



To generators, shippers,
suppliers, network companies,
consumers and their
representatives, the sustainable
development community, and
other interested parties.

Reference Number: 172/11
Email: Project.Transmit@ofgem.gov.uk

Date: 12 December 2011

Dear colleague

Project TransmiT: conclusions on connections issues and statutory consultation on timely connections reporting obligation

Project TransmiT is Ofgem's independent and open review of transmission charging and associated connection arrangements. The aim of Project TransmiT is to ensure that arrangements are in place that facilitate the timely move to a low carbon energy sector whilst continuing to provide safe, secure, high quality network services at value for money to existing and future consumers. As set out in our January 2011 letter¹ our immediate priorities are electricity connection issues and electricity transmission charging.

We are considering electricity transmission charging issues under a Significant Code Review (SCR)² which we launched in July and which we currently expect to conclude in spring 2012.

This letter focuses on the electricity connection issues under Project TransmiT. It follows on from our August 2011³ letter which set out our views on the electricity user commitment arrangements and timely connections.

This letter provides an overview of responses to our August letter (Annex 1 provides further details) and sets out our intended way forward. This includes, attached at Annex 2, a statutory notice to amend the electricity transmission licence to include a new reporting obligation on onshore transmission licensees in respect of timely connections. As provided for in the Gas and Electricity (Internal Markets) Regulations 2011, we are required to consult persons likely to be affected by the proposed modifications before amending licences. Responses to our statutory consultation should be received by 23 January 2012. This period of consultation has been adjusted to take account of Christmas and New Year holidays.

¹ http://www.ofgem.gov.uk/Networks/Trans/PT/Documents1/110125_TransmiT_Scope_Letter_Final.pdf

² http://www.ofgem.gov.uk/Networks/Trans/PT/Documents1/110707_Final%20launch%20SCR%20statement.pdf

³ http://www.ofgem.gov.uk/Networks/Trans/PT/Documents1/110812_TransmiT_Connections.pdf

Background

As set out in our January 2011 letter, respondents to our call for evidence that commented on electricity connections issues generally supported the Connect and Manage regime for accessing the electricity transmission system⁴. Nonetheless, respondents noted there are still significant issues that they considered hampered connection. This included, amongst other things, the arrangements relating to user commitment.

In December 2010, we issued a consultation on options for delivering timely connections⁵. We have also supported the work by NGET to deliver interim pre-commissioning user commitment arrangements.

In March 2011, we issued a consultation on the connection issues under Project TransmiT. We set out the high-level principles that we consider are relevant to the development of new enduring electricity user commitment arrangements and the process for developing new arrangements. Part of this consultation requested views on the new transmission licence reporting obligation that we propose to introduce that will gather further information in support of arrangements to facilitate timely connections.

In August 2011, we issued an update on connection issues. This included our decision not to consult, at this stage, on whether a SCR may be appropriate to identify changes to the electricity user commitment arrangements. Instead we proposed to monitor the industry development of Connection and Use of System Code (CUSC) Modification Proposal 192 (Arrangements for Enduring Generation User Commitment) (CMP192). In addition we also consulted on a reporting requirement for onshore transmission licensees that we proposed to include in the standard licence conditions of the electricity transmission licences.

Electricity User Commitment

There was some discussion on user commitment and CMP192 in responses to our August letter, respondents broadly supported our decision not to consult on a SCR on user commitment at this stage. We will take issues raised in responses to our August letter into account when making a decision on CMP192. We note that the industry process on CMP192 is now complete. We received the CUSC Final Modification Report on CMP192 on 22 November 2011⁶. We will issue an Impact Assessment (IA) on CMP192 before making our decision on the proposal.

Timely Connections

The majority of respondents to our August letter supported the introduction of a reporting requirement in relation to timely connections for onshore electricity transmission licensees. A number of these also supported the introduction of a similar obligation on other network licensees, including offshore transmission licence holders and distribution network operators. A minority of respondents did not support the proposed reporting obligation on all onshore transmission licensees. Instead these respondents commented that the System

⁴ Connect and Manage was introduced by Government in August 2010. Under Connect and Manage, generators can access the transmission system ahead of wider reinforcements being completed, subject to 'enabling works' being completed. More information is available on DECC's website:

http://www.decc.gov.uk/en/content/cms/consultations/improving_grid/improving_grid.aspx.

