



Presentation of Current Legal Process between GTC & UKPN

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- ❖ *Supplements to this Presentation:-*
 - *Example Legal Document as currently being used*
 - *Example Legal plan as currently being used*
 - *Example DNO Solicitor Instruction Form*

What is 'legals'?



- ❖ As we are all aware, legals are required for development schemes by both DNO and IDNO to protect their equipment.
- ❖ There are currently 7 DNOs all with different requirements and methods.
- ❖ All DNOs insist upon legal completion *prior* to energisation and yet no DNO progresses its legals with any urgency to assist in obtaining this completion.
- ❖ Target connection dates of schemes often fail due to DNO legals not being complete in time.
- ❖ GTC have no control over the fundamental legals process of DNOs.
- ❖ Excessive GTC resource is used to facilitate the DNO legal process.
- ❖ Legal costs are generally excessively high and ultimately borne by the customer.
- ❖ GTC's clients often believe that they would receive swifter legal completion if dealing direct with the DNO.

UKPN Previous Issues

- ❖ Prior to the new process, UKPN obtained easements for its HV cable that fell within private land. A very brief outline of the process was as follows:-
 - UKPN designer instructed UKPN Wayleave Team of a scheme's required legals.
 - UKPN Wayleave Officer had legal plan created, gathered all info and instructed UKPN solicitor.
 - UKPN solicitor would then contact landowner and progress.

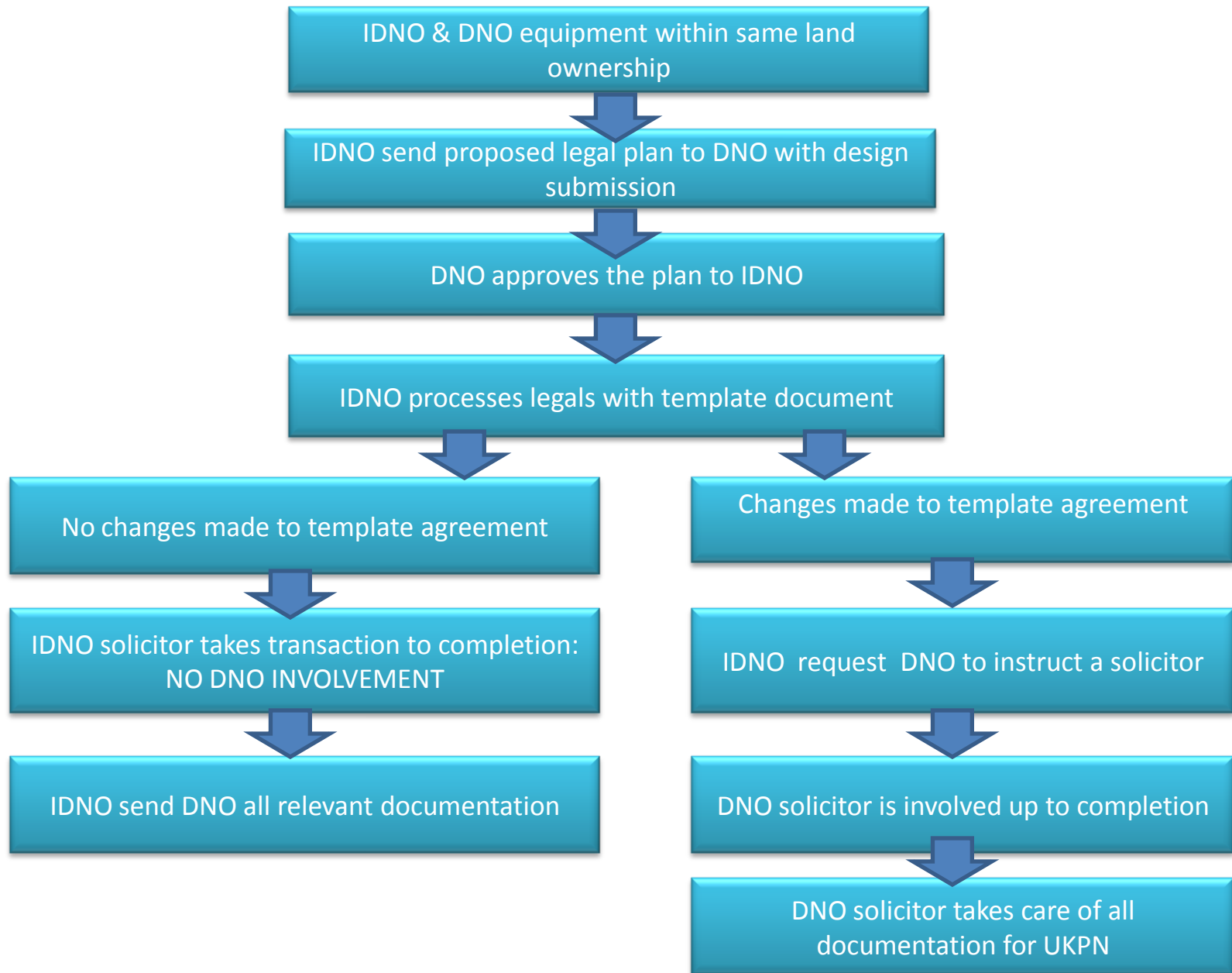
- ❖ UKPN delayed at every one of these stages which caused the following:-
 - Additional GTC resource to chase responses from UKPN personnel.
 - Immense frustration and pressure for GTC staff as they tried to facilitate a process completely out of its control.
 - Unacceptable timescales for legal completion.
 - Delays to required connection dates .
 - A very disappointed and frustrated end customer that faced both commitment and cost implications from delays.
 - GTC's reputation tainted.

