wales, the other party's NGC's or, in relation to Connection Sites in Scotland, Relevant Transmission Licensee's land within 6 months of the date of termination or such longer period as may be agreed between NGC or the Relevant Transmission Licensee (as appropriate) and the User; and</u></p> <p><u>(b) in the case of Connection Sites in England and Wales, NGC shall remove and, in the case of Connection Sites in Scotland, NGC shall procure that the Relevant Transmission Licensee removes, any Transmission Connection Assets on the User's land within 6 months of the date of termination or such longer period as may be</u></p>

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	<u>agreed between NGC or the Relevant Transmission Licensee (as appropriate) and the User.</u>
5.4.2	Insert the following after “competent” at end of line 2 “[and a list of persons appointed pursuant to Grid Code CC5.2(m)];”
5.5	Replace reference to “ NGC ” with “ GB ” on line 1.
5.6	Replace reference to “ NGC ” where it immediately precedes “ Transmission System ” with “ GB ” on line 3.
7.1	Replace reference to “ NGC ” where it immediately precedes “ Transmission System ” with “ GB ” on line 1. Replace reference to “ NGC ” where it immediately precedes “ Works ” with “ Construction ” on line 5.
7.2	Replace reference to “ NGC ” where it immediately precedes “ Reinforcement Works ” with “ Transmission ” on line 2. Replace reference to “ NGC ” where it immediately precedes “ Transmission System ” with “ GB ” on line 5.
9A.3.1	Replace reference to “ NGC ” where it immediately precedes “ Plant ”

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	<p>with “Transmission” on line 3. Add “Transmission” on line 3 after “Plant and” and before “Apparatus”.</p>
9A.3.2	<p>Amend clause as identified by the change marking in the text below:-</p> <p>In respect of all capital items which NGC wishes to dispose (other than those which have been, or are proposed to be installed as a replacement for NGC-Transmission Plant and Transmission Apparatus) it shall forthwith (and subject to NGC obtaining the consent of the Authority under <u>Standard Condition B3-16</u> of the NGC Transmission Licence if required <u>and/or subject to any Relevant Transmission Licensee obtaining the consent of the Authority under Standard Condition B3 of its transmission licence</u>) sell <u>or procure the sale of</u> the said capital item on an arms-length basis as soon as reasonably practicable. Forthwith upon receipt of the sale proceeds NGC shall pay to the User 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 NGC is legally bound to pay on removing the capital item, any storage charges and any costs reasonably incurred by NGC in respect of reinstatement associated with removal of the capital item. NGC shall provide the User 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 NGC and NGC shall reimburse the User 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 by reference to arbitration in accordance with the Dispute Resolution Procedure together with interest thereon calculated on a daily basis from the date of termination of this Construction Agreement to the date of payment at Base Rate for the time being and from time to time.</p>
9B.7.1	<p>Replace reference to “NGC” where it immediately precedes “Plant” with “Transmission” on line 2. Add “Transmission” on line 3 after “Plant and” and before “Apparatus”.</p>
9B.7.2	<p>Amend clause as identified by the change marking in the text below:-</p>

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	<p>In respect of all capital items which NGC wishes to dispose (other than those which have been, or are proposed to be installed as a replacement for NGC Transmission Plant and Transmission Apparatus) it shall forthwith (and subject to NGC obtaining the consent of the Authority under <u>Standard Condition B316</u> of the NGC Transmission Licence if required <u>and/or subject to any Relevant Transmission Licensee obtaining the consent of the Authority under Standard Condition B3 of its transmission licence</u>) 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 NGC shall pay to the User 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 NGC is legally bound to pay on removing the capital item, any storage charges and any costs reasonably incurred by NGC in respect of reinstatement associated with removal of the capital item. NGC shall provide the User 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 NGC and NGC shall reimburse the User 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 by reference to arbitration in accordance with the Dispute Resolution Procedure together with interest thereon calculated on a daily basis from the date of termination of this Construction Agreement to the date of payment at Base Rate for the time being and from time to time.</p>
11.1	<p>Amend clause as identified by the change marking in the text below:-</p> <p>11.1 Once an Event of Default pursuant to Clause 10 has occurred and is continuing NGC may give notice of termination to the User whereupon this Construction Agreement shall forthwith terminate and NGC shall disconnect all the User's Equipment at the Connection Site and:</p> <p>(a) NGC and the User shall by arrangement between them remove any of the User's Equipment and NGC Assets on, in relation to Connection Sites in England and Wales, the other party's NGC's or, in relation to Connection Sites in Scotland, Relevant Transmission Licensee's land within 6 months of the date of termination or such longer period as</p>

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	<p>may be agreed between the parties<u>NGC or the Relevant Transmission Licensee</u> (as appropriate) and the <u>User</u>; <u>and-</u></p> <p>(b) <u>in the case of Connection Sites in England and Wales, NGC shall remove and, in the case of Connection Sites in Scotland, NGC shall procure that the Relevant Transmission Licensee removes, any Transmission Connection Assets on the User's land within 6 months of the date of termination or such longer period as may be agreed between NGC or the Relevant Transmission Licensee (as appropriate) and the User.</u></p>
Appendix [H], heading	Replace reference to "NGC" with "TRANSMISSION".
Appendix [G], heading	Replace reference to "NGC" with "TRANSMISSION CONNECTION".
Schedule 2 – Exhibit 4, Mandatory Services Agreement	
Recital (A)	Replace reference to "NGC" with "GB" on line 3.
3.2.1, second option	Replace reference to "NGC" with "GB" on line 9.
Schedule 3	
Part 1, 1.2(a)	Replace "NGC" on line 10 with "GB".
Part 1, 1.2(b)	Replace "NGC" on line 7 with "GB".
Part 1, 1.2(c)	Replace "NGC" on line 7 with "GB".
Part 1, 3.3(h)(ii)	Replace "NGC" on line 6 with "GB".
Appendix 1, 5.1	Replace "NGC" with "GB" on penultimate line.
Appendix 6, 1.5	Replace "NGC" with "GB".
Appendix 6, 2.2	Replace "NGC" with "GB".
Appendix 6, 5(a)	Replace "NGC" with "GB" on line 1.
Appendix 6, 5(b)	Replace "NGC" with "GB".
Exhibit A, CUSC Accession Agreement	
Recital (A)	<p>Amend paragraph as identified by the change marking in the text below:-</p> <p>(A) By the CUSC Framework Agreement dated <u>18 September 2001</u> } made between the Original Parties</p>

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	<p>named therein and as now in force between CUSC Parties and by virtue of any CUSC Accession Agreement entered into by any New Party before the date of this CUSC Accession Agreement, the CUSC Parties agreed to give effect to and be bound by the CUSC.</p>
8	<p>Remove the word “exclusive” on penultimate line. Insert “and the courts of Scotland only” on last line immediately after “England and Wales”.</p>
9	<p>Replace reference to “England or Wales” with “Great Britain” on second but last line.</p>
Exhibit B	
Exhibit B, Front page	<p>On last line of the header replace reference to “NGC” with GB”.</p>
1.	<p>Replace reference to “NGC” with “GB” on line 4.</p>
8.	<p>Amend paragraph as identified by the change marking in the text below:-</p> <p>8. In the course of processing the application it may be necessary for NGC to consult the appropriate Public Distribution System Operator(s) on matters of technical compatibility of the NGC-GB Transmission System with their Distribution System(s) <u>or to consult the Relevant Transmission Licensees to establish the works required on the GB Transmission System</u>. On grounds of commercial confidentiality NGC shall need authorisation for the release to the Public Distribution System Operator(s) <u>or Relevant Transmission Licensees</u> of certain information contained in the Application. Any costs incurred by NGC in consulting the Public Distribution System Operator(s) <u>or Relevant Transmission Licensees</u> would be included in the NGC Charges for the Application. If it is found by the Public Distribution System Operator(s) that any work is required on their Distribution System(s), then it will be for the Public Distribution System Operator(s) and the Applicant to reach agreement in accordance with Paragraph 6.10.3 of the CUSC.</p>
10	<p>Add an “s” to the word “Condition” in line 3, and replace “C7” with “C4 and C6”.</p> <p>Replace “NGC’s” with “the” immediately before “Transmission Licence”.</p>

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11	<p>Amend paragraph as identified by the change marking in the text below:-</p> <p>11. In particular, NGC prepares Offers upon the basis that each party will design, construct, install, control, operate and maintain, <u>in the case of the User,</u> the Plant and Apparatus which he will own <u>and, in the case of NGC, Transmission Plant and Transmission Apparatus</u> usually but not necessarily applying the ownership rules set out in Paragraph 2.12 of the CUSC (Principles of Ownership). If the Applicant wishes NGC to carry out any of these matters on the Applicant's behalf please contact NGC for further details.</p>
B. Paragraph 1.	Replace reference to “ NGC ” with “ GB ” on line 4.
B. Paragraph 3.	<p>Amend paragraph as identified by the change marking in the text below:-</p> <p>3. Give details of the intended legal estate in the Connection Site (to include leasehold and freehold interests <u>and in the case of Connection Sites in Scotland legal interests and heritable or leasehold interests including servitudes or other real rights</u>) in so far as you are aware.</p>
B. Paragraph 6.	<p>Amend paragraph as identified by the change marking in the text below:-</p> <p>6. If you are prepared to make available to NGC <u>or, for Connection Sites in Scotland, the Relevant Transmission Licensee</u> the land necessary for the said sub-station, please set out brief proposals for <u>NGC their's</u> interest in it including (if relevant) such interest and the consideration to be paid <u>by NGC</u> for it.</p>
B. Paragraph 7.	<p>Amend paragraph as identified by the change marking in the text below:-</p> <p>7. Is space available on the Connection Site for working storage and accommodation areas for NGC contractors <u>or, for Connection Sites in Scotland, the contractors of the Relevant Transmission Licensee</u> ? If so, please indicate by reference to the plan referred to in (7) above the location of such areas, giving the approximate dimensions of the same.</p>
B. Paragraph 8.	Amend paragraph as identified by the change marking in the text

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	<p>below:-</p> <p>8. Please provide details (including copies of any surveys or reports) of the physical nature of land in which you have a legal estate <u>or legal interest</u> at the proposed Connection Site including the nature of the ground and the sub-soil including the results of the following tests:-</p>
D.	Replace reference to “ NGC ” with “ Transmission Connection ” on line 3.
Connection Application paragraph 1.	Replace reference to “ NGC ” with “ GB ” on line 1.
Connection Application paragraph 4.	Insert “or to the Relevant Transmission Licensee ,” on line 3 after “ System Operator(s) ”.
Exhibit C	
Exhibit C front page	On last line of heading replace reference to “ NGC ” with “ GB ”.
	First paragraph of letter replace reference to “ NGC ” with “the GB ” on line 1.
Paragraph 5.	Replace “C7” with “C9”.
Exhibit D	
1.	Replace reference to “ NGC ” with “ GB ” on line 3.
5.	Replace “C7” with “C8”. Delete reference to “ NGC ” before “ Transmission Licence ” on line 12.
9.	<p>Amend paragraph as identified by the change marking in the text below:-</p> <p>9. In the course of processing your application, it may be necessary for NGC to consult the appropriate Public Distribution System Operator(s) on matters of technical compatibility of the NGC-GB Transmission System with their Distribution System(s) <u>or the Relevant Transmission Licensees to establish the works required on the GB Transmission System</u>. On grounds of commercial confidentiality NGC shall need your authorisation to the release to the Public Distribution System Operator(s) <u>or the Relevant Transmission Licensees</u> of certain information contained in your application. Any costs incurred by NGC in consulting the Public Distribution System Operator(s) <u>or Relevant Transmission Licensees</u> would be included in the NGC Charges for the application. If it is found by the Public</p>

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	Distribution System Operator(s) that any work is required on their Distribution System(s) , then it will be for the Public Distribution System Operator(s) and the Applicant to reach agreement in accordance with Paragraph 6.10.3 of the CUSC .
Use of System Application paragraph 1.	Use of System Application Replace reference to “ NGC ” with “ GB ” on line 1.
Use of System Application paragraph 4.	Insert “or Relevant Transmission Licensees ” after “ System Operator(s) ” on line 3.
Exhibit E	
First paragraph.	In first paragraph of letter replace reference “ NGC ” with “the GB ” on line 1.
Paragraph 4.	Replace “ C7 ” with “ C9 ”.
Exhibit F	
Paragraph 1.	Replace reference to “ NGC ” with “ GB ” on line 3.
Use of System Application paragraph 1.	Replace reference to “ NGC ” with “ GB ” on line 1.
Exhibit G	
First paragraph	Replace reference to “ NGC ” with “ GB ” on lines 1 and 5.
1.	Replace reference to “ NGC ” with “ GB ” on line 1.
5.	Replace “ C7 ” with “ C9 ”.
7.	Replace reference to “ NGC ” with “ GB ” on line 1.
Part I paragraph 2.	Replace reference to “ NGC ” with “ GB ” on line 1.
Part I paragraph 4.	Replace reference to “ NGC ” with “ GB ” on line 2.
Part II	Replace reference to “ NGC ” with “ GB ” on line 2 of paragraph under the word “ CONFIRMATION ”.
Exhibit H	
First paragraph	Replace reference to “ NGC ” with “ GB ” on lines 1 and 6.
1.	Replace reference to “ NGC ” with “ GB ” on line 1.
5.	Replace “ C7 ” with “ C9 ”.
7.	Replace reference to “ NGC ” with “ GB ” on line 1.
Part I paragraph 2.	Replace reference to “ NGC ” with “ GB ” on line 1.
Part I paragraph 4.	Replace reference to “ NGC ” with “ GB ” on line 2.
Part II	Replace reference to “ NGC ” with “ GB ” on line 2 of paragraph under the word “ CONFIRMATION ”.

