

Government response to consultations on offshore electricity transmission

Annex 1: Connection and Use of System Code

15 December 2010

This Annex sets out the changes made by the Secretary of State to the Connection and Use of System Code (CUSC), following consideration of responses to the changes proposed in the November consultation.

These changes will take effect from 31 December 2010.

These changes have been developed in light of responses to the Offshore Electricity Transmission: Implementing further refinements to the enduring regime, November 2010; Ofgem/DECC consultation entitled Offshore Electricity Transmission: Consultation on the Enduring Regime, published in December 2009, the Ofgem statement, "Providing additional flexibility in the enduring regulatory regime for offshore electricity transmission" published in July 2010 and our consultation entitled Offshore Electricity Transmission: Further consultation on the Enduring Regulatory Regime, published on 26 August 2010. It follows our joint statement published on 21 October 2010: Providing additional flexibility in the enduring regulatory regime for offshore electricity transmission – Initial joint decision statement.

Changes have been developed for the following parts of the CUSC. NGET does not consider that changes were required to other parts of the CUSC to implement the policy changes.

CUSC Section	Changes made to:
Section 1: Applicability of Sections and Related Agreement Structure	<p>Clarify that an offer for connection to the national electricity transmission system will be made on the basis that the applicant will undertake full generator build unless it indicates otherwise in its application form.</p> <p>Confirm that the provisions within the CUSC, which apply to late OFTO build or generator build will only apply until the assets are transferred to the Offshore Transmission Owner.</p> <p>Please note that the scope of activities that the applicant will undertake is expected to be discussed and agreed once the offer has been made and before the offer is accepted.</p>
Section 2	<p>Clarify that an offer for connection to the national electricity transmission system will be made on the basis that the applicant will undertake full generator build unless it indicates otherwise in its application form. Please note that the scope of activities that the applicant will undertake is expected to be discussed and agreed once the offer has been made and before the offer is accepted.</p>

CUSC Section	Changes made to:
	Clarify that the Construction Agreement will reflect the scope of the activities normally undertaken by an OFTO being undertaken by the User (known as OTSDUW) and that the Construction Agreement may contain assumptions about the OTSDUW at the time the agreement is made.
Section 6	Clarify when a change to a Construction Agreement is treated as a Modification Application.
	Ensure nothing within CUSC prevents OTSDUW from transferring to the OFTO appointed by the Authority either through the tender process or through OFTO of Last Resort provisions.
	Include OTSDUW in the Transmission Works Register.
Section 11: Definitions	New definitions to facilitate generator build and clarify late OFTO build.
Exhibit B: Connection Application	Allow an applicant to indicate where it is not interested in undertaking some or all of the activities normally undertaken by a TO ie late OFTO build or generator build.
	Clarify that an offer will be made (unless indicated otherwise) on full generator build and that the scope of activities that the applicant will undertake is expected to be discussed and agreed once the offer has been made and before the offer is accepted.
Exhibit C: Connection Offer	Clarify the basis that a connection offer is being made on ie early OFTO build or generator build with scope of activities to be undertaken by generator to be agreed.
Schedule 2 Exhibit 3A	to include those works that will be undertaken by the applicant/generator and to clarify those works that will be undertaken by the TO/OFTO (onshore works and any remaining offshore works).
Exhibit I	Extend the modification application to include OTSDUW
Exhibit J	Extend the modification offer to include OTSDUW

CUSC Section

Changes made to:

Exhibit K

Extend the modification notification to include OTSDUW

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 and 9 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	2 and 3
2.	Non-Embedded Customer Site	2 only
3.	Distribution System directly connected to the GB Transmission System	2 only
4.	Suppliers	3 only
5.	Embedded Power Station except those which are the subject of a BELLA	3 only
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). 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.

4.51.6 CATEGORIES OF USE WITHOUT BILATERAL AGREEMENTS

4.5.1.6.1 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.

4.61.7 BELLA APPLICATION

4.6.1.7.1 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.

[4.6.21.7.2](#)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**.

[4.6.31.7.3](#)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.

[4.6.41.7.4](#)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.

[4.6.51.7.5](#)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**.

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

4.7.1.8.1 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.

4.7.21.8.2 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.

4.7.31.8.3 Where the **Authority** settles any terms in dispute, the **User** and **The Company** shall forthwith enter into the **BELLA** as settled.

