

DECISION UNDER SECTION 6H OF THE ELECTRICITY ACT 1989

MODIFICATION OF CODES MAINTAINED BY NATIONAL GRID ELECTRICITY TRANSMISSION PLC IN ACCORDANCE WITH THE CONDITIONS OF ITS ELECTRICITY TRANSMISSION LICENCE TREATED AS GRANTED UNDER SECTION 6(1)(b) OF THE ELECTRICITY ACT 1989

Whereas –

1. Section 6H(1) of the Act provides that, where considered necessary or desirable by the Gas and Electricity Markets Authority (the “Authority”) for the purposes of implementing or facilitating the operation of section 6F or section 6G of the Act, the Authority may modify a code maintained in accordance with a condition of the electricity transmission licence or electricity distribution licence or modify an agreement which gives effect to a code so maintained. As part of that, the Authority may make incidental, supplemental, consequential or transitional modifications (section 6H(3) of the Act).
2. Sections 6F and 6G of the Electricity Act 1989 (the “Act”) provide that generator developers can lawfully commission an offshore transmission system during a ‘commissioning period’ prior to transferring the assets to an offshore transmission licensee. The final 18 months of the commissioning period are triggered by National Grid Electricity Transmission plc (“NGET”), as the National Electricity Transmission System Operator, issuing a ‘completion notice’ to the developer in respect of an offshore transmission system.
3. In accordance with section 6H(1) and (3) of the Act, the Authority considers it appropriate to modify the Connection and Use of System Code (the “CUSC”) maintained under standard condition C10 of NGET’s electricity transmission licence to implement and facilitate the operation of section 6F and 6G of the Act.
4. In accordance with section 6H(4) and (5) of the Act, the Authority consulted on 30 August 2013 and on 24 January 2014 on its proposals to modify the CUSC. Details of the modifications can be found in the following consultation and decision documents:
 - a. Offshore Electricity Transmission: Consultation on implementation of the Generator Commissioning Clause in the Energy Bill, published on 30 August 2013¹;
 - b. Offshore Electricity Transmission: Consultation on implementation of the Generator Commissioning Clause in the Energy Act 2013, published on 24 January 2014²;
 - c. Offshore Electricity Transmission: Decision on implementation of the Generator Commissioning Clause in the Energy Act 2013, published 2 April 2014³.
5. This document also constitutes notice required under section 6H(6) of the Act, setting out the reason for modifying the CUSC. The reason is to give effect to the provisions in sections 6F and 6G of the Act, as set out in paragraph 3. Detailed reasons are set out in the consultation and decision documents referred to at paragraph 4 above.

¹ <https://www.ofgem.gov.uk/publications-and-updates/consultation-implementation-generator-commissioning-clause>

² <https://www.ofgem.gov.uk/publications-and-updates/offshore-electricity-transmission-consultation-implementation-generator-commissioning-clause-energy-act-2013>

³ <https://www.ofgem.gov.uk/publications-and-updates/decision-implementation-generator-commissioning-clause-energy-act-2013>

6. The Authority has today also issued modifications to the Grid Code to give effect to the provisions in sections 6F and 6G of the Act.
7. On 2 April 2014, the Authority issued modifications to the electricity transmission licence, under section 11A of the Act.

Now therefore -

8. In exercise of the powers conferred on the Authority by section 6H of the Act, the Authority makes the modifications to the CUSC as set out in the Schedule to this notice, on the date that the Secretary of State commences section 89 of the 2004 Energy Act.

.....
Min Zhu
Associate Director, Offshore Transmission
Duly authorised on behalf of the
Gas and Electricity Markets Authority

29 May 2014

**Schedule to the Authority's Notice under section 6H of the Electricity Act 1989
dated 29 May 2014**

CUSC - SECTION 1

APPLICABILITY OF SECTIONS AND RELATED AGREEMENTS STRUCTURE

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CUSC - SECTION 1

APPLICABILITY OF SECTIONS AND RELATED AGREEMENTS STRUCTURE

1.1 INTRODUCTION

- 1.1.1 The **CUSC** is divided into different sections, including sections dealing specifically with **Connection** to and **Use of System**, the provision of **Balancing Services**, **Interconnectors** and other sections of more general application.
- 1.1.2 Compliance with the various sections by a **User** is dependent on the nature of that **User's** connection and/or use in any given instance. A **User** may be party to the **CUSC** in a number of different categories.
- 1.1.3 This Section also deals with the requirement for a **User** to enter into **Bilateral Agreements**, **Construction Agreements** and **Mandatory Services Agreements**.
- 1.1.4 The **CUSC** and the proforma **Bilateral Agreements** set out as Exhibits 1, 2 and 5 of Schedule 2 are drafted to reflect the standard terms in relation to **The Company's** charges (an indicative price agreement). Where a **User** chooses to have a different charging option, where provided for in the **Charging Statements** current at the time of application for the relevant **Bilateral Agreement**, that **Bilateral Agreement** will provide for the specific terms relating to the charging option and for the relevant paragraphs of Section 2 to apply (or be disapplied) subject to those specific terms. This may lead to the areas covered by the relevant **Bilateral Agreement** being wider in certain circumstances.

1.2 APPLICABILITY

- 1.2.1 Each **User** is required to comply with the various Sections of the **CUSC** as provided for in this Section 1. Each Section may contain further detail in relation to particular categories of connection and/or use.
- 1.2.2 The different categories of connection and/or use reflect the types of utilisation which can exist. For example a **User** could have a directly connected **Power Station** and also be acting as a **Supplier**. In that case that **User** will need to comply in relation to two categories of connection and/or use, and its obligations in relation to each will differ.
- 1.2.3 Section 1, Sections 5 to 8 and 11 of the **CUSC** apply to all categories of connection and/or use, and therefore should be complied with by all **Users**, subject as specifically provided in those

Sections. Section 4 of the **CUSC** applies to **Users** who provide **Balancing Services** to **The Company**, and contains its own provisions on applicability to such **Users**.

- 1.2.4 In relation to Sections 2, 3, 9 and 15 the following table sets out the applicability of those Sections in addition to those Sections referred to in Paragraph 1.2.3:

	Categories	Applicable Sections
1.	Power Station directly connected to the GB Transmission System <u>(including in the case of OTSDUW Build, a Power Station connected prior to the OTSUA Transfer Time by means of OTSUA)</u>	2 and 3 and 15
2.	Non-Embedded Customer Site	2 only
3.	Distribution System directly connected to the GB Transmission System	2 only and, where a Construction Agreement is associated with Distributed Generation , 15
4.	Suppliers	3 only
5.	Embedded Power Station except those which are the subject of a BELLA	3 only and, where the subject of a BEGA , 15
6.	Small Power Station Trading Parties	3 only
7.	Interconnector User	9 Part II only
8.	Interconnector Error Administrator	9 Part II only
9.	Interconnector Owner	9 Part I only
10.	Distribution Interconnector Owner	3 Only
11.	Embedded Exemptable Large Power Stations whose Boundary Point Metering System is either SMRS registered or is registered in CMRS by a User who is responsible for the Use of System Charges associated with the BM Unit registered in CMRS	None

Users, when making a **Connection Application** or **Use of System Application** (in each case in the form of the relevant exhibit),

should identify the category for which they are applying.

- 1.2.5 Each **Bilateral Agreement, Use of System Supply Confirmation Notice** or **Use of System Interconnector Confirmation Notice**, will set out the category of connection and/or use to which it relates.
- 1.2.6 Where a Paragraph states a category of connection and/or use, or type of **User**, to which that Paragraph (or part of that Paragraph) applies, the application of that Paragraph (or part of Paragraph) shall be limited to the **User** in relation to that category of connection and/or use, or type of **User**, described.
- 1.2.7 Where a Paragraph does not state a category of connection and/or use, or type of **User**, to which that Paragraph (or some part of that Paragraph) applies, that Paragraph (or part of the Paragraph) shall apply to all types of **Users** and categories of connection and/or use.
- 1.2.8 Where a Paragraph is stated “as between **The Company** and that **User**”, rights and obligations under that Paragraph shall arise only between **The Company** and each **User** individually to whom that Paragraph applies. Accordingly, no **User** shall enjoy any rights nor incur any obligations against any other **User** pursuant to the terms of any such Paragraph.
- 1.2.9 Notwithstanding any other provision of this **Code**, where a **User** owns or operates an **Exemptable Embedded Large Power Station** which is **Embedded** in part of a **Distribution System** or the **System** of any other **User** where and to the extent that such part of the system in which the **Exemptable Embedded Large Power Station** is **Embedded** is not directly or indirectly connected to the **GB Transmission System**, that **User** need not comply with paragraphs 1.3, 1.7, 6.3.6 and 6.3.7 in respect of that **Exemptable Embedded Large Power Station**.

1.3 **BILATERAL AGREEMENTS, CONSTRUCTION AGREEMENTS AND MANDATORY SERVICES AGREEMENTS**

1.3.1 Bilateral Agreements

- (a) Each **User** in respect of each category of connection and/or use with a direct connection to the **GB Transmission System** shall enter into and comply with a **Bilateral Connection Agreement** in relation to such connection and/or use as identified in Paragraph 1.3.1(d).
- (b) Each **User** in respect of each category of connection and/or use with an **Embedded Power Station** (except those which are the subject of a **BELLA**) and/or in

relation to a **Small Power Station Trading Party** and/or a **Distribution Interconnector** shall enter into and comply with a **Bilateral Embedded Generation Agreement** in relation to such use as identified in Paragraph 1.3.1(d).

