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## Offshore Electricity Transmission: A further Joint Ofgem/DECC Regulatory Policy Update

**Document type:** Annex

**Ref:** Ofgem (153/08), DECC (URN 08/1367)

### Annex 3 - Connection and Use of System Code (CUSC)

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#### Overview:

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

This annex is the second consultation on the proposed changes for the CUSC.

## Introduction

This annex sets out further change proposals for the CUSC that have been developed by NGET for the implementation of the proposed offshore transmission regime.

We welcome views on all aspects of the CUSC change proposals in this annex.

We note the dependency between the CUSC definition of Great Britain and Schedule 1 of the electricity transmission licence. We plan to review change proposals for the relevant documents in light of any changes proposed to Schedule 1 of the electricity transmission licence. We observe that this review may lead to the withdrawal or amendment of some changes that have been proposed in each of the relevant documents.

## CUSC change proposals

These change proposals have been developed in light of responses to our June 2008 Policy Update, further development of offshore transmission policy and consideration of practicalities of this matter.

This annex includes:

- A summary of the key differences from our initial approach published in June 2008, and
- The proposed amendments to the relevant document, marked up on a defined baseline version of that relevant document.

Change proposals have been developed for the following parts of the CUSC. NGET did not consider that changes were required to other parts of the CUSC to implement the proposed offshore transmission regime.

| CUSC Section            | Date of Baseline Text | Changes proposed to:  |
|-------------------------|-----------------------|---|
| Section 2<br>Connection | 24 May 2008           | Extend obligations to enter into an interface agreement with the relevant transmission owner to offshore generators.<br>Define the two stage connection application process.<br>Set out that access restrictions may apply to offshore generators and will be specified in the bilateral agreement between NGET and the offshore generator.<br>Reflect terms relating to Embedded Transmission and the Access restrictions that are likely to stem from a distribution connection agreement. [new to this |

| <b>CUSC Section</b>   | <b>Date of<br/>Baseline Text</b> | <b>Changes proposed to:</b>  |
|---|----------------------------------|--|
|   |                                  | publication]   |
| Section 5<br>Events of<br>Default,<br>Deenergisation<br>and<br>Disconnection                      | 27 June 2008                     | Extend existing rights to require removal of transmission assets from user land (or offshore platform) in the event of disconnection.  |
| Section 6<br>General<br>Provisions  | 1 April 2008                     | Exclude information that NGET is required to disclose for Ofgem's tender process from the CUSC confidentiality provisions.   |
| Section 11<br>Interpretation<br>and Definitions   | 15 August 2008                   | Facilitate the extension of existing obligations offshore.<br>Facilitate implementation of the differences from current arrangements that are required as part of the offshore transmission regime.  |
| Exhibit B<br>Connection<br>Application  | 24 May 2008                      | Reflect proposed CUSC changes in Connection Application form and guidance notes.<br>Reflect terms relating to Embedded Transmission and the Access restrictions that are likely to stem from a distribution connection agreement. [new to this publication]  |
| Exhibit C<br>Connection<br>Offer  | 24 May 2008                      | Reflect proposed CUSC changes in Connection Offer proforma and guidance notes.<br>Reflect terms relating to Embedded Transmission and the Access restrictions that are likely to stem from a distribution connection agreement. [new to this publication]  |
| Exhibit O – Part<br>II C<br>Offshore<br>Interface<br>Agreement                                    | 21 December<br>2005              | Introduce a new exhibit proforma for an interface agreement between an offshore generator and an OFTO at the offshore connection point, where the Relevant Transmission Licensee's assets are on the Users Offshore Platform.<br><br>Drafting is change marked against current Exhibit O – Part II B             |
| Exhibit O – Part<br>I C<br>Offshore<br>Interface<br>Agreement<br><br>[new to this<br>publication] | 7 April 2006                     | Introduce a new exhibit proforma for an interface agreement between an offshore generator and an OFTO at the offshore connection point, where the User's Relevant Transmission Licensee's assets are on the Relevant Transmission Licensee's Offshore Platform.<br><br>Drafting is change marked against current |

| CUSC Section  | Date of Baseline Text | Changes proposed to:   |
|---|-----------------------|--|
|   |                       | Exhibit O – Part I B   |
| Schedule 2, Exhibit 1<br>Bilateral Connection Agreement     | 24 May 2008           | Define treatment of the relevant access restrictions for offshore generators.<br>Provide NGET rights to vary the agreement when a preferred bidder has been identified by Ofgem's tender process.<br>Reflect terms relating to Embedded Transmission and the Access restrictions that are likely to stem from a distribution connection agreement. [new to this publication] |
| Schedule 2, Exhibit 3A<br>[Offshore] Construction Agreement | 14 February 2008      | Introduce a new exhibit for a CUSC Construction Agreement for an Offshore Generator.<br><br>Drafting is change marked against Schedule 2, Exhibit 3 as current at 14 February 2008 amended by changes relevant to directly connected generators arising from the implementation of the CAP150 amendment.   |

Please contact us at [offshoretransmission@ofgem.gov.uk](mailto:offshoretransmission@ofgem.gov.uk) if you would like us to send you a word version of any section of this CUSC change proposal. Please head your email 'CUSC- word version' and clearly state which parts of the CUSC you would like us to provide.

## Changes made under normal governance

There have been no changes to the CUSC under normal governance arrangements from the versions used as the baseline for the offshore transmission change proposal in this Annex 3. We have reviewed the changes to the CUSC relating to the Authority's direction issued on 1 October 2008<sup>1</sup> and do not consider that further changes are needed for the proposed offshore transmission regime. We would welcome views on our view that the proposed changes in this Annex remain valid.

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<sup>1</sup> Modification of Licences and Codes to reflect the abolition of the Gas and Electricity Consumer Council (energywatch) and its replacement with the National Consumer Council issued on 1 October 2008.

## **Key differences from our initial approach published in June 2008**

### **Section 2**

Clauses 2.13.8, 2.13.9 and 2.13.11 have been revised to make it clear that restrictions on availability can apply for an offshore connection that meets the offshore standard design. Subsequent changes have been made to Clause 11 and Clause 16 of Exhibit B. Numbering has been corrected.

Clause 2.13.12 has been replaced and now reflects terms relating to Embedded Transmission and the Access restrictions that are likely to stem from a distribution connection agreement. Subsequent changes have been made to Exhibit B, Exhibit C and Schedule 2 Exhibit 1. Numbering has been corrected.

### **Section 5**

Clauses 5.3.4, 5.4.7, 5.5.5 and 5.7.3 have been revised to amend timescale in which action must be taken.

### **Section 6**

Clause 6.15.1.1 (b) (iv) has been revised to provide clarity.

### **Section 11**

The following definitions have been amended:

- 'Offshore' has been amended to provide clarity.
- 'Offshore Standard Design' has been amended to make it clear that restrictions on availability may apply for an offshore connection that meets offshore standard design. We note that a connection of 'Offshore Standard Design' would also be within the scope of the defined term 'Design Variation'. We propose to consider the consequences of this overlap in defined terms further as part of our consistency review work.
- 'Offshore Transmission Licensee' changed to be consistent with Grid Code.
- 'Onshore' has been amended to provide clarity.
- 'Relevant Transmission Licensee' has been amended to make it clear that only the Transmission Licensee related to that site is included here ie not all offshore Transmission Licensee's.

The following definitions have been added:

- 'ET Interface Point'.
- 'ET Offshore Transmission System'.
- 'ET Restrictions on Availability'.

- 'Maximum Export Capacity'.
- 'Maximum Import Capacity'.
- 'Notification of ET Restrictions on Availability'.
- 'Offshore Construction Works'.
- 'Offshore Transmission Owner'.
- 'Offshore Transmission System'.
- 'Onshore Construction Works'.

## **Exhibit B: Connection Application**

Clause 8 has been revised as the requirement to provide information is proposed to be set out in the transmission licence and not the tender regulations.

Clause 21 (was 20) of the Notes has been revised to clarify that a connection is dependent on the appointment of a new transmission licensee. Previous drafting referred to the requirements of the 'Offshore Tender Process'.

Paragraph 6 of Section B has been amended for clarity.

Paragraph 10 of Section C has been revised to clarify that any information provided will be used in any planning assumptions as part of the Bilateral Connection Agreement.

Paragraph 11 of Section has been amended to refer to the 'owner of the transmission system' rather than 'Offshore Transmission Owner'.

## **Exhibit C: Connection Offer**

Clause 2 has been revised to make it clear that restrictions on availability may apply for an offshore connection that meets the offshore standard design.

## **Exhibit O Part I C: Interface Agreement**

New Section added relating to the Interface Agreement where the Relevant Transmission Licensee has assets on the Users Offshore Platform.

## **Exhibit O Part II C: Interface Agreement**

The definition of 'Offshore Platform' has been amended to mirror the proposed definition in Section 11.

### **Schedule 2 Exhibit 1: Bilateral Connection Agreement**

Changes are proposed to clauses relating to restrictions on availability (that may be defined in a Transmission Related Agreement) to extend current CUSC arrangements for connections that do not have full redundancy.

### **Schedule 2 Exhibit 3A: [Offshore] Construction Agreement**

Clause 1.2.2 and 1.2.3 have been revised to provide clarity. Additional restrictions on NGET's ability to make further amendments to the Offshore Construction Agreement and Bilateral Connection Agreement have been proposed to limit NGET's rights to make changes to those that are required to reflect differences between NGET's initial offshore planning assumptions and the offshore construction works identified by the OFTO.

Appendix O and P have been amended for clarity.

## **CUSC - SECTION 2**

### **CONNECTION**

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## **CUSC - SECTION 2**

### **CONNECTION**

#### **2.1 INTRODUCTION**

- 2.1.1 This Section deals with connection to the **GB Transmission System** of **User's Equipment** at **Connection Sites** and certain related issues.
- 2.1.2 Part I of this Section 2 sets out general provisions relating to connection to the **GB Transmission System**, Part II sets out provisions related to charging for connection and Part III sets out the credit requirements related to **Termination Amounts**. Section 3 which deals with **Use of System** will also be applicable in relation to a **Power Station** directly connected to the **GB Transmission System**.

### **PART I - GENERAL**

#### **2.2 BEING OPERATIONAL, CONNECTION AND ENERGISATION**

##### **2.2.1 Right to Remain Connected**

Subject to the other provisions of the **CUSC**, the relevant **Bilateral Connection Agreement** and the **Grid Code**, each **User** as between **The Company** and that **User**, shall have the right for the **User's Equipment** at each of its **Connection Sites** to be and/or remain connected to the **GB Transmission System** at the **Connection Site** once **Commissioned** and then for the duration of the relevant **Bilateral Connection Agreement** in relation to that **Connection Site**.

##### **2.2.2 Rights to remain Energised and Operational**

- (a) Subject to the other provisions of the **CUSC** and in particular Paragraphs 2.2.2(b) and 2.2.3, the relevant **Bilateral Connection Agreement** and the **Grid Code**, each **User** as between **The Company** and that **User**, shall have the right for the **User's Equipment** at each of its **Connection Sites** to remain **Energised** and **Operational** once **Commissioned** for the duration of the relevant **Bilateral Connection Agreement** in relation to that **Connection Site**.
- (b) In the case of a **User** acting in the category of a **Non-Embedded Customer**, the rights under Paragraph 2.2.2(a) above and 2.3 below are subject to there being a **Supply Agreement** with a **Supplier** who has a right to use the **GB Transmission System** pursuant to

which **Use of System Charges** are payable to **The Company** in respect of **Demand** attributable to the **Connection Site**.

### 2.2.3 Obligation to Remain Connected

Without prejudice to its rights to make **Modifications** to the **User's Plant** (and/or **User's Equipment** as the case may be) pursuant to the **CUSC** and subject to the provisions of Paragraph 5.2.2 and the other provisions of the **CUSC**, and the **Grid Code**, each **User** as between **The Company** and that **User**, shall keep the **User's Equipment** at each of its **Connection Sites** connected to the **GB Transmission System** until **Disconnection** is permitted pursuant to the **CUSC** and the relevant **Bilateral Connection Agreement** or as otherwise agreed between the Parties.

### 2.2.4 Connection Entry Capacity

With respect to a particular connection to the **GB Transmission System**, each **User** acting in the category of a **Power Station** directly connected to the **GB Transmission System**, as between **The Company** and that **User**, shall not operate its **User's Equipment** such that any of it exceeds the **Connection Entry Capacity** specified for each **Generating Unit** or the **Connection Entry Capacity** to the **Connection Site** such figures being set out in Appendix C to the relevant **Bilateral Connection Agreement** save as expressly permitted or instructed pursuant to an **Emergency Instruction** under the **Grid Code** or save as expressly permitted or instructed pursuant to the **Fuel Security Code** or as may be necessary or expedient in accordance with **Good Industry Practice**.

## 2.3 EXPORT OF POWER FROM CONNECTION SITE

2.3.1 Subject to the other provisions of the **CUSC**, the relevant **Bilateral Connection Agreement** and the **Grid Code**, **The Company** shall, as between **The Company** and that **User**, accept into the **GB Transmission System** at each **Connection Site** of a **User** acting in the category of **Power Station** directly connected to the **GB Transmission System**, power generated by such **User** up to the **Transmission Entry Capacity** and (if any) **STTEC** and/or **LDTEC** and/or any **Temporary Received TEC** less any **Temporary Donated TEC** for the relevant **Period** as set out in Appendix C of the relevant **Bilateral Connection Agreement** except to the extent (if any) that **The Company** is prevented from doing so by transmission constraints which could not be avoided by the exercise of **Good Industry Practice** by **The Company**.

- 2.3.2 Subject to the other provisions of the **CUSC**, the relevant **Bilateral Connection Agreement** and the **Grid Code** a **User** acting in the capacity of a **Power Station** directly connected to the **GB Transmission System** shall not export on to the **GB Transmission System** power generated by such **User** in excess of the **Transmission Entry Capacity** and (if any) **STTEC** and/or **LDTEC** and/or any **Temporary Received TEC** less any **Temporary Donated TEC** for the relevant **Period** as set out in Appendix C of the relevant **Bilateral Connection Agreement** save as expressly permitted or instructed pursuant to an **Emergency Instruction** under the **Grid Code** or save as expressly permitted or instructed pursuant to the **Fuel Security Code** or as may be necessary or expedient in accordance with **Good Industry Practice**.

## 2.4 IMPORT OF POWER TO CONNECTION SITE

Subject to the other provisions of the **CUSC** and in particular Paragraph 2.2.2(b), the relevant **Bilateral Connection Agreement** and the **Grid Code**, **The Company** shall as between **The Company** and that **User**, transport a supply of power to each **Connection Site** of a **User** through the **GB Transmission System** up to the **Connection Site Demand Capability** except to the extent (if any) that **The Company** is prevented from doing so by transmission constraints or by insufficiency of generation which, in either case, could not have been avoided by the exercise of **Good Industry Practice** by **The Company**.

## 2.5 MAINTENANCE OF ASSETS

Subject to the other provisions of the **CUSC**, the relevant **Bilateral Connection Agreement**, and the **Grid Code**, **The Company** shall as between **The Company** and that **User** use all reasonable endeavours to maintain the **Transmission Connection Assets** at each **Connection Site** in the condition necessary to render the same fit for the purpose of passing power up to the value of **Connection Entry Capacity** and **Connection Site Demand Capability** as appropriate between the **User's Equipment** and the **GB Transmission System**.

## 2.6 OUTAGES

Subject to the provisions of the **Grid Code** and the relevant **Bilateral Connection Agreement**, **The Company** and each **User** shall, as between **The Company** and that **User**, be entitled to plan and execute outages of parts of in the case of **The Company** 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.

## 2.7 SPECIAL AUTOMATIC FACILITIES

**The Company** and each **User** shall, as between **The Company** and that **User**, operate respectively the **GB Transmission System** and the **User System** in accordance with the schemes set out in Appendix F3 to the relevant **Bilateral Connection Agreement**.

## 2.8 PROTECTION AND CONTROL RELAY SETTINGS/FAULT CLEARANCE TIMES

**The Company** and each **User** shall, as between **The Company** and that **User**, record the respective protection and control relay settings and fault clearance times to be operated by each of them in documents in the format set out in Appendix F4 to the relevant **Bilateral Connection Agreement** and shall operate them accordingly.

## 2.9 OTHER SITE SPECIFIC TECHNICAL CONDITIONS

- 2.9.1 Each **User** shall, as between **The Company** and that **User**, ensure that in the case of a **Connection Site Commissioned** prior to the **Transfer Date**, on the **Transfer Date**, and in the case of a **Connection Site Commissioned** after the **Transfer Date** on the **Completion Date(s)**, the **User's Equipment** complies with the site specific technical conditions set out in Appendix F5 to the relevant **Bilateral Connection Agreement**.
- 2.9.2 Each **User** shall, as between **The Company** and that **User**, use all reasonable endeavours to ensure during the period in which it is a party to a particular **Bilateral Connection Agreement** that the **User's Equipment** which is subject to that **Bilateral Connection Agreement** shall continue to comply with the site-specific technical conditions set out in Appendix F5 to that **Bilateral Connection Agreement**.
- 2.9.3 If a **User** or **The Company** wishes to modify, alter or otherwise change the site specific technical conditions relating to a **Connection Site** or the manner of their operation:
- (a) under Appendix F4 to the relevant **Bilateral Connection Agreement** it may do so upon obtaining the agreement of the other party such agreement not to be unreasonably withheld;
  - (b) under Appendices F1, F3 or F5 to the relevant **Bilateral Connection Agreement** it shall be deemed to be a **Modification** for the purposes of the **CUSC**.
- 2.9.4 Where, in the case of a **Connection Site Commissioned** in England and Wales prior to the **Transfer Date**, on or immediately prior to the **Transfer Date** a **User's Equipment** subject to a

particular **Bilateral Connection Agreement** has any of the following technical attributes or facilities:

- (a) circuit breaker fail protection
- (b) pole slipping protection
- (c) fault disconnection facilities
- (d) automatic switching equipment
- (e) control arrangements
- (f) voltage and current signals for system monitoring
- (g) control telephony
- (h) operational metering,

the **User** shall, as between **The Company** and that **User**, use all reasonable endeavours to ensure that during the period of such **Bilateral Connection Agreement** the **User's Equipment** which is subject to that **Bilateral Connection Agreement** retains such technical attributes or facilities provided always that if the **User** wishes to modify alter or otherwise change the same or their operation it may do so by following the procedures relating to a **Modification** in accordance with the **CUSC**.

## 2.10 SAFETY RULES

### Safety Rules

- 2.10.1 In relation to a **Connection Site** in England and Wales **The Company** and each **User** will each supply to the other and in relation to a **Connection Site** in Scotland [or Offshore](#) **The Company** shall procure that the **Relevant Transmission Licensee** supplies to the **User** 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.
- 2.10.2 In relation to a **Connection Site** in Scotland [or Offshore](#) each **User** will 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.

## 2.11 INTERFACE AGREEMENT

- 2.11.1 In relation to **Connection Sites** and **New Connection Site(s)** in England and Wales **The Company** and each **User** undertake to enter into an **Interface Agreement** with each other and in relation to **Connection Sites** and **New Connection Sites(s)** in Scotland [or Offshore](#) **The Company** shall procure that the **Relevant Transmission Licensee** 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 Exhibit O to the **CUSC** as appropriate where such **Interface Agreement(s)** is/are required pursuant to the applicable **Bilateral Connection Agreement** or otherwise.
- 2.11.2 In relation to **Connection Sites** and **New Connection Site(s)** in Scotland [or Offshore](#) the **User** 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 otherwise.

## 2.12 PRINCIPLES OF OWNERSHIP

- 2.12.1 Subject to the **Transfer Scheme** or any contrary agreement in any **Bilateral Agreement** or any other agreement the division of ownership of **Plant** and **Apparatus** shall be at the electrical boundary, such boundary to be determined in accordance with the following principles:
- (a) in relation to **Plant** and **Apparatus** located between the **GB Transmission System** and a **Power Station**, the electrical boundary is at the busbar clamp on the busbar side of the busbar isolators on **Generators** and **Power Station** transformer circuits;
  - (b) save as specified in Paragraph 2.12.1(c) below, in relation to **Plant** and **Apparatus** located between the **GB Transmission System** and a **Distribution System**, the electrical boundary is at the busbar clamp on the busbar side of the **Distribution System** voltage busbar selector isolator(s) of the **GB Transmission System** circuit or if a conventional busbar does not exist, an equivalent isolator. If no isolator exists an agreed bolted connection at or adjacent to the tee point shall be deemed to be an isolator for these purposes;

- (c) in relation to **Transmission Plant** and **Transmission Apparatus** located between the **GB Transmission System** and a **Distribution System** but designed for a voltage of 132KV or below in England and Wales and below 132kV in Scotland, the electrical boundary is at the busbar clamp on the busbar side of the busbar selector isolator on the **Distribution System** circuit or, if a conventional busbar does not exist, an equivalent isolator. If no isolator exists, an agreed bolted connection at or adjacent to the tee point shall be deemed to be an isolator for these purposes;
- (d) in relation to **Plant** and **Apparatus** located between the **GB Transmission System** and the system of a **Non-Embedded Customer**, the electrical boundary is at the clamp on the circuit breaker side of the cable disconnections at the **Non-Embedded Customer's** sub-station; and
- (e) in the case of a metal clad switchgear bay the electrical boundary will be the equivalent of those specified in this Paragraph 2.12.1 save that:
  - (i) for rack out switchgear, the electrical boundary will be at the busbar shutters;
  - (ii) for SF6 switchgear, the electrical boundary will be at the gas zone separators on the busbar side of the busbar selection devices.

2.12.2 If a **User** wants to use transformers of specialised design for unusual load characteristics at the electrical boundary, these shall not be owned by the **User** and shall form part of the **GB Transmission System** but the **User** shall pay **The Company** for the proper and reasonable additional cost thereof as identified by **The Company** 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).

2.12.3 For the avoidance of doubt nothing in this Paragraph 2.12 shall effect any transfer of ownership in any **Plant** or **Apparatus**.

## 2.13 NEW CONNECTION SITES

2.13.1 If a **User** wishes to connect a **New Connection Site** it shall complete and submit to **The Company** a **Connection Application** and comply with the terms thereof.



- 2.13.2 Without prejudice to Standard Condition C8 of the **Transmission Licence** **The Company** shall make a **Connection Offer** to that **User** as soon as practicable after receipt of the **Connection Application** and (save where the **Authority** consents to a longer period) in any event not more than 3 months after receipt by **The Company** of the **Connection Application**.
- 2.13.3 The **Connection Offer** shall remain open for acceptance for 3 months from its receipt by that **User** unless either that **User** or **The Company** makes an application to the **Authority** under Standard Condition C9 of the **Transmission Licence**, in which event the **Connection Offer** shall remain open for acceptance until the date 14 days after any determination by the **Authority** pursuant to such application.
- 2.13.4 If the **Connection Offer** is accepted by that **User** the connection shall proceed according to the terms of the **CUSC** and the relevant **Bilateral Connection Agreement** and **Construction Agreement** entered into consequent upon acceptance of the **Offer**.
- 2.13.5 Prior to so proceeding a person who is not already a party to the **CUSC Framework Agreement** must become a party to the **CUSC Framework Agreement**.
- 2.13.6 Certain provisions relating to **New Connection Sites** are dealt with in Section 6. This is due to their inter-relationship with the provisions on **Modifications**.
- 2.13.7 In the event that the **User** requests a **Connection Offer** on the basis of a **Design Variation** then:
- (i) **The Company** shall only be obliged to provide such an offer in so far as such an offer satisfies the conditions detailed in Chapter 2 of the **GB SQSS**; and
  - (ii) **The Company** shall be obliged, at the request of the **User** as part of the **Connection Offer**, to provide such information that the **User** may reasonably require in order to assess the probability of **Notification of Restrictions on Availability** being issued. For the avoidance of doubt, the information that is provided by **The Company** under this clause shall be a best estimate only and is not legally binding.
- 2.13.8 In the case of **New Connection Sites** located **Offshore** the **Connection Offer** will identify the **Onshore Construction Works**. These will be based on specified assumptions about the **Offshore Construction Works** but the **Offshore Construction Works** will not themselves be identified at that time.

- 2.13.9 In the case of **New Connection Sites** connected to or proposed to be connected to an **Offshore Transmission System**, the **Bilateral Connection Agreement** and **Construction Agreement** for such **New Connection Site** will contain provisions specifically allowing them to be varied to reflect both the **Offshore Construction Works** and any changes necessary to the **Onshore Construction Works** once they have been identified.
- 2.13.10 In the case of **New Connection Sites** connected to or proposed to be connected to an **Offshore Transmission System**, **The Company** shall have the right to terminate any **Bilateral Connection Agreement** for such **New Connection Site** in the event that the **Authority** notifies **The Company** that the **Offshore Tender Process** is not being progressed.
- 2.13.11 In the case of a **New Connection Site Offshore**, **The Company** will include **Offshore Restrictions on Availability** in any **Offer** made for **New Connection Sites** located **Offshore** which meet the **Offshore Standard Design** but are of a standard which is not equivalent to or higher than the deterministic criteria detailed in Paragraphs 2.5 to 2.13 of the **GB SQSS**. The **Bilateral Connection Agreement** will specify the circumstances of **Offshore Restrictions on Availability** during which access to the **GB Transmission System** will be restricted
- 2.13.12. In the case of a **New Connection Site Offshore** connected or to be connected to an **ET Offshore Transmission System**, **The Company** will include **ET Restrictions on Availability** in any **Offer** made for **New Connection Sites** located **Offshore** and the **Bilateral Connection Agreement** will provide for access to the **GB Transmission System Offshore** to be restricted during the **ET Restrictions on Availability**.

## **PART II - CONNECTION CHARGES**

### **2.14 CONNECTION CHARGES**

#### **2.14.1 Introduction**

Subject to the provisions of the **CUSC**, and the relevant **Bilateral Connection Agreement**, each **User** shall, as between **The Company** and that **User**, with effect from the relevant date set out in the relevant **Bilateral Connection Agreement**, be liable to pay to **The Company** the **Connection Charges** calculated and applied in accordance with the **Statement of the Connection Charging Methodology** and as set out in the relevant **Bilateral Connection Agreement**. The **User** shall make those payments in accordance with the provisions of the **CUSC**. **The Company** shall apply and calculate the **Connection Charges** in accordance with the **Statement of the Connection Charging Methodology**.

#### **2.14.2 Security**

The **User** shall provide **The Company** with **Security Cover** in respect of **Termination Amounts** in respect of the **Transmission Connection Assets** commissioned after the **Transfer Date** in accordance with the provisions of Part III of this Section 2.

#### **2.14.3 Connection Charges - Outturn Reconciliation**

- (a) The following provisions relate to the ability for invoices to be issued for **Connection Charges** based on an estimate of the cost of **Transmission Connection Asset Works**, and for a reconciliation once those costs are known.
- (b) **The Company** shall be entitled to invoice each **User** for **Connection Charges** payable in accordance with the **CUSC** in respect of any **Plant** and **Apparatus** installed as part of the **Transmission Connection Asset Works** on the basis set out in the **Statement of the Connection Charging Methodology**, until the final cost of carrying out the said **Transmission Connection Asset Works** shall have been determined.
- (c) As soon as practicable after the **Completion Date** and in any event within one year (or such later period as **The Company** and the relevant **User** shall agree) thereof. **The Company** shall, as between **The Company** and that **User**, provide to the **User** a written statement specifying the **Connection Charges** calculated in accordance with the **Charging**

**Statements** based on the cost of carrying out the **Transmission Connection Asset Works** (the “**Cost Statement**”). **The Company** shall be entitled to revise Appendix B to the relevant **Bilateral Connection Agreement** accordingly.

- (d) In the event that the **Connection Charges** specified in the **Cost Statement** are greater than the amount paid by the **User** based on **The Company’s** estimate under Paragraph 2.14.3(b), the **User** shall pay to **The Company** the difference between the two amounts plus interest on a daily basis from the date of payment by the **User** of the amounts calculated on **The Company’s** estimate to the date of payment by the **User** of the difference at the **Base Rate**. In the event that the **Connection Charges** specified in the **Cost Statement** are less than the amount paid by the **User** based on **The Company’s** estimate, **The Company** shall pay to the **User** the difference between the two amounts plus interest on a daily basis from the date of payment by the **User** of the amounts calculated on **The Company’s** estimate to the date of repayment by **The Company** at the **Base Rate**. Such payment of reconciliation shall be made by one party to the other within 28 (twenty eight) days of the **Cost Statement**.

#### 2.14.4 Connection Charges - One-off Charges

- (a) The following provisions relate to the payment for certain **One-off Works**, which arise in relation to the construction of a **Connection Site**.
- (b) Each **User** shall forthwith on the relevant date set out in the relevant **Bilateral Connection Agreement** be liable to pay to **The Company** the **One-off Charge** (if any) as set out in the relevant **Bilateral Connection Agreement**.
- (c) **The Company** shall invoice the **User** for an amount equal to **The Company’s** estimate of the **One-off Charge** before, on or after the relevant date set out in the relevant **Bilateral Connection Agreement** and the **User** shall pay to **The Company** the amount stated in **The Company** invoice at the later of such relevant date or 28 (twenty eight) days after the date of the said invoice.
- (d) As soon as practicable thereafter **The Company** shall provide the **User** with a statement of the **One-off Charge**. In the event of the amount specified in the

statement being more than the amount paid by the **User** to **The Company** in terms of Paragraph 2.14.4(c), the **User** shall pay to **The Company** the difference plus interest on a daily basis from the date of the invoice under Paragraph 2.14.4(c) to the date of invoice for the difference at the **Base Rate** from time to time within 28 days (twenty eight) days of the date of **The Company's** invoice. In the event of the amount specified in the statement being less than the amount paid by the **User** under the terms of Paragraph 2.14.4(c), **The Company** shall forthwith pay to the **User** an amount equal to the difference plus interest calculated on a daily basis at the **Base Rate** from the date of payment by the **User** under Paragraph 2.14.4(c) to the date on which the difference is repaid by **The Company**.

#### 2.14.5 Connection Charges – Site Specific Maintenance Charge

- (a) **The Company** shall be entitled to invoice each **User** for the indicative **Site Specific Maintenance Charge** in each **Financial Year** as set out in the **Statement of the Connection Charging Methodology**.
- (b) As soon as reasonably practicable and in any event by 31 July in each **Financial Year** **The Company** shall:
  - (i) in accordance with the **Statement of the Connection Charging Methodology** calculate the actual **Site Specific Maintenance Charge** that would have been payable by the **User** during the preceding **Financial Year** (the "**Actual Charge**") and compare this with the indicative **Site specific Maintenance Charge** received from the **User** during the preceding **Financial Year** (the "**Notional Charge**") and
  - (ii) prepare and send to the **User** a **Maintenance Reconciliation Statement** specifying the **Actual Charge** and the **Notional Charge** for the preceding **Financial Year**.
- (c) Two months after the date of issue of the **Maintenance Reconciliation Statement** and in any event by 30 September **The Company** shall issue a credit note in relation to any sums shown by the **Maintenance Reconciliation Statement** to be due to the **User** or an invoice in respect of sums due to **The Company** (such invoice to be payable within 30 days of the date of the invoice) and in each case interest thereon calculated pursuant to Paragraph 2.14.5(d) below.

- (d) Interest on all amounts due under this Paragraph 2.14.5 shall be payable by the paying **CUSC Party** to the other on such amounts from the date of payment applicable to the month concerned until the date of invoice for such amounts and such interest shall be calculated on a daily basis at a rate equal to the **Base Rate** during such period.

2.14.6 The **Connection Charges** shall be paid as specified in paragraph 6.6.1(a) and shall be treated as a recurrent monthly payment.

2.14.7 The **User** shall be liable to pay **The Company Termination Amounts** in the event of the termination of the **User's Bilateral Connection Agreement** (or in the case of Paragraph 5.3.4 **Disconnection** of the **User's Equipment**) in accordance with Section 5 of the **CUSC**.

2.14.8 The **Connection Charges** in the **Financial Year** in which the relevant date for charging set out in the relevant **Bilateral Connection Agreement** occurs shall be apportioned as follows:-

For each complete calendar month from that date to the end of the **Financial Year** in which the date occurs the **User** shall be liable to pay one twelfth of the **Connection Charges** and for each part of a calendar month the **User** shall be liable to pay to **The Company** one twelfth of the **Connection Charges** prorated by a factor determined by the number of days for which the **User** is liable divided by the total number of days in such calendar month.

## 2.15 REVISION OF CHARGES

2.15.1 Pursuant to the **Transmission Licence** and/or the **CUSC** and/or the **Charging Statements** and/or the **Bilateral Agreements**, **The Company** may revise its **Connection Charges** or the basis of their calculation including issuing revisions to Appendices A and B of the **Bilateral Connection Agreements**.

- 2.15.2 Subject to Paragraph 2.15.3 below, **The Company** shall give the **User** not less than 2 months prior written notice of any revised charges, including revisions to Appendices A and B of the **Bilateral Connection Agreements**, which notice shall specify the date upon which such revisions become effective (which may be at any time). The **User** shall pay any such revised charges and Appendix A and B shall be amended automatically (and a copy sent to the **User**) to reflect any changes to such Appendices with effect from the date specified in such notice.
- 2.15.3 Where in accordance with the **Transmission Licence**, the **Authority** requires a shorter period than 2 months for the implementation of revised charges, the notice period will be determined by the **Authority**. Where **The Company** and the **User** agree a shorter period than 2 months for the implementation of revised charges, the notice period will be as agreed between the parties. The notice of revisions issued by **The Company** will specify when the new charges are effective and the **User** shall pay any such revised charges and Appendix A and B shall be amended automatically with effect from the date specified in such notice;
- 2.15.4 Subject to the provisions of Paragraph 2.17 (Replacement of Transmission Connection Assets) below, if in the reasonable opinion of **The Company** any development, replacement, renovation, alteration, construction or other work to the **GB Transmission System** or termination of a **Bilateral Agreement** or use of the **GB Transmission System** by another **User** or an alteration to the requirements of the **User** or any other **User** means that to ensure that **The Company** is charging in accordance with the provisions of the **Charging Statements** pursuant to Standard Conditions C4 and C6 of the **Transmission Licence** **The Company** needs to vary the **Connection Charges** payable by a **User** in relation to any of its **Connection Sites** then **The Company** shall have the right to vary such charges accordingly upon giving to the **User** not less than 2 months prior written notice. Following any such variation the provisions of Appendices A and B shall be amended automatically (and a copy sent to the **User**) to reflect such variation with effect from the date such variation comes into effect.

## 2.16 DATA REQUIREMENTS

- 2.16.1 On or before the end of the second week of December in each **Financial Year**, each **User** shall supply **The Company** with such data as **The Company** may from time to time reasonably request pursuant to the **Charging Statements** to enable **The Company** to calculate the **Connection Charges** due from the **User** to **The**

**Company** in respect of the **Connection Site** including the data specified in the **Charging Statements**.

- 2.16.2 Where the relevant date for charging set out in the relevant **Bilateral Connection Agreement** in relation to **Connection** falls during a **Financial Year** the **User** shall on the date specified in writing by **The Company** to the **User** supply to **The Company** such data in respect of the **Financial Year** in which the charging date falls and the following **Financial Year** which it would otherwise have supplied and **The Company** would otherwise have requested in accordance with Paragraph 2.16.1, in accordance with the terms of the **Charging Statements**.

## 2.17 REPLACEMENT OF TRANSMISSION CONNECTION ASSETS

- 2.17.1 **The Company** will provide information to each **User** on an ongoing basis with regards to its long term intentions and any programme for the replacement of any **Transmission Connection Assets** at a **Connection Site**.
- 2.17.2 Where in **The Company's** reasonable opinion to enable **The Company** 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 a **Transmission Connection Asset** **The Company** shall give written notice of this (a "**Replacement Notice**") such notice to be given (subject to Paragraph 2.17.7) as soon as practicable.
- 2.17.3 Following the issue of the **Replacement Notice** **The Company** shall provide an explanation of the economic and engineering reasons to asset replace and the parties shall meet as soon as practicable to consider options, programme and costs associated with the replacement.
- 2.17.4 **The Company** shall make an offer to the **User(s)** (subject to Paragraph 2.17.7) no earlier than 6 months after the date of the **Replacement Notice** detailing the variations it proposes to make to Appendices A and B of and any other changes required to the **Bilateral Connection Agreement** and if appropriate enclosing a **Construction Agreement** in respect of the replacement of the **Transmission Connection Assets**.
- 2.17.5 If after a period of 3 months from receipt of the offer or such longer period as the parties might agree the **User(s)** and **The Company** have failed to reach agreement on the offer then either party may make an application to the **Authority** under Standard Condition C9 of the **Transmission Licence** to settle any dispute about the replacement of the **Transmission Connection Assets**.



- 2.17.6 Subject to Paragraph 2.17.7, **The Company** shall not replace the **Transmission Connection Assets** until the offer has been accepted by the **User(s)** or until the determination of the **Authority** if an application to the **Authority** has been made.
- 2.17.7 **The Company** shall take all reasonable steps to avoid exercising its rights pursuant to this Paragraph but in the event that **The Company** has reasonable grounds to believe, given its licence and statutory duties or the statutory and licence duties of a **Relevant Transmission Licensee** that a **Transmission Connection Asset** should be replaced prior to or during the process outlined above then **The Company** shall consult with the **User(s)** as far as reasonably practicable and shall be entitled to replace such **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 accordance with Paragraph 2.17.5 above.
- 2.17.8 Subject to Paragraph 2.17.9 **Connection Charges** shall be payable in respect of such replaced **Transmission Connection Assets** in accordance with the **Statement of the Connection Charging Methodology** and **The Company** shall give the **User(s)** not less than 2 months prior written notice of such varied charges and specify the date upon which such charges become effective. **The Company** shall be entitled to invoice the **Connection Charges** based on an estimate of the cost and the provisions of Paragraphs 2.14.3 and 2.14.4 shall apply.
- 2.17.9 Where **Transmission Connection Assets** have been replaced pursuant to Paragraph 2.17.7 **The Company** shall not be entitled to vary the **Connection Charges** until the offer has been accepted or the matter has been determined by the **Authority** and until such time the **User(s)** shall continue to pay **Connection Charges** as if the **Transmission Connection Assets** had not been replaced. If the matter is determined in **The Company's** favour then **The Company** shall be entitled to issue a revised Appendices A and B and the **User(s)** shall pay to **The Company** the difference between the two amounts plus interest at **Base Rate** on a daily basis from completion of the replacement to the date of payment by the **User(s)**. if the matter is not determined in **The Company's** favour **Connection Charges** shall be payable as directed by the **Authority**.

## 2.18 TERMINATION AMOUNTS - RE-USE

- 2.18.1 The obligation on the **User** to pay **Termination Amounts** is contained in Paragraph 2.14.7 and Section 5. Further provisions relating to **Termination Amounts**, including calculation of **Termination Amounts**, are dealt with in the **Statement of the**

**Connection Charging Methodology.** The following parts of this Paragraph 2.18 deal with issues relating to re-use of **Transmission Connection Assets** in respect of which **Termination Amounts** have been paid.

- 2.18.2 **The Company** shall use its reasonable endeavours to re-use **Transmission Connection Assets** 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 **Transmission Connection Assets** and subsequently such **Transmission Connection Assets** in respect of which a payment has been made are re-used in the **GB Transmission System** then **The Company** shall pay to the **User** a sum calculated in accordance with the **Statement of the Connection Charging Methodology**.
- 2.18.3 Re-use shall not occur where any **Transmission Connection Asset** remains connected for the purpose of providing a continuing connection for other **Users** connected to the **GB Transmission System** at the **Connection Site** at the date of termination. However in the event of any **User** requiring a continued connection modifying its requirements or another **User** connecting at the **Connection Site** and the **Transmission Connection Assets** in respect of which a payment has been made are required for this modification this shall constitute re-use.
- 2.18.4 **The Company** shall be under no obligation to rebate any of the **Termination Amounts** relating to the re-use of assets as set out in the **Statement of the Connection Charging Methodology** except to the extent that **Connection** and/or **Transmission Network Use of System Charges** are subsequently received in respect of **Transmission Connection Assets** in relation to which such **Termination Amounts** have been paid to **The Company** during the **Financial Year** in which termination has occurred.
- 2.18.5 Upon request in writing, and at the cost of the **User**, **The Company** shall issue a certificate no more frequently than once each calendar year indicating whether or not such assets have or have not been re-used. If **The Company** at any time decides that it is not economic to retain any **Plant** and **Apparatus** constituting any **Transmission Connection Asset** in respect of which **Termination Amounts** have been paid it may at its reasonable discretion dispose of the said **Plant** and **Apparatus** and pay the **User** any sums due in accordance with the **Statement of the Connection Charging Methodology**.

### **PART III - CREDIT REQUIREMENTS**

## **2.19 SECURITY FOR TERMINATION AMOUNTS**

2.19.1 Where a **User** has a connection to the **GB Transmission System** it shall provide security for **Termination Amounts** for **Transmission Connection Assets Commissioned** 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 **Transmission Connection Assets**.

2.19.2 Each **User** which has a connection to the **GB Transmission System** shall provide security in respect of each of its **Bilateral Connection Agreement(s)**:-

- (a) in the case of a **User** which meets **The Company Credit Rating** at the date of the **Bilateral Connection Agreement**, in accordance with Paragraph 2.20; and
- (b) in the case of a **User** which does not meet **The Company Credit Rating** at the date of the **Bilateral Connection Agreement** or thereafter ceases to meet it, in accordance with Paragraph 2.21.

## **2.20 PROVISION OF SECURITY FOR TERMINATION AMOUNTS WHERE USER MEETS CREDIT RATING**

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

2.20.2 In the event that the **User** has elected to provide **The Company** with an indicative credit rating and **The Company** is of the reasonable opinion that the **User** has ceased to comply with the requirements of Paragraph 2.20.1 then **The Company** may require the **User** forthwith:-

- (a) to apply to Standards and Poor's and/or Moody's for a further indicative long term private credit rating; or
- (b) to confirm to **The Company** that it shall provide the security referred to in Paragraph 2.20.4 hereof.

2.20.3 In the event of the **User**:-

- (a) not having an **The Company Credit Rating**; or
- (b) having a credit rating below **The Company Credit Rating**; or
- (c) not having obtained from Standard and Poor's or Moody's within 30 days of the written notification under Paragraph 2.20.2 above an indicative long term private credit rating,

or if **The Company** becomes aware that

- (i) the **User** ceases to have an **The Company Credit Rating**; or
- (ii) the **User** is put on credit watch or other similar credit surveillance procedure as specified above which may give **The Company** reasonable cause to believe that the **User** may not be able to maintain an **The Company Credit Rating** for at least 6 months; or
- (iii) the **User** has not obtained from Standard and Poor's or Moody's within 30 days of the written notification by **The Company** under Paragraph 2.20.2 above a further indicative long term private credit rating,

the **User** shall (where appropriate on receipt of written notification from **The Company**) comply with the terms of Paragraph 2.20.4.

2.20.4 The **User** shall within 21 days of the giving of a notice under Paragraph 2.20.3 or within 30 days of the **User** confirming to **The Company** under Paragraph 2.20.2 that it will provide the security specified in Paragraph 2.22.1 (whichever is the earlier), provide **The Company** with the security specified below to cover the **User's** payment obligations to **The Company** arising in the event of termination of the relevant **Bilateral Connection Agreement**. The security to be provided shall be in an amount not greater than such sums payable on termination and specified in writing by **The Company** to the **User** from time to time in accordance with the timescales specified in Paragraph 2.21.2. Such security shall be of a type set out in 2.22.1.

- 2.20.5 Until the facts or circumstances giving rise to the obligations of the **User** to provide the security have ceased then the provisions of Paragraphs 2.21.2 to 2.22.2 shall apply.
- 2.20.6 In the event of **The Company's** credit requirements being reviewed at any time **The Company** shall advise the **User** in writing of the new credit requirements and if acceptable to the **User** the security arrangements will be amended accordingly.
- 2.20.7 In the event that the facts or circumstances giving rise to the obligations of the **User** to provide the security have ceased, then **The Company** shall release the security.

## **2.21 PROVISION OF SECURITY FOR TERMINATION AMOUNTS WHERE USER DOES NOT MEET CREDIT RATING**

- 2.21.1 Each **User** hereby agrees that it shall at the date of the relevant **Bilateral Connection Agreement** provide to **The Company** or procure the provision to **The Company** of, and the **User** shall at all times thereafter (unless and until the **Bilateral Connection Agreement** shall be terminated and all sums due or which will or might fall due in respect of which security is to be provided shall have been paid) maintain or procure that there is maintained in full force and effect (including by renewal or replacement), a security arrangement of a type specified in Paragraph 2.22.1 from time to time and for the time being to provide security for the **User's** obligation to pay **The Company Termination Amounts** on termination of a **Bilateral Agreement**, in accordance with Paragraph 2.21.2.

### **2.21.2 Provision of Bi-annual Estimate and Secured Amount Statement**

- (a) **The Company** shall provide to each relevant **User** a **Bi-annual Estimate** showing the amounts of all payments required or which may be required to be made by the **User** to **The Company** in respect of **Termination Amounts** at the following times and in respect of the following periods:-
- (i) forthwith on and with effect from the date required in accordance with Paragraph 2.20.4 in respect of the period from and including such date until the next following 31st March or 30th September (whichever shall first occur); and
  - (ii) not less than 75 (seventy five) days (or if such day is not a **Business Day** the next following **Business Day**) prior to each 31st March and 30th September thereafter in respect of the period of

six calendar months commencing on the immediately following 1st April or 1st October (as the case may be), until the relevant **Bilateral Connection Agreement** shall be terminated and all sums due or which will or might fall due in respect of which security is to be provided shall have been paid.

- (b) Such **Bi-annual Estimate** shall be accompanied by the **Secured Amount Statement** specifying the aggregate amount to be secured at the beginning of and throughout each such period.
- (c) If **The Company** shall not provide any subsequent **Bi-annual Estimate** and **Secured Amount Statement** by the requisite date, then the **User** shall at the date it is next required to have in full force and effect security and whether by renewal or replacement or otherwise in respect of the following six calendar month period nonetheless provide security in accordance with the provisions of this Paragraph 2.21 in the same amount as the amount then in force in respect of the then current six calendar month period. Notwithstanding the foregoing, if **The Company** shall provide the **User** with any **Bi-annual Estimate** and **Secured Amount Statement** later than the date specified in Paragraph 2.21.2(a) then the following shall apply. The **User** shall within 30 (thirty) days of receipt of the said **Secured Amount Statement** procure that to the extent that the amount in respect of which security has been or is to be provided pursuant to this Paragraph 2.21.2(c) in respect of the relevant period ("the **Secured Amount**") falls short of the amount stated in the **Secured Amount Statement** (the "**Required Amount**") the **Secured Amount** shall be adjusted to the **Required Amount**.

(d) **Entitlement to Estimate**

If **The Company** is (for whatever reason) unable on any relevant date to calculate precisely any sum due or which has accrued due or in respect of which the **User** has a liability to **The Company** for payment under any of the provisions of this **CUSC**, **The Company** shall be entitled to invoice the **User** for a sum equal to **The Company's** fair and reasonable estimate of the sums due or which may become due or in respect of which the **User** has a liability to **The Company** for payment. **The Company** shall also be entitled to send the **User** further invoices for such sums not covered in previous

invoices. The **User** shall pay **The Company** all sums so invoiced by **The Company**.

(e) **Demands not Affected by Disputes**

It is hereby agreed between **The Company** and the **User** that if there shall be any dispute between the **User** and **The Company** as to:-

- (i) any amount certified by **The Company** in any **Secured Amount Statement** as requiring at any time and from time to time to be secured; or
- (ii) the fairness and reasonableness of **The Company's** estimate; or
- (iii) whether there has been an **Event of Default** as provided in Section 5; or
- (iv) the lawfulness or otherwise of any termination or purported termination of the relevant agreement,

such dispute shall not affect the ability of **The Company** to make demands pursuant to the security arrangement to be provided pursuant to Paragraph 2.21 and to recover the amount or amounts payable thereunder, it being acknowledged by the **User** that but for such being the case **The Company's** security would be illusory by reason of the period of validity of the relevant security being likely to expire or capable of expiring before the final resolution of such dispute. The **User** accordingly covenants with **The Company** that it will not take any action, whether by way of proceedings or otherwise, designed or calculated to prevent, restrict or interfere with the payment to **The Company** of any amount secured under the security arrangement nor seek nor permit nor assist others to do so.

- (f) If there shall be any dispute as mentioned in Paragraph 2.21.2(e) the same shall, whether **The Company** shall have terminated the relevant **Bilateral Connection Agreement** and recovered or sought to recover payment under the security arrangement or not, and without prejudice to **The Company's** right to recover or seek to recover such payment, be dealt with in the case of Paragraphs 2.21.2(e)(i) and 2.21.2(e)(ii) under Section 7 as a **Charging Dispute** and, in the case of Paragraphs 2.21.2(e)(iii) and 2.21.2(e)(iv) be dealt with under Section 7 as an **Other Dispute**.

## 2.22 TYPES OF SECURITY

### 2.22.1 Security can be provided by:

- (a) A **Performance Bond** or **Letter of Credit** from a **Qualified Bank** for the amount stated in the **Secured Amount Statement** as the estimated amount to be secured, such **Performance Bond** or **Letter of Credit** to be **Valid** for at least the period stated in such **Secured Amount Statement** and to be renewed periodically where applicable in the manner stated in Paragraph 2.22.2(c); or
- (b) A cash deposit in a **Bank Account** at least for the amount stated in the **Secured Amount Statement** as the estimated amount to be secured, such cash deposit to be increased or reduced periodically where applicable in the manner stated in Paragraph 2.22.2(d); or
- (c) A **Performance Bond** from a **Qualified Company** for the amount stated in the **Secured Amount Statement** as the estimated amount to be secured, such **Performance Bond** to be **Valid** for at least the period stated in such **Secured Amount Statement** and to be renewed periodically where applicable in the manner stated in Paragraph 2.22.2(c)

### 2.22.2 General Provisions

- (a) Any **Notice of Drawing** to be delivered to Barclays Bank PLC or any other bank at which the **Bank Account** shall have been opened or a **Qualified Bank** or a **Qualified Company** may be delivered by hand, by post or by facsimile transmission.
- (b) If the **User** becomes aware that the bank issuing the **Performance Bond** or **Letter of Credit** ceases to be a **Qualified Bank** or that the company giving the **Performance Bond** ceases to be a **Qualified Company**, the **User** shall notify **The Company** in writing as soon as it becomes so aware. If **The Company** becomes aware that the bank issuing the **Performance Bond** or **Letter of Credit** ceases to be a **Qualified Bank** or that the company giving the **Performance Bond** ceases to be a **Qualified Company**, **The Company** may notify the **User** to that effect in writing. Where the bank or the company so ceases to be either a **Qualified Bank** or a **Qualified Company** (as the case may be) as a consequence of



**The Company** having reasonable cause to doubt the continued rating of the said bank or company, such notice shall be accompanied by a statement setting out **The Company's** reasons for having such doubt. The **User** shall within 21 days of the giving of such notice by **The Company** or the **User** whichever is the earlier provide a replacement **Performance Bond** and/or **Letter of Credit** from a **Qualified Bank** or **Qualified Company**, as the case may be, and/or provide a cash deposit in the required amount in a **Bank Account**. From the date the replacement **Performance Bond** or **Letter of Credit** or **Bank Account** cash deposit is effectively and unconditionally provided and **Valid**, **The Company** will consent in writing to the security which it replaces being released.

- (c) The following provisions shall govern the issuance, renewal and release of the **Performance Bond** or **Letter of Credit**:-
  - (i) The **Performance Bond** or **Letter of Credit** shall be **Valid** initially from the date required in accordance with Paragraph 2.20.4 or 2.21.1 respectively at least to and including the following 31st March or 30th September whichever is the earlier date. Such **Performance Bond** or **Letter of Credit** shall be for an amount not less than that stated in the **Secured Amount Statement** to be secured during the period specified in the **Secured Amount Statement**.
  - (ii) On a date which is at least 45 days (or if such day is not a **Business Day** then on the immediately preceding **Business Day**) before the next following 31st March or 30th September whichever is the earlier date such **Performance Bond** or **Letter of Credit** shall be renewed so as to be **Valid** for not less than 6 months commencing from the immediately following 1st April or 1st October (as the case may be). Such renewed **Performance Bond** or **Letter of Credit** shall be for an amount not less than the amount stated in the **Secured Amount Statement** as the amount to be secured during the period that such renewed **Performance Bond** or **Letter of Credit** shall be **Valid**.

- (iii) Thereafter, the renewed **Performance Bond** or **Letter of Credit** shall be further renewed in like manner every 6 months.
- (d) The following provisions shall govern the maintenance of cash deposits in the **Bank Account**:-
  - (i) The amount of the cash deposit to be maintained in the **Bank Account** shall be maintained from the date required in accordance with Paragraph 2.20.4 or 2.21.1 respectively at least to and including the following 31st March or 30th September, whichever is the earlier date. Such cash deposit shall be in an amount as stated in the **Secured Amount Statement** to be secured during the period stated in the **Secured Amount Statement**.
  - (ii) If the amount stated in the **Secured Amount Statement** as the amount to be secured from the following 1st April to 30th September or from the following 1st October to 31st March (as the case may be) is an amount greater than the amount then secured, the cash deposit in the **Bank Account** shall be increased to such greater amount on a date which is 45 days before the following 31st March or 30th September (as the case may be) which immediately precedes the commencement of the relevant above mentioned period.
  - (iii) If such amount stated in the **Secured Amount Statement** is smaller than the amount then secured, the cash deposit in the **Bank Account** shall not be reduced to the amount so stated until the expiry of 7 days after the next following 31st March or 30th September (as the case may be) (the "**Release Date**").
  - (iv) The sum equal to the amount of reduction in the cash deposit in the **Bank Account** shall be paid by **The Company** to the **User** from the **Bank Account** on the **Release Date**.
  - (v) Any interest accruing to the **Bank Account** shall be for the account of and belong to the **User** absolutely, and **The Company** agrees to take any steps required to be taken by it for the release from the **Bank Account** and payment

to the **User** of such interest as soon as the same shall have been credited to the **Bank Account** and **The Company** shall have received notice of such credit.

- (e) Notwithstanding any provision aforesaid:-
- (i) The **User** may provide different securities to **The Company** at any one time, each securing a different amount, provided that the aggregate amount secured by such securities shall be not less than the aggregate amount required to be secured pursuant to the **Secured Amount Statement** for any period specified therein.
  - (ii) The **User** may upon the expiry of at least 14 days prior written notice to **The Company**, substitute one type of security for another provided that unless **The Company** shall otherwise agree in writing such substituted security must be **Valid** from 1st April or 1st October (as the case may be) and committed at least 45 days before the immediately preceding 31st March or 30th September (as the case may be) in the following manner:-
    - (aa) where a **Performance Bond** or a **Letter of Credit** is to substitute for other securities, it must be issued or given at least 45 days before such immediately preceding 31st March or 30th September (as the case may be).
    - (bb) where a cash deposit in a **Bank Account** is to substitute for other securities, it must be deposited into the **Bank Account** at least 45 days before such immediately preceding 31st March or 30th September (as the case may be).
  - (iii) Upon request by the **User** to **The Company**, securities substituted in the aforesaid manner shall, providing the substitute security shall be **Valid**, be released on the following 1st April or 1st October (as the case may be). However, where the amount required by the **Secured Amount Statement** to be secured for any period is less than the amount required to be secured in the preceding period, the substituted security shall not be released until 7 days after

the then following 31st March or 30th  
September (as the case may be).

**END OF SECTION 2**

**CUSC - SECTION 5**  
**EVENTS OF DEFAULT, DEENERGISATION,**  
**AND DISCONNECTION**

**CONTENTS**

- 5.1 Duration and Termination
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- 5.5 Balancing Services Use of System Charges: Events of Default
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## **CUSC - Section 5**

### **Events of Default, Deenergisation, Disconnection and Decommissioning**

#### **5.1 DURATION AND TERMINATION**

##### **5.1.1 Licensed CUSC Parties**

Upon either:

- (a) termination of all **Bilateral Agreements, Mandatory Services Agreements** and **Construction Agreements** entered into by a **User** and cessation of any other right to use the **GB Transmission System** pursuant to Paragraph 3.8 or Paragraph 9.23; or
- (b) a **User** having a **Licence** but not yet being connected to or otherwise using the **GB Transmission System**, until such time as the **User** accepts an **Offer** to connect to or use the **GB Transmission System**,

a **User** with a **Licence** shall be or continue to be a **CUSC Party** but shall not (except in the case of Paragraph 5.1.5) have any further rights and obligations for the period of such dormancy under the **CUSC** (and shall be a “**Dormant CUSC Party**”) until the execution (or other entering into) of a **Bilateral Agreement** or commencement / recommencement of its right to use the **GB Transmission System** pursuant to the **CUSC**. Termination or expiry of a particular **Bilateral Agreement, Mandatory Services Agreement** or **Construction Agreement** shall not, of itself, cause the relevant **User** to become a **Dormant CUSC Party**.

- 5.1.2 A **Dormant CUSC Party** may once it ceases to have a **Licence** which requires it to be a party to the **CUSC Framework Agreement**, by prior notice to **The Company** cease to be a **CUSC Party** from the date specified in such notice, on which date it shall cease to be a party to the **CUSC Framework Agreement**.

##### **5.1.3 Non-Licensed CUSC Parties**

Upon termination of all **Bilateral Agreements, Mandatory Services Agreements** and **Construction Agreements** entered into by a **User** and cessation of any other right to use the **GB Transmission System** pursuant to Paragraph 3.8 or Paragraph 9.23, a **User** without a **Licence** shall cease to be a

**CUSC Party** from the date of cessation of the last such agreement or right to use, and shall on that date cease to be a party to the **CUSC Framework Agreement**.

- 5.1.4 A person ceasing to be a **CUSC Party** or becoming a **Dormant CUSC Party** shall not affect any rights or obligations of any **CUSC Party** which may have accrued to the date of termination or dormancy under the **CUSC**, any **Bilateral Agreement** or **Mandatory Services Agreement** or **Construction Agreement** or the **Charging Statements** or otherwise and shall not affect any continuing obligations of any other **CUSC Party** under the **CUSC**.

5.1.5 **Embedded Exemptable Large Power Station**

A **User** in respect of an **Embedded Exemptable Large Power Station** shall (unless **The Company** agrees otherwise in writing, such agreement not to be unreasonably withheld or delayed), once it has acceded to the **CUSC Framework Agreement** continue to remain a **CUSC Party** and shall not be treated as a **Dormant CUSC Party** notwithstanding the provisions of Paragraph 5.1.1.

## 5.2 **EMERGENCY DEENERGISATION**

5.2.1 **Emergency Deenergisation by The Company**

If, in the reasonable opinion of **The Company**, the condition or manner of operation of the **GB Transmission System** or a **User's System** or an **Interconnector** poses an immediate threat of injury or material damage to any person or to the **Total System** or to any **User's System** or to the **GB Transmission System**, **The Company** shall have the right to:

- (a) **Deenergise that User's Equipment**, or
- (b) request the owner of the **Distribution System** to which that **User's Equipment** or equipment for which that **User** is responsible (as defined in Section K of the **Balancing and Settlement Code**) is connected to **Deenergise that User's Equipment** or equipment for which that **User** is responsible (as defined in Section K of the **Balancing and Settlement Code**),

if it is necessary or expedient to do so to avoid the occurrence of such injury or damage.

5.2.2 **Emergency Deenergisation by a User**

If, in the reasonable opinion of a **User**, the condition or manner of operation of the **GB Transmission System**, the **Total**

**System** or any other **User's System** poses an immediate threat of injury or material damage to any person or to its **User's System** or **User's Equipment** or equipment for which the **User** is responsible (as defined in Section K of the **Balancing and Settlement Code**) that **User** shall have the right to **Deenergise** its **User's Equipment** or equipment for which that **User** is responsible (as defined in Section K of the **Balancing and Settlement Code**), if it is necessary or expedient to do so to avoid the occurrence of such injury or damage.