⁵ <http://www.ofgem.gov.uk/Networks/Trans/PT/Documents1/121410%20timely%20connection%20draft%20letterdoc.pdf>.

⁶ Final Modification Report on CMP 192 can be found at <http://www.nationalgrid.com/NR/rdonlyres/DA4EB7E8-7168-49CA-A115-381A3A5D9753/50218/CMP192finalCUSCModificationReport10.pdf>

Operator currently receives detailed information from Transmission Owners (TOs) on connections which could be used to produce a report. For this reason they considered that any reporting obligation on timely connections should be placed on National Grid Electricity Transmission plc (NGET) in its role as System Operator.

We continue to consider that it is appropriate to include a reporting obligation on each of the onshore electricity transmission licensees. The information provided by the three onshore transmission licensees in these reports will allow us to identify and monitor issues that may be delaying timely connections. This information will inform our view on what, if any, changes to the existing framework maybe appropriate to facilitate timely connections. As we set out in our August letter we consider there are benefits in placing an obligation which will improve transparency of the connections process for parties considering connecting to the national electricity transmission system. In addition, under RIIO-T1 (for onshore transmission owners) one of the outputs we expect relates to Transmission Owners (TOs) delivering timely connections. This output reflects the range of existing licence obligations in this area. Because of its importance, scope for a revenue adjustment is to be included⁷ where TOs fail to deliver these timings. The information provided by transmission licensees to the Authority as a result of the new reporting obligation on timely connections will assist our understanding of each TO's performance. Early information could assist the development of our RIIO-T1 approach. Information during the control period might then help inform further development though we may need to identify further reporting needs as part of RIIO-T1.

However, whilst we continue to consider it appropriate that each of the three onshore licensees reports to the Authority in their capacity as TOs in relation to the delivery of timely connections, we agree that it may be more pragmatic and aid clarity if a single coordinated report is produced for publication. We have amended the drafting proposed so that NGET as System Operator should publish a non-confidential version of the report covering GB. To allow NGET to do this we have proposed an amended obligation on each of the onshore TOs. The amended obligation requires the TOs to provide information to NGET to allow publication of a GB wide report. For the avoidance of doubt, the onshore TOs will separately be required to submit a report to the Authority covering the matters specified in the proposed licence changes.

Content of the report

The majority of comments from respondents to our August letter set out their views on what information should be provided in the report produced under the timely connections reporting obligation. Some respondents wanted greater transparency of investment planning as part of the report while others highlighted the part consents play in connection dates.

The drafting proposed at Annex 2 requires NGET, amongst other things, to provide the Authority with detailed information on the key issues affecting an offer for connection. Where relevant this could include information on consents and reasons for changes to proposed connection dates. The proposed drafting also requires onshore TOs to submit to the Authority a report setting out the key issues affecting the Transmission Owner Connection Offer (TOCO) that it has provided to NGET in respect of each offer.

⁷ RIIO-T1: Strategy for the next transmission price control – Supplementary Annex: RIIO-T1 Outputs and incentives, Ofgem, March 2011. This is available on our website at <http://www.ofgem.gov.uk/Networks/Trans/PriceControls/RIIO-T1/ConRes/Documents1/T1decisionoutput.pdf>.

We agree with respondents who commented that the period of the report would need to reflect that there would be a delay in the period of the report to allow information to be compiled. In the drafting attached to the statutory notice at Annex 2 we have clarified that the report should be for the period of six months and that we should receive the report 28 days after the end of the reporting period, eg 28 days following the 31 March for the period 1 October to 31 March.

We note the comment by one respondent that an existing report could be extended to include reporting on timely connections thereby centralising information. We understand that this respondent is referring to the Transmission Networks Quarterly Connections Update⁸ and the Connect and Manage Quarterly Report⁹. Given that the reports suggested by the respondent are produced every quarter it may be confusing to parties where and when the six monthly report on timely connections is available. We also consider that the format of these reports may not be appropriate for the information on connections that we are seeking in this context. For these reasons we do not agree that either of these is the appropriate place to include the information we are seeking on timely connections.