- (c) Each **User** in respect of its **Embedded Exemptable Large Power Station** whose **Boundary Point Metering System** is registered in **SMRS** or is registered in **CMRS** by another **User** who is responsible for the **Use of System Charges** associated with the **BM Unit** registered in **CMRS** shall enter into and comply with a **BELLA** as identified in Paragraph 1.3.1(d).
- (d) Exhibits 1, 2 and 5 in Schedule 2 to the **CUSC** contain the forms of **Bilateral Agreements** contemplated to be entered into pursuant to this Paragraph 1.3, being:
 - (i) Exhibit 1 – **Bilateral Connection Agreement**: direct connection to the **GB Transmission System (Power Station** directly connected to the **GB Transmission System, Distribution System** directly connected to the **GB Transmission System, Non-Embedded Customer Site** and/or **Interconnector**);
 - (ii) Exhibit 2 – **Bilateral Embedded Generation Agreement**: embedded use of system (**Embedded Power Station** (except those which are the subject of a **BELLA**) and/or in relation to a **Small Power Station Trading Party** and/or **Distribution Interconnector**);
 - (iii) Exhibit 5 – **BELLA**: provisions associated with such **Embedded Exemptable Large Power Stations** who have no rights and obligations under Section 3 of the **CUSC**.

1.3.2 Construction Agreements

Each **User** who wishes to construct or modify a direct connection to the **GB Transmission System** or commence or modify use by his **Embedded Power Station** or **Distribution Interconnector**, or any **Distributor** who wishes to connect a **Relevant Embedded Medium Power Station** or **Relevant Embedded Small Power Station** to his system shall enter into and comply with a **Construction Agreement** in respect of any construction works required as a result of that connection or

Modification, together with a **Bilateral Agreement** as identified in Paragraph 1.3.1 or, as appropriate, an agreement to vary such **Bilateral Agreement**. In any case under the **OTSDUW Arrangements**, paragraph 1.5 applies to such **Construction Agreement**.

1.3.3 Mandatory Services Agreements

- (a) **The Company** and each **User** if a **Generator** shall, as between **The Company** and that **User**, in respect of the **Generating Units, DC Converters** and **Power Park Modules** from which that **User** is required to provide the **Mandatory Ancillary Services** in accordance with the **Grid Code**, enter into and comply with a **Mandatory Services Agreement** where applicable in accordance with Paragraph 1.3.3(b) in a form to be agreed between **The Company** and that **User** but based substantially on the form set out in Exhibit 4 in Schedule 2 (with necessary changes to enable the operation of those provisions, and those in Section 4 and Schedule 3 where the **Generating Units, DC Converters** or **Power Park Modules** (as the case may be) are not registered as **BM Unit(s)**).
- (b) Each **User** and **The Company** shall, as between **The Company** and that **User**, not later than 6 months (or such lesser time as may be agreed) prior to the expected **Commissioning Programme Commencement Date**, have entered into a **Mandatory Services Agreement** providing for payment for **Mandatory Ancillary Services** to be supplied by the **User** to **The Company**. In the event of a **Mandatory Services Agreement** not having been entered into by the said date, either party shall be entitled to initiate the procedure for resolution of the issue as an **Other Dispute** in accordance with Paragraph 7.4 to settle the terms of the said **Mandatory Services Agreement**. **The Company** shall not **Energise** the **User's Equipment** or in the case of an **Embedded Power Station** issue an **Operational Notification** until the said **Mandatory Services Agreement** shall have been entered into by both parties.

1.3.4 General Provisions

- (a) **Bilateral Agreements** and **Construction Agreements** which are entered into between **The Company** and

Users shall be in or substantially in the relevant exhibited form of **Bilateral Agreement** and/or **Construction Agreement** unless the parties thereto agree otherwise.

- (b) Each and every **Bilateral Agreement, Mandatory Services Agreement** and **Construction Agreement** entered into by a **User** and in force from time to time shall constitute a separate agreement governed by the terms of the **CUSC** and will be read and construed accordingly. For the avoidance of doubt no **User** shall enjoy any rights nor incur any obligations against any other **User** pursuant to the terms of any **Bilateral Agreement, Mandatory Services Agreement** or **Construction Agreement**.

1.4 CONNECT AND MANAGE ARRANGEMENTS

1.4.1 Any **Offer** or **Modification Offer** made to an **Applicant** or **User** in the category of:

- (a) a **Power Station** directly connected to the **National Electricity Transmission System**; or
- (b) an **Embedded Power Station** which is the subject of a **Bilateral Embedded Generation Agreement** or a **Bilateral Embedded Licence Exemptable Large Power Station Agreement**; or
- (c) where such **Offer** or **Modification Offer** is associated with **Distributed Generation**, a **Distribution System** directly connected to the **National Electricity Transmission System**,

shall be offered on the basis of the **Connect and Manage Arrangements**.

1.4.2 Transitional Arrangements

The Company shall as soon as reasonably practical after the **Connect and Manage Implementation Date** and in any event by the end of the **Connect and Manage Transition** issue:

- (a) a revised **Offer** on the basis of the **Connect and Manage Arrangements** as regards any **Offer** issued but not accepted pursuant to the **Interim Connect and Management Arrangements**
- (b) an offer to vary each **Existing ICM Construction Agreement** such that it is in a form and on terms

consistent with a **Construction Agreement** entered into on the basis of the **Connect and Manage Arrangements**; and/or

- (c) a **Modification Offer** as regards any **Bilateral Agreement** entered into on the basis of the **Interim Connect and Manage Arrangements** which would require amendments in order to comply with the **Connect and Management Arrangements**,

in each case on terms no less advantageous than those contained in offers made or agreements entered into pursuant to the **Interim Connect and Manage Arrangements**. The **Applicant** or **User** (as appropriate) shall be entitled to accept such a proposal or continue with its existing arrangements.

1.5 OTSDUW ARRANGEMENTS

- 1.5.1 Any **Offer** or **Modification Offer** made to an **Applicant** in respect of a **New Connection Site** located in **Offshore Waters** shall, unless the **Applicant** indicates otherwise, be made on the assumption that the **User** (following agreement with **The Company**) will undertake **Offshore Transmission System Development User Works (including construction and installation) OTSDUW Build**. For the avoidance of doubt, this shall not prevent the **Applicant** and **The Company** from agreeing (prior to signing the **Construction Agreement**) that the scope of **OTSDUW** will be narrower than that set out in the **Offer** or that **OTSDUW** will not be undertaken by the **User**.

- 1.5.2 Provisions of the **CUSC** which apply in relation to **OTSDUW** and **OTSUA**, and/or a **Transmission Interface Site**, shall (in any particular case) apply up to the **OTSUA Transfer Time**, whereupon such provisions shall (without prejudice to any prior non-compliance) cease to apply, without prejudice to the continuing application of provisions of the **CUSC** applying in relation to the relevant **Offshore Transmission System** and/or **Connection Site**.

1.5.3 **OTSUA Completion Notice**

1.5.3.1 In the case of **OTSDUW Build**, **The Company** will issue the **OTSUA Completion Notice** to the **Authority** on the **OTSUA Completion Notice Trigger Date** and **The Company** shall also provide a copy of such **OTSUA Completion Notice** to the **User**.

1.5.3.2 In respect of any **OTSUA Operational at the OTSUA Commissioning Period Effective Date**, **The Company** will issue the **OTSUA Completion Notice** to the **Authority** as soon as practicable within 10

Business Days after the OTSUA Commissioning Period Effective Date and The Company shall also provide a copy of such OTSUA Completion Notice to the User. An OTSUA Completion Notice issued in accordance with this paragraph 1.5.3.2 for any OTSUA Operational at the OTSUA Commissioning Period Effective Date, shall be issued with effect from the same date for all OTSUA Operational at the OTSUA Commissioning Period Effective Date.

1.5.4 Implementation

Each Existing Offshore Agreement shall be read and construed on and from the OTSUA Commissioning Period Effective Date such that:

- (a) the defined terms within it, and the effect of those defined terms, shall be deemed to have the meanings they would have had if those agreements had been entered into after the OTSUA Commissioning Period Effective Date; and
- (b) the relevant Clauses within each Existing Offshore Agreement are amended and new Clauses introduced into each Existing Offshore Agreement so that each Existing Offshore Agreement is consistent in form and content with the changes introduced in CUSC Schedule 2 Exhibit 1 (Bilateral Connection Agreement) and Schedule 2 Exhibit 3A (Offshore Construction Agreement) on the OTSUA Commissioning Period Effective Date.

and The Company and the User shall as quickly and as reasonably practicable take any steps as may be necessary to enable the Existing Offshore Agreements to be construed as if those agreements had been entered into after the OTSUA Commissioning Period Effective Date.

1.6 CATEGORIES OF USE WITHOUT BILATERAL AGREEMENTS

- 1.6.1 Three categories of use of the **GB Transmission System** do not require a **Bilateral Agreement** to be entered into as all the relevant provisions are included in the **CUSC** itself. These relate to **Suppliers, Interconnector Users and Interconnector Error**

Administrators who in those categories of connection and/or use have no physical presence on the system. Further provisions on this are contained in Section 3 and Section 9 Part II.

1.7 BELLA APPLICATION

- 1.7.1 A **User** in respect of its **Embedded Exemptable Large Power Station** whose **Boundary Point Metering System** is registered in **SMRS** (or who intends to so register) or in **CMRS** by a **User** who is responsible for the **Use of System Charges** associated with the **BM Unit** registered in **CMRS** (or who intends to so register), shall complete and submit to **The Company** a **BELLA Application** and comply with the terms thereof.
- 1.7.2 **The Company** shall make a **BELLA Offer** to that **User** as soon as practicable after receipt of the **BELLA 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 effective **BELLA Application**. The **BELLA Offer** shall be in the form of a **BELLA**.
- 1.7.3 The **BELLA 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 Paragraph 1.7 of the **CUSC**, in which event the **BELLA Offer** shall remain open for acceptance until 14 days after any determination by the **Authority** pursuant to such application.
- 1.7.4 Upon acceptance of the **BELLA Offer** (as offered by **The Company** or determined by the **Authority**) by the **User** and execution by **The Company**, the **User's** rights and obligations pursuant thereto shall commence in accordance with its terms. Such rights and obligations shall continue until the **BELLA** is terminated.
- 1.7.5 A **User** who is required by this Paragraph 1.7 to submit a **BELLA Application** shall not energise or operate its **Embedded Exemptable Large Power Station** until it has entered into a **BELLA** with **The Company** and until **The Company** has issued the **User** with an **Operational Notification** in accordance with the terms of the **BELLA**.