#### 5.2.3 Post Emergency Reenergisation

**The Company** or, as the case may be, the **User** shall **Reenergise** the **User's Equipment** at the **Connection Site** (or, in the case of the **User** the site of connection) or **The Company** shall request the owner/operator of the **Distribution System** to which the **User's Equipment** or equipment for which the **User** is responsible (as defined in Section K of the **Balancing and Settlement Code**) is connected to **Reenergise** the **User's Equipment** at the site of connection, in each case as quickly as practicable after the circumstances leading to any **Deenergisation** under this Paragraph 5.2 have ceased to exist.

### 5.3 **GENERIC EVENTS OF DEFAULT AND DEENERGISATION**

#### 5.3.1 Generic Events of Default

It shall be an **Event of Default** if:-

- (a) a **User** shall fail to pay (other than by inadvertent error in funds transmission which is discovered by **The Company**, notified to that **User** and corrected within 2 **Business Days** thereafter) any amount properly due or owing from that **User** to **The Company** pursuant to the **CUSC** or any **Bilateral Agreement** and such failure continues unremedied for 7 **Business Days** after the due date for payment; or
- (b) in respect of a **User**:-
  - (i) an order of the High Court in England and Wales or an order of the Court of Session in Scotland is made or an effective resolution passed for its insolvent winding up or dissolution; or
  - (ii) a receiver (which expression shall include an administrative receiver within the meaning of section 251 Insolvency Act 1986) of the whole



or any material part of its assets or undertaking is appointed; or

- (iii) an administration order under section 8 of the Insolvency Act 1986 is made or if a voluntary arrangement is proposed under section 1 of that Act; or
- (iv) a **User** enters into any scheme of arrangement (other than for the purpose of reconstruction or amalgamation upon terms and within such period as may previously have been approved in writing by the **Authority**); or
- (v) any of the events referred to in (i) to (iv) above has occurred and is continuing and a **User** is unable to pay its debts (within the meaning of section 123(1) or (2) of the Insolvency Act 1986 save that such sections shall have effect as if for £750 there was inserted £250,000 and a **User** shall not be deemed to be unable to pay its debts if any demand for payment is being contested in good faith by that **User** with recourse to all appropriate measures and procedures),

and in any such case within 28 days of his appointment the liquidator, receiver, administrative receiver, administrator, nominee or other similar officer has not provided to **The Company** a guarantee of future performance by the **User** of the **CUSC** and all **Bilateral Agreements, Construction Agreements and Mandatory Services Agreements** to which the **User** is a party in such form and amount as **The Company** may reasonably require.

#### 5.3.2 Generic Deenergisation upon an Event of Default

Provided that at the time the failure specified in Paragraph 5.3.1(a) is still continuing or the circumstances referred to in Paragraph 5.3.1(b) still exist **The Company** may having given 48 hours notice of an **Event of Default Deenergise** all of the **User's Equipment** which is the subject of a **Bilateral Agreement** with that **User** or may as appropriate instruct the operator of a **Distribution System** to **Deenergise** such **User's Equipment** or in the case of an **Interconnector User** or **Interconnector Error Administrator** request the relevant **Interconnector Owner** to cease or procure the cessation of the transport of power across the **Interconnector** by or on behalf of that **User** provided that prior to **Deenergisation** the

**User** may refer the matter to the **Dispute Resolution Procedure**.

5.3.3 BSC Deenergisation

**The Company** shall **Deenergise** the **User's Equipment** if it is so instructed by the **BSC Panel** at any time in accordance with the provisions of the **Balancing and Settlement Code**.

5.3.4 Generic Disconnection

If the **Event of Default** under Paragraph 5.3.2 or 5.3.3 is still continuing six months after the later of **Deenergisation** and the conclusion of the **Dispute Resolution Procedure** in favour of **The Company**, **The Company** may **Disconnect** all that **User's Equipment** at each **Connection Site** where that **User's Equipment** is connected and:-

(a) the **User** shall remove any of the **User's Equipment**, [on:](#)

(i) in the case of **Connection Sites** in England and Wales, [on](#) **The Company's** land or, in the case of **Connection Sites** in Scotland [on](#) the **Relevant Transmission Licensee's** land (as appropriate) within 6 months or such longer period as may be agreed between the **User** and **The Company** or the **Relevant Transmission Licensee** (as appropriate); [or](#)

[\(ii\) in the case of \*\*Connection Sites Offshore\*\*, on or adjacent to the \*\*Relevant Transmission Licensee's Offshore Platform\*\* within a period agreed between the \*\*User\*\* and the \*\*Relevant Transmission Licensee\*\*.](#)

[\(b\)](#) in the case of

[\(i\)](#) **Connection Sites** in England and Wales, **The Company** shall remove and, in the case of **Connection Sites** in Scotland, **The Company** 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 **The Company** or the **Relevant Transmission Licensee** (as appropriate); [or](#)

- (ii) Connection Sites Offshore, The Company shall procure that the Relevant Transmission Licensee removes, any of the Transmission Connection Assets on or adjacent to the User's Offshore Platform within a period agreed between the User and the Relevant Transmission Licensee;

~~(b)~~(c) the **User** shall pay to **The Company** forthwith all **Termination Amounts**; and

~~(e)~~(d) the **User** if unlicensed shall cease to be a **CUSC Party** or if licensed shall become a **Dormant CUSC Party**, as the case may be, and Paragraph 5.1 shall apply.

## 5.4 SITE SPECIFIC DEENERGISATION AND DISCONNECTION

### 5.4.1 Site Specific Breach by the User

If a **User** shall be in breach of any of the provisions of the relevant **Bilateral Agreement**, or the provision of the **CUSC** in relation to that particular connection to and/or use of the **GB Transmission System**, or (other than in relation to a **Supplier**, a **Small Power Station Trading Party**, an **Interconnector User** or an **Interconnector Error Administrator**) of the provisions of the **CUSC** enforcing the provisions of the **Grid Code** (but subject always to Paragraphs 6.3.3 and 6.3.4), and such breach causes or can reasonably be expected to cause a material adverse effect on the business or condition of **The Company** or other **Users** or the **GB Transmission System** or any **User Systems** then **The Company** may:-

- (a) where the breach is capable of remedy, give written notice to the **User** specifying in reasonable detail the nature of the breach and requiring the **User** within 28 days after receipt of such notice, or within any longer period agreed between **The Company** and the **User** to remedy the breach, the agreement of **The Company** not to be unreasonably withheld or delayed; or
- (b) where the breach is incapable of remedy, give written notice to the **User** specifying in reasonable detail the nature of the breach and the reasons why the breach is incapable of remedy and requiring the **User** within 5 **Business Days** after receipt of such notice to undertake to **The Company** not to repeat the breach.

### 5.4.2 Grid Code Procedures - Future Compliance

Whenever **The Company** serves a notice on a **User** pursuant to Paragraph 5.4.1, **The Company** and the **User** shall discuss

in good faith and without delay the nature of the breach and each shall use all appropriate procedures available to it under the **Grid Code** (including testing rights and the procedures set out in **OC5** (Testing and Monitoring)) in an attempt to establish as quickly as reasonably practicable a mutually acceptable way of ensuring future compliance by the **User** with the relevant provision of the **Grid Code**.

#### 5.4.3 Site Specific Deenergisation

(a) If:

- (i) a **User** fails to comply with any valid notice served on it by **The Company** in accordance with Paragraph 5.4.1(a) or is in breach of any undertaking given in accordance with Paragraph 5.4.1(b) and such breach causes or can be reasonably expected to cause a material adverse effect on the business or condition of **The Company** or other **Users** or the **GB Transmission System** or any **User System**; or
- (ii) five **Business Days** have elapsed since the date of any valid notice served on the **User** in accordance with Paragraph 5.4.1(b) and no undertaking is given by the **User** in accordance with Paragraph 5.4.1(b);

**The Company** may:

- (iii) provided **The Company** has first complied with **OC5** Monitoring and Testing if appropriate **Deenergise the User's Equipment**; or
- (iv) provided **The Company** has first complied with **OC5** Monitoring and Testing if appropriate request the owner/operator of the **Distribution System** to which the **User's Equipment** or equipment for which the **User** is responsible (as defined in Section K of the **Balancing and Settlement Code**) is or to which the **User's Customers** are connected to **Deenergise the User's Equipment** or equipment for which the **User** is responsible (as defined in Section K of the **Balancing and Settlement Code**) at the relevant site of connection or such **User's Customers** (as the case may be); or

- (v) in the case of an **Interconnector User** or **Interconnector Error Administrator** request the relevant **Interconnector Owner** to cease or procure the cessation of the transport of power by or on behalf of that **User** across the **Interconnector**,

upon the expiry of at least 48 hours prior written notice to the **User**, provided that at the time of expiry of such notice the breach concerned remains unremedied and that neither party has referred the matter to the **Dispute Resolution Procedure**. In such event **The Company** may:

- (aa) **Deenergise the User's Equipment**, or
- (bb) request the owner of the **Distribution System** to which the **User's Equipment** or equipment for which the **User** is responsible (as defined in Section K of the **Balancing and Settlement Code**) is or to which the **User's Customers** are connected to **Deenergise the User's Equipment** or equipment for which the **User** is responsible (as defined in Section K of the **Balancing and Settlement Code**) at the relevant site of connection or the **User's Customers** (as the case may be), or
- (cc) in the case of an **Interconnector User** or **Interconnector Error Administrator** request the relevant **Interconnector Owner** to cease or to procure the cessation of the transfer of power by or on behalf of that **User** across the **Interconnector**,

forthwith following completion of the **Dispute Resolution Procedure** and final determination of the dispute in **The Company's** favour, subject to **The Company** having given, in the case of **Deenergisation** of an **Embedded Small Power Station**, the relevant **User** not less than 24 hours prior written notice and at the expiry of such notice the breach concerned remaining unremedied.

- (b) If the **User** fails to comply with the **Grid Code** (but subject always to Paragraphs 6.3.3 and 6.3.4 of the **CUSC**) and the **Authority** makes a final order or a confirmed provisional order as set out in sections 25 and 26 of the **Act** against the **User** in respect of such non-compliance which order the **User** breaches **The**

**Company** may in respect of the relevant **Connection Site(s)** or site(s) of connection:

- (i) **Deenergise the User's Equipment**, or
- (ii) request the owner of the **Distribution System** to which the **User's Equipment** or equipment for which the **User** is responsible (as defined in Section K of the **Balancing and Settlement Code**) is connected to **Deenergise the User's Equipment** or equipment for which the **User** is responsible (as defined in Section K of the **Balancing and Settlement Code**),

upon the expiry of at least 48 hours prior written notice to the **User** provided that at the time of expiry of the notice the **User** continues to fail to comply with the order.

#### 5.4.4 Consequence on Transmission Licence

If a breach of the nature referred to in Paragraph 5.4.1 continues to the extent that it places or seriously threatens to place in the immediate future **The Company** in breach of the **Transmission Licence** and/or places or seriously threatens to place in the immediate future any **Relevant Transmission Licensee** in breach of its transmission licence **The Company** may:

- (a) **Deenergise the User's Equipment**, at the relevant **Connection Site**,
- (b) request the owner of the **Distribution System** to which the **User's Equipment** or equipment for which the **User** is responsible (as defined in Section K of the **Balancing and Settlement Code**) is or to which the **User's Customers** are connected to **Deenergise the User's Equipment** or equipment for which **User** is responsible (as defined in Section K of the **Balancing and Settlement Code**) at the relevant site of connection or such **User's Customer** (as the case may be), or
- (c) request the relevant **Interconnector Owner** to cease or procure the cessation of the transport of power by or on behalf of that **User** across the **Interconnector**,

upon the expiry of at least 12 hours, prior written notice to the **User**, provided that at the time of expiry of such notice the breach concerned remains unremedied.

#### 5.4.5 Generic and Site Specific Reenergisation Disputes

(a) If following any **Deenergisation** or cessation of use of an **Interconnector** pursuant to this Paragraph 5.4 or Paragraph 5.3.2 the relevant **User** applies to **The Company** for the **User's Equipment** to be **Reenergised** or for **The Company** to issue instructions that the **User's Customers** be **Re-energised** or for **The Company** to issue instructions to the owner/operator of the **Distribution System** to which the **User's Equipment** or equipment for which the **User** is responsible (as defined in Section K of the **Balancing and Settlement Code**) is connected that it be **Re-energised** or to the relevant **Interconnector Owner** that transport of power across the **Interconnector** can restart, **The Company** shall notify its consent to the **User's Equipment** being **Re-energised** or transport across the **Interconnector** restarting forthwith upon the breach of the **CUSC** or the relevant **Bilateral Agreement** which give rise to the **De-energisation** either:-

- (i) being remedied; or
- (ii) ceasing to be material; or
- (iii) in the case of a **De-energisation** under 5.4.3 ceasing to be of a nature which can reasonably be expected to cause a material adverse effect on the business or condition of **The Company** or other **Users** of the **GB Transmission System**; or
- (iv) in the case of a **De-energisation** under Paragraph 5.4.4 ceasing in **The Company's** opinion to place or seriously threaten to place in the immediate future **The Company** in material breach of the **Transmission Licence** and/or places or seriously threatens to place in the immediate future any **Relevant Transmission Licensee** in material breach of its transmission licence,

and shall forthwith **Re-energise** the **User's Equipment** or issue instructions.



- (b) If **The Company** shall refuse to **Re-energise** the **Users Equipment** or to issue instructions that the **User's Customers** be **Reenergised** or to issue instructions to the owner/operator of the **Distribution System** to which the **User's Equipment** or equipment for which the **User** is responsible (as defined in Section K of the **Balancing and Settlement Code**) is connected that it be **Reenergised**, or to the relevant **Interconnector Owner** that transport of power can restart, or if the **User** is offered terms by **The Company** which the **User** does not accept, this shall be recognised as a dispute over the terms for connection and use of system which may be referred by the **User** to the **Authority** for determination under Standard Condition C9 of the **Transmission Licence**. If the **User** accepts any terms offered by **The Company** or determined by the **Authority** **The Company** shall **Reenergise** the **Users Equipment**, or request the owner of the **Distribution System** to which either the **User's Customers** or the **User's Equipment** or equipment for which the **User** is responsible (as defined in Section K of the **Balancing and Settlement Code**) is/are connected to **Reenergise** the same or the relevant **Interconnector Owner** to restart that transport of power, forthwith after any request from the **User** for **The Company** to do so.

#### 5.4.6 Specific Events of Default

##### Events of Default

##### 5.4.6.1 Any of the following events shall constitute an **Event of Default**:

- (a) If the breach which led to any **Deenergisation** pursuant to this Paragraph 5.4 remains unremedied at the expiry of at least 6 months after the date of such **Deenergisation**, **The Company** may declare by notice in writing to the **User** that such breach has become an **Event of Default** provided that:
- (i) all disputes arising out of the subject-matter of this Paragraph 5.4 which are referred to the **Dispute Resolution Procedure** have been finally determined in favour of **The Company**; and
  - (ii) any reference to the **Authority** pursuant to Paragraph 5.4.5(b) hereof



has then been finally determined in favour of **The Company** or any terms settled pursuant to such procedure have not been accepted by the **User**.

- (b) If any or all of the **Events of Default** in Paragraph 5.3.1 has or have occurred.

Security Event of Default - User Meets The Company Credit Rating

5.4.6.2 In the case where a **User** meets **The Company Credit Rating** on signing a **Bilateral Connection Agreement** any of the following events shall constitute an **Event of Default**:-

- (a) If the **User** fails to provide or procure that there is provided to **The Company** within the requisite time any relevant security satisfactory to **The Company** pursuant to Part III of Section 2 or Paragraph 5.4.6.2(c) of the **CUSC**.
- (b) If having provided security satisfactory to **The Company** pursuant to Part III of Section 2 and Paragraph 5.4.6.2(c) of the **CUSC**:
  - (i) the **User** or any shareholder (whether direct or indirect) of the **User** or any other party who may at any time be providing security to **The Company** pursuant to the requirements of the **CUSC** (or the relevant **Bilateral Connection Agreement**) takes any action whether by way of proceedings or otherwise designed or calculated to prevent, restrict or interfere with the payment to **The Company** of any amount so secured whether or not there shall be a dispute between the parties;
  - (ii) any party who may at any time be providing security to **The Company** pursuant to the provisions of the **CUSC** (or the relevant **Bilateral Connection Agreement**) fails to pay to **The Company** any sum demanded pursuant thereto.
- (c) (i) There is a material adverse change in the financial condition of the **User** such

as to give **The Company** reasonable grounds for concluding that there is a substantial probability that the **User** will default in the payment of any sums due or to become due to **The Company** within the next following period of 12 months, in terms of or on termination of the relevant **Bilateral Connection Agreements**; or

- (ii) an event of default has occurred under any banking arrangements (as may be more particularly described in the relevant **Bilateral Connection Agreement**) (an event of default being for these purposes anything defined as such in such banking arrangements) put in place by the **User** in connection with a project for which security under this **CUSC** is required by **The Company** and as a result the banks who are party to such banking arrangement have taken steps to declare the principal of the advances under such arrangement immediately due and payable; or
- (iii) any other indebtedness of the **User** for the repayment of borrowed money (in a principal outstanding amount of not less than £1,000,000 (pounds sterling one million) or such greater figure specified in any **Bilateral Connection Agreement**) has become due and payable prior to the stated date of maturity thereof by reason of any default or breach on the part of the **User** and the amount in question has not been paid by the **User** or re-financed by the **User** within a period of 28 days following the date upon which it was so declared due and payable,

and in any of (i) or (ii) or (iii) the **User** fails, within a period of 7 (seven) days following the date on which **The Company** gives the **User** notice in writing of one or other of the above events occurring to provide **The Company** with such security as **The Company** shall require to cover the **User's** payment obligations to **The Company** arising in the event of or which have arisen

prior to termination of the relevant **Bilateral Connection Agreement** and which arise under the **CUSC**. The security to be provided shall be in a form satisfactory to **The Company** in accordance with its then current policy and procedures and in such amount as **The Company** shall specify to the **User** in the aforesaid notice.

Provided that (in relation to Paragraphs (i) or (ii) or (iii) above) if at any time after the putting in place of security under this Paragraph the **User** shall produce to **The Company** evidence to **The Company's** reasonable satisfaction that there is not a substantial probability of the **User** not being able to make payment to **The Company** of such sums within the next following period of twelve (12) months, **The Company** shall not require the **User** to provide the aforesaid security and shall release any such security then in place. This waiver is without prejudice to **The Company's** right to require security at any time thereafter in the event of any of the circumstances set out in Paragraph (i) and/or (ii) and/or (iii) subsequently occurring.

Security Event of Default - User Does Not Meet The Company Credit Rating

5.4.6.3 In the case where a **User** does not meet **The Company Credit Rating** on signing a **Bilateral Connection Agreement** any of the following events shall constitute an **Event of Default**:-

- (a) (i) There is a material adverse change in the financial condition of the **User** such as to give **The Company** reasonable grounds for concluding that there is a substantial probability that the **User** will default in the payment of any unsecured sums due or to become due to **The Company** within the next period of 12 months, in terms of or on termination of the relevant **Bilateral Connection Agreements**; or
- (ii) an event of default has occurred under any banking arrangements (as may be more particularly described in the relevant **Bilateral Connection Agreement**), (an event of default being for these purposes anything defined as such in such banking arrangements)

put in place by the **User** in connection with a project for which security under this **CUSC** is required by **The Company** and as a result the banks who are party to such banking arrangement have taken steps to declare the principal of the advances under such arrangement immediately due and payable; or

- (iii) any other indebtedness of the **User** for the repayment of borrowed money (in a principal outstanding amount of not less than £1,000,000 (pounds sterling one million) or such greater amount specified in any **Bilateral Connection Agreement**) has become due and payable prior to the stated date of maturity thereof by reason of any default or breach on the part of the **User** and the amount in question has not been paid by the **User** or refinanced by the **User** within a period of 28 days following the date upon which it was so declared due and payable.

And in any one of (i) or (ii) or (iii) the **User** fails:-

- (aa) within a period of 14 (fourteen) days following the date on which **The Company** gives notice of such circumstances to provide to **The Company** a cash deposit in a **Bank Account**, a **Performance Bond** or a **Letter of Credit** in favour of **The Company** and **Valid** at least up to the last day of the **Financial Year** in which the event occurs for such amount representing **The Company's** reasonable estimate of all unsecured sums to become due to **The Company** in the period up to the end of the **Financial Year** in which the event occurs such sum to be specified in the said notice; or
- (bb) to subsequently provide such cash deposit or renew such **Performance Bond** or **Letter of Credit** (or such

renewed **Performance Bond** or **Letter of Credit** provided under this paragraph) not less than 45 days prior to its stated expiry date for such amount representing **The Company's** reasonable estimate of the unsecured sums to become due to **The Company** in the next following **Financial Year** valid at least up to the last day of the next following **Financial Year** and to continue the provision of cash deposit, a **Performance Bond** or **Letter of Credit** in a similar manner, to such estimate of unsecured sums.

Provided that regarding any one of (i) or (ii) or (iii) if at any time after the putting in place of security under this Paragraph 5.4.6.3(a) the **User** shall provide to **The Company** evidence to **The Company's** reasonable satisfaction that there is not a substantial probability of the **User** being unable to make payment to **The Company** of any unsecured sums within the next following period of twelve (12) months, **The Company** shall not require the **User** to provide the aforesaid security and shall release any such security then in place. This waiver is without prejudice to **The Company's** right to require security at any time thereafter in the event of any of the circumstances set out in paragraph (i) and/or (ii) and/or (iii) in this Paragraph 5.4.6.3(a) subsequently occurring.

- (b) If the **User** fails to provide or procure that there is provided to **The Company** or at any time fails to maintain or procure that there is maintained in full force and effect the relevant security arrangement required under Part III of Section 2 or Paragraph 5.4.6.3(a) or to renew or revise such security or to substitute any security with the required replacement security or to maintain or procure that there is maintained in full force and effect any such renewed, revised or substituted security as so required or if the **User** is otherwise in breach of any of its obligations under Paragraph 2.22.
- (c) If the **User** or any shareholder (whether direct or indirect) of the **User** takes any action whether by way of proceedings or otherwise

designed or calculated to prevent restrict or interfere with the payment to **The Company** of any amount so secured or seeks or permits or assists others to do so, whether or not there shall be a dispute between the parties.

- (d) If any party who may at any time be providing or holding security in favour of **The Company** pursuant to Part III of Section 2 or Paragraph 5.4.6.3(a) fails to pay **The Company** any sum demanded in any **Notice of Drawing** pursuant thereto.

#### 5.4.7 Specific Event of Default Disconnection

Once **The Company** has given a valid notice of an event of default pursuant to Paragraph 5.4.6 provided that the **Event of Default** is continuing **The Company** may give notice of termination to that **User** whereupon the relevant **Bilateral Agreement** or right to use the system shall terminate and:

- (a) **The Company** shall in relation to such an **Event of Default** of a **User** in relation to a **Connection Site**:

- (i) **Disconnect** all the **User's Equipment** at the **Connection Site**; and

- (ii) ~~(ii)~~ the **User** concerned shall remove any of the **User's Equipment**;

- ~~(aa) on,~~ in the case of **Connection Sites** in England and Wales, **on** **The Company's** or, in the case of **Connection Sites** in Scotland, **on the Relevant Transmission Licensee's** land (as appropriate) within six (6) months of the date of termination or such longer period as may be agreed between **The Company** or the **Relevant Transmission Licensee** (as appropriate) and the relevant **User**; **or**

- (bb) in the case of **Connection Sites Offshore**, **on or adjacent to the Relevant Transmission Licensee's Offshore Platform** within a period agreed between the **User** and the **Relevant Transmission Licensee**; and

- (iii) in the case of **Connection Sites** in England and Wales, **The Company** shall remove and, in the case of **Connection Sites** in Scotland, **The Company** 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 **The Company** or the **Relevant Transmission Licensee** (as appropriate); and,

(iv) in the case of **Connection Sites Offshore**, **The Company** shall procure that the **Relevant Transmission Licensee** removes any of the **Transmission Connection Assets** on or adjacent to the **User's Offshore Platform** within a period agreed between the **User** and the **Relevant Transmission Licensee**.

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 **The Company** all amounts due and owing on the date of such termination and be liable to pay to **The Company Termination Amounts** applicable to the **Connection Site**, such payments to be made within 14 days of the date of **The Company's** invoice(s) in respect thereof;

- (b) (i) **The Company** shall request the owner of any **Distribution System** to which the **User** is connected to **Disconnect** all the **User's Equipment** or equipment for which the **User** is responsible (as defined in Section K of the **Balancing and Settlement Code**) at the site of connection;
- (ii) **The Company** shall in relation to such an event of default of a **User** acting as a **Supplier** request the owner of the **Distribution System** to which any of that **User's Customer's** are connected to **Disconnect** such **User's Customer's**;
- (iii) **The Company** shall in relation to such an **Event of Default** of a **User** acting as an **Interconnector User** or **Interconnector Error Administrator** request the relevant **Interconnector Owner** to cease or procure the cessation of the transfer of power across the **Interconnector** by or on behalf of that **Interconnector User**; and

the **User** shall be obliged to pay to **The Company** forthwith the **Use of System Charges** due under the **CUSC** or the relevant **Bilateral Agreement** up to the end of the **Financial Year** in which **Termination** occurs.

## 5.5 **BALANCING SERVICES USE OF SYSTEM CHARGES: EVENTS OF DEFAULT**

### 5.5.1 Breaches

Notwithstanding any other provisions of this Paragraph 5.5 and/or Paragraph 5.3 of the **CUSC**, in relation to the payment of the **Balancing Services Use of System Charges** the following shall constitute breaches under the **CUSC** and/or the relevant **Bilateral Agreement**:-

- (a) the **User** in question shall fail to provide or maintain or renew in accordance with Paragraph 3.21 or Paragraph 9.22.3 (as appropriate) the requisite amount of **Security Cover**; or
- (b) the **User** shall fail to pay any sum payable by the **User** in respect of **Balancing Services Use of System Charges** to **The Company** within 3 **Business Days** of its due date; or
- (c) an event of default under Paragraph 5.3.1(b) of the **CUSC** has occurred provided always that the final Paragraph of Paragraph 5.3.1(b) of the **CUSC** referring to the provision of guarantees shall not apply.

### 5.5.2 Events of Default

Forthwith upon the occurrence of any of the breaches specified in Paragraph 5.5.1 then notwithstanding any other provisions of the **CUSC** or of any **Bilateral Agreement** to which the **User** is a party, and in addition to any rights it may have under the terms of the **CUSC**, **The Company** may upon reaching a bona fide conclusion that the reason for the failure by the **User** under Paragraph 5.5.1 is other than an administrative or banking error (having taken into account representations if any of the **User** made within 24 hours after the request therefor is made to the **User** by **The Company**, which request **The Company** shall be obliged to make) by notice to the **User** declare such breach an event of default.



### 5.5.3 Deenergisation by User

If **The Company** declares an **Event of Default** under Paragraph 5.5.2 the **User** shall forthwith and in compliance with the instructions of **The Company** or (in the case of any connection to a **User System**) the owner of the **User System** to which the **User's Customers** are connected, **Deenergise** itself and/or its **Customers** or in the case of a **User** acting as an **Interconnector User** or **Interconnector Error Administrator** cease or procure the cessation of the transport of power by or on behalf of that **User** across the **Interconnector** as the case may be.

### 5.5.4 Deenergisation by The Company/User System Owner

If the **User** shall fail to take such action as is referred to in Paragraph 5.5.3 within 48 hours after the date of any such notice referred to therein **The Company** shall be entitled to:-

- (a) request the owner of the **User System** to which the **User's Customers** and/or the **User** are connected, to **Deenergise** the **User's Customers** and/or the **User** (as the case may be) and to use all reasonable endeavours to effect or (as the case may be) give instructions to give effect to such **De-energisation** as quickly as practicable having regard to all the circumstances affecting such **De-energisation** (including any operational difficulties and relevant **Licence** duties); and/or
- (b) **Deenergise** the **User's Equipment** or equipment for which the **User** is responsible (as defined in Section K of the **Balancing and Settlement Code**) at any **Connection Site(s)** which serves only the **User** or a customer of the **User**; and/or
- (c) where the **User** is an **Interconnector User** request the relevant **Interconnector Owner** to cease or procure the cessation of the transfer of power by or on behalf of the **User** across the **Interconnector**.

### 5.5.5 BSUoS Event of Default

5.5.5.1 **The Company** 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:-

- (a) **The Company** has given a valid notice of default pursuant to Paragraph 5.5.2; and
- (b) such event of default remains unremedied at the expiry of the later of:-
  - (i) the period of 6 months from the date of such notice; and
  - (ii) where the **User** disputes bona fide the event of default and has promptly brought and is actively pursuing proceedings against **The Company** to determine the dispute, the date on which the dispute is resolved or determined.

Upon termination pursuant to this Paragraph the **User** shall pay to **The Company** the **Termination Amounts** calculated in accordance with the **Charging Statements** and shall disconnect all the **User's Equipment** at the **Connection Site** and:

- aa) the **User** concerned shall remove any of the **User's Equipment**:

- (i) ~~on~~, in the case of **Connection Sites** in England and Wales, on **The Company's** or, in the case of **Connection Sites** in Scotland, on the **Relevant Transmission Licensee's** land (as appropriate) within 6 months of the date of termination or such longer period as may be agreed between **The Company** or the **Relevant Transmission Licensee** (as appropriate) and the **User**; or

- (ii) in the case of **Connection Sites Offshore**, on or adjacent to the **Relevant Transmission Licensee's Offshore Platform** within a period agreed between the **Relevant Transmission Licensee** and the **User**; and

- bb) in the case of **Connection Sites** in England and Wales, **The Company** shall remove and, in the case of **Connection Sites** in Scotland, **The Company** 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

**The Company** or the **Relevant Transmission Licensee** (as appropriate); and

cc) in the case of **Connection Sites Offshore**, **The Company** shall procure that the **Relevant Transmission Licensee** removes any of the **Transmission Connection Assets** on or adjacent to the **User's Offshore Platform** within a period agreed between the **User** and the **Relevant Transmission Licensee**; and

ee)dd) the provisions of Paragraph 5.4.7 shall apply *mutatis mutandis*.

5.5.5.2 The service of a notice under Paragraph 5.5.5.1 and/or the expiry of a notice given under Paragraph 5.6 shall not relieve the **User** of its obligation under Paragraph 3.9.3 or Paragraph 9.10 or any **Bilateral Agreement** to which the **User** is a party to pay any outstanding **Balancing Services Use of System Charges** in respect of any **Settlement Day** which fell prior to the issue or expiry of (as the case may be) such a notice but for which the **Payment Date** fell after the date of the termination of the relevant **Bilateral Agreement** (or use of system not subject to a **Bilateral Agreement**).

## 5.6 NOTICE TO DISCONNECT

Without prejudice to Paragraph 5.2.2, each **User** shall, as between **The Company** and that **User**, give to **The Company** not less than 6 months written notice of any intention of the **User** to **Disconnect** the **User's Equipment**.

## 5.7 DISCONNECTION

5.7.1 If notice to **Disconnect** is given by the **User** under Paragraph 5.6 hereof the **User** may upon expiry of the period specified in such notice and not before **Disconnect** the **User's Equipment**. At the expiry of such period the relevant **Bilateral Agreement** shall terminate and the following provisions shall apply.

5.7.2 The **User** shall be liable forthwith on the date the relevant **Bilateral Agreement** so terminates to pay to **The Company**:-

- (a) **Connection Charges** and/or **Use of System Charges** to the end of the **Financial Year** in which termination occurs all such charges becoming immediately due and payable upon the termination of the relevant **Bilateral Agreement**; and

- (b) **Termination Amounts** applicable to the **Connection Site**,

such payments to be made within 28 (twenty eight) days of the date of **The Company's** invoice in respect thereof.

- 5.7.3 Within 6 months of the date of such termination or such longer period as may be agreed between **The Company** 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:

- (a) the **User** shall remove any of the **User's Equipment** on, in the case of **Connection Sites** in England and Wales, **The Company's** or, in the case of **Connection Sites** in Scotland, **Relevant Transmission Licensee's** land (as appropriate); and
- (b) in the case of **Connection Sites** in England and Wales, **The Company** shall remove and, in the case of **Connection Sites** in Scotland, **The Company** shall procure that the **Relevant Transmission Licensee** removes, any of the **Transmission Connection Assets** on the land of the **User** concerned.

- 5.7.4 In the case of **Connection Sites Offshore** within a period agreed between the **Relevant Transmission Licensee** and the **User**:

- (a) the **User** shall remove any of the **User's Equipment** on or adjacent to the **Relevant Transmission Licensee's Offshore Platform**; and
- (b) **The Company** shall procure that the **Relevant Transmission Licensee** removes any of the **Transmission Connection Assets** on or adjacent to the **User's Offshore Platform** .

## 5.8 Not Used

## 5.9 NON-EMBEDDED CUSTOMERS

- 5.9.1 This Paragraph 5.9 provides for additional **Deenergisation** provisions which only apply in relation to **Users** acting in their category of connection and/or use as **Non-Embedded Customers**.

- 5.9.2 If the following condition ceases to be satisfied in respect of the **Supplier** supplying the **Connection Site** **The Company** may

give written notice of that fact to the **User** and unless within 5 days of receipt of such notice the **User** advises **The Company** that it has contracted with an alternative **Supplier**, **The Company** shall be entitled to **Deenergise the Non-Embedded Customer's User's Equipment**:-

“the **Supplier** being authorised by a current **Supply Licence** to supply electricity to the premises to be supplied with electricity through the **Connection Site**.”

5.9.3 If there ceases to be a subsisting right of **Use of System** by a **Supplier** at the **Connection Site** who is liable to **The Company** for **Use of System Charges** in respect of **Demand** attributable to the **Connection Site**, **The Company** shall be entitled to **Deenergise the User's Equipment**.

5.9.4 Where:

- (a) the **Supplier** is in breach of the **CUSC** relating to the supply to the **Connection Site** and accordingly **The Company** is permitted under the **CUSC** to **Deenergise the User's Equipment**; or
- (b) an **Event of Default** under Paragraph 5.6 has occurred in relation to the **Supplier** with whom the **User** has a **Supply Agreement** and the relevant event is still continuing or the relevant circumstances still exist,

**The Company** may **Deenergise the User's Equipment** upon the expiry of at least 48 hours prior written notice to the **User** provided that at the time of expiry of such notice the breach concerned remains unremedied or (as the case may be) the reason permitting **Deenergisation** continues or the relevant **Event of Default** is still continuing and neither **The Company** nor the **Supplier** has referred the matter to the **Dispute Resolution Procedure**. In such event, **The Company** may **Deenergise the User's Equipment** forthwith following completion of the **Dispute Resolution Procedure** and final determination of the dispute in **The Company's** favour.

5.9.5 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 **The Company** in breach of the **Transmission Licence** and/or places or seriously threatens to place in the immediate future any **Relevant Transmission Licensee** in breach of its transmission licence, **The Company** 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.

## **5.10 RELEVANT INTERRUPTIONS**

- 5.10.1 In the event of a **Relevant Interruption** where the **Affected User** has not otherwise received compensation under the **Balancing and Settlement Code** **The Company** shall be liable to pay the **Affected User** upon request the **Interruption Payment** for the **Interruption Period**.
- 5.10.2 The **Interruption Payment** shall be paid by **The Company** to the **Affected User** within 28 days of the date of agreement as to the amount of the **Interruption Payment**.
- 5.10.3 The **Affected User** will take all reasonable steps to minimise the effect (and therefore the amount of the **Interruption Payment** sought as a consequence) of the **Relevant Interruption** on the operation of its business.
- 5.10.4 **The Company** shall as soon as reasonably practicable after the end of the **Interruption Period** notify the **Affected User** where the **Relevant Interruption** was in accordance with **Emergency Deenergisation Instruction**.

**END OF SECTION 5**

## **CUSC - SECTION 6**

### **GENERAL PROVISIONS**

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Appendix 1 - Communications Plant

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## **CUSC - SECTION 6**

### **GENERAL PROVISIONS**

#### **6.36.1 INTRODUCTION**

This General Provisions Section contains those provisions which are generic, but which do not relate directly to the specific areas dealt with in other sections.

#### **6.36.1 The Company OBLIGATIONS**

**The Company** agrees with each **User** to (and in respect of licence obligations contained within Section D [or Section E](#) 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 and with the **Grid Code** subject to any **Derogations** from time to time.

#### **6.36.1 COMPLIANCE WITH GRID CODE/DISTRIBUTION CODE**

- 6.3.1 Subject to Paragraph 6.3.3 each **CUSC Party** agrees with each other **CUSC Party** to be bound by and to comply in all respects with the provisions of the **Grid Code** in so far as applicable to that **CUSC Party**.
- 6.3.2 Subject to Paragraph 6.3.3 each **CUSC Party** agrees with each other **CUSC Party** to be bound by and to comply in all respects with the provisions of the relevant **Distribution Code(s)** in so far as applicable to that **CUSC Party** except as may be otherwise provided in any agreement for connection to a **Distribution System**.
- 6.3.3 Neither **The Company** nor a **User** need comply with the **Grid Code** or any relevant **Distribution Code(s)** to the extent (if any) that:-
- (i) either the **Authority** has issued directions relieving **The Company** or that **User** from the obligation under its respective licence to comply with the **Licence Standards**, the **Grid Code** or any relevant **Distribution Code(s)** in respect of such parts of the **Grid Code** or any relevant **Distribution Code(s)** respectively as may be specified in those directions or to the extent that **The Company** and a **User** which does not have a **Licence** under the **Act** can and have so agreed in any **Bilateral Agreement** or in

relation to any **Connection Site** or **New Connection Site** and/or **Derogated Plant**; or

- (ii) in the case of a **User** the **Grid Code** relates to the provision by that **User** of any **Ancillary Services** unless there is an **Ancillary Services Agreement** in force between that **User** and **The Company** for the payment by **The Company** for such **Ancillary Services**.
- 6.3.4 Each **User** undertakes to **The Company** and **The Company** undertakes to each **User** to use all reasonable endeavours to carry out such works as are necessary to ensure that each item of **Derogated Plant** owned or operated by that **User** or **The Company** (as appropriate) is brought up to the **Required Standard** applicable to it no later than the **Back-Stop Date** applicable to it.
- 6.3.5 The terms and provisions of the **Fuel Security Code** shall prevail to the extent that they are inconsistent with the **Grid Code** or any **Distribution Code** and the **CUSC Parties'** obligations under the **CUSC** shall be construed accordingly.
- 6.3.6 Without prejudice to Paragraph 6.3.1, where a **User** who does not hold a **Licence**, so requests **The Company** in respect of an **Embedded Exemptable Large Power Station** that the **CUSC Party** owns or operates:
- (i) **The Company** shall apply to the **Authority** for a direction under paragraph 11 of Standard Condition C14 relieving **The Company** from the obligation to implement or comply with the **Grid Code** in respect of that **Embedded Exemptable Large Power Station**; and
  - (ii) that **User** shall provide such information and assistance as **The Company** may reasonably request to enable **The Company** to make such an application to the **Authority**.
- 6.3.7 An application by **The Company** pursuant to paragraph 6.3.6(i) shall inter alia include any grounds which **The Company**, in its reasonable opinion, may have why the **Authority** should not issue a direction under paragraph 11 of Standard Condition C14 in respect of that **Embedded Exemptable Large Power Station**.

#### 6.36.1 **JOINT SYSTEM INCIDENTS**

This paragraph applies to all **Users** other than:-

- (a) **Users** acting as **Suppliers**; and
- (b) **Users** who are **Trading Parties** and are responsible (as

defined in the **Balancing and Settlement Code**) for **Embedded Small Power Station(s)**;

Each such **User** confirms to **The Company** (and **The Company** confirms to each such **User**) that as between **The Company** and that **User** its Senior Management Representatives whose names are nominated and notified to the other pursuant to **OC9** of the **Grid Code** are fully authorised to make binding decisions on its behalf for the purposes of **OC9**.

#### 6.36.1 **OBLIGATIONS OF USERS WHO OWN OR OPERATE DISTRIBUTION SYSTEMS**

##### 6.5.1

- (a) Any **User** who owns or operates a **Distribution System** shall not **Energise** the connection between a **Relevant Embedded Medium Power Station** or a **Relevant Embedded Small Power Station** and its **Distribution System** nor permit the use of its **Distribution System** by the same until:
  - (i) **The Company** has confirmed to the **User** that those works set out in the relevant **Construction Agreement** have been completed,
  - (ii) the **User** has confirmed to **The Company** that the requirements of the **Grid Code** which relate to the **Power Station** and any additional **Site Specific Requirements**, as set out in the **User's Bilateral Agreement** have been complied with, and
  - (iii) the process in Paragraph 6.5.5 has been completed to **The Company's** reasonable satisfaction.

Any **User** who owns or operates a **Distribution System** shall not **Energise** the connection between an **Embedded Medium Power Station** (other than a **Relevant Embedded Medium Power Station**, where the provisions above shall apply) or an **Embedded Small Power Station** which is the subject of a **Bilateral Agreement** and its **Distribution System** nor permit the use of its **Distribution System** by the same until **The Company** has confirmed to the **User** who owns or operates the relevant **Distribution System** that the person owning or operating the plant has where required completed the **Use of System Application (Generators)** and has entered into a **Bilateral Agreement** in the appropriate form with **The Company**.

Any **User** who owns or operates a **Distribution System** shall not **Energise** the connection between a **Large Power Station** (other than an **Embedded Exemptable Large Power Station** where the provisions of Paragraph 6.5.1(b) and (c) apply) and its **Distribution System** nor permit the use of its **Distribution System** by the same until the person owning or operating the **Large Power Station** has entered into a **Bilateral Agreement** in the appropriate form with **The Company** and (if such person is not already a party to **CUSC**) has entered into an **Accession Agreement**.

- (b) Any **User** who owns or operates a **Distribution System** shall not **Energise** the connection between any **Embedded Exemptable Large Power Station** and its **Distribution System** nor permit the use of its **Distribution System** by the same until the person who owns or operates the relevant **Embedded Exemptable Large Power Station** has (if such person is not already a party to the **CUSC**) entered into an **Accession Agreement**, and until **The Company** has confirmed to the **User** that any **Transmission Reinforcement Works** associated with the **Embedded Exemptable Large Power Station** listed in the relevant **Construction Agreement** have been completed.
- (c) Without prejudice to Paragraph 6.5.1(b), any **User** who owns or operates a **Distribution System** shall use its best endeavours to procure that any person who owns or operates an **Embedded Exemptable Large Power Station** and with whom the **User** has an agreement for connection to or use of the **User's Distribution System** shall (if such person is not already a party to the **CUSC**) enter into an **Accession Agreement**.
- (d) Sub-paragraphs (b) and (c) do not apply to any **User** who owns or operates a **Distribution System** in relation to an **Embedded Exemptable Large Power Station** which is **Embedded** in a part of the **User's Distribution System** that is not directly or indirectly connected to the **GB Transmission System** in respect of that **Embedded Exemptable Large Power Station**.

6.5.2 Any **User** who owns or operates a **Distribution System** shall not **Energise** the connection between any **Customer** of another **Authorised Electricity Operator** connected to such **Distribution System** if the **Authorised Electricity Operator** is

responsible for **Demand (Active Power)** being supplied to such **Customer** pursuant to the **Balancing and Settlement Code** unless such **Authorised Electricity Operator** has first submitted a **Use of System Application**, has received a **Use of System Offer Notice** which has been accepted by the **User**, and (if the **Authorised Electricity Operator** is not already a party to the **CUSC Framework Agreement**) has become a party to the **CUSC Framework Agreement**.

- 6.5.3 **The Company** shall notify the relevant owner or operator of the **Distribution System** in writing as soon as the conditions set out in Paragraph 6.5.1 and Paragraph 6.5.2 have been satisfied in any particular case together with, if appropriate, a copy of any list provided under Paragraph 3.5. **The Company** undertakes to each **CUSC Party** that, for so long as it is the case, **The Company** shall from time to time forthwith upon receipt of any written request from that **CUSC Party** to do so, confirm in writing to any person specified in such request that that **CUSC Party** is a party to the **CUSC Framework Agreement** and any **Bilateral Agreement** specified in such request.
- 6.5.4 Each owner or operator of a **Distribution System** shall **De-energise** the connection equipment of any such **User** the subject of Paragraph 6.5.1 or **Customer** the subject of Paragraph 6.5.2 as soon as reasonably practicable following the instruction of **The Company** in accordance with the terms of the **CUSC**. **The Company** shall reimburse such owner or operator any expense incurred in relation to such act of **De-energisation**, if any, and shall indemnify such owner or operator against any liability, loss or damage suffered by it as a result of such **De-energisation**. Details of any circumstances likely to lead to such a **De-energisation** shall be notified promptly by **The Company** to the said owner or operator. The owner or operator of a **Distribution System** shall promptly notify **The Company** when the connection equipment of any **User** or **Customer** the subject of Paragraph 6.5.1 or 6.5.2 is **De-energised** or **Disconnected** from its **Distribution System** or ceases to use its **Distribution System** as the case may be following the instruction of **The Company** in accordance with the terms of the **CUSC**.

## CUSC 6.5.5 Statement of Works

- 6.5.5.1 Any **User** who owns or operates a **Distribution System** shall as soon as reasonably practicable upon receipt of a request for a connection to and / or for the use of that **User's Distribution System** from a **Relevant Embedded Medium Power Station** or a **Relevant Embedded Small Power Station** submit to **The Company** a **Request for a Statement of Works**. Such a submission by a **User** who owns or operates a **Distribution System** of a **Request for a Statement of Works** will be substantially in the form of Exhibit U.
- 6.5.5.2 The **Request for a Statement of Works** must include the Technical Information in respect of such **Power Station** and its proposed date of connection to and / or for the use of the **Distribution System**.
- 6.5.5.3 **The Company** will within 28 days of the submission of a **Request for a Statement of Works** respond in writing to the **User** who owns or operates a **Distribution System** with a **Statement of Works** substantially in the form of **Exhibit V**. The **User** who owns or operates a **Distribution System** shall forward such **Statement of Works** to the **Power Station** as soon as reasonably practicable.
- 6.5.5.4 The **User** who owns or operates a **Distribution System** shall have 90 **Business Days** from such notification under Paragraph 6.5.5.3 to return to **The Company** a completed and signed **Confirmation of Project Progression**, in the form attached to the **Statement of Works** together with the appropriate fee. The **User** who owns or operates a **Distribution System** shall forward a copy of such **Confirmation of Project Progression** to the **Power Station** as soon as reasonably practicable.
- 6.5.5.5 The **Confirmation of Project Progression** together with the information included in the **Request for a Statement of Works**, and any further details as may be required by **The Company** shall be deemed to be a **Modification Application** for the purposes of the **Charging Statements** and Paragraphs 1.3.2, 6.9.2, 6.9.4 and 6.10 of the **CUSC** which shall apply thereto.
- 6.5.5.6 Where **The Company** believes the **Power Station** has no significant impact on the **GB Transmission System** (for avoidance of doubt, such significant impact involves either party in an expenditure of more than £10,000) or the **Statement of Works** indicates that no works are required nor any **Site Specific Requirements** are necessary, the **Statement of Works** completes the process required for in respect of the **Request for a Statement of Works** for the purposes of Paragraph 6.5.1(a)(i) and the **User** who owns or operates a **Distribution System** may **Energise** the connection of the **Power Station** or permit the use of its **Distribution System** by the **Power Station**.



- 6.5.5.7 Where **The Company** believes the **Power Station** has a significant impact on the **GB Transmission System** (for avoidance of doubt, such significant impact involves either party in an expenditure of more than £10,000) and the **Statement of Works** indicates that works are required and/or **Site Specific Requirements** are necessary, should the **User** who owns or operates a **Distribution System** fail to return to **The Company** a signed and completed **Confirmation of Project Progression** (together with the appropriate fee) within 90 **Business Days** from such notification under Paragraph 6.5.5.3, the **Request for a Statement of Works** shall be deemed withdrawn and the **User** who owns or operates a **Distribution System** shall not energise the connection of nor permit the use of its **Distribution System** by the **Power Station** that was the subject of the **Request for a Statement of Works** in the manner described in the **Request for a Statement of Works**.
- 6.5.5.8 The **User** who owns or operates a **Distribution System** shall notify **The Company** in writing if the proposed date of connection or any other of the details included in or provided pursuant to the **Request for a Statement of Works** for such **Power Station** for which a **Request for a Statement of Works** has been submitted, changes and the **User** who owns or operates a **Distribution System** shall (except where **The Company** agrees in writing that a revised **Statement of Works** is not reasonably required) submit a revised **Request for a Statement of Works**
- 6.5.5.9 If **The Company** has notified the **User** that no works are required on the **GB Transmission System** pursuant to Paragraph 6.5.5.3, **The Company** may notify the **User** in writing within 28 days of the submission of a **Request for a Statement of Works** that **Site Specific Requirements** are necessary at the site of connection of the **Power Station**. Any **Site Specific Requirements** notified to the **User** shall be incorporated through an agreement to vary the **Bilateral Agreement** between **The Company** and the **User** for the appropriate **Grid Supply Point** of such **User**.
- 6.5.5.10 If **Site Specific Requirements** are necessary and a **Modification Application** has been submitted pursuant to Paragraph 6.5.5.4, then any such **Site Specific Requirements** shall be included in the **Modification Offer**.
- 6.5.5.11 The **User** shall notify **The Company** in writing if the proposed date of connection for such **Power Station** for which a **Request for a Statement of Works** has been submitted changes and shall submit a revised **Request for a Statement of Works**.

#### 6.36.1 PAYMENT

- 6.6.1 **The Company** will invoice **Users** for **Connection Charges** and/or **Use of System Charges** due under the **CUSC** and/or each **Bilateral Agreement** and/or as notified to the **User** where there is no **Bilateral Agreement**, in accordance with the **CUSC** and/or the **Charging Statements** in the following manner:
- (a) in the case of recurrent monthly charges identified in the relevant **Charging Statements** **The Company** shall despatch an invoice on or before the 15<sup>th</sup> day of the month for the charges due in relation to that month;
  - (b) in the case of the **STTEC Charge** **The Company** shall invoice the **User** on or before the 15<sup>th</sup> day of the month for the full **STTEC Charge**;
  - (c) In the case of the **LDTEC Charge** **NGC** shall invoice the **User** on or before the 15<sup>th</sup> day of the month for the full **LDTEC Charge**;
  - (d) unless otherwise specified in the **CUSC** where charges are payable other than monthly **The Company** shall despatch an invoice not less than 30 days prior to the due date for payment.
- 6.6.2 **Users** shall pay **Connection Charges** and/or **Use of System Charges** and the **STTEC Charge** and the **LDTEC Charge** and due to **The Company** under the **CUSC** and/or each **Bilateral Agreement** and/or as otherwise notified to the **User** where there is no **Bilateral Agreement**, in accordance with the **CUSC** and/or the **Charging Statements** in the following manner:
- (a) in the case of recurrent monthly charges and the **STTEC Charge** and the **LDTEC Charge** on the 15<sup>th</sup> day of the month in which **The Company's** invoice therefor was despatched (if despatched on the first day of that month) or, in all other cases, on the 15<sup>th</sup> day of the month following the month in which **The Company's** invoice therefor was despatched unless, in any such case, the said date is not a **Business Day** in which case payment shall be made on the next **Business Day**;
  - (b) unless otherwise specified in the **CUSC** where charges are payable other than monthly within 30 days of the date of **The Company's** invoice therefor.
- 6.6.3 All payments under this Paragraph 6.6 shall be made by the variable direct debit method or such other form of bankers automated payment as shall be approved by **The Company** to



the account number, bank and branch as **The Company** or a **User** may from time to time notify in writing to the other.

- 6.6.4 All sums payable by one **CUSC Party** to the other pursuant to this **CUSC**, the **Bilateral Agreements** and/or the **Mandatory Services Agreements**, whether of charges, interest or otherwise shall (except to the extent otherwise required by law) be paid in full, free and clear of and without deduction set off or deferment in respect of sums the subject of any disputes or claims whatsoever save for sums the subject of a final award or judgement (after exhaustion of all appeals if this opportunity is taken) or which by agreement between **The Company** and those **CUSC Parties** may be so deducted or set-off.
- 6.6.5 Where a **User** wishes to pay its **Use of System Charges** payments in advance of the due date for such payment then **The Company** will discuss and agree arrangements for this with the **User**.
- 6.6.6 Subject to Section 4, if any **CUSC Party** fails to pay on the due date any amount properly due under the **CUSC** or any **Bilateral Agreement** such **CUSC Party** shall pay to the **CUSC Party** to whom such amount is due interest on such overdue amount from and including the date of such failure to (but excluding) the date of actual payment (as well after as before judgement) at the **Prescribed Rate**. Interest shall accrue from day to day.
- 6.6.7 All amounts specified hereunder or under any **Bilateral Agreement** shall be exclusive of any **Value Added Tax** or other similar tax.

#### 6.36.1 **METERING**

- 6.7.1 Each **User** consents to **The Company** having access to and copies of all meter readings taken from **Energy Metering Equipment** pursuant to the **Balancing and Settlement Code** in any **Financial Year** for the purposes of calculating **Connection Charges** and **Use of System Charges** due from **Users** or for the purpose of operating the **GB Transmission System**. Such access and copies shall be obtained from the relevant **BSC Agent** appointed under the **Balancing and Settlement Code** from time to time provided always that if the relevant **BSC Agent** fails to provide such access and copies at **The Company's** request the **User** shall supply any such meter readings in the possession of the **User** direct to **The Company**.
- 6.7.2 The relationship between the **CUSC Parties** with respect to **Energy Metering Equipment** shall be regulated by Section L of the **Balancing and Settlement Code**.

- 6.7.3 In respect of **Operational Metering Equipment** owned by one **CUSC Party** and in respect of which access and rights to deal with such **Operational Metering Equipment** are not set down in any other document the **CUSC Parties** shall grant each other such access and other rights as are reasonably necessary to enable them to perform their obligations under the **CUSC** and the **Grid Code** upon presentation of a suitable indemnity and the **CUSC Parties** shall take such action as may be necessary to regularise the position forthwith thereafter.
- 6.7.4 The voltage at which the tariff metering is connected and its location shall be referred by **The Company** to the **BSC Panel**. **The Company** shall inform the relevant **User** of the voltage requirements specified by the **BSC Panel** as soon as possible thereafter.
- 6.7.5 Meter Operator Agent

Where a **Connection Site** is a **Grid Supply Point**, and the **User** is or will be **Registrant** in relation to the **Energy Metering Equipment** required by the **Balancing and Settlement Code** at the **Grid Supply Point** and/or at the bulk supply point(s) which are related to that **Grid Supply Point**, **The Company** shall install and be the **Meter Operator Agent** of all such **Energy Metering Equipment** from the date of the relevant **Construction Agreement** until the **FMS Date** and thereafter:-

- (a) **The Company** may resign as **Meter Operator Agent** of such **Energy Metering Equipment** on giving no less than 12 months' notice in writing; and
- (b) the **User** may remove **The Company** as **Meter Operator Agent** upon giving no less than 12 months' notice in writing,

Provided that where the **User** agrees to become owner of any such **Energy Metering Equipment** **The Company** may resign as **Meter Operator Agent** upon such transfer of ownership and shall agree such terms as shall be reasonably necessary to enable the **User** to perform its obligations as **Meter Operator Agent** of such **Energy Metering Equipment**.

6.7.6 Charges

**The Company** shall recover its charges for acting as **Meter Operator Agent** of any **Energy Metering System**, which is a **Transmission Connection Asset** charged for under the **CUSC**, as part of such charges. Where **The Company** acts as **Meter Operator Agent** of any other **Energy Metering System** owned by **The Company** for which the **User** is **Registrant** **The Company** shall charge and the **User** shall pay such amount which is reasonable in all the circumstances.

#### 6.7.7 Interference

The **User** shall ensure that its employees, agents and invitees will not interfere with any **Energy Metering Equipment** in respect of which **The Company** is **Meter Operator Agent** or the connections to such **Energy Metering Equipment**, without the prior written consent of **The Company** (except to the extent that emergency action has to be taken to protect the health and safety of persons or to prevent serious damage to property proximate to the **Energy Metering Equipment** or to the extent that such action is authorised under the **CUSC** or any other agreement between **The Company** and the **User**.)

#### 6.7.8 Pulse Data

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**. In relation to **Connection Sites** in England and Wales, **The Company** 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. In relation to **Connection Sites** in Scotland [or Offshore](#), **The Company** 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.

- 6.7.9 Where a **User** is acting as a **Supplier** to a **Non-Embedded Customer** the **User** shall register the **Energy Metering System** at the **Connection Site** in accordance with the **Balancing and Settlement Code** and shall otherwise act as **Registrant**.

### 6.8 **BALANCING MECHANISM REQUIREMENTS**

- 6.8.1 If the **User** is a **BSC Trading Party**, then the following provision[s] must be met:

#### 6.8.2 Trading Point Electronic Data Transfer (CC.6.5.8)

If required under **Grid Code** CC.6.5.8, the **User** must provide electronic data communication facilities approved by **The Company** to permit the submission of data required by the **Grid Code**, from the **User's Trading Point** (as defined in the **Grid Code**) to **The Company**. The **User** can elect to send data to two locations depending upon the level of diversity required by

the **User**. **The Company** will provide the necessary “router” connection equipment at both Wokingham and Warwick House.

6.8.3 If the **User** chooses to participate in the **Balancing Mechanism** then the following provisions must be met:

(a) Control Telephony (CC.6.5.2 to CC.6.5.5)

The requirements of Control Telephony are specified in Appendix 1 of this Section 6. This encompasses Additional Communication Requirements (CC.6.5.7 and CC.6.5.9).

(b) Operational Metering (CC.6.5.6)

(i) The Operational Metering requirements are contained in Appendix 2 to this Section 6. The Operational Metering Summator (OMS) is detailed in NGTS 3.9.11.

(ii) **The Company** shall supply and install the OMS Front End (FE) unit in a position close to the high accuracy meters, to be agreed with the **User**, preferably within the high accuracy metering cubicle. The OMS FE links to the OMS Processing End (PE) unit via a serial data link and this may need to be connected via **User** supplied cabling depending on the agreed positions of the two units.

(iii) Where **User’s Equipment** or equipment for which the **User** is responsible (as defined in the **Balancing and Settlement Code**) is located immediately adjacent to the Grid Entry Point ( **Transmission** Substation), Telecoms Room accommodation shall be provided by the **User** for the **Transmission** Marshalling Cubicles, Telemetry, System Monitoring, Signalling and Telephone equipment required to collect and return the information required, and to provide voice communication. This will require space for between three and five 600mm square cubicles to contain equipment, supplies (e.g. 48-volt dc) and marshalling. The equipment will be provided and installed by **The Company**. The **User** will be responsible for providing the site connections and cabling to the plant/peripherals. The **User** should ensure that signals are wired out to the appropriate cubicle.

- (iv) Where **User's Equipment** or **Equipment** for which the User is responsible (as defined in the **Balancing and Settlement Code**) is located immediately adjacent to the Grid Entry Point (**Transmission** Substation), and the two sites have their earthing bonded together, the data required by **The Company** (from the OMS-FE and other plant) will be cabled directly between the two sites and **The Company** equipment located in the **User** bay in the **Transmission** substation.
  - (v) The requirements as specified in Appendix 2 to this Section 6 must be met for all generating plant, including any plant specifically installed for Black Start, that is the subject of bids or offers to the **Balancing Mechanism**.
  - (vi) The requirements as specified in Appendix 2 to this Section 6, to the extent that they are applicable, must be met where reasonably required by **The Company** for demand supplied by the **User** that is the subject of bids or offers to the **Balancing Mechanism**. **The Company** will not require the requirements of Appendix 2 to this Section 6 to be met where it is impracticable or unreasonable to do so, for example where the demand is a disparate collection of small demands aggregated to form a **BM Unit**.
- (c) Control Point Electronic Dispatch & Logging (CC.6.5.8)
- Electronic data communication facilities approved by **The Company** to permit the submission of Bid Offer Acceptance data from **The Company** to the **User's** Control Point (as defined in the **Grid Code**) and to permit the submission data required by the **Grid Code**, from the **User's** Control Point to **The Company**. **The Company** will provide the necessary communication links and "router" connection equipment at the **User's** Control Point. The requirements for Control Point Electronic Dispatch & Logging are specified in Appendix 1 to this Section 6 (Communications Plant).