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Exhibit I	
8.	<p>Amend paragraph as identified by the change marking in the text below:-</p> <p>8. In the course of processing your application, it may be necessary for NGC to consult the appropriate Public Distribution System Operator(s) on matters of technical compatibility of the NGCGB –Transmission System with their Distribution System(s) <u>or to consult the Relevant Transmission Licensees to establish the works required on the GB Transmission System</u>. On grounds of commercial confidentiality, NGC shall need your authorisation to the release to the Public Distribution System Operator(s) <u>or Relevant Transmission Licensees</u> of certain information contained in your application. Any costs incurred by NGC in consulting the Public Distribution System Operator(s) <u>or Relevant Transmission Licensees</u> would be included in the NGC charges for the Modification Application. If it is found by the Public Distribution System Operator(s) that any work is required on their Distribution System(s), then it will be for the Public Distribution System Operator(s) and the Applicant to reach agreement in accordance with Paragraph 6.10.3 of the CUSC.</p>
10.	Add “s” to “Condition” on line 3 and replace “C7B” with “C4” and “C6”.
B paragraph 2.	<p>Amend paragraph as identified by the change marking in the text below:-</p> <p>2. Give details of the rights in any additional land which you are proposing to acquire at the Connection Site (to include leasehold and freehold interests <u>and in the case of Connection Sites in Scotland legal interests and heritable or leasehold interests including servitudes or other real rights</u>) so as to undertake the Modification).</p>
B paragraph 3.	<p>Amend paragraph as identified by the change marking in the text below:-</p> <p>3. Is space available on the Connection Site for working storage and accommodation areas for NGC contractors <u>or, for Connection Sites, in Scotland the contractors of the Relevant Transmission Licensees</u>? If so, please indicate by reference to a plan the location of such areas, giving the approximate dimensions of the same.</p>
D.	Replace reference to “ NGC ” with “ Transmission Connection ” on line 3.
MODIFICATION	Replace reference to “ NGC ” with “ GB ” on line 1.

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APPLICATION Paragraph 1.	
Paragraph 4.	Insert “or Relevant Transmission Licensees ” after “ Public Distribution System Operator(s) ”
Exhibit J	
Paragraph 2	Amend paragraph as identified by the change marking in the text below:- 2. This offer has been prepared upon the basis that each party will construct, install, control, operate and maintain, <u>in the case of the User,</u> the Plant and Apparatus which it will own, <u>and in the case of NGC, the Transmission Plant and Transmission Apparatus</u> applying the ownership rules set out in Paragraph 2.12 of the CUSC .
6.	Replace “C7” with “C9”.
Exhibit K	
2.	Replace reference to “ NGC ” with “ GB ” on line 1.
4.	Replace “C7” with “C9”.
Exhibit O Part 1A	
Front page	Amend header as identified by the change marking in the text below:- PART I - <u>A</u> NGC ASSETS ON USER LAND <u>IN ENGLAND AND WALES</u> <u>B</u> RELEVANT TRANSMISSION LICENSEE ASSETS ON USER LAND IN SCOTLAND PART II - <u>A</u> USER ASSETS ON NGC LAND <u>B</u> USER ASSETS ON RELEVANT TRANSMISSION LICENSEE LAND
Page 2	Amend headers as identified by the change marking in the text below:-:- <u>CUSC - EXHIBIT O - PART IA</u> and PART <u>IA</u> - NGC ASSETS ON USER LAND
Page 3	Amend header as identified by the change marking in the text below:-

STATEMENT OF AMENDMENTS

	<p><u>CUSC - EXHIBIT O - PART IA</u></p> <p style="text-align: center;">INTERFACE AGREEMENT</p> <p style="text-align: center;">Relating to NGC Assets on User Land <u>in England and Wales</u></p>
Page 4	<p>Amend header as follows:-</p> <p style="text-align: center;"><u>CUSC - EXHIBIT O - PART IA</u></p>
Definition of "Connection Agreement"	<p>Replace reference to "NGC" with "GB" on line 7.</p>
11.2	<p>Amend paragraph as identified by the change marking in the text below:-</p> <p>11.2 Subject and without prejudice to clause 10 and to clause 11.4 the Parties irrevocably agree that <u>only</u> the courts of England <u>and Wales and the courts of Scotland</u> are to have exclusive jurisdiction to settle any dispute which may arise out of or in connection with this Agreement and that accordingly any suit, action or proceeding (together in this clause 11 referred to as "Proceedings") arising out of or in connection with this Agreement may be brought in such courts.</p>
11.3	<p>Amend paragraph as identified by the change marking in the text below:-</p> <p>11.3 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 clause 11 and any claim that any such Proceedings have been brought in an inconvenient forum and further irrevocably agrees that a judgment in any Proceedings brought in the English courts <u>of England and Wales or the courts of</u></p>

STATEMENT OF AMENDMENTS

	<p>Scotland shall be conclusive and binding upon such Party and may be enforced in the courts of any other jurisdiction.</p>
12.4.1	Replace reference to “NGC” with “GB” on line 1.
12.4.2	Replace reference to “NGC” with “GB” on line 2.
12.4.5	Delete reference to “British Grid Systems Agreement”.
Schedule 6 Page 55	<p>Amend paragraph as identified by the change marking in the text below:-</p> <p style="text-align: center;">END OF SECTION O PART A</p>
Exhibit O Part 1B	
	New Exhibit to be inserted as attached.
Exhibit O Part IIA	
Front page	<p>Amend headers as follows:-</p> <p style="text-align: center;"><u>CUSC - EXHIBIT O - PART II A</u></p> <p>PART II A- USER ASSETS ON NGC LAND</p>
Page 2	<p>Amend header as identified by the change marking in the text below:-</p> <p style="text-align: center;"><u>CUSC - EXHIBIT O - PART II A</u></p>
Page 3	<p>Amend header as identified by the change marking in the text below:-</p> <p style="text-align: center;"><u>CUSC - EXHIBIT O - PART II A</u></p>
Definition of “Connection Agreement”	Replace reference to “NGC” with “GB” on line 7.
11.2	<p>Amend paragraph as identified by the change marking in the text below:-</p> <p>11.2 Subject and without prejudice to clause 10 and to clause 11.4 the Parties irrevocably agree that only the courts of England and Wales and the courts of Scotland are to have exclusive jurisdiction to settle any dispute which may arise out of or in connection with this Agreement and that accordingly any suit, action or proceeding (together in this</p>

STATEMENT OF AMENDMENTS

	<p>clause 11 referred to as “Proceedings”) arising out of or in connection with this Agreement may be brought in such courts.</p>
11.3	<p>Amend paragraph as identified by the change marking in the text below:-</p> <p>11.3 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 clause 11 and any claim that any such Proceedings have been brought in an inconvenient forum and further irrevocably agrees that a judgment in any Proceedings brought in the English courts <u>of England and Wales or the courts of Scotland</u> shall be conclusive and binding upon such Party and may be enforced in the courts of any other jurisdiction.</p>
12.4.1	Replace reference to “ NGC ” with “ GB ”.
12.4.2	Replace reference to “ NGC ” with “ GB ” on line 2.
12.4.5	Delete reference to “the British Grid Systems Agreement and”.
Schedule 6 Page A-52	<p>Amend header as identified by the change marking in the text below:-</p> <p style="text-align: center;">END OF SECTION O PART II <u>A</u></p>
Exhibit O Part IIB	
	New Exhibit to be inserted as attached.

This table sets out the amendments to the GB CUSC which are to take effect on at BETTA go-live or earlier as directed by the Authority.

CUSC Paragraph	Text
Section 6	
6.15.1.3(d)	On first line delete the following “ British Grid Systems Agreement and the”.
Section 9	
9.2	Delete “ s ” from “ Interconnectors ” on line 6. Delete “England and Scotland and” after “ Interconnectors on line 6.
9.23.1	Replace reference to “ NGC ” with “ GB ” on line 1 and line 4.
9.23.2.1(b)	Delete “or Scottish” and “s” off Interconnectors in line 3.
9.23.2.2	Delete “or Scottish” on line 3.
9.23.5	Delete “and Scottish” on line 5 and delete “ s ” at end of word “ Interconnectors ” in line 5.
Section 11	
“ British Grid Systems Agreement ”	Delete
“ Existing Contractual Arrangements ”	Delete all text after “16 June 1981”

CUSC - SECTION 12

BETTA TRANSITION ISSUES

CONTENTS

- 12.1 Introduction
- 12.2 GB CUSC Transition
- 12.3 Cut-over

CUSC - SECTION 12

BETTA TRANSITION ISSUES

12.1 INTRODUCTION

12.1.1 This Section 12 deals with issues arising out of the transition associated with the designation of amendments to the **CUSC** by the **Secretary of State** in accordance with the provisions of the Energy Act 2004 for the purposes of Standard Condition C10 of the **Transmission Licence**. For the purposes of this Section 12, the version of the **CUSC** as amended by the changes designated by the **Secretary of State** and as subsequently amended shall be referred to as the “**GB CUSC**”.

12.1.2 In this Section 12 (including the Appendix):

- (a) **Existing E&W Users** and **E&W Applicants** are referred to as “**E&W Users**”;
- (b) **Users** who as at 1 January 2005 have entered into an agreement or have accepted an offer for connection to and/or use of the **Transmission System** of **NGC** are referred to as “**Existing E&W Users**”;
- (c) **Users** (or prospective **Users**) other than **Existing E&W Users** who apply during the **Transition Period** for connection to and/or use of the **Transmission System** of **NGC** are referred to as “**E&W Applicants**”;
- (d) **Existing Scottish Users** and **Scottish Applicants** are referred to as “**Scottish Users**”;
- (e) **Users** who as at 1 January 2005 have entered into an agreement or have accepted an offer for connection to and/or use of the **Transmission System** of either **Relevant Transmission Licensee** are referred to as “**Existing Scottish Users**”;
- (f) **Users** (or prospective **Users**) other than **Existing Scottish Users** who apply during the **Transition Period** for connection to and/or use of the **Transmission System** of either

Relevant Transmission Licensee are referred to as “**Scottish Applicants**”;

- (g) the term “**Transmission System**” means the **System** consisting (wholly or mainly) of high voltage electric lines owned or operated by transmission licensees and used for the transmission of electricity from one **Power Station** to a sub-station or to another **Power Station** or between sub-stations or to or from any **External Interconnection** and including any **Plant** and **Apparatus** and meters owned or operated by a transmission licensee in connection with the transmission of electricity but shall not include **Remote Transmission Assets**;
- (h) the term “**Transition Period**” means the period from **Go-Active** to **Go-Live** (unless it is provided to be different in relation to a particular provision), and is the period with which this Section 12 deals;
- (i) the term “**CUSC Agreements**” means any one or more, as applicable for a particular **E&W Applicant** or **Scottish User**, of the **Bilateral Connection Agreement, Bilateral Embedded Generation Agreement, Construction Agreement, Mandatory Services Agreement, Use of System Supply Offer and Confirmation Notice** and **Use of System Interconnector Offer and Confirmation Notice**, each in relation to the **GB Transmission System**;
- (j) the term “**Existing CUSC Agreements**” means any one or more, as applicable for a particular **Existing E&W User**, of the **Bilateral Connection Agreement, Bilateral Embedded Generation Agreement, Construction Agreement, Mandatory Services Agreement, Use of System Supply Confirmation Notice** and **Use of System Interconnector Confirmation Notice**;
- (k) the term “**Interim GB SYS**” means the document of that name referred to in Standard Condition C11 of the **Transmission Licence**;

- (l) the term “**Go-Active**” means the date on which the first of the amendments designated by the **Secretary of State** to the **CUSC** in accordance with the Energy Act 2004 come into effect; and
- (m) the term “**Go-Live**” means the date which the **Secretary of State** indicates in a direction shall be the BETTA go-live date.

12.1.3 The **GB CUSC** has been introduced with effect from **Go-Active** pursuant to the relevant licence changes introduced into the **Transmission Licence**. **NGC** is required to implement and comply, and **Users** to comply, with the **GB CUSC** subject as provided in this Section 12, which provides for the extent to which the **GB CUSC** is to apply to **CUSC Parties** during the **Transition Period**. Provided always that the provisions of Paragraph 12.2.6(h), 12.2.13, 12.2.14(a) and 12.2.19 shall continue to have effect after the **Transition Period**.

12.1.4 This Section 12 comprises:

- (a) this Introduction;
- (b) **GB CUSC** transition issues; and
- (c) Cut-over issues.

12.1.5 Without prejudice to Paragraph 12.1.6, the failure of any **CUSC Party** to comply with this Section 12 shall not invalidate or render ineffective any part of this Section 12 or actions undertaken pursuant to this Section 12.

12.1.6 A **CUSC Party** shall not be in breach of any part of this Section 12 to the extent that compliance with that part is beyond its power by reason of the fact that any other **CUSC Party** is in default of its obligations under this Section 12.

12.1.7 Without prejudice to any specific provision under this Section 12 as to the time within which or the manner in which a **CUSC Party** should perform its obligations under this Section 12, where a **CUSC Party** is required to take any step or measure under this Section 12, such requirement shall be construed as including any obligation to:

- (a) take such step or measure as quickly as reasonably practicable; and
- (b) do such associated or ancillary things as may be necessary to complete such step or measure as quickly as reasonably practicable.

- 12.1.8 **NGC** shall use reasonable endeavours to identify any amendments it believes are needed to the **GB CUSC** in respect of the matters referred to for the purposes of Standard Condition C10 of the **Transmission Licence** and in respect of the matters identified in the Appendix, and, having notified the **Authority** of its consultation plans in relation to such amendments, **NGC** shall consult in accordance with the instructions of the **Authority** concerning such proposed amendments.
- 12.1.9 **NGC** shall notify the **Authority** of any amendments that **NGC** identifies as needed pursuant to Paragraph 12.1.8 and shall make such amendments as the **Authority** approves.

12.2 GB CUSC TRANSITION

General Provisions

- 12.2.1 The provisions of the **GB CUSC** shall be varied or suspended (and the requirements of the **GB CUSC** shall be deemed to be satisfied) by or in accordance with, and for the period and to the extent set out in this Paragraph 12.2, and in accordance with the other applicable provisions in Section 12.
- 12.2.2 **E&W Users:** In furtherance of the licence provisions referred to in Paragraph 12.1.3, **E&W Users** shall comply with the **GB CUSC** during the **Transition Period**, but shall comply with and be subject to it subject to this Section 12, including on the basis that:
- (a) during the **Transition Period** the **Scottish Users** are only complying with the **GB CUSC** in accordance with this Section 12; and
 - (b) during the **Transition Period** the **GB Transmission System** shall be limited to the **Transmission System** of **NGC** and all rights and obligations of **E&W Users** in respect of the **GB Transmission System** under the **GB CUSC** shall only apply in respect of the **Transmission System** of **NGC**.

Provided always that the provisions of Paragraph 12.2.6(h) shall continue to have effect after the **Transition Period**.

- 12.2.3 **Scottish Users:** In furtherance of the licence provisions referred to in Paragraph 12.1.3, **Scottish Users** shall comply with the **GB CUSC** and the **GB CUSC** shall apply to or in

relation to them during the **Transition Period** only as provided in this Section 12.