1.8 AUTHORITY'S RIGHT TO DETERMINE IN RESPECT OF A BELLA

- 1.8.1 If, after a period which appears to the **Authority** to be reasonable for the purpose, **The Company** or the **User** have failed to enter into a **BELLA** in respect of the **Embedded Exemptable Large Power Station** either **The Company** or the **User** may apply to the **Authority** for the **Authority** to settle any terms of the **BELLA Offer** in dispute.
- 1.8.2 Upon such application, the **Authority**, pursuant to section 7 (3) (c) of the **Act**, may settle any terms in dispute between **The Company** and the **User** in respect of such **BELLA** in such manner as appears to the **Authority** to be reasonable having (in so far as relevant) regard in particular to the following considerations:
- (a) that the performance by **The Company** of its obligations under the **BELLA** should not cause it to be in breach of those provisions referred to at paragraph 5 of Standard Condition C8 of the **Transmission Licence**;
 - (b) that any methods by which **The Company's** transmission system is connected to any other **System** for the transmission or distribution of electricity accord (insofar as applicable to **The Company**) with the **Grid Code**, the **STC** and the **Distribution Code**;
 - (c) that the terms and conditions of the **BELLA** so settled by the **Authority** and of any other agreements entered into by **The Company** pursuant to Paragraph 1.7 should be in as similar a form as is practicable.
- 1.8.3 Where the **Authority** settles any terms in dispute, the **User** and **The Company** shall forthwith enter into the **BELLA** as settled.
- 1.8.4 If either the **User** or **The Company** proposes to vary the terms of the **BELLA** in a manner provided for under such agreement, the **Authority** may, at the request of **The Company** or the **User**, settle any dispute relating to such variation in such manner as appears to the **Authority** to be reasonable.

END OF SECTION 1

Changes to CUSC Section 2 (Connection)

The following shall be added as new Paragraph 2.1.3

2.1.3 In the case of OTSDUW Build, if the Transmission Interface Site is Operational prior to the OTSUA Transfer Time, until the OTSUA Transfer Time the User's Equipment will be connected to the National Electricity Transmission System through the connection of the OTSUA to the National Electricity Transmission System at the Transmission Interface Point. In such case up to the OTSUA Transfer Time certain provisions of this Section 2 will be applied as provided for in the relevant Bilateral Connection Agreement. Further provisions relating to OTSDUW Build are dealt with in section 11.2.7.

The following amends shall be made to Paragraph 2.13

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** and any offer to vary referred to in paragraph 2.13.9 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** and **Transmission Interface 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** in respect of a **Connection Site** located **Onshore** 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 **NETS 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 in **Offshore Waters** the **Connection Offer** will identify the **Onshore Construction Works**. These will be based on assumptions about the **Offshore Construction Works** and these assumptions will be set out in the **Construction Agreement**. Where the **Connection Offer** is not made on the basis of the **OTSDUW Arrangements**, the **Offshore Construction Works** will not themselves be identified at that time. Where the **Connection Offer** is made on the basis of the **OTSDUW Arrangements**, the **Connection Offer** will identify initial **Offshore Transmission System Development User Works** as being ~~those activities and/or works for the design, planning, consenting, construction and installation of Offshore Transmission Plant and Apparatus~~ the **OTSDUW Build** required to provide a connection between the **User's Equipment** and the **Onshore Transmission System** at the **Transmission Interface Point** as set out in the assumptions.

- 2.13.9 In the case of **New Connection Sites** located in **Offshore Waters**, where a **Connection Offer** is not made on the basis of the **OTSDUW Arrangements** 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 and changes to the **Construction Programme** consequent on any delay in the appointment of the **Offshore Transmission Owner** from the date assumed in the relevant **Construction Agreement**.
- 2.13.10 In the case of **New Connection Sites** located in **Offshore Waters**, where a **Construction Agreement** is entered into on the basis of the **OTSDUW Arrangements**, the **Construction Agreement** for such **New Connection Site** will reflect the extent and scope of the **Onshore Construction Works**, the **Offshore Construction Works** and the **Offshore Transmission System Development User Works** as agreed between **The Company** and the **User** reflecting any changes in the assumptions referred to in paragraph 2.13.8 as agreed between **The Company** and the **User** prior to acceptance of the **Connection Offer**. The **Construction Agreement** may contain continuing assumptions and provisions allowing for its variation upon changes in such continuing assumptions.
- 2.13.11 In the case of a **New Connection Site** located in **Offshore Waters**:
- (a) **The Company** will include **Offshore Restrictions on Availability** in any **Offer** made for **New Connection Sites** located in **Offshore Waters** which meet the **Offshore Standard Design or Design Variation** but not where the design is of a standard equivalent to or higher than the deterministic criteria detailed in Paragraphs 2.5 to 2.13 of the **NETS SQSS**. The **Bilateral Connection Agreement** will specify the circumstances of **Offshore Restrictions on Availability** during which access to the **National Electricity Transmission System** will be restricted; and
 - (b) 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 7 of the **NETS 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.

2.13.12 .In the case of a **New Connection Site** located in **Offshore Waters** and which is connected or to be connected to an **ET Offshore Transmission System**, **The Company** will include **ET Restrictions on Availability** in any **Offer** made and the **Bilateral Connection Agreement** will provide for access to the **National Electricity Transmission System** to be restricted during the **ET Restrictions on Availability**.

2.13.13 In the case where a **User** undertakes **OTSDUW Build** in respect of an **ET Offshore Transmission System**, the principles and intent of the **OTSUA Commissioning Period** will be applied to **OTSUA** connected to an **ET Offshore Transmission System** in a manner consistent with **OTSUA** connected at a **Transmission Interface Site**.

Changes to CUSC Section 11 (Interpretation and Definitions)

Add the following new Paragraph at Section 11 as Paragraph 11.2.7

11.2.7 In the case of **OTSDUW Build**, if the **Transmission Interface Site** is **Operational** prior to the **OTSUA Transfer Time** the **User's Equipment** will be connected to the **National Electricity Transmission System** through the connection of the **OTSUA** to the **National Electricity Transmission System** at the **Transmission Interface Point** until the **OTSUA Transfer Time**. In such case and until the **OTSUA Transfer Time**, where provisions of the **CUSC** apply in relation to (a) **User's Equipment**; such provisions and references to **User's Equipment** shall be construed where the context requires as being instead references to or including (as the context requires) **OTSUA** unless the context otherwise requires; and (b) **User's Equipment** by reference to the **Connection Site**; such provisions and references to **User's Equipment** and **Connection Site** in the **CUSC** shall be construed as being instead references to or including (as the context requires) **OTSUA** and **Transmission Interface Site** respectively unless the context otherwise requires;

New definitions to be added at CUSC Section 11

<u>“Existing Offshore Agreement”</u>	<u>any Bilateral Connection Agreement and Construction Agreement entered into under the OTSDUW Arrangements and where the User is undertaking OTSDUW Build on or before the OTSUA Commissioning Period Effective Date;</u>
<u>“Interim Operational Notification” or “ION”</u>	<u>as defined in the Grid Code;</u>
<u>“Interim Operational Notification Part A” or “ION Part A”</u>	<u>as defined in the Grid Code;</u>
<u>“Interim Operational Notification Part B” or “ION Part B”</u>	<u>as defined in the Grid Code;</u>
<u>“OTSDUW Build”</u>	<u>the design, planning, consenting, construction, installation and commissioning by (or on behalf of) a User of OTSUA which forms an Offshore Transmission System which at the OTSUA Transfer Time will be owned by an Offshore Transmission Licensee;</u>
<u>“OTSDUW Staged Build”</u>	<u>OTSDUW Build that is to be undertaken by the User in stages but which is part of a single Qualifying Project;</u>

“OTSUA Commissioning Period”

has the meaning given to commissioning period in Section 6G(1) of the **Act**;

“OTSUA Commissioning Period Effective Date”

the date upon which, in accordance with the modification issued by the **Authority** to **The Company** pursuant to Section 6H of the **Act**, the amendments to the **CUSC** as provided for in such modification take effect;

“OTSUA Completion Notice”

the notice to be issued by **The Company** to the **Authority** in respect of **OTSUA** or **OTSUA Operational at the OTSUA Commissioning Period Effective Date**, in accordance with Standard Condition C25 of the **Transmission Licence** and Section 6G of the **Act**;

“OTSUA Completion Notice Trigger Date”

means:

- (a) other than in the case of **OTSDUW Staged Build**, the date upon which **The Company**, having already issued the **Energisation Operational Notification** and **Interim Operational Notification Part A**, issues the **Interim Operational Notification Part B** to the **User**; and
- (b) in the case of **OTSDUW Staged Build**, the date upon which, by reference to the last stage of **OTSDUW Build**, **The Company**, having already issued the **Energisation Operational Notification** and **Interim Operational Notification Part A**, issues the **Interim Operational Notification Part B** for such stage to the **User** provided that all such documentation has already been issued in respect of all earlier stages of the **OTSDUW Staged Build**.