We acknowledge concerns raised about ensuring that the report does not breach rules on confidentiality, including the danger that this could happen inadvertently. We take the view that the transmission licensees are best placed to understand the nature of the information they deal with and are aware of their obligations regarding confidentiality of information. As the published report will be produced by NGET we expect the transmission licensees to work together to ensure that confidentiality is not breached. For these reasons we consider they are best placed to identify information that is confidential and ensure that it is removed from the non-confidential, published report. The drafting attached to the statutory notice at Annex 2 reflects this.

Comments on Drafting

A number of respondents made comments on the drafting proposed in our August letter. We note the comments made by respondents setting out the detail of the information the report should include. The drafting provided at Annex 2 allows for the transmission licensees to provide information on all the key issues affecting an offer for connection.

We have also reflected in the drafting, at Annex 2, the respective roles of the System Operator and the TOs. However, we do not agree with one respondent's comments that the standard licence condition (SLC) D16¹⁰ also requires to be amended to include this reporting obligation. Under SLC D16 the licensee must "comply with standard condition D4A" and therefore any offer made under SLC D16 must also be included in the reporting obligation.

Next Steps

We attach at Annex 2 a statutory modification notice that ends on 23 January 2012. All responses will be placed on our website unless marked confidential. Please email your response to roberta.fernle@ofgem.gov.uk.

⁸ <http://www.nationalgrid.com/uk/Electricity/GettingConnected/ContractedGenerationInformation/TNQuUpdate/>

⁹ <http://www.nationalgrid.com/uk/Electricity/GettingConnected/PoliciesAndGuidance/>

¹⁰ Requirements of a connect and manage connection

If the Authority decides to make the proposed modification they will take effect 56 days after our decision is published.

Please contact Roberta Fernie (roberta.fernier@ofgem.gov.uk) should you require any more information on the issues discussed in this letter or the statutory modification.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'H Nixon', on a light-colored rectangular background.

Hannah Nixon
Acting Senior Partner, Smarter Grids and Governance: Transmission

Annex 1: Summary of responses

We received 6 responses to our March consultation on connection issues under Project TransmiT. All responses are available in full on our website. A high-level summary according to some key themes raised in responses is set out below.

Should a reporting obligation be introduced – the majority of respondents supported our proposal to introduce a reporting obligation on transmission licensees. Some of these respondents also supported the introduction of a similar obligation on other network licensees (eg offshore transmission licensees). Two respondents were not in favour of the proposed reporting obligation, although they were generally supportive of making sure that meaningful information that will help to support the timely connection of transmission customers is available. Both of these respondents considered that a significant amount of information is already provided to NGET in its role as System Operator. As a result, these respondents considered that NGET is best placed to produce a report on timely connections and any licence obligation should be placed on NGET.

Content of the report – most respondents had a view on what should be included in proposed report. One considered that to improve transparency, the transmission licensee's submission should be shared with the relevant generator. While another would welcome greater transparency of the impact of transmission investment planning and consenting processes as part of the report. This respondent also considered that it's imperative that the incentives are maintained on the transmission licensees to work in parallel with pre-commissioning generators to ensure that their access to the national electricity transmission system can be met in a timely fashion. Another respondent commented that consents are one of the major constraints on timescales for a transmission project but this is not mentioned in Ofgem's open letter and it highlighted that the timing of the consents process is out with the control of the transmission licensee. One respondent suggested that the extension of an existing report to include information under this proposed reporting obligation would help centralise information. This respondent commented that it would welcome Ofgem's input into the development and coordination of these reporting requirements. Two respondents commented that the content of the report could lead to confidential information being made public. One of these respondents expressed concern that this could be done inadvertently as given the size and location of some generators it would be possible to work out who they are. This respondent also stated that it is not clear what the report will cover, ie if report is to cover individual offers made in the last 6 months or to all offers generally. This respondent considered that a statistical report on offers made and the factors influencing variations in connection/commissioning date is likely to be of more value while raising fewer confidentiality concerns if published. Two respondents also commented that any proposed reporting timetable would need to include a lag for collation of information prior to reporting, eg a submission provided on 31 October might provide information up to an including 30 September.