4.7.41.8.4 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

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CONNECTION

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CUSC - SECTION 2

CONNECTION

2.1 INTRODUCTION

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

PART I - GENERAL

2.2 BEING OPERATIONAL, CONNECTION AND ENERGISATION

2.2.1 Right to Remain Connected

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

2.2.2 Rights to remain Energised and Operational

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

to use the **National Electricity Transmission System** pursuant to which **Use of System Charges** are payable to **The Company** in respect of **Demand** attributable to the **Connection Site**.

2.2.3 Obligation to Remain Connected

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

2.2.4 Connection Entry Capacity

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

2.3 **EXPORT OF POWER FROM CONNECTION SITE**

2.3.1 Subject to the other provisions of the **CUSC**, the relevant **Bilateral Connection Agreement** and the **Grid Code**, **The Company** shall, as between **The Company** and that **User**, accept into the **National Electricity Transmission System** at each **Connection Site** of a **User** acting in the category of **Power Station** directly connected to the **National Electricity Transmission System**, power generated by such **User** up to the **Transmission Entry Capacity** and (if any) **STTEC** and/or **LDTEC** and/or any **Temporary Received TEC** less any **Temporary Donated TEC** for the relevant **Period** as set out in Appendix C of the relevant **Bilateral Connection Agreement** except to the extent (if any) that **The Company** is prevented from doing so by transmission

constraints which could not be avoided by the exercise of **Good Industry Practice** by **The Company** .

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

2.4 **IMPORT OF POWER TO CONNECTION SITE**

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

2.5 **MAINTENANCE OF ASSETS**

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

2.6 **OUTAGES**

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

Electricity Transmission System or Transmission Plant or Transmission Apparatus and in the case of the **User** its **System or Plant or Apparatus** at any time and from time to time.

2.7 **SPECIAL AUTOMATIC FACILITIES**

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

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

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

2.9 **OTHER SITE SPECIFIC TECHNICAL CONDITIONS**

2.9.1 Each **User** shall, as between **The Company** and that **User**, ensure that in the case of a **Connection Site Commissioned** prior to the **Transfer Date**, on the **Transfer Date**, and in the case of a **Connection Site Commissioned** after the **Transfer Date** on the **Completion Date(s)**, the **User's Equipment** complies with the site specific technical conditions set out in Appendix F5 to the relevant **Bilateral Connection Agreement**.

2.9.2 Each **User** shall, as between **The Company** and that **User**, use all reasonable endeavours to ensure during the period in which it is a party to a particular **Bilateral Connection Agreement** that the **User's Equipment** which is subject to that **Bilateral Connection Agreement** shall continue to comply with the site-specific technical conditions set out in Appendix F5 to that **Bilateral Connection Agreement**.

2.9.3 If a **User** or **The Company** wishes to modify, alter or otherwise change the site specific technical conditions relating to a **Connection Site** or the manner of their operation:

(a) under Appendix F4 to the relevant **Bilateral Connection Agreement** it may do so upon obtaining the agreement of the other party such agreement not to be unreasonably withheld;

(b) under Appendices F1, F3 or F5 to the relevant **Bilateral Connection Agreement** it shall be deemed to be a **Modification**

for the purposes of the **CUSC**.

2.9.4 Where, in the case of a **Connection Site Commissioned** in England and Wales prior to the **Transfer Date**, on or immediately prior to the **Transfer Date** a **User's Equipment** subject to a particular **Bilateral Connection Agreement** has any of the following technical attributes or facilities:

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

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

2.10 SAFETY RULES

Safety Rules

2.10.1 In relation to a **Connection Site** in England and Wales **The Company** and each **User** will each supply to the other and in relation to a **Connection Site** in Scotland or **Offshore** **The Company** shall procure that the **Relevant Transmission Licensee** supplies to the **User** a copy of their **Safety Rules** current from time to time, including any site-specific **Safety Rules**, and also a copy of the **Local Safety Instructions** applicable at each **Connection Site** from time to time.

2.10..2 In relation to a **Connection Site** in Scotland or **Offshore** each **User** will supply to the **Relevant Transmission Licensee** a copy of their **Safety Rules** current from time to time, including any site-specific **Safety Rules**, and also a copy of the **Local Safety Instructions** applicable at each **Connection Site** from time to time.