- 12.2.4 **NGC:** In furtherance of the licence provisions referred to in Paragraph 12.1.3, **NGC** shall implement and comply with the **GB CUSC** during the **Transition Period**, but shall implement and comply with and be subject to it subject to, and taking into account, all the provisions of this Section 12, including on the basis that:
- (a) during the **Transition Period** **NGC's** rights and obligations in relation to **E&W Users** in respect of the **GB Transmission System** under the **GB CUSC** shall only apply in respect of the **Transmission System of NGC**; and
 - (b) during the **Transition Period** **NGC's** rights and obligations in relation to **Scottish Users** in respect of the **GB Transmission System** under the **GB CUSC** shall only be as provided in this Section 12.

Provided always that the provisions of Paragraph 12.2.6(h) shall continue to have effect after the **Transition Period**.

Specific Provisions

12.2.5 **Definitions:** The provisions of Section 11 (Interpretation and Definitions) shall apply to and for the purposes of this Section 12 except where provided to the contrary in this Section 12.

12.2.6 **CUSC Agreements/Existing CUSC Agreements – England & Wales:**

E&W Applicants:

- (a) Each **E&W Applicant** shall provide to **NGC** as soon as reasonably practicable such information (including data) as **NGC** shall require in order to enable **NGC** to prepare the **CUSC Agreements** for that **E&W Applicant**, and agrees to **NGC** using such information (including data) for such purposes.
- (b) **NGC** shall prepare for each **E&W Applicant** its **CUSC Agreements** as soon as reasonably practicable and (except where the **Authority** consents to a longer period) within the timescales set out in paragraph 7(b) of Standard Condition C18 of the **Transmission Licence**.

- (c) The **CUSC Agreements** so prepared for each **E&W Applicant** will be substantially in the form of those set out in Schedule 2, Exhibits 1, 2, 3 and 4, and Exhibits G and H to the **GB CUSC**.
- (d) Each **E&W Applicant** must work with **NGC** and use reasonable endeavours to enter into each of its **CUSC Agreements** within a reasonable period of receipt of the **CUSC Agreements** prepared for it by **NGC** pursuant to Paragraphs 12.2.6(b) and 12.2.6(c).

Existing E&W Users:

- (e) Where it is necessary to amend **Existing CUSC Agreements** between **NGC** and each **Existing E&W User** (which shall not be the case, to the extent that the operation of the provisions of Paragraph 12.2.6(h) deals with the amendments) such that those agreements will, with effect from **Go-Live**, comply and be consistent with the requirements of Standard Condition C18 of the **Transmission Licence**, **NGC** shall offer to amend each **Existing CUSC Agreement** such that those agreements will, with effect from **Go-Live**, become agreements for, as the case may be:
 - (i) connection to and/or use of the **GB Transmission System**;
 - (ii) construction of connections to the **GB Transmission System**; or
 - (iii) the provision of **Mandatory Ancillary Services** in relation to the **GB Transmission System**,

and will otherwise be amended such that those agreements comply and are consistent with the requirements of Standard Condition C18 of the **Transmission Licence**.

- (f) **NGC** shall make an offer in accordance with Paragraph 12.2.6(e) to each **Existing E&W User** as soon as reasonably practicable after the date on which Standard Condition C18 of the **Transmission Licence** takes effect and, in any event, by 1 February 2005 or such later date as the **Authority** may direct for the purposes of paragraph 7(a) of Standard Condition C18 of the **Transmission Licence**.

- (g) If **NGC** and an **Existing E&W User** fail to agree changes to each of their **Existing CUSC Agreements** either such person may refer the matter to the **Authority** under Standard Condition C18 of the **Transmission Licence**. If **NGC** and an **Existing E&W User** have not agreed and entered into an agreement in respect of those changes by 1 March 2005 (or such later date as the **Authority** may direct) **NGC** shall request that the **Authority** settle, and the **Authority** may so settle, any changes in dispute. If the changes in dispute to be settled by the **Authority** have not been settled by the date two weeks prior to **Go-Live**, the **Existing E&W User** and **NGC** must enter into the agreement in respect of the changes in the form offered by **NGC** to the **Existing E&W User** pursuant to Paragraph 12.2.6(f), with the obligation to make any variation required as a result of the **Authority's** determination.
- (h) Each **Existing CUSC Agreement** shall be read and construed, with effect from **Go-Active**, as if the defined terms within it, and the effect of those defined terms, had been amended in accordance with the changes to its corresponding proforma exhibit to the **GB CUSC**. Each **Existing E&W User** acknowledges and agrees that the provisions of this Paragraph 12.2.6(h) shall apply notwithstanding the provisions in the **Existing CUSC Agreements** as to variation of those agreements.

12.2.7 **CUSC Agreements - Scotland:**

- (a) Each **Scottish User** shall provide, and shall permit and enable the **Relevant Transmission Licensee** to provide, to **NGC** (in each case as soon as reasonably practicable) such information (including data and details of existing contractual arrangements between the **Relevant Transmission Licensee** and that **Scottish User**) as **NGC** shall require in order to enable **NGC** to prepare the **CUSC Agreements** for that **Scottish User**, and agrees to **NGC** using such information (including data) for such purposes.
- (b) **NGC** shall prepare for each **Existing Scottish User** its **CUSC Agreements** as soon as reasonably practicable after the date upon which Standard Condition C18 of the **Transmission Licence** takes effect and, in any event, by 1 February 2005 or such later date as the **Authority** may direct for the purposes of paragraph

7(a) of Standard Condition C18 of the **Transmission Licence**.

- (c) **NGC** shall prepare for each **Scottish Applicant** its **CUSC Agreements** as soon as reasonably practicable and (except where the **Authority** consents to a longer period) within the timescales set out in paragraph 7(c) of Standard Condition C18 of the **Transmission Licence**.
- (d) The **CUSC Agreements** so prepared for each **Scottish User** will be substantially in the form of those set out in Schedule 2, Exhibits 1, 2, 3 and 4, and Exhibits G and H to the **GB CUSC**.
- (e) Each **Scottish User** must work with **NGC** and use reasonable endeavours to enter into each of its **CUSC Agreements** within a reasonable period of receipt of the **CUSC Agreements** prepared for it by **NGC** pursuant to Paragraphs 12.2.7(b) to 12.2.7(d).
- (f) If **NGC** and an **Existing Scottish User** fail to agree the terms of their **CUSC Agreements** either such person may refer the matter to the **Authority** under Standard Condition C18 of the **Transmission Licence**. If **NGC** and the **Existing Scottish User** have not agreed and entered into their **CUSC Agreements** by 1 March 2005 (or such later date as the **Authority** may direct) **NGC** shall request that the **Authority** settle, and the **Authority** may so settle, any terms in dispute. If the terms in dispute to be settled by the **Authority** have not been settled by the date two weeks prior to **Go-Live**, the **Existing Scottish User** and **NGC** must enter into each of their **CUSC Agreements** in the form offered by **NGC** to the **Existing Scottish User** pursuant to Paragraph 12.2.7(b), with the obligation to make any variation required to such **CUSC Agreements** as a result of the **Authority's** determination.
- (g) If **NGC** and a **Scottish Applicant** have not entered by 1 March 2005 (or such later date as the **Authority** may direct) into each of their **CUSC Agreements** either such person may refer the matter to the **Authority** under Standard Condition C18 of the **Transmission Licence**.

12.2.8 **Interface Agreements:**

- (a) **NGC** will advise each **Existing Scottish User** as soon as reasonably practicable and in any event by 1

February 2005 as to whether an **Interface Agreement** is required between the **Existing Scottish User** and the **Relevant Transmission Licensee**.

- (b) Where so notified, the **Existing Scottish User** will enter into discussions with the **Relevant Transmission Licensee** as advised by **NGC** and use all reasonable endeavours to enter into an **Interface Agreement** in substantially the form of Exhibit O Part IB or IIB to the **GB CUSC** as appropriate with the **Relevant Transmission Licensee** by **Go-Live**. **NGC** shall procure that the **Relevant Transmission Licensee** uses all reasonable endeavours to enter into an **Interface Agreement** in such form with the **Existing Scottish User** by **Go-Live**.

12.2.9 Connection Charges Security - Scotland:

- (a) Where an **Existing Scottish User** does not meet the **NGC Credit Rating**, **NGC** shall provide to the **Existing Scottish User** a **Bi-annual Estimate** as provided for in Paragraph 2.21.2, except that it shall cover the period from **Go-Live** to 30 September 2005 (or such other date as approved by the **Authority**).
- (b) The **Existing Scottish User** shall put in place by 17 February 2005 (or such other date as approved by the **Authority**) security in accordance with Paragraph 2.20.4 and the other provisions of Section 2.

12.2.10 Use of System Charges Security - Scotland:

- (a) Each **Existing Scottish User** to be using the **GB Transmission System** shall by 17 January 2005 (or such other date as approved by the **Authority**) confirm to **NGC** whether it meets the **NGC Credit Rating**.
- (b) Where an **Existing Scottish User** who is a **Supplier** or an **Interconnector Owner** confirms to **NGC** that it does not meet the **NGC Credit Rating**, it shall provide at the same time as such confirmation its **Demand Forecast** for the **Financial Year 2005/6**.
- (c) Where an **Existing Scottish User** does not meet the **NGC Credit Rating**, **NGC** will notify the **Existing Scottish User** of the amount of **Security Cover** to be provided by it given the forecast under Paragraph 12.2.10(b) and **NGC's** estimate of the **Balancing Services Use of System Charges** for in the case of a

Generator the 29-day period and in the case of a **Supplier** the 32-day period in each case from **Go Live**, on the basis of, and in the manner set out in, Paragraph 3.22.2, except that the periods referred to in Paragraphs 3.22.2(b) and 3.22.2(c) shall begin from **Go-Live**.

- (d) The **Existing Scottish User** shall put in place by 17 February 2005 (or such other date as approved by the **Authority**) security in respect of the **Security Cover** in accordance with Paragraph 3.21.3 and the other provisions of Section 3.

12.2.11 *Balancing Services Issues:*

- (a) *Part 2 System Ancillary Services:* Where Appendix F1 of a **Bilateral Agreement** identifies the need for a **Scottish User** to enter into an agreement for **Part 2 System Ancillary Services**, the **Scottish User** and **NGC** shall both use reasonable endeavours to agree to put an agreement in place by **Go-Live**.
- (b) *Reactive Tender:* The provisions of Schedule 3 paragraph 3 shall apply in respect of each **Scottish User** provided that **NGC** has received from such **User** the necessary historical data to enable it to assess any tender and that the **Mandatory Services Agreement** to be entered into by the parties pursuant to Paragraph 12.2.7 has been entered into, or where not entered into, the relevant schedules to those agreements have been agreed (and in such a case the reference to the **Mandatory Services Agreement** in Schedule 3 shall be deemed to be a reference to the **Mandatory Services Agreement** to be entered into).

12.2.12 *Verification of Data etc:*

- (a) **NGC** shall be entitled to request from a **Scottish User** (which shall comply as soon as reasonably practicable with such a request) confirmation and verification of any information (including data) which has been supplied to **NGC** by a **Relevant Transmission Licensee** in relation to that **Scottish User** for the purposes of creating the **CUSC Agreements** for that **Scottish User**.
- (b) **NGC** shall be entitled to request from a **Scottish User** (which shall comply as soon as reasonably practicable with such a request) confirmation and verification of any information (including data) that has been received by a **Relevant Transmission Licensee** under a grid code

and passed on to **NGC** in respect of that **Scottish User**.

12.2.13 **Confidentiality:**

- (a) During the **Transition Period** the **Scottish Users** shall comply with the confidentiality provisions set out in Paragraph 6.15 with respect to any information (including data) supplied to such **User** by **NGC** during the **Transition Period**, with such information (including data) being **Confidential Information**. After **Go-Live** such information (including data) will continue to be **Confidential Information** under the **GB CUSC**.
- (b) During the **Transition Period** **NGC** shall comply with the confidentiality provisions set out in Paragraph 6.15 with respect to any information (including data) supplied to it by a **Scottish User**, or a **Relevant Transmission Licensee** in respect of a **Scottish User**, during the **Transition Period**, with such information (including data) being **Protected Information**. After **Go-Live** such information (including data) will continue to be **Protected Information** under the **GB CUSC**.
- (c) Each **Scottish User** agrees that each **Relevant Transmission Licensee** can provide to **NGC**, and that **NGC** can utilise, such information (including data) relating to that **Scottish User** (including details of the existing contractual arrangements between the **Relevant Transmission Licensee** and that **User**) as **NGC** shall require to enable **NGC** to prepare the **CUSC Agreements** for such **User** and otherwise prepare for **Go-Live**.
- (d) Each **Scottish User** agrees that any information (including data) held or received by the **Relevant Transmission Licensee** in respect of that **User** under the relevant grid code prior to **Go-Live** can be passed onto **NGC** by the **Relevant Transmission Licensee**, and used by **NGC** in the same way as it would be able to use the information (including data) if it had been passed to it under the **GB Grid Code** itself.
- (e) Each **E&W User** and each **Scottish User** agrees that any information (including data) held or received by **NGC** in respect of that **User** under these transition provisions or the **GB Grid Code** prior to **Go-Live** can be passed onto the **Relevant Transmission Licensee** by **NGC** and used by the **Relevant Transmission**

Licensee in the same way as it would be able to use the information (including data) if it had been passed to it by **NGC** under the **STC**, the **GB CUSC** (other than this Section 12) and the **GB Grid Code**.

12.2.14 ***Amendments/Panel:***

- (a) The individuals whose names are notified to **NGC** by the **Authority** prior to **Go-Active** as **Panel Members** and **Alternate Members** are agreed by the **CUSC Parties** (including **Scottish Users**) to constitute the **Panel Members** and **Alternate Members** of the **Amendments Panel** as at the first meeting of the **Amendments Panel** after **Go-Active** as if they had been elected as **Panel Members** and **Alternate Members** pursuant to Paragraphs 8.3 and 8.6 and Annex 8A.
- (b) For the avoidance of doubt, the term of office of the **Panel Members** and **Alternate Members** whose names are notified to **NGC** in accordance with Paragraph 12.2.14(a) shall expire on 30 September 2005.
- (c) The provisions of Section 8 shall apply to, and in respect of, **Scottish Users** from **Go-Active**.
- (d) The provisions of Section 8 shall not apply in respect of amendments to this Section 12 during the **Transition Period**.
- (e) The provisions of Section 8.23.5 shall not apply in respect of amendments to the **CUSC** designated by the **Secretary of State** in accordance with the provisions of the Energy Act 2004 for the purposes of Standard Condition C10 of the **Transmission Licence** or in respect of amendments to the **GB CUSC** made during the **Transition Period** pursuant to paragraph 8 of Standard Condition C10 of the **Transmission Licence**.