“OTSUA Operational at the OTSUA Commissioning Period Effective Date”

means **OTSUA** in respect of which:

- (a) other than in the case of **OTSDUW Staged Build**, **The Company**, has already issued the **Energisation Operational Notification** and **Interim Operational Notification** to the **User** (recognising that they may be in different form but where they achieve the same effect as the **Interim**

Operational Part A and Interim Operation Notification Part B); and

- (b) in the case of OTSDUW Staged Build, the date, by reference to the last stage of OTSDUW Build, The Company, has already issued the Energisation Operational Notification and Interim Operational Notification to the User (recognising that they may be in different form but where they achieve the same effect as the Interim Operational Part A and Interim Operation Notification Part B) provided that such documentation has already been issued in respect of all earlier stages of the OTSDUW Staged Build,

on or before the OTSUA Commissioning Period Effective Date and where the OTSUA Transfer Time has not occurred at the OTSUA Commissioning Period Effective Date;

"Qualifying Project"

has the meaning ascribed to it in the Act;

Amended definitions at CUSC Section 11

"Connection Site"	each location more particularly described in the relevant Bilateral Agreement at which a User's Equipment and Transmission Connection Assets required to connect that User to the National Electricity Transmission System are situated <u>(or, in the case of OTSDUW Build, each location that will become such from the OTSUA Transfer Time and, until the OTSUA Transfer Time, is the location where the User's Equipment connects to the OTSUA).</u> If two or more Users own or operate Plant and Apparatus which is connected at any particular location that location shall constitute two (or the appropriate number of) Connection Sites ;
"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 <u>(and in the case of OTSDUW Build, the OTSUA prior to the OTSUA Transfer Time);</u>
"Offshore Transmission System"	a <u>part of the National Electricity Transmission</u> System used (or to be used) for the purposes of Offshore Transmission and for which there is (or where the OTSDUW Arrangements apply, will be) an Offshore Transmission Licensee ;
"Offshore	in relation to a particular User where the OTSDUW Arrangements apply means those activities and/or works <u>for (a) the design,</u>

Transmission System Development User Works" or "OTSDUW"	planning, consenting, construction and installation of the Offshore Transmission System or (b) the design, planning and consenting of the Offshore Transmission System to be undertaken by the User as identified in Part 2 of Appendix I of the relevant Construction Agreement;
"Offshore Transmission System User Assets" or "OTSUA"	in relation to a particular User, any Plant and Apparatus resulting from the OTSDUW Build that once transferred to the Relevant Transmission Licensee will which form the Offshore Transmission System to which the User's Equipment is to be or is connected at the Connection Site , as identified in its Construction Agreement;
"Operational"	in relation to a Connection Site means that the same has been Commissioned (which for the avoidance of doubt does not necessarily include commissioning of Generating Units connected at the Connection Site) and that the User can use such User's Equipment to undertake those acts and things capable of being undertaken by BSC Parties and in relation to a Transmission Interface Site means, in the case of OTSDUW Build, that the same has been Commissioned and that the User can use the OTSUA ;
"OTSDUW Arrangements"	the arrangements whereby (a) the design, planning and consenting, construction and installation of assets that are to comprise an Offshore Transmission System OTSDUW Build or (b) the design, planning and consenting of assets that are to comprise an Offshore Transmission System are capable of being undertaken by a User;
Safety Coordinator	a person or persons nominated by The Company and each User in relation to Connection Points (as defined in the Grid Code) (or in the case of OTSUA operational prior to the OTSUA Transfer Time, Transmission Interface Points) in England and Wales or nominated by the Relevant Transmission Licensee and each User in relation to Connection Points (or in the case of OTSUA operational prior to the OTSUA Transfer Time, Transmission Interface 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;
"Transmission Interface Point"	as defined in the Grid Code and in the context of a Construction Agreement means the electrical point of connection between the Offshore Transmission System and an Onshore Transmission System as set out in the Offshore Works Assumptions.
"User's Equipment"	the Plant and Apparatus owned by a User (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 (or in the case of OTSDUW Build will, at the OTSUA Transfer Time, be connected to) the Transmission Connection Assets forming part of the National Electricity Transmission System at any particular Connection Site to which that User wishes so to connect, or (b) is connected to a Distribution System to which that User wishes so to connect but excluding for the avoidance of doubt any OTSUA;

"User System"

any system owned or operated by a **User** comprising **Generating Units** and/or **Distribution Systems** (and/or other systems consisting (wholly or mainly) of electric lines which are owned or operated by a person other than a **Public Distribution System Operator** and **Plant** and/or **Apparatus** (including in the case of OTSDUW Build, any OTSUA prior to the OTSUA Transfer Time) connecting **Generating Units, Distribution Systems** (and/or other systems consisting wholly or mainly of electric lines which are owned or operated by a person other than a **Public Distribution System Operator** or **Non-Embedded Customers** to the **National Electricity Transmission System** or (except in the case of **Non-Embedded Customers**) to the relevant other **User System**, as the case may be, including any **Remote Transmission Assets** operated by such **User** or other person and any **Plant** and/or **Apparatus** and meters owned or operated by such **User** or other person in connection with the distribution of electricity but does not include any part of the **National Electricity Transmission System**;

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
NATIONAL ELECTRICITY 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**¹ 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 **National Electricity 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.

¹ 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 **National Electricity Transmission System** with their **Distribution System(s)** or to consult the **Relevant Transmission Licensees** to establish the works required on the **National Electricity 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 in **Offshore Waters**), 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**² 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 in **Offshore Waters**, the **Offer** will identify the **Onshore Construction Works** based on specified assumptions about the **Offshore Construction Works** and these assumptions will be set out in the **Offer** but (subject to paragraph 24) the **Offshore Construction Works** will not be identified at that stage.
12. In particular, and subject to paragraphs 24 – 27 below **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 (including where, should the **Transmission** substation at which the **Applicant** is to be connected be of a **Gas Insulated Switchgear** design, the **Applicant** would wish that **The Company** undertake the works but subsequently transfer the **Gas insulated Switchgear** to the **Applicant**) please contact **The Company**³ 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**

² www.nationalgrid.com/uk/electricity

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

Company's Website⁴ contains a statement that describes the means by which **The Company** shall ensure compliance with Special Condition M of its **Transmission Licence**.

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 **National Electricity Transmission System**) will fail to satisfy the deterministic criteria detailed in paragraphs 2.5 to 2.13 or 7.7 to 7.19, as appropriate, of the **NETS SQSS**. In making such an **Offer**, in accordance with its obligations under Paragraphs 2.13.2 and 2.13.7 or 2.13.11 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 in **Offshore Waters** which meet the **Offshore Standard Design and Design Variation** but not where the design is of a standard equivalent to or higher than the deterministic criteria detailed in paragraphs 2.5 to 2.13 of the **NETS SQSS**.
17. In the case of **New Connection Sites** located in **Offshore Waters** the **Offer** will be based on an assumption of connection to an **Offshore Transmission System** rather than an **ET Offshore Transmission System**. Consideration may be given as to whether the connection should be to an **ET Offshore Transmission System** and as a result it may be necessary for **The Company** to consult the appropriate **Public Distribution System Operator(s)**. Where the **New Connection Site** is to be connected to an **ET Offshore Transmission System** this will be reflected in the variations to the **Bilateral Connection Agreement** and **Construction Agreement** referred to in **CUSC** Paragraph 2.13.9. The **Company** will include **ET Restrictions on Availability** in any **Offer** made for **New Connection Sites** located in **Offshore Waters** which are connected or to be connected to an **ET Offshore Transmission System**.
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**

⁴ www.nationalgrid.com/uk/electricity

is advised that further information can be obtained from the **Charging Statements** which can be found on **The Company's Website**⁵.

19. **The Company** will provide an **Offer** based upon the National Electricity Transmission System Security and Quality of Supply Standards (NETS SQSS). The criteria presented in the NETS SQSS represent the minimum requirements for the planning and operation of the **National Electricity Transmission System**. The NETS SQSS 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.
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 a 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**⁶.
21. **Applicants** in respect of **New Connection Sites** located in **Offshore Waters** should be aware that their **Connection** will be dependent on the appointment of an **Offshore Transmission Owner** in respect of such **Connection Site** by the **Authority**. **Applicants** should indicate their earliest date for entry into the **Offshore Tender Process** as part of their **Connection Application**.
22. Entry into the **Offshore Tender Process** is conditional on the **Applicant** having procured the appropriate lease(s) from the Crown Estate or having secured an appropriate option on such lease or leases. **Applicants** should provide evidence of such leases or options as part of this **Application** or evidence reasonably satisfactory to **The Company** that such leases or options will be obtained prior to the **Applicant's** desired entry date into the **Offshore Tender Process**.
23. **Applicants** in respect of **New Connection Sites** located in **Offshore Waters** should also be aware that except where the **Offshore Construction Works** are being progressed as **Offshore Transmission System Development User Works** the **Onshore Construction Works** will not generally be progressed in advance of the outcome of the **Offshore Tender Process** and acceptance of the variations envisaged in CUSC Paragraph 2.13.9. There may be some occasions however where **The Company** considers it better for specific elements of the **Onshore Construction Works** to be undertaken earlier and where this is the case this will be specified in the **Construction Agreement**. **The Company** may also consider a request to undertake specific elements of the **Onshore**

⁵ www.nationalgrid.com/uk/electricity

Construction Works such as engineering design and preliminary consents works subject to agreement of terms to cover this situation.

24. **Applicants** in respect of **New Connection Sites** located in **Offshore Waters** should indicate at Section A if they are not interested in undertaking **Offshore Transmission System Development User Works**. In such case the **Onshore Construction Works** will be based on assumptions about the **Offshore Construction Works** and these assumptions will be set out in the **Construction Agreement**. The **Offshore Construction Works** will not themselves be identified at that time.
25. The **OTSDUW Arrangements** allow the **Applicant** to undertake **Offshore Transmission System Development User Works** that is: activities and works in respect of the **Offshore Construction Works** which would otherwise be undertaken by an **Offshore Transmission Licensee**.
26. Whilst not compulsory, and recognising that until the **Applicant** receives the **Offer** it will not have received the assumptions referred to in paragraph 11, the **Applicant** may wish to indicate the scope of the **Offshore Transmission Development User Works** that it is interested in undertaking.
27. Any **Offer** made to the **Applicant** in respect of **New Connection Sites** located in **Offshore Waters** (other than an **Applicant** who has indicated at Section A that they are not interested in undertaking **Offshore Transmission System Development User Works**) will be made on the basis of the **OTSDUW Arrangements** and, unless the **Applicant** has requested otherwise, the **Construction Agreement** will be framed on the basis that the **Offshore Transmission System Development User Works** (including construction and installation) will be undertaken by the **Applicant** of **OTSDUW Build** although this can be reviewed prior to acceptance. The scope and extent of the **Offshore Transmission System User Assets** and the **Offshore Transmission System Development User Works** will be considered and agreed prior to acceptance.
28. **Applicant's** should note that any assets resulting from the **Offshore Transmission System Development User Works** **OTSDUW Build** will not be available for use for the purposes of transmission (except during the **OTSUA Commissioning Period**) until they have been transferred to an **Offshore Transmission Licensee**.
29. 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

30. For the most up to date contact details applicants are advised to visit **The Company's Website**⁵.

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

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 **National Electricity Transmission System Onshore** in England and Wales please complete 5a. If this is an application for connection to the **National Electricity Transmission System Onshore** in Scotland please complete 5b.

