

Enhanced User Commitment for Final Sums

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- Final sums still need to be secured and stranded assets should be avoided.
- Final sums issue has become more complicated with the introduction of clustering. It increases the potential impact of third parties on individual developers.
- Potential developers should be able to demonstrate that they continue to undertake their works in a planned and timely manner. This should encourage them to apply for connection at a time when they have plans to proceed and not merely seek to reserve capacity for the future.

Our Solution

- Enhance the commercial relationship between NGC and customers by utilising the Construction Agreement.
- Ensure commitment of both parties through a series of milestones that each of them must meet.
- Milestones trigger level of Final Sums liability which is related to the work to be carried out.
- If user fails to meet a milestone date, it leads to re-negotiation under agreed process with possibility that original connection date may become forfeit.
- NGC failure to meet connection date leaves them liable to pay compensation unless renegotiated.
- Failure to agree referred to Ofgem for determination.

User Commitment for New Parties

- Milestones