12.2.15 ***Liability & Jurisdiction:*** The provisions of Paragraphs 6.12 (Limitation of Liability) and 6.23 (Jurisdiction) shall apply to and be complied with by the **Scottish Users**.

12.2.16 ***Reconciliation Provisions:*** **Users** acknowledge, for the avoidance of doubt, that the reconciliation provisions in relation to **Transmission Network Use of System Charges** (Paragraph 3.13), **Balancing Services Use of System Charges** (Paragraph 3.16) and **Site Specific Maintenance**

Charge (Paragraph 2.14.5) in respect of reconciliation of charges relating to **Financial Year 2004/5** will not apply in respect of **Scottish Users**.

- 12.2.17 **Interim GB SYS:** Where requirements are stated in, or in relation to, the **GB CUSC** with reference to the **NGC Seven Year Statement**, they shall be read and construed as necessary as being with reference to the **Interim GB SYS**.
- 12.2.18 **Dormant CUSC Parties:** For the avoidance of doubt, **Scottish Users** shall not be treated as **Dormant CUSC Parties** during the **Transition Period** but shall have rights and obligations as provided for in this Section 12.
- 12.2.19 **Compliance during Transition Period:** Upon **Go-Live Users** shall comply with their respective obligations under the **GB CUSC** with compliance in accordance with Section 12 during the **Transition Period** being deemed as meeting the requirements of the **GB CUSC** in that period.
- 12.2.20 **Communications:** As soon as practicable after **Go-Active** each **Existing Scottish User** who is to be a **BSC Party** shall comply with its obligations under Paragraph 6.8 such that those obligations have been met before **Go-Live**.
- 12.2.21 **General Provisions:** The provisions of Paragraphs 6.3 (Compliance with Grid Code/Distribution Code), 6.18 (Intellectual Property), 6.21 (Notices), 6.22 (Third Party Rights), 6.24 (Counterparts), 6.25 (Governing Law), 6.26 (Severance of Terms), 6.27 (Language) and 6.29 (BSC) shall apply to and be complied with by **Scottish Users**.
- 12.2.22 **Reversion to Pre-Go-Active Provisions:** **E&W Users** and **NGC** shall comply with and be subject to the provisions of the following Paragraphs as though in place of the provisions of those Paragraphs as amended by the changes designated by the **Secretary of State**:
- (a) the words “and/or places or seriously threatens to place in the immediate future any **Relevant Transmission Licensee** in breach of its transmission licence **NGC**” had been deleted from the initial lines of Paragraph 5.4.4;
 - (b) the words “and/or places or seriously threatens to place in the immediate future any **Relevant Transmission Licensee** in material breach of its transmission licence” had been deleted from Paragraph 5.4.5(a)(iv);

- (c) the words “and/or places or seriously threatens to place in the immediate future any **Relevant Transmission Licensee** in breach of its transmission licence” had been deleted from Paragraph 5.9.5;
- (d) the words “(and in respect of licence obligations contained within Section D of a transmission licence, procure that a **Relevant Transmission Licensee** shall make available, plan, develop, operate and maintain the **GB Transmission System** in accordance with the transmission licences” had been deleted from Paragraph 6.2 and replaced therein by the words “make available, plan, develop, operate and maintain the **NGC Transmission System** in accordance with the **NGC Transmission Licence**”; and
- (e) all the words had been deleted from Paragraph 6.29 and replaced by the words “Each and every **User** connected to or using the **NGC Transmission System** shall be a **BSC Party** except for **Non-Embedded Customers** being supplied by a **Trading Party**.”

12.3 CUT-OVER

- 12.3.1 It is anticipated that it will be appropriate for arrangements to be put in place for final transition to **BETTA** in the period up to and following (for a temporary period) **Go-Live**, for the purposes of:
- (a) managing the transition from operations under the **CUSC** as in force immediately prior to **Go-Active** to operations under the **GB CUSC** as in force on and after **Go-Active**;
 - (b) managing the transition from operations under the Scottish equivalent(s) of the **CUSC Agreements** as in force immediately prior to **Go-Active** to operations under the **GB CUSC** as in force on and after **Go-Active**;
 - (c) managing the transition of certain data from operations under the Scottish equivalent(s) of the **CUSC Agreements** before and after **Go-Active**; and
 - (d) managing **GB CUSC** systems, processes and procedures so that they operate effectively at and from **Go-Live**.

Appendix

Matters Potentially Requiring Amendments to GB CUSC

1. The specific detail of the obligations needed to manage implementation in the period up to and following (for a temporary period) **Go-Live** to achieve the change to operation under the **GB CUSC** (to be included in Paragraph 12.3).
2. The conclusions of Ofgem/DTI in relation to small and/or embedded generator issues under **BETTA** and allocation of access rights on a **GB** basis.
3. The introduction of the **GB Charging Statements**.
4. Issues arising out of the process to create the **CUSC Agreements** (Paragraph 12.2.7).
5. Any arrangements to enable **NGC** to shadow applications to and offers by **Relevant Transmission Licensees**.
6. Issues arising out of the process to create **Interface Agreement(s)** to apply between a **Scottish User** and a **Relevant Transmission Licensee**, substantially in the form of Exhibit O Parts IB and IIB to the **GB CUSC**.
7. The outcome of discussions between **NGC** and any **Relevant Transmission Licensee** regarding putting in place agreements relating to nuclear site licences for **Connection Sites** in Scotland.

END OF SECTION 12

CUSC - EXHIBIT O - PART I B

THE CONNECTION AND USE OF SYSTEM CODE

INTERFACE AGREEMENTS

**PART I B - RELEVANT TRANSMISSION LICENSEE ASSETS ON USER
LAND IN SCOTLAND**

CUSC - EXHIBIT O - PART I B

DATED _____ 200[]

[] (User)

- and -

[Insert name of Relevant Transmission Licensee (RTL)]

INTERFACE AGREEMENT

Relating to Relevant Transmission Licensee Assets on
User Land at []

I N D E X

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Schedule 1 RTL Assets on User's Land

Schedule 2 User's Land - Description

Schedule 3 Part I - Security Details

Part II - Plant MV LV Apparatus

Safety Co-ordination Procedures

Schedule 4 User Owned Facility Assets

Schedule 5 Shared Services provided by User

Schedule 6 Addresses, Fax No's etc.

INTERFACE AGREEMENT
(ASSET LICENCE FACILITY AGREEMENT)

(RELEVANT TRANSMISSION LICENSEE ASSETS)

THIS DEED OF AGREEMENT is made on the _____ day of _____ 200[]

BETWEEN

- (1) [_____] a company registered in [_____] (with number [_____])
[_____] whose registered office is at [_____] (“User”, 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 [_____] (“RTL”, which expression shall include its successors and/or permitted assigns)]

WHEREAS

Certain assets and facilities of the RTL are to be installed on property title to which is vested in User and this Agreement is entered into by the Parties to give effect to appropriate arrangements in respect of such assets and the use of such assets and facilities.

NOW IT IS HEREBY AGREED as follows:-

1. DEFINITIONS AND INTERPRETATION

In this Agreement, the following words and expressions shall, unless the subject-matter or context otherwise requires or is inconsistent therewith, bear the following meanings:-

“Act” _____ the Electricity Act 1989 as amended

.....

	by Utilities Act 2000;
“Affiliate”	in relation to User means any holding company or subsidiary of that Party or any subsidiary of a holding company of User, in each case within the meaning of Sections 736, 736A and 736B of the Companies Act 1985 as substituted by Section 144 of the Companies Act 1989 and if that section is not in force at the date of this Agreement as if such section were in force at such date;
“Apparatus”	all equipment in which electrical conductors are used, supported or of which they may form a part;
“Authority”	the Gas and Electricity Markets Authority established by Section 1 of the Utilities Act 2000;
“Authorised Electricity Operator”	any person (other than NGC in its capacity as operator of the GB Transmission System) who is authorised to generate, participate in the transmission of, distribute or supply electricity and for the purposes of Standard Condition C4 of the Transmission Licence shall include any person who has made application

to be so authorised which application has not been refused and any person transferring electricity to or from Great Britain across an interconnector or who has made application for use of interconnector which has not been refused;

“Bilateral Connection Agreement”

a Bilateral Connection Agreement entered into between the User and NGC pursuant to the Connection Agreement and dated [];

“Competent Authority”

the Secretary of State, the Authority and any local or national agency, authority, department, inspectorate, minister (including the 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;

“Connection Agreement”

the Connection and Use of System Code given contractual force by the CUSC Framework Agreement entered into by, amongst others, the User regarding, amongst other things, the connection of User’s Plant and Apparatus to the GB Transmission

System and the use by the User of such system;

“Connection Site” [];

“CUSC Framework Agreement” means the agreement of that title, in the form approved by the Secretary of State, by which the Connection Agreement is made contractually binding between the parties to that agreement, as amended from time to time with the approval of the Secretary of State;

“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;

“Directive” includes any present or future directive, requirement, instruction, direction or rule of any Competent Authority, (but only, if not having the force of 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;

“Distribution System” the system consisting (wholly or mainly) of electric lines owned or operated by any Authorised Electricity Operator and used for the distribution of electricity from grid supply points or generation sets or other entry points to the point of delivery to Customers or Authorised Electricity Operators, and includes any Remote Transmission Assets operated by such Authorised Electricity Operator and any electrical plant and meters owned or operated by the Authorised Electricity Operator in connection with the distribution of electricity, but shall not include any part of the GB Transmission System;

“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;

“Force Majeure”

in relation to a Party, any event or circumstance which is beyond the reasonable control of that Party, and which results in or causes the failure of that Party to perform any of its obligations under this Agreement including any 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 legislation, bye-law, and

Directive (not being any order, regulation or directive under Section 32, 33, 34 or 35 of the Act) Provided that lack of funds shall not be interpreted as a cause beyond the reasonable control of that Party;

“Fuel Security Code”

the document of that title designated as such by the Secretary of State as from time to time amended;

“GB Transmission System”

the system consisting (wholly or mainly) of high voltage electric wires owned or operated by transmission licensees within Great Britain and used for the transmission of electricity from one power station to a sub-station or to another power station or between sub-stations or to or from any external interconnection and includes any electrical plant or apparatus or meters owned or operated by any transmission licensee within Great Britain in connection with the transmission of electricity but shall not include Remote Transmission Assets;

“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;

“Grid Code”

the document or documents produced pursuant to standard condition C14 of the NGC Transmission Licence, as from time to time revised in accordance with the NGC Transmission Licence;

“High Voltage Lines”

electric lines of a nominal voltage of or exceeding 132 kilovolts;

“HV”

of a nominal voltage exceeding 650 volts;

“Intellectual Property”

patents, trademarks, service marks, rights in designs, trade names, copyrights and topography rights (whether or not any of the same is 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;
“Licence”	any licence granted pursuant to Section 6 of the Act;
“Location Managers”	[];
“Low Voltage” or “LV”	means a voltage not exceeding 250 volts;
“Medium Voltage” or “MV”	means a voltage exceeding 250 volts but not exceeding 650 volts;
“Modification”	any alteration to or replacement of RTL Assets pursuant to clause 3.1 of this Agreement and “Modify” and “Modified” shall be construed accordingly;
“NGC”	National Grid Company plc;
“NGC Transmission Licence”	the licence granted to NGC under Section 6(1)(b) of the Act;
“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 the RTL Assets;
“Plant”	fixed and moveable items used in the generation and/or supply and/or transmission of electricity other than Apparatus;
“Regulations”	the Electricity Safety Quality and Continuity Regulations 2002 as amended from time to time;
“Relevant Transmission Licensee”	means SP Transmission Limited in south of Scotland and Scottish Hydro-Electric Transmission Limited in north of Scotland;
“Relocation Proposal”	a proposal by User to the RTL pursuant to sub-clause 5.1 for the relocation of any of the RTL Assets;
“Remote Transmission Assets”	any Plant and Apparatus or meters owned by NGC which (a) are embedded in a Distribution System or a user system and which are not directly connected by Plant and/or Apparatus owned by NGC to a sub-station owned by NGC and (b) are by agreement between NGC and such public distribution system operator or user under the direction and control of such public distribution system operator or user;

“Right of Access”	full right and liberty during the currency of this Agreement to enter upon and through and remain upon any part of User’s Land (including where relevant any land over which User has a right of servitude, wayleave or similar right which benefits the User’s Land and the use of which by the RTL is necessary 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;
“RTL 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;
“RTL Licence”	the licence granted to the RTL under Section 6 of the Act;
“Secretary of State”	has the meaning given to that term in the Act;

“Services”	in the context of Clause 8, the goods and services specified in Schedule 5;
“Site Specific Safety Rules”	means the rules, procedures or current arrangements for and relating to safety co-ordination across boundaries (to permit work to or testing on the system of one of the Parties which, for this to be done safely, requires isolation and/or other precautions on Plant and/or MV and/or LV Apparatus whether at, adjacent to or remote from the location of the work or testing) which the Parties mutually agree to use their best endeavours to formulate as soon as possible after the date of this Agreement and on the basis that any dispute as to their content shall be resolved in accordance with the provisions of Clause 10;
“User’s Land”	the land described in Schedule 2;
“User’s Licence”	the licence granted to the User under Section 6 of the Act;

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, User hereby grants to the RTL the right to install and thereafter retain and replace as provided in this Agreement RTL Assets on User’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 User) and such right shall extend to

any Modified RTL Assets. User shall maintain any shelter and/or support enjoyed by any RTL Assets at the date of this Agreement or, if later, when relocated on User's Land in accordance with clause 5 and grants to the RTL a Right of Access for the purpose of the maintenance, inspection, testing, removal, operation, Modification or repair of any RTL Assets.

3. MODIFICATIONS REPLACEMENTS AND ALTERATIONS

3.1 The RTL may at its own expense replace or alter any RTL Assets provided that:-

3.1.1 the replacement RTL Assets or the RTL 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 User;
- (v) do not restrict the actual and intended use of User's Land and any equipment thereon or therein to any materially greater extent than the RTL 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 RTL Assets to enable the RTL Assets to be used up to their full capability; and

3.1.2 prior written notification has been given to User.