- 5a. Have you made any applications for connection to the **National Electricity 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 **National Electricity 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 []

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**

6. Where the **New Connection Site** is located in **Offshore Waters** please complete the confirmation below if you are not interested in undertaking **Offshore Transmission Development User Works**.

Confirm []

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 for **Onshore** locations, or with the latitude and longitude or some other corresponding equivalent for **Offshore** locations) the intended location (the “**Connection Site**”) of the **Plant** and **Apparatus** (the “**User Development**”) which it is desired should be connected to the **National Electricity 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.

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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** - 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.

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.....
.....

8. 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) relating to the **Connection Site** and the **User Development** and/or details of any pending applications for the same.

.....
.....

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.

.....
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.....
.....

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 in **Offshore Waters**, please indicate of the earliest date for entry of this project into the **Offshore Tender Process**. If no date is provided it will be assumed to be for entry into the first **Offshore Tender Process** following acceptance of the **Offer**.

.....

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 Website⁵ 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 the case of **Onshore Connection Sites**, in paragraphs 2.5 to 2.13 and, in the case of **Offshore Connection Sites**, in paragraphs 7.7 to 7.19 of the NETS **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

APPLICATION FOR A NEW CONNECTION

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

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. Please confirm which ownership boundary at **CUSC** Paragraph 2.12.1 (f) you would want in the event that the **Transmission** substation at which the **Applicant** is to be connected is to be of a **Gas Insulated Switchgear** design:

(a) **CUSC** Paragraph 2.12.1 (f) (i) []

(b) **CUSC** Paragraph 2.12.1 (f) (ii) []

Please note that in the case where the ownership boundary is in accordance with **CUSC** Paragraph 2.12.1 (f) (i) restrictions on availability as described within **CUSC** Schedule 2 Exhibit 1 will apply in the event of a **GIS Asset Outage**.

10. 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 []

11. For **New Connection Sites** located in **Offshore Waters** 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 []

APPLICATION FOR A NEW CONNECTION

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

Crown Estate Lease ☐

Identified sub-sea cable routes ☐

Identified cable landing points ☐

Other (please specify) ☐

.....

.....

12. **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 and in the case of **Offshore Transmission System Development User Works**, the **Grid Code**) 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 in **Offshore Waters**, procurement of Crown Estate lease
- Planning Application Submitted (Town & Country Planning*, S36,S37)
- Earliest 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.

APPLICATION FOR A NEW CONNECTION

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

SECTION E. Enabling Works [*Directly Connected Power Station or Distribution System where associated with Distributed Generation only*]

1. We confirm we do not/do want the **Enabling Works** to be greater in scope than the **MTS Connection Works**.
2. If you want the **Enabling Works** to be greater in scope than the **MTS Connection Works** specify the concerns, reasons or technical requirements that you are seeking to address by this.

CONNECTION APPLICATION

1. We hereby apply to connect our **Plant** and **Apparatus** to the **National Electricity 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 **The Company Credit Rating** ☐
do not meet **The Company Credit Rating.** ☐
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:

Directly Connected Power Station ☐
Non-Embedded Customer ☐
Distribution System Directly Connected to the
National Electricity Transmission System ☐

[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 NATIONAL ELECTRICITY TRANSMISSION SYSTEM**

The Company Secretary

Date: []

Dear Sirs

CONNECTION OFFER - [site] [reference]

Set out below is our offer for connection [and use of the **National Electricity 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 in **Offshore Waters** this **Connection Offer** identifies the **Onshore Construction Works**. These are based on assumptions about the **Offshore Construction Works**. The assumptions are set out in the **Construction Agreement** but the **Offshore Construction Works** are not themselves be identified at this time. Please note that the **Construction Programme** assumes a date by which the **Offshore Transmission Owner** will be appointed and will be amended should this date not be met.
9. This **Offer** in respect of **New Connection Sites** located in **Offshore Waters** has been prepared on the basis that you wish to undertake ~~**Offshore Transmission System Development User Works (including construction and installation)**~~**OTSDUW Build**. The **Offer** assumes (unless you have advised us of the extent of the **Offshore Transmission System Development User Works** that you wish to undertake) that these are the works (and the activities associated with them) required to deliver a connection from the **Offshore Grid Entry Point** to the **Onshore Transmission System** at the **Transmission Interface Point** based on the assumptions set out in the **Construction Agreement** although this can be reviewed.
10. Should you wish to revise the nature or extent of the **Offshore Transmission System Development User Works** that you wish to undertake prior to acceptance of the **Offer** please advise us as soon as practicable as to your intentions.] *[clause 9 and 10 will be included in your connection offer unless you have indicated in your connection application that you are not interested in undertaking OTSDUW.]*
11. 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**.

12. All communications in relation to this **Offer** must, in the first instance, be directed to [description].
13. This **Offer** is made on the basis of the **Connect and Manage Arrangements** [except that as requested the **Enabling Works** are greater in scope than the **MITS Connection Works**] *[Directly Connected Power Station or Distribution System where associated with Distributed Generation only]*

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

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: []

CONTENTS

1. Definitions, Interpretation and Construction
2. Commencement
3. The Connection Site and Transmission Connection Assets
4. Connection Charges
- [5. Use of System] *(power station only)*
6. Credit Requirements
7. Connection Entry Capacity and Transmission Entry Capacity
8. Compliance with Site Specific Technical Conditions
- [9. Electrical Boundary] *(Non Standard Boundary only)*
- [10. Restrictions on Availability] *(power station with **Design Variation** and/or **Offshore Standard Design** only) [and ET Restrictions on Availability] (power station connected via an ET Offshore Transmission System only)*
11. Term
12. Variations
13. General Provisions
14. Outage of GIS Assets
- [15. OTSDUW Build offshore power station providing offshore transmission system under OTSDUW build arrangements only]

- | | |
|-------------|--|
| Appendix A | The Connection Site and Transmission Connection Assets |
| Appendix B | Connection Charges |
| Appendix C | Connection Entry Capacity and Transmission Entry Capacity (Power Stations and Interconnector Owners) |
| 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 |

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 **National Electricity 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 **National Electricity 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**.]
- [(G) This **Bilateral Connection Agreement** is entered into on the basis of the **Connect and Manage Arrangements**. *[Directly Connected power Station and Distribution System where associated with Connect and Manage Power Station.]*]

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)

"GIS Assets" the assets between the electrical boundary and the point within the **Gas Insulated Switchgear** where the busbar connects to the **Transmission** circuit which connects the **User** to the **National Electricity Transmission System**;

[where the boundary is in accordance with **CUSC** Paragraph 2.12.1(f) (i) only]

"GIS Asset Outage" the unavailability of the **GIS Assets** as a result of:

- (a) a planned or unplanned incident occurring directly on the **GIS Assets** or
- (b) the **GIS Assets** 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 the **GIS Assets**;

[where the boundary is in accordance with **CUSC** Paragraph 2.12.1(f) (i) only]

"GIS Asset Outage Period" the period of time during which the **GIS Asset Outage** applies;

[where the boundary is in accordance with **CUSC** Paragraph 2.12.1(f) (i) 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 GIS Asset Outage**" means the notification issued by **The Company** to the **User** in accordance with Clause [14.2] of this **Bilateral Connection Agreement**; *[where the boundary is in accordance with **CUSC** Paragraph 2.12.1(f) (i) 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 **National Electricity 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** at the Connection Site 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 **National Electricity Transmission System** is [a variation to the connection design as provided for in Chapter 2 or Chapter 4 (as appropriate) of the **NETS 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 **NETS SQSS** that any **Design Variation** satisfies the criteria set out in paragraphs 2.15 to 2.18 (inclusive) for an Onshore Connection or 7.21 to 7.24 (inclusive) for an Offshore Connection of the **NETS 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 **National Electricity 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 **National Electricity Transmission System** or relates to a **Planned Outage** on the **National Electricity 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 **National Electricity 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 **National Electricity Transmission System** or relates to a **Planned Outage** on the **National Electricity 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.

10.17 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.

10.18 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**.

10.19]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.

10.20 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**.

10.21.1 **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 **National Electricity 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**.

10.21.2 **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.

[10.22 In the event that the **National Electricity Transmission System** conditions subsequently change such that the conditions required for a design variation under the **NETS 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 **NETS 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 **National Electricity Transmission System** at the **Connection Site** (or in the case of OTSDUW Build, the OTSUA is Disconnected from the National Electricity Transmission System at the Transmission Interface Site prior to the OTSUA Transfer Time) in accordance with Section 5 of the **CUSC**.

12. VARIATIONS

12.1.1 Subject to Clause 12.2, 12.3, 12.4 [and 12.5 *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 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*.

14. **[OUTAGE OF GIS ASSETS** *(power station/Non-Embedded Customer/DNO with boundary in accordance with CUSC Paragraph 2.12.1(f) (i) only)*

14.1 The division of ownership of **Plant** and **Apparatus** in Clause [9] above is in accordance with the principles of ownership set out in **CUSC** Paragraph 2.12.1 (f)(i) and as such the following provisions shall apply.

14.2 **The Company** shall issue to the **User** a notice that advises the **User** of the occurrence of the **GIS Asset Outage** and where practicable the expected **GIS Asset Outage Period**. Such notice shall be issued:

14.2.1 In the event that the **Notification of GIS Asset Outage** relates to a **Planned Outage** on the **National Electricity Transmission System**, where practicable, be in accordance with **Grid Code** OC2 requirements; or

14.2.2 In the event that the **Notification of GIS Asset Outage** relates to something other than a **Planned Outage** on the **National Electricity Transmission System** or relates to a **Planned Outage** on the **National Electricity 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.

14.3 **The Company** shall promptly notify the **User** when the **GIS Asset Outage Period** will or has ceased.

14.4 **The Company** shall be entitled to revise the **Notification of GIS Asset Outage** given under Clause 14.2 above at any time.

14.5 The **User** will acknowledge receipt of such **Notification of GIS Asset Outage** and in the case of a **User** in the category of a **Power Station** shall, where practicable, revise its **Output Useable** forecast for the affected **BM Unit** accordingly.