User commitment – one respondent commented that it believes the alternative proposals that allow for a continuation of a 2 year liability for post-commissioning generators represents a better balance of risk. In its view increasing the notice period and liabilities associated with generator exit from the transmission system is likely to have serious consequences for the efficiency of the energy markets. Ofgem's statutory duties will require a wider consideration of the impacts and there should be robust quantitative assessment of the CMP192 proposals. Another respondent commented that it is concerned that Ofgem is proposing to have in place a new reporting obligation, possibly as early as November,

which would not allow sufficient time to take into account the conclusion of CMP 192, let alone the industry's report to the Authority.

Drafting of proposed licence obligation – a number of respondents gave detailed comments on the drafting proposed. One respondent asked that Ofgem consider a number of matters. These included actions that span TO/distribution network operators or TO/TO boundaries delaying connections in another area and changes made by the System Operator / TO that don't delay the connection date but make it impossible for the generator to meet the date (eg the generator needs to seek new consents as a result of these changes). Two respondents commented that the drafting is unclear and open to interpretation. They state that it's not certain what information Ofgem is trying to obtain. One of these respondents commented that it was inappropriate that the drafting is largely the same for the TO and System Operator. A TOCO would include expected dates for the completion of works, not necessarily "the timescale for connection" as required under the proposed drafting of paragraph 5(a). One respondent commented that most offers are made under standard licence condition (SLC) D16 not SLC D4A and the proposed drafting is not clear on this.

Annex 2: Statutory consultation

NOTICE OF PROPOSED MODIFICATION OF STANDARD CONDITIONS C8 'REQUIREMENT TO OFFER TERMS' AND D4A 'OBLIGATIONS IN RELATION TO OFFERS FOR CONNECTION ETC' OF ELECTRICITY TRANSMISSION LICENCES UNDER SECTION 11A(2) OF THE ELECTRICITY ACT 1989 (the 'ACT')

1. The Authority proposes to modify the standard conditions of electricity transmission licences granted or treated as granted under section 6(1)(b) of the Act (the 'Licences') by amending standard licence conditions C8 'Requirement to offer terms' and D4A 'Obligations in relation to offers for connection etc'.
2. The Authority proposes to modify standard licence condition (SLC) C8 of the Licence to introduce an obligation on the licensee, in its capacity as system operator in Great Britain and transmission owner in England and Wales, to report to the Authority on timescales for connection and how these may vary by location, type and size of connection, to inform the Authority of any key issues affecting the delivery of a connection to an applicant, and to report on any key issues going forward. The licensee must also collate and publish a non-confidential version of this report to cover GB.
3. The Authority proposes to modify SLC D4A of the Licence to introduce an obligation on a licensee, in its capacity as a transmission owner in its transmission area identified in special licence condition AA (Transmission area), to report to the Authority setting out the key issues affecting the Transmission Owner Connection Offer (TOCO) that it has provided to the system operator in respect of each offer.
4. The reasons for the Authority's decision to amend SLC C8 and SLC D4A are set out in the decision letter issued along with this Notice.
5. The effect of the proposed modifications will be to include a reporting obligation on onshore transmission licensees requiring them to report to the Authority on the key issues and factors affecting the issue of, where appropriate, offers for connection or TOCOs.
6. Relevant licence holders for the purposes of this Notice are National Grid Electricity Transmission plc, SP Transmission plc and Scottish Hydro Electric Transmission Limited.
7. A copy of the proposed modification and other documents referred to in this Notice are available (free of charge) from the Ofgem library (telephone 020 7901 7003) or on the Ofgem website www.ofgem.gov.uk
8. Any representations on the proposed licence modifications may be made on or before 23 January 2012 to:

Roberta Fernie, Office of Gas and Electricity Markets, 107 West Regent Street, Glasgow, G2 2BA roberta.fern timer@ofgem.gov.uk

9. All responses will normally be published on Ofgem's website and held in the Research and Information Centre. However, if respondents do not wish their response to be

made public then they should mark their response as not for publication. Ofgem prefers to receive responses in an electronic form so they can be placed easily on the Ofgem website.

10. If the Authority decides to make the proposed modification they will take effect 56 days after our decision is published.