- 3.2 If any replacement or alteration permitted by clause 3.1 shall require minor alterations or work to the existing buildings or structures housing or supporting the RTL Assets in question, such alterations or works may be carried out (with the prior written approval of User (such approval not to be unreasonably withheld or delayed)) but at the cost of the RTL.
- 3.3 To the extent that any of the conditions of clause 3.1 are not in User's reasonable opinion met in relation to any replacement or alteration, User may by notice in writing require the RTL promptly to remove such replacement or alteration and, if the RTL fails to do so, may remove the same itself at the cost and expense of the RTL. On such removal, the RTL may reinstate the RTL Assets so replaced or altered.
- 3.4 The RTL shall, if considering moving, replacing, or altering any of the RTL Assets, give due consideration as to whether it shall be operationally practicable, desirable and reasonably economic to move such RTL Assets to (or place the replacement or altered RTL Assets on) its own property.
- 3.5 For the 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 User undertakes to maintain and provide security in relation to the RTL 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 (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 RTL Assets and/or any part (including the whole) of User's 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 RTL Assets; and
- (iii) any statute or Directive requiring the reporting of any occurrence relating to or affecting any RTL Assets and/or User's 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 provisions for safety co-ordination between the Parties contained in Part II of Schedule 3 shall apply.

5. RELOCATIONS

5.1 At any time and from time to time during the term of this Agreement, User may with the prior written consent of the RTL (such consent not to be unreasonably withheld or delayed) require the RTL to relocate any RTL Assets either to a different location on the User Land or to the RTL's or a third party's land, such consent to be sought and given or refused in accordance with the following procedure:-

5.1.1 User shall serve a written notice on the RTL, which notice shall specify:-

- (a) the RTL Assets which User wishes to be relocated;
- (b) the reasons for such wish;
- (c) the proposed new location for such RTL Assets; and
- (d) the timing of the carrying out of such relocation.

5.1.2 The RTL 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 RTL, 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 RTL; 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 RTL Assets and the proper and reasonable costs of relocating any other equipment that may be necessary as a result of the relocation of those RTL Assets and any consequential losses including payments to third parties incurred as a result of the relocation of those RTL Assets and the proposed manner and timing of payment of the same by User.

5.1.3 If within one month of the date of such counter notice (or such longer period as shall be reasonably necessary) User 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 RTL

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 RTL 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 User shall render all reasonable assistance to the RTL in connection with such relocation licences and consents and pay to the RTL 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, User shall pay to the RTL all costs reasonably incurred by the RTL 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 RTL Assets.

6. REMOVALS

- 6.1 In the event that there shall cease to be a Bilateral Connection Agreement relating to any RTL Assets on User's Land the RTL shall remove all RTL Assets from User's Land in accordance with the provisions relating thereto contained in the Connection Agreement and the Bilateral Connection Agreement.
- 6.2 Where the RTL is obliged to remove any of the RTL Assets from User's Land, whether 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) User shall be entitled to remove those RTL Assets to land belonging to the RTL and the RTL shall provide all reasonable assistance to enable User safely so to do and shall pay and reimburse to User all costs and expenses reasonably incurred by User in so doing.

7. RIGHTS OF ACCESS

7.1 A Right of Access includes the right to bring on to User's 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 the RTL may be exercised by any person, including third party contractors, reasonably nominated from time to time by the RTL. To the extent (if any) that any particular authorisation or clearances may be required to be given by User 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 The RTL 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 User. Such arrangements and provisions shall provide for User 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 RTL 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 the RTL to exercise a Right of Access of any relevant directions or regulations made by the RTL;
- (vi) the identification of and arrangements applicable to Emergency Personnel.
- (vii) any limitation or restriction on the exercise of such Access Right of Access to the extent that in the circumstances is reasonable

7.4 The RTL shall procure that any such arrangements and/or provisions (or directions or regulations issued by User 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 The RTL shall procure that all reasonable steps are taken in the exercise of any Right of Access to:

- (a) avoid or minimise damage to User's Land, or any other property thereon or therein;
- (b) cause as little disturbance and inconvenience as possible to User or other occupier of User's Land

and shall promptly make good any damage caused to User's Land and/or such other property in the course of the exercise of such rights and shall indemnify User 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 granted shall only be exercisable on the giving of at least seven days prior written notice to User except in the case of loss of generation or demand or other emergency (in which event User 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 RTL Asset shall be exercisable only after two weeks prior written notice to User.

8. SERVICES AND USE OF ASSETS

8.1 Subject as hereinafter provided, in relation to each Facility Asset, User shall, if required by the RTL, make the Facility Asset in question available for use by the RTL to such extent as is necessary for the purposes of the

RTL's undertaking but not so as to prejudice the use now or hereafter of such Facility Asset by User for its undertaking.

8.2 Subject as hereinafter provided, in relation to each of the Services, User shall, if required by the RTL, provide the same to the RTL. Such provision shall be of such a quality and quantity and shall be provided at such times as the RTL shall reasonably request. User shall not be required to exceed the level of quality or quantity of the Services as is 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 User 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 Asset 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. User shall maintain the Facility Asset in accordance with Good Industry Practice.

9. NON-INTERFERENCE

- 9.1 User agrees that neither it nor its agents, employees and invitees will interfere in any way with any of the RTL Assets without the consent of the RTL. For the purposes of this clause "interfere" shall include:

9.1.1 disconnecting or altering the connection of any RTL 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 RTL Assets;

9.1.3 damaging any RTL Assets;

9.1.4 allowing any other person to interfere with any RTL Assets;

9.1.5 altering any meters or settings on any RTL Assets.

9.1.6 the obstruction of access to any RTL 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 the RTL, save for damage occurring by reason of lack of reasonable care in the course of the emergency action taken by User which shall be the responsibility of User

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 User and the RTL 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, 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 initial dispute resolution procedures referred to in Clause 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. GOVERNING LAW AND JURISDICTION

- 11.1 This Agreement shall be governed by and construed in all respects in accordance with English law.
- 11.2 Subject and without prejudice to clause 10 and to clause 11.4 the Parties irrevocably agree that only the courts of England and Wales and the courts of Scotland are to have jurisdiction to settle any dispute which may arise out of or in connection with this Agreement and that accordingly any suit, action or proceeding (together in this clause 11 referred to as "Proceedings") arising out of or in connection with this Agreement may be brought in such courts.
- 11.3 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 clause 11 and any claim that any such Proceedings have been brought in an inconvenient forum and further irrevocably agrees that a judgment 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 other jurisdiction.
- 11.4 For the avoidance of doubt nothing contained in the foregoing provisions of this clause 11 shall be taken as permitting a Party to commence Proceedings in the courts where this Agreement otherwise provides for

proceedings to be referred to arbitration.

12. CONFIDENTIALITY

12.1 For the purposes of this Clause 12 except where the context otherwise requires:

12.1.1 “Authorised Recipient”, in relation to any Protected Information, means any Business Person who, before the Protected Information had been divulged to him by the RTL or any subsidiary of the RTL, had been informed of the nature and effect of this clause 12 and who requires access to such Protected Information for the proper performance of his duties as a Business Person in the course of Permitted Activities;

12.1.2 “Business Person” means any person who is a Licensed Business Person, or a Corporate Functions Person and “Business Personnel” shall be construed accordingly.

12.1.3 “Confidential Information” means all data and other information supplied to User under the provisions of this Agreement.

12.1.4 “Corporate Functions Person” means any person who:-

- (a) is a director of the RTL; or
- (b) is an employee of the RTL or any of its subsidiaries carrying out any administrative, finance or other corporate services of any kind which in part relate to the Licensed Business; or
- (c) is engaged as an agent of or adviser to or performs work in relation to or services for the Licensed Business.

12.1.6 “Licensed Business” means any business or activity of the RTL or

any of its associates authorised by its RTL Licence;

12.1.7 “Licensed Business Person” means any employee of the RTL or any director or employee of its subsidiaries who is engaged solely in its Licensed Business and “Licensed Business Personnel” shall be construed accordingly;

12.1.8 “Permitted Activities” means activities carried on for the purposes of the Licensed Business;

12.1.9 “Protected Information” means any information relating to the affairs of a Party which is furnished to Business Personnel pursuant to this Agreement unless, prior to such information being furnished, such Party has informed the recipient thereof by notice in writing or by endorsement on such information, that the said information is not to be regarded as Protected Information;

12.2 Confidentiality for the RTL and its Subsidiaries

The RTL and its subsidiaries in each of their capacities in this Agreement shall secure that Protected Information is not:-

12.2.1 divulged by Business Personnel to any person unless that person is an Authorised Recipient;

12.2.2 used by Business Personnel for the purposes of obtaining for the RTL or any of its subsidiaries or for any other person:-

(a) any Licence; or

(b) any right to purchase or otherwise acquire, or to distribute, electricity including by means of an electricity purchase contract (as defined in the NGC Transmission Licence); or

- (c) any contract or arrangement for the supply of electricity to customers or suppliers; or
- (d) any contract for the use of any electrical lines or electrical plant belonging to or under the control of a supplier.

12.2.3 used by Business Personnel for the purpose of carrying on any activities other than Permitted Activities except with the consent in writing of the Party to whose affairs such Protected Information relates.

12.3 Nothing in this Clause 12 shall apply:

12.3.1 to any Protected Information which, before it is furnished to Business Personnel is in the public domain;

12.3.2 to any Protected Information which, after it is furnished to Business Personnel:

- (a) is acquired by the RTL or any subsidiary of the RTL in circumstances in which this Clause 12 does not apply; or
- (b) is acquired by the RTL or any subsidiary of the RTL in circumstances in which this Clause 12 does apply and thereafter ceases to be subject to the restrictions imposed by this Clause 12; or
- (c) enters the public domain otherwise than as a result of a breach by the RTL or any subsidiary of the RTL of its obligations in this Clause 12.

12.3.3 to the disclosure of any Protected Information to any person if the RTL or any subsidiary is required or permitted to make such

disclosure to such person:

- (a) in compliance with the duties of the RTL or any associate under the Act or any other requirement of a Competent Authority; or
- (b) in compliance with the conditions of its RTL Licence or any document referred to in its RTL Licence with which the RTL is required to comply; or
- (c) in compliance with any other requirement of law; or
- (d) in response to a requirement of any recognised stock exchange or regulatory authority or the Panel on Take-overs and Mergers; or
- (e) pursuant to the Arbitration Rules for the Electricity Supply Industry Arbitration Association or pursuant to any judicial or other arbitral process or tribunal.

12.3.4 to any Protected Information to the extent that the RTL or any of its subsidiaries is expressly permitted or required to disclose that information under the terms of any agreement or arrangement (including the Fuel Security Code) with the Party to whose affairs such Protected Information relates.

12.4 The RTL and its subsidiaries may use all and any information or data supplied to or acquired by it, from or in relation to the other Party to this Agreement in performing its Permitted Activities and may pass the same to subsidiaries of the RTL which carry out such activities and the User hereto agrees to provide all information to the RTL and its subsidiaries for such purpose.

12.5 NGC and its subsidiaries may use all and any information or data supplied to or acquired by it from the RTL pursuant to Clause 12.3.3 in relation to this Agreement in performing its activities under the NGC Transmission Licence including for the following purposes:

12.5.1 the operation and planning of the GB Transmission System;

12.5.2 the calculation of charges and preparation of offers of terms for connection to or use of the GB Transmission System

and the User agrees to provide all information to the RTL and its subsidiaries for such purposes.

12.6 The RTL undertakes that, having regard to the activities in which any Business Person is engaged and the nature and effective life of the Protected Information divulged to him by virtue of such activities, neither the RTL nor any of its subsidiaries shall unreasonably continue (taking into account any industrial relations concerns reasonably held by it) to divulge Protected Information or permit Protected Information to be divulged to any Business Person

(a) who has notified the RTL or the relevant subsidiary of his intention to become engaged as an employee or agent of any other person (other than of the RTL or any subsidiary thereof) or

(b) who is authorised by licence or exemption to generate or supply electricity.

12.7 Without prejudice to other provisions of this clause 12 the RTL shall procure that any additional copies of the Protected Information, whether in

hard copy or computerised form, will clearly identify the Protected Information as protected.

12.8 The RTL undertakes to use all reasonable endeavours to procure that no employee is a Corporate Functions Person unless the same is necessary for the proper performance of his duties.

12.9 Confidentiality for User

12.9.1 User hereby undertakes with the RTL and its subsidiaries that it shall preserve the confidentiality and secrecy of, and not directly or indirectly reveal, report, publish, disclose or transfer or use for its own purposes Confidential Information except:

- (a) in the circumstances set out in Clause 12.9.2;
- (b) to the extent expressly permitted by this Agreement; or
- (c) with the consent in writing of the RTL.

12.9.2 Exceptions: the circumstances referred to in Clause 12.9.1(a) are:

- (a) where the Confidential Information, before it is furnished to User, is in the public domain; or
- (b) where the Confidential Information, after it is furnished to User:
 - (i) is acquired by User in circumstances in which this Clause 12 does not apply; or
 - (ii) is acquired by User in circumstances in which this Clause 12 does apply and thereafter ceases to be subject to the restrictions imposed by this Clause 12;

or

- (iii) enters the public domain otherwise than as a result of a breach by User of its obligations in this Clause 12; or
- (c) if User is required or permitted to make disclosure of the Confidential Information to any person:
 - (i) in compliance with the duties of User under the Act or any other requirement of a Competent Authority;
 - (ii) in compliance with the conditions of any Licence or any document referred to in any Licence with which User is required to comply;
 - (iii) in compliance with any other requirement of law;
 - (iv) in response to a requirement of any stock exchange or regulatory authority or the Panel on Takeovers and Mergers; or
 - (v) pursuant to the Arbitration Rules for the Electricity Supply Industry Arbitration Association or pursuant to any judicial or other arbitral process or tribunal; or
- (d) where Confidential Information is furnished by User to the employees, directors, agents, lenders, consultants and professional advisers of User in each case on the basis set out in Sub-Clause 12.10.

12.10 With effect from the date of this Agreement User shall adopt procedures within its organisation for ensuring the confidentiality of all Confidential Information which it is obliged to preserve as confidential under this

Clause 12. These procedures will include:

12.10.1 the Confidential Information will be disseminated within User only on a “need to know” basis;

12.10.2 employees, directors, agents, lenders, consultants and professional advisers of User in receipt of Confidential Information will be made fully aware of User’s obligations of confidence in relation thereto.

13. TITLE TO ASSETS

13.1 The RTL acknowledges that it does not have and will not acquire any title, right or interest in User’s Land save for such rights as are expressly granted herein or otherwise provided nevertheless that, if according to any rule of law, the RTL could acquire any such title, right or interest in any of User’s Land, the RTL undertakes to do all that is required to transfer such right or interest to User to ensure that User 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 User) and shall if requested by User, 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 User.