14.6 Following such **Notification of GIS Asset Outage** in accordance with Clause 14.2 a **User** in the category of a **Power Station** shall:

14.6.1 (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 **GIS Assets** and (ii) operate its **Power Station** to reflect the **GIS Asset Outage** for all **Settlement Periods** or parts thereof falling within the **GIS Asset Outage Period**.

14.6.2 In the event that the **User** does not comply with Clause 14.5 and Clause 14.6.1 above, **The Company** shall issue **Bid-Offer Acceptances** to the **User** to reduce the export from and/or import to the affected **BM Unit** to zero so that the effect is as if the **User** had complied with the Clauses and the provisions of the **Transmission Related Agreement** shall apply.

14.7 For the avoidance of doubt any **Deenergisation** resulting from the **GIS Asset Outage** as set out in the relevant **Notification of GIS Asset Outage** constitutes an **Allowed Interruption** in the case of a **User** in the category of a **Power Station** and shall relieve **The Company** from its obligations under **CUSC** Section 2 Paragraphs 2.2.1 and 2.4 in the case of a **User** in the category of a **Non-Embedded Customer** or a **Distribution System** directly connected to the **National Electricity Transmission System**.

15 OTSDUW Build

15.1 Where the **Transmission Interface Site** is to be **Operational** prior to the **OTSUA Transfer Time**, during such period the following provisions shall apply and the other provisions of this **Bilateral Connection Agreement** shall be construed accordingly.

15.2 The **OTSUA** will be connected to the **National Electricity Transmission System** at the **Transmission Interface Point** and:

(i) until the **OTSUA Transfer Time** the provisions of **CUSC** Paragraphs 2.2, 2.3 and 2.4 shall apply by reference to the **Transmission Interface Site** rather than the **Connection Site**;

(ii) until the **OTSUA Transfer Time** the obligation at **CUSC** Paragraph 2.5 shall apply by reference to the **Transmission Plant** and **Transmission Apparatus** at the **Transmission Interface Site**;

(iii) until the **OTSUA Transfer Time**, in addition to its obligations at Clause 8 of this **Bilateral Connection Agreement**, the **User** shall operate the **OTSUA** in accordance with Appendices OF3 and OF4 to the **Construction Agreement**;

(iv) until the **OTSUA Transfer Time** the **User** shall comply with the site specific technical conditions set out in Appendix OF5 to the **Construction Agreement** and **CUSC** Paragraph 2.9.3 shall also apply by reference to Appendices OF1, OF3, OF4 and OF5 as attached to the **Construction Agreement**;

(v) the division of ownership of **Plant** and **Apparatus** at the **Transmission Interface Site** shall be at *[describe electrical or other boundary]* and where there are **GIS Assets** at the **Transmission** substation at the **Transmission Interface Site** the **GIS Outage Restrictions** will apply depending on such boundary;

(vi) until the **OTSUA Transfer Time** the **Connection Charges** and **Use of System Charges** shall not take account of any **OTSUA** that will, at the **OTSUA Transfer Time**, become **Transmission Connection Assets**;

(vii) at and after the **OTSUA Transfer Time** the **Connection Charges** and **Use of System Charges** shall take account of the **OTSUA** (including any **OTSUA** that will become **Transmission Connection Assets**);

(viii) until the **OTSUA Transfer Time** the **Offshore Restrictions on Availability** shall not apply;

(ix) at the **OTSUA Transfer Time** the **Offshore Restrictions on Availability** shall apply.

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

CONTENTS

<u>Clause</u>	<u>Title</u>
1	Definitions, Interpretation and Construction
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
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17	Development of Offshore Transmission System Development User Works
Appendix B1	One Off Works
Appendix G	Transmission Connection Asset Works
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Appendix H2	Offshore Transmission Reinforcement Works
Appendix I	User's Works
Appendix J	Construction Programme

Appendix K	Liquidated Damages
Appendix L	Independent Engineer
Appendix MM	Attributable Works and Key Consents
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 **National Electricity 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] the **National Electricity 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.
- (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**] [may be varied in case of changes to such assumptions].
- (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.
"Attributable Works"	those Construction Works identified as such in accordance with the User Commitment Methodology and which are set out in Appendix MM Part 1.
"Bilateral Connection Agreement"	the Bilateral Connection Agreement entered into between the parties on even date herewith.
"Cancellation Charge"	as calculated in accordance with the User Commitment Methodology .
"Charging Date"	the date upon which the Construction Works (excluding the Wider Transmission Reinforcement 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] [Transmission Plant and Transmission Apparatus at the Transmission Interface Point¹] , 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,

¹ Use where OTSDUW build

	<p>provided that [the Offshore Transmission Reinforcement Works and^{2]} the Enabling Works are Commissioned and Seven Year Statement Works are completed as at that date. In the event that [the Offshore Transmission Reinforcement Works and^{3]} the Enabling 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.</p>
“Commissioning Programme Commencement Date”	<p>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</p>
“Commissioning Programme”	<p>the sequence of operations/tests necessary to connect the User’s Works and the [Transmission Connection Asset Works] <u>Transmission Plant and Transmission Apparatus at the Transmission Interface Point^{4]}</u> to the National Electricity 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.</p>
“Completion Date”	<p>[] or such other date as may be agreed in terms of this Construction Agreement.</p>
“Connect and Manage Derogation”	<p>the temporary derogation from the NETS SQSS available to The Company under Standard Condition C17 of the Transmission Licence and/or the Relevant Transmission Licensee under Standard Condition D3 of its transmission licence;</p>
“Connected Planning Data”	<p>data required pursuant to the Planning Code which replaces data containing estimated values assumed for planning</p>

² Delete where OTSDUW Build

³ Delete where OTSDUW Build

⁴ Use where OTSDUW Build

purposes by validated actual values and updated estimates for the future and by updated forecasts for forecast data items.

“Connection Site Specification”

a specification which sets out the following information in relation to the **Connection Site**:

- (a) a description of those **OTSUA** that are to be classed as **Transmission Connection Assets** in accordance with the **Statement of the Connection Charging Methodology**;
- (b) a clear identification of the boundary between the **OTSUA** and the **User’s Equipment** (ascertained in the absence of agreement to the contrary with the **Relevant Transmission Licensee** by reference to **CUSC** Paragraph 2.12.1);
- (c) information reasonably requested by **The Company** in order to complete Appendices F1 to F5 in the **Bilateral Connection Agreement**; and
- (d) a description of the technical design and operating criteria which apply to the **User’s Equipment**.

“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** (excluding the **Wider Transmission Reinforcement 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" ⁵	the site where the Transmission Connection Asset Works are being undertaken by or on behalf of The Company ;
"Construction Works"	the [Offshore Construction Works and⁶ Onshore Construction 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 .
"Enabling Works"	Those Onshore Transmission Reinforcement Works which are specified in Appendix H1 Part 1 to this Construction Agreement .
"Event of Default"	any of the events set out in Clause 10 of this Construction Agreement as constituting an event of default.
"Independent Engineer"	<p>the engineer specified in Appendix L to this Construction Agreement. Provided that:-</p> <p>(a) where the parties fail to agree on a suitable engineer within 120 days of the date of this Construction Agreement; or</p> <p>(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;</p> <p>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.</p>

⁵ Delete where OTSDUW Build

⁶ Delete where OTSDUW Build

“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.
“Key Consents”	those Consents required in respect of the [User’s/Developer’s] Power Station which The Company has identified as such and which are set out in Appendix MM Part 2.
“Liquidated Damages”	the sums specified in or calculated pursuant to Appendix K to this Construction Agreement .
“Offshore Agreement to Vary”	the agreement proposed by The Company to the User pursuant to Clause 1.2.3.
“Offshore Construction Works ⁷ ”	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.
“Offshore TO Construction Offer ⁸ ”	the offer to be made to The Company in respect of the Offshore Construction Works pursuant to the System Operator – Transmission Owner Code .
“Offshore Transmission Reinforcement Works ⁹ ”	those works other than the Transmission Connection Asset Works, Onshore Transmission Reinforcement Works, Seven Year Statement Works and One Off Works , which in the reasonable opinion of The Company are necessary to extend or reinforce the National Electricity 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 H2 to

⁷ Delete if OTSDUW Build

⁸ Delete if OTSDUW Build

⁹ Delete if OTSDUW Build

this **Construction Agreement**, where Part 1 is works required for the **User** and Part 2 is works required for wider system reasons[; but **OTSDUW** are excluded from **Offshore Transmission Reinforcement Works** (and are specified in Appendix I Part 2 and not Appendix H2)].

“Offshore Works Assumptions”

the assumptions set out in Appendix [P] as amended from time to time in accordance with the provisions of this **Construction Agreement** and/or the **CUSC**

“One Off Works”

the works described in Appendix B1 to this **Construction Agreement**.

“Onshore Construction Works”

the **Onshore Transmission Reinforcement Works, Seven Year Statement Works** and **One Off Works** and such additional works as are required in order to comply with any relevant **Consents** relating to any such works.

“Onshore Transmission Reinforcement Works”

those works other than the **Transmission Connection Asset Works, [Offshore Transmission Reinforcement Works¹⁰ [OTSDUW¹¹], Seven Year Statement Works** and **One Off Works**, which in the reasonable opinion of **The Company** (and in the absence of the **Connect and Manage Derogation**) are necessary to extend or reinforce the **National Electricity Transmission System** to ensure that the **National Electricity Transmission System** complies with the requirements of Standard Condition C17 of the **Transmission Licence** and Standard Condition D3 of any **Relevant Transmission Licensee’s** transmission system and which are specified in Appendix H1 to this **Construction Agreement**, where Part 1 the **Enabling**

¹⁰ Delete if OTSDUW Build

¹¹ Use if OTSDUW Build

Works and Part 2 is the **Wider Transmission Reinforcement Works**.

["Onshore Transmission Licensee"]

In the context of the Transmission Interface Site, shall mean **The Company** in England and Wales, SP Transmission Limited in south of Scotland, and Scottish Hydro-Electric Transmission Limited in north of Scotland]

OTSDUW Development and Data Timetable

has the meaning given in Clause 17.2.