## 6.9 MODIFICATIONS

6.9.1 No **Modification** may be made by or on behalf of a **User** or **The Company** otherwise than in accordance with the provisions of this Paragraph 6.9.

### 6.9.2 Modifications Proposed by Users

6.9.2.1 If a **User** wishes to make a **Modification** it shall complete and submit to **The Company** a **Modification Application** and comply with the terms thereof.

6.9.2.2 **The Company** shall make the **Modification Offer** to that **User** as soon as practicable and (save where the **Authority** consents to a longer period) in any event not more than 3 months after receipt by **The Company** of the **Modification Application**. The **Modification Offer** shall include details of any variations **The Company** proposes to make to the **Bilateral Agreement** which applies to the **Connection Site** in question. During such period **The Company** and the **User** concerned shall discuss in good faith the implication of the proposed **Modifications**.

6.9.2.3 The **Modifications Offer** shall remain open for acceptance for 3 months from the date of its receipt by that **User** unless either that **User** or **The Company** makes an application to the **Authority** under Standard Condition C9 of the **Transmission Licence**, in which event the **Modification Offer** shall remain open for acceptance by that **User** until the date 14 days after any determination by the **Authority** pursuant to such application.

6.9.2.4 If the **Modification Offer** is accepted by that **User** the **Bilateral Agreement** relating to the **Connection Site** in question shall be varied to reflect the terms of the **Modification Offer** and the **Modification** shall proceed according to the terms of the **Bilateral Agreement** as so varied.

### 6.9.3 **Modifications Proposed by The Company**

6.9.3.1 If **The Company** wishes to make a **Modification** to the **GB Transmission System**, **The Company** shall complete and submit to each **User** a **Modification Notification** and shall advise each **User** of any

works which **The Company** reasonably believes that **User** may have to carry out as a result.

6.9.3.2 Any **User** which considers that it shall be required to make a **Modification** as a result of the **Modification** proposed by **The Company** (a “**Modification Affected User**”) may as soon as practicable after receipt of the **Modification Notification** and (save where the **Authority** consents to a longer period) within the period stated therein (which shall be sufficient to enable the **User** to assess the implications of the proposed **Modification** and in any event shall not be less than 3 months) may make an application to the **Authority** under Standard Condition C9 of the **Transmission Licence**.

6.9.3.3 As soon as practicable after the receipt of the **Modification Notification** or, if an application to the **Authority** has been made, the determination by the **Authority**, and in any event within two months thereof, each **Modification Affected User** shall complete and submit a **Modification Application** to **The Company** and comply with the terms thereof. No fee shall be payable by any **User** to **The Company** in respect of any such **Modification Application**.

6.9.3.4 Once a **Modification Application** has been made by a **User** pursuant to Paragraph 6.9.3.2 the provisions of Paragraph 6.9.2.2, 6.9.2.3 and 6.9.2.4 shall thereafter apply.

6.9.4 To the extent that the provisions of any **Nuclear Site Licence Provisions Agreement** relate to **Modifications** (either by a **User** or by **The Company**) as (and only as) between **User** and **The Company**, they shall prevail over the provisions of this Paragraph 6.9 to the extent that they are inconsistent.

## **6.10 GENERAL PROVISIONS CONCERNING MODIFICATIONS AND NEW CONNECTION SITES**

6.10.1 Subject to the payment of its **Reasonable Charges**, if any, as provided for in this Paragraph 6.10 **The Company** undertakes to each **User** to provide all advice and assistance reasonably requested by that **User** to enable that **User** adequately to assess the implications (including the feasibility) of making a **Modification** to the **User's Equipment** or the **User's System** (whether such **Modification** is to be made at the request of **The Company** or of the **User**) or of constructing a **New Connection Site** (including adequately assessing the feasibility of making



any **Connection Application** or considering the terms of any **Connection Offer**). If the proposed **Modification** by the **User** is or may be required as a result of a **Modification** proposed by **The Company** then **The Company** shall provide such advice and assistance free of charge. If the proposed **Modification** is or may be proposed by the **User** or if the advice and assistance is in respect of a **New Connection Site** **The Company** may charge the **User Reasonable Charges** for such advice and assistance. The provision of such advice and assistance shall be subject to any confidentiality obligations binding on **The Company** and that **User**.

6.10.2 When giving such advice and assistance **The Company** shall comply with **Good Industry Practice**.

6.10.3 **The Company** shall have no obligation to compensate any **User** (the "**First User**") for the cost or expense of any **Modification** required to be made by any **User** as a result of any **The Company Modification** under Paragraph 6.9.3.1. Where such **The Company Modification** is made as a result of the construction of a **New Connection Site** or a **Modification** for another **User** (the "**Other User**"), the **Other User** shall compensate the **First User** for the reasonable and proper cost and expense of any **Modifications** required to be made by the **First User** as a result of that **The Company Modification**. Such compensation shall be paid to the **First User** by the **Other User** within thirty days of production to the **Other User** of a receipted invoice (together with a detailed breakdown of such reasonable costs and expenses) for the expenditure which has been incurred by the **First User**.

***Modification Offer and Connection Offer conditional upon other Modification and Connection Offers***

6.10.4 If at the time of making any **Offer** or **Modification Offer** or **Connection Offer** to a **User** (the "**Second Offer**") there is an outstanding **Modification Offer(s)** or **Connection Offer(s)** to another **User(s)** (the "**First Offer**") which if accepted would affect the terms of the **Second Offer** **The Company** shall at the time of making the **Second Offer**:

6.10.4.1 inform the recipient(s) of both the **First Offer(s)** and **Second Offer(s)** in writing that there is another **Offer** outstanding which might affect them; and

6.10.4.2 be entitled to make the **First Offer(s)** and **Second Offer(s)** conditional upon other outstanding **Offers** not having been or being accepted; and



- 6.10.4.3 be entitled to vary the terms of either **Offer** if the other **Offer** is accepted first on the same procedures as those set out in Paragraphs 6.9.2.2 to 6.9.2.4 or 2.14.2 to 2.14.4 inclusive as the case may be.

## 6.11 NUCLEAR INSTALLATIONS

- 6.11.1 Save as provided in Paragraph 6.11.2 below notwithstanding anything to the contrary contained in the **CUSC** (but subject to the following proviso), in circumstances affecting a generator of nuclear electricity (a "**Nuclear Generator**") in which:

- (a) a breach of any of the matters specified in Paragraph 6.11.4 below may be reasonably anticipated; and
- (b) there is no defence (other than that provided for under this Paragraph) available to the **Nuclear Generator** in respect of the breach referred to in Paragraph (a);

the **Nuclear Generator** shall be entitled to take any action or refrain from taking any action which is reasonably necessary in order to avert the breach referred to in Paragraph 6.11.1(a) and each and every provision of the **CUSC** shall be read and construed subject to this Paragraph 6.11.1,

Provided that the **Nuclear Generator** shall:-

- (i) make reasonable efforts to verify the factors that it takes into account in its assessment of the circumstances and anticipated breach referred to above; and
- (ii) use its best endeavours to comply with the relevant provision in a manner which will not cause the **Nuclear Generator** to breach any of the matters specified in Paragraph 6.11.4 below.

- 6.11.2 Paragraphs 6.11.1 and 6.11.3 shall not apply in relation to the provisions of the **Balancing Codes** which will apply with full force and effect notwithstanding the occurrence of the circumstances referred to in 6.11.1(a) (including those provisions specified in Paragraph 6.11.4 which relate to Safety of Personnel and **Plant**).

- 6.11.3 Save as provided in Paragraph 6.11.2 above notwithstanding anything in the **CUSC**, the **Nuclear Generator** shall be entitled upon giving reasonable notice to all affected **CUSC Parties** to require any **CUSC Party** to take any reasonable and proper action whatsoever to the extent necessary in order to comply with (or avert an anticipated breach of) any of the matters specified in Paragraph 6.11.4 below.

- 6.11.4 The matters referred to in Paragraphs 6.11.1 and 6.11.3 above are any covenant, agreement, restriction, stipulation, instruction, provision, condition or notice contained, or referred to, in a licence for the time being in force, granted in accordance with the Nuclear Installations Act 1965 (or legislation amending, replacing or modifying the same) or any consent, or approval issued, or to take effect from time to time under such licence, any emergency arrangements, operating rules or other matters from time to time under such licence, any emergency arrangements, operating rules or other matters from time to time approved by the relevant authority under, or pursuant to, any such agreements, restrictions, stipulations, instructions, provisions, conditions or notices.
- 6.11.5 The **Nuclear Generator** shall indemnify and keep indemnified any **CUSC Party** for any loss, damage, costs and expenses incurred by that **CUSC Party** as a consequence of any action of that **CUSC Party** pursuant to Paragraph 6.11.3 (to the extent that the action was not required by any licence or agreement binding on that **CUSC Party**).
- 6.11.6 Notwithstanding the fact that any action or inaction allowed by Paragraph 6.11.1 above does not constitute a breach of the **CUSC** or an **Event of Default** under Paragraph 5.3, the **Nuclear Generator** shall be liable to the other **CUSC Parties** to the **CUSC** for any loss, claims, costs, liabilities and expenses arising from such action or inaction to the extent only that such loss, claims, costs, liabilities and expenses (had it arisen as a result of a breach of the **CUSC**) would not have been limited or excluded under the provisions of Paragraph 6.12.

## 6.12 LIMITATION OF LIABILITY

- 6.12.1 Subject to Paragraphs 4.3, 5.10.1, 6.12.6, 6.5.4 and 6.11.5 and any liquidated damages provisions of any **Construction Agreement** or **Bilateral Agreement** or **Mandatory Services Agreement** and the payment adjustment provisions of the relevant **Mandatory Services Agreement** and save where any provision of the **CUSC**, any **Bilateral Agreement** or any **Mandatory Services Agreement** provides for an indemnity each **CUSC Party** agrees and acknowledges that no **CUSC Party** (the "**Party Liable**") nor any of its officers, employees or agents shall be liable to any of the other **CUSC Parties** for loss arising from any breach of the **CUSC** and any such agreements other than for loss directly resulting from such breach and which at the date hereof was reasonably foreseeable as not unlikely to occur in the ordinary course of events from such breach in respect of:-

6.12.1.1 physical damage to the property of any of the other **CUSC Parties**, or its or their respective officers, employees or agents; and/or

6.12.1.2 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, 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.

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

6.12.2 Nothing in the **CUSC** shall exclude or limit the liability of the **Party Liable** in respect of fraudulent misrepresentation or 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 fraudulent misrepresentation, death or personal injury resulting from the negligence of the **Party Liable** or any of its officers, employees or agents.

6.12.3 In consideration of the rights conferred upon each **CUSC Party** (other than **The Company**) under the **CUSC**, the right of such **CUSC Party** (other than **The Company**) 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 **The Company**) 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**.

6.12.4 Subject to Paragraphs 4.3, 5.10.1, 6.12.6, 6.5.4 and 6.11.5 and any liquidated damages provision of any **Construction Agreement** or **Bilateral Agreement** or **Mandatory Services Agreement** and save where any provision of the **CUSC**, any **Bilateral Agreement** or any **Mandatory Services Agreement** provides for an indemnity, neither the **Party Liable** nor any of its officers, employees or agents shall in any circumstances whatsoever be liable to any of the other **CUSC Parties** for:-

- 6.12.4.1 any loss of profit, loss of revenue, loss of use, loss of contract or loss of goodwill; or
  - 6.12.4.2 any indirect or consequential loss; or
  - 6.12.4.3 loss resulting from the liability of any other **CUSC Party** to any other person howsoever and whensoever arising save as provided in Sub Paragraphs 6.12.1.1 and 6.12.1.2.
- 6.12.5 The rights and remedies provided by the **CUSC** to the **CUSC Parties** are exclusive and not cumulative and exclude and are in place of all substantive (but not procedural) rights or remedies express or implied and provided by common law or statute in respect of the subject matter of the **CUSC**, including without limitation any rights any **CUSC Party** may possess in tort which shall include actions brought in negligence and/or nuisance. Accordingly, each of the **CUSC Parties** hereby waives to the fullest extent possible all such rights and remedies provided by common law or statute, and releases a **CUSC Party** which is liable to another (or others), 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 the **CUSC** and undertakes not to enforce any of the same except as expressly provided herein.
- 6.12.6 Save as otherwise expressly provided in the **CUSC**, this Paragraph 6.12 insofar as it excludes or limits liability shall override any other provision in the **CUSC** provided that nothing in this Paragraph 6.12 shall exclude or restrict or otherwise prejudice or affect any of:-
- 6.12.6.1 the rights, powers, duties and obligations of any **CUSC Party** which are conferred or created by the **Act**, the **Licence** or the **Regulations**; or
  - 6.12.6.2 the rights, powers, duties and obligations of the **Authority** or the **Secretary of State** under the **Act**, any **Licence** or otherwise howsoever.
- 6.12.7 Each of the Paragraphs of this Paragraph 6.12 shall:-
- 6.12.7.1 be construed as a separate and severable contract term, and if one or more of such Paragraphs is held to be invalid, unlawful or otherwise unenforceable the other or others of such Paragraphs shall remain in full force and effect and shall continue to bind the **CUSC Parties**; and

6.12.7.2 survive termination of the **CUSC** and/or the **CUSC Framework Agreement**.

6.12.8 Each **CUSC Party** acknowledges and agrees that each of the other **CUSC Parties** holds the benefit of Paragraphs 6.12.1 and 6.12.2 and 6.12.3 above for itself and as trustee and agent for its officers, employees and agents.

6.12.9 Each **CUSC Party** acknowledges and agrees that the provisions of this Paragraph 6.12 have been the subject of discussion and negotiation and are fair and reasonable having regard to the circumstances as at the date hereof.

6.12.10 For the avoidance of doubt, nothing in this Paragraph 6.12 shall prevent or restrict any **CUSC Party** enforcing any obligation (including suing for a debt) owed to it under or pursuant to the **CUSC**.

### 6.13 ADDITIONAL CUSC PARTIES

6.13.1 The **CUSC Parties** shall admit as an additional party to the **CUSC Framework Agreement** any person who accepts a **Connection Offer** or **Use of System Offer** from **The Company** (the '**New CUSC Party**') and who is not at the time a **CUSC Party**. Such admission shall take effect by way of an **Accession Agreement** prepared by **The Company** at the expense and cost of the **New CUSC Party** and to be executed by **The Company** for itself and on behalf of all other **CUSC Parties**. Upon execution of the **Accession Agreement** by **The Company**, subject to and in accordance with the terms and conditions of that **Accession Agreement**, the **New Party** shall become a **CUSC Party** for all purposes of the **CUSC Framework Agreement**.

6.13.2 Each **CUSC Party** hereby authorises and instructs **The Company** to sign any such **Accession Agreement** on its behalf and undertakes not to withdraw, qualify or remove any such authority or instruction at any time.

6.13.3 **The Company** shall promptly notify all **Users** that the **New CUSC Party** has become a **CUSC Party**. Such notification shall be by both publication on **The Company Website** and written notice (which may be sent electronically) of the name, registered address and capacities in which the new **CUSC Party** will, or intends to, be connected to or use the **GB Transmission System**.

### 6.14 TRANSFER AND SUBCONTRACTING

6.14.1 The rights, powers, duties and obligations of a **User** under the **CUSC** or the **CUSC Framework Agreement** and/or any

**Bilateral Agreement** (and associated **Construction Agreement**) or **Mandatory Services Agreement** are personal to that **User** and that **User** may not assign or transfer the benefit or burden of those documents save in the following circumstances:

- 6.14.1.1 upon the disposal by that **User** of the whole of its business or undertaking it shall have the right to transfer its rights and obligations under the **CUSC**, all **Bilateral Agreements** (and associated **Construction Agreements**) and all **Mandatory Services Agreements** to the purchaser thereof on condition that the purchaser if not already a **User** enters into an **Accession Agreement** with **The Company** pursuant to Paragraph 6.13 and confirms to **The Company** in writing either that all of the technical or related conditions, data, information, operational issues or other matters specified in or pursuant to the relevant **Bilateral Agreement** (and associated **Construction Agreement**) or **Grid Code** by the **User** seeking the transfer will remain unchanged or, (except in the case of a **Mandatory Services Agreement**) if any such matters are to be changed, the purchaser first notifies **The Company** in writing of such changes which **The Company** will consider promptly and in any event within 28 days of receiving notice of such change, and until such consideration is complete the transfer shall not be effective. If having considered such changes **The Company** in its reasonable opinion does not consider the proposed changes reasonably satisfactory to **The Company** it shall consult with the **User** seeking to undertake such transfer and pending the outcome thereof to **The Company's** reasonable satisfaction the transfer shall not be effective; provided always that the **User** may refer any dispute to the **Dispute Resolution Procedure**. Such transfer shall become effective once the changes are reasonably satisfactory to **The Company** or have been determined to be so under the **Dispute Resolution Procedure**;
- 6.14.1.2 upon the disposal by a **User** of part of its business undertaking comprising **User's Equipment** at one or more **Connection Sites** that **User** shall have the right to transfer its rights and obligations under all relevant **Bilateral Agreements** (and associated **Construction Agreements**) and all relevant **Mandatory Services Agreements** to the purchaser thereof on condition that the purchaser (if not already



a **User**) enters into an **Accession Agreement** with **The Company** under Paragraph 6.13 and confirms to **The Company** in writing either that all of the technical or related conditions, data, information, operational issues or other matters specified in or pursuant to the relevant **Bilateral Agreement** (and associated **Construction Agreement**) or **Grid Code** by the **User** seeking the transfer will remain unchanged or, (except in the case of a **Mandatory Services Agreement**) if any such matters are to be changed, the purchaser first notifies **The Company** in writing of such changes which **The Company** will consider promptly and in any event within 28 days of receiving notice of such change and until such consideration is complete the assignment shall not be effective. If having considered such changes **The Company** in its reasonable opinion does not consider the proposed changes reasonably satisfactory to **The Company** it shall consult with the **User** seeking to undertake such transfer and pending the outcome thereof to **The Company's** reasonable satisfaction the transfer shall not be effective provided always that the **User** may refer any dispute to the **Dispute Resolution Procedure**. Such transfer shall become effective once the changes are reasonably satisfactory to **The Company** or have been determined to be so under the **Dispute Resolution Procedure**;

- 6.14.1.3 a **User** may assign or charge its benefit under the **CUSC** and any **Bilateral Agreements** (and associated **Construction Agreement**) or any **Mandatory Services Agreements** in whole or in part by way of security.

Each **CUSC Party** shall have the right to sub-contract or delegate the performance of any of its obligations or duties arising under the **CUSC** or any **Bilateral Agreement**, associated **Construction Agreement** or **Mandatory Services Agreements** including activities envisaged by the **Grid Code** without the prior consent of any other **CUSC Party**. The sub-contracting by a **CUSC Party** of the performance of any obligations or duties under the **CUSC** or any **Bilateral Agreement**, **Construction Agreements** or **Mandatory Services Agreements** or of any activities envisaged by the **Grid Code** shall not relieve that **CUSC Party** from liability for performance of such obligation or duty.

## 6.15 Confidentiality

### 6.15.1 Confidentiality for **The Company** and its subsidiaries

#### 6.15.1.1 **The Company** and its subsidiaries in each of their capacities in the **CUSC** shall secure that **Protected Information** is not:

- (a) divulged by **Business Personnel** to any person unless that person is an **Authorised Recipient**;
- (b) used by **Business Personnel** for the purposes of obtaining for **The Company** or any of its subsidiaries or for any other person:
  - (i) any electricity licence; or
  - (ii) any right to purchase or otherwise acquire (including to enter into or acquire the benefit of a contract conferring rights or obligations, including rights or obligations by way of option, in relation to or by reference to the sale, purchase or delivery of electricity at any time or the price at which electricity is sold or purchased at any time), or to distribute electricity; or
  - (iii) any contract or arrangement for the supply of electricity to **Customers** or **Suppliers**; or
  - (iv) any contract for the use of any electrical lines or electrical plant belonging to or under the control of a **Public Distribution System Operator**, except and to the extent that **The Company** is required to do so pursuant to a request by a **User** in its application for connection to the **GB Transmission System** at a **Connection Site** located **Offshore**; or
  - (v) control of any body corporate which, whether directly or indirectly, has the benefit of any such licence, contract or arrangement; and
- (c) used by **Business Personnel** for the purpose of carrying on any activities other than



**Permitted Activities** except with the prior consent in writing of the **CUSC Party** to whose affairs such **Protected Information** relates.

6.15.1.2 Nothing in Paragraph 6.15.1.1 shall apply:

- (a) to any **Protected Information** which, before it is furnished to **Business Personnel**, is in the public domain; or
- (b) to any **Protected Information** which, after it is furnished to **Business Personnel**:

- (i) is acquired by **The Company** or any subsidiary of **The Company** in circumstances in which Paragraph 6.15.1 does not apply; or

- (ii) is acquired by **The Company** or any subsidiary of **The Company** in circumstances in which Paragraph 6.15.1.1 does apply and thereafter ceases to be subject to the restrictions imposed by such Paragraph; or

- (iii) enters the public domain,

and in any such case otherwise than as a result of a breach by **The Company** or any subsidiary of **The Company** of its obligations in Paragraph 6.15.1.1, or a breach by the person who disclosed the **Protected Information** of that person's confidentiality obligation and **The Company** or any of its subsidiaries is aware of such breach; or

- (c) to the disclosure of any **Protected Information** to any person if **The Company** or any subsidiary of **The Company** is required or expressly permitted to make such disclosure to such person:

- (i) in compliance with the duties of **The Company** or any subsidiary under the **Act** or any other requirement of a **Competent Authority**; or

- (ii) in compliance with the conditions of the **Transmission Licence** or any document referred to in the **Transmission Licence** with which **The**

**Company** or any subsidiary of **The Company** is required by virtue of the **Act** or the **Transmission Licence** to comply; or

- (iii) in compliance with any other requirement of law; or
  - (iv) in response to a requirement of any stock exchange or regulatory authority or the Panel on Take-overs and Mergers; or
  - (v) pursuant to the Arbitration Rules for the **Electricity Arbitration Association** or pursuant to any judicial or other arbitral process including where determination is by an expert or tribunal having jurisdiction in relation to **The Company** or any of its subsidiaries; or
  - (vi) in compliance with the requirements of section 35 of the **Act** and with the provisions of the **Fuel Security Code**; or
- (d) to any **Protected Information** to the extent that **The Company** or any of its subsidiaries is expressly permitted or required to disclose that information under the terms of any agreement or arrangement (including the **CUSC**, the **Grid Code**, the **Distribution Codes** and the **Fuel Security Code**) with the **CUSC Party** to whose affairs such **Protected Information** relates.

6.15.1.3 **The Company** and each of its subsidiaries may use all and any information or data supplied to or acquired by it, from or in relation to **Users** in performing **Permitted Activities** including for the following purposes:

- (a) the operation and planning of the **GB Transmission System**;
- (b) the calculation of charges and preparation of offers of terms for connection to or use of the **GB Transmission System**;
- (c) the operation and planning in relation to the utilisation of **Balancing Services** and the calculation of charges therefor;

- (d) the provision of information under the **British Grid Systems Agreement** and **EdF Documents**,

and may pass the same to subsidiaries of **The Company** which carry out such activities and the **CUSC Parties** agree to provide all information to **The Company** and its subsidiaries for such purposes.

6.15.1.4 **The Company** undertakes to each of the other **CUSC Parties** 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 Company** 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 by any subsidiary of **The Company** to any **Business Person**:

- (a) who has notified **The Company** or the relevant subsidiary of his intention to become engaged as an employee or agent of any other person (other than of **The Company** or any subsidiary thereof) who is:
  - (i) authorised by licence or exemption to generate, transmit, distribute or supply electricity; or
  - (ii) an electricity broker or is known to be engaged in the writing of electricity purchase contracts (which shall include the entering into or acquiring the benefit of a contract conferring rights or obligations including rights and obligations by way of option, in relation to or by reference to the sale, purchase or delivery of electricity at any time or the price at which electricity is sold or purchased at any time); or
  - (iii) known to be retained as a consultant to any such person who is referred to in (i) or (ii) above; or
- (b) who is to be transferred to the **Generation Business**, save where **The Company** or such

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

- 6.15.2 Without prejudice to the other provisions of this Paragraph 6.15 **The Company** shall procure that any additional copies made of the **Protected Information** whether in hard copy or computerised form, will clearly identify the **Protected Information** as protected.
- 6.15.3 **The Company** 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.
- 6.15.4 Without prejudice to Paragraph 6.15.1.3, **The Company** and each of its subsidiaries may use and pass to each other all and any period metered demand data supplied to or acquired by it and all and any information and data supplied to it pursuant to **OC6** of the **Grid Code** for the purposes of Demand Control (as defined in the **Grid Code**), but in each case only for the purposes of its estimation and calculation from time to time of the variable "system maximum ACS demand" (as defined in the **Transmission Licence**).
- 6.15.5 Any information regarding, or data acquired by the relevant **BSC Agent** or its agent from **Energy Metering Equipment at Sites** which are a point of connection to a **Distribution System** shall and may be passed by the relevant **BSC Agent** or his agent to the operator of the relevant **Distribution System**. The said operator of the relevant **Distribution System** may only use the same for the purposes of the operation of such **Distribution System** and the calculation of charges for use of and connection to the **Distribution System**.

#### **Confidentiality other than for The Company and its subsidiaries**

- 6.15.6 Each **User** undertakes with each other **User** and with **The Company** and its subsidiaries that it shall preserve the confidentiality of, and not directly or indirectly reveal, report, publish, disclose or transfer or use for its own purposes **Confidential Information** except in the circumstances set out in Paragraph 6.15.7 or to the extent otherwise expressly permitted by the **CUSC** or with the prior consent in writing of the **CUSC Party** to whose affairs such **Confidential Information** relates.
- 6.15.7 The circumstances referred to in Paragraph 6.15.6 are:

- (a) where the **Confidential Information**, before it is furnished to the **User**, is in the public domain; or
- (b) where the **Confidential Information**, after it is furnished to the **User**:
  - (i) is acquired by the **User** in circumstances in which Paragraph 6.15.6 does not apply; or
  - (ii) is acquired by the **User** in circumstances in which Paragraph 6.15.6 does apply and thereafter ceases to be subject to the restrictions imposed by Paragraph 6.15.6; or
  - (iii) enters the public domain,  
  
and in any such case otherwise than as a result of a breach by the **User** of its obligations in Paragraph 6.15.6 or a breach by the person who disclosed that **Confidential Information** of that person's confidentiality obligation and the **User** is aware of such breach; or
- (c) if the **User** is required or permitted to make disclosure of the **Confidential Information** to any person:
  - (i) in compliance with the duties of the **User** under the **Act** or any other requirement of a **Competent Authority**; or
  - (ii) in compliance with the conditions of any **Licence** or any document referred to in any **Licence** with which the **User** is required to comply or
  - (iii) in compliance with any other requirement of law; or
  - (iv) in response to a requirement of any stock exchange or regulatory authority or the Panel on Take-overs and Mergers; or
  - (v) pursuant to the Arbitration Rules for the **Electricity Arbitration Association** or pursuant to any judicial or other arbitral process (including where determination is by an expert) or tribunal having jurisdiction in relation to the **User**; or
- (d) where **Confidential Information** is furnished by the **User** to its **Affiliates** or **Related Undertakings** or to the employees, directors, agents, consultants and professional advisors of the

**User** or those of its **Affiliates** or **Related Undertakings**, in each case on the basis set out in Paragraph 6.15.8.

6.15.8 With effect from the date of the **MCUSA** the **User** shall adopt procedures within its organisation for ensuring the confidentiality of all **Confidential Information** which it is obliged to preserve as confidential under Paragraph 6.15.6 These procedures are:

6.15.8.1 the **Confidential Information** will be disseminated within the **User** only on a "need to know" basis;

6.15.8.2 employees, directors, agents, consultants and professional advisers of the **User** or those of its **Affiliates** or **Related Undertakings** in receipt of **Confidential Information** will be made fully aware of the **User's** obligations of confidence in relation thereto; and

6.15.8.3 any copies of the **Confidential Information**, whether in hard copy or computerised form, will clearly identify the **Confidential Information** as confidential.

6.15.9 Each **User** shall procure that its **Affiliates**, **Related Undertakings**, consultants and professional advisers observe the restrictions set out in this Paragraph 6.15 (as if references to "**User**" were references to such **Affiliates**, **Related Undertakings**, consultants and professional advisers) and shall be responsible under the **CUSC** for any failure by such persons to observe such restrictions.

6.15.10 For the avoidance of doubt, data and other information which any **CUSC Party** is permitted or obliged to divulge or publish to any other **CUSC Party** pursuant to the **CUSC** shall not necessarily be regarded as being in the public domain by reason of being so divulged or published.

6.15.11 Notwithstanding any other provision of the **CUSC**, the provisions of this Paragraph 6.15 shall continue to bind a person after its cessation as a **CUSC Party** for whatever reason.

## 6.16 DATA

Data of a technical or operational nature collected recorded or otherwise generated pursuant to the **CUSC** or any relevant **Bilateral Agreement** shall be deemed data lodged pursuant to the **Grid Code** to the extent that the **Grid Code** makes provision therefor.

## 6.17 Not Used

## 6.18 INTELLECTUAL PROPERTY

Subject to Paragraph 8.15.7, all **Intellectual Property** relating to the subject matter of the **CUSC** or any **Bilateral Agreement** or **Mandatory Services Agreement** conceived, originated, devised, developed or created by a **CUSC Party**, its officers, employees, agents or consultants during the currency of the **CUSC** or any **Bilateral Agreement** or **Mandatory Services Agreement** shall vest in such **CUSC Party** as sole beneficial owner thereof save where the **CUSC Parties** agree in writing otherwise.

## 6.19 FORCE MAJEURE

If any **CUSC Party** (the "**Non-Performing Party**") shall be unable to carry out any of its obligations under the **CUSC**, the relevant **Bilateral Agreement** and/or **Mandatory Services Agreement** due to a circumstance of **Force Majeure** the **CUSC** and the relevant **Bilateral Agreements** or **Mandatory Services Agreements** shall remain in effect but:

- 6.19.1 the **Non-Performing Party's** relevant obligations;
- 6.19.2 the obligations of each of the other **CUSC Parties** owed to the **Non-Performing Party** under the **CUSC** and/or the relevant **Bilateral Agreements** or **Mandatory Services Agreements** as the case may be; and
- 6.19.3 any other obligations of such other **CUSC Parties** under the **CUSC** owed between themselves which the relevant **CUSC Party** is unable to carry out directly as a result of the suspension of the **Non-Performing Party's** obligations

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

- (a) the suspension of performance is of no greater scope and of no longer duration than is required by the **Force Majeure**;
- (b) no obligations of any **CUSC Party** that arose before the **Force Majeure** causing the suspension of performance are excused as a result of the **Force Majeure**;
- (c) the **Non-Performing Party** gives the other **CUSC Parties** prompt notice describing the circumstance of **Force Majeure**, including the nature of the occurrence and its expected duration, and continues to furnish regular reports with respect thereto during the period of **Force Majeure**;
- (d) the **Non-Performing Party** uses all reasonable efforts to remedy its inability to perform; and



- (e) as soon as practicable after the event which constitutes **Force Majeure** the **CUSC Parties** shall discuss how best to continue their operations so far as possible in accordance with the **CUSC**, any **Bilateral Agreements** or **Mandatory Services Agreements** and the **Grid Code**.

## 6.20 WAIVER

No delay by or omission of a **CUSC Party** in exercising any right power, privilege or remedy under this **CUSC**, any **Bilateral Agreement** or any **Construction Agreement** or any **Mandatory Services Agreement** or the **Grid Code** 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.

## 6.21 NOTICES

- 6.21.1. Save to the extent otherwise expressly provided in the **CUSC**, any **Mandatory Services Agreement** or **Bilateral Agreement**, any notice or other communication to be given by one **CUSC Party** to another under, or in connection with the matters contemplated by, the **CUSC** shall be addressed to the recipient and sent to the address, or facsimile number of such other **CUSC Party** as that **CUSC Party** may have notified the other for the purpose and marked for the attention of the company secretary or to such other address, and/or facsimile number and/or marked for such other attention as such other **CUSC Party** may from time to time specify by notice given in accordance with this Paragraph 6.21 to the **CUSC Party** giving the relevant notice or other communication to it.
- 6.21.2 Save as otherwise expressly provided in the **CUSC**, any notice or other communication to be given by any **CUSC Party** to any other **CUSC Party** under, or in connection with the matters contemplated by, the **CUSC** 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:
  - 6.21.2.1 in the case of delivery by hand, when delivered; or
  - 6.21.2.2 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



- 6.21.2.3 in the case of telex, on the transmission of the automatic answer back of the address (where such transmission occurs before 17.00 hours on day of transmission) and in any other case on the day following the day of transmission; or
  - 6.21.2.4 in the case of facsimile, on acknowledgement by the addressee's facsimile receiving equipment (where such acknowledgement occurs before 17.00 hours on the day of acknowledgement) and in any other case on the day of acknowledgement.
- 6.21.3 This Paragraph shall apply only to **Users** acting in their capacity as **Trading Parties** (as defined in the **Balancing and Settlement Code**) who are responsible for **Small Power Stations** which are **Embedded**. In addition to the other provisions of this Paragraph 6.21 of the **CUSC**, any notice or other communications to be served upon the **User** under the provisions of Paragraph 5.4 shall in each case be served by any one of the senior managers of **The Company** whose names, posts, locations, telephone and facsimile numbers have been provided to the **User** by **The Company** for that purpose. In the case where an application, notice or other communication is to be made by the **User** to **The Company** under the provisions of Section 5 such application, notice or other communication shall be made by any one of the senior managers whose names, posts, location, telephone and facsimile numbers have been provided to **The Company** by the **User** for that purpose. Both parties shall be under an obligation to keep each other notified in writing of changes to the lists of senior managers exchanged between them.

## 6.22 THIRD PARTY RIGHTS

- 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 **The Company**) as specified therein.
- 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**.
- 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 **The Company** 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**.

- 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.

## 6.23 JURISDICTION

- 6.23.1 Subject and without prejudice to Section 7 and to Paragraph 6.23.4 below, all the **CUSC Parties** irrevocably agree that only the courts of England and Wales and the courts of Scotland are to have jurisdiction to settle any disputes which may arise out of or in connection with 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.
- 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 courts of England and Wales or the courts of Scotland shall be conclusive and binding upon such **CUSC Party** and may be enforced in the courts of any other jurisdiction.
- 6.23.3 Each **CUSC Party** which is not incorporated in any part of **Great Britain** agrees that if it does not have, or shall cease to have, a place of business in **Great Britain** it will promptly appoint, and shall at all times maintain, a person in **Great Britain** irrevocably to accept service of process on its behalf in any **Proceedings** in **Great Britain**.

For the avoidance of doubt nothing contained in Paragraphs 6.23.1 to 6.23.3 above shall be taken as permitting a **CUSC Party** to commence **Proceedings** in the courts where the **CUSC** otherwise provides for **Proceedings** to be referred to arbitration or to the **Authority**.

## 6.24 COUNTERPARTS

Any **Bilateral Agreement** or **Mandatory Services Agreement** or **Accession Agreement** may be executed in any number of counterparts and by the different parties on separate counterparts, each of which when executed and delivered shall constitute an original, but all the counterparts shall together constitute one and the same instrument.

## 6.25 GOVERNING LAW

The **CUSC** and each **Bilateral Agreement** and **Mandatory Services Agreement** shall be governed by and construed in all respects in accordance with English law.

## 6.26 SEVERANCE OF TERMS

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

## 6.27 LANGUAGE

Each notice, instrument, certificate or other document to be given by one **CUSC Party** to another under the **CUSC** shall be in the English language.

## 6.28 MCUSA

The **CUSC Parties** agree that for the purposes of cross references in documents existing as at the date of the introduction of the **CUSC**, the **CUSC**, **Bilateral Agreements**, **Construction Agreements** and **Agreements to Vary** shall be regarded as the **MCUSA** and the relevant “**Supplemental Agreements**” and any relevant **Agreements for Construction Works** and relevant **Agreements to Vary**.

## 6.29 BSC

Each and every **User** connected to or using the **GB Transmission System** shall be a **BSC Party** except for:

- 6.29.1 **Non-Embedded Customers** being supplied by a **Trading Party**;
- 6.29.2 A **User** acting in the category of **Exempt Power Station** where another party is responsible under the **BSC** for the export from such **Exempt Power Station**;
- 6.29.3 A **User** acting in the category of an **Embedded Exemptable Large Power Station** where another party is responsible under the **BSC** for the export from such **Embedded Exemptable Large Power Station**.

### 6.30 Transmission Entry Capacity

#### 6.30.1 Decrease in **Transmission Entry Capacity**

- 6.30.1.1 Each **User** shall be entitled to decrease the **Transmission Entry Capacity** for the **Connection Site** upon giving **The Company** not less than 5 **Business Days** notice in writing prior to the 30 March in any **Financial Year**.
- 6.30.1.2 **The Company** shall as soon as practicable after receipt of such notice issue a revised Appendix C for the purposes of the relevant **Bilateral Agreement** reflecting the decrease in the **Transmission Entry Capacity**.
- 6.30.1.3 The decrease in the **Transmission Entry Capacity** shall take effect on the first of April following receipt of the notice.

#### 6.30.2 Increase in **Transmission Entry Capacity**

Each **User** shall be entitled to request an increase in its **Transmission Entry Capacity** for a **Connection Site** up to a maximum of the **Connection Entry Capacity** for the **Connection Site** and such request shall be deemed to be a **Modification** for the purposes of the **CUSC** but with the words “as soon as practicable... not more than 3 months after” being read in the context of such **Modification** as being “within 28 days where practicable and in any event not more than 3 months (save where the **Authority** consents to a longer period) after”.

#### 6.30.3 **Exchange Rate Requests**

- 6.30.3.1 **The Company** shall establish and maintain a **TEC Register** published on **The Company Website** recording the details set out in 6.30.3.2.
- 6.30.3.2 The **TEC Register** shall set out the name of the **User**, the **Connection Site** (or in the case of an **Embedded Generator** site of connection), the **Transmission Entry Capacity**, the year of connection to (or in the case of an **Embedded Generator** the year of the use of) the **GB Transmission System** in respect of any **Bilateral Agreements** or agreements to change a **User's Transmission Entry Capacity**.
- 6.30.3.3 The details of the **Bilateral Agreement** or agreements to change a **User's Transmission Entry Capacity** shall be recorded on the **TEC Register** within 5 **Business Days** of the completion of such agreements.
- 6.30.3.4 Subject to the payment of the fee as outlined in the **Charging Methodology Statements**, **The Company** shall, after receipt of an **Exchange Rate Request** calculate the **Exchange Rate** as soon as practicable but in any event not more than 3 months after such request is received.
- 6.30.3.5 In the event that the parties which to proceed with a **TEC Trade** on the basis of the **Exchange Rate** then the **User** shall notify **The Company** and effective from the following 1 April, **The Company** shall revise the **Bilateral Agreements** (as appropriate) provided.

## **6.31 Short Term Transmission Entry Capacity**

### **6.31.1 Background**

A **User**, who is party to a **Bilateral Connection Agreement** or **Bilateral Embedded Generation Agreement** may make a **STTEC Request** to **The Company** in accordance with this Paragraph of the **CUSC**.

### **6.31.2 Form of STTEC Request**

- 6.31.2.1 A **STTEC Request** must be received by **The Company** by the relevant date specified in Paragraph 6.31.6.5.

- 6.31.2.2 A **STTEC Request** must be made by email and confirmed by fax and must attach the **STTEC Request Form** duly completed and signed on behalf of the **User**.
- 6.31.2.3 A **STTEC Request** shall not be deemed received by **The Company** until the non-refundable **STTEC Request Fee** has been paid to **The Company** and until the faxed copy of the **STTEC Request** is received in accordance with Paragraph 6.21.2.4 of the **CUSC**.
- 6.31.2.4 The **STTEC Request** must specify whether it is a **Request for a STTEC Authorisation** or an **Application for a STTEC Offer**.
- 6.31.2.5 Each **STTEC Request** must state one **STTEC Period** only.
- 6.31.2.6 A **STTEC Request** must be for a **STTEC Period** within a 12 month period of receipt by **The Company** of the **STTEC Request** and the **STTEC Period** must not include any days within more than one **Financial Year**. The **STTEC Request** must include the minimum and maximum level of MW for the **STTEC Period**.
- 6.31.2.7 In respect of **Power Stations** directly connected to the **GB Transmission System**, a **User's Transmission Entry Capacity** plus the maximum figure requested (plus any **STTEC** previously granted for any part of the **STTEC Period**) must not exceed its total station **Connection Entry Capacity**.

### **6.31.3 Assessment by The Company of STTEC Requests**

- 6.31.3.1 **The Company** may reject any **STTEC Request** that is not made in accordance with the provisions of this Paragraph 6.31.
- 6.31.3.2 **The Company** will assess **STTEC Requests** and whether or not to grant **STTEC Requests** at its absolute discretion.
- 6.31.3.3 **The Company** will start assessing a **STTEC Request** no later than the relevant date specified in Paragraph 6.31.6.5.
- 6.31.3.4 If **The Company** has received more than one **STTEC Request** for a **STTEC Period** with the same start date, **The Company** will:
  - (i) assess any **Requests for a STTEC Authorisation** before assessing any **Applications for a STTEC Offer**;
  - (ii) assess **Requests for a STTEC Authorisation** on a first come first served basis such that the **Request for a STTEC Authorisation** received earliest in time by **The Company** (as recorded by **The Company**) will be assessed first and then the **Request for a STTEC Authorisation** received next in time after that, and so on;

- (iii) assess **Applications for a STTEC Offer** on a first come first served basis such that the **Application for a STTEC Offer** received earliest in time by **The Company** (as recorded by **The Company**) will be assessed first and then the **Application for a STTEC Offer** received next in time after that, and so on.

6.31.3.5. No priority will be given to any **Users** who have previously made successful **STTEC Requests** or **LDTEC Requests**.

#### **6.31.4 Notification by The Company**

6.31.4.1 Each **User** confirms and agrees that **The Company** shall have no liability to it for any **STTEC Request** which **The Company** does not grant in accordance with this Paragraph 6.31.

6.31.4.2 **The Company** is not obliged to grant any **STTEC Request** submitted.

6.31.4.3 A **STTEC Request** will only be granted at a level within the maximum and minimum range in MW submitted by the **User**.

6.31.4.4 **STTEC Requests** will be granted for a uniform amount of MW for the **STTEC Period**.

6.31.4.5 No **STTEC Request** will be granted if the maximum figure in the **STTEC Request** would together with the **User's Transmission Entry Capacity** (plus any **STTEC** previously granted for any part of the **STTEC Period**) exceeds the total station **Connection Entry Capacity**.

6.31.4.6 **The Company** shall notify a **User** who has made a **STTEC Request** by no later than the relevant date referred to at Paragraph 6.31.6.6, whether or not **The Company** grants the **User's STTEC Request**.

#### **6.31.5 Charging, Invoicing and Payment**

6.31.5.1 Each **User** must pay the **STTEC Charge** even if the **User** does not use the corresponding **STTEC**.

6.31.5.2 The provisions of Section 3 shall apply in respect of the **STTEC Charge**.

6.31.5.3 The provisions of Section 6.6 shall apply in respect of payment of the **STTEC Charge**.



### 6.31.6 General

6.31.6.1 Each **Request for a STTEC Authorisation** will constitute an unconditional and irrevocable offer by the **User** to **The Company** to buy **Short Term Capacity** (on a station basis) up to the quantity (in whole MW) stated in the **STTEC Request** for the **STTEC Period** and at the relevant price per MW set out in the **Statement of Use of System Charges** and upon the terms and conditions of **CUSC**. A **Request for a STTEC Authorisation** is capable of being accepted by **The Company**. Notification by **The Company** that it has granted the **Request for a STTEC Authorisation** in accordance with Paragraph 6.31.4.6 constitutes acceptance by **The Company** of the **Request for a STTEC Authorisation**. The notification of **STTEC Authorisation** will:-

- (i) state the level in MW (within the maximum and minimum range requested by the **User**) granted for the **STTEC Period**;
- (ii) include a revised Appendix C to the relevant **Bilateral Connection Agreement** or **Bilateral Embedded Generation Agreement** (as appropriate) which will detail the **STTEC** and the **STTEC Period** for which this applies and **The Company** and the **User** agree that Appendix C to the relevant **Bilateral Agreement** will be deemed to be that notified in accordance with this Paragraph 6.31.6 for the **STTEC Period**, unless otherwise amended in accordance with such **Bilateral Agreement** or the **CUSC**. Upon expiry of the **STTEC Period** the provisions in Appendix C that relate to such **STTEC** for that **STTEC Period** shall cease to have effect;
- (iii) state the **STTEC Charge**.

6.31.6.2 Each **Application for a STTEC Offer** is an application for the right to buy **Short Term Capacity** (on a station basis) up to the quantity (in whole MW) stated in the **STTEC Request** for the **STTEC Period** at the relevant price per MW set out in the **Statement of Use of System Charges** and upon the terms and conditions of **CUSC**. Once an **Application for a STTEC Offer** has been received by **The Company** it cannot be withdrawn without the written consent of **The Company**. Notification by **The Company** that it has granted the **Application for a STTEC Offer** in accordance with Paragraph 6.31.4.5 will constitute a **STTEC Offer**.

6.31.6.3 A **STTEC Offer** shall:

- (i) state the level in MW of **STTEC** (within the maximum and minimum range requested by the **User**) offered for the **STTEC Period**;



- (ii) include a revised Appendix C to the relevant **Bilateral Connection Agreement** or **Bilateral Embedded Generation Agreement** (as appropriate) which will detail the **STTEC** and the **STTEC Period** for which this applies and **The Company** and the **User** agree that, if the **User** accepts the **STTEC Offer** in accordance with Paragraph 6.31.6.4, Appendix C to the relevant **Bilateral Agreement** will be deemed to be that notified in accordance with this Paragraph 6.31 for the **STTEC Period**, unless otherwise amended in accordance with such **Bilateral Agreement** or the **CUSC**. Upon expiry of the **STTEC Period** the provisions in Appendix C that relate to such **STTEC** for that **STTEC Period** shall cease to have effect;
- (iii) state the **STTEC Charge**.
- (iv) be open for acceptance by the **User** within 24 hours of receipt of the faxed copy of the **STTEC Offer**.

6.31.6.4 A **User** may accept a **STTEC Offer** within 24 hours of receipt of the faxed copy of the **STTEC Offer**. Acceptance of a **STTEC Offer** shall be made by the **User** executing and faxing back the Appendix C sent to the **User** as part of the **STTEC Offer**. A **STTEC Offer** lapses if not accepted within such period.

6.31.6.5 The dates referred to at Paragraphs 6.31.2.1 and 6.31.3.3 are:-

- (i) in the case of a **Request for a STTEC Authorisation**, six weeks before the start date for the **STTEC Period**; and
- (ii) in the case of an **Application for a STTEC Offer**, two weeks before the start date for the **STTEC Period**.

6.31.6.6 The date referred to at Paragraph 6.31.4.6 is:-

- (i) in the case of a **Request for a STTEC Authorisation**, four weeks before the start date for the **STTEC Period**;
- (ii) in the case of an **Application for a STTEC Offer**, seven days before the start date for the **STTEC Period**.

6.31.6.7 **The Company** may publish the following information in respect of **STTEC Authorisations**, and **STTEC Offers** which are accepted:-

1. details of the **STTEC Period**;
2. maximum and minimum amount in MW requested;
3. identity of the **User**;

4. the **Connection Site** or site of **Connection**,

in such form and manner as shall be prescribed by **The Company** from time to time.

6.31.6.8 **The Company** may publish the following information in respect of **Requests for a STTEC Authorisation** and **Applications for a STTEC Offer** which in either case are not granted and **STTEC Offers** which are not accepted:-

1. details of the **STTEC Period**;
2. maximum and minimum amount in MW requested,

in such form and manner as shall be prescribed by **The Company** from time to time.

6.31.6.9 The **User** consents to the publication by **The Company** of the information referred to above.

## **6.32 Limited Duration Transmission Entry Capacity**

### **6.32.1 Background**

A **User**, who is party to a **Bilateral Connection Agreement** or **Bilateral Embedded Generation Agreement** may make an **LDTEC Request** to **NGC** in accordance with this Paragraph of the **CUSC**.

### **6.32.2 Form of LDTEC Request**

6.32.2.1 An **LDTEC Request** must be received by **NGC** no later than:

- (i) in cases where the requested **LDTEC Period** is 9 months or exceeds 9 months, 7 weeks and one **Business Day** before the start date for the **LDTEC Period**;
- (ii) in cases where the requested **LDTEC Period** is 6 months or exceeds 6 months but is less than 9 months, 5 weeks and one **Business Day** before the start date for the **LDTEC Period**;
- (iii) in cases where the requested **LDTEC Period** is 3 months or exceeds 3 months but is less than 6 months, 4 weeks and one **Business Day** before the start date for the **LDTEC Period**;

- (iv) in cases where the requested **LDTEC Period** is less than 3 months, 3 weeks and one **Business Day** before the start date for the **LDTEC Period**.

6.32.2.2 An **LDTEC Request** must be made by email and confirmed by fax and must attach the **LDTEC Request Form** duly completed and signed on behalf of the **User**.

6.32.2.3. An **LDTEC Request** shall not be deemed received by **NGC** until the **LDTEC Request Fee** has been paid to **NGC** and until the faxed copy of the **LDTEC Request** is received in accordance with Paragraph 6.32.2.2 of the **CUSC**.

6.32.2.4 Each **LDTEC Request** must state whether it is for an **LDTEC Block Offer** only, an **LDTEC Indicative Block Offer** only or for both an **LDTEC Block Offer** and an **LDTEC Indicative Block Offer** and must specify one **LDTEC Period** only.

6.32.2.5. An **LDTEC Request** cannot be made prior to the start of the **Financial Year** to which it relates. The **LDTEC Request** must state the **LDTEC Period** and include the minimum and maximum level of MW for the **LDTEC Period** which, for the avoidance of doubt, must be the same for any **LDTEC Block Offer** and **LDTEC Indicative Block Offer** in the same **LDTEC Request**.

6.32.2.6 In respect of **Power Stations** directly connected to the **GB Transmission System**, a **User's Transmission Entry Capacity** plus the maximum MW figure requested in any **LDTEC Request** (plus any **STTEC** or **LDTEC** previously granted for any part of the **LDTEC Period**) must not exceed its total station **Connection Entry Capacity**.

### 6.32.3 Assessment by NGC of LDTEC Requests

6.32.3.1 **NGC** may reject any **LDTEC Request** that is not made in accordance with the provisions of this Paragraph 6.32.

6.32.3.2 **NGC** will assess **LDTEC Requests** and whether or not to grant **LDTEC Requests** at its absolute discretion.

6.32.3.3 Subject to Paragraphs 6.32.3.4 and 6.32.3.5, **NGC** will start assessing an **LDTEC Request** no later than:

- (i) in cases where the requested **LDTEC Period** is 9 months or exceeds 9 months, 7 weeks and one **Business Day** before the start date for the **LDTEC Period**;
- (ii) in cases where the requested **LDTEC Period** is 6 months or exceeds 6 months but is less than 9 months, 5 weeks and

one **Business Day** before the start date for the **LDTEC Period**;

- (iii) in cases where the requested **LDTEC Period** is 3 months or exceeds 3 months but is less than 6 months, 4 weeks and one **Business Day** before the start date for the **LDTEC Period**;
- (iv) in cases where the requested **LDTEC Period** is less than 3 months, 3 weeks and one **Business Day** before the start date for the **LDTEC Period**.

6.32.3.4 If **NGC** receives more than one **LDTEC Request** for an **LDTEC Period** or a **STTEC Request** or a **TEC Increase Request** which **NGC** believes will impact on each other, **NGC** will assess such requests and the capacity available on the **GB Transmission System** on a first come first served basis such that the request received earliest in time by **NGC** (as recorded by **NGC**) will be considered first in terms of capacity available and then the request received next in time after that, and so on.

6.32.3.5 Where Paragraph 6.32.3.4 applies and the **TEC Increase Request** was received before the **LDTEC Request** **NGC** shall be entitled to suspend the assessment and making of the **LDTEC Offer** in respect of such **LDTEC Request** as necessary to enable it to make an offer in respect of the **TEC Increase Request**.

6.32.3.6 Where the circumstances in Paragraph 6.32.3.5 apply **NGC** shall as soon as practicable advise the **User** of such suspension giving an indication of the timescale for the **LDTEC Offer**. The **User** shall be entitled to withdraw its **LDTEC Request** in such circumstances.

6.32.3.7 No priority will be given to any **Users** who have previously made successful **STTEC Requests** or **LDTEC Requests**.

#### **6.32.4 Notification by NGC**

6.32.4.1 Each **User** confirms and agrees that **NGC** shall have no liability to it for any **LDTEC Request** which **NGC** does not grant in accordance with this Paragraph 6.32.

6.32.4.2 **NGC** is not obliged to grant any **LDTEC Request** submitted.

6.32.4.3 An **LDTEC Request** will only be granted within the maximum and minimum range in MW submitted by the **User**.

6.32.4.5 No **LDTEC Request** will be granted if the maximum MW figure in the **LDTEC Request** would together with the **User's Transmission Entry Capacity** (plus any **STTEC** or **LDTEC** previously granted for

any part of the **LDTEC Period**) exceed the total station **Connection Entry Capacity**.

- 6.32.4.6 **NGC** shall no later than seven days and one **Business Day** before the start date for the **LDTEC Period**, either make an **LDTEC Offer** in response to the **User's LDTEC Request** or notify such **User** that it does not intend to grant an **LDTEC Request**.

#### **6.32.5 Charging, Invoicing and Payment**

- 6.32.5.1 Each **User** must pay the **LDTEC Charge** even if the **User** does not use the corresponding **LDTEC**.

- 6.32.5.2 The provisions of Section 3 shall apply in respect of the **LDTEC Charge**.

- 6.32.5.3 The provisions of Section 6.6 shall apply in respect of payment of the **LDTEC Charge**.

#### **6.32.6 LDTEC Offers**

- 6.32.6.1 An **LDTEC Block Offer** shall:

- (i) state the **LDTEC Profile** ;
- (ii) include a revised Appendix C to the relevant **Bilateral Connection Agreement** or **Bilateral Embedded Generation Agreement** (as appropriate) which will detail the **LDTEC Profile** and the **LDTEC Period** for which this applies; and
- (iv) be open for acceptance by the **User** within one **Business Day** of receipt of the faxed copy of the **LDTEC Offer**.

- 6.32.6.2 An **LDTEC Indicative Block Offer** shall:

- (i) state the **LDTEC Indicative Profile** ;
- (ii) include a revised Appendix C to the relevant **Bilateral Connection Agreement** or **Bilateral Embedded Generation Agreement** (as appropriate) which will detail the **LDTEC Indicative Profile** and the **LDTEC Period** for which this applies;
- (iii) state the **Available LDTEC** for the first seven **LDTEC Weeks** within the **LDTEC Indicative Profile**; and
- (iv) and be open for acceptance by the **User** within one **Business Day** of receipt of the faxed copy of the **LDTEC Offer**.

- 6.32.6.3 Where the **LDTEC Offer** comprises both an **LDTEC Block Offer** and an **LDTEC Indicative Block Offer** a **User** may only accept one or the other but not both.
- 6.32.6.4 A **User** may accept an **LDTEC Block Offer** within one **Business Day** of receipt of the faxed copy of the **LDTEC Block Offer**. Acceptance of an **LDTEC Block Offer** shall be made by the **User** executing and faxing back the accepted **LDTEC Block Offer** in which the **User** shall have either confirmed acceptance of the **LDTEC Profile** in full or confirmed acceptance of the **LDTEC Profile** with a cap throughout the profile at a specific MW figure (not exceeding the maximum MW figure in the **LDTEC Profile**). An **LDTEC Block Offer** lapses if not accepted within such period.
- 6.32.6.5 A **User** may accept an **LDTEC Indicative Block Offer** within one **Business Day** of receipt of the faxed copy of the **LDTEC Indicative Block Offer**. Acceptance of an **LDTEC Indicative Block Offer** shall be made by the **User** accepting the **LDTEC Indicative Block Offer** in which the **User** shall have completed the **Requested LDTEC** figure in MW (which figure shall not exceed the maximum level of MW in the **LDTEC Request**). An **LDTEC Indicative Block Offer** lapses if not accepted within such period.

#### **Notification of weekly available LDTEC**

- 6.32.6.6 Where **NGC** has made an **LDTEC indicative Block Offer** to a **User** and this has been accepted in accordance with Paragraph 6.31.6.5 **NGC** will by 17.00 on the Friday prior to the eighth **LDTEC Week** and each subsequent Friday during the **LDTEC Period** send to the **User** by email an **LDTEC Availability Notification** which will state the **Available LDTEC** up to the **Requested LDTEC** for the **LDTEC Week** eight weeks ahead.
- 6.32.6.7 If the **User** accepts the **LDTEC Offer** made in accordance with Paragraph 6.32.6.4 or 6.32.6.5, for the **LDTEC Period** Appendix C to the relevant **Bilateral Agreement** will be that accepted by the **User** in accordance with Paragraph 6.32.6.4 or 6.32.6.5 as appropriate unless otherwise subsequently amended in accordance with such **Bilateral Agreement** or the **CUSC**. Upon expiry of the **LDTEC Period** such Appendix C as it relates to that **LDTEC** shall cease to have effect.

#### **6.32.7 LDTEC reporting provisions**

- 6.32.7.1 **NGC** may publish the following information in respect of **LDTEC Requests** which are accepted:-
1. details of the **LDTEC Period**;

2. maximum and minimum amount in MW requested;
3. identity of the **User**;
4. the **Connection Site** or site of **Connection**,

in such form and manner as shall be prescribed by **NGC** from time to time.

6.32.7.2 **NGC** may publish the following information in respect of **LDTEC Requests** which in either case are not withdrawn and not granted and **LDTEC Offers** which are not accepted:-

1. details of the **LDTEC Period**;
2. maximum and minimum amount in MW requested,

in such form and manner as shall be prescribed by **NGC** from time to time.

6.32.7.3 The **User** consents to the publication by **NGC** of the information referred to above.

### 6.33 Change from “NGC” to “The Company”

The **CUSC Parties** agree that references to “**NGC**” in any relevant document as at the time and date for implementation of the **Authority’s** direction under **CUSC** Paragraph 8.23.1 approving the **Proposed Amendment** in respect of the change from “**NGC**” to “**The Company**” shall be read as reference to “**The Company**”.

### 6.34 Temporary TEC Exchanges

#### 6.34.1 Background

Two **Users** that are party to a **Bilateral Connection Agreement** or **Bilateral Embedded Generation Agreement** may make a **Temporary TEC Exchange** in accordance with this Paragraph of the **CUSC**.

#### 6.34.2 Form of Temporary TEC Exchange Rate Request

6.34.2.1 A **Temporary TEC Exchange Rate Request** must be received by **The Company** no later than:

- (i) in cases where the requested **Temporary TEC Exchange Period** is 9 months or more, 10 weeks and one **Business Day** before the start date for the **Temporary TEC Exchange Period**;



- (ii) in cases where the requested **Temporary TEC Exchange Period** is 6 months or more but is less than 9 months, 7 weeks and one **Business Day** before the start date for the **Temporary TEC Exchange Period**;
- (iii) in cases where the requested **Temporary TEC Exchange Period** is 3 months or more but is less than 6 months, 6 weeks and one **Business Day** before the start date for the **Temporary TEC Exchange Period**;
- (iv) in cases where the requested **Temporary TEC Exchange Period** is less than 3 months, 4 weeks and one **Business Day** before the start date for the **Temporary TEC Exchange Period**.