13.2 User agrees that it shall not by any act or default render the RTL Assets liable to any distress execution or other legal process, and in the event that the RTL Assets shall become so liable, shall forthwith give notice of any such proceedings to the RTL and shall forthwith notify any third party instituting any such process of the ownership of such RTL Assets.

13.3 If User desires to mortgage or charge User’s Land or its interest therein on which any RTL Assets are located or to enter into any arrangement

which, if made, might affect the rights of the RTL expressly granted herein, then User shall ensure that the RTL 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 RTL.

- 13.4 In the event that User shall wish to grant rights over or dispose of any interest in or change the use of User's Land User shall notify the RTL of such wish and fully consult the RTL 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 User's Land.

14. LIMITATION OF LIABILITY

- 14.1 Subject to sub-clauses 5.3, 6.2, 9.2 and 14.5 and save as provided in this sub-clause 14.1 and sub-clause 14.2 neither Party ("the Party Liable") nor any of its officers, employees or agents shall be liable to the other Party for loss arising from any breach of this 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 and which resulted from:

14.1.1 physical damage to the property of the other Party, its officers, employees or agents; and/or

14.1.2 the liability of the other Party to any other person for loss arising from physical damage to the property of any person.

- 14.2 Nothing in this Agreement shall exclude or limit the liability of the Party Liable for death or personal injury resulting from the negligence of the Party Liable or any of its officers, employees or agents and the Party

Liabe shall indemnify and keep indemnified the other Party, its officers, employees or agents, from and against all such and any loss or liability which the other Party may suffer or incur by reason of any claim on account of death or personal injury resulting from the negligence of the Party Liabe or any of its officers, employees or agents.

14.3 Subject to sub-clauses 5.3, 6.2, 9.2 and 14.5 neither Party, nor any of its officers, employees or agents shall in any circumstances whatsoever be liable to the other Party for:-

14.3.1 any loss of profit, loss of revenue, loss of use, loss of contract or loss of goodwill; or

14.3.2 any indirect or consequential loss; or

14.3.3 loss resulting from the liability of the other Party to any other person howsoever and whensoever arising save as provided in sub-clauses 14.1.2 and 14.2.

14.4 The rights and remedies provided by this Agreement 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 this Agreement, including any rights either Party may possess in tort which shall include actions brought in negligence and/or nuisance. Accordingly, each of the Parties hereby waives in the fullest extent possible all such rights and remedies provided by common law or statute, and releases the Party Liabe, its 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 this Agreement and undertakes not to enforce any of the same except as expressly provided

herein.

14.5 Save as otherwise expressly provided in this Agreement, this clause 14 insofar as it excludes or limits liability shall override any other provision in this Agreement provided that nothing in this clause 14 shall exclude or restrict or otherwise prejudice or affect any of:

14.5.1 the rights, powers, duties and obligations of either Party which are conferred or created by the Act, the User's Licence, RTL's Licence or the Regulations or any amendment or re-enactment thereof; or

14.5.2 the rights, powers, duties and obligations of the Authority or the Secretary of State under the Act, any such licence as aforesaid or otherwise howsoever.

14.6 Each of the sub-clauses of this clause 14 shall:

14.6.1 be construed as a separate and severable contract term, and if one or more of such sub-clauses is held to be invalid, unlawful or otherwise unenforceable the other or others of such sub-clauses shall remain in full force and effect and shall continue to bind the Parties; and

14.6.2 survive termination of this Agreement.

14.7 Each Party agrees that the other Party holds the benefit of sub clauses 14.1, 14.2 and 14.3 above for itself and as trustee and agent for its officers, employees and agents

14.8 Each Party hereby acknowledges and agrees that the provisions of this clause 14 have been the subject of discussion and negotiation and are fair and reasonable having regard to the circumstances as at the date hereof.

15. INTELLECTUAL PROPERTY

All Intellectual Property relating to the subject matter of this Agreement conceived, originated, devised, developed or created by a Party, its officers employees, agents or consultants during the currency of this Agreement shall vest in such Party as the sole beneficial owner thereof save where the Parties agree in writing otherwise.

16. FORCE MAJEURE

If either Party (the “Non-Performing Party”) shall be unable to carry out any of its obligations under this Agreement due to a circumstance of Force Majeure this Agreement shall remain in effect but save as otherwise provided herein the Non-Performing Party’s obligations hereunder shall be suspended without liability for a period equal to the circumstance of Force Majeure provided that:

- (i) the Non-Performing Party gives the other Party prompt notice describing the circumstance of Force Majeure, including the nature of the occurrence, its expected duration and the particular obligations affected by it, and continues to furnish regular reports with respect thereto during the period of Force Majeure;
- (ii) the suspension of performance is of no greater scope and of no longer duration than is required by the Force Majeure;
- (iii) no liabilities of either Party that arose before the Force Majeure causing the suspension of performance are excused as a result of the Force Majeure;
- (iv) the non-performing Party uses all reasonable efforts to remedy its inability to perform; and

- (v) 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 this Agreement.

17. WAIVER

No delay by or omission of a Party in exercising any right, power, privilege or remedy under this Agreement shall operate to impair such right, power, privilege or remedy or be construed as a waiver thereof. Any single or partial exercise of any such right, power, privilege or remedy shall not preclude any other or future exercise thereof or the exercise of any other right, power, privilege or remedy.

18. NOTICES

18.1 Any notice or other communication to be given by one Party to the other under, or in connection with the matters contemplated by, this Agreement shall be addressed to the recipient and sent to the address, telex number or facsimile number of such other Party given in Schedule 6 and marked for the attention of the person so given or to such other address, telex number and/or facsimile number and/or marked for such other attention as such other Party may from time to time specify by notice given in accordance with this clause 18 to the Party giving the relevant notice or other communication to it.

18.2 Any notice or other communication to be given by one Party to the other Party under, or in connection with the matters contemplated by, this Agreement shall be in writing and shall be given by letter delivered by hand or sent by first class prepaid post (airmail if overseas) or telex or facsimile, and shall be deemed to have been received:

18.2.1 in the case of delivery by hand, when delivered; or

18.2.2 in the case of first class prepaid post, on the second day following the day of posting or (if sent airmail from overseas) on the fifth day following the day of posting; or

18.2.3 in the case of telex, on the transmission of the automatic answerback of the addressee (where such transmission occurs before 1700 hours on the day of transmission) and in any other case on the day following the day of transmission; or

18.2.4 in the case of facsimile, on acknowledgement by 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.

19. 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.

20. OVERRIDING PROVISIONS & GOOD INDUSTRY PRACTICE

20.1 In the event of any conflict between RTL's or User's obligations hereunder and their obligations under the User's Licence and RTL's Licence, the Act, any direction of the Secretary of State, the Authority or ruling of the Competition Commission, the Grid Code, Connection Agreement or the Bilateral Connection Agreement, the provisions of the User's Licence and RTL's Licence, the Act, the Grid Code, the Connection Agreement or Bilateral Agreement the direction of the Secretary of State, the Authority, or ruling of the Competition Commission shall prevail and accordingly the RTL and User respectively shall not be responsible for any failure to

perform their respective obligations hereunder to the extent that any such failure is directly attributable to proper compliance with such provisions, rulings or directions.

20.2 Both parties shall observe their respective obligations hereunder in accordance with Good Industry Practice.

21. ASSIGNMENT AND SUB-CONTRACTING

21.1 The rights and obligations of a Party may not be assigned (otherwise than to an Affiliate or by way of a charge or an assignment by way of security) without the consent of the other Party, such consent not to be unreasonably withheld.

21.2 Each Party shall have the right to sub-contract or delegate the performance of any of its obligations or duties arising under this Agreement without the consent of the other. The sub-contracting by either Party of the performance of any obligations or duties under this Agreement shall not relieve such Party from the liability for performance of such obligation or duty.

22. ILLEGALITY AND PARTIAL INVALIDITY

22.1 If at any time any provision of this Agreement should become or be declared unlawful, invalid, illegal or unenforceable in any respect under the law of any jurisdiction, neither the validity, legality or enforceability of the remaining provisions nor the validity, legality or enforceability of such provision under the law of any other jurisdiction shall be affected.

22.2 If any part of a provision of this Agreement is or becomes or is declared invalid, unlawful, illegal or unenforceable but the rest of such provision would remain valid, lawful or enforceable if part of the wording were

deleted the provision shall apply with such modifications as may be necessary to make it valid, lawful, enforceable and effective but without affecting the meaning of legality, validity or enforceability of any other provision of this Agreement.

23. TERM AND TERMINATION

This Agreement shall continue until no RTL Assets are on User's land and no Facility Assets or Services are shared or provided.

24. REGISTRATION AND MEMORANDUM

24.1 Where any or all of User's Land is registered or the RTL's interest therein is subject to compulsory registration at the Land Register of Scotland, the parties hereto agree to apply to the Keeper for the registration as appropriate of the rights and obligations granted by or contained in this Agreement and User agrees to place on deposit at the Land Register of Scotland all relevant Land or Charge Certificates to enable such registration to be effected.

24.2 Where any of User's Land is not so registered or subject to compulsory registration, User shall procure within six months of the date hereof that certified copies of any such agreement are attached to the most recent conveyance (in the case of a heritable interest) or the lease under or pursuant to which they hold such land.

25. ENTIRE AGREEMENT

25.1 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) the RTL acknowledges that User 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 User's Land and any assets thereon. User 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 User 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 Clause 10.

IN WITNESS whereof this Agreement has been entered into as a deed the day and year first above written.

SCHEDULE 1

RTL ASSETS ON USER LAND

SCHEDULE 2

USER'S LAND

SCHEDULE 3

Part I

Security Details (Cl. 4.1)

User's Land

Part II

Plant MV LV Apparatus Safety Co-Ordination Procedures (Cl. 4.5)

- (1) The Parties will comply with the Site Specific Safety Rules and any agreed modifications thereto.
- (2) The Parties will arrange for the Site Specific Safety Rules to be written down and to be implemented by the person or persons responsible on behalf of the relevant Parties for the co-ordination of safety.

SCHEDULE 4

USER OWNED FACILITY ASSETS

PART ONE

PART TWO

SCHEDULE 5
SHARED SERVICES PROVIDED BY USER

PART ONE

PART TWO

SCHEDULE 6

Addresses, Fax Nos etc (Cl. 19.)

[Insert details of Relevant Transmission Licensee]

[]

Telephone:

Facsimile:

[Insert details of User]

[]

Telephone:

Facsimile:

THE COMMON SEAL of)
)
[RELEVANT TRANSMISSION LICENSEE])
was hereunto affixed in the presence of:-)

THE COMMON SEAL of)
[])
was hereunto affixed in the presence of:-)

END OF SECTION O PART I B

CUSC - EXHIBIT O - PART II B

THE CONNECTION AND USE OF SYSTEM CODE

INTERFACE AGREEMENTS

PART II B- USER ASSETS ON RTL LAND

CUSC - EXHIBIT O - PART II B

DATED _____ 200[]

(1) [Insert name of Relevant Transmission Licensee (RTL)]

- and -

(2)

(User)

INTERFACE AGREEMENT

Relating to User Assets on
RTL Land at []

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INTERFACE AGREEMENT
(ASSET LICENCE FACILITY AGREEMENT)
(USER ASSETS)

THIS DEED OF AGREEMENT is made on the day of 200[]

BETWEEN

- (1) **[Insert name of Relevant Transmission Licensee]** a company registered in [] with number [] whose registered office is at [] (“RTL”, 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

Certain assets and facilities of User are to be installed on property title to which is vested in RTL and this Agreement is entered into by the Parties to give effect to appropriate arrangements in respect of such assets and the use of such assets and facilities.

NOW IT IS HEREBY AGREED as follows:-

1. DEFINITIONS AND INTERPRETATION

In this Agreement, the following words and expressions shall, unless the subject-matter or context otherwise requires or is inconsistent therewith, bear the following meanings:-

“Act” the Electricity Act 1989 as amended
by Utilities Act 2000;

CUSC Implementation

“Affiliate”	in relation to User means any holding company or subsidiary of that Party or any subsidiary of a holding company of User, in each case within the meaning of Sections 736, 736A and 736B of the Companies Act 1985 as substituted by Section 144 of the Companies Act 1989 and if that section is not in force at the date of this Agreement as if such section were in force at such date;
“Apparatus”	all equipment in which electrical conductors are used, supported or of which they may form a part;
“Authority”	the Gas and Electricity Markets authority established by Section 1 of the Utilities Act 2000;
“Authorised Electricity Operator”	any person (other than NGC in its capacity as operator of the GB Transmission System) who is authorised to generate, participate in the transmission of, distribute or supply electricity and for the purposes of Standard Condition C4 of the Transmission Licence shall include any person who has made application to be so authorised which application

has not been refused and any person transferring electricity to or from Great Britain across an interconnector or who has made application for use of interconnector which has not been refused;

“Bilateral Connection Agreement” the Bilateral Connection Agreement entered into between the User and NGC pursuant to the Connection Agreement and dated [];

“Connection Agreement” the Connection and Use of System Code given contractual force by the CUSC Framework Agreement entered into by, amongst others, the User regarding, amongst other things, the connection of User’s Plant and Apparatus to the GB Transmission System and the use by the User of such system;

“Competent Authority” the Secretary of State, the Authority and any local or national agency, authority, department, inspectorate, minister (including the 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;

“Connection Site”

[];

“CUSC Framework Agreement”

means the agreement of that title, in the form approved by the Secretary of State, by which the Connection Agreement is made contractually binding between the parties to that agreement, as amended from time to time with the approval of the Secretary of State;

“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;

“Directive”

includes any present or future directive, requirement, instruction, direction or rule of any Competent Authority, (but only, if not having the force of 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;

“Distribution System”

the system consisting (wholly or

mainly) of electric lines owned or operated by any Authorised Electricity Operator and used for the distribution of electricity from grid supply points or generation sets or other entry points to the point of delivery to Customers or Authorised Electricity Operators, and includes any Remote Transmission Assets operated by such Authorised Electricity Operator and any electrical plant and meters owned or operated by the Authorised Electricity Operator in connection with the distribution of electricity, but shall not include any part of the GB Transmission System;

“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

“Force Majeure”

in relation to a Party, any event or circumstance which is beyond the reasonable control of that Party, and which results in or causes the failure of

that Party to perform any of its obligations under this Agreement including any 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 legislation, bye-law, and Directive (not being any order, regulation or directive under Section 32, 33, 34 or 35 of the Act) Provided that lack of funds shall not be interpreted as a cause beyond the reasonable control of that Party;