["Services Capability Specification"]

a specification including, without limitation, information describing the parameters within and to which the services that are to be delivered to **The Company** through the **OTSDUW** (and the **OTSUA** (if any) once transferred to the **Relevant Transmission Licensee**) have been planned or are normally capable of being provided including any technical limits that apply.]

"Seven Year Statement Works"

the works set out in Table B7 of the statement prepared by **The Company** pursuant to Standard Condition C11 of the **Transmission Licence** and issued by **The Company** in [] which in **The Company's** reasonable opinion (and in the absence of the **Connect and Manage Derogation** are required to be completed before the **Completion Date** to ensure that the **National Electricity Transmission System** complies with the requirements of Standard Condition C17 of the **Transmission Licence** and Standard Condition D3 of any **Relevant Transmission Licensee's** transmission licence prior to the **Connection** of the **User's Equipment** in terms of Clause 7.1 [or 7.2] of this **Construction Agreement**.

"Term"

the term of this **Construction Agreement** 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 **National Electricity 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”¹²

the works necessary for construction and installation of the **Transmission Connection Assets** at the **Connection Site** specified in Appendix G to this **Construction Agreement** [but **OTSDUW** are excluded from **Transmission Connection Asset Works** (and are specified in Appendix I2 and not Appendix G)]].

Transmission Interface Agreement

an agreement of that name entered into pursuant to Section C, Part Three, paragraph 3.2 of the STC

[“Transmission Interface Site Specification”

a specification which sets out the following information:-

- (a) a description of those **OTSUA** at the **Transmission Interface Site**;
- (b) a clear identification of the boundary between the **OTSUA** and the **Onshore Transmission System**; and
- (c) a description of the technical design and operating criteria which apply to the **OTSUA** (including any reliance on the **User’s Equipment** in respect the minimum technical, design and operational criteria and performance requirements set out or referred to in CC.6.3)]

“Transmission Reinforcement Works”

the **Offshore Transmission Reinforcement Works** and **Onshore Transmission Reinforcement Works**.

“Trigger Date”

[date] as identified in accordance with the **User Commitment Methodology**.

¹² Delete if OTSDUW Build

“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 [(Part 1)] to this Construction Agreement [and OTSDUW ¹³ subject to Clause [1.4] of this Construction Agreement ¹³].
“Wider Transmission Reinforcement Works”	those Onshore Transmission Reinforcement Works which are specified in Appendix H1 Part 2 to this Construction Agreement where Part 2.1 is works required for the User and Part 2.2 is works required for wider system reasons.
“Works”	the Construction Works and the User’s Works .

Users in the capacity of a Directly Connected Power Station or Embedded Power Station (other than those who are a BELLA) insert the following

Notice of Intent	the notice issued by The Company pursuant to Clause 7.4.4
[Notice of Reduction	the notice issued by The Company pursuant to Clause 7.4.7 including a revised Appendix C specifying the revised Transmission Entry Capacity .]
Preliminary Request	the request issued by The Company pursuant to Clause 7.4.1
[Reduction Fee	the fee payable by the User to The Company in respect of the agreement to vary issued pursuant to Clause 7.4.9 such fee being calculated on the same basis as that set out in the Charging Statements as payable on a payment of actual costs basis in respect of a Modification Application .]

¹³ Delete if OTSDUW Build

- 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 3 months of the receipt of notice from the **Authority** that the **Relevant Transmission Licensee** has been appointed 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 and the timing of the **Offshore Tender Process** on the **Offshore Works Assumptions** and the **Onshore Construction Works** and shall include such terms and conditions as **The Company** in its discretion requires as a consequence of such amendments]. [In the case of **OTSDUW** **The Company** may as soon as practicable and (save where the **Authority** consents to a longer period) in any event within 3 months of the receipt of notice from the **Authority** that the **Relevant Transmission Licensee** has been appointed propose to the **User** an agreement to vary this **Construction Agreement** and the **Bilateral Connection Agreement** to amend the **Bilateral Connection Agreement** and **Construction Agreement** as necessary to reflect any inconsistencies between the **OTSDUW**, **OTSUA** and **Offshore Works Assumptions**.]
- 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 1.2 shall cease to have any further force or effect.]

- 1.2.6 [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) are subject to the above provisions of this Clause 1.2 (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)]

OR

[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) and Clauses 2.2, 2.3 and 2.4, and rights and obligations flowing from those Clauses) are subject to the above provisions of this Clause 1.2.]

- 1.3 The **User** shall confirm that the **User Data** remains the same prior to the start of the **Offshore Tender Process**.

- [1.4 Where the OTSDUW comprise only the design, planning and/or consenting of (and/or other pre-construction activities relating to) the [Offshore Transmission System], and do not comprise works for construction and installation, direct or indirect references to the User's Works shall be deemed to include the Offshore Construction Works for the purposes only of (and to the extent so provided in the description of OTSDUW) Clauses 2.2, 2.3 and 2.4 of this Construction Agreement.]

2. CARRYING OUT OF THE WORKS

- 2.1 Forthwith following the date of [the Offshore Agreement to Vary] [this **Construction Agreement**] the User shall agree with the [Relevant Transmission Licensee] [Onshore Transmission Licensee] the Safety Rules and Local Safety Instructions to apply at the [Connection Site] [Transmission Interface Site] during the Construction Programme and Commissioning Programme [and until the **OTSUA Transfer Time**]. Failing agreement within three months of 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**,

excluding the **Wider Transmission Reinforcement 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, the **User** and the **[Relevant Transmission Licensee] [Onshore Transmission Licensee]** shall, so far as it is legally able to do so, grant to, the other in respect of the **[Connection Site] [Transmission Interface Site]** all such wayleaves, easements, servitude rights, rights over or interests in land or any other consents reasonably required by the **User** or **[Relevant Transmission Licensee] [Onshore Transmission Licensee]** in order to enable the **Works** excluding the **Wider Transmission Reinforcement 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** [and **OTSDUW**] excluding the **Wider Transmission Reinforcement 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** excluding the **Wider Transmission Reinforcement Works** [and the **User** obtaining **Consents** for the **OTSDUW**] 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** excluding the **Wider Transmission Reinforcement Works** [or the **User** wishing to amend **OTSDUW**] to facilitate the granting of the **Consents**,

then, in the case of **Construction Works** and **Consents** therefor, **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** in relation to those **Construction Works** 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. [In the case of **OTSDUW** and **Consents** therefore, the **User** shall be entitled to revise the **OTSDUW**

(including any changes to the **Offshore Works Assumptions**) and the dates specified in this **Construction Agreement** in relation to **OTSDUW**, in which case the **User** shall propose such revisions to **The Company** and the parties shall (without prejudice to paragraph 6.9.2) agree such amendments to this **Construction Agreement** as are necessary to reflect such revisions. The parties acknowledge that any dispute regarding such amendments shall be referable to and determined by the **Authority** under the provisions of Standard Condition C9 Paragraph 4 of the **Transmission Licence**, and where such application is made, the parties shall take into account any determination or other direction from the **Authority**.]

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**.

2.3.4 [The **Company** shall be regularly updated by the **User** in writing or by such other means as the parties may agree as to progress made by the **User** from time to time in the obtaining of relevant **Consents** for the **OTSDUW** pursuant to its obligations under Clause 2.2 or 2.3 of this **Construction Agreement**.]

2.4 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** [**Onshore Transmission Reinforcement Works** or any **One Off 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 provisions of Clause 11 shall apply.

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**. In the event of the **User** terminating this **Construction Agreement** in terms of this Clause 2.6 the provisions of Clause 11 shall apply

2.7 Both parties shall be entitled to contract or sub-contract for the carrying out of their respective parts of the **Works** excluding the **Wider Transmission Reinforcement 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** excluding the **Wider Transmission Reinforcement 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 where the **User** is undertaking **OTSDUW** such additional information as **The Company** shall require in order to perform its obligations under the **STC** provided that **The Company** shall not request information greater in scope than that which **The Company** would be entitled to receive from a **Relevant Transmission Licensee** were it undertaking the **OTSDUW**,] and shall use all reasonable endeavours to coordinate and integrate their respective part of the **Works**. There shall be 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] [Transmission Interface Site] and the **User** shall allow **The Company** or, 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 [Onshore Transmission Reinforcement Works or any 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] [OTSUA], 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), MM (Attributable 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. Provided that where a **User** has elected for the **Local Cancellation Amount** to be based on the **Fixed Local Cancellation Charge Methodology** the **Attributable Works** can only be changed after the **Trigger Date** as provided for in **CUSC** Section 15. [If at any time prior to the **Completion Date** it is necessary for the **User** or the **User** in its reasonable discretion wishes to make any addition to or omission from or amendment to the **OTSDUW** (including any changes to the **Offshore Works Assumptions**), the **User** shall propose such revision to **The Company** and the parties shall (without prejudice to paragraph 6.9.2) agree changes to this **Construction Agreement** as are necessary to reflect such revision. The parties acknowledge that any dispute regarding such amendments shall be referable to and determined by the **Authority** under the provisions of Standard Condition C9 Paragraph 4 of the **Transmission Licence**, and where such application is made, the parties shall take into account any determination or other direction from the **Authority**.]
- 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 Enabling 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 **National Electricity 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** excluding the **Wider Transmission Reinforcement 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** excluding the **Wider Transmission Reinforcement Works**.¹⁴].
[Not later than 6 months prior to the **Completion Date** or such other period as the parties shall agree the **User** shall enter into an agreement (in similar form to the **Interface Agreement**) with the **Onshore Transmission Licensee** to reflect the **Works** excluding the **Wider Transmission Reinforcement Works** at the **Transmission Interface Site** for the period up to and including the **OTSUA Transfer Time**.¹⁵]

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** excluding the **Wider Transmission Reinforcement 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**

¹⁴ Not OTSDUW Build

¹⁵ Use OTSDUW Build

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.

- 2.19.1 **The Company** shall keep the **User** advised as to progress on the **Wider Transmission Reinforcement Works** and shall include information on these in the reports produced pursuant to Clause 2.8.

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** excluding the **Wider Transmission Reinforcement 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** excluding the **Wider Transmission Reinforcement 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** and the provisions of Clause 11 shall apply.