- 6.34.2.2 A **Temporary TEC Exchange Rate Request** must be made by email and confirmed by fax and must attach the **Temporary TEC Exchange Rate Request Form** duly completed and signed by the **Joint Temporary TEC Exchange Users**.
- 6.34.2.3 A **Temporary TEC Exchange Rate Request** shall not be deemed received by **The Company** until the **Temporary TEC Exchange Rate Request Fee** has been paid to **The Company** and until the faxed copy of the **Temporary TEC Exchange Rate Request** is received in accordance with Paragraph 6.34.2.2 of the **CUSC**.
- 6.34.2.4 Each **Temporary TEC Exchange Rate Request** must state one **Temporary TEC Exchange Period** only. Each **Temporary TEC Exchange Rate Request** must be by reference to whole MW only.
- 6.34.2.5 A **Temporary TEC Exchange Rate Request** cannot be made prior to the start of the **Financial Year** to which it relates.
- 6.34.2.6 A **Temporary TEC Exchange Rate Request** cannot be made unless **The Company** has published within that **Financial Year** a **Temporary TEC Exchange Notification of Interest Form** from the **Temporary TEC Exchange Donor User**.
- 6.34.2.7 In respect of **Power Stations** directly connected to the **GB Transmission System**, a **User's Transmission Entry Capacity** plus any **Temporary Received TEC** plus any **STTEC** or **LDTEC** less any **Temporary Donated TEC** must not exceed its total station **Connection Entry Capacity**.
- 6.34.2.8 A **Temporary TEC Exchange Rate Request** can be withdrawn at any time upon written notice from the **Joint Temporary TEC Exchange Users**.



6.34.2.9 The **Temporary Donated TEC** stated in a **Temporary TEC Exchange Rate Request** shall not exceed the **Transmission Entry Capacity** of the **Temporary TEC Exchange Donor User**.

**6.34.3 Assessment by The Company of Temporary TEC Exchange Rate Requests**

6.34.3.1 **The Company** may reject any **Temporary TEC Exchange Rate Request** that is not made in accordance with the provisions of this Paragraph 6.34.

6.34.3.2 **The Company** will assess **Temporary TEC Exchange Rate Requests** and whether or not to grant **Temporary TEC Exchange Rate Requests** at its absolute discretion.

6.34.3.3 Subject to Paragraph 6.34.3.4 and 6.34.3.5 **The Company** will start assessing an **Temporary TEC Exchange Rate Request** no later than:

- (i) in cases where the requested **Temporary TEC Exchange Period** is 9 months or more, 10 weeks and one **Business Day** before the start date for the **Temporary TEC Exchange Period**;
- (ii) in cases where the requested **Temporary TEC Exchange Period** is 6 months or more but is less than 9 months, 7 weeks and one **Business Day** before the start date for the **Temporary TEC Exchange Period**;
- (iii) in cases where the requested **Temporary TEC Exchange Period** is 3 months or more but is less than 6 months, 6 weeks and one **Business Day** before the start date for the **Temporary TEC Exchange Period**;
- (iv) in cases where the requested **Temporary TEC Exchange Period** is less than 3 months, 4 weeks and one **Business Day** before the start date for the **Temporary TEC Exchange Period**.

6.34.3.4 If **The Company** receives more than one **Temporary TEC Exchange Rate Request** for a **Temporary TEC Exchange Period** or a **STTEC Request** or an **LDTEC Request** or a **TEC Increase Request** which **The Company** believes will impact on each other, **The Company** will assess such requests and the capacity available on the **GB Transmission System** on a first come first served basis such that the request received earliest in time by **The Company** (as recorded by **The Company**) will be considered first in terms of capacity available and then the request received next in time after that, and so on.

6.34.3.5 Where Paragraph 6.34.3.4 **The Company** shall be entitled to suspend the assessment and making of the **Temporary TEC Exchange Rate Offer** in respect of such **Temporary TEC Exchange Rate Request** or the **LDTEC Offer** in respect of such **LDTEC Request** or the **STTEC Offer** in respect of such **STTEC Request** or the **Offer** in respect of such **TEC Increase Request**.

6.34.3.6 Where the circumstances in Paragraph 6.34.3.5 apply **The Company** shall as soon as practicable advise the **Joint Temporary TEC Exchange Users** of such suspension giving an indication of the timescale for the **Temporary Exchange Rate Offer**. Where both **Joint Temporary TEC Exchange Users** agree, the **Temporary TEC Exchange Rate Request** can be withdrawn in such circumstances.

6.34.3.7 No priority will be given to any **Users** who have previously made successful **STTEC Requests** or **LDTEC Requests** or **Temporary TEC Exchange Rate Requests**.

#### **6.34.4 Notification by The Company**

6.34.4.1 Each **User** confirms and agrees that **The Company** shall have no liability to it for any **Temporary TEC Exchange Rate Request** which **The Company** does not grant in accordance with this Paragraph 6.34.

6.34.4.2 **The Company** is not obliged to grant any **Temporary TEC Exchange Rate Request** submitted.

6.34.4.3 Any **Temporary TEC Exchange Rate Request** will only be granted provided that during the **Temporary TEC Exchange Period** the **User's Transmission Entry Capacity** plus the **Temporary Received TEC** plus any **STTEC** or **LDTEC** less any **Temporary Donated TEC** does not exceed its total station **Connection Entry Capacity**.

6.34.4.4 **The Company** shall no later than seven days and one **Business Day** before the start date for the **Temporary TEC Exchange Period**, by 17:00 on a **Business Day** either make an **Temporary TEC Exchange Rate Offer** in response to the **Temporary TEC Exchange Rate Request** or notify the **Joint Temporary TEC Exchange Users** that it does not intend to grant a **Temporary TEC Exchange Rate Request**.

#### **6.34.5 Charging, Invoicing and Payment**

6.34.5.1 Each **Temporary TEC Exchange Recipient User** must pay the **LDTEC Charge** in respect of the **Temporary Received TEC** even if

the **User** does not use the corresponding **Temporary Received TEC**.

#### **6.34.6 Temporary TEC Exchange Rate Offers**

6.34.6.1 A **Temporary TEC Exchange Rate Offer** shall:

- (i) be made to both the **Temporary TEC Exchange Donor User** and the **Temporary TEC Exchange Recipient User** and state the **Temporary Donated TEC** and **Temporary TEC Exchange Rate**;
- (ii) include in the offer sent to the **Temporary TEC Exchange Donor User** a revised Appendix C to the relevant **Bilateral Connection Agreement** or **Bilateral Embedded Generation Agreement** (as appropriate) of the **Temporary TEC Exchange Donor User** which will detail the **Temporary Donated TEC** and the **Temporary TEC Exchange Period** for which this applies;
- (iii) include in the offer sent to the **Temporary TEC Exchange Recipient User** a revised Appendix C to the relevant **Bilateral Connection Agreement** or **Bilateral Embedded Generation Agreement** (as appropriate) of the **Temporary TEC Exchange Recipient User** which will detail the **Temporary Received TEC** and the **Temporary TEC Exchange Period** for which this applies; and
- (iv) be open for acceptance by receipt of the faxed copy of the **Temporary TEC Exchange Rate Offer** up to 17:00 the following **Business Day**.

6.34.6.2 A **Temporary TEC Exchange Rate Offer** must be accepted by both the **Joint Temporary TEC Exchange Users** within the timescales in Paragraph 6.34.6.2(iii). Acceptance of a **Temporary TEC Exchange Rate Offer** shall be made by executing and faxing back the accepted **Temporary TEC Exchange Rate Offer**. A **Temporary TEC Exchange Rate Offer** lapses if not accepted by both **Temporary TEC Exchange Users** within such period.

6.34.6.3 If the **Temporary TEC Exchange Rate Offer** is accepted in accordance with Paragraph 6.34.6.2, for the **Temporary TEC Exchange Period** Appendix C to the relevant **Bilateral Agreements** will be that accepted by the **Joint Temporary TEC Exchange Users**, unless otherwise subsequently amended in accordance with such **Bilateral Agreement** or the **CUSC**. Upon expiry of the **Temporary TEC Exchange Period** such Appendix C as it relates to that **Temporary TEC Exchange Period** shall cease to have effect.

#### **6.34.7 Temporary TEC Exchange reporting and information provisions**

##### **6.34.7.1 The Company may publish the following information in respect of Temporary TEC Exchange Rate Offers which are accepted:-**

1. details of the **Temporary TEC Exchange Period**;
2. details of the **Temporary Donated TEC** and **Temporary Received TEC**;
3. the identity of the **Temporary TEC Exchange Donor User** and the **Temporary TEC Exchange Recipient User**;
4. the **Connection Site** or site of **Connection**,

in such form and manner as shall be prescribed by **The Company** from time to time.

##### **6.34.7.2 The Company may publish the following information in respect of Temporary TEC Exchange Rate Offers which are made are not accepted:-**

1. details of the **Temporary TEC Exchange Period**;
2. details of the **Temporary Donated TEC** and **Temporary Received TEC**;
3. the identity of the **Temporary TEC Exchange Donor User**;
4. the **Connection Site** or site of **Connection**,

in such form and manner as shall be prescribed by **The Company** from time to time.

##### **6.34.7.3 The Company may publish the following information in respect of Temporary TEC Exchange Rate Offers not made:-**

1. details of the **Temporary TEC Exchange Period**;
2. details of the **Temporary Donated TEC**;
3. the identity of the **Temporary TEC Exchange Donor User**;
4. the **Connection Site** or site of **Connection**,

in such form and manner as shall be prescribed by **The Company** from time to time.

6.34.7.4 The **Temporary TEC Exchange Donor User** and the **Temporary TEC Exchange Recipient User** consent to the publication by **The Company** of the information referred to above.

6.34.7.5 A **User** may also from time to time request that **The Company** advise other **Users** that such **User** is interested in making a **Temporary TEC Exchange**. Such request must be sent by email and a fax copy made using the **Temporary TEC Exchange Notification of Interest Form**.

6.34.7.6 **The Company** shall publish such **Temporary TEC Exchange Notification of Interest Form** on its **TEC Register** within 10 **Business Days** of its receipt.

### 6.35 **Embedded Generator MW Register**

6.35.1 **The Company** shall establish and maintain the **Embedded Generator MW Register** published on **The Company Website** recording the details set out in 6.34.2.

6.35.2 The **Embedded Generator MW Register** shall set out:

- the name of **Embedded Generator's** who have a **BELLA** or who are a **Relevant Embedded Medium Power Station** or a **Relevant Embedded Small Power Station**,
- the site of connection to the **Distribution System** and the relevant **Grid Supply Point**,
- the proposed year of connection to the **Distribution System** and
- the maximum output of the **Embedded Generator's** in MW's as set out in the **BELLA** or provided by the **Authorised Electricity Operator** to whose **Distribution System** that **Embedded Generator** is to connect.

6.35.3 **The Company** shall record the details of any new **BELLA's** or any changes to existing **BELLA's** on the **Embedded Generator MW Register** within 5 **Business Days** of such agreements being entered into by **The Company**.

6.35.4 **The Company** shall record the details provided by the **Authorised Electricity Operator** in respect of a **Relevant Embedded Medium Power Station** or a **Relevant Embedded Small Power Station** or any changes on the **Embedded Generator MW Register** within 5 **Business Days** of the relevant agreements being entered into relating to such **Relevant Embedded Medium Power Station** or **Relevant Embedded Small Power Station** between the **Authorised Electricity Operator** and **The Company**.

## **6.36 Transmission Works Register C**

- 6.36.1 **The Company** shall establish and maintain a **Transmission Works Register** in respect of **Transmission Works** set out in **Generators'** and **Interconnector Owners' Construction Agreements** and/or set out in the relevant **Construction Agreement** with the owner/operator of the **Distribution System** in respect of an **Embedded Exemptable Large Power Station** which is the subject of a **BELLA** (until such **Transmission Works** are completed) which it shall publish on **The Company** Website recording the details set out in Paragraph 6.36.2.
- 6.36.2 The **Transmission Works Register** shall in respect of each such **Construction Agreement** set out the name of the **Generator** or **Interconnector Owner**, the **Connection Site** (or in the case of an **Embedded Generator** the site of connection), the **Completion Date(s)**, and the **Transmission Works** which relate to such **Construction Agreement** (each as amended from time to time).
- 6.36.3 The details referred to a Paragraph 6.36.2 shall be recorded on the **Transmission Works Register** within 10 **Business Days** of the completion of such agreements or any changes to an existing agreement if such change affects any item in the **Transmission Works Register**.

## **Communications Plant (CC.6.5) - Appendix 1**

### **Power Station Located Adjacent to the Transmission Substation**

| <b>Description</b>  | <b>Source</b>                             | <b>Work</b>   | <b>Provided By</b>  | <b>Notes</b>  |
|---|---|---|---|---|
| Control Telephone<br>(CC.6.5.2)   | Transmission Substation Exchange.         | User to install free issue handset on dedicated communications circuit. User to install wiring from User control room to Transmission substation exchange.  | Wiring to be provided by User.<br>The Company to provide handset only.  | Where the power station is located immediately adjacent to the Transmission substation. |
| Extension Bell<br>(CC.6.5.3)  | Transmission Substation Exchange.         | User to install free issue extension bell on dedicated communications circuit (separate cores from the control telephone). User to install wiring from User control room to Transmission substation exchange. | Wiring to be provided by User.<br>The Company to provide bell only.   |   |
| PSTN (or other off-site communications circuits) for Telephony.<br>(CC.6.5.2 to CC.6.5.5) | Public Telecommunications Operator (PTO). | The User shall provide their own off site communications paths. Data and speech required by The Company shall be cabled from the User site to the Transmission Substation Exchange.                           | Wiring to be provided by User.  |   |
| Telegraph Instructor<br>(CC.6.5.7)  | Transmission Marshalling Cubicles.        | Wire out and install free issue display unit and driver (free issue) and communication connections to the Transmission Marshalling Cubicles. The Company to commission.                                       | Wiring to be provided by User.<br>The Company to provide display unit and driver.   |   |
| Electronic Data Communication Facilities<br>(Electronic Despatch & Logging)<br>(CC.6.5.8) | PTO.                                      | User to install EDL terminal for submission of MEL and dynamics re-declarations and for bid and offer acceptance instructions.  | User to provide EDL terminal.<br>The Company to provide communications path to a site router associated with the EDL terminal in conjunction with the User. |   |
| Facsimile Machine<br>(CC.6.5.9)   | PTO.                                      | Install facsimile machine on dedicated communications circuit.  | User to provide facsimile machine and wiring to PTO.  |   |

## **Communications Plant (CC.6.5) - Appendix 1**

### **Power Station Not Located Adjacent to the Transmission Substation**

| <b>Description</b>  | <b>Source</b>                             | <b>Work</b>   | <b>Provided By</b>  | <b>Notes</b>  |
|---|---|---|---|---|
| Control Telephone<br>(CC.6.5.2)   | Remote Telephone Equipment (RTE) unit.    | User to install free issue handset on dedicated communications circuit. User to install wiring from User control room to Transmission Marshalling Cubicles.   | Wiring to be provided by User.<br>The Company to provide handset only.  | Where the Power Station is not located immediately adjacent to the Transmission substation. |
| Extension Bell<br>(CC.6.5.3)  | RTE unit.                                 | User to install free issue extension bell on dedicated communications circuit (separate cores from the control telephone). User to install wiring from User control room to Transmission Marshalling Cubicles.                | Wiring to be provided by User.<br>The Company to provide bell only.   |   |
| PSTN (or other off-site communications circuits) for Telephony.<br>(CC.6.5.2 to CC.6.5.5) | Public Telecommunications Operator (PTO). | Duplicate offsite communications are preferred for security of data and speech transmission. If two outlet cables do not exist then the matter must be resolved on a site specific basis, to the satisfaction of The Company. | User to provide own outlet cables.  |   |
| Telegraph Instructor<br>(CC.6.5.7)  | Transmission Marshalling Cubicles.        | Wire out and install free issue display unit and driver (free issue) and communication connections to the Transmission Marshalling Cubicles. The Company to commission.   | Wiring to be provided by User.<br>The Company to provide display unit and driver.   |   |
| Electronic Data Communication Facilities<br>(Electronic Despatch & Logging)<br>(CC.6.5.8) | PTO.                                      | User to install EDL terminal for submission of MEL and dynamics re-declarations and for bid and offer acceptance instructions.  | User to provide EDL terminal.<br>The Company to provide communications path to a site router associated with the EDL terminal in conjunction with the User. |   |
| Facsimile Machine<br>(CC.6.5.9)   | PTO.                                      | Install facsimile machine on dedicated communications circuit.  | User to provide facsimile machine and wiring to PTO.  |   |



## Communications Plant (CC.6.5) - Appendix 1

### Demand

| Description   | Source                                    | Work  | Provided By   | Notes   |
|---|---|---|---|---|
| Control Telephone<br>(CC.6.5.2)   | Remote Telephone Equipment (RTE) unit.    | User to install free issue handset on dedicated communications circuit. User to install wiring from User control room to Transmission Marshalling Cubicles.   | Wiring to be provided by User.<br>The Company to provide handset only.  | Demand Control Points (as defined in the Grid Code) |
| Extension Bell<br>(CC.6.5.3)  | RTE unit.                                 | User to install free issue extension bell on dedicated communications circuit (separate cores from the control telephone). User to install wiring from User control room to Transmission Marshalling Cubicles.                | Wiring to be provided by User.<br>The Company to provide bell only.   |   |
| PSTN (or other off-site communications circuits) for Telephony.<br>(CC.6.5.2 to CC.6.5.5) | Public Telecommunications Operator (PTO). | Duplicate offsite communications are preferred for security of data and speech transmission. If two outlet cables do not exist then the matter must be resolved on a site specific basis, to the satisfaction of The Company. | User to provide own outlet cables.  |   |
| Telegraph Instructor<br>(If required by The Company)<br>(CC.6.5.7)                        | Transmission Marshalling Cubicles.        | Wire out and install free issue display unit and driver (free issue) and communication connections to the Transmission Marshalling Cubicles. The Company to commission.   | Wiring to be provided by User.<br>The Company to provide display unit and driver.   |   |
| Electronic Data Communication Facilities<br>(Electronic Despatch & Logging)<br>(CC.6.5.8) | PTO.                                      | User to install EDL terminal for submission of MEL and dynamics re-declarations and for bid and offer acceptance instructions.  | User to provide EDL terminal.<br>The Company to provide communications path to a site router associated with the EDL terminal in conjunction with the User. |   |
| Facsimile Machine<br>(CC.6.5.9)   | PTO.                                      | Install facsimile machine on dedicated communications circuit.  | User to provide facsimile machine and wiring to PTO.  |   |

## Appendix 2

### Operating Metering (CC.6.5.6)

| Description   | Source   | Type                    | Work   | Provided by                       | Notes   |
|---|--|-------------------------|--|-----------------------------------|---|
| MW and MVar for Balancing Mechanism Unit.                               | Settlement Metering (FMS).                                       | Unit per Pulse          | Provide dedicated outputs from the FMS (Final Metering Scheme) 'check' meters. Supply and install wiring to the OMS-FE.  | User.                             | Used for Despatch Instructions and Ancillary Services Monitoring (ASM). For information, FMS meters are required under the Balancing and Settlement Code. Refer to the BSC. |
| Individual alternator MW and MVar (applicable to multi-shaft machines). | Transducer or high accuracy output from User metering.           | Unit per Pulse          | Provide MW and MVar transducer or high accuracy outputs. Supply and install wiring to the OMS-FE / Transmission Marshalling Cubicles.  | User                              | Used for Network Modelling and ASM. If the User chooses to use transducers, the quality is to be agreed with The Company. LV monitoring is acceptable.                      |
| Individual unit transformer MW and MVar.                                | Transducer or high accuracy output from User metering.           | Unit per Pulse          | Provide MW and MVar transducer or high accuracy outputs. Supply and install wiring to the OMS-FE / Transmission Marshalling Cubicles.  | User.                             | Used for Network Modelling. If the User chooses to use transducers, the quality is to be agreed with The Company.   |
| Voltage for each generator connection to the Transmission substation.   | Single Phase VT (usually a CVT)                                  | AC Waveform             | Provide VT secondary output (single phase). Supply and install transducer and wiring to the Transmission Marshalling Cubicles.   | User.                             | For indication purposes. To feed Substation Voltage Selection Scheme. The Company to install Voltage Selection Scheme at Transmission substation as required.               |
| Frequency for each Balancing Mechanism Unit.                            | High accuracy VT output (single phase).                          | AC Waveform             | Provide high accuracy VT secondary output (single phase). Supply and install wiring to the Transmission Marshalling Cubicles.  | User.                             | Used for ASM.   |
| All generator circuit(s) LV circuit breaker(s) and disconnect(s)        | Double point off dedicated auxiliary contacts (1 n/o and 1 n/c). | Status Indication       | Wire out and cable between auxiliary contacts and Transmission Marshalling Cubicles.   | User, in switchgear.              | Dedicated auxiliary contacts are required. Repeat relays are not normally acceptable.   |
| Unit transformer circuit breaker(s).                                    | Double point off dedicated auxiliary contacts (1 n/o and 1 n/c). | Status Indication       | Wire out and cable between auxiliary contacts and Transmission Marshalling Cubicles.   | User, in switchgear.              | Dedicated auxiliary contacts are required. Repeat relays are not normally acceptable.   |
| All generator circuit(s) HV circuit breaker(s) and disconnect(s).       | Double point off dedicated auxiliary contacts (1 n/o and 1 n/c). | Status Indication       | Wire out and cable between auxiliary contacts and Transmission Marshalling Cubicles.   | User, in switchgear.              | Dedicated auxiliary contacts are required. Repeat relays are not normally acceptable.   |
| Each generator transformer Tap Position Indication (TPI)                | Dedicated tap changer auxiliary contact arm.                     | Tap Position Indication | Provide >one out of (up to) 19' position indications or TPI transducer indication. Wire out and cable between dedicated auxiliary contact arm and Transmission Marshalling Cubicles. | User, in transformer tap-changer. | Used for Network Modelling and ASM.   |

**END OF SECTION 6**

## **CUSC - SECTION 11**

### **INTERPRETATION AND DEFINITIONS**

#### **CONTENTS**

- 11.1 Introduction
- 11.2 Interpretation and Construction
- 11.3 Definitions

## **SECTION 11**

### **INTERPRETATION AND DEFINITIONS**

#### **11.1 INTRODUCTION**

This Section sets out general rules to be applied in interpreting the **CUSC, Bilateral Agreements, Construction Agreements and Mandatory Services Agreements**. It also sets out the defined terms used by the **CUSC** (other than those defined elsewhere in the **CUSC**) and other agreements. Those other agreements may, in accordance with Paragraph 11.2.2, have their own further interpretation rules and defined terms which apply only to the individual agreements.

#### **11.2 INTERPRETATION AND CONSTRUCTION:**

11.2.1 In the **CUSC** and in each **Bilateral Agreement** and in each **Mandatory Services Agreement** and each **Construction Agreement**:

- (a) the interpretation rules in this Paragraph 11.2; and
- (b) the words and expressions defined in Paragraph 11.3,

shall, unless the subject matter or context otherwise requires or is inconsistent therewith, apply.

11.2.2 Save as otherwise expressly provided in the **CUSC**, in the event of any inconsistency between the provisions of any **Bilateral Agreement, Mandatory Services Agreement or Construction Agreement** and the **CUSC**, the provisions of the **Bilateral Agreement or Mandatory Services Agreement or Construction Agreement** shall prevail in relation to the **Connection Site** which is the subject thereof to the extent that the rights and obligations of **Users** not party to that **Bilateral Agreement, Mandatory Services Agreement or Construction Agreement** are not affected.

11.2.3 If in order to comply with any obligation in the **CUSC**, any **Bilateral Agreement** or any **Construction Agreement** any **CUSC Party** is under a duty to obtain the consent or approval (including any statutory licence or permission) ("the **Consent**") of a third party (or the **Consent** of another **CUSC Party**) such obligation shall be deemed to be subject to the obtaining of such **Consent** which the **CUSC Party** requiring the **Consent** shall use its reasonable endeavours to obtain including (if there are reasonable grounds therefor) pursuing any appeal in order to obtain such **Consent**.

- 11.2.4 If such **Consent** is required from any **CUSC Party** then such **CUSC Party** shall grant such **Consent** unless it is unable to do so or it would be unlawful for it to do so provided that such grant by such **CUSC Party** may be made subject to such reasonable conditions as such **CUSC Party** shall reasonably determine.
- 11.2.5 For the avoidance of doubt if the **CUSC Party** who is under a duty to obtain such **Consent** fails to obtain such **Consent** having complied with this Paragraph 11.2 the obligation on that **CUSC Party** (in relation to which such **Consent** is required) shall cease.
- 11.2.6 In the **CUSC** and in each **Bilateral Agreement** and in each **Mandatory Services Agreement** and each **Construction Agreement**:
- (a) unless the context otherwise requires all references to a particular Paragraph, Part, Section, Schedule or Exhibit shall be a reference to that Paragraph, Part, Section, Schedule or Exhibit in or to the **CUSC** and all references to a particular Appendix shall be a reference to that Appendix to a **Bilateral Agreement** or **Mandatory Services Agreement** or **Construction Agreement** (as the case may be);
  - (b) a table of contents and headings are inserted for convenience only and shall be ignored in construing the **CUSC** or a **Bilateral Agreement**, **Construction Agreement** or **Mandatory Services Agreement** as the case may be;
  - (c) references to the words "include" or "including" are to be construed without limitation to the generality of the preceding words;
  - (d) unless the context otherwise requires any reference to an Act of Parliament or any part or section or other provision of or schedule to an Act of Parliament shall be construed, at the particular time, as including a reference to any modification, extension 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
  - (e) references to the masculine shall include the feminine and references in the singular shall include the plural and vice versa and words denoting persons shall include any individual, partnership, firm, company, corporation, joint venture, trust, association, organisation or other entity, in

each case whether or not having separate legal personality.

### 11.3 DEFINITIONS

The following terms shall have the following meanings:

|                               |   |
|-------------------------------|---|
| "ABSVD Methodology Statement" | the document entitled "Applicable Balancing Services Volume Data Methodology Statement", as published by <b>The Company</b> as the same may be amended from time to time;   |
| "Accession Agreement"         | an agreement in or substantially in the form of Exhibit A to the <b>CUSC</b> whereby an applicant accedes to the <b>CUSC Framework Agreement</b> ;  |
| "Acceptance Volume"           | as defined in the <b>Balancing and Settlement Code</b> ;  |
| "Act"                         | the Electricity Act 1989;   |
| "Active Power"                | <p>the product of voltage and the in-phase component of alternating current measured in units of watts and standard multiples thereof i.e.</p> <p>1000 watts = 1kW<br/>1000 kW = 1MW<br/>1000 MW = 1GW<br/>1000 GW = 1TW;</p> |
| "Actual Amount"               | as defined in Paragraph 3.13;   |
| "Additional Scheduling Data"  | as defined in the <b>Grid Code</b> on the day prior to the <b>NETA Go-live Date</b> ;   |
| "Adjusted LDTEC Profile"      | the <b>LDTEC Profile</b> as adjusted by the MW cap specified by the <b>User</b> in its acceptance of the <b>LDTEC Block Offer</b> in accordance with <b>CUSC</b> Paragraph 6.32.6.4.  |

**"Affected User"**

**a User:**

- a) with **Transmission Entry Capacity** for the **Connection Site** against which the affected **BM Unit** is registered and who is paying or in receipt of generator **Transmission Network Use of System Charges** by reference to such **Transmission Entry Capacity**; or

- b) an **Interconnector Owner**;

**"Affiliate"**

in relation to **The Company** (and in relation to Paragraphs 6.14 and 8A.4.2.2, any **User**) means any holding company or subsidiary of **The Company** (or the **User** as the case may be) or any subsidiary of a holding company of **The Company** (or the **User** as the case may be), 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;

**"Agency Business"**

any business of **The Company** or any **Affiliate** or **Related Undertaking** in the purchase or other acquisition or sale or other disposal of electricity as agent for any other **Authorised Electricity Operator**;

**"Agreed Ancillary Services"**

**Part 2 System Ancillary Services and Commercial Ancillary Services**;

**"Agreed Value"**

the value attributed by **The Company** to the form of security provided that if **The Company** and the **User** cannot agree on such value then the value will be determined by an expert appointed by **The Company** and the **User** or, failing their agreement as to the expert, the expert nominated by the Director General of The Institute of Credit Management;

**"Alternate Election Process"**

As defined in Paragraph 8A.4.4.2

**"Alternate Members"**

persons appointed as such pursuant to Paragraph 8.6.2;

**"Alternate Member Interim Vacancies"**

as defined in Paragraph 8A.4.3.3

**"Allowed Interruption"**

shall mean an **Interruption** as a result of any of the following:

- a) an **Event** other than an **Event** on the **GB Transmission System**;
- b) an event of **Force Majeure** pursuant to Paragraph 6.19 of the **CUSC**;
- c) a **Total Shutdown** or **Partial Shutdown**;
- d) action taken under the **Fuel Security Code**;
- e) **Disconnection** or **Deenergisation** by or at the request of **The Company** under Section 5 of the **CUSC**, except in the case of an **Emergency Deenergisation Instruction**;;
- f) the result of a direction of the Authority or **Secretary of State**;
- g) tripping of the **User's Circuit Breaker(s)** following receipt of a signal from a **System to Generator Operational Intertripping Scheme** which has been armed in accordance with Paragraph 4.2A.2.1(b).

or if provided for in a **Bilateral Agreement** with the affected **User**;

**"Amendment Procedures"**

the procedures for the amendment of the **CUSC** (including the implementation of **Approved Amendments**) as set out in Section 8;

**"Amendment Process"**

the part of the **Amendment Procedures** relating to consideration by the **Amendments Panel** and **Working Groups**, consultation by the **Working Groups** and **The Company** and preparation of an **Amendment Report** by **The Company**;

**"Amendment Proposal"**

a proposal which is not rejected pursuant to



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|  | Paragraphs 8.15.3 or 8.15.4;  |
| "Amendments Panel"                           | the body established and maintained pursuant to Paragraph 8.2;  |
| "Amendments Panel Recommendation Vote"       | The vote of <b>Panel Members</b> undertaken by the <b>Panel Chairman</b> in accordance with Paragraph.20.4 as to whether they believe each <b>Proposed Amendment</b> , or <b>Working Group Alternative Amendment</b> would better facilitate achievement of the applicable <b>CUSC Objective(s)</b> ; |
| "Amendment Register"                         | as defined in Paragraph 8.12.1;   |
| "Amendment Report"                           | a report prepared pursuant to Paragraph 8.20;   |
| "Ancillary Services"                         | <b>System Ancillary Services</b> and/or <b>Commercial Ancillary Services</b> as the case may be;  |
| "Ancillary Services Agreement"               | an agreement between <b>The Company</b> and a <b>User</b> or other person to govern the provision of and payment for one or more <b>Ancillary Services</b> , which term shall include without limitation a <b>Mandatory Services Agreement</b> ;  |
| "Annual Average Cold Spell (ACS) Conditions" | a particular combination of weather elements which gives rise to a level of peak <b>Demand</b> within an <b>The Company Financial Year</b> which has a 50% chance of being exceeded as a result of weather variation alone;   |
| "Apparatus"                                  | all equipment in which electrical conductors are used, supported or of which they may form a part;  |
| "Applicant"                                  | a person applying for connection and/or use of system under the <b>CUSC</b> ;   |
| "Applicable CUSC Objectives"                 | as defined in the <b>Transmission Licence</b> ;   |
| "Application for a STTEC"                    | an application made by a <b>User</b> in accordance with the <b>Offer</b> " Paragraph 6.31 for <b>Short Term Capacity</b> for a <b>STTEC</b>   |

**Period.**

**"Approved Agency"**

the panel of three independent assessment agencies appointed by **NGC** and other network operators from time to time for the purpose of providing **Independent Credit Assessments** details of such agencies to be published on the **NGC Website**;

**"Approved Amendment"**

as defined in Paragraph 8.20.7 and 8.21.2.3;

**"Applicable Balancing Services Volume Data"**

has the meaning given in the **Balancing and Settlement Code**

**"Approved Credit Rating"**

a long term debt rating of not less than BB- by Standard and Poor's Corporation or a rating not less than Ba3 by Moody's Investor Services, or a short term rating which correlates to those long term ratings, or an equivalent rating from any other reputable credit agency approved by **The Company**; or such other lower rating as may be reasonably approved by **The Company** from time to time;

**"Authorised Electricity Operator"**

any person (other than **The Company** 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;

**"Authorised Recipient"**

in relation to any **Protected Information**, means any **Business Person** who, before the **Protected Information** had been divulged to him by **The Company** or any **Subsidiary of The Company**, had been informed of the nature and effect of Paragraph 6.15.1 and who requires access to such **Protected Information** for the

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|   | proper performance of his duties as a <b>Business Person</b> in the course of <b>Permitted Activities</b> ;   |
| "Authority"   | the Director General of Electricity Supply appointed for the time being pursuant to section 1 of the <b>Act</b> or, after the coming into force of section 1 of the Utilities Act 2000, the Gas and Electricity Markets Authority established by that section;              |
| "Available LDTEC"   | is the level of MW for an <b>LDTEC Week</b> as notified by <b>NGC</b> to a <b>User</b> in (in the case of the first seven <b>LDTEC Weeks</b> ) the <b>LDTEC Indicative Block Offer</b> and for subsequent <b>LDTEC Weeks</b> in an <b>LDTEC Availability Notification</b> . |
| "Back Stop Date"  | in relation to an item of <b>Derogated Plant</b> , the date by which it is to attain its <b>Required Standard</b> , as specified in or pursuant to the relevant <b>Derogation</b> ;   |
| "Balancing and Settlement Code" or "BSC"                    | as defined in the <b>Transmission Licence</b> ;   |
| "Balancing Code" or "BC"                                    | as defined in the <b>Grid Code</b> ;  |
| "Balancing Mechanism"                                       | as defined in the <b>Transmission Licence</b> ;   |
| "Balancing Services"  | as defined in the <b>Transmission Licence</b> ;   |
| "Balancing Services Activity"                               | as defined in the <b>Transmission Licence</b> ;   |
| "Balancing Services Agreement"                              | an agreement between <b>The Company</b> and a <b>User</b> or other person governing the provision of and payment for one or more <b>Balancing Services</b> ;  |
| "Balancing Services Use of System Charges"                  | the element of <b>Use of System Charges</b> payable in respect of the <b>Balancing Services Activity</b> ;  |
| "Balancing Services Use of System Reconciliation Statement" | as defined in Paragraph 3.15.1  |

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**"Bank Account"**

a separately designated bank account in the name of **The Company** at such branch of Barclays Bank PLC, or such branch of any other bank, in the City of London as is notified by **The Company** to the **User**, bearing interest from (and including) the date of deposit of principal sums to (but excluding) the date of withdrawal of principal sums from such account, mandated for withdrawal of principal solely by **The Company** against delivery of a **Notice of Drawing** for the amount demanded therein and mandated for the transfer of any interest accrued to the **Bank Account** to such bank account as the **User** may specify;

**"Base Rate"**

in respect of any day, the rate per annum which is equal to the base lending rate from time to time of Barclays Bank PLC as at the close of business on the immediately preceding **Business Day**;

**"Base Value at Risk"**

The sum of HH Base Value at Risk and the NHH Base Value at Risk

**"BELLA Application"**

an application for a **BELLA** in the form or substantially in the form set out in Exhibit Q;

**"BELLA Offer"**

an offer for a **BELLA** in the form or substantially the form set out in Exhibit R including any revision or extension of such offer;

**"Bi-annual Estimate"**

an estimate pursuant to Paragraph 2.21.2 of all payments to be made or which may be required to be made by the **User** in any relevant period, such estimate to be substantially in the form set out in Exhibit L to the **CUSC**;

**"Bid-Offer Acceptance"**

as defined in the **Balancing and Settlement Code**;

**"Bid-Offer Volume"**

as defined in the **Balancing and Settlement Code**;

**"Bilateral Agreement"**

in relation to a **User**, a **Bilateral Connection Agreement** or a **Bilateral Embedded Generation Agreement**, or a

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|   | <b>BELLA</b> between <b>The Company</b> and the <b>User</b> ;   |
| <b>"Bilateral Connection Agreement"</b>   | an agreement entered into pursuant to Paragraph 1.3.1 a form of which is set out in Exhibit 1 to <b>Schedule 2</b> ;  |
| <b>"Bilateral Embedded Generation Agreement"</b>  | an agreement entered into pursuant to Paragraph 1.3.1, a form of which is set out in Exhibit 2 to <b>Schedule 2</b> ;   |
| <b>"Bilateral Embedded Licence exemptable Large power station Agreement" or "BELLA"</b> | an agreement in respect of an <b>Embedded Exemptable Large Power Station</b> entered into pursuant to Paragraph 1.3.1, a form of which is set out in Exhibit 5 to <b>Schedule 2</b> ;   |
| <b>"Bilateral Insurance Policy"</b>   | a policy of insurance taken out by the <b>User</b> with a company in the business of providing insurance who meets the <b>Requirements</b> for the benefit of <b>The Company</b> and upon which <b>The Company</b> can claim if the circumstances set out in <b>CUSC</b> Paragraph 5.3.1(b) (i) to (v) arise in respect of such <b>User</b> and which shall provide security for the <b>Agreed Value</b> . In addition <b>The Company</b> may accept such a policy from such a company who does not meet the <b>Requirements</b> up to an <b>Agreed Value</b> where <b>The Company</b> agrees or where <b>The Company</b> does not agree as determined by an expert appointed by <b>The Company</b> and the <b>User</b> or failing their agreement as to the expert the expert nominated by the Director General of The Institute of Credit Management; |
| <b>"Block LDTEC"</b>  | is at any given time the lower of the MW figure in the <b>LDTEC Profile</b> or <b>Adjusted LDTEC Profile</b> for an <b>LDTEC Period</b>   |
| <b>"BM Unit"</b>  | as defined in the <b>Balancing and Settlement Code</b> ;  |
| <b>"BM Unit Identifiers"</b>  | the identifiers (as defined in the <b>Balancing and Settlement Code</b> ) of the <b>BM Units</b> ;  |
| <b>"BM Unit Metered Volume"</b>   | as defined in the <b>Balancing and Settlement Code</b> ;  |
| <b>"Boundary Point Metering System"</b>   | as defined in the <b>Balancing and</b>  |

**Settlement Code;**

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| <b>"British Grid Systems Agreement"</b>  | the agreement made on 30 March 1990 of that name between <b>The Company</b> , Scottish Hydro Electric plc, and Scottish Power plc;   |
| <b>"BSC Agent"</b>                       | as defined in the <b>Balancing and Settlement Code</b> ;   |
| <b>"BSC Framework Agreement"</b>         | as defined in the <b>Transmission Licence</b> ;  |
| <b>"BSC Panel"</b>                       | the Panel as defined in the <b>Balancing and Settlement Code</b> ;   |
| <b>"BSC Party"</b>                       | a person who is for the time being bound by the <b>Balancing and Settlement Code</b> by virtue of being a party to the <b>BSC Framework Agreement</b> ;                            |
| <b>"Business Day"</b>                    | any week-day other than a Saturday on which banks are open for domestic business in the City of London;  |
| <b>"Business Person"</b>                 | any person who is a <b>Main Business Person</b> or a <b>Corporate Functions Person</b> and <b>"Business Personnel"</b> shall be construed accordingly;                             |
| <b>"Capability Payment"</b>              | as defined in Paragraph 4.2A.4(a)(i);  |
| <b>"Category 1 Intertripping Scheme"</b> | as defined in the <b>Grid Code</b> ;   |
| <b>"Category 2 Intertripping Scheme"</b> | as defined in the <b>Grid Code</b> ;   |
| <b>"Category 3 Intertripping Scheme"</b> | as defined in the <b>Grid Code</b> ;   |
| <b>"Category 4 Intertripping Scheme"</b> | as defined in the <b>Grid Code</b> ;   |
| <b>"CCGT Unit"</b>                       | a <b>Generating Unit</b> within a <b>CCGT Module</b> ;   |
| <b>"Charging Dispute"</b>                | as defined in Paragraph 7.2.1;   |
| <b>"Charging Statements"</b>             | the <b>Statement of the Connection Charging Methodology</b> , the <b>Statement of the Use of System Charging Methodology</b> , and the <b>Statement of Use of System Charges</b> ; |

**"Circuit Breaker"**

a mechanical switching device, capable of making, carrying and breaking currents under normal circuit conditions and also of making, carrying for a specified time and breaking currents under specified abnormal circuit conditions, such as those of short circuit;

**"CMRS"**

as defined in the **Balancing and Settlement Code**;

**"Code of Practice"**

as defined in the **Balancing and Settlement Code**;

**"Combined Cycle Gas Turbine Module" or "CCGT Module"**

a collection of **Generating Units** (registered under the **Grid Code PC**) comprising one or more **Gas Turbine Units** (or other gas based engine units) and one or more **Steam Units** where, in normal operation, the waste heat from the **Gas Turbine Units** is passed to the water/steam system of the associated **Steam Units** and where the component units within the **CCGT Module** are directly connected by steam or hot gas lines to enable those units to contribute to the efficiency of the combined cycle operation of the **CCGT Module**;

**"Commercial Ancillary Services"**

as defined in the **Grid Code**;

**"Commercial Boundary"**

(unless otherwise defined in the relevant **Mandatory Services Agreements**), the commercial boundary between either **The Company** or a **Public Distribution System Operator** (as the case may be) and the **User** at the higher voltage terminal of the generator step-up transformer;

**"Commercial Services Agreement"**

an agreement between **The Company** and a **User** or other person to govern the provision of and payment for one or more **Agreed Ancillary Services**;

**"Commissioned"**

in respect of **Plant** and **Apparatus** commissioned before the **Transfer Date** means **Plant** and **Apparatus** recognised as having been commissioned according to the

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|   | commissioning procedures current at the time of commissioning and in respect of <b>Plant and Apparatus</b> commissioned after the <b>Transfer Date</b> means <b>Plant</b> and/or <b>Apparatus</b> certified by the <b>Independent Engineer</b> as having been commissioned in accordance with the relevant <b>Commissioning Programme</b> ; |
| "Commissioning Programme"                   | in relation to a particular user, as defined in its <b>Construction Agreement</b> ;   |
| "Commissioning Programme Commencement Date" | as defined in relation to a particular <b>User</b> in the <b>Construction Agreement</b> ;   |
| "Competent Authority"                       | the <b>Secretary of State</b> , the <b>Authority</b> and any local or national agency, authority, department, inspectorate, minister (including Scottish ministers), ministry, official or public or statutory person (whether autonomous or not) of, or of the government of, the United Kingdom or the European Community;                |
| "Completion Date"                           | in relation to a particular <b>User</b> , as defined in its <b>Construction Agreement</b> ;   |
| "Composite Demand Charges"                  | in respect of a <b>User</b> its <b>Demand</b> related <b>Transmission Network Use of System Charges</b> for each <b>Transmission Network Use of System Demand Zone</b> ;  |
| "Confidential Information"                  | all data and other information supplied to a <b>User</b> by another <b>CUSC Party</b> under the provisions of the <b>CUSC</b> or any <b>Bilateral Agreement</b> , <b>Construction Agreement</b> or <b>Mandatory Services Agreement</b> ;  |
| "Connected Planning Data"                   | in relation to a particular user, as defined in its <b>Construction Agreement</b> ;   |
| "Connection"                                | a direct connection to the <b>GB Transmission System</b> by a <b>User</b> ;   |
| "Connection Application"                    | an application for a <b>New Connection Site</b> in the form or substantially in the form set out in Exhibit B to the <b>CUSC</b> ;  |
| "Connection Charges"                        | charges made or levied or to be made or levied for the carrying out (whether before or after the date on which the  |



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|                                     | <p><b>Transmission Licence</b> comes into force) of works and provision and installation of electrical plant, electric lines and ancillary meters in constructing entry and exit points on the <b>GB Transmission System</b>, together with charges in respect of maintenance and repair of such items in so far as not otherwise recoverable as <b>Use of System Charges</b>, all as more fully described in the <b>Transmission Licence</b>, whether or not such charges are annualised, including all charges provided for in the statement of <b>Connection Charging Methodology</b> (such as <b>Termination Amounts</b> and <b>One-off Charges</b>);</p> |
| "Connection Charging Methodology"   | as defined in the <b>Transmission Licence</b> ;   |
| "Connection Conditions" or "CC"     | that portion of the <b>Grid Code</b> which is identified as the <b>Connection Conditions</b> ;  |
| "Connection Entry Capacity"         | the figure specified as such for the <b>Connection Site</b> and each <b>Generating Units</b> as set out in Appendix C of the relevant <b>Bilateral Connection Agreement</b> ;   |
| "Connection Offer"                  | an offer or (where appropriate) the offers for a <b>New Connection Site</b> in the form or substantially in the form set out in Exhibit C including any revision or extension of such offer or offers;  |
| "Connection Site"                   | each location more particularly described in the relevant <b>Bilateral Agreement</b> at which a <b>User's Equipment</b> and <b>Transmission Connection Assets</b> required to connect that <b>User</b> to the <b>GB Transmission System</b> are situated. If two or more <b>Users</b> own or operate <b>Plant</b> and <b>Apparatus</b> which is connected at any particular location that location shall constitute two (or the appropriate number of) <b>Connection Sites</b> ;  |
| "Connection Site Demand Capability" | the capability of a <b>Connection Site</b> to take power to the maximum level forecast by the <b>User</b> from time to time and forming part of the <b>Forecast Data</b> supplied to <b>The Company</b> pursuant to the <b>Grid Code</b> together with such margin as <b>The Company</b> shall in its reasonable opinion  |

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|                                | consider necessary having regard to <b>The Company's</b> duties under its <b>Transmission Licence</b> ;   |
| "Consents"                     | in relation to a particular <b>User</b> , as defined in its <b>Construction Agreement</b> , and as provided for in Section 11;  |
| "Construction Agreement"       | an agreement entered into pursuant to Paragraph 1.3.2;  |
| "Construction Programme"       | in relation to a particular <b>User</b> , as defined in its <b>Construction Agreement</b> ;   |
| "Construction Works"           | In relation to a particular <b>User</b> , as defined in its <b>Construction Agreement</b> ;   |
| "Control Telephony"            | as defined in the <b>Grid Code</b> ;  |
| "Contract Test"                | a test (not being a <b>Reactive Test</b> ) described in a <b>Market Agreement</b> ;   |
| "Contract Start Days"          | as defined in Paragraph 3.3 of Schedule 3, Part I;  |
| "Core Industry Documents"      | as defined in the <b>Transmission Licence</b> ;   |
| "Core Industry Document Owner" | in relation to a <b>Core Industry Document</b> , the body(ies) or entity(ies) responsible for the management and operation of procedures for making changes to such document;   |
| "Corporate Functions Person"   | any person who is:<br><br>(a) a director of <b>The Company</b> ; or<br><br>(b) an employee of <b>The Company</b> or any of its subsidiaries carrying out any administrative, finance or other corporate services of any kind which in part relate to the <b>Main Business</b> ; or<br><br>(c) engaged as an agent of or adviser to or performs work in relation to or services for the <b>Main Business</b> ; |
| "Cost Statement"               | as defined in Paragraph 2.14.3;   |
| "Credit Assessment Score"      | a score between zero and ten given by an  |

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|   | <b>Approved Agency</b> in the <b>Independent Credit Assessment</b> ;   |
| <b>"Credit Assessment Sum"</b>              | the proportion of the of the <b>Unsecured Credit Cover</b> extended by <b>NGC</b> to a <b>User</b> who does not meet the <b>Approved Credit Rating</b> and calculated in accordance with Paragraph 3.26.6;                                 |
| <b>"Credit Rating"</b>                      | the credit requirements set by <b>The Company</b> from time to time in relation to <b>Termination Amounts</b> ;  |
| <b>"CUSC"</b>                               | this <b>Connection and Use of System Code</b> ;  |
| <b>"CUSC Framework Agreement"</b>           | as defined in the <b>Transmission Licence</b> ;  |
| <b>"CUSC Implementation Date"</b>           | 00.01 on the 18 September 2001;  |
| <b>"CUSC Party"</b>                         | as defined in the <b>Transmission Licence</b> ;  |
| <b>"Customer"</b>                           | a person to whom electrical power is provided (whether or not he is the provider of such electrical power) other than power to meet <b>Station Demand</b> of that person;  |
| <b>"Data Registration Code" or "DRC"</b>    | the portion of the <b>Grid Code</b> which is identified as the <b>Data Registration Code</b> ;   |
| <b>"Deemed HH Forecasting Performance"</b>  | the sum calculated in accordance with Appendix 2 Paragraph 3 as it may be revised in accordance with paragraph 3.22.7.   |
| <b>"Deemed NHH Forecasting Performance"</b> | the sum calculated in accordance with Appendix 2 Paragraph 6 as it may be revised pursuant to Paragraph 3.22.8.  |
| <b>"Deenergisation" or "Deenergise(d)"</b>  | the movement of any isolator, breaker or switch or the removal of any fuse whereby no electricity can flow to or from the relevant <b>System</b> through the <b>User's Equipment</b> ;   |
| <b>"Defaulting Party"</b>                   | as defined in Paragraph 4.3.2.11;  |
| <b>"Defendant Party"</b>                    | as defined in Paragraph 7.5.1;   |
| <b>"De-Load"</b>                            | the difference (expressed in MW) between the <b>Maximum Export Limit</b> and the <b>Final Physical Notification Data</b> as adjusted by the <b>Acceptance Volume</b> in respect of a <b>Bid-Offer Acceptance</b> (if any), and <b>"De-</b> |

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|                                       | <b>Loaded</b> " shall be construed accordingly;  |
| <b>"Demand"</b>                       | the demand of MW and Mvar of electricity (i.e. both <b>Active Power</b> and <b>Reactive Power</b> ), unless otherwise stated;  |
| <b>"Demand Forecast"</b>              | a <b>Users</b> forecast of its <b>Demand</b> submitted to <b>The Company</b> in accordance with paragraphs 3.10, 3.11 and 3.12;  |
| <b>"Derogation"</b>                   | a direction issued by the <b>Authority</b> relieving a <b>CUSC Party</b> from the obligation under its <b>Licence</b> to comply with such parts of the <b>Grid Code</b> or any <b>Distribution Code</b> or in the case of <b>The Company</b> the <b>Transmission Licence</b> as may be specified in such direction and <b>"Derogated"</b> shall be construed accordingly;                    |
| <b>"Derogated Plant"</b>              | <b>Plant</b> or <b>Apparatus</b> which is the subject of a <b>Derogation</b> ;   |
| <b>"Design Variation"</b>             | is a connection design (which provides for connection to the <b>GB Transmission System</b> ) which fails to satisfy the deterministic criteria detailed in paragraphs 2.5 to 2.13 of the <b>GB SQSS</b> ;  |
| <b>"De-synchronisation"</b>           | the act of taking a <b>BM Unit</b> off a <b>System</b> to which it has been <b>Synchronised</b> , by opening any connecting circuit breaker, and <b>"De-synchronised"</b> shall be construed accordingly;  |
| <b>"Detailed Planning Data"</b>       | detailed additional data which <b>The Company</b> requires under the <b>PC</b> in support of Standard Planning Data;   |
| <b>"Directive"</b>                    | includes any present or future directive, requirement, instruction, direction or rule of any <b>Competent Authority</b> , (but only, if not having the force of law, if compliance with the <b>Directive</b> is in accordance with the general practice of persons to whom the <b>Directive</b> is addressed) and includes any modification, extension or replacement thereof then in force; |
| <b>Disconnect" or "Disconnection"</b> | without prejudice to the interpretation of the   |

terms "**Disconnect**" or "**Disconnection**" to **Users** acting in capacities other than those detailed, the following definitions shall apply:

- (a) for **Users** acting in their capacity as **Generators** with **Embedded Large Power Stations** or **Embedded Medium Power Stations**, passing power on to a **Distribution System** through a connection to a **Distribution System** which had not been commissioned as at the **Transfer Date**, means permanent physical disconnection of the **User's Equipment** at the site of connection to the **Distribution System**;
- (b) for **Users** who are **Trading Parties** (as defined in the **Balancing and Settlement Code**) acting in their capacity as responsible for **Small Power Stations** which are **Embedded**, means, permanent physical disconnection of the **User's Equipment** or **Equipment** for which the **User** is responsible (as defined in Section K of the **Balancing and Settlement Code**) at the site of connection to the **Distribution System**;
- (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 **Transmission Connection Assets** therefrom (as the case may be);

**"Dispute Resolution Procedure"**

the procedures set out in Section 7;

**"Dispute Statement"**

as defined in Paragraph 3.15.4;

**"Distribution Agreement"**

an agreement entered into by a **User** with the owner/operator of the **Distribution System** for the connection of the **User's Equipment** (or equipment for which the

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|  | <b>User</b> is responsible (as defined in Section K of the <b>Balancing and Settlement Code</b> ) to and use of such <b>Distribution System</b> ;  |
| <b>"Distribution Code(s)"</b>              | the <b>Distribution Code(s)</b> drawn up by <b>Public Distribution System Operators</b> pursuant to the terms of their respective <b>Licence(s)</b> as from time to time revised in accordance with those <b>Licences</b> ;  |
| <b>"Distribution Connection Agreement"</b> | an agreement between a <b>User</b> who owns or operates a <b>Distribution System</b> and an owner of a <b>Power Station</b> for connection to that <b>User's Distribution System</b> .   |
| <b>"Distribution Interconnector"</b>       | as defined in the <b>Balancing and Settlement Code</b> ;   |
| <b>"Distribution Interconnector Owner"</b> | the <b>Owner</b> of a <b>Distribution Interconnector</b> or of that part of a <b>Distribution Interconnector</b> directly connected to a <b>Distribution System</b> ;  |
| <b>"Distribution Licence"</b>              | a licence issued under section 6(1)(c) of the <b>Act</b> ;   |
| <b>"Distribution System"</b>               | the system consisting (wholly or mainly) of electric lines owned or operated by any <b>Authorised Electricity Operator</b> and used for the distribution of electricity from <b>Grid Supply Points</b> or generation sets or other entry points to the point of delivery to <b>Customers</b> or <b>Authorised Electricity Operators</b> , and includes any <b>Remote Transmission Assets</b> operated by such <b>Authorised Electricity Operator</b> and any electrical plant and meters owned or operated by the <b>Authorised Electricity Operator</b> in connection with the distribution of electricity, but shall not include any part of the <b>GB Transmission System</b> ; |
| <b>"Dormant CUSC Party"</b>                | a <b>CUSC Party</b> which does not enjoy any ongoing rights and/or obligations for the period of its dormancy under the <b>CUSC</b> , as provided for in Section 5;  |
| <b>"Earthing"</b>                          | as defined in the <b>Grid Code</b> ;   |
| <b>"EdF Documents"</b>                     | as defined in the <b>Balancing and Settlement Code</b> ;   |

**"Election Timetable"**

as defined in Paragraph 8A.1.2.1;

**"Election Year"**

as defined in Paragraph 8A.1.1.2;

**"Electricity Arbitration Association"**

as the phrase '**Electricity Supply Industry Arbitration Association**' is defined in the **Grid Code**;

**"Embedded"**

a direct connection to a **Distribution System** or the **System** of any other **User** to which **Customers** and/or **Power Stations** are connected;

**"Embedded Generator MW Register"**

the Register set up by **The Company** pursuant to Paragraph 6.35;;

**"Emergency Deenergisation Instruction"**

an instruction issued by **The Company** to a **User** to either:

- (a) **Deenergise** that **User's Equipment**, or
- (b) request the owner of the **Distribution System to which the User's Equipment** or equipment for which that **User** is responsible (as defined in Section K of the **Balancing and Settlement Code**) is connected to **Deenergise** that **User's Equipment** or equipment for which that **User** is responsible (as defined in Section K of the **Balancing and Settlement Code** or ;
- (c) declare its **Maximum Export Limit** in respect of the **BM Unit(s)** associated with such **User's Equipment** to zero and to maintain it at that level during the **Interruption Period**,

where in **The Company's** reasonable opinion:

- (i) the condition or manner of operation of any **Transmission Plant** and/or **Apparatus** is such

that it may cause damage or injury to any person or to the **GB Transmission System**; and

(ii) if the **User's Equipment** connected to such **Transmission Plant** and/or **Apparatus** was not **Deenergised** and/or the **Maximum Export Limit** of such **User's Equipment** connected to such **Transmission Plant** and/or **Apparatus** was not reduced to zero then it is likely that the **Transmission Plant** and/or **Apparatus** would automatically trip; and

(iii) if such **Transmission Plant** and/or **Apparatus** had tripped automatically, then

(I) the **BM Unit** comprised in such **User's Equipment** (other than an **Interconnector Owner**); or

(II) an **Interconnector** of an **Affected User** who is an **Interconnector Owner**,

would, solely as a result of **Deenergisation** of **Plant** and **Apparatus** forming part of the **GB Transmission System**, have been **Deenergised**.

**"Emergency Instruction"**

as defined in the **Grid Code**;

**"End Date"**

shall mean 5.00pm on the date 12 months from (and not including) the **Security Amendment Implement Date**;

**"Energisation" or "Energise(d)"**

the movement of any isolator, breaker or switch or the insertion of any fuse so as to enable **Energy** to flow from and to the relevant **System** through the **User's Equipment**;



**"Energy"**

the electrical energy produced, flowing or supplied by an electric circuit during a time interval, being the integral with respect to time of the power, measured in units of watt-hours or standard multiples thereof i.e.

1000 Wh = 1KWh

1000 KWh = 1MWh

1000 MWh = 1GWh

1000 GWh = 1TWh;

**"Energy Metering Equipment"**

as the phrase **"Metering Equipment"** is defined in the **Balancing and Settlement Code**;

**"Energy Metering System"**

as the phrase **"Metering System"** is defined in the **Balancing and Settlement Code**;

**"Enforceable"**

**The Company** (acting reasonably) is satisfied that the security is legally enforceable and in this respect the **User** shall obtain such legal opinion at its expense as **The Company** (acting reasonably shall require);

**"Enhanced Reactive Power Service"**

as defined in Paragraph 1.2 of Schedule 3, Part I;

**"Enhanced Rate"**

in respect of any day the rate per annum which is 4% per annum above the **Base Rate**;

**"Escrow Account"**

a separately designated bank account in the name of **The Company** at such branch of Barclays Bank PLC or such branch of any other bank, in the City of London as is notified by **The Company** to the **User**, bearing interest from (and including) the date of deposit of principal sums to (but excluding) the date of withdrawal of principal sums from such account, mandated for withdrawal of any sums solely by **The Company**;

**"Estimated Demand"**

the forecast **Demand (Active Power)** data filed with **The Company** pursuant to the **Charging Statements**;

**"ET Interface Point"**

the electrical point of connection between an **Offshore Transmission System** and an **Onshore Distribution System** and in relation to a particular **User** as defined in its **Bilateral Connection Agreement**;

**"ET Offshore Transmission System"**

an **Offshore Transmission System** connected at an **ET Interface Point**;

**"ET Restrictions on Availability"**

is in the context of an **ET Offshore Transmission System** the reduction in capability as set out in the relevant **Notification of ET Restrictions on Availability**;

**"Event"**

as defined in the **Grid Code**;

**"Event of Default"**

any of the events set out in Section 5 as constituting an event of default;

**"Exchange Rate"**

the **Transmission Entry Capacity** available to a specific party as a direct result of a specific reduction in the **Transmission Entry Capacity** available to another party.

**"Exchange Rate Request"**

a joint request from a **User** and another **User** to calculate the Exchange Rate that would apply were they to agree to a **TEC Trade**.