A handwritten signature in black ink, appearing to read 'H Nixon', on a light-colored rectangular background.

**Hannah Nixon, Acting Senior Partner, Smarter Grids and Governance:
Transmission
Duly authorised on behalf of the Gas and Electricity Markets Authority**

12 December 2011

SCHEDULE

PROPOSED MODIFICATION OF THE STANDARD CONDITIONS OF ELECTRICITY TRANSMISSION LICENCES

Standard Conditions C8 and D4A of electricity transmission licences are proposed to be modified in the manner set out in this schedule. The proposed insertions are shown underlined and proposed deletions are shown crossed through.

Condition C8: Requirement to offer terms

1. Unless otherwise determined by the Authority under standard condition C9 (Functions of the Authority), on application made on or after the BETTA go-live date by:
 - (a) any authorised electricity operator in the case of an application for use of system;
and
 - (b) any person in the case of an application for connection,the licensee shall (subject to paragraph 6) offer to enter into the CUSC Framework Agreement.
2. On application made on or after the BETTA go-live date by any person or any authorised electricity operator in accordance with paragraph 1, the licensee shall, where required by the STC, notify other STC parties in accordance with the STC and, for the purpose of making an offer for connection or modification to an existing connection or for use of system, shall co-operate and co-ordinate its activities with any other STC parties in accordance with the STC.
3. On application made on or after the BETTA go-live date by any person the licensee shall (subject to paragraph 6) offer to enter into a bilateral agreement and/or a construction agreement relating to connection or modification to an existing connection and such offer shall reflect any associated TO offer which relates to that offer and shall make detailed provision regarding:
 - (a) the carrying out of work (if any) required to connect the national electricity transmission system to any other system for the transmission or distribution of electricity and for the obtaining of any consents necessary for such purpose;
 - (b) the carrying out of works (if any) in connection with the extension or reinforcement of the national electricity transmission system rendered (at the discretion of an STC

party where the works are to be carried out on that STC party's transmission system) appropriate or necessary by reason of making the connection or modification to an existing connection and for the obtaining of any consents necessary for such purpose;

- (c) where there is a need for the Authority to identify an offshore transmission owner, the initial assumptions made by the licensee regarding the carrying out of works in connection with the extension or reinforcement of the national electricity transmission system rendered appropriate or necessary by reason of making the connection or modification to an existing connection and for the obtaining of any consents necessary for such purpose;
 - (d) the installation of appropriate meters (if any) required to enable the licensee to measure electricity being accepted into the national electricity transmission system at the specified entry point or points or leaving such system at the specified exit point or points;
 - (e) the date by which any works required to permit access to the national electricity transmission system (including for this purpose any works to reinforce or extend the national electricity transmission system) shall be completed (time being of the essence unless otherwise agreed by the person seeking connection);
 - (f) the connection charges to be paid to the licensee, such charges:
 - (i) to be presented in such a way as to be referable to the connection charging methodology or any revision thereof; and
 - (ii) to be set in conformity with the requirements of paragraph 8 of standard condition C6 (Connection charging methodology) and (where relevant) paragraph 4; and
 - (g) such further terms as are or may be appropriate for the purpose of the agreement.
4. For the purpose of determining an appropriate proportion of the costs directly or indirectly incurred in carrying out works under a bilateral agreement and/or construction agreement, the licensee will have regard to:

- (a) the benefit (if any) to be obtained or likely in the future to be obtained by any transmission licensee or any other person as a result of carrying out such works whether by reason of the reinforcement or extension of the national electricity transmission system or the provision of additional entry or exit points on such system or otherwise; and
 - (b) the ability or likely future ability of any transmission licensee to recoup a proportion of such costs from third parties.
- 5. The licensee shall offer terms in accordance with paragraphs 1 and 3 above as soon as practicable and (except where the Authority consents to a longer period) in any event not more than the period specified in paragraph 7 below after receipt by the licensee of an application containing all such information as the licensee may reasonably require for the purpose of formulating the terms of the offer.
- 6. The licensee shall not be obliged pursuant to this condition to offer to enter or to enter into any agreement if:
 - (a) to do so would be likely to involve the licensee:
 - (i) in breach of its duties under section 9 of the Act;
 - (ii) in breach of any regulations made under section 29 of the Act or of any other enactment relating to safety or standards applicable in respect of the transmission business;
 - (iii) in breach of the Grid Code; or
 - (iv) in breach of the conditions; or
 - (b) the person making the application does not undertake to be bound insofar as applicable by the terms of the Grid Code and/or the CUSC from time to time in force; or
 - (c) in the case of persons making application for use of system under paragraph 1, such person ceases to be an authorised electricity operator; or
 - (d) it is unable to do so due to another transmission licensee having notified the licensee that, for one or more of the reasons set out in paragraph 4 of standard condition D4A