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** [and **OTSUA**] 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.
- 5.4.4 [For the **Transmission Interface Site** information to enable preparation of **Site Responsibility Schedules** between the User and the Onshore Transmission Licensee for the period up to the OTSUA Transfer Time and between the Onshore Transmission Licensee and Relevant Transmission Licensee for the period from the OTSUA Transfer Time complying with the provisions of Appendix 1 to the **Connection Conditions**¹⁶].
- 5.5 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** excluding the **Wider Transmission Reinforcement 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.

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

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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 **The Company** shall connect and **Energise** the **User's Equipment** at the **Connection Site** [and the **OTSUA** at the **Transmission Interface 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 **Wider Transmission Reinforcement Works** and **Seven Year Statement Works** [and the **OTSDUW**] shall be **Commissioned** and (2) the **Seven Year Statement Works** and **Third Party Works** shall be completed ~~and (3) the OTSUA Transfer Time has occurred.~~ **The Company** shall forthwith notify the **User** in writing that the **Connection Site** **Transmission Interface Site**¹⁷ shall become **Operational**.

[7.2 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**.

Users in the capacity of a Directly Connected Power Station or Embedded Power Station (other than those who are a BELLA) insert the following.

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 **National Electricity 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

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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 **National Electricity 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 **National Electricity 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 **National Electricity 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 **National Electricity 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 **National Electricity 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 **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**.

7.4 Where there is a reduction in **Transmission Entry Capacity** under Clause 7.3 prior to the **Charging Date**, on such reduction in **Transmission Entry Capacity** taking effect the **User** shall pay to **The Company** the **Cancellation Charge** such payment to be made within 14 days of the date of **The Company's** invoice in respect thereof.

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** [and that the **OTSUA** complies with the site specific technical conditions set out in Appendix OF to this **Construction Agreement**]. The obligation in respect of **OTSUA** shall apply up to the **OTSUA Transfer Time**,

whereupon such provisions shall (without prejudice to any prior non-compliance) cease to apply

9. PROVISION OF SECURITY

Where required to do so under the **CUSC** Section 15, the **User** shall provide **The Company** with security arrangements in accordance with **CUSC** Section 15 Part Three in respect of the **User's** obligations to pay the **Cancellation Charge** to **The Company** on termination of this **Construction Agreement** or a reduction in **Transmission Entry Capacity** prior to the **Charging Date**.

10. EVENT OF DEFAULT

Once any of the **Events of Default** in Paragraph 5.3.1 and/or Paragraph 5.4.6.2 and/or Paragraph 5.4.6.3 of the **CUSC** has occurred and is continuing **The Company** may give notice of termination to the **User** whereupon this **Construction Agreement** shall forthwith terminate and the provisions of Clause 11 shall apply.

11. TERMINATION

11.1 On termination of this **Construction Agreement** **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 the **Offshore Platform** within such period as may be agreed between the **Relevant Transmission Licensee** and the **User**; or
- (b) where the **User** is the owner of the **Offshore Platform** **The Company** shall procure that the **Relevant Transmission Licensee** removes, any [**Transmission Connection Assets**] on the **Offshore Platform** within such period as may be agreed between the **Relevant Transmission Licensee** and the **User**.]

OR

- [(a) **The Company** shall disconnect the **OTSUA** at the **Transmission Interface Site**; and

- (b) the **User** shall remove any of the **OTSUA** on the **Onshore Transmission Licensee's** land at the **Transmission Interface Site** and **The Company** shall (as appropriate) remove or procure that the **Onshore Transmission Licensee** removes its equipment (if any) from the **User's** land at the **Transmission Interface Site** in each case within such period as may be agreed between **Onshore Transmission Licensee** and the **User**.]

- 11.2 The **User** shall where this **Construction Agreement** terminates prior to the **Charging Date** be liable forthwith on the date this **Construction Agreement** so terminates to pay to **The Company** the **Cancellation Charge** such payment to be made within 14 days of the date of **The Company's** invoice in respect thereof.

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 provisions of Clause 11 shall apply.
- 12.3 The associated **Bilateral Connection Agreements** 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.

[Clause 17 is to be included where the User is undertaking OTSDUW]

17. Development of Offshore Transmission System Development User Works

- 17.1 To the extent not already provided and, within **three months** of the date of this **Construction Agreement** (or such later date as **The Company** shall agree) the **User** shall provide **The Company** with:
- (a) confirmation of the **OTSDUW** to be undertaken by the **User**;
 - (b) confirmation of the programme for the **OTSDUW** to be undertaken by the **User**; and
 - (c) information equivalent to that provided under Sections B and D of the **Connection Application** but by reference to the **Transmission Interface Site** rather than the **Connection Site**.

Upon any revision to the **Offshore Works Assumptions**, the **User** shall provide updated information under paragraphs (a), (b) and (c) to and the parties shall (without prejudice to paragraph 6.9.2) agree such amendments to this **Construction Agreement** as are necessary to reflect such updated information. The parties acknowledge that any dispute regarding such amendments shall be referable to and determined by the **Authority** under the provisions of Standard Condition C9 Paragraph 4 of the **Transmission Licence**, and where such application is made, the parties shall take into account any determination or other direction from the **Authority**.

- 17.2 The **User** and **The Company** shall within 3 months of the date of this **Construction Agreement** (or such later date as **The Company** and **User** shall agree) agree a timeline (the **OTSDUW Development and Data Timeline**) detailing the activities to be undertaken by the **User** in order to develop the scope of the **OTSDUW** and (provided for under the **PC**) providing for the exchange of data and information required.
- 17.3 Such data shall take account of **The Company's** obligations to the **Relevant Transmission Licensees** under the **STC** in providing information and data in respect of additions to and changes on the **National Electricity Transmission System** and the need to coordinate the **OTSDUW** with the **Onshore Construction Works** and other works planned on the **National Electricity Transmission System**.
- 17.4 Within six months of the date of this **Construction Agreement** (or such later date as the **The Company** shall agree) the **User** shall provide **The Company** on an initial and indicative basis with:
- (a) information that would enable the **Relevant Transmission Licensee** to complete the **Connection Site Specification** (advising of any changes from or additions required to the site specific technical conditions set out in Appendices F1 to F5 to the **Bilateral Connection Agreement**) (to the extent practicable given the information and data available to the **User** at that time);
 - (b) information that would enable the **Relevant Transmission Licensee** to complete the **Transmission Interface Site Specification** (advising of any changes from or additions required to the site specific technical conditions set out in Appendix OF to this **Construction Agreement**) (to the extent practicable given the information and data available to the **User** at that time);
 - (c) information that would enable the **Relevant Transmission Licensee** to complete the **Services Capability Specification** (to the extent practicable given the information and data available to the **User** at that time).

- 17.5 Information referred to in Clause 17.4 (a), (b) and (c) shall be developed and amended by the **User** and agreed by **The Company** as the design and detail of the **OTSDUW** is finalised and such that the information can be provided by **The Company** to the extent practicable to the **Relevant Transmission Licensee** on its appointment and such that the **Connection Site Specification** and **Services Capability Specification** and **Transmission Interface Site Specification** are capable of being finalised on or prior to the **OTSUA Transfer Time**.
- 17.6 Any dispute between **The Company** and the **User** as to the information provided to enable finalisation of the **Connection Site Specification**, **Services Capability Specification** or **Transmission Interface Site Specification** shall be managed in accordance with **CUSC** Section 7 Paragraph 7.4.1 but the reference to **Electricity Arbitration** shall instead be to the **Authority** and the **Authority's** determination of such dispute shall, without prejudice to apply for judicial review of any determination, be final and binding on **The Company** and the **User**.
- 17.7 The **User** shall provide **The Company** with such information and assistance as **The Company** may reasonably require to enable the **Onshore Transmission Licensee** and the **Relevant Transmission Licensee** to have in place a **Transmission Interface Agreement** relating to the **Transmission Interface Site** and an **Interface Agreement** relating to the **Connection Site** in each case from no later than the **OTSUA Transfer Time**.
- 17.8 Taking into account the expected extent of the **OTSUA Commissioning Period** prior to the **OTSUA Transfer Time**, **The Company** and the **User** shall establish, as part of the **OTSDUW Development and Data Timetable**:
- (a) a timetable for the provision of the items required from the **User** pursuant to Clause 5 of this **Construction Agreement**, the **Grid Code** and **CUSC** Paragraphs 2.10 and 2.11 as they relate to the **Connection Site**; and
 - (b) where the **Transmission Interface Site** will be **Operational** prior to the **OTSUA Transfer Time**, by when and to what extent the information referred to in Clause 17.4 (a), (b) and (c) should be in final form prior to the **OTSUA Transfer Time**;
 - (c) where the **Transmission Interface Site** will be **Operational** prior to the **OTSUA Transfer Time**, to what extent and by when the **User** has to comply with the requirements in Appendices OF prior to the **OTSUA Transfer Time**.¹⁸

¹⁸ Use OTSDUW Build

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 [B1]
[Part 1]

ONE OFF WORKS

APPENDIX [G]

TRANSMISSION CONNECTION ASSET WORKS

APPENDIX [H1]

ONSHORE TRANSMISSION REINFORCEMENT WORKS

PART 1 Enabling Works

PART 2 Wider Transmission Reinforcement Works

APPENDIX [H2]

OFFSHORE TRANSMISSION REINFORCEMENT WORKS

PART 1

PART 2

APPENDIX [I]
USER'S WORKS

PART 1

PART 2

[OTSDUW – the works for the design, consenting, construction and installation of the Offshore Transmission System] [nb to be edited to identify works post offer and limited to consenting and design in case of early OFTO appointment]

APPENDIX [J]

CONSTRUCTION PROGRAMME

APPENDIX [K]

LIQUIDATED DAMAGES

Company:

Connection site:

Type:

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 [L]

INDEPENDENT ENGINEER

Company:

Connection site:

Type:

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 [MM]

ATTRIBUTABLE WORKS AND KEY CONSENTS

Part 1

Attributable Works

Part 2

Key Consents

APPENDIX [N]

THIRD PARTY WORKS

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 3A