**"Excitation System"**

the equipment providing the field current of a machine, including all regulating and control elements as well as field discharge or suppression equipment and protective devices;

**"Exemptable"**

where the person generating electricity at the relevant **Power Station** is, or would be (if it generated electricity at no other **Power Station** and/or did not hold a **Generation Licence**) exempt from the requirement to hold a **Generation Licence** under the **Act**;

**"Exempt Power Station"**

a **Power Station** where the person generating electricity at that **Power Station** is exempt from the requirement to hold a

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|   | <b>Generation Licence</b> under the <b>Act</b> ;   |
| <b>"Existing Security Cover"</b>                    | the <b>Security Cover</b> held by <b>NGC</b> in respect of a <b>User</b> pursuant to <b>CUSC</b> Section 3 Part III immediately prior to the <b>Security Amendment Implementation Date</b> ;   |
| <b>"External Interconnection"</b>                   | as defined in the <b>Grid Code</b> ;   |
| <b>"Externally Interconnected System Operator"</b>  | as defined in the <b>Grid Code</b> ;   |
| <b>"Final Adjustments Statement"</b>                | as defined in Paragraph 4.3.2.6(b);  |
| <b>"Final Demand Reconciliation Statement"</b>      | as defined in Paragraph 3.12.7(a);   |
| <b>"Final Monthly Statement"</b>                    | as defined in Paragraph 4.3.2.6;   |
| <b>"Final Physical Notification Data"</b>           | as defined in the <b>Balancing and Settlement Code</b> ;   |
| <b>"Final Reconciliation Settlement Run"</b>        | as defined in the <b>Balancing and Settlement Code</b> ;   |
| <b>"Final Reconciliation Volume Allocation Run"</b> | as defined in the <b>Balancing and Settlement Code</b> ;   |
| <b>"Final Statement"</b>                            | as defined in Paragraph 4.3.2.6(a);  |
| <b>"Final Sums"</b>                                 | in relation to a particular <b>User</b> , as defined in its <b>Construction Agreement</b> ;  |
| <b>"Financial Year"</b>                             | the period of 12 months ending on 31st March in each calendar year;  |
| <b>"First Offer"</b>                                | as defined in Paragraph 6.10.4;  |
| <b>"First User"</b>                                 | as defined in Paragraph 6.10.3;  |
| <b>"FMS Date"</b>                                   | 1st April 1993;  |
| <b>"Force Majeure"</b>                              | in relation to any <b>CUSC Party</b> any event or circumstance which is beyond the reasonable control of such <b>CUSC Party</b> and which results in or causes the failure of that <b>CUSC Party</b> to perform any of its obligations under the <b>CUSC</b> including act of God, strike, lockout or other industrial disturbance, act of the public enemy, war declared or undeclared, threat of war, terrorist act, blockade, revolution, riot, |

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|   | 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 <b>Plant</b> and <b>Apparatus</b> (which could not have been prevented by <b>Good Industry Practice</b> ), governmental restraint, Act of Parliament, other legislation, bye law and <b>Directive</b> (not being any order, regulation or direction under section 32, 33, 34 and 35 of the <b>Act</b> ) provided that lack of funds shall not be interpreted as a cause beyond the reasonable control of that <b>CUSC Party</b> ; |
| "Forecasting Performance Related VAR "            | the sum of <b>HH . Forecasting Performance Related VAR</b> and <b>NHH Forecasting Performance Related VAR</b> .   |
| "Frequency"                                       | the number of alternating current cycles per second (expressed in Hertz) at which a <b>System</b> is running;   |
| "Frequency Deviation"                             | a positive or negative deviation from <b>Target Frequency</b> ;   |
| "Frequency Response"                              | an automatic response by a <b>BM Unit</b> or <b>CCGT Unit</b> to a change in <b>Frequency</b> with the aim of containing <b>System Frequency</b> within the limits provided for under the <b>Grid Code</b> ;  |
| "Frequency Sensitive Mode"                        | as defined in the <b>Grid Code</b> ;  |
| "Fuel Security Code"                              | the document of that title designated as such by the <b>Secretary of State</b> as from time to time amended;  |
| "Gas and Electricity Consumers Council" or "GECC" | the body set up pursuant to section 2 of the Utilities Act 2000;  |
| "GB SQSS"   | is the GB Security and Quality of Supply Standards (version 1) issued under Standard Condition C17 of the <b>Transmission Licence</b> (as amended, varied or replaced from time to time);   |
| "GB Transmission System" or                       | the system consisting (wholly or mainly) of high voltage electric wires owned or  |

**"GBTS"**

operated by transmission licensees within **Great Britain and Offshore** 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 **Plant** and **Apparatus** or meters owned or operated by any transmission licensee within **Great Britain and Offshore** in connection with the transmission of electricity but shall not include **Remote Transmission Assets**;

a **Generating Unit** driven by a gas turbine (for instance an aero-engine);

**"Gas Turbine Unit"**

**"Generating Plant"**

a **Large Power Station**;

**"Generating Unit"**

unless otherwise provided in the **Grid Code** any **Apparatus** which produces electricity;

**"Generation Business"**

the authorised business of **The Company** or any **Affiliate** or **Related Undertaking** in the generation of electricity or the provision of **Balancing Services**, in each case from pumped storage and from the Kielder hydro-electric generating station;

**"Generation Capacity"**

the normal full load capacity of a **Generating Unit** as declared by the **Generator**, less the MW consumed by the **Generating Unit** through the **Generating Unit's** unit transformer when producing the same;

**"Generation Licence"**

the licence granted to a **Generator** pursuant to section 6(1)(a) of the **Act**;

**"Generation Reconciliation Statement"**

as defined in Paragraph 3.12.2;

**"Generator"**

a person who generates electricity under licence or exemption under the **Act**;

**"Genset"**

as defined in the **Grid Code**;

**"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

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|   | expected from a skilled and experienced operator engaged in the same type of undertaking under the same or similar circumstances;   |
| "Great Britain"                           | as defined in Schedule 1 of the <b>Transmission Licence</b> ;   |
| "Grid Code"                               | the <b>Grid Code</b> drawn up pursuant to the <b>Transmission Licence</b> , as from time to time revised in accordance with the <b>Transmission Licence</b> ;   |
| "Grid Supply Point"                       | a point of delivery from the <b>GB Transmission System</b> to a <b>Distribution System</b> or a <b>Non-Embedded Customer</b> ;  |
| "Gross Asset Value"                       | the value calculated by <b>The Company</b> in accordance with recognised accounting principles and procedures as published by <b>The Company</b> from time to time;   |
| "Group"                                   | as defined in the <b>Grid Code</b> ;  |
| "HH Base Percentage"                      | the % value for the relevant <b>Security Period</b> as specified in the table in paragraph 1 of Appendix 2.   |
| "HH Base Value at Risk"                   | the sum as calculated in accordance with Paragraph 3.22.3.  |
| "HH Charges"                              | that element of <b>Transmission Network Use of System Demand Charges</b> relating to half-hourly metered <b>Demand</b> .  |
| "HH Forecasting Performance Related VAR " | the amount resulting from multiplying the <b>Deemed HH Forecasting Performance</b> and the <b>Indicative Annual HH TNUoS Charge</b> calculated on the basis of the latest <b>Demand Forecast</b> received by <b>The Company</b> . |
| "High Frequency Response"                 | as defined in the <b>Grid Code</b> ;  |
| "High Voltage" or "HV"                    | a voltage exceeding 650 volts;  |
| "Holding Payment"                         | that component of the payment for <b>Mode A Frequency Response</b> calculated in accordance with Paragraph 4.1.3.9;   |
| "Housekeeping Amendment"                  | an <b>Amendment Proposal</b> relating to the correction of cross referencing or paragraph   |

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|  | numbering, corrections to tables of contents and contact details, spelling or typographical errors, the deletion or insertion of text which has previously been retained or deleted erroneously following implementation of an earlier <b>Proposed Amendment</b> where the <b>Amendments Panel</b> so agrees that the <b>Amendment Proposal</b> can be treated as a <b>Housekeeping Amendment</b> ;   |
| "Housekeeping Amendment Report"            | the report submitted by <b>The Company</b> to the <b>Authority</b> in accordance with Paragraph 8.22.2.2;   |
| "Indemnified Persons"                      | as defined in Paragraph 8.11.1;   |
| "Independent Engineer"                     | in relation to a particular <b>User</b> , as defined in its <b>Construction Agreement</b> ;   |
| "Independent Credit Assessment"            | an assessment of the creditworthiness of a <b>User</b> by an <b>Approved Agency</b> as nominated by the <b>User</b> obtained in accordance with Paragraph 3.26.7, 3.26.8 and 3.26.9;  |
| "Independent Security Arrangement"         | a guarantee in favour of <b>The Company</b> in a form satisfactory to <b>The Company</b> and which is provided by an entity which meets the <b>Requirements</b> . In addition <b>The Company</b> may accept such a policy from an entity who does not meet the <b>Requirements</b> up to an <b>Agreed Value</b> where <b>The Company</b> agrees or where <b>The Company</b> does not agree as determined by an expert appointed by <b>The Company</b> and the <b>User</b> or failing their agreement as to the expert the expert nominated by the Director General of The Institute of Credit Management; |
| "Indicative Annual HH TNUoS charge"        | <b>The Company's</b> forecast of the <b>User's</b> total <b>HH Charges</b> relating to a <b>Financial Year</b> .  |
| "Indicative Annual NHH TNUoS charge"       | <b>The Company's</b> forecast of the <b>User's</b> total <b>NHH Charges</b> relating to a <b>Financial Year</b> .   |
| "Indicative Block LDTEC"                   | is the <b>Available LDTEC</b> .   |
| "Indicative Maximum Generation Capability" | has the meaning attributed to it in Paragraph 4.2.3.2;  |

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| "Initial Charge"                          | as defined in Paragraph 3.15.2;   |
| "Initial Demand Reconciliation Statement" | as defined in Paragraph 3.12.4;   |
| "Initial Volume Allocation Run"           | as defined in the <b>Balancing and Settlement Code</b> ;  |
| "Implementation Date"                     | is the date and time for implementation of an <b>Approved Amendment</b> as specified in accordance with Paragraph 8.23.3;   |
| "Insurance Performance Bond"              | a <b>Performance Bond</b> provided by a company in the business of providing insurance which meets the <b>Requirements</b> . In addition <b>The Company</b> may accept such a policy from such a company who does not meet the <b>Requirements</b> up to an <b>Agreed Value</b> where <b>The Company</b> agrees or where <b>The Company</b> does not agree as determined by an expert appointed by <b>The Company</b> and the <b>User</b> or failing their agreement as to the expert the expert nominated by the Director General of The Institute of Credit Management; |
| "Intellectual Property" or "IPRs"         | patents, trade marks, service marks, rights in designs, trade names, copyrights and topography rights (whether or not any of the same are registered and including applications for registration of any of the same) and rights under licences and consents in relation to any of the same and all rights or forms of protection of a similar nature or having equivalent or similar effect to any of the same which may subsist anywhere in the world;   |
| "Interconnected System Operator"          | as defined in the <b>Balancing and Settlement Code</b> ;  |
| "Interconnector"                          | as defined in the <b>Balancing and Settlement Code</b> ;  |
| "Interconnector Error Administrator"      | as defined in the <b>Balancing and Settlement Code</b> ;  |
| "Interconnector Owner"                    | the owner of an <b>Interconnector</b> , or of that part of an <b>Interconnector</b> , directly connected to the <b>GB Transmission System</b> ;   |
| "Interconnector User"                     | (a) in relation to an <b>Interconnector</b>   |



connected to the **GB Transmission System**, as defined in the **Balancing and Settlement Code**; and

(b) in relation to a **Distribution Interconnector**, a Lead Party (as defined in the **Balancing and Settlement Code**) in respect of a single **BM Unit** where under Section K5 of the **Balancing and Settlement Code** the **BM Unit** has been allocated in relation to that **Distribution Interconnector** or if there is no such allocation, as defined in the **Balancing and Settlement Code**;

**"Interface Agreement"**

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** ;

**"Interim Panel and Alternate Election process"**

As defined in Paragraph 8A.4.3.2

**"Interruption"**

where solely as a result of **Deenergisation of Plant and Apparatus** forming part of the **GB Transmission System**;

a) a **BM Unit** comprised in the **User's Equipment** of an **Affected User** (other than an **Interconnector Owner**) is **Deenergised**; or

an **Interconnector** of an **Affected User** who is an **Interconnector Owner** is **Deenergised**;

**"Interruption Payment"**

the payment for each day or part thereof of the **Interruption Period** calculated as follows:

1. In the case of a **Relevant Interruption** arising as a result of a **Planned Outage** the higher of:
  - A. the £ per MW calculated by reference to the total TNUoS income derived from generators divided by the total system **Transmission Entry Capacity**, in each case using figures for the **Financial Year** prior to that in

which the **Relevant Interruption** occurs, this is then divided by 365 to give a daily £ per MW rate; or

- B. the actual £ per MW of an **Affected User** by reference to the tariff in the **Use of System Charging Statement** for the **Financial Year** in which the **Relevant Interruption** occurs divided by 365 to give a daily £ per MW rate.

A or B are then multiplied by:

- a) in the case of an **Affected User** other than an **Interconnected Owner** the MW arrived at after deducting from the **Transmission Entry Capacity** for the **Connection Site** the sum of the **Connection Entry Capacity** of the unaffected **BM Units** at the **Connection Site**; and
- b) in the case of an **Affected User** who is an **Interconnector Owner** the MW specified in the **Transmission Entry Capacity** for the **Connection Site**.
2. In respect of a **Relevant Interruption** arising as a result of an **Emergency Deenergisation Instruction**, the payment, regardless of the duration of such **Relevant Interruption**, for each **Generating Unit**, or in the case of a **Power Park Module**, for the collection of **Non-Synchronous Generating Units** which are registered as a **Power Park Module** under the **Grid Code**, shall be the same amount as an **Intertrip Payment** for a **Category 2 Interripping Scheme**.
3. In the case of all other **Relevant Interruptions**:

For the first 24 hours of the **Relevant Interruption**, a sum equal to the price in £/MWh for the relevant **Settlement Period(s)** (as provided for in Section T 1.5.3 of the **Balancing and Settlement Code**).

Multiplied by:

- a) in the case of an **Affected User** other than an **Interconnector Owner** the MW arrived at after deducting from the **Transmission Entry Capacity** for the **Connection Site** the sum of the **Connection Entry Capacity** of the unaffected BM **Units** at the **Connection site**; and
- b) in the case of an **Affected User** who is an **Interconnector Owner** the MW specified in the **Transmission Entry Capacity** for the **Connection Site**

and after the first 24 hours a sum calculated as 1 above.

Provided always that an **Affected User** shall not receive payment for more than one **Relevant Interruption** in any given day

**"Interruption Period"**

the period in days commencing with the notification by **The Company** to the **Affected User** of the start of **Relevant Interruption** and ending on the notification by **The Company** the **Affected User** that the **Relevant Interruption** has ended;

**"Intertrip Contracted Unit"**

- (i) in the case of a **Power Park Module**, the collection of **Non-Synchronous Generating Units** which are registered as a **Power Park Module** under the **Grid Code**; and

- (ii) all other cases, a **Generating Unit**,

unless, in either case, the **Bilateral Agreement** specifies otherwise.

**"Intertrip Payment"**

as defined in Paragraph 4.2A.4(c);

**"Isolation"**

as defined in the **Grid Code**;

**"Joint System Incident"**

Paragraphs (a) and (b) below are without prejudice to the application of Paragraph 6.4 to **Users** acting in capacities other than those detailed in Paragraphs (a) and (b),

(a) for **Users** in respect of their **Connection Sites** which were not **Commissioned** as at the **Transfer Date**, shall have the meaning given to that term in the **Grid Code**;

(b) for **Users** acting in their capacity as **Generators** with **Embedded Large Power Stations** or **Embedded Medium Power Stations** and who are passing power onto a **Distribution System** through a connection with a **Distribution System** which was not **Commissioned** as at the **Transfer Date**, means an event wherever occurring (other than on an **Embedded Medium Power Station** or **Embedded Small Power Station**) which, in the opinion of **The Company** or a **User** has or may have a serious and/or widespread effect, being (in the case of an event on a **User(s) System(s)**) (other than on an **Embedded Medium Power Station** or **Embedded Small Power Station**), on the **GB Transmission System**, and (in the case of an event on the **GB Transmission System**), on a **User(s) System(s)** (other than on an **Embedded Independent Generating Plant**);

**"Joint Temporary TEC Exchange Users"**

means the **Temporary TEC Exchange Donor User** and the **Temporary TEC Exchange Recipient User**.

**"Lagging"**

in relation to **Reactive Power**, exporting Mvar;

**"Land Charge"**

the charge (if any) set out in Appendix B to a **Bilateral Connection Agreement**.

**"LDTEC"**

Is, in the case of an accepted **LDTEC Block Offer**, **Block LDTEC** or, in the case of an accepted **LDTEC Indicative Block**

**Offer, Indicative Block LDTEC.**

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| <b>"LDTEC Availability Notification"</b> | the form set out in Exhibit T to the <b>CUSC</b> .   |
| <b>"LDTEC Block Offer"</b>               | is an offer made by <b>NGC</b> for <b>Short Term Capacity</b> in accordance with the terms of Paragraphs 6.32.4.6 and 6.32.6.1 in response to an <b>LDTEC Request</b> .  |
| <b>"LDTEC Charge"</b>                    | being a component of the <b>Use of System Charges</b> which is made or levied by <b>NGC</b> and to be paid by the <b>User</b> , in the case of an accepted <b>LDTEC Block Offer</b> , for <b>Block LDTEC</b> and in the case of an accepted <b>LDTEC Indicative Block Offer</b> for <b>Requested LDTEC</b> and in the case of an accepted <b>Temporary TEC Exchange Rate Offer</b> for <b>Temporary Received TEC</b> , in each case calculated in accordance with the <b>Charging Statements</b> . |
| <b>"LDTEC Indicative Block Offer"</b>    | is an offer made by <b>NGC</b> for <b>Short Term Capacity</b> in accordance with the terms of Paragraphs 6.32.6.4 and 6.32.6.2 in response to an <b>LDTEC Request</b> .  |
| <b>"LDTEC Indicative Profile"</b>        | is a profile in MW that indicates <b>NGC's</b> assessment of the MW capacity that may be available to a <b>User</b> for the <b>LDTEC Period</b> which has been prepared solely for the purpose of enabling a <b>User</b> to make its assessment of an <b>LDTEC Indicative Block Offer</b> .  |
| <b>"LDTEC Offer"</b>                     | is an <b>LDTEC Block Offer</b> and/or an <b>LDTEC Indicative Offer</b> .   |
| <b>"LDTEC Period"</b>                    | <p>is,</p> <p>(a) a period of weeks or part thereof within a <b>Financial Year</b> as specified by the <b>User</b> in its <b>LDTEC Request Form</b> for a minimum period of seven weeks commencing on a Monday at 0.00 hours and finishing at 23.59 on any given day no later than the last day of such <b>Financial Year</b>, or</p> <p>(b) in the case of a n accepted <b>Temporary TEC Exchange Offer</b>, the <b>Temporary TEC</b></p>   |

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|                              | <b>Exchange Period.</b>   |
| <b>"LDTEC Profile"</b>       | is a profile in MW of <b>NGC's</b> assessment of the MW capacity that is available to a <b>User</b> for the <b>LDTEC Period</b> (not exceeding the maximum level in the <b>LDTEC Request</b> ) in an <b>LDTEC Block Offer</b> .   |
| <b>"LDTEC Request"</b>       | is an application made by a user for an <b>LDTEC Block Offer</b> and/or an <b>LDTEC Indicative Block Offer</b> made using an <b>LDTEC Request Form</b> .  |
| <b>"LDTEC Request Fee"</b>   | the fee to be paid by the <b>User</b> to <b>NGC</b> for an <b>LDTEC Request</b> as detailed in the <b>Charging Statements</b> .   |
| <b>"LDTEC Request Form"</b>  | is the form set out in Exhibit S to the <b>CUSC</b> .   |
| <b>"LDTEC Week"</b>          | is a week or part thereof within an <b>LDTEC Period</b> commencing on Monday at 0.00 and finishing on 23:59 on the last day within such week.   |
| <b>"Large Power Station"</b> | as defined in the <b>Grid Code</b> ;  |
| <b>"Leading"</b>             | in relation to <b>Reactive Power</b> , importing Mvar;  |
| <b>"Legal Challenge"</b>     | an appeal to the Competition Commission or a judicial review in respect of the <b>Authority's</b> decision to approve or not to approve an <b>Amendment Proposal</b> ;  |
| <b>"Letter of Credit"</b>    | (a) in respect of Paragraph 2.22 shall mean an irrevocable standby letter of credit in a form reasonably satisfactory to <b>The Company</b> but in any case expressed to be governed by the Uniform Customs and Practice for Documentary Credits 1993 Revision ICC Publication No. 500 or such other form as may be reasonably satisfactory to <b>The Company</b> and allowing for partial drawings and providing for the payment to <b>The Company</b> on demand forthwith on and against <b>The Company's</b> delivery to the issuer thereof of a <b>Notice of Drawing</b> of the amount demanded |

therein;

(b) in all other cases shall mean an unconditional irrevocable standby letter of credit in such form as **The Company** may reasonably approve issued for the account of the **User** in sterling in favour of **The Company**, allowing for partial drawings and providing for the payment to **The Company** forthwith on demand by any United Kingdom clearing bank or any other bank which in each case has a long term debt rating of not less than single "A" by Standard and Poor's Corporation or by Moody's Investors Services, or such other bank as **The Company** may approve and which shall be available for payment at a branch of the issuing bank;

**"Licence"**

any licence granted pursuant to Section 6 of the **Act**;

**"Licence Standards"**

the standards to be met by **The Company** under Standard Condition C17 of the **Transmission Licence**;

**"Liquidated Damages"**

in relation to a particular **User**, as defined in its **Construction Agreement**;

**"Local Safety Instructions"**

as defined in the **Grid Code**;

**"MCUSA"**

the **Master Connection and Use of System Agreement** dated 30 March 1990 (now amended to become the **CUSC Framework Agreement**);

**"Main Business"**

any business of **The Company** or any of its subsidiaries as at the **Transfer Date** or which it is required to carry on under the **Transmission Licence**, other than the **Generation Business**;

**"Main Business Person"**

any employee of **The Company** or any director or employee of its subsidiaries who is engaged solely in the **Main Business** and **"Main Business Personnel"** shall be construed accordingly;

**"Maintenance Reconciliation Statement"**

the statement prepared in accordance with Paragraph 2.14.5 and Paragraph 9.9.5;

**"Mandatory Ancillary Services"**

**Part 1 System Ancillary Services;**

**"Mandatory Services Agreement"**

an agreement between **The Company** and a **User** to govern the provision of and payment for **Mandatory Ancillary Services**;

**"Market Agreement"**

as defined in Paragraph 3.1 of Schedule 3, Part I;

**"Market Day"**

as defined in Paragraph 3.3 of Schedule 3, Part I;

**"Material Effect"**

an effect causing **The Company** or a **Relevant Transmission Licensee** to effect any works or to alter the manner of operation of **Transmission Plant** and/or **Transmission Apparatus** 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 in expenditure of more than £10,000;

**"Maximum Export Capacity"**

as defined in the **Grid Code** and in relation to a particular **User** the figure in MW and MVA as defined in its **Bilateral Connection Agreement**;

**"Maximum Export Limit"**

as defined in the **Grid Code**;

**"Maximum Generation"**

means a Balancing Service provided from the Available BM Units by generating at a level above the MEL so as to increase the total export of Active Power from the Power Station to the **GB** Transmission System, contributing towards **The Company's** requirement for additional short-term generation output, all as more particularly described in Paragraph 4.2;

**"Maximum Generation BM Unit"**

means, as between **The Company** and a User, the BM Units, specified in the Maximum Generation Service Agreement;

**"Maximum Generation Energy Fee"**

the amount (£/MWh) set out in the Maximum Generation Service Agreement as the same may be revised from time to



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|   | time in accordance with Paragraph 4.2.5;  |
| <b>"Maximum Generation Energy Payment"</b>    | has the meaning attributed to it in Paragraph 4.2.5.1;  |
| <b>"Maximum Generation Instruction"</b>       | has the meaning attributed to it in Paragraph 4.2.4.1;  |
| <b>"Maximum Generation Redeclaration"</b>     | has the meaning attributed to it in Paragraph 4.2.3.3;  |
| <b>"Maximum Generation Service Agreement"</b> | an agreement between <b>The Company</b> and a User specifying, amongst other things, the BM Units and the Maximum Generation Energy Fee applicable to the provision of Maximum Generation;  |
| <b><u>"Maximum Import Capacity"</u></b>       | <u>as defined in the <b>Grid Code</b> and in relation to a particular <b>User</b> the figure in MW and MVA as defined in its <b>Bilateral Connection Agreement</b>;</u>   |
| <b>"Medium Power Station"</b>                 | as defined in the <b>Grid Code</b> ;  |
| <b>"Meters"</b>                               | as defined in the <b>Balancing and Settlement Code</b>  |
| <b>"Metering Equipment"</b>                   | as defined in the <b>Balancing and Settlement Code</b> ;  |
| <b>"Meter Operator Agent"</b>                 | as defined in the <b>Balancing and Settlement Code</b> ;  |
| <b>"Metering System"</b>                      | as defined in the <b>Balancing and Settlement Code</b> ;  |
| <b>"Methodology"</b>                          | the <b>Statement of the Use of System Charging Methodology</b> or the <b>Statement of the Connection Charging Methodology</b> (and " <b>Methodologies</b> " shall be construed accordingly);  |
| <b>"Mode A Frequency Response"</b>            | as defined in Paragraph 4.1.3.3;  |
| <b>"Modification"</b>                         | any actual or proposed replacement, renovation, modification, alteration, or construction by or on behalf of a <b>User</b> or <b>The Company</b> to either the <b>User's Plant</b> or <b>Apparatus</b> or the manner of its operation or <b>Transmission Plant</b> or <b>Transmission Apparatus</b> or the manner of its operation which in either case has or may have a |

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|                                     | <b>Material Effect</b> on another <b>CUSC Party</b> at a particular <b>Connection Site</b> ;   |
| <b>"Modification Affected User"</b> | as defined in Paragraph 6.9.3.2;   |
| <b>"Modification Application"</b>   | an application in the form or substantially in the form set out in Exhibit I to the <b>CUSC</b> ;  |
| <b>"Modification Notification"</b>  | a notification in the form or substantially in the form set out in Exhibit K to the <b>CUSC</b> ;  |
| <b>"Modification Offer"</b>         | an offer in the form or substantially in the form set out in Exhibit J to the <b>CUSC</b> , including any revision or extension of such offer;   |
| <b>"Natural Demand"</b>             | the <b>Demand (Active Power)</b> which is necessary to meet the needs of <b>Customers</b> excluding that <b>Demand (Active Power)</b> met by <b>Embedded Generating Units</b> whose generation is not traded by <b>Trading Parties</b> through <b>Energy Metering Systems</b> registered under the <b>Balancing and Settlement Code</b> ;  |
| <b>"Net Asset Value"</b>            | the <b>Gross Asset Value</b> of the <b>Transmission Connection Asset</b> in question less depreciation over the <b>Replacement Period</b> calculated in accordance with recognised accounting principles and procedures;   |
| <b>"New Connection Site"</b>        | a proposed <b>Connection Site</b> in relation to which there is no <b>Bilateral Agreement</b> in force between the <b>CUSC Parties</b> ;   |
| <b>"New CUSC Party"</b>             | as defined in Paragraph 6.13;  |
| <b>"NGC Prescribed Level"</b>       | the forecast value of the regulatory asset value of <b>NGC</b> for a <b>Financial Year</b> as set out in the document published from time to time by Ofgem setting this out and currently know as "Ofgem's Transmission Price Control Review of NGC – Transmission Owner Final Proposals" such values to be published on the <b>NGC Website</b> by reference to the <b>NGC</b> credit arrangements no later than 31 January prior to the beginning of the <b>Financial Year</b> to which such value relates; |

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| "NHH Base Percentage"                      | the % value for the relevant <b>Security Period</b> as specified in the table in paragraph 2 of Appendix 2.  |
| "NHH Charges"                              | that element of <b>Transmission Network Use of System Demand Charges</b> relating to non-half-hourly metered <b>Demand</b> .   |
| "NHH Base Value at Risk"                   | the sum as calculated in accordance with Paragraph 3.22.4.   |
| "NHH Forecasting Performance Related VAR " | the amount resulting from multiplying the <b>Deemed NHH Forecasting Performance</b> and the <b>Indicative Annual HH TNUoS Charge</b> calculated on the basis of the latest <b>Demand Forecast</b> received by <b>The Company</b> . |
| "Nominated Registered Capacity"            | as defined in Appendix 5 of Schedule 3, Part I;  |
| "Non- Performing Party"                    | as defined in Paragraph 6.19;  |
| "Non-Embedded Customer"                    | a <b>Customer</b> except for a <b>Public Distribution System Operator</b> receiving electricity direct from the <b>GB Transmission System</b> irrespective of from whom it is supplied;  |
| "Non Standard Boundary"                    | where the division of ownership of <b>Plant</b> and <b>Apparatus</b> is contrary to the principles of ownership set out in <b>CUSC</b> Paragraph 2.12;   |
| "Non Standard Boundary"                    | where the division of ownership of <b>Plant</b> and <b>Apparatus</b> is contrary to the principles of ownership set out in <b>CUSC</b> Paragraph 2.12;   |
| "Non-Synchronous Generating Unit"          | as defined in the <b>Grid Code</b> .   |
| "Notice of Drawing"                        | a notice of drawing signed by or on behalf of <b>The Company</b> substantially in the form set out in Exhibit N to the <b>CUSC</b> ;   |
| "Notification Date"                        | as defined in the <b>Balancing and Settlement Code</b> ;   |
| "Notification of Circuit Outage"           | as defined in the relevant <b>Bilateral Connection Agreement</b> or <b>Bilateral</b>   |

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|   | <b>Embedded Generation Agreement;</b>   |
| <b>"Notification of Circuit Restriction"</b>                    | as defined in the relevant <b>Bilateral Connection Agreement</b> or <b>Bilateral Embedded Generation Agreement;</b>   |
| <b>"Notification of Restrictions on Availability"</b>           | as defined in the relevant <b>Bilateral Connection Agreement</b> or <b>Bilateral Embedded Generation Agreement;</b>   |
| <b><u>"Notification of ET Restrictions on Availability"</u></b> | <b><u>as defined in the relevant Bilateral Connection Agreement;</u></b>  |
| <b>"Notional Amount"</b>  | as defined in Paragraph 3.13;   |
| <b>"Nuclear Generator"</b>                                      | as defined in Paragraph 6.11;   |
| <b>"Nuclear Site Licence Provisions Agreement"</b>              | shall mean each of the following agreements (as from time to time amended) (a) the agreement between <b>The Company</b> and Magnox Electric plc (formally called Nuclear Electric plc) dated 30 March 1990, (b) the agreement between <b>The Company</b> and British Energy Generation Limited dated 31 March 1996, (c) the agreement between SP Transmission Limited and British Energy Generation (UK) Limited dated 29 May 1991 in relation to Hunterston power station and Torness power station, and (d) the agreement between SP Transmission Limited and British Nuclear Fuels plc in relation to Chapelcross power station. |
| <b>"Obligatory Reactive Power Service"</b>                      | as defined in Paragraph 1.1 of Schedule 3, Part I;  |
| <b>"Offer"</b>  | an offer for connection to and/or use of the <b>GB Transmission System</b> made by <b>The Company</b> in relation to the <b>CUSC</b> ;  |
| <b><u>"Offshore"</u></b>  | <b><u>means in the Offshore Waters and when used in conjunction with another defined term and the terms together are not otherwise defined means that the associated term is to be read accordingly;</u></b>  |
| <b><u>"Offshore Construction Works"</u></b>                     | <b><u>In relation to a particular User means those elements of the Construction Works to be undertaken by an Offshore Transmission Licensee as defined in its Construction Agreement;</u></b>   |

**"Offshore Grid Entry Point"**

as defined in the **Grid Code**;

**"Offshore Platform"**

a single structure comprising of **Plant** and **Apparatus** located **Offshore** which includes one or more **Offshore Grid Entry Points**;

**"Offshore Standard Design"**

is a connection design (which provides for connection to the **GB Transmission System**) of a **Connection Site** located **Offshore** which satisfies the minimum deterministic criteria detailed in paragraphs 7.7 to 7.19 of the **GB SQSS** but does not satisfy the deterministic criteria detailed in paragraphs 2.5 to 2.13 of the **GB SQSS**;

**"Offshore Tender Process"**

that process followed by the Authority to make, in prescribed cases, a determination on a competitive basis of the person to whom an offshore transmission licence is to be granted;

**"Offshore Tender Regulations"**

those regulations made by the Authority in accordance with section 6C of the Act to facilitate the determination on a competitive basis of the person to whom an offshore transmission licence is to be granted;

**"Offshore Transmission Licensee"**

means such person in relation to whose **Licence** the standard conditions in Section E (offshore transmission owner standard conditions) of such **Licence** have been given effect or any person in that prospective role;

**"Offshore Transmission Owner"**

means either (a) such person in relation to whose **Licence** the standard conditions in Section E (offshore transmission owner standard conditions) of such **Licence** have been given effect; or (b) a party who has acceded to the **STC** prior to the grant of a **Licence** referred to in (a) above as a requirement of the **Offshore Tender Regulations**;

**"Offshore Transmission System"**

a part of the **GB Transmission System** for which there is an **Offshore Transmission Licensee**;

**"Offshore Waters"**

has the meaning given to "offshore waters"

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|  | <a href="#">in Section 90(9) of the Energy Act 2004;</a>   |
| "One Off Charge"                             | the costs, including profits and overheads of carrying out the <b>One Off Works</b> , together with the <b>Net Asset Value</b> of any asset made redundant as a result of the <b>Construction Works</b> an estimate of which is specified in Appendix B1 to the relevant <b>Construction Agreement</b> and/or <b>Bilateral Agreement</b> ;                                       |
| "One Off Works"                              | the works described in Appendix B1 to the relevant <b>Construction Agreement</b> and/or <b>Bilateral Agreement</b> ;   |
| <a href="#">"Onshore"</a>                    | <a href="#">means within <b>Great Britain</b> excluding <b>Offshore</b> and when used in conjunction with another defined term and the terms together are not otherwise defined means that the associated term is to be read accordingly;</a>  |
| <a href="#">"Onshore Construction Works"</a> | <a href="#">in relation to a particular <b>User</b>, means those elements of the <b>Construction Works</b> to be undertaken <b>Onshore</b> as defined in its <b>Construction Agreement</b>;</a>  |
| "Operating Agreement(s)"                     | the operating agreements or arrangements identified in the <b>Bilateral Connection Agreement</b> between <b>The Company</b> and the <b>Interconnector Owner</b> of the relevant <b>Interconnector</b> and made between either <b>The Company</b> and the relevant <b>Interconnector Owner</b> and/or <b>The Company</b> and the relevant <b>Interconnected System Operator</b> ; |
| "Operating Code" or "OC"                     | the portion of the <b>Grid Code</b> which is identified as the <b>Operating Code</b> ;   |
| "Operation Diagrams"                         | as defined in the <b>Grid Code</b> ;   |
| "Operational"                                | in relation to a <b>Connection Site</b> means that the same has been <b>Commissioned</b> (which for the avoidance of doubt does not necessarily include commissioning of <b>Generating Units</b> connected at the <b>Connection Site</b> ) and that the <b>User</b> can use such <b>User's Equipment</b> to undertake those acts and things capable of being                     |

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|                                  | undertaken by <b>BSC Parties</b> ;  |
| "Operational Date"               | the date on which <b>The Company</b> issues the <b>Operational Notification</b> ;   |
| "Operational Effect"             | any effect on the operation of any <b>System</b> which causes that <b>System</b> to operate (or be at a materially increased risk of operating) differently to the way in which it would have normally operated in the absence of that effect;  |
| "Operational Intertripping"      | the automatic tripping of circuit breakers to prevent abnormal system conditions occurring, such as over voltage, overload, system instability etc. after the tripping of other circuit breakers following power system fault(s) which includes <b>System</b> to <b>Power Station</b> and <b>System</b> to <b>Demand</b> intertripping schemes; |
| "Operational Metering Equipment" | meters, instrument transformers (both voltage and current), transducers, metering protection equipment including alarms circuitry and their associated outstations as may be necessary for the purpose of <b>CC.6.5.6</b> of the <b>Grid Code</b> and the corresponding provision of the relevant <b>Distribution Code</b> ;                    |
| "Operational Notification"       | the notice of that name given to the <b>User</b> by <b>The Company</b> under Paragraphs 1.5.5 or 3.2.6 as appropriate;  |
| "Original Party"                 | as defined in the <b>CUSC Framework Agreement</b> ;   |
| "Other Dispute"                  | as defined in Paragraph 7.2.3;  |
| "Other Party"                    | as defined in Paragraph 7.5.1;  |
| "Other User"                     | as defined in Paragraph 6.10.3;   |
| "Output Useable"                 | shall have the meaning given to that term in the <b>Grid Code</b> ;   |
| "Output"                         | the actual <b>Active Power</b> or <b>Reactive Power</b> output achieved by a <b>BM Unit</b> ;   |
| "Output Useable"                 | Shall have the meaning given to that term in the <b>Grid Code</b> ;   |

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| "Panel Chairman"                   | a person appointed as such in accordance with Paragraph 8.3.1;   |
| "Panel Member"                     | any of the persons listed in Paragraph 8.2.1.2;  |
| "Panel Member Interim Vacancies"   | as defined in Paragraph 8A.4.3.3   |
| "Panel Secretary"                  | a person appointed as such in accordance with Paragraph 8.2.1.3;   |
| "Part 1 System Ancillary Services" | as defined in <b>Grid Code</b> CC 8.1;   |
| "Part 2 System Ancillary Services" | as defined in <b>Grid Code</b> CC 8.1;   |
| "Partial Shutdown "                | as defined in the <b>Grid Code</b> ;   |
| "Party Liable"                     | as defined in Paragraph 6.12.1;  |
| "Payment Date"                     | as defined in the <b>Balancing and Settlement Code</b> ;   |
| "Payment Record Sum"               | the proportion of the <b>Unsecured Credit Cover</b> extended by <b>NGC</b> to a <b>User</b> who does meeting the <b>Approved Credit Rating</b> calculated in accordance with Paragraph 3.26.4 and 3.26.5;  |
| "Pending Amendment Proposal"       | an <b>Amendment Proposal</b> in respect of which, at the relevant time, the <b>Authority</b> has not yet made a decision as to whether to direct such <b>Proposed Amendment</b> to be made pursuant to the <b>Transmission Licence</b> (whether or not an <b>Amendment Report</b> or <b>Housekeeping Amendment Report</b> has been submitted in respect of such <b>Amendment Proposal</b> );   |
| "Performance Bond"                 | an on first demand without proof or conditions irrevocable performance bond or performance guarantee executed as a deed in a form reasonably satisfactory to <b>The Company</b> but in any case allowing for partial drawings and providing for the payment to <b>The Company</b> on demand forthwith on and against <b>The Company's</b> delivery to the issuer thereof of a <b>Notice of Drawing</b> of the amount demanded therein; |
| "Permitted Activities"             | activities carried on for the purposes of the <b>Main Business</b> ;   |



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| "Physical Notification"            | as defined in the <b>Balancing and Settlement Code</b> ;  |
| "Planned Outage"                   | as defined in the <b>Grid Code</b> ;  |
| "Planning Code" or PC              | that portion of the <b>Grid Code</b> which is identified as the <b>Planning Code</b> ;  |
| "Plant"                            | fixed and moveable items used in the generation and/or supply and/or transmission of electricity other than <b>Apparatus</b>  |
| "Pool Member"                      | as defined in the <b>Balancing and Settlement Code</b> ;  |
| "Pooling and Settlement Agreement" | as defined in the <b>Balancing and Settlement Code</b> ;  |
| "Power Park Module"                | as defined in the <b>Grid Code</b> .  |
| "Power Station"                    | an installation comprising one or more <b>Generating Units</b> (even where sited separately) owned and/or controlled by the same <b>Generator</b> , which may reasonably be considered as being managed as one <b>Power Station</b> ; |
| "Practical Completion Date"        | in relation to a particular <b>User</b> , as defined in its <b>Construction Agreement</b>   |
| "Preference Votes"                 | as defined in Paragraph 8A.3.2.1;   |
| "Prescribed Rate"                  | the rate of interest set for the relevant period as the statutory interest rate for the purposes of the Late Payment of Commercial Debts (interest) Act 1998;   |
| "Proceedings"                      | as defined in Paragraph 6.23.1;   |
| "Progress Report"                  | as defined in Paragraph 8.13;   |
| "Primary Response"                 | as defined in the <b>Grid Code</b> ;  |
| "Proposed Amendment"               | an amendment to the <b>CUSC</b> which has been proposed by way of <b>Amendment Proposal</b> but which has not been made;  |
| "Proposed Implementation Date"     | the implementation date proposed by <b>The Company</b> in its <b>Amendment Report</b> ;   |

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| <b>"Proposer"</b>                            | in relation to a particular <b>Amendment Proposal</b> , the person who makes such <b>Amendment Proposal</b> ;  |
| <b>"Protected Information"</b>               | any information relating to the affairs of a <b>CUSC Party</b> which is furnished to <b>Business Personnel</b> pursuant to the <b>CUSC</b> or a <b>Bilateral Agreement</b> or a <b>Mandatory Services Agreement</b> or a <b>Construction Agreement</b> or pursuant to a direction under section 34 of the <b>Act</b> or pursuant to the provisions of the <b>Fuel Security Code</b> unless, prior to such information being furnished, such <b>CUSC Party</b> 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 <b>Protected Information</b> ; |
| <b>"Provisional Statement"</b>               | as defined in Paragraph 4.3.2.1(a);  |
| <b>"Provisional Monthly Statement"</b>       | as defined in Paragraph 4.3.2.1;   |
| <b>"Provisional Adjustments Statement"</b>   | as defined in Paragraph 4.3.2.1(b);  |
| <b>"Public Distribution System Operator"</b> | a holder of a <b>Distribution Licence</b> who was the holder, or is a successor to a company which was the holder of a <b>Public Electricity Supply Licence</b> relating to distribution activities in <b>Great Britain</b> on the <b>CUSC Implementation Date</b>   |
| <b>"Public Electricity Supply Licence"</b>   | a licence issued under section 6(1)(c) of the <b>Act</b> prior to the coming in force of section 30 of the Utilities Act 2000;   |
| <b>"Qualified Bank" or "Qualifying Bank"</b> | a City of London branch of a bank, its successors and assigns, which has throughout the validity period of the <b>Performance Bond</b> or <b>Letter of Credit</b> it issues in favour of <b>The Company</b> , a rating of at least A- in Standard and Poor's long term debt rating or A3 in Moody's long term debt rating provided that such bank is not during such validity period put on any credit watch or any similar credit surveillance which gives <b>The Company</b> reasonable cause to doubt that such bank may not be able to maintain the aforesaid rating   |

**"Qualified Company" or  
"Qualifying Company"**

throughout the validity period and no other event has occurred which gives **The Company** reasonable cause to have such doubt;

a company which is a public company or a private company within the meaning of section 1(3) of the Companies Act 1985 and which is either :

(a) a shareholder of the User or any holding company of such shareholder-or

(b) any subsidiary of any such holding company, but only where the subsidiary

(i) demonstrates to The Company's satisfaction that it has power under its constitution to give a Performance Bond other than in respect of its subsidiary;

(ii) provides an extract of the minutes of a meeting of its directors recording that the directors have duly concluded that the giving of the Performance Bond is likely to promote the success of that subsidiary for the benefit of its members;

(iii) provides certified copies of the authorisation by every holding company of the subsidiary up to and including the holding company of the User, of the giving of the Performance Bond,

(the expressions "holding company" and "subsidiary" having the respective meanings assigned thereto by section 736, Companies Act 1985 as supplemented by section 144(3), Companies Act 1989) and which has throughout the validity period of the Performance Bond it gives in favour of The Company, a rating of at least A- in Standard and Poor's long term debt rating or A3 in Moody's long term debt rating or such lesser rating which The Company may in its absolute discretion allow by prior written notice given pursuant to a resolution of its board of directors for such period and on such terms as such resolution may specify provided that such company is not during such validity period put on any credit watch or any similar credit surveillance

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|                                   | procedure which gives The Company reasonable cause to doubt that such company may not be able to maintain the aforesaid rating throughout the validity period of the Performance Bond and no other event has occurred which gives The Company reasonable cause to have such doubt;  |
| "Qualifying Guarantee"            | a guarantee in favour of <b>The Company</b> in a form proposed by the <b>User</b> and agreed by <b>The Company</b> (whose agreement shall not be unreasonably withheld or delayed) and which is provided by an entity which holds an <b>Approved Credit Rating</b> provided that such guarantee cannot secure a sum greater than the level of <b>User's Allowed Credit</b> that would be available to that entity in accordance with Paragraph 3.26 if it was a User; |
| "Rated MW"                        | as defined in the <b>Grid Code</b> ;  |
| "Reactive Despatch Instruction"   | an instruction relating to <b>Reactive Power</b> given by <b>The Company</b> to a <b>Generator</b> in accordance with <b>Grid Code BC2</b> ;  |
| "Reactive Energy"                 | as defined in the <b>Balancing and Settlement Code</b> ;  |
| "Reactive Power"                  | the product of voltage and current and the sine of the phase angle between them measured in units of voltamperes reactive and standard multiples thereof i.e.:- 1000 Var = 1Kvar<br><br>1000 Kvar = 1Mvar;  |
| "Reactive Test"                   | a test conducted pursuant to <b>Grid Code OC 5.5.1</b> ;  |
| "Reasonable Charges"              | reasonable cost reflective charges comparable to charges for similar services obtainable in the open market;  |
| "Reconciled Charge"               | as defined in Paragraph 3.15.1 and like terms shall be construed accordingly;   |
| "Reenergisation" or "Reenergised" | any <b>Energisation</b> after a <b>Deenergisation</b> ;   |
| "Registered Capacity"             | has the meaning given in the <b>Grid Code</b> ;   |

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| "Registered Data"                        | those items of <b>Standard Planning Data</b> and <b>Detailed Planning Data</b> which upon connection become fixed (subject to any subsequent changes);   |
| "Registrant"                             | as defined in the <b>Balancing and Settlement Code</b> ;   |
| "Regulations"                            | the Electricity Supply Regulations 1988 or any amendment or re-enactment thereof;  |
| "Rejected Amendment Proposal"            | an <b>Amendment Proposal</b> in respect of which the <b>Authority</b> has decided not to direct <b>The Company</b> to modify the <b>Code</b> pursuant to the <b>Transmission Licence</b> in the manner set out herein;   |
| "Related Undertaking"                    | in relation to <b>The Company</b> (and for the purposes of Paragraph 6.15, a <b>User</b> ) means any undertaking in which <b>The Company</b> has a participating interest as defined by section 260(1) of the Companies Act 1985 as substituted by section 22 of the Companies Act 1989; |
| "Release Date"                           | as defined in Paragraph 2.22.2;  |
| "Relevant Embedded Medium Power Station" | an <b>Embedded Medium Power Station</b> which is an <b>Exempt Power Station</b> , and does not intend to be the subject of a <b>Bilateral Agreement</b> .  |
| "Relevant Embedded Small Power Station"  | an <b>Embedded Small Power Station</b> that the <b>User</b> who owns or operates the <b>Distribution System</b> to which the <b>Embedded Small Power Station</b> intends to connect reasonably believes may have a significant system effect on the <b>GB Transmission System</b> .      |
| "Relevant Interruption"                  | an <b>Interruption</b> other than an <b>Allowed Interruption</b> ;   |
| "Relevant Transmission Licensee"         | means SP Transmission Limited in south of Scotland, <del>and</del> Scottish Hydro- Electric Transmission Limited in north of Scotland <u>and in respect of each Offshore Transmission System the Offshore Transmission Licensee for that Offshore Transmission System</u> ;              |
| "Remote Transmission Assets"             | any <b>Plant</b> and <b>Apparatus</b> or meters owned by <b>The Company</b> which (a) are embedded   |

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|                                     | <p>in a <b>Distribution System</b> or a <b>User System</b> and which are not directly connected by <b>Plant</b> and/or <b>Apparatus</b> owned by <b>The Company</b> to a <b>sub-station</b> owned by <b>The Company</b> and (b) are by agreement between <b>The Company</b> and such <b>Public Distribution System Operator</b> or <b>User</b> under the direction and control of such <b>Public Distribution System Operator</b> or <b>User</b>;</p>   |
| "Replacement Period"                | <p>in relation to a <b>Transmission Connection Asset</b>, the period commencing on the date on which such <b>Transmission Connection Asset</b> is or was originally <b>Commissioned</b>, after which it is assumed for accounting purposes such <b>Transmission Connection Asset</b> will need to be replaced, which shall be 40 years except</p> <p>(a) <u>in the case of <b>Transmission Connection Assets</b> located <b>Offshore</b> where it shall be 20 years, or</u></p> <p>(b) unless otherwise agreed between the <b>CUSC Parties</b> to a <b>Bilateral Agreement</b> and recorded in the relevant <b>Bilateral Agreement</b>;</p> |
| "Reported Period(s) of Increase"    | <p>the period of time during which a <b>User's Demand</b> increased not being more than 20 <b>Business Days</b>, as notified to <b>The Company</b> under paragraph 3.22.7 or paragraph 3.22.8.</p>  |
| "Request for a Statement of Works"  | <p>a request in the form or substantially in the form set out in Exhibit S to the <b>CUSC</b>.</p>  |
| "Request for a STTEC Authorisation" | <p>a request made by a <b>User</b> in accordance with the terms Paragraph 6.31 for <b>Short Term Capacity</b> for a <b>STTEC Period</b>.</p>  |
| "Requested LDTEC"                   | <p>the figure in MW for the <b>LDTEC Period</b> (not exceeding the maximum level in the <b>LDTEC Request</b>) specified in the <b>User's</b> acceptance of the <b>LDTEC Indicative Block Offer</b> in accordance with paragraph 6.32.6.5.</p>   |

**"Required Amount"**

efined in Paragraph 2.21.2(c);

**"Required Sovereign Credit Rating"**

a long term debt rating of not less than A by Standard and Poor's Corporation or a rating not less than A2 by Moody's Investor Services or a short term rating which correlates to those long term ratings or an equivalent rating from any other reputable credit agency approved by **The Company** in respect of non local currency obligations;

**"Required Standard"**

in relation to an item of **Derogated Plant**, the respective standard required of that item (which shall not exceed that required by the **Grid Code** or the **Licence Standards**, as the case may be) as specified in or pursuant to the relevant **Derogation**;

**"Requirements"**

shall mean an entity who throughout the validity period of the **Bilateral Insurance Policy, Insurance Performance Bond or Independent Security Arrangement**:

- (a) holds a rating of at least A- in Standard and Poor's long term debt rating or A3 in Moody's long term debt rating provided that such entity is not during such validity period put on any credit watch or any similar credit surveillance which gives **The Company** reasonable cause to doubt that such entity may not be able to retain the aforesaid rating throughout the validity period; and
- (b) the country of residence of such entity meets the **Required Sovereign Credit Rating**; and
- (c) the security provided is **Enforceable**; and
- (d) there are no material conditions preventing the exercise by **The Company** of its rights under the **Bilateral Insurance Policy, Insurance Performance Bond or Independent Security Arrangement**.

**"Resigning Alternate Member"**

As defined in Paragraph 8A.4.1.3

|                                   |   |
|-----------------------------------|---|
| "Resigning Panel Member"          | as defined in Paragraph 8A.4.1.   |
| "Response"                        | <b>Primary Response</b> , <b>Secondary Response</b> and <b>High Frequency Response</b> or any of them as the case may be;   |
| "Response Energy Payment"         | that component of the payment for Mode A <b>Frequency Response</b> calculated in accordance with Paragraph 4.1.3.9A;  |
| "Restricted Export Level Payment" | <p>in respect of each <b>Restricted Export Level Period</b>, the payment for each day comprised within the <b>Restricted Export Level Period</b> or (where the <b>Restricted Export Level Period</b> starts or ends during a day) part of a day calculated as follows:</p> <p>The higher of:</p> <ul style="list-style-type: none"><li>A. the £ per MW calculated by reference to the total TNUoS income derived from generators divided by the total system <b>Transmission Entry Capacity</b>, in each case using figures for the <b>Financial Year</b> prior to that in which the <b>System to Generator Operational Intertipping Scheme</b> trips, this is then divided by 365 to give a daily £ per MW rate; or</li><li>B. the actual £ per MW of the <b>User</b> (who requests in accordance with Clause 4.2A.4) by reference to the tariff in the <b>Use of System Charging Statement</b> for the <b>Financial Year</b> in which the <b>System to Generator Operational Intertipping Scheme</b> trips divided by 365 to give a daily £ per MW rate.</li></ul> <p>A or B are then multiplied by:</p> <p>the MW arrived at after deducting from the <b>Transmission Entry Capacity</b> for the <b>Connection Site</b> the <b>Restricted MW Export Level</b>;</p> |
| "Restricted Export Level Period"  | as defined in Paragraph 4.2A.4(b)(ii);  |
| "Restricted MW Export Level"      | as defined in Paragraph 4.2A.2.1(c)(i);   |



**"Restrictions on Availability"**

is, in the context of a **Design Variation** or an Offshore Connection, the outage or reduction in capability as set out in the relevant **Notification of Restrictions on Availability**;

**"Retail Price Index"**

the general index of retail prices published by the Office for National Statistics each month in respect of all items or:

- (a) if the said index for any month in any year shall not have been published on or before the last day of the third month after such month such index for such month or months as the parties hereto agree produces as nearly as possible the same result shall be substituted or in default of the parties reaching agreement within six weeks after the last day of such three month period then as determined by a sole Chartered Accountant appointed by agreement by both parties or in the absence of agreement on the application of either party by the President of the **Electricity Arbitration Association** who shall act as an expert and whose decision shall be final and binding on the parties; or
- (b) if there is a material change in the basis of the said index, such other index as the parties agree produces as nearly as possible the same result shall be substituted or in default of the parties reaching agreement within six weeks after the occurrence of the material change in the basis of the said index then as determined by the sole Chartered Accountant appointed by agreement by both parties or in the absence of agreement on the application of either party by the President of the **Electricity Arbitration Association** who shall act as an expert and whose decision shall be final and binding on the parties;

**"Revised Indicative Annual HH TNUoS charge"**

the value calculated in accordance with Appendix 2 paragraph 5.

"Revised Indicative Annual NHH TNUoS charge"

the value calculated in accordance with Appendix 2 paragraph 8.

"Safety Coordinator(s)"

a person or persons nominated by **The Company** 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 [or Offshore](#) 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;

"Safety Rules"

the rules of **The Company**, a **Relevant Transmission Licensee** or a **User** that seek to ensure that persons working on **Plant** and/or **Apparatus** to which the rules apply are safeguarded from hazards arising from the **System**;

"Second Offer"

as defined in Paragraph 6.10.4;

"Secondary Response"

as defined in the **Grid Code**;

"Secretary of State"

has the meaning given to that term in the **Act**;

"Secured Amount Statement"

a statement accompanying the **Bi-annual Estimate** setting out the amount to be secured by the **User** under Paragraph 2.21 based on figures contained in the **Bi-annual Estimate** being the amount for which security shall be provided to **The Company** pursuant to that Paragraph such statement to be substantially in the form set out in Exhibit M to the **CUSC**;

"Secured Event"

as defined in the **Grid Code**;

"Security Amendment"

the **Proposed Amendment** in respect of **Amendment Proposal 089\090\091**;

"Security Amendment Implementation Date"

the **Implementation Date** of the **Security Amendment**;

**"Security Amount"**

in respect of the **User** the aggregate of available amounts of each outstanding (a) **Letter of Credit**, (b) **Qualifying Guarantee** and (c) the principal amount (if any) of cash that the **User** has paid to the credit of the **Escrow Account** (and which has not been repaid to the **User**); for the purpose of this definition, in relation to a **Letter of Credit** or **Qualifying Guarantee** "available amount" means the face amount thereof less (i) payments already made thereunder and (ii) claims made thereunder but not yet paid;

**"Security Cover"**

for each **User**, the **User's Security Requirement** less the **User's Allowed Credit**;

**"Security Period"**

the period from 1 April to 30 June (inclusive), 1 July to 30 September (inclusive), 1 October to 31 December (inclusive), or 1 January to 31 March (inclusive) as appropriate.

**"Security and Quality of Supply Standard"**

as defined in the **Grid Code**;

**"Security Requirement"**

the aggregate amount for the time being which the **User** shall be required by **NGC** to provide and maintain by way of **Security Cover** and its **User's Allowed Credit** in accordance with Paragraph 3.22;

**"Separate Business"**

the **Transmission Business** taken separately from any other business of **The Company**, but so that where all or any part of such business is carried out by an **Affiliate** or **Related Undertaking** of **The Company** such part of the business as is carried out by that **Affiliate** or **Related Undertaking** shall be consolidated with any other such business of **The Company** (and of any other **Affiliate** or **Related Undertaking**) so as to form a single **Separate Business**;

**"Settlement Administration Agent"**

as defined in the **Balancing and Settlement Code**;

**"Settlement Day"**

as defined in the **Balancing and Settlement Code**;

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| "Settlement Period"                                   | as defined in the <b>Balancing and Settlement Code</b> ;  |
| "Short Term Capacity"                                 | the right to export on to the <b>GB Transmission System</b> power in accordance with the provisions of <b>CUSC</b> .  |
| "Site Common Drawings"                                | as defined in the <b>Grid Code</b> ;  |
| "Site Responsibility Schedule"                        | a schedule containing the information and prepared on the basis of the provisions set out in Appendix 1 of the <b>CC</b> ;  |
| "Site Specific Maintenance Charge"                    | the element of the <b>Connection Charges</b> relating to maintenance and repair calculated in accordance with the <b>Connection Charging Methodology</b> ;  |
| "Site Specific Requirements"                          | those requirements reasonably required by <b>The Company</b> in accordance with the <b>Grid Code</b> at the site of connection of a <b>Relevant Embedded Medium Power Station</b> or a <b>Relevant Embedded Small Power Station</b> . |
| "Small Independent Generating Plant"                  | a <b>Medium Power Station</b> ;   |
| "Small Power Station"                                 | as defined in the <b>Grid Code</b> ;  |
| "Small Power Station Trading Party"                   | a <b>Trading Party</b> trading on behalf of one or more <b>Small Power Stations</b> whether owned by the <b>Trading Party</b> or another person;  |
| "SMRS"  | as defined in the <b>Balancing and Settlement Code</b> ;  |
| "Statement of the Connection Charging Methodology"    | the statement produced pursuant to and in accordance with Standard Condition C6 of the <b>Transmission Licence</b> , as modified from time to time;   |
| "Statement of Use of System Charges"                  | the statement produced pursuant to and in accordance with Standard Condition C4 of the <b>Transmission Licence</b> , as modified from time to time;   |
| "Statement of the Use of System Charging Methodology" | the statement produced pursuant to Standard Condition C5 of the <b>Transmission Licence</b> , as modified from time to time;  |

**"Station Demand"**

in respect of any generating station and **Generator**, means that consumption of electricity (excluding any supply to any **Customer** of the relevant **Generator** who is neither such **Generator** nor a member of a qualifying group of which such **Generator** is a part) from the **GB Transmission System** or a **Distribution System** at premises on the same site as such generating station, with premises being treated as on the same site as each other if they are:

- (i) the same premises;
- (ii) immediately adjoining each other;
- (iii) separated from each other only by road, railway or watercourse or by other premises (other than a pipe-line, electric line or similar structure) occupied by the consumer in question or by any other person who together with that consumer forms a qualifying group; and for the purpose of this definition "generating station" and "qualifying group" shall have the meanings given those expressions when used in the Electricity (Class Exemptions from the Requirement for a Licence) Order 1990;

**"Station Transformer"**

has the meaning given in the **Grid Code**;

**"Steam Unit"**

a **Generating Unit** whose prime mover converts the heat energy in steam to mechanical energy;

**"STTEC"**

the figure in MW (if any) for the **STTEC Period** granted by **The Company** in accordance with Paragraph 6.31 of the **CUSC** and specified as such in Appendix C of the relevant **Bilateral Connection Agreement** or **Bilateral Embedded Generation Agreement**.

**"STTEC Authorisation"**

the authorisation notified by **The Company** for **Short Term Capacity** in accordance with the terms of Paragraph 6.3.1.6.1 in response to a **Request for a STTEC Authorisation**.