2.11 INTERFACE AGREEMENT

- 2.11.1 In relation to **Connection Sites** and **New Connection Site(s)** in England and Wales **The Company** and each **User** undertake to enter into an **Interface Agreement** with each other and in relation to **Connection Sites** and **New Connection Sites(s)** in Scotland or **Offshore** **The Company** shall procure that the **Relevant Transmission Licensee** shall enter into an **Interface Agreement** with a **User** in either case in a form to be agreed between them but based substantially on the forms set out in Exhibit O to the **CUSC** as appropriate where such **Interface Agreement(s)** is/are required pursuant to the applicable **Bilateral Connection Agreement** or otherwise.
- 2.11.2 In relation to **Connection Sites** and **New Connection Site(s)** in Scotland or **Offshore** the **User** undertakes to enter into an **Interface Agreement** with the **Relevant Transmission Licensee** in a form to be agreed between them but based substantially on the forms set out in Exhibit O to the **CUSC** as appropriate where such **Interface Agreement(s)** is/are required pursuant to the applicable **Bilateral Connection Agreement** or otherwise.

2.12 PRINCIPLES OF OWNERSHIP

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

located between the **National Electricity Transmission System** and a **Distribution System** but designed for a voltage of 132KV or below in England and Wales and below 132kV in Scotland, the electrical boundary is at the busbar clamp on the busbar side of the busbar selector isolator on the **Distribution System** circuit or, if a conventional busbar does not exist, an equivalent isolator. If no isolator exists, an agreed bolted connection at or adjacent to the tee point shall be deemed to be an isolator for these purposes;

- (d) in relation to **Plant** and **Apparatus** located between the **National Electricity Transmission System** and the system of a **Non-Embedded Customer**, the electrical boundary is at the clamp on the circuit breaker side of the cable disconnections at the **Non-Embedded Customer's** sub-station; and
- (e) in the case of a metal clad switchgear bay the electrical boundary will be the equivalent of those specified in this Paragraph 2.12.1 save that:
 - (i) for rack out switchgear, the electrical boundary will be at the busbar shutters;
 - (ii) for SF6 switchgear, the electrical boundary will be at the gas zone separators on the busbar side of the busbar selection devices.

2.12.2 If a **User** wants to use transformers of specialised design for unusual load characteristics at the electrical boundary, these shall not be owned by the **User** and shall form part of the **National Electricity Transmission System** but the **User** shall pay **The Company** for the proper and reasonable additional cost thereof as identified by **The Company** in the **Offer** covering such transformers. In this Paragraph 2.12.2 "unusual load characteristics" means loads which have characteristics which are significantly different from those of the normal range of domestic, commercial and industrial loads (including loads which vary considerably in duration or magnitude).

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

2.13 **NEW CONNECTION SITES**

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

2.13.2 Without prejudice to Standard Condition C8 of the **Transmission Licence** **The Company** shall make a **Connection Offer** to that **User** as soon as practicable after receipt of the **Connection Application** and (save where the **Authority** consents to a longer

period) in any event not more than 3 months after receipt by **The Company** of the **Connection Application**.

- 2.13.3 The **Connection Offer** [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 and construction and installation of **Offshore Transmission Plant** and **Apparatus** 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**.

2.13.92.13.10 In the case of **New Connection Sites** located in **Offshore Waters**, where a **Bilateral Connection 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** consequent on any changes to 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 any changes in such continuing assumptions.

2.13.102.13.11 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.

~~2.13.11~~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**.

PART II - CONNECTION CHARGES

2.14 CONNECTION CHARGES

2.14.1 Introduction

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

2.14.2 Security

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

2.14.3 Connection Charges - Outturn Reconciliation

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

accordingly.

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

2.14.4 Connection Charges - One-off Charges

- (a) The following provisions relate to the payment for certain **One-off Works**, which arise in relation to the construction of a **Connection Site**.
- (b) Each **User** shall forthwith on the relevant date set out in the relevant **Bilateral Connection Agreement** be liable to pay to **The Company** the **One-off Charge** (if any) as set out in the relevant **Bilateral Connection Agreement**.
- (c) **The Company** shall invoice the **User** for an amount equal to **The Company's** estimate of the **One-off Charge** before, on or after the relevant date set out in the relevant **Bilateral Connection Agreement** and the **User** shall pay to **The Company** the amount stated in **The Company** invoice at the later of such relevant date or 28 (twenty eight) days after the date of the said invoice.
- (d) As soon as practicable thereafter **The Company** shall provide the **User** with a statement of the **One-off Charge**. In the event of the amount specified in the statement being more than the amount paid by the **User** to **The Company** in terms of Paragraph 2.14.4(c), the **User** shall pay to **The Company** the difference plus interest on a daily basis from the date of the invoice under Paragraph 2.14.4(c) to the date of invoice for the difference at the **Base Rate** from time to time within 28 days (twenty eight) days of the date of **The Company's** invoice. In the event of the amount specified in the statement being less than the amount paid by the **User** under the terms of Paragraph 2.14.4(c), **The Company** shall forthwith pay to the **User** an amount equal to the difference plus interest calculated on a daily basis at the **Base Rate** from the date of payment by the