- Continued meetings between GTC and UKPN to discuss issues.
- Excessive email traffic between GTC and UKPN.
- Escalation of matters from GTC Management to UKPN Management.
- Submission of formal complaints from GTC to UKPN.
- Meetings at GTC & UKPN Director level.
- Breaking point between GTC and UKPN working relationships.

How we resolved these issues

- ❖ GTC approached UKPN with the principle to incorporate UKPN's rights within GTC's transfer document.
- ❖ GTC and UKPN solicitors negotiated this principle and established a template document.
- ❖ GTC staff continuously liaised with UKPN's solicitor and other UKPN staff to discuss concerns.
- ❖ GTC created a new process around the template document and presented to UKPN.
- ❖ GTC and UKPN then worked together towards this process.
- ❖ There were minor issues with the process while all became familiar with it and meetings were held (including at Director level) to discuss issues and streamline the process.
- ❖ Although there was much frustration, stress, pressure and upset in establishing the final process, the results have been invaluable to both GTC and UKPN .

The New Process with UKPN



The Document in Principle

- ❖ GTC advise the customer of consequences should they change the template document.
- ❖ The DNO is not a signatory to the legal document.
- ❖ DNO rights are incorporated under the Contracts (Rights of Third Parties) Act 1999.
- ❖ The DNO is specifically named within the document to ensure that it can enforce its relevant DNO terms if necessary.
- ❖ DNO rights are set out on the same basis as if they were contained in a tripartite agreement
 - All rights are clearly defined and comprehensive i.e. 'real rights'
 - Plans are included that clearly define all DNO requirements as well as GTC's.
- ❖ The DNO has remedies available for breach of contract (S.1(5) of the Act).
- ❖ DNO rights cannot be varied, altered or extinguished without the DNOs consent (S.2 of the Act).
- ❖ The DNO can assign its rights notwithstanding that it is not a party to the contract.
- ❖ The minimal risk to the DNO should be considered
 - The Network and substation is wholly owned by GTC so what is the risk to the DNO?
 - If the DNO is unable to access to any of its equipment, GTC would put its network and customers in jeopardy.

Other DNOs

DNO	Substation Access	Cable
SSE	Both required:- Tripartite Document as agreed between GTC & SSE	
Western Power Distribution	Both required:- Tripartite Document as agreed between GTC & WPD	
UK Power Networks	Both required:- Incorporated Rights Document as agreed between GTC & UKPN	
CE-Electric	Nothing Additional Required	Easement
Electricity North West	Nothing Additional Required	Easement
Western Power Distribution (Formerly Central Networks)	Nothing Additional Required	Wayleave
Scottish Power	Both required:- GTC must grant SP a sub-lease for these rights No agreed document – SP will not allow (Plus Additional Documents required by SP:- Coal Report, Environmental Report, Planning Permission (for substation as well as site), Property Enquiry Certificate, Road Adoption Plan, Existing Services Plans)	

Benefits 1

- ❖ Teething Problems Overcome.
- ❖ GTC has full control of legals.
- ❖ GTC can provide good guidelines for legal completion to its client.
- ❖ Legal costs reduced.
- ❖ Timescales for legal completion reduced.
- ❖ No additional correspondence.
- ❖ Working relationships vastly improved .
- ❖ Previous frustrations practically erased.
- ❖ No escalations to UKPN Management in relation to the freehold process.

Benefits 2

Average Costs Prior to New Process

GTC	£1000.00
UKPN	£1100.00
Total Cost <i>(Borne by the customer)</i>	£ 2100.00

Average Costs Using New Process

GTC	£ 900.00
UKPN	£ 000.00
Total Cost <i>(Borne by the customer)</i>	£ 900.00

AVERAGE COST SAVING PER FREEHOLD SCHEME:- £1100.00

Average Timescale for Legal Completion Prior to New Process

6 Months

Average Timescale for Legal Completion Using New Process

2 - 3 Months

AVERAGE TIME SAVING PER FREEHOLD SCHEME:- 3 – 4 Months

This takes legals out of the critical path for energisation

What are the Next Steps?

- ❖ The lack of an industry-wide standard for the legal process allows DNOs to act in whichever manner they choose, which is generally both arbitrary and delaying.
- ❖ The industry urgently requires a standard legal process to be used by all DNOs.
- ❖ GTC have tried several different approaches to date and view the process now established with UKPN to be the most cost effective and efficient.
- ❖ GTC would therefore like this process to be used in England and Wales as a bench mark for best practice for DNOs to acquire their legal requirements.
- ❖ This same process cannot be used under Scottish Law, but GTC would like to develop a similar cost effective and efficient process that can be used under this Law also.
- ❖ GTC would like to see an official leasehold process finalised with UKPN to follow the benefits of the freehold process with other DNOs following.