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| "STTEC Charge"             | being a component of the <b>Use of System Charges</b> which is made or levied by <b>The Company</b> and to be paid by the <b>User</b> for <b>STTEC</b> calculated in accordance with the <b>Charging Statements</b> .  |
| "STTEC Offer"              | an offer made by <b>The Company</b> for <b>Short Term Capacity</b> in accordance with the terms of Paragraphs 6.31.6.2 and 6.31.6.3 in response to an <b>Application for a STTEC Offer</b> .   |
| "STTEC Period"             | in the case of a <b>STTEC Authorisation</b> , a period of 28 days commencing on a Monday at 00.00 hours and finishing at 23.59 on a Sunday. In the case of a <b>STTEC Offer</b> , a period of either 28, 35, or 42 days (as specified by the <b>User</b> in its <b>STTEC Request Form</b> ) commencing on a Monday at 0.00 hours and finishing at 23.59 on a Sunday. |
| "STTEC Request"            | either a <b>Request for a STTEC Authorisation</b> or an <b>Application for a STTEC Offer</b> .   |
| "STTEC Request Fee"        | the non-refundable fee to be paid by the <b>User</b> to <b>The Company</b> as detailed in the <b>Charging Statements</b> .   |
| "STTEC Request Form"       | the form set out in Exhibit P to the <b>CUSC</b> .   |
| "Subsidiary"               | has the meaning given to that term in section 736A of the Companies Act 1985;  |
| "Supplemental Agreement"   | an agreement entered into pursuant to clause 2 of the <b>MCUSA</b> ;   |
| "Supplier"                 | a person who holds a <b>Supply Licence</b> ;   |
| "Supply Agreement"         | an agreement between a <b>Non-Embedded Customer</b> and a <b>Supplier</b> for the supply of electricity to the <b>Non-Embedded Customer's Connection Site</b> ;  |
| "Supply Licence"           | a licence granted under section 6(1)(d) of the <b>Act</b> ;  |
| "Synchronous Compensation" | the operation of rotating synchronous apparatus for the specific purpose of either generation or absorption of <b>Reactive</b>   |

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|   | <b>Power;</b>  |
| <b>"Synchronised"</b>   | the condition where an incoming <b>BM Unit</b> or <b>CCGT Unit</b> or <b>System</b> is connected to the busbars of another <b>System</b> so that the <b>Frequencies</b> and phase relationships of that <b>BM Unit</b> or <b>CCGT Unit</b> or the <b>System</b> , as the case may be, and the <b>System</b> to which it is connected are identical;  |
| <b>"System Ancillary Services"</b>                            | <b>Mandatory Ancillary Services</b> and <b>Part 2 System Ancillary Services</b> ;  |
| <b>"System"</b>   | any <b>User System</b> or the <b>GB Transmission System</b> as the case may be;  |
| <b>"System to Generator Operational Intertripping"</b>        | as defined in the <b>Grid Code</b> ;   |
| <b>"System to Generator Operational Intertripping Scheme"</b> | as defined in the <b>Grid Code</b> ;   |
| <b>"System Operator - Transmission Owner Code or STC"</b>     | the <b>STC</b> entered into by <b>The Company</b> pursuant to the <b>Transmission Licence</b> as from time to time revised in accordance with the <b>Transmission Licence</b> ;  |
| <b>"Target Frequency"</b>                                     | the <b>Frequency</b> determined by <b>The Company</b> in its reasonable opinion as the desired operating <b>Frequency</b> of the <b>Total System</b> . This will normally be 50.00 Hz plus or minus 0.05 Hz, except in exceptional circumstances as determined by <b>The Company</b> in its reasonable opinion. An example of exceptional circumstances may be difficulties caused in operating the <b>System</b> during disputes affecting fuel supplies; |
| <b>"TEC Increase Request"</b>                                 | a request for an increase in <b>Transmission Entry Capacity</b> pursuant to <b>CUSC</b> paragraph 6.30.2.  |
| <b>"TEC Register"</b>   | the register set up by <b>The Company</b> pursuant to Paragraph 6.30.3.1.  |
| <b>"TEC Trade"</b>  | a trade between parties of their respective <b>Transmission Entry Capacity</b> .   |
| <b>"Tendered Capability Breakpoints"</b>                      | as defined in Paragraph 1.4 of Appendix 5 of Schedule 3, Part I;   |
| <b>"Temporary Donated TEC"</b>                                | is the temporary MW reduction in the export  |

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|   | rights of the <b>Temporary TEC Exchange Donor User</b> arising from acceptance of a <b>Temporary TEC Exchange Offer</b> .  |
| <b>"Temporary Received TEC"</b>                               | is at any time the <b>Temporary TEC Exchange Rate</b> .  |
| <b>"Temporary TEC Exchange Donor User"</b>                    | is a <b>User</b> that has jointly made a <b>Temporary TEC Exchange Rate Request</b> to reduce its rights to export for the duration of the <b>Temporary TEC Exchange Period</b> .  |
| <b>"Temporary TEC Exchange Notification of Interest Form"</b> | is the form set out in Exhibit X to the <b>CUSC</b> .  |
| <b>"Temporary TEC Exchange Offer"</b>                         | is an offer made by <b>The Company</b> for a <b>Temporary TEC Exchange Rate</b> in accordance with the terms of Paragraphs 6.34.4.6.   |
| <b>"Temporary TEC Exchange Period"</b>                        | is a period within a <b>Financial Year</b> as specified in the <b>Temporary TEC Exchange Rate Request Form</b> being for a minimum of four weeks and commencing at 0.00 hours on a Monday and finishing at 23.59 on any given day no later than the last day of such <b>Financial Year</b> . |
| <b>"Temporary TEC Exchange Rate Request Fee"</b>              | is the single fee to be paid to <b>The Company</b> for a <b>Temporary TEC Exchange Rate Request</b> as detailed in the <b>Charging Statements</b> .  |
| <b>"Temporary TEC Exchange Rate Request Form"</b>             | is the form set out in Exhibit W to the <b>CUSC</b> .  |
| <b>"Temporary TEC Exchange Rate Request"</b>                  | is a joint application made by a <b>Temporary TEC Exchange Donor User</b> and a <b>Temporary TEC Exchange Recipient User</b> for a <b>Temporary TEC Exchange Rate Offer</b> .  |
| <b>"Temporary TEC Exchange Rate"</b>                          | is a weekly profile of the additional export rights in MW available to the <b>Temporary TEC Exchange Recipient User</b> as a direct result of the temporary reduction in export rights in MW of the <b>Temporary TEC Exchange Donor User</b> .   |



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| "Temporary TEC Exchange Recipient User" | is a <b>User</b> that has jointly made a <b>Temporary TEC Exchange Rate Request</b> to increase its rights to export for the duration of the <b>Temporary TEC Exchange Period</b> .  |
| "Temporary TEC Trade Exchange"          | a trade made pursuant to CUSC Paragraph 6.34   |
| "Tenders"                               | as defined in Paragraph 3.3 of Schedule 3, Part I;   |
| "Tenderers"                             | as defined in Paragraph 3.3 of Schedule 3, Part I;   |
| "Tender Period"                         | as defined in Paragraph 3.3 of Schedule 3, Part I;   |
| "Term"                                  | without prejudice to the interpretation of <b>Term</b> in respect of <b>Users</b> acting in other capacities, for <b>Users</b> acting in respect of their <b>Connection Sites</b> which were not <b>Commissioned</b> at the <b>Transfer Date</b> , it means the term of the relevant <b>Bilateral Connection Agreement</b> commencing on the date of the <b>Bilateral Connection Agreement</b> and ending in accordance with Clause 9 of that agreement; |
| "Termination Amount"                    | in relation to a <b>Connection Site</b> , the amount calculated in accordance with the <b>Charging Statements</b> ;  |
| "The Company"                           | National Grid Electricity Transmission plc (No: 2366977) whose registered office is at 1-3 Strand, London, WC2N 5EH;   |
| "The Company Credit Rating"             | any one of the following:-<br><br>(a) a credit rating for long term debt of A- and A3 respectively as set by Standard and Poor's or Moody's respectively;<br><br>(b) an indicative long term private credit rating of A- and A3 respectively as set by Standard and Poor's or Moody's as the basis of issuing senior unsecured debt;<br><br>(c) a short term rating by Standard and  |

Poor's or Moody's which correlates to a long term rating of A- and A3 respectively; or

(d) where the **User's Licence** issued under the Electricity Act 1989 (as amended by the Utilities Act 2000) requires that User to maintain a credit rating, the credit rating defined in that **User's Licence**.

**"The Company's Engineering Charges"**

the charges levied by **The Company** in relation to an application for connection and/or use of the **GB Transmission System**;

**"The Company Website"**

the site established by **The Company** on the World-Wide Web for the exchange of information among **CUSC Parties** and other interested persons in accordance with such restrictions on access as may be determined from time to time by **The Company**;

**"Third Party Claim"**

as defined in Paragraph 7.5.3;

**"Third Party Works"**

in relation to a particular **User** those works, defined as such in its **Construction Agreement**; being works undertaken on assets belonging to someone other than **The Company** or the **User** where such works are required by **The Company** to enable it to provide the connection to and/or use of the **GB Transmission System** by the **User** or required as a consequence of connection to and/or use of the **GB Transmission System** by the **User**;

**"Total System"**

the **GB Transmission System** and all **User Systems** in **Great Britain** and Offshore;

**"Total System Chargeable HH Demand"**

the total of all half-hourly metered **Demands** for which **HH Charges** are paid, taken over a period of time which may or may not be that to which **HH Charges** relate.

**"Total System Chargeable NHH Demand"**

the total of all half-hourly metered **Demands** for which **NHH Charges** are paid, taken over a period of time which may or may not be that to which **NHH Charges**

|                                       |  |
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|                                       | relate.  |
| "Trading Party"                       | as defined in the <b>Balancing and Settlement Code</b> ;   |
| "Trading Unit"                        | as defined in the <b>Balancing and Settlement Code</b> ;   |
| "Transfer Date"                       | "24.00" hours on 30th March 1990;  |
| "Transfer Scheme"                     | schemes made under sections 65 and 66 of the <b>Act</b> and effected on the <b>Transfer Date</b> ;   |
| "Transmission"                        | 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 <b>GB Transmission System</b> and not of or with the <b>User System</b> ;   |
| "Transmission Business"               | the authorised business of <b>The Company</b> or any <b>Affiliate</b> or <b>Related Undertaking</b> in the planning, development, construction and maintenance of the <b>GB Transmission System</b> (whether or not pursuant to directions of the Secretary of State made under section 34 or 35 of the <b>Act</b> ) and the operation of such system for the transmission of electricity, including any business in providing connections to the <b>GB Transmission System</b> but shall not include (i) any other <b>Separate Business</b> or (ii) any other business (not being a <b>Separate Business</b> ) of <b>The Company</b> or any <b>Affiliate</b> or <b>Related Undertaking</b> in the provision of services to or on behalf of any one or more persons; |
| "Transmission Connection Assets"      | the <b>Transmission Plant</b> and <b>Transmission Apparatus</b> necessary to connect the <b>User's Equipment</b> to the <b>GB Transmission System</b> at any particular <b>Connection Site</b> in respect of which <b>The Company</b> charges <b>Connection Charges</b> (if any) as listed or identified in Appendix A to the <b>Bilateral Connection Agreement</b> relating to each such <b>Connection Site</b> ;   |
| "Transmission Connection Asset Works" | in relation to a particular <b>User</b> , as defined in its <b>Construction Agreement</b> ;  |

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| "Transmission Entry Capacity"                                      | the figure specified as such as set out in Appendix C of the relevant <b>Bilateral Connection Agreement</b> or <b>Bilateral Embedded Generation Agreement</b> ;   |
| "Transmission Licence"   | the licence granted to <b>The Company</b> under section 6(1)(b) of the <b>Act</b> ;   |
| "Transmission Network Services"                                    | as defined in the <b>Transmission Licence</b> ;   |
| "Transmission Network Use of System Charges"                       | the element of <b>Use of System Charges</b> payable in respect of <b>Transmission Network Services</b> (including for the avoidance of doubt <b>Transmission Network Use of System Demand Reconciliation Charges</b> ); |
| "Transmission Network Use of System Demand Charges"                | that element of <b>Transmission Network Use of System Charges</b> relating to <b>Demand</b> ;   |
| "Transmission Network Use of System Demand Zone"                   | each of the zones identified by <b>The Company</b> in the <b>Charging Statements</b> for charging of <b>Transmission Network Use of System Charges</b> in relation to <b>Demand</b> ;                                   |
| "Transmission Network Use of System Demand Reconciliation Charges" | sums payable by the <b>User</b> to <b>The Company</b> under invoices issued to the <b>User</b> pursuant to Paragraph 3.12.7;  |
| "Transmission Related Agreement"                                   | an agreement between <b>The Company</b> and a <b>User</b> substantially in the form of Schedule 2 Exhibit 5;  |
| "Transmission Services Activity"                                   | as defined in the <b>Transmission Licence</b> ;   |
| "Transmission Services Use of System Charges"                      | the element of <b>Use of System Charges</b> payable in respect of the <b>Transmission Services Activity</b> ;   |
| "Transmission Reinforcement Works"                                 | in relation to a particular <b>User</b> , as defined in its <b>Construction Agreement</b> or <b>BELLA</b> as appropriate;   |
| "Transmission Works Register"                                      | the register set up by <b>The Company</b> pursuant to Paragraph 6.36.1.   |
| "Transmission Works"   | in relation to a particular <b>User</b> , those works which are specified in Appendix H to the relevant <b>Construction Agreement</b> , where   |

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|   | <p>Part 1 is works required for the <b>User</b> and Part 2 is works required for wider system reasons.</p> <p>as defined in section 259 of the Companies Act 1985;</p>   |
| <b>"Undertaking"</b>                                      |  |
| <b>"Unsecured Credit Cover"</b>                           | <p>the maximum amount of unsecured credit available to each <b>User</b> for the purposes of Part III of Section 3 of the <b>CUSC</b> at any time which shall be a sum equal to 2% of the <b>NGC Prescribed Level</b> in the relevant <b>Financial Year</b>;</p>  |
| <b>"Unusual Load Characteristics"</b>                     | <p>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).</p>  |
| <b>"Urgent Amendment Proposal"</b>                        | <p>an <b>Amendment Proposal</b> treated or to be treated as an <b>Urgent Amendment Proposal</b> in accordance with Paragraph 8.21;</p>   |
| <b>"Use of System"</b>                                    | <p>use of the <b>GB Transmission System</b> for the transport of electricity by any <b>Authorised Electricity Operator</b> or <b>Interconnector User</b> or <b>Interconnector Error Administrator</b>;</p>   |
| <b>"Use of System Application"</b>                        | <p>an application for a <b>Bilateral Embedded Generation Agreement</b> or for <b>Use of System</b> in the form or substantially in the form set out in Exhibit D or F to the <b>CUSC</b> as appropriate;</p>   |
| <b>"Use of System Charges"</b>                            | <p>charges made or levied or to be made or levied by <b>The Company</b> for the provision of services as part of the <b>Transmission Business</b> to any <b>Authorised Electricity Operator</b> as more fully described at Standard Condition C4 and C5 of the <b>Transmission Licence</b> and in the <b>Bilateral Agreements</b> and Section 3 and Section 9 Part II and as amended in accordance with Standard Condition C13 of the <b>Transmission Licence</b> but shall not include <b>Connection Charges</b>;</p> |
| <b>"Use of System Interconnector Confirmation Notice"</b> | <p>the part of the <b>Use of System Interconnector Offer and Confirmation</b></p>  |

|   |   |
|---|---|
|   | <b>Notice</b> by which <b>The Company</b> confirms the use of the <b>GB Transmission System</b> by an <b>Interconnector User</b> or an <b>Interconnector Error Administrator</b> ;  |
| <b>"Use of System Interconnector Offer and Confirmation Notice"</b> | the notice which combines the offer and confirmation in relation to the use of the <b>GB Transmission System</b> by an <b>Interconnector User</b> or an <b>Interconnector Error Administrator</b> , in the form set out in Exhibit H to the <b>CUSC</b> ;   |
| <b>"Use of System Interconnector Offer Notice"</b>                  | the part of the <b>Use of System Interconnector Offer and Confirmation Notice</b> by which <b>The Company</b> offers an <b>Interconnector User</b> or an <b>Interconnector Error Administrator</b> use of the <b>GB Transmission System</b> ;   |
| <b>"Use of System Offer"</b>  | an offer (or in the case of a use of system generation offer and where appropriate, offers) made by <b>The Company</b> to a <b>User</b> pursuant to Paragraph 3.7 or 9.21 substantially in the form of Exhibit G ( <b>Use of System Supply Offer</b> ) or Exhibit E ( <b>Use of System Generation Offer</b> ) or Exhibit H ( <b>Use of System Interconnector Offer</b> ) to the <b>CUSC</b> ; |
| <b>"Use of System Payment Date"</b>                                 | the date for payment of <b>Use of System Charges</b> ;  |
| <b>"Use of System Supply Confirmation Notice"</b>                   | the part of the <b>Use of System Supply Offer and Confirmation Notice</b> by which <b>The Company</b> confirms the use of the <b>GB Transmission System</b> by a <b>Supplier</b> ;  |
| <b>"Use of System Supply Offer and Confirmation Notice"</b>         | the notice which combines the offer and confirmation in relation to the use of the <b>GB Transmission System</b> by a <b>Supplier</b> , in the form set out in Exhibit G to the <b>CUSC</b> ;   |
| <b>"Use of System Supply Offer Notice"</b>                          | the part of the <b>Use of System Supply Offer and Confirmation Notice</b> by which <b>The Company</b> offers a <b>Supplier</b> use of the <b>GB Transmission System</b> ;   |
| <b>"Use of System Termination Notice"</b>                           | the notice to be given to terminate <b>Use of System</b> by a <b>Supplier</b> or an <b>Interconnector User</b> , or an  |

|                                |   |
|--------------------------------|---|
|                                | <b>Interconnector Error Administrator</b> in accordance with the <b>CUSC</b> ;  |
| <b>"User"</b>                  | a person who is a party to the <b>CUSC Framework Agreement</b> other than <b>The Company</b> ;  |
| <b>"User Development"</b>      | shall have the meaning set out in the <b>Connection Application</b> or the <b>Use of System Application</b> as the case may be;   |
| <b>"User's Allowed Credit"</b> | that proportion of the <b>Unsecured Credit Cover</b> extended to a <b>User</b> by <b>NGC</b> as calculated in accordance with Paragraph 3.26;   |
| <b>"User's Equipment"</b>      | the <b>Plant</b> and <b>Apparatus</b> owned by a <b>User</b> (ascertained in the absence of agreement to the contrary by reference to the rules set out in Paragraph 2.12) which: (a) is connected to the <b>Transmission Connection Assets</b> forming part of the <b>GB Transmission System</b> at any particular <b>Connection Site</b> to which that <b>User</b> wishes so to connect, or (b) is connected to a <b>Distribution System</b> to which that <b>User</b> wishes so to connect;  |
| <b>"User's Licence"</b>        | a <b>User's</b> licence to carry on its business granted pursuant to Section 6 of the <b>Act</b> ;  |
| <b>"User System"</b>           | any system owned or operated by a <b>User</b> comprising <b>Generating Units</b> and/or <b>Distribution Systems</b> (and/or other systems consisting (wholly or mainly) of electric lines which are owned or operated by a person other than a <b>Public Distribution System Operator</b> and <b>Plant</b> and/or <b>Apparatus</b> connecting <b>Generating Units, Distribution Systems</b> (and/or other systems consisting wholly or mainly of electric lines which are owned or operated by a person other than a <b>Public Distribution System Operator</b> or <b>Non-Embedded Customers</b> to the <b>GB Transmission System</b> or (except in the case of <b>Non-Embedded Customers</b> ) to the relevant other <b>User System</b> , as the case may be, including any <b>Remote Transmission Assets</b> operated by such <b>User</b> or other person and any <b>Plant</b> and/or |

|  |  |
|--|--|
|  | <b>Apparatus</b> and meters owned or operated by such <b>User</b> or other person in connection with the distribution of electricity but does not include any part of the <b>GB Transmission System</b> ;  |
| <b>"Valid"</b>   | valid for payment to be made thereunder against delivery of a <b>Notice of Drawing</b> given within the period stated therein;   |
| <b>"Value Added Tax"</b>                                 | United Kingdom value added tax or any tax supplementing or replacing the same;   |
| <b>"Value At Risk Amendment"</b>                         | the <b>Proposed Amendment</b> in respect of <b>Amendment Proposal 127</b> .  |
| <b>"Value At Risk Amendment Implementation Date"</b>     | the <b>Implementation Date</b> of the <b>Value At Risk Amendment</b> .   |
| <b>"Value At Risk Amendment Implementation End Date"</b> | the date one year following the <b>Value At Risk Amendment Implementation Date</b> .   |
| <b>"Week"</b>  | means a period of seven <b>Calendar Days</b> commencing at 05.00 hours on a Monday and terminating at 05.00 hours on the next following Monday;  |
| <b>"Weekly Maximum Generation Declaration"</b>           | has the meaning attributed to it in Paragraph 4.2.3.1;   |
| <b>"Working Group"</b>                                   | a <b>Working Group</b> established by the <b>Amendments Panel</b> pursuant to Paragraph 8.17.1.  |
| <b>"Working Group Consultation"</b>                      | As defined in Paragraph 8.17.10, and any further consultation which may be directed by the <b>Amendments Panel</b> pursuant to Paragraph 8.17.17;  |
| <b>"WG Consultation Alternative Request"</b>             | any request from a <b>CUSC Party</b> for a <b>Working Group Alternative Amendment</b> be developed by the <b>Working Group</b> expressed as such and which contains the information referred to at Paragraph 8.17.13. For the avoidance of doubt any <b>WG Consultation Alternative Request</b> does not constitute an <b>Amendment Proposal</b> ; |



**"Working Group Alternative Amendment"**

An alternative amendment to the **Amendment Proposal** developed by the **Working Group** under the **Working Group** terms of reference (either as a result of a **Working Group Consultation** or otherwise) and which is believed by a majority of the members of the **Working Group** or by the chairman of the **Working Group** to better facilitate the **Applicable CUSC Objectives** than the **Amendment Proposal** or the current version of the **CUSC**;

**END OF SECTION 11**

**CUSC - EXHIBIT B**

**THE CONNECTION AND USE OF SYSTEM CODE  
CONNECTION APPLICATION**

**DIRECTLY CONNECTED POWER STATION  
NON EMBEDDED CUSTOMER  
DISTRIBUTION SYSTEM DIRECTLY CONNECTED TO THE  
GB TRANSMISSION SYSTEM**

**PLEASE STUDY THE FOLLOWING NOTES BEFORE COMPLETING AND SIGNING THE APPLICATION FORM.**

Please note that certain terms used in the application form are defined in the Interpretation and Definitions (contained in Section 11 to the **CUSC**) and when this occurs the expressions have capital letters at the beginning of each word and are in bold. If the **Applicant** has any queries regarding this application or any related matters then the **Applicant** is recommended to contact **The Company**<sup>1</sup> where our staff will be pleased to help.

1. **The Company** (National Grid Electricity Transmission plc) requires the information requested in this application form for the purpose of preparing an **Offer** (the “**Offer**”) to enter into an agreement for connection to and in the case of a directly connected power station, use of the **GB Transmission System**. It is essential that the **Applicant** supplies all information requested in the application form and that every effort should be made to ensure that such information is accurate.
2. Where **The Company** considers that any information provided by the **Applicant** is incomplete or unclear, or further information is required, the **Applicant** will be requested to provide further information or clarification. The provision/clarification of this information may impact on **The Company's** ability to commence preparation of an **Offer**.
3. Should there be any change in the information provided by the **Applicant** then the **Applicant** should immediately inform **The Company** of such a change. Where this is a change in the information provided for Sections B to D then the **Applicant** should contact **The Company** to see if such a change can be accommodated as it is unlikely that material changes could be accommodated. If **The Company** cannot accommodate such a change bearing in mind the timescales within which the **Offer** must be made then the application will be processed on the original information although it is open to the **Applicant** to withdraw the application.
4. **The Company** shall charge the **Applicant**, and the **Applicant** shall pay to **The Company**, **The Company's** Engineering Charges in relation to the application. A fee will be charged by **The Company** in accordance with the **Charging Statements**. No application will be considered until such payment has been received.
5. The effective date upon which the application is made shall be the later of the date when **The Company** has received the application fee pursuant to paragraph 4 above or the date when **The Company** is reasonably satisfied that the **Applicant** has completed Sections A-D. **The Company** shall notify the **Applicant** of such date.

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<sup>1</sup> Customer Services, National Grid Electricity Transmission plc, Warwick Technology Park, Gallows Hill, Warwick, CV34 6DA (Telephone No. 01926 654634)

6. **The Company** will make the **Offer** in accordance with the terms of Paragraphs 2.13, 6.9 (Modifications) and Paragraph 6.10 (New Connection Sites) of the **CUSC** and the **Transmission Licence**.
7. **The Company** will make the **Offer** as soon as is reasonably practicable and, in any event, within three (3) months of the effective date of the application or such later period as the **Authority** may agree. The **Offer** may, where it is necessary to carry out additional extensive system studies to evaluate more fully the impact of the proposed development, indicate the areas that require more detailed analysis. Before such additional studies are required, the **Applicant** shall indicate whether it wishes **The Company** to undertake the work necessary to proceed to make a revised **Offer** within the three (3) month period or, where relevant the timescale consented to by the **Authority**. To enable **The Company** to carry out any of the above mentioned necessary detailed system studies the **Applicant** may, at the request of **The Company**, be required to provide some or all of the **Detailed Planning Data** listed in Part 2 of the Appendix to the **Planning Code** which is part of the **Grid Code**.
8. In the course of processing the application it may be necessary for **The Company** to consult the appropriate **Public Distribution System Operator(s)** on matters of technical compatibility of the **GB Transmission System** with their **Distribution System(s)** or to consult the **Relevant Transmission Licensees** to establish the works required on the **GB Transmission System** or to release information to **The Authority** in accordance with the **Transmission Licence**. On grounds of commercial confidentiality **The Company** shall need authorisation for the release to the **Public Distribution System Operator(s)** or **Relevant Transmission Licensees** or **The Authority** of certain information contained in the application. Any costs incurred by **The Company** in consulting the **Public Distribution System Operator(s)** or **Relevant Transmission Licensees** would be included in **The Company 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)** (except in the case of an **Application for a New Connection Site** located **Offshore**), 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**.
9. In accordance with Paragraph 6.30.3 of **CUSC** **The Company** will need to disclose details of **Bilateral Agreements** entered into and shall need authorisation from the **Applicant** in respect of this.
10. If the **Applicant** is not already a **CUSC Party** the **Applicant** will be required as part of this application form to undertake that he will comply with the provisions of the **Grid Code** for the time being in force. Copies of

the **Grid Code** and the **CUSC** are available on **The Company's Website**<sup>2</sup> and the **Applicant** is advised to study them carefully. **Data** submitted pursuant to this application shall be deemed submitted pursuant to the **Grid Code**.

11. **The Company's Offer** will be based upon its standard form terms of **Connection Offer** and the **Charging Statements** issued by **The Company** under Standard Conditions C4 and C6 of the **Transmission Licence**. The **Applicant** should bear in mind **The Company's** standard form terms of **Offer** when making this application. In the case of **The Company's Offer** for a **New Connection Site** located **Offshore**, the **Offer** will identify the **Onshore Construction Works** required ~~**Onshore**~~ based on specified assumptions about the **Offshore Construction Works** required ~~**Offshore**~~ but the **Offshore Construction Works** will not be identified at that stage.
12. In particular, **The Company** prepares **Offers** upon the basis that each party will design, construct, install, control, operate and maintain, in the case of the **User**, the **Plant** and **Apparatus** which he will own and, in the case of **The Company**, **Transmission Plant** and **Transmission Apparatus** usually but not necessarily applying the ownership rules set out in Paragraph 2.12 of the **CUSC** (Principles of Ownership). If the **Applicant** wishes **The Company** to carry out any of these matters on the **Applicant's** behalf please contact **The Company**<sup>3</sup> for further details.
13. **Applicants** of a type set out in **Grid Code** CC 8.1, Generators and DC Converter Station Owners, should appreciate that they will be required to perform **Mandatory Ancillary Services** to ensure that System Operational Standards can be achieved. This requirement may have implications towards **Plant** specification. You should be satisfied that before an application is made that your intended **Plant** design can meet the requirements.
14. Under Special Condition M of the Transmission Licence **The Company** has additional requirements in respect of information on **Offers** where an **Applicant** has applied for connections in Scotland as well as in England and Wales and the **Applicant** doesn't intend to connect at all locations, but intends to choose which location or locations to connect at on the basis of the offers it receives. Question 5 in Section A is intended to assist **The Company** in early identification of this situation arising. **The Company's Website**<sup>4</sup> contains a statement that describes the means by which **The Company** shall ensure compliance with Special Condition M of its **Transmission Licence**.

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<sup>2</sup> [www.nationalgrid.com/uk/electricity](http://www.nationalgrid.com/uk/electricity)

<sup>3</sup> Customer Services, National Grid Electricity Transmission plc, Warwick Technology Park, Gallows Hill, Warwick, CV34 6DA (Telephone No. 01926 654634)

<sup>4</sup> [www.nationalgrid.com/uk/electricity](http://www.nationalgrid.com/uk/electricity)

15. **Applicants** have the option to request a **Connection Offer** on the basis of a **Design Variation**. In requesting such an **Offer**, the **Applicant** acknowledges that the connection design (which provides for connection to the **GB Transmission System**) will fail to satisfy the deterministic criteria detailed in paragraphs 2.5 to 2.13 of the **GB SQSS**. In making such an **Offer**, in accordance with its obligations under Paragraphs 2.13.2 and 2.13.7 of **CUSC**, **The Company** may include **Restrictions on Availability**. If **Applicants** require further assistance on this option they are recommended to contact **The Company** before completing this application form.
16. [The Company will include Offshore Restrictions on Availability in any Offer made for New Connection Sites located Offshore which meet the Offshore Standard Design but are of a standard which is not equivalent to or higher than the deterministic criteria detailed in paragraphs 2.5 to 2.13 of the GB SQSS.](#)
17. [The Company will include ET Restrictions on Availability in any Offer made for New Connection Sites located Offshore which are connected or to be connected to an ET Offshore Transmission System.](#)
- ~~17.~~18. The **Applicant** has the ability to pay a fixed price application fee in respect of their application or pay the actual costs incurred (variable price application fee). The fixed price application fee is derived from analysis of historical costs of similar applications. The variable price application fee is based on an advance of the Transmission Licensee's Engineering and out of pocket expenses and will vary according to the size of the scheme and the amount of work involved. The **Applicant** is requested to indicate their preferred basis of application fee in Section A question 4. The **Applicant** is advised that further information can be obtained from the **Charging Statements** which can be found on **The Company's Website**<sup>5</sup>.
- ~~18.~~19. **The Company** will provide an **Offer** based upon the GB Security and Quality of Supply Standards (GBSQSS). The criteria presented in the GBSQSS represent the minimum requirements for the planning and operation of the **GB Transmission System**. The GBSQSS allows for a generation or demand **Applicant** to request a variation to the connection design. For example, such a connection design variation may be used to take account of the particular characteristics of a power station, the nature of connection of embedded generation or particular load cycles.
- ~~19.~~20. Any variation to connection design must not reduce the security of the MITS (Main Interconnected Transmission System) to below the minimum planning standard, result in any additional costs to any particular customer and compromise and GB transmission licensee's ability to meet other statutory obligations or licence obligations. Further details of these conditions and standards can be found on **The Company's Website**<sup>6</sup>.

<sup>5</sup> [www.nationalgrid.com/uk/electricity](http://www.nationalgrid.com/uk/electricity)

21. Applicants in respect of New Connection Sites located Offshore should be aware that their Connection will be dependent on the appointment of an Offshore Transmission Licensee in respect of such Connection Site by the Authority. Applicants should indicate their desired entry date into the Offshore Tender Process as part of their Connection Application.

22. Entry into the Offshore Tender Process is conditional on the Applicant also having procured the appropriate lease(s) from the Crown Estate and initiated the consenting process under section 36 of the Act. Applicants should provide evidence of such leases or consents as part of this Application or evidence reasonably satisfactory to The Company that such leases will be obtained and consents applied for prior to the Applicant's desired entry date into the Offshore Tender Process.

~~20.23.~~ Please complete this application form in black print and return it together with the appropriate application fee to the Customer Services Manager, National Grid Electricity Transmission plc, Warwick Technology Park, Gallows Hill, Warwick, CV34 6DA (Telephone No. 01926 654634). In addition to returning the application form to the Customer Services Manager an electronic copy of the application form may be e-mailed to The Company at [camdata@uk.ngrid.com](mailto:camdata@uk.ngrid.com)

~~21.24.~~ For the most up to date contact details applicants are advised to visit The Company's Website<sup>5</sup>.

# APPLICATION FOR A NEW CONNECTION

PLEASE ENSURE THAT YOU HAVE STUDIED THE NOTES BEFORE  
COMPLETING AND SIGNING THIS APPLICATION FORM

## SECTION A. DETAILS OF APPLICANT (in respect of this application)

### 1. Registered Company

Name:.....

Address (of Registered Office in the case of a Company)

.....

.....

.....

Company Number:.....

Parent Company Name (if applicable):.....

### 2. Company Secretary or person to receive CUSC notices

Name:.....

Email:.....

Telephone:.....

Fax:.....

### 3. Commercial Contact/Agent (person to receive Offer if different from Company Secretary or person to receive CUSC notices identified in 2 above)

Name:.....

Title:.....

Address:.....

.....

.....

Email:.....

Telephone:.....

Fax:.....



## **APPLICATION FOR A NEW CONNECTION**

**PLEASE ENSURE THAT YOU HAVE STUDIED THE NOTES BEFORE  
COMPLETING AND SIGNING THIS APPLICATION FORM**

## APPLICATION FOR A NEW CONNECTION

**PLEASE ENSURE THAT YOU HAVE STUDIED THE NOTES BEFORE COMPLETING AND SIGNING THIS APPLICATION FORM**

4. Please identify which application fee basis you wish to use for this application.

Fixed price application fee ☐

Variable price application fee ☐

5. If this is an application for connection to the **GB Transmission System Onshore** in England and Wales please complete 5a. If this is an application for connection to the **GB Transmission System Onshore** in Scotland please complete 5b.

- 5a. Have you made any applications for connection to the **GB Transmission System Onshore** in Scotland which are being processed prior to **Offer** by **The Company** or where an **Offer** has been made that **Offer** has not yet been accepted by you but remains open for acceptance?

If so, are such applications intended as alternatives to this one i.e. you intend to choose which of this or those other applications to proceed with on the basis of the offer made.

Yes – please list the applications.

.....  
.....

No ☐

Not sure ☐

(**The Company** will contact you to clarify)

- 5b. Have you made any applications for connection to the **GB Transmission System Onshore** in England and Wales which are being processed prior to **Offer** by **The Company** or where an **Offer** has been made that **Offer** has not yet been accepted by you but remains open for acceptance?

If so, are such applications intended as alternatives to this one i.e. you intend to choose which of this or those other applications to proceed with on the basis of the offer made.

Yes – please list the applications.

.....  
.....

No ☐

## APPLICATION FOR A NEW CONNECTION

PLEASE ENSURE THAT YOU HAVE STUDIED THE NOTES BEFORE  
COMPLETING AND SIGNING THIS APPLICATION FORM

Not sure ☐ (The Company will contact you to clarify)

# APPLICATION FOR A NEW CONNECTION

PLEASE ENSURE THAT YOU HAVE STUDIED THE NOTES BEFORE COMPLETING AND SIGNING THIS APPLICATION FORM

## SECTION B. THE PROPOSED POINT OF CONNECTION

1. Please identify (preferably by reference to an extract from an Ordnance Survey Map) the intended location (the “**Connection Site**”) of the **Plant** and **Apparatus** (the “**User Development**”) which it is desired should be connected to the **GB Transmission System** and where the application is in respect of a proposed **New Connection Site** other than at an existing sub-station. Please specify the proposed location and name of the **New Connection Site** (which name should not be the same as or confusingly similar to the name of any other **Connection Site**) together with details of access to the **Connection Site** including from the nearest main road.

.....

.....

.....

2. Please provide a plan or plans of the proposed **Connection Site** indicating (so far as you are now able) the position of all buildings, structures, **Plant** and **Apparatus** and of all services located on the **Connection Site**.

.....

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.....

.....

3. Give details of the intended legal estate in the **Connection Site** (to include leasehold and freehold interests and in the case of **Connection Sites** in Scotland legal interests and heritable or leasehold interests including servitudes or other real rights and in the case of **Connection Sites** located **Offshore** leaseholds granted by the Crown Estate) in so far as you are aware.

.....

.....

.....

## APPLICATION FOR A NEW CONNECTION

PLEASE ENSURE THAT YOU HAVE STUDIED THE NOTES BEFORE COMPLETING AND SIGNING THIS APPLICATION FORM

4. Who occupies the **Connection Site** in so far as you are aware?

.....

.....

5. If you believe that a new sub-station will be needed, please indicate by reference to the plan referred to in Section B question 2 above the **Applicant's** suggested location for it - giving dimensions of the area.

.....

.....

6. If you are prepared to make [the land necessary for the said sub-station](#) available to **The Company** or, for **Connection Sites** in Scotland [or Offshore](#), [make the land or Offshore Platform available to the Relevant Transmission Licensee](#) ~~the land necessary for the said sub-station~~, please set out brief proposals for their interest in it including (if relevant) such interest and the consideration to be paid for it.

.....

.....

7. Is space available on the **Connection Site** for working storage and accommodation areas for **The Company** contractors or, for **Connection Sites** in Scotland, the contractors of the **Relevant Transmission Licensee**? If so, please indicate by reference to the plan referred to in Section B question 2 above the location of such areas, giving the approximate dimensions of the same.

.....

.....

.....

8. ~~Please For~~ [Connection Sites located Onshore](#), please provide details (including copies of any surveys or reports) of the physical nature of land in which you have a legal estate or legal interest at the proposed **Connection Site** including the nature of the ground and the sub-soil.

.....

.....

## APPLICATION FOR A NEW CONNECTION

PLEASE ENSURE THAT YOU HAVE STUDIED THE NOTES BEFORE  
COMPLETING AND SIGNING THIS APPLICATION FORM

9. Please give details and provide copies of all existing relevant planning and other consents (statutory or otherwise) [including for Connection Sites located Offshore consents sought in accordance with section 36 of the Act](#) relating to the **Connection Site** and the **User Development** and/or details of any pending applications for the same.

.....  
.....

## APPLICATION FOR A NEW CONNECTION

PLEASE ENSURE THAT YOU HAVE STUDIED THE NOTES BEFORE  
COMPLETING AND SIGNING THIS APPLICATION FORM

10. Is access to or use of the **Connection Site** for the purposes of installing, maintaining and operating **Plant** and **Apparatus** subject to any existing restrictions? If so, please give details.

.....

.....

.....

.....

11. If you are aware of them, identify by reference to a plan (if possible) the owners and (if different) occupiers of the land adjoining the **Connection Site**. To the extent that you have information, give brief details of the owner's and occupier's estates and/or interests in such land.

.....

.....

.....

12. If the **New Connection Site** is located **Offshore**, please indicate your preferred year of entry for this project into the **Offshore Tender Process**.

.....

# APPLICATION FOR A NEW CONNECTION

PLEASE ENSURE THAT YOU HAVE STUDIED THE NOTES BEFORE COMPLETING AND SIGNING THIS APPLICATION FORM

## SECTION C. TECHNICAL INFORMATION

1. Summary of Application (brief description of plant to be connected):  
.....  
.....  
.....
2. Please provide full details of the proposed application together with the relevant **Standard Planning Data** as listed in Part 1 of the appendix to the **Planning Code** which are applicable to you. Note: the data concerned forms part of the **Planning Code** and **Data Registration Code**. **Applicants** should refer to these sections of the **Grid Code** for an explanation.
3. Please provide a copy of your **Safety Rules** if not already provided to **The Company**.  
  
Included [ ]  
  
Already provided [ ]  
  
Will be provided later [ ]
4. Please indicate if your plant may be able to provide (or you could consider providing) the following technical capability):-
  - a. Generation from Auxiliary Units (Reserve Services) [ ]
  - b. Spinning Generation [ ]
  - c. Fast Start capability [ ]
  - d. Frequency Response above Mandatory requirements [ ]
  - e. Demand Reduction / Management [ ]
  - f. Reactive capability above Mandatory requirements [ ]
  - g. Synchronous Compensation [ ]
  - h. Black Start Capability [ ]
  - i. Emergency Maximum Generation [ ]
  - j. Intertrip [ ]



## APPLICATION FOR A NEW CONNECTION

PLEASE ENSURE THAT YOU HAVE STUDIED THE NOTES BEFORE  
COMPLETING AND SIGNING THIS APPLICATION FORM

k. Other (please detail below) [ ]

.....

.....

**The Company's Website<sup>5</sup>** provides more information on the terms it offers for such technical capability.

5. Please confirm your intended **Connection Entry Capacity** (MW)

**Connection Site** [ ]

**Generating Unit(s)** (if applicable)

**Generating Unit 1** [ ]

**Generating Unit 2** [ ]

**Generating Unit 3** [ ]

**Generating Unit 4** [ ]

Details of additional **Generating Units** are to be provided here

6. Please state the required **Transmission Entry Capacity**.....MW

7. Please confirm if:

a. You would like an offer that is compliant with the deterministic criteria detailed in paragraphs 2.5 to 2.13 of the **GB SQSS**

YES/NO

and/or

b. You would like an offer on the basis of a **Design Variation**.

YES/NO

If yes, please provide any information relevant to such an offer below:

.....

.....

.....

If yes, please confirm if you require information from **The Company** in relation to the probability of **Notification of Restrictions on Availability** being issued.

YES/NO

7. **The Company** will provide an **Offer** to meet the minimum standards set out in the GB Security and Quality of Supply Standards (GBSQSS). A generation or demand **Applicant** may request a variation to the connection design; do you want a variation to the connection design?

## APPLICATION FOR A NEW CONNECTION

PLEASE ENSURE THAT YOU HAVE STUDIED THE NOTES BEFORE  
COMPLETING AND SIGNING THIS APPLICATION FORM

Yes [ ]

No [ ]

If yes please give details:.....  
.....  
.....  
.....

8. Do you wish to suggest an ownership boundary different from that set out in CUSC Paragraph 2.12?

Yes [ ]

No [ ]

If yes please give details:.....  
.....  
.....  
.....

9. Are you considering building any assets that would be identified as **Transmission Connection Assets**? If you indicate yes **The Company** will contact you to discuss further details.

Yes [ ]

No [ ]

10. For **New Connection Sites** located **Offshore** please indicate whether you are including any of the following items of additional information alongside your application. **Applicants** should note that though these items are not compulsory **The Company** will supply such information into the **Offshore Tender Process** in order that it may be expedited and may use the information in developing assumptions prior to the identification of **Construction Works** required **Offshore**.

Feasibility Studies [ ]

Crown Estate Lease [ ]

Identified sub-sea cable routes [ ]

## APPLICATION FOR A NEW CONNECTION

PLEASE ENSURE THAT YOU HAVE STUDIED THE NOTES BEFORE  
COMPLETING AND SIGNING THIS APPLICATION FORM

Identified cable landing points [ ]

Other (please specify) [ ]

.....

.....

11. Applicants should note that for **Generating Units** proposed to be connected to an **Offshore Transmission System** certain requirements in respect of **Reactive Power** capability (contained within the **STC**, Section K) are placed upon the owner of the **Offshore Transmission System**. However the **Grid Code** also permits part or all of this requirement to be met by the **Generating Units** connected to the **Offshore Transmission System** should it be more efficient to do so. In order that an assessment of the most efficient method of providing **Reactive Power** capability may be made by an owner of an **Offshore Transmission System** an **Applicant** for a **New Connection Site** located **Offshore** is required to indicate (where known) the expected **Reactive Power** capability of the **Generating Units** expected to be connected at the **New Connection Site**. Where applicable please also reference in Section C, part 4f above.

.....

.....

.....

.....

.....

# APPLICATION FOR A NEW CONNECTION

PLEASE ENSURE THAT YOU HAVE STUDIED THE NOTES BEFORE COMPLETING AND SIGNING THIS APPLICATION FORM

## SECTION D. PROGRAMME

Please provide a suggested development and construction programme in bar chart form for the work necessary to install the **User Development** (not the **Transmission Connection Assets** needing to be installed) indicating the anticipated date when the connection will be required to be made and any other key dates such as back feed date.

If not already included in the above bar chart please provide details of when the **Applicant** expects to be completing the substantive works that lead to the completion of the following phases of the **User Development** or reach the following relevant key milestones below and other additional milestones as necessary (working backwards from expected connection date at 'year 0'). This information is expected to provide the anticipated project overview at the time of application:-

- [In the case of a Connection Site located Offshore, procurement of Crown Estate lease](#)
- Planning Application Submitted (Town & Country Planning\*, S36,S37)
- [Expected date of entry into the Offshore Tender Process](#)
- Planning Consent Awarded
- Plant Ordered (i.e. **Power Station** or substation)
- Construction Started (site mobilisation)
- Construction Completed

### Notes

- \* The consent for the **User's Power Station** granted under Section 36 of the Electricity Act or planning permission for the **User's Power Station** granted under the Town and Country Planning Act 1990 or any amendment thereto in England and Wales or the Town and Country Planning (Scotland) Act 1997 or any amendment thereto in Scotland.

## CONNECTION APPLICATION

1. We hereby apply to connect our **Plant** and **Apparatus** to the **GB Transmission System** at a **New Connection Site**. We agree to pay **The Company's** Engineering Charges on the terms specified in the **Notes** to the **Connection Application**.
2. We will promptly inform **The Company** of any change in the information given in this application as quickly as practicable after becoming aware of any such change.
3. If we are not already a **CUSC Party** we undertake for the purposes of this application to be bound by the terms of the **Grid Code** from time to time in force and to sign a **CUSC Accession Agreement**.
4. We authorise the release of certain information, on the grounds of commercial confidentiality, to the appropriate **Public Distribution System Operator(s)** or to the **Relevant Transmission Licensee**, or to the Authority in order to comply with The Company's obligations with respect to the Offshore Tender Process, should it be considered necessary.
5. We confirm that we:  

|  |                          |
|--|--------------------------|
| meet <b>The Company Credit Rating</b>          | <input type="checkbox"/> |
| do not meet <b>The Company Credit Rating</b> . | <input type="checkbox"/> |
6. We confirm our agreement to the disclosure in the manner set out in Paragraph 6.30.3 of **CUSC** of the information specified in such Paragraph.
7. We confirm that we are applying in the category of:  

|   |                          |
|---|--------------------------|
| <b>Directly Connected Power Station</b>                                     | <input type="checkbox"/> |
| <b>Non-Embedded Customer</b>  | <input type="checkbox"/> |
| <b>Distribution System Directly Connected to the GB Transmission System</b> | <input type="checkbox"/> |

[Please tick correct option].

SIGNED BY

.....

For and on behalf of the **Applicant**

Date: .....

**END OF EXHIBIT B**

**CUSC - EXHIBIT C**

**THE CONNECTION AND USE OF SYSTEM CODE  
CONNECTION OFFER**

**DIRECTLY CONNECTED POWER STATIONS  
NON EMBEDDED CUSTOMER  
DISTRIBUTION SYSTEM DIRECTLY  
CONNECTED TO THE GB TRANSMISSION SYSTEM**

The Company Secretary

Date: [ ]

Dear Sirs

## CONNECTION OFFER - [site] [reference]

Set out below is our offer for connection [and use of the **GB** Transmission System\*] at [site/substation]. Please note that certain expressions which are used in this **Offer** are defined in the Interpretation and Definitions (contained in Section 11 of the **CUSC**) and when this occurs the expressions have capital letters at the beginning of each word and are in bold.

1. **The Company** offers to enter into a **Bilateral Connection Agreement** and **Construction Agreement** covering the **Connection Site**, reference number [ ]. If you are not already a **CUSC Party** you are required to enter into the enclosed **CUSC Accession Agreement**.
2. It is a condition of this **Offer** that (i) you also enter into an **Interface Agreement** covering the **Connection Site** in a form to be agreed between the parties but substantially in the form of Exhibit O of the complete **CUSC** [and (ii) where required by **The Company** you enter into a **Transmission Related Agreement** (*power station with **Design Variation** and/or Offshore Standard Design and/or a connection via an ET Offshore Transmission System and/or **Non Standard Boundary** only*)].
3. It is a condition of this **Offer** that the **Connection Site** is not a nominated site under the “NAECI” (the National Agreement for the Engineering Construction Industry) conditions and will not become one and any agreement for this site will be conditional upon this. In the event that this condition should not be met, **The Company** will be entitled to revise all the dates and charges contained in the **Bilateral Connection Agreement** and **Construction Agreement**.
4. The technical conditions with which you must comply as a term of this **Offer** are set out in the **Grid Code**. Additional technical conditions are set out in the Appendices to the **Bilateral Connection Agreement**. It is your responsibility to ensure that your equipment complies with the requirements of the relevant conditions.
5. This **Offer** is open for acceptance according to the terms of Paragraph 2.13 of the **CUSC** and the **Transmission Licence**. Please note your right to make an application to the **Authority** to settle the terms of the offer pursuant to Standard Condition C9 of the **Transmission Licence**.
6. Please note the provisions of Paragraph 6.10.4 of the **CUSC** in respect of interactive offers which, inter alia, allows **The Company** to vary the

\* Delete if connection only.

terms of this **Offer** if a **Connection** or **Modification Offer**, which interacts with this **Offer**, is accepted first. In terms of Paragraph 6.10.4 of the **CUSC**, **The Company** will advise you of another offer being made by **The Company**, which may interact with your **Offer**.

7. Please note that in accordance with the obligation in Paragraph 1.3.3 of the **CUSC** a **Mandatory Services Agreement** must be entered into not later than 6 months (or such lesser time as may be agreed) prior to the expected **Commissioning Programme Commencement Date**.

8. [In the case of **New Connection Sites** located **Offshore** this **Connection Offer** will identify the **Onshore Construction Works**. These will be based on specified assumptions about the **Offshore Construction Works** but the **Offshore Construction Works** will not themselves be identified at this time. (**Connection Sites located Offshore only**)]

8.9. To accept this **Offer**, please sign and return the originals of the [**CUSC Accession Agreement** and] **Bilateral Connection Agreement** [,**Construction Agreement**] attached to this **Offer** as Sections A. **The Company** will then itself countersign these agreements and one original of each will be returned to you for your retention. The agreements are only effective in accordance with their terms once they have been countersigned by **The Company**.

9.10. All communications in relation to this **Offer** must, in the first instance, be directed to [description].

Yours faithfully

.....  
for and on behalf of  
The National Grid Company plc



**SECTION A**  
**FORM OF BILATERAL CONNECTION AGREEMENT**  
**AND CONSTRUCTION AGREEMENT**  
**[AND CUSC ACCESSION AGREEMENT]**

**END OF EXHIBIT C**

## **CUSC - EXHIBIT O - PART I C**

### **THE CONNECTION AND USE OF SYSTEM CODE INTERFACE AGREEMENTS**

#### **PART I C - RELEVANT TRANSMISSION LICENSEE ASSETS ON USER ~~LAND IN SCOTLAND~~ OFFSHORE PLATFORM**

Note: All tracked changes are against the onshore version of the Interface Agreement (Exhibit O Part IB)

**CUSC - EXHIBIT O - PART I C**

DATED \_\_\_\_\_ 200[ ]

[ ] (User)

- and -

[Insert name of Relevant Transmission Licensee (RTL)]

**INTERFACE AGREEMENT**

| Relating to Relevant Transmission Licensee Assets on  
User ~~Land~~ Offshore Platform at [ ]

## I N D E X

| <u>Clause</u> | <u>Title</u>                                | <u>Page</u> |
|---------------|---|-------------|
| 1             | Definitions and Interpretation              | 1           |
| 2             | Right to Install and Retain Asset           | 8           |
| 3             | Modifications, Replacements and Alterations | 8           |
| 4             | Security and Compliance with Statutes etc.  | 10          |
| 5             | Relocations                                 | 11          |
| 6             | Removals                                    | 13          |
| 7             | Rights of Access                            | 13          |
| 8             | Services and Use of Assets                  | 15          |
| 9             | Non-Interference                            | 16          |
| 10            | Dispute Resolution                          | 17          |
| 11            | Governing Law and Jurisdiction              | 19          |
| 12            | Confidentiality                             | 20          |
| 13            | Title to Assets                             | 26          |
| 14            | Limitation of Liability                     | 27          |
| 15            | Intellectual Property                       | 29          |
| 16            | Force Majeure                               | 29          |
| 17            | Waiver                                      | 30          |
| 18            | Notices                                     | 30          |
| 19            | Variations                                  | 31          |
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| 21            | Assignment and Sub-Contracting              | 32          |
| 22            | Illegality and Partial Invalidity           | 32          |
| 23            | Term and Termination                        | 32          |
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| 25            | Entire Agreement                            | 33          |

Schedule 1 RTL Assets on User's ~~Land~~ Offshore Platform

Schedule 2 ~~User's Land Description~~ Offshore Platform

Schedule 3 Part I - Security Details

Part II - Plant MV LV Apparatus

Safety Co-ordination Procedures

Schedule 4 User Owned Facilities

Schedule 5 Services

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~~ the Offshore Platform 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 also the use of ~~such assets and facilities~~ certain facilities provided by the User.

**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 The Company 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 The Company 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~~ Facilities”

those assets or services 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 Offshore](#) 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 [and Offshore](#) 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 Company Transmission Licence, as from time to time revised in accordance with The Company 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 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 RTL Assets pursuant to clause 3.1 of this Agreement and “Modify” and “Modified” shall be construed accordingly;

“Offshore” means in the Offshore Waters and when used in conjunction with another term and the terms together are not otherwise defined means that

|                            |   |
|----------------------------|---|
|                            | <u>the associated term is to be read accordingly.</u>   |
| <u>“Offshore Platform”</u> | <u>a single structure comprising of Plant and Apparatus located Offshore which includes one or more Offshore Grid Entry Points and which is more particularly described in Schedule 2</u> |
| <u>“Offshore Waters”</u>   | <u>has the meaning given to “offshore waters” in Section 90(9) of the Energy Act 2004</u>   |
| “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 <i>[insert name of Offshore Transmission Owner]</i> ;  |
| “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 The Company 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 The Company to a sub-station owned by The Company and (b) are by agreement between The Company 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 <del>[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) [those parts</del>                                 |



|                              |  |
|------------------------------|--|
|                              | <p><u>of the Offshore Platform identified on the Plan]</u> of User's <u>Land-Offshore Platform</u> PROVIDED to the extent necessary for a Permitted Purpose and subject to the provisions of clause 5;</p>   |
| "RTL Assets"                 | <p>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;</p> |
| "RTL Licence"                | <p>the licence granted to the RTL under Section 6 of the Act;</p>  |
| "Secretary of State"         | <p>has the meaning given to that term in the Act;</p>  |
| "Services"                   | <p>in the context of Clause 8, the goods and services specified in Schedule 5;</p>   |
| "Site Specific Safety Rules" | <p>means the rules, procedures or current arrangements for and relating to safety co-ordination across boundaries (to permit work to or</p>  |

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;

“The Company”

National Grid Electricity Transmission plc; National Grid Electricity Transmission plc (No: 2366977) whose registered office is at 1-3 Strand, London WC2N 5EH;

“The Company Transmission Licence”

the licence granted to The Company under Section 6(1)(b) of the Act;

“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-Offshore Platform](#) 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 Offshore Platform](#) 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 Offshore Platform](#) 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 reasonable economic to move such RTL Assets to (or place the replacement or altered RTL Assets on) its own property.~~ 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 [LandOffshore Platform](#);
- (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–Offshore Platform](#) (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 [LandOffshore Platform](#)), 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 to a different location on the User [LandOffshore Platform](#), ~~or 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~~ Offshore Platform the RTL shall remove all RTL Assets from User's Offshore Platform ~~Land~~ within [ ] or such longer period as shall be agreed between the User and the RTL and 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~~ Offshore Platform, 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~~ Offshore Platform 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~~ [Offshore Platform](#) 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 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 [LandOffshore Platform](#), or any other property thereon or therein;
- (b) cause as little disturbance and inconvenience as possible to User or other occupier of User's [LandOffshore Platform](#);

and shall promptly make good any damage caused to User's [LandOffshore Platform](#) 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 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 the Facilities~~~~Facility~~ ~~Asset~~, User shall, if required by the RTL, make the ~~Facility Asset~~ Facilities 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~~ Facilities 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~~ Facilities 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~~ Facilities 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~~ Facilities 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~~ Facilities or Services for its own use in which case the supply of the Services or use of the ~~Facility Asset~~ Facilities may be terminated by not less than one year's notice in writing;
- 8.5 The provision of use of the ~~Facility Asset~~ Facilities 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~~ Facilities 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 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 or activity of the 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 director 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 Company 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 The Company 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 Company 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-Offshore Platform](#) 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-Offshore Platform](#), 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-Offshore Platform](#) 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 Offshore Platform](#) 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 Offshore Platform](#)] 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 [Offshore Platform](#).

#### **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, 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 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 RTL Assets are on User's [Land Offshore Platform](#) and no Facilities or Services are shared or provided.

## **24. ~~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.]~~

## **2524. ENTIRE AGREEMENT**

24.1 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-Offshore Platform](#) 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 OFFSHORE PLATFORMLAND



**SCHEDULE 2**

USER'S OFFSHORE PLATFORM ~~LAND~~

### **SCHEDULE 3**

#### **Part I**

**Security Details** (Clause 4.1)

**User's Offshore Platform 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~~ FACILITIES

PART ONE

PART TWO

**SCHEDULE 5**

**SHARED SERVICES PROVIDED BY USER**

PART ONE

PART TWO



**SCHEDULE 6**

Addresses, Fax Nos etc (Clause 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 C**

**CUSC - EXHIBIT O - PART II [BC](#)**

**THE CONNECTION AND USE OF SYSTEM CODE**

**INTERFACE AGREEMENTS**

**PART II B- USER ASSETS ON RTL [LANDOFFSHORE PLATFORM](#)**

**Note: All tracked changes are against the onshore version of the Interface Agreement (Exhibit O Part II B)**

**CUSC - EXHIBIT O - PART II [CB](#)**

DATED \_\_\_\_\_ 200[ ]

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

- and -

(2) \_\_\_\_\_ (User)

**INTERFACE AGREEMENT**

Relating to User Assets on  
RTL [Land Offshore Platform](#) at [ ]

## I N D E X

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| Schedule 5 | Services  |
| Schedule 6 | Addresses, Fax No's etc.  |

**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 the User are to be installed on ~~property the~~ Offshore Platform 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 ~~also the use of such assets and certain~~ facilities ~~provided by~~ RTL.

**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 The Company 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 The Company 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~~ Facilities”

those assets or services 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 <a href="#">transmission licensees</a> within Great Britain <a href="#">and Offshore</a> 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 <a href="#">transmission licensee</a> within Great Britain <a href="#">and Offshore</a> 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 Company Transmission Licence, as from time to time revised in accordance with The Company 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 <a href="#">Section 6 of</a> 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;   |
| <del>"The Company"</del>                      | <del>National Grid Company plc;</del>  |
| <del>"The Company Transmission Licence"</del> | <del>the licence granted to The Company under Section 6(1)(b) of the Act;</del>  |
| <a href="#">"Offshore"</a>                    | <a href="#">means in the Offshore Waters and when used in conjunction with another term and the terms together are not otherwise defined means that the associated term is to be read accordingly.</a> |
| <a href="#">"Offshore Platform"</a>           | <a href="#">a single structure comprising of Plant and Apparatus located Offshore</a>  |

|                              |  |
|------------------------------|--|
|                              | <u>which includes one or more Offshore Grid Entry Points and which is more particularly described in Schedule 2</u>                                    |
| <u>“Offshore Waters”</u>     | <u>has the meaning given to “offshore waters” in Section 90(9) of the Energy Act 2004</u>  |
| “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 The Company 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 The Company to a sub-station owned by The Company and (b) are by agreement between The Company 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] [those parts of the Offshore Platform identified on the Plan] of RTL’s Land—Offshore Platform (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 Licensee”

means SP Transmission Limited in south of Scotland and Scottish

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

be resolved in accordance with the provisions of Clause 10;

“The Company”

National Grid Electricity  
Transmission plc (No: 2366977)  
whose registered office is at 1-3  
Strand, London WC2N 5EH;

“The Company Transmission  
Licence”

the licence granted to The Company  
under Section 6(1)(b) of the Act;

“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-Offshore Platform](#) 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 Offshore Platform](#) 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 Offshore Platform](#) 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.~~

3.45 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 Offshore Platform](#);
  - (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 Offshore Platform](#) (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 Offshore Platform](#)), 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 Offshore Platform](#) ~~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 Offshore Platform](#) User shall remove all User Assets from the RTL's [Land Offshore Platform within \[ \] or such longer period as shall be agreed between the RTL and the User and](#) 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 Offshore Platform](#), 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 Offshore Platform](#) 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~~ [Offshore Platform](#) 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 [LandOffshore Platform](#), 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 [LandOffshore Platform](#);

and shall promptly make good any damage caused to the RTL's [Land-Offshore Platform](#) 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~~the Facility ~~Asset~~Facilities, RTL shall, if required by User, make the ~~Facility~~ AssetFacilities 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~~AssetFacilities by the RTL for its undertaking.