User under Paragraph 2.14.4(c) to the date on which the difference is repaid by **The Company**.

2.14.5 Connection Charges – Site Specific Maintenance Charge

- (a) **The Company** shall be entitled to invoice each **User** for the indicative **Site Specific Maintenance Charge** in each **Financial Year** as set out in the **Statement of the Connection Charging Methodology**.
- (b) As soon as reasonably practicable and in any event by 31 July in each **Financial Year** **The Company** shall:
 - (i) in accordance with the **Statement of the Connection Charging Methodology** calculate the actual **Site Specific Maintenance Charge** that would have been payable by the **User** during the preceding **Financial Year** (the “**Actual Charge**”) and compare this with the indicative **Site specific Maintenance Charge** received from the **User** during the preceding **Financial Year** (the “**Notional Charge**”) and
 - (ii) prepare and send to the **User** a **Maintenance Reconciliation Statement** specifying the **Actual Charge** and the **Notional Charge** for the preceding **Financial Year**.
- (c) Two months after the date of issue of the **Maintenance Reconciliation Statement** and in any event by 30 September **The Company** shall issue a credit note in relation to any sums shown by the **Maintenance Reconciliation Statement** to be due to the **User** or an invoice in respect of sums due to **The Company** (such invoice to be payable within 30 days of the date of the invoice) and in each case interest thereon calculated pursuant to Paragraph 2.14.5(d) below.
 - (d) Interest on all amounts due under this Paragraph 2.14.5 shall be payable by the paying **CUSC Party** to the other on such amounts from the date of payment applicable to the month concerned until the date of invoice for such amounts and such interest shall be calculated on a daily basis at a rate equal to the **Base Rate** during such period.

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

2.14.7 The **User** shall be liable to pay **The Company Termination Amounts** in the event of the termination of the **User's Bilateral Connection Agreement** (or in the case of Paragraph 5.3.4

Disconnection of the User's Equipment) in accordance with Section 5 of the **CUSC**.

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

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

2.15 REVISION OF CHARGES

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

2.15.2 Subject to Paragraph 2.15.3 below, **The Company** shall give the **User** not less than 2 months prior written notice of any revised charges, including revisions to Appendices A and B of the **Bilateral Connection Agreements**, which notice shall specify the date upon which such revisions become effective (which may be at any time). The **User** shall pay any such revised charges and Appendix A and B shall be amended automatically (and a copy sent to the **User**) to reflect any changes to such Appendices with effect from the date specified in such notice.

2.15.3 Where in accordance with the **Transmission Licence**, the **Authority** requires a shorter period than 2 months for the implementation of revised charges, the notice period will be determined by the **Authority**. Where **The Company** and the **User** agree a shorter period than 2 months for the implementation of revised charges, the notice period will be as agreed between the parties. The notice of revisions issued by **The Company** will specify when the new charges are effective and the **User** shall pay any such revised charges and Appendix A and B shall be amended automatically with effect from the date specified in such notice;

2.15.4 Subject to the provisions of Paragraph 2.17 (Replacement of Transmission Connection Assets) below, if in the reasonable

opinion of **The Company** any development, replacement, renovation, alteration, construction or other work to the **National Electricity Transmission System** or termination of a **Bilateral Agreement** or use of the **National Electricity Transmission System** by another **User** or an alteration to the requirements of the **User** or any other **User** means that to ensure that **The Company** is charging in accordance with the provisions of the **Charging Statements** pursuant to Standard Conditions C4 and C6 of the **Transmission Licence** **The Company** needs to vary the **Connection Charges** payable by a **User** in relation to any of its **Connection Sites** then **The Company** shall have the right to vary such charges accordingly upon giving to the **User** not less than 2 months prior written notice. Following any such variation the provisions of Appendices A and B shall be amended automatically (and a copy sent to the **User**) to reflect such variation with effect from the date such variation comes into effect.