“Fuel Security Code”

the document of that title designated as such by the Secretary of State as from time to time amended;

- “GB Transmission System” the system consisting (wholly or mainly) of high voltage electric wires owned or operated by transmission licensees within Great Britain and used for the transmission of electricity from one power station to a sub-station or to another power station or between sub-stations or to or from any external interconnection and includes any electrical plant or apparatus or meters owned or operated by any transmission licensee within Great Britain in connection with the transmission of electricity but shall not include Remote Transmission Assets;
- “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;
- “Grid Code” the document or documents produced pursuant to standard condition C14 of the NGC Transmission Licence, as from time to time revised in

	accordance with the NGC Transmission Licence;
“High Voltage Lines”	electric lines of a nominal voltage of or exceeding 132 kilovolts;
“HV”	of a nominal voltage exceeding 650 volts;
“Intellectual Property”	patents, trademarks, service marks, rights in designs, trade names, copyrights and topography rights (whether or not any of the same is 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;
“Licence”	any licence granted pursuant to the Act;
“Location Manager”	[];
“Low Voltage” or “LV”	Means a voltage not exceeding 250 volts;

“Medium Voltage” or “MV”	means a voltage exceeding 250 volts but not exceeding 650 volts;
“Modification”	any alteration to or replacement of User Assets pursuant to clause 3.1 of this Agreement and “Modify” and “Modified” shall be construed accordingly;
“NGC”	National Grid Company plc;
“NGC Transmission Licence”	the licence granted to NGC under Section 6(1)(b) of the Act;
“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 the User’s Assets;
“Plant”	fixed and moveable items used in the generation and/or supply and/or transmission of electricity other than Apparatus;
“Regulations”	the Electricity Safety Quality and Continuity Regulations 2002 as amended from time to time;

“Relocation Proposal”	a proposal by RTL to the User pursuant to sub-clause 5.1 for the relocation of any of the User Assets;
“Remote Transmission Assets”	any Plant and Apparatus or meters owned by NGC which (a) are embedded in a Distribution System or a user system and which are not directly connected by Plant and/or Apparatus owned by NGC to a sub-station owned by NGC and (b) are by agreement between NGC and such public distribution system operator or user under the direction and control of such public distribution system operator or user;
“Right of Access”	full right and liberty during the currency of this Agreement to enter upon and through and remain upon any part of RTL’s Land (including where relevant any land over which RTL has a right of servitude, wayleave or similar right which benefits the RTL’s Land and the use of which by User is necessary 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;
“Relevant Transmission	means SP Transmission Limited in

Licensee”	south of Scotland and Scottish Hydro-Electric Transmission Limited in north of Scotland;
“RTL’s Land”	the land described in Schedule 2;
“RTL Licence”	the licence granted to the RTL under Section 6 of the Act;
“Secretary of State”	has the meaning given to that term in the Act;
“Services”	In the context of Clause 8, the goods and services specified in Schedule 5;
“Site Specific Safety Rules”	the rules, procedures or current arrangements for and relating to safety co-ordination across boundaries (to permit work to or testing on the System of one of the Parties which, for this to be done safely, requires isolation and/or other precautions on Plant and/ or MV and/or LV Apparatus whether at, adjacent to or remote from the location of the work or testing) which the Parties mutually agree to use their best endeavours to formulate as soon as possible after the date of this Agreement and on the basis that any dispute as to their content shall be resolved in accordance with the

provisions of Clause 10;

“User’s 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;

“User’s Licence”

the licence granted to the User under Section 6 of the Act;

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, the RTL hereby grants to User the right to install and thereafter retain and replace as provided in this Agreement User Assets on the RTL'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 RTL) and such right shall extend to any Modified User Assets. The RTL shall maintain any shelter and/or support enjoyed by any User Assets at the date of this Agreement or, if later, when relocated on the RTL's Land in accordance with clause 5 and grants to User a Right of Access for the purpose of the maintenance, inspection, testing, removal, operation, modification or repair of any of User Assets.

3. MODIFICATIONS REPLACEMENTS AND ALTERATIONS

3.1 User may at its own expense replace or alter any User Assets provided that:-

3.1.1 the replacement User Assets or the User 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 RTL;
- (v) do not restrict the actual and intended use of the RTL's Land and any equipment thereon or therein to any materially greater extent than the User 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 User Assets to enable the User Assets to be used up to their full capability; and

3.1.2 prior written notification has been given to the RTL.

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 User Asset in question, such alterations or works may be carried out (with the prior written approval of the RTL (such approval not to be unreasonably withheld or delayed)) but at the cost of User.

- 3.3 To the extent that any of the conditions of clause 3.1 are not in RTL's reasonable opinion met in relation to any replacement or alteration, the RTL may by notice in writing require User promptly to remove such replacement or alteration and, if User fails to do so, may remove the same itself at the cost and expense of User. On such removal, User may reinstate the User Assets so replaced or altered.
- 3.4 User shall, if considering moving, replacing, or altering any User Assets, give due consideration as to whether it shall be operationally practicable, desirable and reasonably economic to move such User Assets to (or place the replacement or altered User 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 The RTL undertakes to maintain and provide security in relation to User 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 User Assets and/or any part (including the whole) of the RTL's 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 User Assets; and
- (iii) any statute or Directive requiring the reporting of any occurrence relating to or affecting any User Assets and/or the RTL's 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 provisions for safety co-ordination between the Parties contained in Part II of Schedule 3 shall apply.

5. RELOCATIONS

5.1 At any time and from time to time during the term of this Agreement, the RTL may with the prior written consent of User (such consent not to be unreasonably withheld or delayed) require User to relocate any User Assets either to a different location on the RTL Land or to User's 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 RTL shall serve a written notice on User, which notice shall specify:-

- (a) the User Assets which the RTL wishes to be relocated;
- (b) the reasons for such wish;
- (c) the proposed new location for such User Assets; and
- (d) the timing of the carrying out of such relocation.

5.1.2 User 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 User, 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 User; 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 User Assets and the proper and reasonable costs of relocating any other equipment that may be necessary as a result of the relocation of those User Assets and any consequential losses including payments to third parties incurred as a result of the relocation of those User Assets and the proposed manner and timing of payment of the same by the RTL.

5.1.3 If within one month of the date of such counter notice (or such longer period as shall be reasonably necessary) the RTL 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, User 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 User 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 RTL shall render all reasonable assistance to User in connection with such relocation licences and consents and pay to User 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 RTL shall pay to User all costs reasonably incurred by User 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 User Assets.

6. REMOVALS

- 6.1 In the event that there shall cease to be a Bilateral Connection Agreement relating to any User Assets on the RTL's Land User shall remove all User Assets from the RTL's Land in accordance with the provisions relating thereto contained in the Connection Agreement and the Bilateral Connection Agreement.
- 6.2 Where User is obliged to remove any User Assets from the RTL'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 RTL shall be entitled to remove those User Assets to land belonging to User and User shall provide all reasonable assistance to enable the RTL safely so to do and shall pay and reimburse to the RTL all costs and expenses reasonably incurred by the RTL in so doing.

7. RIGHTS OF ACCESS

7.1 A Right of Access includes the right to bring on to the RTL's 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 User may be exercised by any person, including third party contractors, reasonably nominated from time to time by User. To the extent (if any) that any particular authorisation or clearances may be required to be given by the RTL 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 User 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 RTL. Such arrangements and provisions shall provide for the RTL 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 User 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 User to exercise a Right of Access of any relevant directions or regulations made by the RTL;
- (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 User shall procure that any such arrangements and/or provisions (or directions or regulations issued by the RTL 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 User shall procure that all reasonable steps are taken in the exercise of any Right of Access to:-

- (a) avoid or minimise damage to the RTL's Land, or any other property thereon or therein;
- (b) cause as little disturbance and inconvenience as possible to the RTL or other occupier of the RTL's Land

and shall promptly make good any damage caused to the RTL's Land and/or such other property in the course of the exercise of such rights and shall indemnify the RTL 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 RTL except in the case of loss of generation or demand or other emergency (in which event the RTL 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 User Assets shall be exercisable only after two weeks prior written notice to the RTL.

8. SERVICES AND USE OF ASSETS

8.1 Subject as hereinafter provided, in relation to each Facility Asset, RTL shall, if required by User, make the Facility Asset in question available for use by User to such extent as is necessary for the purposes of User's undertaking but not so as to prejudice the use now or hereafter of such Facility Asset by the RTL for its undertaking.

- 8.2 Subject as hereinafter provided, in relation to each Services, the RTL shall, if required by User, provide the same to User. Such provision shall be of such a quality and quantity and shall be provided at such times as User shall reasonably request. The RTL 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 RTL 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 RTL shall maintain the Facility Asset in accordance with Good Industry Practice.

9. NON-INTERFERENCE

- 9.1 The RTL agrees that neither it nor its agents, employees and invitees will interfere in any way with any of User Assets without the consent of User. For the purposes of this clause "interfere" shall include:-

9.1.1 disconnecting or altering the connection of any User 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 User Assets;

9.1.3 damaging any User Assets;

9.1.4 allowing any other person to interfere with any User Assets;

9.1.5 alter any meters or settings on any User Assets.

9.1.6 the obstruction of access to any User 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 User, save for damage occurring by reason of lack of reasonable care in the course of the emergency action taken by the RTL which shall be the responsibility of the RTL.

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 RTL and User 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, 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. GOVERNING LAW AND JURISDICTION

11.1 This Agreement shall be governed by and construed in all respects in accordance with English law.

11.2 Subject and without prejudice to clause 10 and to clause 11.4 the Parties irrevocably agree that only the courts of England and Wales and the courts of Scotland are to have jurisdiction to settle any dispute which may arise out of or in connection with this Agreement and that accordingly any suit, action or proceeding (together in this clause 11 referred to as "Proceedings") arising out of or in connection with this Agreement may be brought in such courts.

11.3 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 clause 11 and any claim that any such Proceedings have been brought in an inconvenient forum and further irrevocably agrees that a judgment 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 other jurisdiction.

11.4 For the avoidance of doubt nothing contained in the foregoing provisions of this clause 11 shall be taken as permitting a Party to commence Proceedings in the courts where this Agreement otherwise provides for proceedings to be referred to arbitration.

12. CONFIDENTIALITY

12.1 For the purposes of this Clause 12 except where the context otherwise requires:-

12.1.1 “Authorised Recipient”, in relation to any Protected Information, means any Business Person who, before the Protected Information had been divulged to him by the RTL or any subsidiary of the RTL, had been informed of the nature and effect of this clause 12 and who requires access to such Protected Information for the proper performance of his duties as a Business Person in the course of Permitted Activities;

12.1.2 “Business Person” means any person who is a Licensed Business Person, or a Corporate Functions Person and “Business Personnel” shall be construed accordingly.

12.1.3 “Confidential Information” means all data and other information supplied to User under the provisions of this Agreement.

12.1.4 “Corporate Functions Person” means any person who:-

- (a) is a director of the RTL; or
- (b) is an employee of the RTL or any of its subsidiaries carrying out any administrative, finance or other corporate services of any kind which in part relate to the Licensed Business; or
- (c) is engaged as an agent of or adviser to or performs work in relation to or services for the Licensed Business.

12.1.5 “Licensed Business” means any business of RTL or any of its associates authorised by its RTL Licence;

12.1.6 “Licensed Business Person” means any employee of the RTL or any Authority or employee of its subsidiaries who is engaged solely in its Licensed Business and “Licensed Business Personnel” shall be construed accordingly;

12.1.7 “Permitted Activities” means activities carried on for the purposes of the Licensed Business;

12.1.8 “Protected Information” means any information relating to the affairs of a Party which is furnished to Business Personnel pursuant to this Agreement unless, prior to such information being furnished, such Party has informed the recipient thereof by notice in writing or by endorsement on such information, that the said information is not to be regarded as Protected Information;

12.2 Confidentiality for the RTL and its Subsidiaries

The RTL and its subsidiaries in each of their capacities in this Agreement shall secure that Protected Information is not:-

12.2.1 divulged by Business Personnel to any person unless that person is an Authorised Recipient;

12.2.2 used by Business Personnel for the purposes of obtaining for the RTL or any of its subsidiaries or for any other person:-

(a) any Licence; or

(b) any right to purchase or otherwise acquire, or to distribute, electricity including by means of an electricity purchase contract (as defined in the NGC Transmission Licence); or

- (c) any contract or arrangement for the supply of electricity to customers or suppliers; or
- (d) any contract for the use of any electrical lines or electrical plant belonging to or under the control of a supplier.

12.2.3 used by Business Personnel for the purpose of carrying on any activities other than Permitted Activities except with the consent in writing of the Party to whose affairs such Protected Information relates.

12.3 Nothing in this Clause 12 shall apply:-

12.3.1 to any Protected Information which, before it is furnished to Business Personnel is in the public domain;

12.3.2 to any Protected Information which, after it is furnished to Business Personnel:-

- (a) is acquired by the RTL or any subsidiary of the RTL in circumstances in which this Clause 12 does not apply; or
- (b) is acquired by the RTL or any subsidiary of the RTL in circumstances in which this Clause 12 does apply and thereafter ceases to be subject to the restrictions imposed by this Clause 12; or
- (c) enters the public domain otherwise than as a result of a breach by the RTL or any subsidiary of the RTL of its obligations in this Clause 12.

12.3.3 to the disclosure of any Protected Information to any person if the RTL or any subsidiary is required or permitted to make such disclosure to such person:-

- (a) in compliance with the duties of the RTL or any associate under the Act or any other requirement of a Competent Authority; or
- (b) in compliance with the conditions of its RTL Licence or any document referred to in its RTL Licence with which the RTL is required to comply; or
- (c) in compliance with any other requirement of law; or
- (d) in response to a requirement of any recognised stock exchange or regulatory authority or the Panel on Take-overs and Mergers; or
- (e) pursuant to the Arbitration Rules for the Electricity Supply Industry Arbitration Association or pursuant to any judicial or other arbitral process or tribunal.

12.3.4 to any Protected Information to the extent that the RTL or any of its subsidiaries is expressly permitted or required to disclose that information under the terms of any agreement or arrangement (including the Grid Code and the Fuel Security Code) with the Party to whose affairs such Protected Information relates.

12.4. The RTL and its subsidiaries may use all and any information or data supplied to or acquired by it, from or in relation to the other Party to this Agreement in performing its Permitted Activities and may pass the same to subsidiaries of the RTL which carry out such activities and the User

hereto agrees to provide all information to the RTL and its subsidiaries for such purposes.