8.2 Subject as hereinafter provided, in relation to each of the 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~~Facilities 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~~Facilities 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~~Facilities 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~~Facilities or Services for its own use in which case the supply of the Services or use of the ~~Facility Asset~~Facilities may be terminated by not less than one year's notice in writing;

8.5 The provision of use of the ~~Facility Assets~~Facilities 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~~Facilities 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 Company 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 The Company 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 Company 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~~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 User acknowledges that it does not have and will not acquire any title, right or interest in the RTL’s ~~Land~~Offshore Platform 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~~Offshore Platform, 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~~Offshore Platform 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-Offshore Platform](#) 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-Offshore Platform](#) 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 [LandOffshore Platform](#).

#### **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~~ Offshore Platform and no ~~Facility Asset~~ Facilities 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~~24. ENTIRE AGREEMENT

~~25~~24.1 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-Offshore Platform](#) 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~~Offshore Platform

## **SCHEDULE 2**

RTL's LandOffshore Platform

### **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 ASSET FACILITIES](#)

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 CB**

**SCHEDULE 2 - EXHIBIT 1**

**DATED [                      ]**

**NATIONAL GRID ELECTRICITY TRANSMISSION PLC (1)**

**and**

**[                      ] (2)**

---

**THE CONNECTION AND USE OF SYSTEM CODE**

**BILATERAL CONNECTION AGREEMENT**

---

**[FOR A DIRECTLY CONNECTED POWER STATION]**

**[FOR A DIRECTLY CONNECTED DISTRIBUTION SYSTEM]**

**[FOR A NON-EMBEDDED CUSTOMER SITE]**

**[FOR AN INTERCONNECTOR OWNER]**

**At [                      ]**

**Reference: [                      ]**

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THIS **BILATERAL CONNECTION AGREEMENT** is made on the [ ] day of [ ] 200[ ]

**BETWEEN**

- (1) **National Grid Electricity Transmission plc** a company registered in England with number 2366977 whose registered office is at 1-3 Strand, London, WC2N 5EH ("**The Company**", which expression shall include its successors and/or permitted assigns); and
- (2) [ ] a company registered in [ ] with number [ ] whose registered office is at [ ] ("**User**", which expression shall include its successors and/or permitted assigns)

**WHEREAS**

- (A) Pursuant to the **Transmission Licence**, **The Company** is required to prepare a Connection and Use of System Code (**CUSC**) setting out the terms of the arrangements for connection to and use of the **GB Transmission System** and the provision of certain **Balancing Services**.
- (B) The **User** has applied for [Connection to] [and use of] [Modification of its existing Connection to [and use of]] the **GB Transmission System** and pursuant to the **Transmission Licence** **The Company** is required to offer terms in this respect.
- (C) The **User** has applied for connection [and use] in the capacity of a [ ] as set out in Paragraph 1.2.4 of the **CUSC**.
- (D) **The Company** and the **User** are parties to the **CUSC Framework Agreement** (being an agreement by which the **CUSC** is made contractually binding between **CUSC Parties**).
- (E) This **Bilateral Connection Agreement** is entered into pursuant to the **CUSC** and shall be read as being governed by it.
- [(F) The parties are also on even date herewith entering into a **Construction Agreement**.]

**NOW IT IS HEREBY AGREED** as follows:

**1. DEFINITIONS, INTERPRETATION AND CONSTRUCTION**

Unless the subject matter or context otherwise requires or is inconsistent therewith, terms and expressions defined in Section 11 of the **CUSC** have the same meanings, interpretations or constructions in this **Bilateral Connection Agreement** [and the following terms and expressions shall have the meaning set out below:-

"**Construction Agreement**" the agreement made between the parties of even date herewith for the carrying out of construction works;

"**Charging Date**" as defined in the **Construction Agreement**;

["**Circuit [ ]**" [insert detailed description of circuit(s) affected by the **Design Variation**] (power station with **Design Variation** and/or Offshore Standard Design and/or **Non Standard Boundary** only);]

["ET Conditions" any reduction in the **Maximum Export Capacity** and/or **Maximum Import Capacity** or disconnection or deenergisation of the **Offshore Transmission System** at the **ET Interface Point**]; (power station connected via **ET Offshore Transmission System** only)]

["ET Condition Period" the period of time during which the **ET Conditions** apply]; (power station connected via **ET Offshore Transmission System** only)]

["ET Interface Point" means [insert details];] (power station connected via **ET Offshore Transmission System** only)]

["**Maximum Export Capacity**" the figure specified as such in Appendix C Part 4;] (power station connected via **ET Offshore Transmission System** only);

["**Maximum Import Capacity**" the figure specified as such in Appendix C Part 4;] (power station connected via **ET Offshore Transmission System** only)]

**["Outage Conditions [ ]"** the unavailability of **Circuit [ ]** as a result of

- (a) a [planned]/[unplanned]/[planned or unplanned] incident occurring directly on **Circuit [ ]**; or
- (b) **Circuit [ ]** requiring to be **Deenergised** for health and safety reasons to allow for the planned or unplanned availability of a circuit in the immediate vicinity of **Circuit [ ]**; (power station with **Design Variation** and/or Offshore Standard Design and/or **Non Standard Boundary** only)]

**["Outage Period"** the period of time during which the **Outage Conditions** and/or reduced circuit capability apply; (power station with **Design Variation** and/or Offshore Standard Design and/or **Non Standard Boundary** only)]

**["Notification of Circuit Restrictions"** means the notification issued by **The Company** to the **User** in accordance with Clause [10.8] of this **Bilateral Connection Agreement**; (power station with **Design Variation** and/or Offshore Standard Design and/or **Non Standard Boundary** only)]

**["Notification of Outage Conditions"** means the notification issued by **The Company** to the **User** in accordance with Clause [10.4] of this **Bilateral Connection Agreement**; (power station with **Design Variation** and/or Offshore Standard Design and/or **Non Standard Boundary** only)]

**["Notification of Restrictions on Availability"** means a **Notification of Outage Conditions** and/or a **Notification of Circuit Restrictions** as applicable; (power station with **Design Variation** and/or Offshore Standard Design and/or **Non Standard Boundary** only)]

**["Notification of ET Restrictions on Availability"** means the notification issued by **The Company** to the **User** in accordance with Clause [10.11] of this **Bilateral Connection**

Agreement advising of the ET Conditions;] (power station via an ET Offshore Transmission System only)

[“Relevant Circuits” means [Circuit [ ]]; (power station with **Design Variation** and/or Offshore Standard Design and/or **Non Standard Boundary** only)]

[“Transmission Related Agreement” means the agreement of even date entered into between the parties for the provision of and payment for **Balancing Services** in respect of **Bid-Offer Acceptances**; (power station with **Design Variation** and/or Offshore Standard Design and/or **Non Standard Boundary** and/or via an ET Offshore Transmission System only)]

## 2. COMMENCEMENT

This **Bilateral Connection Agreement** shall commence on [ ].

## 3. THE CONNECTION SITE AND TRANSMISSION CONNECTION ASSETS

The **Connection Site** and **Transmission Connection Assets** to which this **Bilateral Connection Agreement** relates is more particularly described in Appendix A.

## 4. CONNECTION CHARGES

The **Connection Charges** payable by the **User** in accordance with the **CUSC** in respect of the **Transmission Connection Assets** set out in Appendix A [(including the **One-Off Charge**)] are set out in Appendix B. These **Connection Charges** shall be payable by the **User** from the [**CUSC Implementation Date**] [or] [**Charging Date**].

## 5. [USE OF SYSTEM (power station only)]

The right to use the **GB Transmission System** shall commence on and **Use of System Charges** shall be payable by the **User** from the [**CUSC Implementation Date**] [or] [**Charging Date**].

## 6. CREDIT REQUIREMENTS

The amount to be secured by the **User** from [date] is set out in the **Secured Amount Statement** issued from time to time and as varied from time to time in accordance with Section 2 of the **CUSC**.

## 7. CONNECTION ENTRY CAPACITY AND TRANSMISSION ENTRY CAPACITY

7.1 The **Connection Entry Capacity** in relation to the **Generating Units** and the **Connection Site** and the **Transmission Entry Capacity** in relation to the **Connection Site**, are specified in Appendix C.

7.2 Appendix C Part 3 will set out the **BM Unit Identifiers** of the **BM Units** registered at the **Connection Site** under the **Balancing and Settlement Code**. The **User** will provide The



**Company** with the information needed to complete details of these **BM Unit Identifiers** as soon as practicable after the date hereof and thereafter in association with any request to modify the **Transmission Entry Capacity** and **The Company** shall prepare and issue a revised Appendix C incorporating this information. The **User** shall notify **The Company** prior to any alteration in the **BM Unit Identifiers** and **The Company** shall prepared and issue a revised Appendix C incorporating this information.

- 7.3 **The Company** shall monitor the **Users** compliance with its obligation relating to **Transmission Entry Capacity** against the sum of metered volumes of the **BM Units** set out in Part 3 of Appendix C submitted by the **User** for each **Settlement Period**.

## 8. COMPLIANCE WITH SITE SPECIFIC TECHNICAL CONDITIONS

The site specific technical conditions applying to the **Connection Site** are set out in Appendices F1 to F5 to this **Bilateral Connection Agreement** as modified from time to time in accordance with Paragraph 6.9 of the **CUSC**.

## 9. [ELECTRICAL BOUNDARY (*Non Standard Boundary only*)

The division of ownership of **Plant** and **Apparatus** shall be at [define ownership boundary]. For the avoidance of doubt, nothing in this Clause 9 shall effect any transfer of ownership in any **Plant** or **Apparatus**.]

## 10. [RESTRICTIONS ON AVAILABILITY (*power station with Design Variation and/or Offshore Standard Design and/or Non Standard Boundary only*) [AND ET RESTRICTIONS ON AVAILABILITY - ET Offshore Transmission System only]

- 10.1 [The division of ownership of **Plant** and **Apparatus** in Clause 9 above is contrary to the principles of ownership set out in **CUSC** Paragraph 2.12.]

- 10.2 [In addition the] [The] **User** acknowledges that the connection design which provides for connection to the **GB Transmission System** is [a variation to the connection design as provided for in Chapter 2 of the **GB SQSS** [of an Offshore Standard Design – User connected at Offshore Transmission System only and the **User** further acknowledges that the **User** is connected at an **ET Offshore Transmission System** and that as such its rights under **CUSC** Paragraph 2.3 (Export of Power from Connection Site) and Paragraph 2.4 (Import of Power to Connection Site) are subject to the availability of the **Maximum Export Capacity** and **Maximum Import Capacity** and to the **ET Offshore Transmission System** not being disconnected from or deenergised at the **ET Interface Point- ET Offshore Transmission System only**] and the following provisions shall apply.

- [10.3 It is a condition of the **GB SQSS** that any **Design Variation** satisfies the criteria set out in paragraphs 2.15 to 2.18 (inclusive) of the **GB SQSS** and on that basis [and in light of the non standard principles of ownership] the following provisions will apply.

*power station with Design Variation and/or Non Standard Boundary only* ]

10.4 **The Company** shall issue to the **User** a notice that advises the **User** of the occurrence of the **Outage Conditions** and where practicable the expected **Outage Period**. Such notice shall be issued:

10.4.1 In the event that the **Notification of Circuit Outage** relates to a **Planned Outage** on the **GB Transmission System**, where practicable, be in accordance with **Grid Code OC2** requirements; or

10.4.2 In the event that the **Notification of Circuit Outage** relates to something other than a **Planned Outage** on the **GB Transmission System** or relates to a **Planned Outage** on the **GB Transmission System** but it is not practicable for such notice to be in accordance with **Grid Code OC2** requirements, as soon as reasonably practicable and **The Company** and the **User** shall agree as soon as practicable after the date hereof the method of such notification.

10.4.3 **The Company** shall promptly notify the **User** when the **Outage Period** will or has ceased.

10.5 **The Company** shall be entitled to revise the **Notification of Circuit Outage** given under Clause 10.4 above at any time.

10.6 The **User** will acknowledge receipt of such **Notification of Circuit Outage** and where practicable shall revise its **Output Useable** forecast for the affected **BM Unit** accordingly.

10.7 Following such **Notification of Circuit Outage** in accordance with Clause 10.4:

10.7.1 [(i) In respect of the **Outage Conditions [ ]**, the **User** shall (i) ensure that the **Maximum Export Limit** and **Maximum Import Limit** for the **BM Units** relating to the **Power Station** reflects the outage of the **Relevant Circuits** and (ii) operate its **Power Station** to reflect the outage of the **Relevant Circuits** for all **Settlement Periods** or parts thereof falling within the **Outage Period**.]

10.7.2 In the event that the **User** does not comply with Clauses [ ] above, **The Company** shall issue **Bid-Offer Acceptances** to the **User** to reduce the export from and/or import to the affected **BM Unit** so that the effect is as if the **User** had complied with the relevant Clause, and the provisions of the **Transmission Related Agreement** shall apply.

10.8 **The Company** shall issue to the **User** a notice that advises the **User** of the occurrence of an event leading to a reduced circuit capability of **Circuit [ ]** and where practicable the expected **Outage Period**. Such notice (including any revision) shall be issued:

10.8.1 In the event that the **Notification of Circuit Restriction** relates to a **Planned Outage** on the **GB Transmission System**, where practicable, be in accordance with **Grid Code OC2** requirements; or

10.8.2 In the event that the **Notification of Circuit Restriction** relates to something other than a **Planned Outage** on the **GB Transmission System** or relates to a **Planned Outage** on the **GB Transmission System** but it is not practicable for such notice to be in accordance with **Grid Code** OC2 requirements, such notice shall be given as soon as reasonably practicable and **The Company** and the **User** shall agree as soon as practicable after the date hereof the means of such notification.

10.8.4 **The Company** shall promptly notify the **User** when the period of reduced circuit capability will or has ceased.

10.9 **The Company** shall be entitled to revise the **Notification of Circuit Restriction** given under Clause 10.8 above at any time.

10.10 Following such **Notification of Circuit Restriction** in accordance with Clause 10.8:

10.10.1 [(i) In respect of the reduction in capability of **Circuit [ ]**, the **User** shall (i) ensure that the **Maximum Export Limit** and **Maximum Import Limit** for the **BM Units** relating to the **Power Station** reflects the reduction in capability of the **Relevant Circuits** and (ii) operate its **Power Station** to reflect the reduction in capability of the **Relevant Circuits** for all **Settlement Periods** or parts thereof falling within the **Outage Period**.]

10.10.2 In the event that the **User** does not comply with Clauses [ ] above, **The Company** shall issue **Bid-Offer Acceptances** to the **User** to reduce the export from and/or import to the affected **BM Unit** so that the effect is as if the **User** had complied with the relevant Clause, and the provisions of the **Transmission Related Agreement** shall apply.

10.11 **The Company** shall issue to the **User** a notice that advises the **User** of the occurrence of the **ET Conditions** and where practicable the expected **ET Condition Period**. Such notice shall be issued as soon as reasonably practicable and **The Company** and the **User** shall agree as soon as practicable after the date hereof the method of such notification.

10.12 **The Company** shall promptly notify the **User** when the **ET Condition Period** will or has ceased.

10.13 **The Company** shall be entitled to revise the **Notification of ET Restrictions on Availability** given under Clause 10.11 above at any time.

10.14 The **User** will acknowledge receipt of such **Notification of ET Restrictions on Availability** and where practicable shall revise its **Output Useable** forecast for the affected **BM Unit** to reflect the reduction in capability specified in the **Notification of Restrictions on Availability**.

10.15 Following such **Notification of ET Restrictions on Availability** in accordance with Clause 10.11:

10.15.1 the **User** shall (i) ensure that the **Maximum Export Limit** and **Maximum Import Limit** for the **BM Units** relating to the **Power Station** reflect the reduction in capability

specified in the **Notification of ET Restrictions on Availability** and (ii) operate its **Power Station** to reflect the reduction in capability specified in the **Notification of ET Restrictions on Availability** for all **Settlement Periods** or parts thereof falling within the **ET Condition Period**.]

10.15.2 In the event that the **User** does not comply with Clause 10.15.1 above, **The Company** shall issue **Bid-Offer Acceptances** to the **User** to reduce the export from and/or import to the affected **BM Unit** so that the effect is as if the **User** had complied with the Clause, and the provisions of the **Transmission Related Agreement** shall apply.

10.16 Where the **User** becomes aware or is notified by **The Company** of any breach of Clauses 14.6 above the **User** shall forthwith take all reasonable steps to comply with the provisions of that Clause.

10.[11\17] Where the **User** becomes aware or is notified by **The Company** of any breach of Clauses 10.7 or 10.10 [or 10.15] above the **User** shall forthwith take all reasonable steps to comply with the provisions of that Clause.

10.12\18] Where the **User** breaches in whole or in part the provisions of Clause 10.7 or Clause 10.10 [or 10.15] above, the **User** shall at **The Company's** request explain to **The Company's** satisfaction (acting reasonably) the reason for the breach and demonstrate to **The Company's** satisfaction that appropriate steps have been taken to ensure that such breach will not reoccur. In the event that the **User** does not do this **The Company** may give notice to the **User** reducing the **Transmission Entry Capacity** of the **Connection Site** and Appendix C of this **Bilateral Connection Agreement** shall be varied accordingly. This **Transmission Entry Capacity** shall apply until such time as the **User** has explained to **The Company's** reasonable satisfaction the reason for the breach and has demonstrated that appropriate steps have been taken to ensure that such breach will not reoccur and Appendix C shall be automatically amended thereafter to reflect the reinstatement of the **Transmission Entry Capacity**.

10.13\19] If within 3 months of a breach of Clause 10.7 or Clause 10.10 [or 10.15] above which entitled **The Company** to take action under Clause 10.12\18 above, the **User** has still failed to provide the explanation and/or demonstration required by **The Company** under Clause 10.12\18 then **The Company** may treat such breach as an **Event of Default** for the purposes of Section 5 of the **CUSC** and following such breach may give notice of termination to the **User** whereupon this **Bilateral Connection Agreement** shall terminate and the provisions of **CUSC** Paragraph 5.4.7 shall apply.

10.14\20] For the avoidance of doubt any **Deenergisation** resulting from the **Outage Conditions** as set out in the relevant **Notification of Restrictions on Availability** [or

[ET Conditions as set out in the relevant Notification of ET Restrictions on Availability](#) constitutes an **Allowed Interruption**.

10.1521.1     **The Company** and the **User** shall act in accordance with **Good Industry Practice** to minimise so far as reasonably practicable the occurrence and duration of (i) the **Outage Conditions** and (ii) an **Event** leading to reduced circuit capability of the **Relevant Circuits**. **The Company** and the **User** will, recognising the effect of the **Outage Conditions** and the reduced circuit capability on the **User's** operations, coordinate the **Outage Conditions** and the reduced circuit capability on the **GB Transmission System** (where they occur as a result of a **Planned Outage**) and the **User's Plant** and **Apparatus** in accordance with **Good Industry Practice** and to the extent practicable. **The Company** and the **User** acknowledge however that even where **Planned Outages** are coordinated and agreed that **The Company** and/or the **User** may need to cancel or change such **Planned Outage**.

10.1521.2     **The Company** and the **User** hereby acknowledge and agree that, where reasonably practicable, alternative operating arrangements shall be implemented to minimise the effect of **Outage Conditions** and reduced circuit capability [, including, but not limited to [describe potential arrangements]]. In the event that **The Company** and the **User** implement alternative operating arrangements in respect of an **Outage Condition** and reduced circuit capability, the provisions of Clauses 10.7 and 10.10 shall not apply to the extent that the alternative operating arrangements mitigate the restrictions (whether in whole or in part) that would otherwise apply to the **User** under this Clause 10 for all **Settlement Periods** or parts thereof falling within the **Outage Period** or period of reduced circuit capability.

[10.17 In the event that the **GB Transmission System** conditions subsequently change such that the conditions required for a design variation under the **GB SQSS** are no longer met then **The Company** shall be entitled to revise Clause 1, this Clause 10 and the **Outage Conditions** as necessary to ensure that such **GB SQSS** conditions continue to be met.[power station with Design Variation only](#)]

## 11. TERM

Subject to the provisions for earlier termination set out in the **CUSC** this **Bilateral Connection Agreement** shall continue until the **User's Equipment** is **Disconnected** from the **GB Transmission System** at the **Connection Site** in accordance with Section 5 of the **CUSC**.

## 12. VARIATIONS

12.1.1 Subject to Clause 12.2, 12.3, [12.4](#) [and 12.[54 Offshore only](#)] below, no variation to this **Bilateral Connection Agreement** shall be effective unless made in writing and signed by or on behalf of both **The Company** and the **User**.

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

12.3 **The Company** has the right to vary Appendices A and B in accordance with this **Bilateral Connection Agreement** and the **CUSC** including any variation necessary to enable **The Company** to charge in accordance with the **Charging Statements**, or upon any change to the **Charging Statements**.

12.4 Appendices A and B [and F1 to F5](#) shall be varied automatically to reflect any change to the **Construction Works** or **Transmission Connection Assets** as provided for in the **Construction Agreement**.

[\[12.5 The Company has the right to vary this Bilateral Connection Agreement as necessary as provided for in Clause 1.2.3 of the Construction Agreement. Offshore only\]](#)

### 13. GENERAL PROVISIONS

Paragraph 6.10 and Paragraphs 6.12 to 6.26 of the **CUSC** are incorporated into this **Bilateral Connection Agreement** *mutatis mutandis*.

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

SIGNED BY )  
**[name]** )  
for and on behalf of )  
National Grid Electricity Transmission plc )

SIGNED BY )  
**[name]** )  
for and on behalf of )  
**[User]** )

### APPENDIX A

### TRANSMISSION CONNECTION ASSET/CONNECTION SITE

Company: [ ]  
Connection Site: [ ]  
Type: [ ]

Part 1 - Pre-Vesting Assets

| <u>Allocation</u> | <u>Description</u> | <u>Age</u> | <u>Year</u> |
|-------------------|--------------------|------------|-------------|
| (As at [ ])       |                    |            |             |

Part 2 - Post-Vesting Assets

| <u>Allocation</u> | <u>Description</u> | <u>Age</u> | <u>Year</u> |
|-------------------|--------------------|------------|-------------|
| (As at [ ])       |                    |            |             |

Part 3 - Energy Metering Systems (\*)

| <u>Allocation</u> | <u>Description</u> | <u>Age</u> | <u>Year</u> |
|-------------------|--------------------|------------|-------------|
| (As at [ ])       |                    |            |             |

(\*) FMS, Energy Metering Systems - The Electronics components have a 15 year replacement period. The Non-Electronics components have a 40 year replacement period.

All the above are inclusive of civil engineering works. At double busbar type substations, ownership of main and reserve busbars follows ownership of section switches.

Diagram Reference: [ ]

Appendix Reference: [ ]

Agreement Reference: [ ]

**APPENDIX B**

**CONNECTION CHARGES/PAYMENT**

Company: [ ]  
Connection Site: [ ]  
Type: [ ]

(1) Connection Charges

The Connection Charges set out below may be revised in accordance with the terms of this Bilateral Connection Agreement and/or the Construction Agreement and/or the CUSC and/or the Charging Statements

#### **Part 1 - Pre-Vesting Assets**

The Connection Charge for those assets extant at 31st March 1990 and specified in Appendix A Part 1 will be at an annual rate for the period [ ] to [ ] of £[ ] where

Rate of Return = [ ]%

#### **Transmission Costs**

Part A Site specific maintenance element = £[ ]

Part B Other transmission costs element = £[ ]

#### **Part 2 - Post-Vesting Assets**

The Connection Charge for those assets installed for this agreement after 31st March 1990 and specified in Appendix A Part 2 will be at an annual rate for the period [ ] to [ ] of £[ ] where

Rate of Return = [ ]%

#### **Transmission Costs**

Part A Site specific maintenance element = £[ ]

Part B Other transmission costs element = £[ ]

#### **Part 3 - Energy Metering Systems**

For FMS, Energy Metering Systems assets, installed for this agreement as specified in Appendix A Part 3 the Connection Charge will be at an annual rate for the period from [ ] to [ ] of £[ ]

#### **Part 4 - Miscellaneous Charges**

The miscellaneous charge shall be £[ ] in respect of the period from [ ] to [ ] payable as an estimated indexed charge in twelve monthly instalments subject to adjustment in accordance with the terms of this Bilateral Connection Agreement and/or the CUSC and/or the Charging Statements

#### **Part 5 - One-off / Transmission Charges**

The transmission charge shall be £[ ] in respect of the period from [ ] to [ ] payable as an estimated indexed charge in twelve monthly instalments subject to adjustment in accordance with the terms of this Bilateral Connection Agreement and/or the CUSC and/or the Charging Statements

#### **(2) Payment**



The Connection Charges for Parts 1 to 6 shall be payable in equal monthly instalments as specified in Paragraph 6.6 of the CUSC

Appendix Reference: [ ]

### **APPENDIX C (Power Stations)**

#### **CONNECTION ENTRY CAPACITY AND TRANSMISSION ENTRY CAPACITY [AND MAXIMUM EXPORT CAPACITY AND MAXIMUM IMPORT CAPACITY - ET Offshore Transmission System only]**

Company:

Grid Supply Point/Connection Site:

#### **Part 1 Connection Entry Capacity**

Connection Entry Capacity (CEC) expressed as an instantaneous MW figure

|                 | CEC(MW) |
|-----------------|---------|
| Power Station   | [ ]     |
| Generating Unit |         |
| Genset 1        | [ ]     |
| Genset 2        | [ ]     |
| Genset 3        | [ ]     |
| Genset 4        | [ ]     |

#### **Part 2 Transmission Entry Capacity**

Transmission Entry Capacity (TEC) expressed in average MW taken over a half hour settlement period

|               | TEC(MW) |
|---------------|---------|
| Power Station | [ ]     |

#### **Part 3 BM Units comprising Power Station**

|         |                            |
|---------|----------------------------|
| T_BMU 1 | (Associated with Genset 1) |
| T_BMU 2 | (Associated with Genset 2) |
| T_BMU 3 | (Associated with Genset 3) |

|            |                                  |
|------------|----------------------------------|
| T_BMU 4    | (Associated with Genset 4)       |
| T_BMU SD-1 | (Station Demand)                 |
| T_BMU AD-1 | (Additional Trading Site Demand) |

[\[Part 4 Maximum Export Capacity and Maximum Import Capacity – ET Offshore Transmission System only\]](#)

## **APPENDIX C (Interconnector Owners)**

### **CONNECTION ENTRY CAPACITY AND TRANSMISSION ENTRY CAPACITY**

Company:

Connection Site:

#### **Part 1 Connection Entry Capacity**

Connection Entry Capacity (CEC) expressed as an instantaneous MW figure

|                |         |
|----------------|---------|
|                | CEC(MW) |
| Interconnector | [     ] |

#### **Part 2 Transmission Entry Capacity**

Transmission Entry Capacity (TEC) expressed in average MW taken over a half hour settlement period

|                |         |
|----------------|---------|
| Interconnector | [     ] |
|----------------|---------|

#### **Part 3 BM Units comprising Interconnector**

All BMU's starting with an identifier [I\_FRA for example]. No need to list all individual BMU's

#### **Part 4 Figure for the Purposes of CUSC Paragraph 9.6**

**APPENDIX F1**

**SITE SPECIFIC TECHNICAL CONDITIONS:**

**AGREED BALANCING SERVICES**

**APPENDIX F2**

**[NOT USED]**

**APPENDIX F3**

**SITE SPECIFIC TECHNICAL CONDITIONS:**

**SPECIAL AUTOMATIC FACILITIES**

**APPENDIX F4**

**SITE SPECIFIC TECHNICAL CONDITIONS:**

**PROTECTION AND CONTROL RELAY SETTINGS**

**FAULT CLEARANCE TIMES**

**APPENDIX F5**

**SITE SPECIFIC TECHNICAL CONDITIONS:**

**LOAD SHEDDING FREQUENCY SENSITIVE RELAYS**

**END OF SCHEDULE 2 - EXHIBIT 1**



**SCHEDULE 2 EXHIBIT 3A]**

**INDICATIVE**

**DATED [ ] 200[1]**

**NATIONAL GRID ELECTRICITY TRANSMISSION PLC (1)**

**and**

**[ ] (2)**

---

**THE CONNECTION AND USE OF SYSTEM CODE**

**[OFFSHORE] CONSTRUCTION AGREEMENT**

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NB – All tracked changes are shown in this document against the existing **onshore** Construction Agreement but doesn't replicate the provisions introduced by CAP 150 that relate to other than directly connected generators.

CONTENTS

| <u>Clause</u>               | <u>Title</u>  |
|-----------------------------|---|
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| 2                           | Carrying out of the Works                                 |
| 3                           | Delays  |
| 4                           | Commissioning Programme and Liquidated Damages            |
| 5                           | Approval to Connect/Energise/Become Operational           |
| 6                           | Independent Engineer                                      |
| 7                           | Becoming Operational                                      |
| 8                           | Compliance with Site Specific Technical Conditions        |
| 9                           | Credit Requirements                                       |
| 10                          | Event of Default  |
| 11                          | Termination on Event of Default                           |
| 12                          | Term  |
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| Appendix B1                 | One Off Works   |
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CUSC v1.4

Appendix K Liquidated Damages

Appendix L Independent Engineer

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Appendix N Third Party Works

[\[Appendix O User Data\]](#)

[\[Appendix P Offshore Works Assumptions\]](#)

**THIS CONSTRUCTION AGREEMENT** is made on the [ ] day of [ ] 200[1]

**BETWEEN**

- (1) National Grid Electricity Transmission plc a company registered in England with number 2366977 whose registered office is at 1-3 Strand, London, WC2N 5EH ("**The Company**", which expression shall include its successors and/or permitted assigns); and
- (2) [ ] a company registered in [ ] with number [ ] whose registered office is at [ ] ("**User**", which expression shall include its successors and/or permitted assigns)

**WHEREAS**

- (A) Pursuant to the **Transmission Licence**, **The Company** has prepared a Connection and Use of System Code (**CUSC**) setting out the terms of the arrangements for connection to and use of the **GB Transmission System** and the provision of certain **Balancing Services**.
- (B) The **User** has applied for [connection to  ] and use of] [modification to its connection to] ~~[or use of]~~ the **GB Transmission System** and pursuant to Standard Condition C8 of the **Transmission Licence**, **The Company** is required to offer terms in accordance with the **CUSC** in this respect ~~or~~ [specific recital to reflect that the Construction Agreement is an amendment of an existing signed offer pursuant to the CUSC amending documents].
- (C) **The Company** and the **User** are parties to the **CUSC Framework Agreement** (being an agreement by which the **CUSC** is made contractually binding between the parties).
- (D) Certain works are required as part of this offer as set out in this **Construction Agreement**.
- (E) This **Construction Agreement** sets out the **Offshore Works Assumptions** used to identify the initial **Onshore Construction Works** and **Construction Programme** and the process whereby this **Construction Agreement** will be amended to provide for the **Offshore Construction Works**.
- (~~E~~F) This **Construction Agreement** is entered into pursuant to the terms of the **CUSC**.



**NOW IT IS HEREBY AGREED** as follows:

### 1.1. DEFINITIONS, INTERPRETATION AND CONSTRUCTION

Unless the subject matter or context otherwise requires or is inconsistent therewith, terms and expressions defined in Section 11 of the **CUSC** and in the **Bilateral Connection Agreement** have the same meanings, interpretations or constructions in this **Construction Agreement**.

"Authority" as defined in the **CUSC**.

"Assumed Offshore Tender Process Start Date" [insert date of Offshore Tender Process it is assumed User will enter.]

"Bilateral Connection Agreement" the **Bilateral Connection Agreement** entered into between the parties on even date herewith.

~~"Bilateral Embedded Generation Agreement"~~ ~~the **Bilateral Embedded Generation Agreement** entered into between the parties on even date herewith.~~

"Capacity Reduction Charge" [*where on interim methodology-* a sum equal to the difference between a) the **Cancellation Charge** that would have been payable by the **User** had this **Construction Agreement** terminated in the **Financial Year** (or part of **Financial Year**) in which the **User** reduced its **Connection Entry Capacity** and/or **Transmission Entry Capacity** as appropriate and the **User** had not reduced its **Connection Entry Capacity** and/or **Transmission Entry Capacity** as appropriate and b) the **Cancellation Charge** that would have been payable in such **Financial Year** (or part of **Financial Year**) if such charge was calculated on the basis of the reduced **Connection Entry Capacity** and/or **Transmission Entry Capacity**.] or [*where on Final Sums - Final Sums* and as such subject to the provisions of

[Clauses 9A.2 and 9A.3 - *if user meets credit rating*] [Clauses 9B.6 and 9B.7 - *if user does not meet credit rating*] of this **Construction Agreement** except that **Final Sums** will be assessed by reference to those elements of the **Construction Works** no longer required as a result of the **Notice of Reduction** taking effect rather than on termination of this **Construction Agreement**.]

"Charging Date"

the date upon which the **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 **Transmission Connection Assets**, are completed to a stage where **The Company** 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 **Transmission Reinforcement Works** are **Commissioned** and **Seven Year Statement Works** are completed as at that date. In the event that the **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 Commencement Date"

the date specified in the **Construction Programme** for the commencement of the **Commissioning Programme** or any substituted date fixed under the terms of this **Construction Agreement**

"Commissioning Programme"

the sequence of operations/tests necessary to connect the **User's Works**

and the **Transmission Connection Asset Works** to the **GB Transmission System** for the purpose of making the **User's Works** available for operation to be determined pursuant to Clause 2.10 of this **Construction Agreement**.

"Completion Date"

[ ] or such other date as may be agreed in terms of this **Construction Agreement**.

"Connected Planning Data"

data required pursuant to the **Planning Code** which replaces data containing estimated values assumed for planning purposes by validated actual values and updated estimates for the future and by updated forecasts for forecast data items.

"Consents"

in relation to any **Works**:-

- (a) all such planning and other statutory consents; and
- (b) all wayleaves, easements, rights over or interests in land or any other consent; or
- (c) permission of any kind as shall be necessary for the construction of the **Works** and for commencement and carrying on of any activity proposed to be undertaken at or from such **Works** when completed.

"Construction Programme"

the agreed programme for the **Works** to be carried out by **The Company** and the **User** set out in detail in Appendix [J] to this **Construction Agreement** or as amended from time to time pursuant to Clauses 2.3 and 3.2 of this **Construction Agreement**.

"Construction Site"

the site where the **Transmission Connection Asset Works** are being undertaken by or on behalf of **The**

**Company;**

"Construction Works"

the Offshore Construction Works and Transmission Connection Asset Works, Onshore Transmission Reinforcement Works, Seven Year Statement Works and One Off Construction Works but excluding for the avoidance of doubt any Third Party 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.

"Dispute Resolution Procedure"

the procedure for referral to arbitration set out in Paragraph 7.4 of the **CUSC**.

"Event of Default"

any of the events set out in Clause 10 of this **Construction Agreement** as constituting an event of default.

"Final Sums"

the amount payable by the **User** on termination of this **Construction Agreement** being the aggregate from time to time and for the time being of:-

- (1) all **The Company Engineering Charges** arisen prior to the date of termination;
- (2) fees, expenses and costs (excluding costs on account of interest charges incurred by The Company) of whatever nature reasonably and properly incurred or due by **The Company** in respect of any part of the **Construction Works** carried out prior to the date of termination of this **Construction Agreement**;
- (3) fees, expenses and costs properly

payable by **The Company** in respect of, or arising from the termination by it or any third party of any contract for or relating to the carrying out of any **Construction Works** provided it is negotiated on an arms length basis (including any such arising under the **STC**);

- (4) a sum equal to the reasonable costs of removing any **Transmission Connection Assets** and of making good the remaining **Plant** and **Apparatus** following such removal; and
- (5) interest on any such amounts from the date they were paid by The Company to the date of The Company's invoice at 2% over **Base Rate** from time to time and for the time being.

Provided that no sum shall be due in respect of **Final Sums** in respect of fees, expenses and costs associated with (a) the **Seven Year Statement Works** and/or (b) **Transmission Reinforcement Works** required for wider system reasons and specified in Part 2 of Appendix H.

Any dispute as to the amount of **Final Sums** shall be referred to arbitration in accordance with the **Dispute Resolution Procedure**.

"Independent Engineer"

the engineer specified in Appendix L to this **Construction Agreement**. Provided that:-

- (a) where the parties fail to agree on a suitable engineer within 120 days of the date of this

**Construction Agreement; or**

- (b) where any **Independent Engineer** appointed from time to time shall fail, refuse or cease to act in the capacity set out herein and no substitute engineer of suitable standing and qualification can be agreed by the parties within 30 days;

then such engineer as the President of the Institution of Electrical Engineers shall, on the application of either party, nominate shall be the **Independent Engineer**.

"Interface Agreement"

the agreement substantially in the form of **CUSC** Exhibit O [Part IC or Part IIC] to be entered into pursuant to Clause 2.17.

"Liquidated Damages"

the sums specified in or calculated pursuant to Appendix K to this **Construction Agreement**.

"Notice of Intent"

the notice issued by **The Company** pursuant to Clause 7.3.4.

"Notice of Reduction"

the notice issued by **The Company** pursuant to Clause 7.3.7 including a revised Appendix C specifying the revised **Transmission Entry Capacity**.

"Offshore Agreement to Vary"

the agreement proposed by **The Company** to the **User** pursuant to Clause 1.2.3.

"Offshore Construction Works"

the **Transmission Connection Asset Works**, **Offshore Transmission Reinforcement Works** and such additional works as are required in order to comply with any relevant **Consents** relating to any such works.

|  |   |
|--|---|
| <u>“Offshore TO Construction Offer”</u>            | <u>the offer to be made to <b>The Company</b> in respect of the <b>Offshore Construction Works</b> pursuant to the <b>System Operator – Transmission Owner Code</b>.</u>  |
| <u>“Offshore Transmission Reinforcement Works”</u> | <u>those works other than the <b>Transmission Connection Asset Works, Onshore Transmission Reinforcement Works, Seven Year Statement Works</b> and <b>One Off Works</b>, which in the reasonable opinion of <b>The Company</b> are necessary to extend or reinforce the <b>GB Transmission System</b> in relation to and prior to the connection of the <b>User’s Equipment</b> at the <b>Connection Site</b> and which are specified in Appendix H2 to this <b>Construction Agreement</b>, where Part 1 is works required for the <b>User</b> and Part 2 is works required for wider system reasons.</u> |
| <u>“Offshore Works Assumptions”</u>                | <u>the assumptions set out in Appendix [P]</u>  |
| <u>“One Off Works”</u>                             | <u>the works described in Appendix B1 to this <b>Construction Agreement</b>.</u>  |
| <u>“Onshore Construction Works”</u>                | <u>the <b>Onshore Transmission Reinforcement Works, Seven Year Statement Works</b> and <b>One Off Works</b> and such additional works as are required in order to comply with any relevant <b>Consents</b> relating to any such works.</u>  |
| <u>“Onshore Transmission Reinforcement Works”</u>  | <u>those works other than the <b>Transmission Connection Asset Works, Offshore Transmission Reinforcement Works, Seven Year Statement Works</b> and <b>One Off Works</b>, which in the reasonable opinion of <b>The Company</b> are necessary to extend or reinforce the <b>GB Transmission System</b></u>  |

|                              |  |
|------------------------------|--|
|                              | <u>in relation to and prior to the connection of the <b>User's Equipment</b> at the <b>Connection Site</b> and which are specified in Appendix H1 to this <b>Construction Agreement</b>, where Part 1 is works required for the <b>User</b> and Part 2 is works required for wider system reasons.</u>   |
| "Preliminary Request"        | the request issued by <b>The Company</b> pursuant to Clause 7.3.1.   |
| "Reduction Fee"              | the fee payable by the <b>User</b> to <b>The Company</b> in respect of the agreement to vary issued pursuant to Clause 7.3.9 such fee being calculated on the same basis as that set out in the <b>Charging Statements</b> as payable on an indicative basis in respect of a <b>Modification Application</b> .   |
| "Seven Year Statement Works" | the works set out in Table B7 of the statement prepared by <b>The Company</b> pursuant to Standard Condition C11 of the <b>Transmission Licence</b> and issued by <b>The Company</b> in [ ] which in <b>The Company's</b> reasonable opinion are required to be completed before the <b>Completion Date</b> to ensure that the <b>GB Transmission System</b> complies with the requirements of Standard Condition C17 of the <b>Transmission Licence</b> and Standard Condition D3 of any <b>Relevant Transmission Licensee's</b> transmission licence prior to the <b>Connection</b> of the <b>User's Equipment</b> in terms of Clause 7.1 [or 7.2] of this <b>Construction Agreement</b> . |
| "Term"                       | the term of this <b>Construction Agreement</b> commencing on the date hereof and ending in accordance with Clause 12.  |



“Third Party Works”

the works to be undertaken on assets belonging to a party other than **The Company** and the **User** to enable it to provide or as a consequence of the connection to and/or use of the **GB Transmission System** by the **User** as specified in Appendix N;

“Transmission Connection Assets”

the assets specified in Appendix A to the **Bilateral Connection Agreement**.

“Transmission Connection Asset Works”

the works necessary for construction and installation of the **Transmission Connection Assets** at the **Connection Site** specified in Appendix G to this **Construction Agreement**.

“Transmission Reinforcement Works”

~~those works other than the **Offshore Transmission Connection Asset Reinforcement Works**, **Seven Year Statement Works** and **One Onshore Transmission Off Reinforcement Works**, which in the reasonable opinion of **The Company** 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.~~

“User Data”

the data set out in Appendix O.

“User's Works”

those works necessary for installation of the **User's Equipment** which are specified in Appendix I to this **Construction Agreement**.

“Works”

the **Construction Works** and the **User's Works**.

1.2 The rights and obligations of the **User** and **The Company** under this **Construction Agreement** (with the exception of those rights and obligations under or referred to in this Clause 1.2 and Clause 1.3, Clause 1.4 and Clause 1.5 below) are subject to [(and neither party shall have any rights or obligations under any other provisions of this **Construction Agreement** until the provisions of sub-clause 1.2.5 have been fulfilled)] the following provisions:

1.2.1 The nature, extent of and the timescales associated with the **Onshore Construction Works** are based on the **Offshore Works Assumptions** and **User Data**.

1.2.2 The **Offshore Construction Works** will need to be identified and where there are changes from the **Offshore Works Assumptions** and/or **User Data** the nature, extent of and the timescales associated with the **Offshore Construction Works** and as a consequence the **Onshore Construction Works** may need to be amended.

1.2.3 **The Company** shall as soon as practicable and (save where the **Authority** consents to a longer period) in any event within [x months] of the receipt of the **Offshore TO Construction Offer** propose to the **User** an agreement to vary this **Construction Agreement** and the **Bilateral Connection Agreement**. This agreement to vary will identify the **Offshore Construction Works** as set out in the **Offshore TO Construction Offer** and shall make such further amendments to the **Construction Agreement** and **Bilateral Connection Agreement** as are necessary as a consequence of this identification on the **Offshore Works Assumptions** and the **Onshore Construction Works** and shall include such terms and conditions as **The Company** in its absolute discretion requires as a consequence of such amendments.

1.2.4 The **Offshore Agreement to Vary** will be open for acceptance for a period of three months from receipt. If the **User** does not accept the **Offshore Agreement to Vary** within three months of receipt [or, where the **Offshore Agreement to Vary** has been referred to the **Authority** pursuant to Standard Licence Condition C9 paragraph 4 of the **Transmission Licence**, within 14 days after any determination by the **Authority** pursuant to such application] then **The Company** shall be entitled to terminate this **Construction Agreement**.

1.2.5 [With effect from acceptance by the **User** of the **Offshore Agreement to Vary** the provisions of this **Construction Agreement** as amended by the **Offshore Agreement to Vary** shall have full force and effect and the provisions of this Sub-Clause 1.3 shall cease to have any further force or effect.]

1.3 Subject to confirmation from the **Authority** **The Company** shall be entitled to terminate this **Construction Agreement** upon written notice to the **User** in the event:

1.3.1 the **User** does not enter the **Offshore Tender Process** by the **Assumed Offshore Tender Process Start Date** or

1.3.2 having entered the **Offshore Tender Process** the **User** does not comply with or perform its obligations under the same ; or

[1.3.3 the **User** has not [prior to the start of the **Offshore Tender Process**\by the date specified in the **Construction Programme**] confirmed that it has obtained or demonstrated progress to **The Company's** reasonable satisfaction in obtaining the Crown Estate lease]; or

1.3.4 the Offshore Tender Process is not concluded by the [date specified in the Construction Programme]

1.4 The User shall confirm that the User Data remains the same prior to the start of the Offshore Tender Process.

## 2. CARRYING OUT OF THE WORKS

2.1 Forthwith following the [date of the Offshore Agreement to Vary] ~~date of this Construction Agreement~~ (i) in respect of ~~Connection Sites~~ in England and Wales ~~The Company and the User shall agree the Safety Rules and Local Safety Instructions to apply during the Construction Programme and Commissioning Programme;~~ 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**. Failing agreement within three months of ~~the date of this Construction Agreement~~ such date the matter shall be referred to the **Independent Engineer** for determination in accordance with Clause 6 of the **Construction Agreement**.

2.2 Subject to Clauses 2.3 and 2.4 of this **Construction Agreement** forthwith following the date of [the Offshore Agreement to Vary] ~~this Construction Agreement~~ **The Company** shall use its best endeavours to obtain in relation to the **Construction Works**, 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~~ the User and the Relevant Transmission Licensee shall, so far as it is legally able to do so, grant to, ~~in relation to the other to in respect of the Connection Sites in England and Wales, the other, or in relation to Connection Sites in Scotland, the Relevant Transmission Licensee,~~ all such wayleaves, easements, servitude rights, rights over or interests ~~(but not estates as regards land in England and Wales and not heritable or leasehold interests as regards land in Scotland)~~ in land or any other consents reasonably required by the User or other or the Relevant Transmission Licensee 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.

**2.3 The following additional provisions shall apply in respect of the **Consents** and **Construction Works**:-**

**2.3.1** All dates specified in this **Construction Agreement** are subject to **The Company** obtaining **Consents** for the **Construction Works** in a form acceptable to it within the time required to carry out the **Construction Works** in accordance with the **Construction Programme**.

**2.3.2** In the event of:-

- (a) the **Consents** not being obtained by the required date; or
- (b) the **Consents** being subject to conditions which affect the dates; or
- (c) **The Company** wishing to amend the **Construction Works** to facilitate the granting of the **Consents**,

**The Company** shall be entitled to revise the **Construction Works** (and as a consequence Appendix A to the **Bilateral Connection Agreement**) and all dates specified in this **Construction Agreement** and the charges specified in Appendix B to the **Bilateral Connection Agreement**. For the avoidance of doubt such revisions shall be at **The Company 's** absolute discretion and the consent of the **User** is not required.

**2.3.3** The **User** shall be regularly updated by **The Company** in writing or by such other means as the parties may agree as to progress made by **The Company** from time to time in the obtaining of relevant **Consents** pursuant to its obligations under Clause 2.2 or 2.3 of this **Construction Agreement**.

**2.4.1** The **User** shall be liable to pay to **The Company**:-

- (a) all **The Company 's Engineering Charges** accrued; and
- (b) proper and reasonable out-of-pocket expenses incurred and/or paid or which **The Company** is legally bound to incur or pay

in seeking and obtaining the **Consents** the subject of Clause 2.2 of this **Construction Agreement** excluding any costs associated with the **Seven Year Statement Works** and the works specified in Part 2 of Appendix H.

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 or other rights in respect of any electric line or underground cable forming part of the **Transmission Connection Asset Works**. This sum shall not include any capital costs incurred by **The Company**, 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, in the acquisition by it of the feuhold of any land. **The Company** 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 **The Company's** invoice therefor.

2.4.2 Paragraphs 11.2.3 to 11.2.5 of the **CUSC** relating to **Consents** shall apply to the **Construction Agreement** as if set out here in full.

2.5 Prior to the commencement of the **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 **The Company**. 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 **The Company** a sum equal to **The Company's** estimate or if applicable revised estimate of **Final Sums**. The **User** shall pay such sums within 14 (fourteen) days of the date of **The Company's** invoice(s) therefor on termination where applicable **The Company** shall disconnect the **User's Equipment** at the **Connection Site** and:

(a) where the **Relevant Transmission Licensee** is the owner of the **Offshore Platform** the **User** shall remove any of the **User's Equipment** on; in relation to **Connection Sites** in England and Wales, **The Company's** or, in relation to **Connection Sites** in Scotland, **Relevant Transmission Licensee's** land the **Offshore Platform** within such period 6 months of the date of termination or such longer period as may be agreed between **The Company** or the **Relevant Transmission Licensee** (as appropriate) and the **User**; and/or

(b) where the **User** is the owner of the **Offshore Platform** in the case of **Connection Sites** in England and Wales, **The Company** shall remove and, in the case of **Connection Sites** in Scotland, **The Company** shall procure that the **Relevant Transmission Licensee** removes, any of the **[Transmission Connection Assets]** on the **User's Offshore Platform** land within such 6 months of the date of termination or such

~~longer~~ period as may be agreed between ~~The Company or~~ the **Relevant Transmission Licensee** ~~(as appropriate)~~ and the **User**.

- 2.6 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 **The Company** 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 **The Company** a sum equal to **The Company's** estimate or if applicable revised estimate of **Final Sums**. The **User** shall pay such sums within 14 (fourteen) days of the date of **The Company's** invoice(s) therefor and (where applicable) on termination **The Company** shall disconnect the **User's Equipment** at the **Connection Site** and;

- (a) ~~where the Relevant Transmission Licensee is the owner of the Offshore Platform~~ the **User** shall remove any of the **User's Equipment** ~~on, in relation to Connection Sites in England and Wales, The Company's or, in relation to Connection Sites in Scotland, the Relevant Transmission Licensee's Offshore Platform~~ and within ~~6 months of the date of termination or~~ such ~~longer~~ period as may be agreed between ~~The Company or~~ the **Relevant Transmission Licensee** ~~(as appropriate)~~ and the **User**; ~~and or~~
- (b) ~~where the User is the owner of the Offshore Platform in the case of Connection Sites in England and Wales, The Company shall remove and, in the case of Connection Sites in Scotland, The Company shall procure that the Relevant Transmission Licensee removes, any of the [Transmission Connection Assets] on the User's Offshore Platform~~ and within ~~6 months of the date of termination or~~ such ~~longer~~ period as may be agreed between ~~The Company or~~ the **Relevant Transmission Licensee** ~~(as appropriate)~~ and the **User**.

- 2.7 Both parties shall be entitled to contract or sub-contract for the carrying out of their respective parts of the **Works** (which in the case of **The Company** shall include work carried out by a **Relevant Transmission Licensee** or its contractors or sub-contractors). 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 **The Company** or any contractor on its behalf shall be responsible for commencing and carrying out the **Construction Works** to such stage of completion as shall render them capable of being **Commissioned** in accordance with the **Construction Programme**.

- 2.8 The parties shall continuously liaise throughout the **Construction Programme** and **Commissioning Programme** and each shall provide to the other all information relating to its own **Works** reasonably necessary to assist the other in performance of that other's part of the **Works**, and shall use all reasonable endeavours to coordinate and integrate their respective part of the **Works**. There shall be ~~on-site~~ meetings between representatives of the parties at intervals to be agreed between the parties. Each party shall deliver to the other party a written report of progress during each calendar quarter within 7 days of the end of that quarter.
- 2.9 During the period of and at the times and otherwise as provided in the **Construction Programme** and the **Commissioning Programme** **The Company** shall allow the **User**, its employees, agents, suppliers, contractors and sub-contractors necessary access to the **[Construction Site]** and the **User** shall allow **The Company** or, ~~in the case of Connection Sites in Scotland,~~ the **Relevant Transmission Licensee** and in either case their employees, agents, suppliers, contractors and sub-contractors necessary access to its site to enable each to carry out the **Transmission Connection 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.
- 2.10 Not later than six months prior to the **Commissioning Programme Commencement Date** **The Company** shall provide the **User** with a draft **Commissioning Programme** for the **Commissioning** of the **Transmission Connection Assets**, and the **User's Equipment**. The **User** shall, as quickly as practicable and in any event within three months of receipt thereof, determine whether or not to approve the proposed **Commissioning Programme** (which approval shall not be unreasonably withheld or delayed) and shall within such three month period either notify **The Company** of its approval or, in the event that the **User** reasonably withholds its approval, notify **The Company** of any changes or variations to the proposed commissioning programme recommended by the **User**. If **The Company** does not accept such changes or variations submitted by the **User** any dispute shall be referred to the **Independent Engineer** for determination. The **Commissioning Programme** agreed between the parties or determined by the **Independent Engineer** as the case may be shall be implemented by the parties and their sub-contractors in accordance with its terms.
- 2.11 If at any time prior to the **Completion Date** it is necessary for **The Company** or **The Company** in its reasonable discretion wishes to make any addition to or omission from or amendment to the **Transmission Connection Asset Works** and/or **Transmission Reinforcement Works** and/or the **One Off**



**Works** and/or the **Third Party Works** **The Company** shall notify the **User** in writing of such addition, omission or amendment and Appendices [B1 (One Off Works), G (**Transmission Connection Asset Works**) H (**Transmission Reinforcement Works**) and N (**Third Party Works**)] to this **Construction Agreement** and consequently Appendices [A (**Transmission Connection Assets**) and B (**Connection Charges** and **One Off Charges**)] to the associated **Bilateral Connection Agreement** shall be automatically amended to reflect the change.

- 2.12 [The **User** shall apply to the Secretary of State for Trade and Industry as part of its application under Section 36 of the Act for its generating station, for deemed planning permission in relation to the substation forming part of the **Transmission Connection Asset Works**. The **User** shall use its best endeavours to procure that the said deemed planning permission is so obtained. **The Company's** obligations under Clause 2.2 of this **Construction Agreement** shall not require it to obtain planning consent for the said substation unless and until the Secretary of State for Trade and Industry shall for whatever reason refuse to deem the grant of planning permission in respect of the same. The **User** shall liaise with **The Company** as to its construction and operational requirements and shall ensure that the said application meets **The Company's** requirements. **The Company** shall provide the **User** with all information reasonably required by it in relation to the application and the **User** shall ensure that all requirements of **The Company** are incorporated in the application for deemed planning consent.
- 2.13 [The **Transmission 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 **Construction Works** in terms of the Nuclear Site Licence Provisions Agreement being an agreement dated 30 March 1990 between **The Company** and Nuclear Electric plc (now called Magnox Electric plc) and an agreement dated 31 March 1996 between The Company 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 **The Company** shall be entitled to change the **Construction Works**, the **Construction Programme** and all dates specified in this **Construction Agreement**.]
- 2.14 [It is hereby agreed and declared for the purposes of the Construction (Design and Management) Regulations 1994 that the **User** is the only client in respect of the **User's Works** and **The Company** is the only client in respect of the **Construction Works** and each of the **User** and **The Company** shall accordingly discharge all the duties of clients under the said **Regulations**.]
- 2.15 [**The Company** and the **User** hereby agree and acknowledge that this **Construction Agreement** is not to be treated as a construction contract

within the meaning of section 104 of the Housing Grants, Construction and Re-generation Act 1996 and sections 104 to 113 of the said Act shall have no application either to the **Construction Works** or the **User's Works** and the parties' rights and obligations with regard to matters of dispute resolution and payment procedures are as expressly set out herein.

## 2.16 Third Party Works

2.16.1 The **User** shall be responsible for carrying out or procuring that the **Third Party Works** are carried out and shall carry them out or procure that they are carried out in accordance with the timescales specified in the **Construction Programme**. The **User** shall confirm to **The Company** or, where requested to do so by **The Company**, provide confirmation from the third party that the **Third Party Works** have been completed.

2.16.2 Given the nature of these works it may not be possible to fully identify the works required or the third parties they relate to at the date hereof. Where this is the case **The Company** shall, subject to 2.x.3 below, advise the **User** as soon as practicable and in any event by [ ] of the **Third Party Works** and shall be entitled to revise Appendix N and as a consequence the **Construction Programme** as necessary to reflect this.

[2.16.3 Where **Third Party Works** are likely to be **Modifications** required to be made by another user(s) ("the "**First User(s)**") as a consequence of **Modifications** to the **GB Transmission System** to be undertaken by **The Company** under this **Construction Agreement** **The Company** shall as soon as practicable after the date hereof issue the notification to such **First User's** in accordance with **CUSC** Paragraph 6.9.3.1. The **User** should note its obligations under **CUSC** Paragraph 6.10.3 in respect of the costs of any **Modifications** required by the **First User(s)**.]

2.16.4 In the event that the **Third Party Works** have not been completed by the date specified in the **Construction Programme** or, in **The Company's** reasonable opinion are unlikely to be completed by such date, **The Company** shall be entitled to revise the **Construction Programme** as necessary to reflect such delay and also, where **The Company** considers it necessary to do so, shall be entitled to revise the **Construction Works** (and as a consequence Appendices A and B to the **Bilateral Connection Agreement**). For the avoidance of doubt such revisions shall be at **The Company's** absolute discretion and the consent of the **User** is not required. Further, in the event that the **Third Party Works** have not been completed by [ ] **The Company** shall have the right to terminate this **Construction Agreement** upon giving notice in writing to the **User** and in this event the provisions of Clause 11 of this **Construction Agreement** shall apply.

- 2.17 Not later than 6 months prior to the **Completion Date** or such other period as the parties shall agree the **User** shall enter into the **Interface Agreement** with the **Relevant Transmission Licensee** to reflect the **Works**.
- 2.18 In the event that there are any [material] changes to the **Offshore Works Assumptions** The **Company** shall be entitled to revise the **Construction Works** and **Construction Programme** and as a consequence Appendices A, B, C and F3 to F5 in the **Bilateral Connection Agreement** as necessary to reflect such change. The **Company** shall notify the **User** as soon as practicable upon it becoming aware that it may need to exercise its rights under this Clause and provide the **User** with an indication of the nature and scope of the changes required and the reasons for the same.

### 3. DELAYS

- 3.1 If either party shall have reason to believe that it is being delayed or will be delayed in carrying out that party's **Works** for any reason (whether it is one entitling it to the fixing of a new date under Clause 3.2 of this **Construction Agreement** or not) it shall forthwith notify the other party in writing of the circumstances giving rise to the delay and of the extent of the actual and/or anticipated delay.
- 3.2 If prior to the **Completion Date** a party (in this Clause 3.2 "the **Affected Party**") shall be delayed in carrying out any of the **Affected Party's Works** (including their commissioning) by reason of any act, default or omission on the part of the other Party (in this Clause the "**Defaulting Party**") or the **Defaulting Party's** employees, agents, contractors or sub-contractors or by reason of an event of **Force Majeure**, the **Affected Party** shall be entitled to have such later date or dates fixed as the **Commissioning Programme Commencement Date** and/or (as the case may be) the **Completion Date** as may be fair and reasonable in the circumstances provided that it shall have notified the **Defaulting Party** in writing of such act, default or omission or event of **Force Majeure** within 28 days of it becoming aware of the occurrence giving rise to the delay together with an estimate of the proposed delay which it will cause the **Affected Party**. In the event of a dispute between the parties over what is or are any fair and reasonable new date or dates to be fixed in the circumstances this shall be promptly referred to and determined by the **Independent Engineer**. Once the new date or dates are

fixed the **Construction Programme** and/or **Commissioning Programme** shall be deemed automatically amended as appropriate.