2.16 DATA REQUIREMENTS

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

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

2.17 REPLACEMENT OF TRANSMISSION CONNECTION ASSETS

2.17.1 **The Company** will provide information to each **User** on an ongoing basis with regards to its long term intentions and any programme for the replacement of any **Transmission Connection Assets** at a **Connection Site**.

2.17.2 Where in **The Company's** reasonable opinion to enable **The Company** to comply with its statutory and licence duties and/or to enable any **Relevant Transmission Licensee** to comply with its statutory and licence duties it is necessary to replace a **Transmission Connection Asset** **The Company** shall give

written notice of this (a "**Replacement Notice**") such notice to be given (subject to Paragraph 2.17.7) as soon as practicable.

- 2.17.3 Following the issue of the **Replacement Notice** **The Company** shall provide an explanation of the economic and engineering reasons to asset replace and the parties shall meet as soon as practicable to consider options, programme and costs associated with the replacement.
- 2.17.4 **The Company** shall make an offer to the **User(s)** (subject to Paragraph 2.17.7) no earlier than 6 months after the date of the **Replacement Notice** detailing the variations it proposes to make to Appendices A and B of and any other changes required to the **Bilateral Connection Agreement** and if appropriate enclosing a **Construction Agreement** in respect of the replacement of the **Transmission Connection Assets**.
- 2.17.5 If after a period of 3 months from receipt of the offer or such longer period as the parties might agree the **User(s)** and **The Company** have failed to reach agreement on the offer then either party may make an application to the **Authority** under Standard Condition C9 of the **Transmission Licence** to settle any dispute about the replacement of the **Transmission Connection Assets**.
- 2.17.6 Subject to Paragraph 2.17.7, **The Company** shall not replace the **Transmission Connection Assets** until the offer has been accepted by the **User(s)** or until the determination of the **Authority** if an application to the **Authority** has been made.
- 2.17.7 **The Company** shall take all reasonable steps to avoid exercising its rights pursuant to this Paragraph but in the event that **The Company** has reasonable grounds to believe, given its licence and statutory duties or the statutory and licence duties of a **Relevant Transmission Licensee** that a **Transmission Connection Asset** should be replaced prior to or during the process outlined above then **The Company** shall consult with the **User(s)** as far as reasonably practicable and shall be entitled to replace such **Transmission Connection Asset** and shall advise the **User(s)** of this and as soon as practicable make an offer for such replacement which can be accepted or referred in accordance with Paragraph 2.17.5 above.
- 2.17.8 Subject to Paragraph 2.17.9 **Connection Charges** shall be payable in respect of such replaced **Transmission Connection Assets** in accordance with the **Statement of the Connection Charging Methodology** and **The Company** shall give the **User(s)** not less than 2 months prior written notice of such varied charges and specify the date upon which such charges become effective. **The Company** shall be entitled to invoice the **Connection Charges** based on an estimate of the cost and the

provisions of Paragraphs 2.14.3 and 2.14.4 shall apply.

2.17.9 Where **Transmission Connection Assets** have been replaced pursuant to Paragraph 2.17.7 **The Company** shall not be entitled to vary the **Connection Charges** until the offer has been accepted or the matter has been determined by the **Authority** and until such time the **User(s)** shall continue to pay **Connection Charges** as if the **Transmission Connection Assets** had not been replaced. If the matter is determined in **The Company's** favour then **The Company** shall be entitled to issue a revised Appendices A and B and the **User(s)** shall pay to **The Company** the difference between the two amounts plus interest at **Base Rate** on a daily basis from completion of the replacement to the date of payment by the **User(s)**. If the matter is not determined in **The Company's** favour **Connection Charges** shall be payable as directed by the **Authority**.

2.18 TERMINATION AMOUNTS - RE-USE

2.18.1 The obligation on the **User** to pay **Termination Amounts** is contained in Paragraph 2.14.7 and Section 5. Further provisions relating to **Termination Amounts**, including calculation of **Termination Amounts**, are dealt with in the **Statement of the Connection Charging Methodology**. The following parts of this Paragraph 2.18 deal with issues relating to re-use of **Transmission Connection Assets** in respect of which **Termination Amounts** have been paid.