and E17 (Obligations in relation to offers for connection etc), it is not obliged to offer to enter or to enter into any agreement with the licensee in accordance with paragraph 1 or paragraph 3 of standard condition D4A or E17 (Obligations in relation to offers for connection etc) and that it does not intend to offer to enter or to enter into any such agreement; or

- (e) it is unable to do so due to another STC party having notified the licensee in accordance with the STC that it is not obliged to offer to enter or to enter into any agreement with the licensee; or
- (f) if to do so would extend the national electricity transmission system beyond the transmission area defined in special condition AA of the licensee's or any other transmission licensee's licence and the required works could not be undertaken by an offshore transmission owner.

6A. In any such case the licensee shall give duly substantiated reasons for not offering to enter or not entering into any agreement.

7. For the purposes of paragraph 5, the period specified shall be:

- (a) in the case of persons seeking use of system only and seeking to become a party to the CUSC Framework Agreement if not already a party, in connection with such use, 28 days; and
- (b) in the case of persons seeking a bilateral connection agreement or a construction agreement (and seeking to become a party to the CUSC Framework Agreement if not already a party, in connection with such agreements), 3 months; and
- (c) in any other case, 28 days.

8. The licensee shall within 28 days following receipt of a request from any person, give or send to such person such information in the possession of the licensee as may be reasonably required by such person for the purpose of completing an application under the Application Regulations or such provisions of similar effect contained in any further regulations.

9. On receipt of notice from the Authority that an offshore transmission owner has been identified, the licensee shall propose to vary the contractual terms of a bilateral connection

agreement and/or construction agreement entered into pursuant to paragraph 3, within 3 months to reflect any changes needed as a consequence of a TO offer from an offshore transmission owner being different from the initial assumptions made by the licensee under paragraph 3(c).

10. For the period between offshore transmission go-active and offshore transmission go-live, the licensee shall for the purposes of paragraph 3 of this condition:

- (a) treat a notification made by a distribution licensee in respect of a relevant offshore agreement between the distribution licensee and an existing offshore generator, as an application on behalf of that existing offshore generator for connection to and use of the national electricity transmission system; and
- (b) treat a notice issued by the licensee in accordance with the CUSC, to an existing offshore generator in respect of a relevant offshore agreement as an application on behalf of that existing offshore generator for modification to an existing connection to the national electricity transmission system.

11. In making an offer to an existing offshore generator in accordance with paragraph 3 of this condition, the licensee shall offer to enter into an agreement that reflects the terms of any relevant offshore agreement that:

- (a) the licensee has with the existing offshore generator;
- (b) that a distribution licensee has with the existing offshore generator that has been notified to the licensee in accordance with the CUSC.

12. The Licensee shall within 28 days after the end of the following six monthly periods:

- (a) 1 April until 30 September; and
- (b) 1 October until 31 March

submit to the Authority a report in relation to all offers made under paragraph 3 of this condition setting out the factors which have influenced the date identified in each offer in accordance with paragraph 3(e) of this condition including the following:

- (i) information on the timescales for connection, and how this may vary by location, type and size of connection

(ii) key issues that impact or have impacted the timetable for delivery of the connection; and

(iii) any issues likely to impact timing of connections going forward.

A non-confidential version of the report must also be published by the licensee within 10 days of submission to the Authority.

132 In this condition:

“existing offshore generator”	means a generator with a generating station located in offshore waters that has a relevant offshore agreement for connection via lines of 132kV or above that are wholly or partly in offshore waters.
“offshore waters”	has the meaning given in the Act.
“relevant offshore agreement”	means an agreement between an existing offshore generator and the licensee for connection to and/or use of the national electricity transmission system or an agreement between an existing offshore generator and a distribution licensee for connection to its distribution system.