#### 4. COMMISSIONING PROGRAMME AND LIQUIDATED DAMAGES

- 4.1 Each party shall give written notice to the other declaring its readiness to commence the **Commissioning Programme** when this is the case.
- 4.2 The **Commissioning Programme** shall commence forthwith once both parties have given written notice to the other under Clause 4.1.
- 4.3 The **Works** shall be deemed to have been **Commissioned** on the date that the **Independent Engineer** certifies in writing to that effect.
- 4.4 In the event that the actual date of commencement of the **Commissioning Programme** is later than the **Commissioning Programme Commencement Date** **The Company** (if and to the extent that it is responsible for delayed commissioning beyond the **Commissioning Programme Commencement Date**, such responsibility and/or its extent to be determined by the **Independent Engineer** failing agreement between the parties) shall be liable to pay to the **User Liquidated Damages** for each day that the actual date of commencement of the **Commissioning Programme** is later than the **Commissioning Programme Commencement Date**. It is declared and agreed that such **Liquidated Damages** shall cease to be payable in respect of any period after the date of actual commencement of the **Commissioning Programme**.
- 4.5 In the event that the actual date on which the **Construction Works** are **Commissioned** is later than the **Completion Date** **The Company** (if and to the extent that it is responsible for delayed completion beyond the **Completion Date**, such responsibility and/or its extent to be determined by the **Independent Engineer** failing agreement between the parties) shall be liable to pay to the **User Liquidated Damages** for each day that the actual date on which the **Construction Works** are **Commissioned** is later than the **Completion Date**. It is hereby agreed and declared that such **Liquidated Damages** shall cease to be payable in respect of any period after completion of the **Construction Works**.
- 4.6 **Liquidated Damages** payable under Clauses 4.4 and 4.5 of this **Construction Agreement** shall accumulate on a daily basis but shall be payable calendar monthly. On or before the 15th day of each month the party entitled to receive the payment of **Liquidated Damages** shall send to the other party a statement of the **Liquidated Damages** which have accrued due in the previous calendar month. The party receiving such statement shall in

the absence of manifest error pay the **Liquidated Damages** shown on the statement within 28 days of the date upon which the statement is received.

**4.7** Without prejudice to and in addition to the obligation of the **User** pursuant to Clause 2.4 of this **Construction Agreement**, the payment or allowance of **Liquidated Damages** pursuant to this Clause 4 shall be in full satisfaction of **The Company's** liability for failure to perform its obligations by the **Commissioning Programme Commencement Date** and/or the **Completion Date** as appropriate.

**4.8** 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**, **The Company** 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 **The Company** to pay to **The Company** a sum equal to **The Company's** estimate or revised estimate of **Final Sums**. The **User** shall pay such sums within 14 (fourteen) days of the date of **The Company's** invoice(s) therefor and on termination (where applicable) **The Company** shall disconnect the **User's Equipment** at the **Connection Site** and:

- (a) where the Relevant Transmission Licensee is the owner of the Offshore Platform the **User** shall remove any of the **User's Equipment** on, ~~in relation to Connection Sites in England and Wales, The Company's or, in relation to Connection Sites in Scotland, the Relevant Transmission Licensee's land~~ Offshore Platform within ~~6 months of the date of termination or such longer period as may be agreed between The Company or the Relevant Transmission Licensee (as appropriate) and the User; and or~~
- (b) where the User is the owner of the Offshore Platform in the case of Connection Sites in England and Wales, The Company shall remove and, in the case of Connection Sites in Scotland, The Company shall procure that the Relevant Transmission Licensee removes, any [Transmission Connection Assets] on the User's Offshore Platform land within ~~6 months of the date of termination or such longer period as may be agreed between The Company or the Relevant Transmission Licensee (as appropriate) and the User.~~

## 5. APPROVAL TO CONNECT/ENERGISE/BECOME OPERATIONAL

- 5.1** Not later than 4 months prior to the expected **Commissioning Programme Commencement Date** or by such other time as may be agreed between the parties the parties shall prepare and submit the **Operation Diagrams** required to be prepared and submitted by each of them respectively under CC 7.4.7 and 7.4.10 and likewise the **Site Common Drawings** required under CC 7.5.2 and 7.5.4 and, if necessary, **Gas Zone Diagrams** referred to in CC 7.4.9 and 7.4.12.
- 5.2** Not later than 3 months prior to the expected **Commissioning Programme Commencement Date** or by such other time as may be agreed between the parties the parties shall prepare and submit the **Operation Diagrams** required to be prepared and submitted by each of them respectively under CC 7.4.8 and 7.4.11 and likewise the **Site Common Drawings** required under CC 7.5.3 and 7.5.5.
- 5.3** Not later than 3 months prior to the expected **Commissioning Programme Commencement Date** or by such other time as may be agreed between the parties:-
- 5.3.1** each party shall submit to the other data within its possession needed to enable the completion of Appendices F3 and F4 to the **Bilateral Connection Agreement**; and
- 5.3.2** the **User** shall submit to **The Company** evidence satisfactory to **The Company** that the **User's Equipment** complies or will on completion of the **User's Works** comply with Clause 8 of this **Construction Agreement** and Paragraphs [1.3.3(b), 2.9 and 6.7] of the **CUSC**.
- 5.4** Not later than 8 weeks prior to the expected **Commissioning Programme Commencement Date** or by such other time as may be agreed between the parties each party shall submit to the other:
- 5.4.1** for the **Connection Site** information to enable preparation of **Site Responsibility Schedules** complying with the provisions of Appendix 1 to the **Connection Conditions** together with a list of managers who have been duly authorised by the **User** to sign such **Site Responsibility Schedules** on the **User's** behalf;
- 5.4.2** written confirmation as required under CC.5.2(g) that the list of **Safety Co-ordinators** are authorised and competent [and a list of persons appointed pursuant to **Grid Code** CC5.2(m)];

**5.4.3** a list of the telephone numbers for the facsimile machines referred to in CC6.5.9.

**5.5** ~~If directly connected to the GB Transmission System~~ Not later than 3 months prior to the expected **Commissioning Programme Commencement Date** each party shall submit to the other a statement of readiness to complete the **Commissioning Programme** in respect of the **Works** and the statement submitted by the **User** shall in addition contain relevant **Connected Planning Data** and a report certifying to **The Company** that, to the best of the information, knowledge and belief of the **User**, all relevant **Connection Conditions** applicable to the **User** have been considered and complied with. If **The Company** considers that it is necessary, it will require this latter report to be prepared by the **Independent Engineer**. The report shall incorporate if requested by **The Company** type test reports and test certificates produced by the manufacturer showing that the **User's Equipment** meets the criteria specified in CC6.

~~**5.6** If embedded not later than 3 months prior to the Charging Date or by such other time as may be agreed between the Parties the User shall submit to The Company a statement of readiness to use the GB Transmission System together with Connected Planning Data and a report certifying to The Company that, to the best of the information, knowledge and belief of the User:-~~

~~(i) all relevant Connection Conditions applicable to the User have been considered;~~

~~(ii) CC 6 insofar as it is applicable to the User has been complied with; and~~

~~(iii) the site specific conditions set out in Appendices [F1, F3, F4] and [F5] to the Bilateral Embedded Generation Agreement have been complied with.~~

~~If The Company considers that it is necessary, it will require this report to be prepared by the Independent Engineer. The report shall incorporate if requested by The Company type test reports and test certificates produced by the manufacturer showing that the User's Equipment meets the criteria.~~

## **6. INDEPENDENT ENGINEER**

The parties agree and shall procure that the **Independent Engineer** shall act as an expert and not as an arbitrator and shall decide those matters referred or reserved to him under this **Construction Agreement** by reference to **Good Industry Practice** using his skill, experience and knowledge and with



regard to such other matters as the **Independent Engineer** in his sole discretion considers appropriate. All references to the **Independent Engineer** shall be made in writing by either party with notice to the other being given contemporaneously as soon as reasonably practicable and in any event within 14 days of the occurrence of the dispute to be referred to the **Independent Engineer**. The parties shall promptly supply the **Independent Engineer** with such documents and information as he may request when considering such question. The **Independent Engineer** shall use his best endeavours to give his decision upon the question before him as soon as possible following its referral to him. The parties shall share equally the fees and expenses of the **Independent Engineer**. The parties expressly acknowledge that submission of disputes for resolution by the **Independent Engineer** does not preclude subsequent submission of disputes for resolution by arbitration as provided for in the **Dispute Resolution Procedure**. Pending any such submission the parties shall treat the **Independent Engineer's** decision as final and binding.

## 7. BECOMING OPERATIONAL

7.1 ~~If directly connected to the GB Transmission System~~ The Company shall connect and **Energise** the **User's Equipment** at the **Connection Site** during the course of and in accordance with the **Commissioning Programme** and thereafter upon compliance by the **User** with the provisions of Clause 5 and provided (1) the **Construction Works** excluding the **Seven Year Statement Works** shall be **Commissioned** and (2) the **Seven Year Statement Works** and **Third Party Works** shall be completed **The Company** shall forthwith notify the **User** in writing that the **Connection Site** shall become **Operational**.

~~7.2 If Embedded upon compliance by the User with the provisions of Clauses 5.1, 5.2 and 5.3 and subject, if The Company so requires, to the Transmission Reinforcement Works [and/or works for the Modification] being carried out and/or the [New] Connection Site being Operational (any or all as appropriate) The Company shall forthwith notify the User ("Operational Notification") in writing that it has the right to use the GB Transmission System. It is an express condition of this Construction Agreement that in no circumstances, will the User use or operate the User's Equipment without receiving the Operational Notification from The Company.~~

[7.23] If, on completion of the **User's Works** in accordance with the terms of this **Construction Agreement** the **Registered Capacity** of the **User's Equipment** is less than [ ]MW, **The Company** shall automatically have the right to amend Clause 7 and Appendix C to the **Bilateral Connection**



**Agreement** to reflect the actual **Registered Capacity** of the **User's Equipment**.

### 7.3 Transmission Entry Capacity Reduction

- 7.3.1 If, at any time prior to the **Completion Date** **The Company** reasonably believes from data provided by the **User** to **The Company**, the reports provided by the **User** pursuant to Clause 2.8. and Clause 5 of this **Construction Agreement**, the commissioning process under the **Construction Agreement** or otherwise that the **User's Equipment** will be such that it will not be capable of exporting power onto the **GB Transmission System** at the level of the **Transmission Entry Capacity** **The Company** shall advise the **User** accordingly in writing setting out its reasons for this belief, the source of the information giving rise to the concern and seeking clarification from the **User**.
- 7.3.2 The **User** shall respond to **The Company** within 15 **Business Days** of the date of the **Preliminary Request** providing such information or data as is necessary to satisfy **The Company's** concerns set out in the **Preliminary Request** and making any amendments necessary to the report provided by the **User** pursuant to Clause 2.8 and/or data provided by the **User** to **The Company** to reflect this.
- 7.3.3 In the event that **The Company** is satisfied from the information provided in accordance with 7.3.2 by the **User** that the **User's Equipment** is such that it will be capable of exporting power onto the **GB Transmission System** at the level of the **Transmission Entry Capacity** **The Company** shall notify the **User** accordingly.
- 7.3.4 In the event that the **User** does not respond to the **Preliminary Request** or, notwithstanding the **User's** response, **The Company** remains of the view that the **User's Equipment** will be such that it will not reasonably be capable of exporting power onto the **GB Transmission System** at the level of the **Transmission Entry Capacity** **The Company** shall inform the **User** in writing that it intends to amend Clause 7 and Appendix C to the **Bilateral Connection Agreement** to reflect the **Transmission Entry Capacity** that it reasonably believes to be the level of power that the **User's Equipment** will be capable of exporting .
- 7.3.5 The **User** shall respond to the **Notice of Intent** within 15 **Business Days** of the date of the **Notice of Intent** explaining why it still reasonably believes that its **User's Equipment** will be capable of exporting power onto the **GB Transmission System** at the level of the

**Transmission Entry Capacity** or at more than the MW figure proposed by **The Company** in the **Notice of Intent** or providing a reasonable explanation as to why this is not the case.

- 7.3.6 In the event that **The Company** is satisfied from the information provided in accordance with 7.3.5 by the **User** that the **User's Equipment** is such that it will be capable of exporting power onto the **GB Transmission System** up to the level of the **Transmission Entry Capacity** **The Company** shall notify the **User** accordingly.
- 7.3.7 Where notwithstanding the **User's** response to the **Notice of Intent** **The Company** remains of the view that the **User's Equipment** is such that it will not reasonably be capable of exporting power onto the **GB Transmission System** at the level of the **Transmission Entry Capacity** or at more than the MW figure proposed by **The Company** in the **Notice of Intent** or the **User** does not provide a response that is satisfactory to **The Company** within the timescale specified in 7.3.5 above **The Company** will issue the **Notice of Reduction** to the **User** and will send a copy of the same to the **Authority**.
- 7.3.8 Unless during such period the matter has been referred by the **User** to the **Authority** for determination by the **Authority** under the provisions of Standard Condition C9 Paragraph 4 of the **Transmission Licence**, the **Notice of Reduction** shall take effect on the day 15 **Business Days** after the date of the **Notice of Reduction** and Appendix C of the **Bilateral Connection Agreement** shall be amended on that date in the manner set out in the **Notice of Reduction**. Where the matter has been referred the amendments of the **Bilateral Connection Agreement** and the date they take effect shall be as set out in the **Authority's** determination
- 7.3.9 After a **Notice of Reduction** has taken effect **The Company** shall be entitled to make such amendments to this **Construction Agreement** as are reasonably necessary as a result of the reduction in **Transmission Entry Capacity** effected by the **Notice of Reduction** and as a consequence to the **Bilateral Connection Agreement**. **The Company** shall advise the **User** as soon as practicable and in any event within 3 months of the date of the **Notice of Reduction** (or if the matter has been referred by the **User** to the **Authority** for determination, the date of determination) of such amendments by way of offer of an agreement to vary the **Construction Agreement** and **Bilateral Connection Agreement**. This agreement to vary will also provide for payment by the **User** of the **Capacity Reduction Charge** and **Reduction Fee** where applicable. The parties acknowledge that any dispute regarding this variation shall be referable to and

determined by the **Authority** under the provisions of Standard Condition C9 Paragraph 4 of the **Transmission Licence**.

## 8. COMPLIANCE WITH SITE SPECIFIC TECHNICAL CONDITIONS

The **User** shall ensure that on the **Completion Date** the **User's Equipment** complies with the site specific technical conditions set out in Appendix F 1-5 to the **Bilateral Connection Agreement**.

## 9. CREDIT REQUIREMENTS

Alternate provisions apply depending whether or not the **User** does (9A) or does not (9B) meet **The Company's** required credit rating on signing the **Construction Agreement**. Details of the credit requirements are set out in the **CUSC**.

### 9A1 PROVISION OF SECURITY

9A.1.1 The **User** shall as soon as possible after execution of this **Construction Agreement** and in any event no later than one (1) month after the date of such execution confirm to **The Company** whether it meets **The Company Credit Rating**. Thereafter not less than 75 days before 1 April and 1 October in each year until (subject to Clause 9A.4) 28 days after the **Charging Date** the **User** shall confirm its **The Company Credit Rating** to **The Company** (which in the case of a long term private credit rating shall be confirmed by Standard and Poor's or Moody's within a period of 45 days prior to the date of confirmation). The **User** shall inform **The Company** in writing forthwith if it becomes aware of losing its **The Company Credit Rating** or if it is or is likely to be put on credit watch or any similar credit surveillance procedure which may give **The Company** reasonable cause to believe that the **User** may not be able to sustain its **The Company Credit Rating** for at least 6 months.

9A.1.2 In the event that the **User** has elected to provide **The Company** with an indicative credit rating and **The Company** is of the reasonable opinion that the **User** has ceased to comply with the requirements of Clause 9A.1.1 then **The Company** may require the **User** forthwith:-

- (i) to apply to Standard and Poor's and/or Moody's for a further indicative long term private credit rating; or
- (ii) to confirm to **The Company** that it shall provide the security referred to in Clause 9A.1.4 hereof.

9A.1.3 In the event of the **User**:-

- (i) not having an **The Company Credit Rating**; or
- (ii) having a credit rating below **The Company Credit Rating**; or
- (iii) not having obtained from Standard and Poor's or Moody's within 30 days of the written notification under Clause 9A.1.2 above an indicative long term private credit rating,

or if **The Company** becomes aware that:

- (iv) the **User** ceases to have an **The Company Credit Rating**; or
- (v) the **User** is put on credit watch or other similar credit surveillance procedure as specified above which may give **The Company** reasonable cause to believe that the User may not be able to maintain an **The Company Credit Rating** for at least 6 months; or
- (vi) the **User** has not obtained from Standard and Poor's within 30 days of the written notification by **The Company** under Clause 9A.1.2(i) above a further indicative long term private credit rating,

the **User** shall (where appropriate on receipt of written notification from **The Company**) comply with the terms of Clause 9A.1.4.

9A.1.4 The **User** shall within 21 days of the giving of a notice under Clause 9A.1.3 or within 30 days of the **User** confirming to **The Company** under Clause 9A.1.2(ii) that it will provide the security specified below (whichever is the earlier), provide **The Company** with the security specified below to cover the **User's** payment obligations to **The Company** arising in the event of, or which have arisen prior to, termination of this **Construction Agreement**. The security to be provided shall be in an amount not greater than such sums payable on termination and specified in writing by **The Company** to the **User** from time to time as appropriate. Such security shall be provided by way of:-

- (i) an irrevocable on demand standby **Letter of Credit** or guarantee; or
- (ii) cash held in escrow [**Escrow Account/ Bank Account**]; or
- (iii) any other form included in **The Company's** then current policy and procedure

such letter of credit or guarantee or security to be in a form agreed in writing by **The Company** and to be given by a **Qualifying Bank**, or **Qualifying**

**Company.** Cash deposited in [escrow] shall be deposited with a **Qualifying Bank**. The choice of such security shall be at the discretion of the **User**.

9A.1.5 The **User** shall in addition to providing the requisite security enter into an agreement with **The Company**, which shall be supplemental to this **Construction Agreement** (the “Amending Agreement”). The **Amending Agreement** shall be in such form as **The Company** shall reasonably require and shall contain such provisions in relation to the **User’s** obligations to provide and maintain security as shall be consequential upon the requirement for security having arisen, in line with **The Company’s** then current provisions to the like effect in its agreements with other parties. The **Amending Agreement** shall relate to the procedures required in obtaining and maintaining the security and shall not alter or amend the amount of security required in terms of this **Construction Agreement**.

9A.1.6 In the event of **The Company’s** credit requirements being reviewed at any time **The Company** shall advise the **User** in writing of the new credit requirements and the **User** shall within 30 days of such notification confirm in writing to **The Company** whether it wishes to enter into an **Amending Agreement** to reflect the new credit requirements. Thereafter if the **User** has confirmed it wishes to accept the new credit requirements **The Company** and the **User** shall within 30 days of such notification enter into an **Amending Agreement**.

9A.1.7 In the event that the facts or circumstances giving rise to the obligations of the **User** to provide the security have ceased, then **The Company** shall release the security and provisions to that effect shall be included in the **Amending Agreement**.

#### **Final Sums**

9A.2 Within 60 days of the date of termination of this **Construction Agreement** **The Company** shall:

- (a) furnish the **User** with a further statement showing a revised estimate of **Final Sums** and will provide as soon as practicable evidence of such costs having been incurred; and
- (b) by written notice to the **User** inform the **User** of all capital items which cost **The Company** in excess of £10,000 and in relation to which an amount on account of **Final Sums** shall have been paid and whether **The Company** (1) wishes to retain the said capital items or (2) dispose of them.

- 9A.3.1 In respect of all capital items which The Company wishes to retain (other than those which have been, or are proposed to be installed as a replacement for **Transmission Plant and Transmission Apparatus**) **The Company** shall forthwith reimburse to the **User** the amount paid by the **User** on account of **Final Sums** in respect of the said capital items (including without limitation the amount paid on account of the design, purchase, installation and testing of the said capital item and also associated construction works and interest charges) together with interest calculated thereon on a daily basis from the date of termination of this **Construction Agreement** to the date of payment at **Base Rate** for the time being and from time to time provided that in the event that **The Company** wishes to retain any capital item which has been installed but wishes to remove it to storage or to another site then it shall only reimburse to the **User** the cost of the capital item and not the costs of such installation and shall deduct from any reimbursement due to the **User** the costs of removal and/or storage.
- 9A.3.2 In respect of all capital items which **The Company** wishes to dispose (other than those which have been, or are proposed to be installed as a replacement for **Transmission Plant and Transmission Apparatus**) it shall forthwith (and subject to **The Company** obtaining the consent of the **Authority** under Standard Condition B3 of the **Transmission Licence** if required and/or subject to any **Relevant Transmission Licensee** obtaining the consent of the **Authority** under Standard Condition B3 of its transmission licence) sell or procure the sale of the said capital item on an arms-length basis as soon as reasonably practicable. Forthwith upon receipt of the sale proceeds **The Company** 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 **The Company** is legally bound to pay on removing the capital item, any storage charges and any costs reasonably incurred by **The Company** in respect of reinstatement associated with removal of the capital item. **The Company** 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 **The Company** and **The Company** 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.

9A.3.3 As soon as reasonably practicable after termination of this **Construction Agreement** **The Company** shall provide the **User** with a statement of and invoice for **Final Sums** together with evidence of such costs having been incurred and/or paid and/or having been committed to be incurred. If the **Final Sums** are greater than the payments made by the **User** in respect of **The Company's** estimate(s) of **Final Sums** the **User** shall within 28 days of the said statement and invoice prepared by **The Company** pay to **The Company** the additional payments due by the **User** together with interest calculated thereon on a daily basis at **Base Rate** for the time being and from time to time from the date of previous payment(s) sums equal to **The Company's** estimate of **Final Sums** to the date of the statement of and invoice for **Final Sums**. If the **Final Sums** is less than the payments made by the **User** in respect of **The Company's** estimate of **Final Sums** paid by the **User** following termination of this **Construction Agreement** **The Company** shall forthwith pay to the **User** the excess paid together with interest on a daily basis at **Base Rate** for the time being and from time to time from the date of payment of the fair and reasonable estimate of **Final Sums** to the date of reimbursement by **The Company** of the said excess paid.

9A.4 The obligations to provide security under this Clause 9A shall continue until either all sums due under this **Construction Agreement** have been paid in full or security arrangements have been put in place by the **User** under the **Bilateral Connection Agreement** in accordance with Section 2 Part III of the **CUSC**. Until such time as the security arrangements are put in place in accordance with Section 2 Part III of the **CUSC** **The Company** shall be entitled to call upon the security put in place under the terms of this **Construction Agreement** for payment of **Termination Amounts** when due under the provisions of the **CUSC**.

Or

9B.1 Provision of Security

9B.1.1 The **User** hereby agrees that it shall forthwith upon the signing of this **Construction Agreement** provide to **The Company** or procure the provision to **The Company** of, and the **User** shall until (subject to Clause 9B.8) 28 days after the **Charging Date** (unless and until this **Construction Agreement** shall be terminated and all sums due or which will or might fall due in respect of which security is to be provided shall have been paid) maintain or procure that there is maintained in full force and effect (including by renewal or replacement), a security arrangement from time to time and for the time being as set out in Appendix M hereto to provide security for the **User's** obligation to pay **The Company** any and all sums specified by **The Company** in

accordance with Clause 9B.2 of this **Construction Agreement** as requiring to be secured in respect of:-

- (a) the **User's** liability to pay **The Company** amounts from time to time due under Clause 2.4 of this **Construction Agreement**; and
- (b) **Final Sums**.

#### 9B.2 Provision of **Bi-annual Estimate** and **Secured Amount Statement**

9B.2.1 **The Company** shall provide to the **User** an estimate ("the **Bi-annual Estimate**") in substantially the form set out in Part 2 of Appendix M to this **Construction Agreement** and showing the amounts of all payments required or which may be required to be made by the **User** to **The Company** in respect of **Final Sums** and **The Company Engineering Charges** and other expenses in relation to seeking **Consents** referred to in Clause 2.4 of this **Construction Agreement** at the following times and in respect of the following periods:-

- (a) forthwith on and with effect from the signing of this **Construction Agreement**, in respect of the period from and including the day of signing of this **Construction Agreement** until the next following 31st March or 30th September (whichever shall first occur); and
- (b) not less than 75 (seventy five) days (or if such day is not a Business Day the next following **Business Day**) prior to each 31st March and 30th September thereafter in respect of the period of six calendar months commencing on the immediately following 1st April or 1st October (as the case may be), until this **Construction Agreement** shall be terminated and all sums due or which will or might fall due in respect of which security is to be provided shall have been paid.

9B.2.2 Such **Bi-annual Estimate** shall be accompanied by a statement (in the form of the **Secured Amount Statement** set out in Part 3 of Appendix M to this **Construction Agreement**) ("**Secured Amount Statement**") specifying the aggregate amount to be secured at the beginning of and throughout each such period.

9B.2.3 If **The Company** shall not provide any subsequent **Bi-annual Estimate** and **Secured Amount Statement** by the requisite date, then the **User** shall at the date it is next required to have in full force and effect security and whether by renewal or replacement or otherwise in respect of the following six calendar month period nonetheless provide security in accordance with the provisions of this **Construction Agreement** in the same amount as the amount then in



force in respect of the then current six calendar month period. Notwithstanding the foregoing, if **The Company** shall provide the **User** with any **Bi-annual Estimate** and **Secured Amount Statement** later than the date specified in Clause 9B.2.1 of this **Construction Agreement**, then the following shall apply. The **User** shall within 30 (thirty) days of receipt of the said **Secured Amount Statement** procure that to the extent that the amount in respect of which security has been or is to be provided pursuant to this Clause 9B.2.3 in respect of the relevant period ("**the Secured Amount**") falls short of the amount stated in the **Secured Amount Statement** ("**the Required Amount**") the Secured Amount shall be adjusted to the **Required Amount**.

#### 9B.3 Entitlement to Estimate

If **The Company** is (for whatever reason) unable on any relevant date to calculate precisely any sum due or which has accrued due or in respect of which the **User** has a liability to **The Company** for payment under any of the provisions of this **Construction Agreement**, **The Company** shall be entitled to invoice the **User** for a sum equal to **The Company's** fair and reasonable estimate of the sums due or which may become due or in respect of which the **User** has a liability to **The Company** for payment. **The Company** shall also be entitled to send the **User** further invoices for such sums not covered in previous invoices. The **User** shall pay **The Company** all sums so invoiced by **The Company**.

#### 9B.4 Demands not Affected by Disputes

It is hereby agreed between **The Company** and the **User** that if there shall be any dispute between the **User** and **The Company** as to:-

9B.4.1 any amount certified by **The Company** in any **Secured Amount Statement** as requiring at any time and from time to time to be secured; or

9B.4.2 the fairness and reasonableness of **The Company's** estimate; or

9B.4.3 whether there has been an **Event of Default** (under the **Construction Agreement** or the **CUSC**), or

9B.4.4 the lawfulness or otherwise of any termination or purported termination of this **Construction Agreement**

such dispute shall not affect the ability of **The Company** to make demands pursuant to the security arrangement to be provided pursuant to Clause 9B.1 of and Appendix M to this **Construction Agreement** and to recover the

amount or amounts payable thereunder, it being acknowledged by the **User** that but for such being the case **The Company's** security would be illusory by reason of the period of validity of the relevant security being likely to expire or capable of expiring before the final resolution of such dispute. The **User** accordingly covenants with **The Company** that it will not take any action, whether by way of proceedings or otherwise, designed or calculated to prevent, restrict or interfere with the payment to **The Company** of any amount secured under the security arrangement nor seek nor permit nor assist others to do so.

- 9B.5 If there shall be any dispute as mentioned in Clause 9B.4 of this **Construction Agreement** the same shall, whether **The Company** shall have terminated this **Construction Agreement** and recovered or sought to recover payment under the security arrangement or not, and without prejudice to **The Company's** right to recover or seek to recover such payment, be referred in the case of Clauses 9B.4.1 and 9B.4.2 to the **Independent Engineer** (and, for the avoidance of doubt the provisions of this **Construction Agreement** relating to the **Independent Engineer** for the purposes of this Clause 9B.5 shall survive termination) and, in the case of Clauses 9B.4.3 and 9B.4.4 be dealt with by referral to arbitration in accordance with the **Dispute Resolution Procedure**.

#### **Final Sums**

- 9B.6 Within 60 days of the date of termination of this **Construction Agreement** **The Company** shall:

- (a) furnish **the User** with a further statement showing a revised estimate of **Final Sums** and will provide as soon as practicable evidence of such costs having been incurred; and
- (b) by written notice to **the User** inform **the User** of all capital items which cost **The Company** in excess of £10,000 and in relation to which an amount on account of **Final Sums** shall have been paid and whether **The Company** (1) wishes to retain the said capital items or (2) dispose of them.

- 9B.7.1 In respect of all capital items which **The Company** wishes to retain (other than those which have been, or are proposed to be installed as a replacement for **Transmission Plant** and **Transmission Apparatus**) **The Company** shall forthwith reimburse to the **User** the amount paid by the **User** on account of **Final Sums** in respect of the said capital items (including without limitation the amount paid on account of the design, purchase, installation and testing of the said capital item and also associated construction works and interest charges) together with interest calculated thereon on a daily basis from the

date of termination of this **Construction Agreement** to the date of payment at **Base Rate** for the time being and from time to time provided that in the event that **The Company** wishes to retain any capital item which has been installed but wishes to remove it to storage or to another site then it shall only reimburse to the **User** the cost of the capital item and not the costs of such installation and shall deduct from any reimbursement due to the **User** the costs of removal and/or storage.

9B.7.2 In respect of all capital items which **The Company** wishes to dispose (other than those which have been, or are proposed to be installed as a replacement for **Transmission Plant** and **Transmission Apparatus**) it shall forthwith (and subject to **The Company** obtaining the consent of the **Authority** under Standard Condition B3 of the **Transmission Licence** if required and/or subject to any **Relevant Transmission Licensee** obtaining the consent of the **Authority** under Standard Condition B3 of its transmission licence) sell or procure the sale of the said capital item on an arms-length basis as soon as reasonably practicable. Forthwith upon receipt of the sale proceeds **The Company** 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 **The Company** is legally bound to pay on removing the capital item, any storage charges and any costs reasonably incurred by **The Company** in respect of reinstatement associated with removal of the capital item. **The Company** 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 **The Company** and **The Company** 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.

9B.7.3 As soon as reasonably practicable after termination of this **Construction Agreement** **The Company** shall provide the **User** with a statement of and invoice for **Final Sums** together with evidence of such costs having been incurred and/or paid and/or having been committed to be incurred. If the **Final Sums** are greater than the payments made by the **User** in respect of **The Company's** estimate(s) of **Final Sums** the **User** shall within 28 days of the said statement and invoice prepared by **The Company** pay to **The Company** the additional payments due by the **User** together with interest

calculated thereon on a daily basis at **Base Rate** for the time being and from time to time from the date of previous payment(s) sums equal to **The Company's** estimate of **Final Sums** to the date of the statement of and invoice for **Final Sums**.

If the **Final Sums** is less than the payments made by the **User** in respect of **The Company's** estimate of **Final Sums** paid by the **User** following termination of this **Construction Agreement** **The Company** shall forthwith pay to the **User** the excess paid together with interest on a daily basis at **Base Rate** for the time being and from time to time from the date of payment of the fair and reasonable estimate of **Final Sums** to the date of reimbursement by **The Company** of the said excess paid.

- 9B.8** The obligations to provide security under this Clause 9 B shall continue until either all sums due under this **Construction Agreement** have been paid in full or security arrangements have been put in place by the **User** under the **Bilateral Connection Agreement** in accordance with Section 2 Part III of the **CUSC**. Until such time as the security arrangements are put in place in accordance with Section 2 Part III of the **CUSC** **The Company** shall be entitled to call upon the security put in place under the terms of this **Construction Agreement** for payment of **Termination Amounts** where due under the provisions of the **CUSC**.

## **10. EVENT OF DEFAULT**

As before alternate provisions apply depending whether or not the User does (10A) or does not (10B) meet The Company's required credit rating on signing this **Construction Agreement**

### **10A. Event of Default**

Any of the following events shall constitute an **Event of Default**:-

- 10A.1** If the **User** fails to provide or procure that there is provided to **The Company** within the requisite time any relevant security satisfactory to **The Company**, or to enter into the **Amending Agreement** pursuant to Clauses 9A.1 or 10A.3 of this **Construction Agreement**.
- 10A.2** If having entered into the **Amending Agreement** and having provided security satisfactory to **The Company** pursuant to Clauses 9A.1 and 10A.3 of this **Construction Agreement**.
- (a) The **User** thereafter fails to provide or procure that there is provided to **The Company** or at any time fails to maintain or procure that there is

maintained in full force and effect the relevant security arrangement required by this **Construction Agreement** as varied by the **Amending Agreement** or to revise or renew such security with the required replacement security or to maintain or procure that there is maintained in full force and effect any such renewed, revised or substituted security as so required, or if the User shall otherwise be in breach of any of its obligations in respect of security under this **Construction Agreement** as varied by the **Amending Agreement**;

- (b) The **User** or any shareholder (whether direct or indirect) of the **User** or any other party who may at any time be providing security to **The Company** pursuant to the requirements of this **Construction Agreement** as varied by the **Amending Agreement** takes any action whether by way of proceedings or otherwise designed or calculated to prevent, restrict or interfere with the payment to **The Company** of any amount so secured whether or not there shall be a dispute between the parties;
- (c) Any party who may at any time be providing security to **The Company** pursuant to the provisions of this **Construction Agreement** as varied by the **Amending Agreement** fails to pay to **The Company** any sum demanded pursuant thereto.

10A.3 If

- (i) There is a material adverse change in the financial condition of the **User** such as to give **The Company** reasonable grounds for concluding that there is a substantial probability that the **User** will default in the payment of any sums due or to become due to **The Company** within the next following period of twelve (12) months in terms of or on termination of this **Construction Agreement**; or
- (ii) an event of default has occurred under any banking arrangements (as such may be more particularly described in the **Bilateral Connection Agreement**) (an event of default being any event described as such in the banking arrangements)] put in place by the **User** in connection with a project for which security under this Clause 10A is required by **The Company** and as a result the banks who are party to such banking arrangement have taken steps to declare the principle of the advances under such arrangement immediately due and payable; or
- (iii) any other indebtedness of the **User** for the repayment of borrowed money (in a principal outstanding amount of not less than £1,000,000 pounds sterling or such greater amount specified in the **Bilateral Connection Agreement**) has become due and payable prior to the

stated date of maturity thereof by reason of any default or breach on the part of the **User** and the amount in question has not been paid by the **User** or refinanced within a period of 28 days following the date upon which it was so declared due and payable

and in (i) or (ii) or (iii) the **User** fails, within a period of 7 (seven) days following the date on which **The Company** gives the **User** notice in writing of one or other of the above events occurring to provide **The Company** with such security as **The Company** shall require to cover the **User's** payment obligations to **The Company** arising in the event of or which have arisen prior to termination of this **Construction Agreement** and which arise under this **Construction Agreement**. The security to be provided shall be in a form satisfactory to **The Company** in accordance with its then current policy and procedures and in such amount as **The Company** shall specify to the **User** in the aforesaid notice. The **User** shall if required by **The Company**, in addition to providing the requisite security, within a period of 30 days following the date on which **The Company** gives the **User** such notice enter into an **Amending Agreement**. Such **Amending Agreement** shall contain such provisions in relation to the **User's** obligations to provide and maintain security as shall be consequential upon the requirement for security having arisen and shall be in such form as **The Company** shall reasonably require in line with **The Company's** then current provisions to the like effect in its connection agreements with other parties.

Provided that (in relation to paragraphs (i) or (ii) or (iii) above) if at anytime after the putting in place of security under Clause 10A.3 the **User** shall produce to **The Company** evidence to **The Company's** reasonable satisfaction that there is not a substantial probability of the **User** not being able to make payment to **The Company** of such sums within the next following period of twelve (12) months, **The Company** shall not require the **User** to provide the aforesaid security and shall release any such security then in place. This waiver is without prejudice to **The Company's** right to require security at any time thereafter in the event of any of the circumstances set out in paragraph (i) and/or (ii), and/or (iii) subsequently occurring.

10A.4 Any of the **Events of Default** in Paragraph 5.3.1 of the **CUSC** have occurred and are occurring.

**Or**

10B **Event of Default**

Any of the following events shall constitute an **Event of Default**:-

10B.1 If

- (i) an event of default has occurred under any banking arrangements (as such may be more particularly described in the **Bilateral Connection Agreement**) (an event of default being any event described as such in the banking arrangements) put in place by the **User** in connection with a project for which security under this Clause 10B is required by **The Company** and as a result the banks who are party to such banking arrangement have taken steps to declare the principle of the advances under such arrangement immediately due and payable; or
- (ii) there is a material adverse change in the financial condition of the **User** such as to give **The Company** reasonable grounds for concluding that there is a substantial probability that the **User** will default in the payment of any unsecured sum due or to become due to **The Company** within the next following period of 12 (twelve) months in terms of or on termination of this **Construction Agreement**;
- (iii) any other indebtedness of the **User** for the repayment of borrowed money (in a principal amount of not less than £1,000,000 pounds sterling or such greater amount specified in the **Bilateral Connection Agreement**) has become due and payable prior to the stated date of maturity thereof by reason of any default or breach on the part of the **User** and the amount in question has not been paid by the **User** or refinanced within a period of 28 days following the date upon which it was so declared due and payable

and in either (i) or (ii) or (iii) the **User** fails:-

- (1) within a period of 14 (fourteen) days following the date on which **The Company** gives notice of such circumstances to provide to **The Company** a cash deposit in a **Bank Account**, a **Performance Bond** or **Letter of Credit** (as defined in Appendix M) in favour of **The Company** and **Valid** (as defined in Appendix M) at least up to the last day of the **Financial Year** in which the event occurs for such amount representing **The Company's** reasonable estimate of all unsecured sums to become due to **The Company** in the period up to the end of the **Financial Year** in which the event occurs such sum to be specified in the said notice; or
- (2) to subsequently provide such cash deposit or renew such **Performance Bond** or **Letter of Credit** (or such renewed **Performance Bond** or **Letter of Credit** provided under this paragraph) not less than 45 days prior to its stated expiry date for such amount representing **The Company's** reasonable estimate of the unsecured

sums to become due to **The Company** in the next following **Financial Year** valid at least up to the last day of the next following **Financial Year** and to continue the provision of cash deposit a **Performance Bond** or **Letter of Credit** in a similar manner, to such estimate of unsecured sums.

Provided that regarding (i) or (ii) or (iii) if at any time after the putting in place of security under this Clause 10B.1 the **User** shall provide to **The Company** evidence to **The Company's** reasonable satisfaction that there is not a substantial probability of the **User** being unable to make payment to **The Company** of any unsecured sums within the next following period of twelve (12) months, **The Company** shall not require the **User** to provide the aforesaid security and shall release any such security then in place. This waiver is without prejudice to **The Company's** right to return security at any time thereafter in the event of any of the circumstances set out in paragraph (i) and/or (ii) and/or (iii) in this Clause 10B.1 subsequently occurring.

10B.2 If the **User** fails to provide or procure that there is provided to **The Company** or at any time fails to maintain or procure that there is maintained in full force and effect the relevant security arrangement required under Clauses 9B.1 or 10B.1 of and Appendix M to this **Construction Agreement** or to renew or revise such security or to substitute any security with the required replacement security or to maintain or procure that there is maintained in full force and effect any such renewed, revised or substituted security as so required or if the **User** is otherwise in breach of any of its obligations under Appendix M to this **Construction Agreement**.

10B.3 If the **User** or any shareholder (whether direct or indirect) of the **User** takes any action whether by way of proceedings or otherwise designed or calculated to prevent restrict or interfere with the payment to **The Company** of any amount so secured or seeks or permits or assists others to do so, whether or not there shall be a dispute between the parties.

10B.4 If any party who may at any time be providing or holding security in favour of **The Company** pursuant to Clauses 9B.1 or 10B.1 of and Appendix M to this **Construction Agreement** fails to pay **The Company** any sum demanded in any Notice of Drawing (as defined in Appendix M) pursuant thereto.

10B.5 Any of the **Events of Default** in Paragraph 5.3.1 of the **CUSC** have occurred and are occurring.

## 11. TERMINATION ON EVENT OF DEFAULT



- 11.1 Once an **Event of Default** pursuant to Clause 10 has occurred and is continuing **The Company** may give notice of termination to the **User** whereupon this **Construction Agreement** shall forthwith terminate and **The Company** shall disconnect all the **User's Equipment** at the **Connection Site** and:

(a) where the **Relevant Transmission Licensee** is the owner of the **Offshore Platform** the **User** shall remove any of the **User's Equipment** on ~~in relation to **Connection Sites** in England and Wales, **The Company's** or, in relation to **Connection Sites** in Scotland,~~ the **Relevant Transmission Licensee's land Offshore Platform** within ~~6 months of the date of termination or~~ such longer period as may be agreed between ~~**The Company** or~~ the **Relevant Transmission Licensee** ~~(as appropriate)~~ and the **User**; ~~and or~~

(b) where the **User** is the owner of the **Offshore Platform** ~~in the case of **Connection Sites** in England and Wales, **The Company** shall remove and, in the case of **Connection Sites** in Scotland,~~ **The Company** shall procure that the **Relevant Transmission Licensee** removes, any **Transmission Connection Assets** on the ~~**User's land**~~ **Offshore Platform** within ~~6 months of the date of termination or~~ such longer period as may be agreed between ~~**The Company** or~~ the **Relevant Transmission Licensee** ~~(as appropriate)~~ and the **User**.

- 11.2 The **User** shall (notwithstanding any longer time for payment which but for such termination the **User** may have for payment pursuant to this **Construction Agreement**) within 14 days from the date of termination pay to **The Company** all amounts already due and owing on the date this **Construction Agreement** so terminates and if this **Construction Agreement** terminates prior to the **Charging Date** the **User** shall be liable forthwith on the date this **Construction Agreement** so terminates to pay to **The Company**:-

- (1) a sum equal to all liabilities arising under Clause 2.4 of this **Construction Agreement** which have not yet been invoiced by **The Company** to the **User**; and
- (2) a sum equal to **The Company's** fair and reasonable estimate of **Final Sums**,

such payments in each case to be made within 14 days of the date of **The Company's** invoice(s) in respect thereof subject to adjustment in respect of **The Company's** estimate of **Final Sums** in accordance with Clause 9A.3.3. or 9B.7.3.

## 12. TERM

- 12.1 Subject to the provisions for earlier termination set out in the **CUSC** this **Construction Agreement** shall continue until terminated in accordance with Clause [1](#), 2.5, 2.6, 4.8 or 11 hereof.
- 12.2 In addition this **Construction Agreement** shall terminate upon termination of the associated **Bilateral Connection Agreement** and in the event that this is prior to the **Charging Date** the **User** shall in addition to the amounts for which it is liable under Clause 2.4 hereof be liable to pay to **The Company Final Sums** and the provisions of Clause 11 shall apply.
- 12.3 The associated [**Bilateral Connection Agreements** or **Agreement to Vary the Bilateral Connection Agreement**] will automatically terminate upon termination of this **Construction Agreement** prior to the **Charging Date**.
- 12.4 Any provisions for payment shall survive termination of this Construction Agreement.

## 13. CUSC

The provisions of Sections 6.6 (Payment), 6.14 (Transfer and Subcontracting), 6.15 (Confidentiality), 6.18 (Intellectual Property), 6.19 (Force Majeure), 6.24 (Counterparts), 6.20 (Waiver), 6.21 (Notices), 6.22 (Third party Rights), 6.23 (Jurisdiction), 6.25 (Governing Law), 6.26 (Severance of Terms), 6.27 (Language) inclusive of the **CUSC** shall apply to this **Construction Agreement** as if set out in this **Construction Agreement**.

## 14. DISPUTES

Except as specifically provided for in this **Construction Agreement** any dispute arising under the terms of this **Construction Agreement** shall be referred to arbitration in accordance with the **Dispute Resolution Procedure**.

## 15. VARIATIONS

- 15.1 Subject to Clause 15.2 and 15.3 below, no variation to this **Construction Agreement** shall be effective unless made in writing and signed by or on behalf of both **The Company** and the **User**.
- 15.2 **The Company** and the **User** shall effect any amendment required to be made to this **Construction Agreement** by the **Authority** as a result of a change in the **CUSC** or the **Transmission Licence**, an order or direction made pursuant to the **Act** or a **Licence**, or as a result of settling any of the terms hereof. The **User** hereby authorises and instructs **The Company** to make any

such amendment on its behalf and undertakes not to withdraw, qualify or revoke such authority or instruction at any time.

- 15.3 **The Company** has the right to vary [this Construction Agreement and Appendices](#) in accordance with Clauses [1](#), 2.3 and 2.11, [2.13](#), [2.16](#), [2.18](#), 7.3 and Paragraph 6.9 of the **CUSC**.

## 16. RESTRICTIVE TRADE PRACTICES ACT

Any restriction or information provision (as each of those terms are defined or construed in Section 43(1) of the Restrictive Trade Practices Act 1976) contained in this **Construction Agreement** shall not take effect or shall cease to have effect:-

- (a) if a copy of this **Construction Agreement** is not provided to the Department of Trade and Industry ("DTI") within 28 days of the date of this **Construction Agreement**; or
- (b) if, within 28 days of the provision of that copy to the DTI, the DTI gives notice of objection to the party providing it.

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

SIGNED BY )  
**[name]** )  
for and on behalf of )  
National Grid Electricity Transmission plc )

SIGNED BY )  
**[name]** )  
for and on behalf of )  
**[User]** )

**APPENDIX [J]**  
**CONSTRUCTION PROGRAMME**

**APPENDIX [H1]**

**ONSHORE TRANSMISSION REINFORCEMENT WORKS**

**PART 1**

**PART 2**

**APPENDIX [H2]**

**OFFSHORE TRANSMISSION REINFORCEMENT WORKS**

**PART 1**

**PART 2??**

**APPENDIX [L]**

**INDEPENDENT ENGINEER**

Company:

Connection site:

Type:

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The Independent Engineer will be a Member of the Association of Consulting Engineers (ACE) and shall be agreed between the parties within 120 days of execution of this Construction Agreement or such other period as may be agreed between the parties. Failing agreement it shall be referred to the President of the Institution of Electrical Engineers who shall nominate the Independent Engineer.

**APPENDIX [K]**

**LIQUIDATED DAMAGES**

Company:

Connection site:

Type:

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The amount of Liquidated Damages payable by The Company to the User pursuant to this Construction Agreement shall be:

Liquidated Damages under Clause [4] of this Construction Agreement shall be calculated on a daily basis at a rate of £XXXXXX per week subject to the limit that the total Liquidated Damages payable by The Company to the User under this Clause shall not exceed £XXXXXX.



**APPENDIX [G]**  
**TRANSMISSION CONNECTION ASSET WORKS**

**APPENDIX [B]**  
**[Part 1]**  
**ONE OFF WORKS**

## **APPENDIX [M]**

### **PART 1**

#### **SECURITY ARRANGEMENT**

##### **1. DEFINITIONS**

In this Appendix M, the following terms have the meanings set out next to them:-

“Bi-annual Estimate” means an estimate pursuant to Clause [9B.2.1] of this Construction Agreement of all payments to be made or which may be required to be made by the User in any relevant period, such estimate to be substantially in the form set out in Part 2 of this Appendix M;

“Bank Account” means a separately designated bank account in the name of The Company at such branch of Barclays Bank PLC, or such branch of any other bank, in the City of London as is notified by The Company to the User, bearing interest from (and including) the date of deposit of principal sums to (but excluding) the date of withdrawal of principal sums from such account, mandated for withdrawal of principal solely by The Company against delivery of a Notice of Drawing for the amount demanded therein and mandated for the transfer of any interest accrued to the Bank Account to such bank account as the User may specify;

|                     |   |
|---------------------|---|
| “Letter of Credit”  | means an irrevocable standby letter of credit in a form reasonably satisfactory to The Company but in any case expressed to be governed by the Uniform Customs and Practice for Documentary Credits 1993 Revision ICC Publication No. 500 or such other form as may be reasonably satisfactory to The Company and allowing for partial drawings and providing for the payment to The Company on demand forthwith on and against The Company’s delivery to the issuer thereof of a Notice of Drawing of the amount demanded therein; |
| “Notice of Drawing” | means a notice of drawing signed by or on behalf of The Company substantially in the form set out in Part 4 of this Appendix M;   |
| “Performance Bond”  | means an on first demand without proof or conditions irrevocable performance bond or performance guarantee executed as a deed in a form reasonably satisfactory to The Company but in any case allowing for partial drawings and providing for the payment to The Company on demand forthwith on and against The Company’s delivery to the issuer thereof of a Notice of Drawing of the amount demanded therein;  |
| “Qualified Bank”    | means a City of London branch of a bank, its successors and assigns, which has throughout the validity period of the Performance Bond or Letter of  |

Credit it issues in favour of The Company, a rating of at least A- in Standard and Poor's long term debt rating or A3 in Moody's long term debt rating provided that such bank is not during such validity period put on any credit watch or any similar credit surveillance which gives The Company reasonable cause to doubt that such bank may not be able to maintain the aforesaid rating throughout the validity period and no other event has occurred which gives The Company reasonable cause to have such doubt;

"Qualified Company"

a company which is a public company or a private company within the meaning of section 1(3) of the Companies Act 1985 and which is either :

- (a) a shareholder of the **User** or any holding company of such shareholder-or
- (b) any subsidiary of any such holding company, but only where the subsidiary
  - (i) demonstrates to **The Company's** satisfaction that it has power under its constitution to give a **Performance Bond** other than in respect of its subsidiary;
  - (ii) provides an extract of the minutes of a meeting of its directors recording that the directors have duly concluded that the giving of the **Performance Bond** is likely to promote the success of that subsidiary for the benefit of its members;
  - (iii) provides certified copies of the authorisation by every holding company of the subsidiary up to and including the holding company of the **User**, of the giving of the **Performance Bond**,

(the expressions “holding company” and “subsidiary” having the respective meanings assigned thereto by section 736, Companies Act 1985 as supplemented by section 144(3), Companies Act 1989) and which has throughout the validity period of the **Performance Bond** it gives in favour of **The Company**, a rating of at least A- in Standard and Poor’s long term debt rating or A3 in Moody’s long term debt rating or such lesser rating which **The Company** may in its absolute discretion allow by prior written notice given pursuant to a resolution of its board of directors for such period and on such terms as such resolution may specify provided that such company is not during such validity period put on any credit watch or any similar credit surveillance procedure which gives **The Company** reasonable cause to doubt that such company may not be able to maintain the aforesaid rating throughout the validity period of the **Performance Bond** and no other event has occurred which gives **The Company** reasonable cause to have such doubt;

“Secured Amount Statement”

means a statement accompanying the Bi-annual Estimate setting out the amount of the User’s Obligation based on figures contained in the Bi-annual Estimate being the amount for which security shall be provided to The Company pursuant to Clause 9B of this Construction Agreement;

“User’s Obligation” means the User’s obligation to pay under this Construction Agreement:-

(i) all amounts in respect of which the User has a liability to pay to The Company pursuant to Clause 2.4 of this Construction Agreement Agreement;

(ii) Final Sum

“Valid” means valid for payment to be made thereunder against delivery of a Notice of Drawing given within the period stated therein.

## 2. **SECURITY REQUIREMENT**

The User’s Obligation shall be secured by any one of the following:-

2.1 A Performance Bond or Letter of Credit from a Qualified Bank for the amount stated in the Secured Amount Statement as the estimated amount of the User’s Obligation to be secured, such Performance Bond or Letter of Credit to be Valid for at least the period stated in such Secured Amount Statement and to be renewed periodically where applicable in the manner stated in paragraph 3.3 of this Appendix M; or

2.2 A cash deposit in a Bank Account at least for the amount stated in the Secured Amount Statement as the estimated amount of the User’s Obligation to be secured, such cash deposit to be increased or reduced periodically where applicable in the manner stated in paragraph 3.4 of this Appendix M; or

- 2.3 A Performance Bond from a Qualified Company for the amount stated in the Secured Amount Statement as the estimated amount of the User's Obligation to be secured, such Performance Bond to be Valid for at least the period stated in such Secured Amount Statement and to be renewed periodically where applicable in the manner stated in paragraph 3.3 of this Appendix M.

### 3. **GENERAL PROVISIONS**

- 3.1 Any Notice of Drawing to be delivered to Barclays Bank PLC or any other bank at which the Bank Account shall have been opened or a Qualified Bank or a Qualified Company may be delivered by hand, by post or by facsimile transmission.
- 3.2 If the User becomes aware that the bank issuing the Performance Bond or Letter of Credit ceases to be a Qualified Bank or that the company giving the Performance Bond ceases to be a Qualified Company, the User shall so notify The Company in writing as soon as it becomes so aware. If The Company becomes aware that the bank issuing the Performance Bond or Letter of Credit ceases to be a Qualified Bank or that the company giving the Performance Bond ceases to be a Qualified Company, The Company may notify the User to that effect in writing. Where the bank or the company so ceases to be either a Qualified Bank or a Qualified Company (as the case may be) as a consequence of The Company having reasonable cause to doubt the continued rating of the said bank or company, such notice shall be accompanied by a statement setting out The Company's reasons for having such doubt. The User shall within 21 days of the giving of such notice by The Company or the User whichever is the earlier provide a replacement Performance Bond and/or Letter of



Credit from a Qualified Bank or Qualified Company, as the case may be, and/or provide a cash deposit in the required amount in a Bank Account. From the date the replacement Performance Bond or Letter of Credit or Bank Account cash deposit is effectively and unconditionally provided and Valid, The Company will consent in writing to the security which it replaces being released.

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

3.3.1 The Performance Bond or Letter of Credit shall be Valid initially from the signing of this Construction Agreement at least to and including the following 31st March or 30th September whichever is the earlier date. Such Performance Bond or Letter of Credit shall be for an amount not less than that stated in the Secured Amount Statement as the amount of the User's Obligation to be secured during the period specified in the Secured Amount Statement.

3.3.2 On a date which is at least 45 days (or if such day is not a Business Day then on the immediately preceding Business Day) before the next following 31st March or 30th September whichever is the earlier date such Performance Bond or Letter of Credit shall be renewed so as to be Valid for not less than 6 months commencing from the immediately following 1st April or 1st October (as the case may be). Such renewed Performance Bond or Letter of Credit shall be for an amount not less than the amount of the User's Obligation stated in the Secured Amount Statement as the amount to be secured during the period that such renewed Performance Bond or Letter of Credit shall be Valid.

- 3.3.3 Thereafter, the renewed Performance Bond or Letter of Credit shall be further renewed in like manner every 6 months.
- 3.4 The following provisions shall govern the maintenance of cash deposits in the Bank Account:-
  - 3.4.1 The amount of the cash deposit to be maintained in the Bank Account shall be maintained from the date of this Construction Agreement at least to and including the following 31st March or 30th September, whichever is the earlier date. Such cash deposit shall be in an amount as stated in the Secured Amount Statement as the amount of the User's Obligation to be secured during the period stated in the Secured Amount Statement.
  - 3.4.2 If the amount stated in the Secured Amount Statement as the amount of the User's Obligation to be secured from the following 1st April to 30th September or from the following 1st October to 31st March (as the case may be) is an amount greater than the amount then secured, the cash deposit in the Bank Account shall be increased to such greater amount on a date which is 45 days before the following 31st March or 30th September (as the case may be) which immediately precedes the commencement of the relevant above mentioned period.
  - 3.4.3 If such amount stated in the Secured Amount Statement is smaller than the amount then secured, the cash deposit in the Bank Account shall not be reduced to the amount so stated until the expiry of 7 days after the next following 31st March or 30th September (as the case may be) ("the Release Date").

3.4.4 The sum equal to the amount of reduction in the cash deposit in the Bank Account shall be paid by The Company to the User from the Bank Account on the Release Date.

3.4.5 Any interest accruing to the Bank Account shall be for the account of and belong to the User absolutely, and The Company agrees to take any steps required to be taken by it for the release from the Bank Account and payment to the User of such interest as soon as the same shall have been credited to the Bank Account and The Company shall have received notice of such credit.

3.5 Notwithstanding any provision aforesaid:-

3.5.1 The User may provide different securities to The Company at any one time, each securing a different amount, provided that the aggregate amount secured by such securities shall be not less than the aggregate amount required to be secured pursuant to the Secured Amount Statement for any period specified therein.

3.5.2 The User may upon the expiry of at least 14 days prior written notice to The Company, substitute one type of security for another provided that unless The Company shall otherwise agree in writing such substituted security must be Valid from 1st April or 1st October (as the case may be) and committed at least 45 days before the immediately preceding 31st March or 30th September (as the case may be) in the following manner:-

(a) where a Performance Bond or a Letter of Credit is to substitute for other securities, it must be issued or given at least 45 days

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

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

3.5.3 Upon request by the User to The Company, securities substituted in the aforesaid manner shall, providing the substitute security shall be Valid, be released on the following 1st April or 1st October (as the case may be). However, where the amount required by the Secured Amount Statement to be secured for any period is less than the amount required to be secured in the preceding period, the substituted security shall not be released until 7 days after the then following 31st March or 30th September (as the case may be).

**PART 2**

**BI-ANNUAL ESTIMATE FOR CONSTRUCTION AGREEMENT**

**DATED [            ]**

Amount due and amount which will  
or might fall due for the period  
commencing on and including  
[            ] and ending on and  
including [            ] in  
respect of which security is  
required

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1. The Company Engineering Charges & expenses  
for obtaining Consents pursuant to  
to Clause 2.4
2. Final Sums
- [3. One Off Charge]

**PART 3**

**SECURED AMOUNT STATEMENT**

**CONSTRUCTION AGREEMENT DATED [       ]**

Amount in which security is  
required for the period  
commencing on and including  
[       ] and ending on and  
including [       ]

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User's Obligation

We hereby certify that the amount to be secured in respect of the User's Obligation is as stated above in respect of the named period.

for and on behalf of  
**NATIONAL GRID ELECTRICITY TRANSMISSION PLC**

Duly authorised officer

**PART 4**

**NOTICE OF DRAWING**

To [ ] Bank/Public Limited Company/Limited

copy to:

[date]

Dear Sirs,

RE: **CONSTRUCTION AGREEMENT DATED [ ]**  
**PERFORMANCE BOND NO./DATED [ ]/LETTER OF CREDIT NO.**  
**[ ]/BANK ACCOUNT NO. [ ] ("THE SECURITY")**

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We refer to the above Security in our favour. We hereby demand immediate payment thereunder in the amount of £[ ].

We require payment to be made by telegraphic transfer to:-

Bank plc

Address:

Sort Code:

Account Name: National Grid Electricity Transmission plc

Account No:

Yours faithfully,

for and on behalf of  
**NATIONAL GRID ELECTRICITY TRANSMISSION PLC**

Duly authorised officer

CUSC v1.4



**APPENDIX [N]**  
**THIRD PARTY WORKS**

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[APPENDIX O](#)

[USER DATA](#)

[Examples Being](#)

[Number of Turbines](#)

[Capacity in MW of each Turbine](#)

[Manufacturer of Turbines and Machine Type](#)

[Reactive Capability of each Turbine](#)

**APPENDIX P**

**OFFSHORE WORKS ASSUMPTIONS**

Examples Being

Onshore landing point

Connection to Onshore Transmission System

Voltage of Cable

Length of cable

Assumed ownership of platform

Assumed tender window

Assumed preferred bidder decision date

Assumed start of offshore works build\build programme\completion

Assumed start of onshore works build\build programme\completion

**END OF SCHEDULE 2 EXHIBIT 3**