12.5 NGC and its subsidiaries may use all and any information or data supplied to or acquired by it from the RTL pursuant to Clause 12.3.3 in relation to this Agreement in performing its activities under the NGC Transmission Licence including for the following purposes:

12.5.1 the operation and planning of the GB Transmission System;

12.5.2 the calculation of charges and preparation of offers of terms for connection to or use of the GB Transmission System

and the User agrees to provide all information to the RTL and its subsidiaries for such purposes.

12.6 The RTL undertakes that, having regard to the activities in which any Business Person is engaged and the nature and effective life of the Protected Information divulged to him by virtue of such activities, neither the RTL nor any of its subsidiaries shall unreasonably continue (taking into account any industrial relations concerns reasonably held by it) to divulge Protected Information or permit Protected Information to be divulged to any Business Person

(a) who has notified the RTL or the relevant subsidiary of his intention to become engaged as an employee or agent of any other person (other than of the RTL or any subsidiary thereof);

(b) who is authorised by licence or exemption to generate or supply electricity.

12.7 Without prejudice to other provisions of this clause 12 the RTL shall procure that any additional copies of the Protected Information, whether in

hard copy or computerised form, will clearly identify the Protected Information as protected.

12.8 The RTL undertakes to use all reasonable endeavours to procure that no employee is a Corporate Functions Person unless the same is necessary for the proper performance of his duties.

12.9 Confidentiality for User

12.9.1 User hereby undertakes with the RTL and its subsidiaries that it shall preserve the confidentiality and secrecy of, and not directly or indirectly reveal, report, publish, disclose or transfer or use for its own purposes Confidential Information except:-

- (a) in the circumstances set out in Clause 12.9.2;
- (b) to the extent expressly permitted by this Agreement; or
- (c) with the consent in writing of the RTL.

12.9.2 Exceptions: the circumstances referred to in Clause 12.9.1(a) are:-

- (a) where the Confidential Information, before it is furnished to User, is in the public domain; or
- (b) where the Confidential Information, after it is furnished to User:-
 - (i) is acquired by User in circumstances in which this Clause 12 does not apply; or
 - (ii) is acquired by User in circumstances in which this Clause 12 does apply and thereafter ceases to be

subject to the restrictions imposed by this Clause 12;
or

(iii) enters the public domain otherwise than as a result of a breach by User of its obligations in this Clause 12; or

(c) if User is required or permitted to make disclosure of the Confidential Information to any person:-

(i) in compliance with the duties of User under the Act or any other requirement of a Competent Authority;

(ii) in compliance with the conditions of any Licence or any document referred to in any Licence with which User is required to comply;

(iii) in compliance with any other requirement of law;

(iv) in response to a requirement of any stock exchange or regulatory authority or the Panel on Takeovers and Mergers; or

(v) pursuant to the Arbitration Rules for the Electricity Supply Industry Arbitration Association or pursuant to any judicial or other arbitral process or tribunal; or

(d) where Confidential Information is furnished by User to the employees, directors, agents, lenders, consultants and professional advisers of User in each case on the basis set out in Sub-Clause 12.10.

12.10 With effect from the date of this Agreement User shall adopt procedures within its organisation for ensuring the confidentiality of all Confidential

Information which it is obliged to preserve as confidential under this Clause 12. These procedures will include:

12.10.1 the Confidential Information will be disseminated within User only on a “need to know” basis;

12.10.2 employees, Authorities, agents, lenders, consultants and professional advisers of User in receipt of Confidential Information will be made fully aware of User’s obligations of confidence in relation thereto.

13. TITLE TO ASSETS

13.1 User acknowledges that it does not have and will not acquire any title, right or interest in the RTL’s Land save for such rights as are expressly granted herein or otherwise provided nevertheless that, if according to any rule of law, User could acquire any such title, right or interest in any of the RTL’s Land, then the User undertakes to do all that is required to transfer such right or interest to the RTL to ensure that the RTL 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 the RTL) and shall if requested by the RTL, 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 RTL .

13.2 The RTL agrees that it shall not by any act or default render User Assets liable to any distress execution or other legal process, and in the event that User Assets shall become so liable, shall forthwith give notice of any such proceedings to User and shall forthwith notify any third party instituting any such process of the ownership of such User Assets.

- 13.3 If the RTL desires to mortgage or charge RTL's Land or its interest therein on which any User Assets are located or to enter into any arrangement which, if made, might affect the rights of User expressly granted herein, then the RTL shall ensure that User 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 User.
- 13.4 In the event that the RTL shall wish to grant rights over or dispose of any interest in or change the use of the RTL's Land the RTL shall notify User of such wish and fully consult User 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 RTL's Land.

14. LIMITATION OF LIABILITY

- 14.1 Subject to sub-clauses 5.3, 6.2, 9.2, and 14.5 and save as provided in this sub-clause 14.1 and sub-clause 14.2 neither Party ("the Party Liable") nor any of its officers, employees or agents shall be liable to the other Party for loss arising from any breach of this 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 and which resulted from:-
- 14.1.1 physical damage to the property of the other Party, its officers, employees or agents; and/or
- 14.1.2 the liability of the other Party to any other person for loss arising from physical damage to the property of any person.

- 14.2 Nothing in this Agreement shall exclude or limit the liability of the Party Liable for death or personal injury resulting from the negligence of the Party Liable or any of its officers, employees or agents and the Party Liable shall indemnify and keep indemnified the other Party, its officers, employees or agents, from and against all such and any loss or liability which the other Party may suffer or incur by reason of any claim on account of death or personal injury resulting from the negligence of the Party Liable or any of its officers, employees or agents.
- 14.3 Subject to sub-clauses 5.3, 6.2, 9.2, and 14.5 neither Party, nor any of its officers, employees or agents shall in any circumstances whatsoever be liable to the other Party for:-
- 14.3.1 any loss of profit, loss of revenue, loss of use, loss of contract or loss of goodwill; or
 - 14.3.2 any indirect or consequential loss; or
 - 14.3.3 loss resulting from the liability of the other Party to any other person howsoever and whensoever arising save as provided in sub-clauses 14.1.2 and 14.2.
- 14.4 The rights and remedies provided by this Agreement 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 this Agreement, including any rights either Party may possess in tort which shall include actions brought in negligence and/or nuisance. Accordingly, each of the Parties hereby waives in the fullest extent possible all such rights and remedies provided by common law or statute, and releases the Party Liable, its 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 this Agreement and undertakes not to enforce any of the same except as expressly provided herein.

14.5 Save as otherwise expressly provided in this Agreement, this clause 14 insofar as it excludes or limits liability shall override any other provision in this Agreement provided that nothing in this clause 14 shall exclude or restrict or otherwise prejudice or affect any of:-

14.5.1 the rights, powers, duties and obligations of either Party which are conferred or created by the Act, the User's Licence, the RTL's Licence or the Regulations or any amendment or re-enactment thereof; or

14.5.2 the rights, powers, duties and obligations of the Authority or the Secretary of State under the Act, any such licence as aforesaid or otherwise howsoever.

14.6 Each of the sub-clauses of this clause 14 shall:-

14.6.1 be construed as a separate and severable contract term, and if one or more of such sub-clauses is held to be invalid, unlawful or otherwise unenforceable the other or others of such sub-clauses shall remain in full force and effect and shall continue to bind the Parties; and

14.6.2 survive termination of this Agreement.

14.7 Each Party agrees that the Other Party holds the benefit of sub clauses 14.1, 14.2 and 14.3 above for itself and as trustee and agent for its officers, employees and agents

14.8 Each Party hereby acknowledges and agrees that the provisions of this clause 14 have been the subject of discussion and negotiation and are fair and reasonable having regard to the circumstances as at the date hereof.

15. INTELLECTUAL PROPERTY

All Intellectual Property relating to the subject matter of this Agreement conceived, originated, devised, developed or created by a Party, its officers employees, agents or consultants during the currency of this Agreement shall vest in such Party as the sole beneficial owner thereof save where the Parties agree in writing otherwise.

16. FORCE MAJEURE

If either Party (the “Non-Performing Party”) shall be unable to carry out any of its obligations under this Agreement due to a circumstance of Force Majeure this Agreement shall remain in effect but save as otherwise provided herein the Non-Performing Party’s obligations hereunder shall be suspended without liability for a period equal to the circumstance of Force Majeure provided that:-

- (i) the Non-Performing Party gives the other Party prompt notice describing the circumstance of Force Majeure, including the nature of the occurrence, its expected duration and the particular obligations affected by it, and continues to furnish regular reports with respect thereto during the period of Force Majeure;
- (ii) the suspension of performance is of no greater scope and of no longer duration than is required by the Force Majeure;

- (iii) no liabilities of either Party that arose before the Force Majeure causing the suspension of performance are excused as a result of the Force Majeure;
- (iv) the non-performing Party uses all reasonable efforts to remedy its inability to perform; and
- (v) 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 this Agreement.

17. WAIVER

No delay by or omission of a Party in exercising any right, power, privilege or remedy under this Agreement shall operate to impair such right, power, privilege or remedy or be construed as a waiver thereof. Any single or partial exercise of any such right, power, privilege or remedy shall not preclude any other or future exercise thereof or the exercise of any other right, power, privilege or remedy.

18. NOTICES

- 18.1 Any notice or other communication to be given by one Party to the other under, or in connection with the matters contemplated by, this Agreement shall be addressed to the recipient and sent to the address, telex number or facsimile number of such other Party given in Schedule 6 and marked for the attention of the person so given or to such other address, telex number and/or facsimile number and/or marked for such other attention as such other Party may from time to time specify by notice given in

accordance with this clause 18 to the Party giving the relevant notice or other communication to it.

18.2 Any notice or other communication to be given by one Party to the other Party under, or in connection with the matters contemplated by, this Agreement shall be in writing and shall be given by letter delivered by hand or sent by first class prepaid post (airmail if overseas) or telex or facsimile, and shall be deemed to have been received:-

18.2.1 in the case of delivery by hand, when delivered; or

18.2.2 in the case of first class prepaid post, on the second day following the day of posting or (if sent airmail from overseas) on the fifth day following the day of posting; or

18.2.3 in the case of telex, on the transmission of the automatic answerback of the addressee (where such transmission occurs before 1700 hours on the day of transmission) and in any other case on the day following the day of transmission; or

18.2.4 in the case of facsimile, on acknowledgment by 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.

19. **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.

20. **OVERRIDING PROVISIONS & GOOD INDUSTRY PRACTICE**

20.1 In the event of any conflict between the RTL's or User's obligations hereunder and their obligations under the User's Licence and RTL's Licence, the Act, any direction of the Secretary of State, the Authority or ruling of the Competition Commission, the Grid Code, Connection Agreement or the Bilateral Connection Agreement, the provisions of the User's Licence and RTL's Licence, the Act, the Grid Code, Connection Agreement or Bilateral Connection Agreement, the direction of the Secretary of State, the Authority, or ruling of the Competition Commission shall prevail and accordingly the RTL and User respectively shall not be responsible for any failure to perform their respective obligations hereunder to the extent that any such failure is directly attributable to proper compliance with such provisions, rulings or directions.

20.2 Both parties shall observe their respective obligations hereunder in accordance with Good Industry Practice

21. ASSIGNMENT AND SUB-CONTRACTING

21.1 The rights and obligations of a Party may not be assigned (otherwise than to an Affiliate or by way of a charge or an assignment by way of security) without the consent of the other Party, such consent not to be unreasonably withheld.

21.2 Each Party shall have the right to sub-contract or delegate the performance of any of its obligations or duties arising under this Agreement without the consent of the other. The sub-contracting by either Party of the performance of any obligations or duties under this Agreement shall not relieve such Party from the liability for performance of such obligation or duty.

22. ILLEGALITY AND PARTIAL INVALIDITY

- 22.1 If at any time any provision of this Agreement should become or be declared unlawful, invalid, illegal or unenforceable in any respect under the law of any jurisdiction, neither the validity, legality or enforceability of the remaining provisions nor the validity, legality or enforceability of such provision under the law of any other jurisdiction shall be affected.
- 22.2 If any part of a provision of this Agreement is or becomes or is declared invalid, unlawful, illegal or unenforceable but the rest of such provision would remain valid, lawful or enforceable if part of the wording were deleted the provision shall apply with such modifications as may be necessary to make it valid, lawful, enforceable and effective but without affecting the meaning of legality, validity or enforceability of any other provision of this Agreement.

23. TERM AND TERMINATION

This Agreement shall continue until no User Assets are on the RTL's land and no Facility Assets or Services are shared or provided.

24. REGISTRATION AND MEMORANDUM

- 24.1 Where any or all of the RTL's Land is registered or User's interest therein is subject to compulsory registration at the land register of Scotland, 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 the RTL agrees to place on deposit at H.M. Land Registry all relevant Land or Charge Certificates to enable such registration to be effected.
- 24.2 Where any of the RTL's Land is not so registered or subject to compulsory registration, the RTL 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 heritable interest) or the lease under or pursuant to which they hold such land.

25. ENTIRE AGREEMENT

25.1 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) User acknowledges that the RTL 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 RTL's Land and any assets thereon. The RTL 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 RTL 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 Clause 10.

IN WITNESS whereof this Agreement has been entered into as a Deed the day and year first above written.

SCHEDULE 1

User's Assets on RTL Land

SCHEDULE 2

RTL's Land

SCHEDULE 3

Part I

Security Details (Clause 4.1)

Part II

Plant MV LV Apparatus Safety Co-Ordination Procedures (Cl.4.5)

- (1) The Parties will comply with the Site Specific Safety Rules and any agreed modifications thereto.
- (2) The Parties will arrange for the Site Specific Safety Rules to be written down and to be implemented by the person or persons responsible on behalf of the relevant Parties for the co-ordination of safety.

SCHEDULE 4
RTL OWNED FACILITY ASSETS

Part One

Part Two

SCHEDULE 5

SHARED SERVICES PROVIDED BY RTL

Part One

Part Two

SCHEDULE 6

Addresses, Fax Nos etc (Cl. 18.)

[Insert details of RTL]

[]

Telephone:

Facsimile:

[Insert details of User]

[]

Telephone:

Facsimile:

THE COMMON SEAL of)
[RELEVANT TRANSMISSION LICENSEE].....)
was hereunto affixed in the presence of:-)

THE COMMON SEAL of)
[])
was hereunto affixed in the presence of:-)

END OF SECTION O PART II B