Condition D4A: Obligations in relation to offers for connection etc

1. On notification by the system operator of receipt on or after the BETTA go-live date of an application for connection or for modification to an existing connection in accordance with paragraph 2 of standard condition C8 (Requirement to offer terms), the licensee shall (subject to paragraph 2 and paragraph 4) offer to enter into an agreement with the system operator and such offer shall make detailed provision regarding:
 - (a) the carrying out of work (if any) on the licensee's transmission system required to connect the national electricity transmission system to any other system for the transmission or distribution of electricity and for the obtaining of any consents necessary for such purpose;
 - (b) the carrying out of works (if any) on the licensee's transmission system in connection with the extension or reinforcement of the licensee's transmission system which is rendered (in the licensee's discretion) appropriate or necessary by reason of making the connection or modification to an existing connection to the national electricity transmission system and for the obtaining of any consents necessary for such purpose;
 - (c) where the system operator requests the same, the installation of meters (if any) on the licensee's transmission system required to enable the system operator to measure electricity being accepted onto the national electricity transmission system at the specified entry point or points or leaving such system at the specified exit point or points;
 - (d) the date by which any works required on the licensee's transmission system to facilitate access to the national electricity transmission system (including for this purpose any works on the licensee's transmission system to reinforce or extend the licensee's transmission system) shall be completed (time being of the essence unless otherwise agreed by the system operator);
 - (e) such costs as may be directly or indirectly incurred in carrying out the works, the extension or reinforcement of the licensee's transmission system or the provision and installation, maintenance and repair or (as the case may be) removal following disconnection of any electric lines, electric plant or meters, which works are detailed in the offer;

- (f) such further terms as are or may be appropriate for the purpose of the agreement;
and

in providing such information, the licensee shall co-operate and co-ordinate its activities with other STC parties in accordance with the STC.

2. Subject to paragraph 4, the licensee shall, after receipt by the licensee of an application containing all such information as the licensee may reasonably require for the purpose of formulating the terms of the offer, offer terms in accordance with paragraph 1 above as soon as practicable and (except where the Authority consents to a longer period) in accordance with the time periods specified for this purpose in the STC.
3. On notification by the system operator in accordance with paragraph 2 of standard condition C8 (Requirement to offer terms) of receipt by the system operator on or after the BETTA go-live date of an application for use of system, the licensee shall (subject to paragraph 4), where the system operator requests that it do so in accordance with the STC, offer to enter into an agreement with the system operator in respect of such application in the manner provided in the STC and for the purposes of making such offer shall cooperate and co-ordinate its activities with other STC parties in accordance with the STC.
4. The licensee shall not be obliged pursuant to this condition to offer to enter into or to enter into any agreement pursuant to this condition if to do so would be likely to involve the licensee:
 - (a) in breach of its duties under section 9 of the Act;
 - (b) in breach of any regulations made under section 29 of the Act or of any other enactment relating to safety or standards applicable in respect of the transmission business; or
 - (c) in breach of the conditions,

and where the licensee is not obliged pursuant to this condition to offer to enter into or to enter into an agreement with the system operator, the licensee shall notify the system operator of that fact (and of the fact that it does not intend to offer to enter into or to enter into an agreement pursuant to paragraph 1 or paragraph 3) and shall give duly substantiated reasons to the system operator for not offering to enter or not entering into any agreement as soon as practicable in accordance with the STC.

5. The Licensee shall within 28 days after the end of the following six monthly periods:

(a) 1 April until 30 September; and

(b) 1 October until 31 March

submit to the Authority a report in relation to all agreements it has offered to enter into with the system operator made under paragraph 1 of this condition setting out the factors which have influenced the date identified in each offer made to the system operator in accordance with paragraph 1(d) of this condition including the following:

(i) information on the timescales for connection, and how this may vary by location, type and size of connection

(ii) key issues that impact or have impacted the timetable for delivery of the connection; and

(iii) any issues likely to impact timing of connections going forward.

6. The Licensee shall provide a non-confidential version of the report to the system operator within 5 days of submission to the Authority.