2.18.2 **The Company** shall use its reasonable endeavours to re-use **Transmission Connection Assets** where **Termination Amounts** have been paid on the basis set in the **Statement of the Connection Charging Methodology**. Subject to Paragraph 2.18.4, in the event that a **Termination Amount** is paid in respect of **Transmission Connection Assets** and subsequently such **Transmission Connection Assets** in respect of which a payment has been made are re-used in the **National Electricity Transmission System** then **The Company** shall pay to the **User** a sum calculated in accordance with the **Statement of the Connection Charging Methodology**.

2.18.3 Re-use shall not occur where any **Transmission Connection Asset** remains connected for the purpose of providing a continuing connection for other **Users** connected to the **National Electricity Transmission System** at the **Connection Site** at the date of termination. However in the event of any **User** requiring a continued connection modifying its requirements or another **User** connecting at the **Connection Site** and the **Transmission Connection Assets** in respect of which a payment has been made are required for this modification this shall constitute re-use.

- 2.18.4 **The Company** shall be under no obligation to rebate any of the **Termination Amounts** relating to the re-use of assets as set out in the **Statement of the Connection Charging Methodology** except to the extent that **Connection** and/or **Transmission Network Use of System Charges** are subsequently received in respect of **Transmission Connection Assets** in relation to which such **Termination Amounts** have been paid to **The Company** during the **Financial Year** in which termination has occurred.
- 2.18.5 Upon request in writing, and at the cost of the **User**, **The Company** shall issue a certificate no more frequently than once each calendar year indicating whether or not such assets have or have not been re-used. If **The Company** at any time decides that it is not economic to retain any **Plant** and **Apparatus** constituting any **Transmission Connection Asset** in respect of which **Termination Amounts** have been paid it may at its reasonable discretion dispose of the said **Plant** and **Apparatus** and pay the **User** any sums due in accordance with the **Statement of the Connection Charging Methodology**.

PART III - CREDIT REQUIREMENTS

2.19 SECURITY FOR TERMINATION AMOUNTS

2.19.1 Where a **User** has a connection to the **National Electricity Transmission System** it shall provide security for **Termination Amounts** for **Transmission Connection Assets Commissioned** after the **Transfer Date** in accordance with this Paragraph 2.19. For the avoidance of doubt references to **Termination Amounts** in this Part III only relate to **Termination Amounts** payable in respect of such **Transmission Connection Assets**.

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

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

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

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

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

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

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

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

or if **The Company** becomes aware that

- (i) the **User** ceases to have an **The Company Credit Rating**; or
- (ii) the **User** is put on credit watch or other similar credit surveillance procedure as specified above which may give **The Company** reasonable cause to believe that

the **User** may not be able to maintain an **The Company Credit Rating** for at least 6 months; or

- (iii) the **User** has not obtained from Standard and Poor's or Moody's within 30 days of the written notification by **The Company** under Paragraph 2.20.2 above a further indicative long term private credit rating,

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

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

2.20.5 Until the facts or circumstances giving rise to the obligations of the **User** to provide the security have ceased then the provisions of Paragraphs 2.21.2 to 2.22.2 shall apply.

2.20.6 In the event of **The Company's** credit requirements being reviewed at any time **The Company** shall advise the **User** in writing of the new credit requirements and if acceptable to the **User** the security arrangements will be amended accordingly.

2.20.7 In the event that the facts or circumstances giving rise to the obligations of the **User** to provide the security have ceased, then **The Company** shall release the security.

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

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

time and for the time being to provide security for the **User's** obligation to pay **The Company Termination Amounts** on termination of a **Bilateral Agreement**, in accordance with Paragraph 2.21.2.

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

- (a) **The Company** shall provide to each relevant **User** a **Bi-annual Estimate** showing the amounts of all payments required or which may be required to be made by the **User** to **The Company** in respect of **Termination Amounts** at the following times and in respect of the following periods:-
 - (i) forthwith on and with effect from the date required in accordance with Paragraph 2.20.4 in respect of the period from and including such date until the next following 31st March or 30th September (whichever shall first occur); and
 - (ii) not less than 75 (seventy five) days (or if such day is not a **Business Day** the next following **Business Day**) prior to each 31st March and 30th September thereafter in respect of the period of six calendar months commencing on the immediately following 1st April or 1st October (as the case may be), until the relevant **Bilateral Connection Agreement** shall be terminated and all sums due or which will or might fall due in respect of which security is to be provided shall have been paid.
- (b) Such **Bi-annual Estimate** shall be accompanied by the **Secured Amount Statement** specifying the aggregate amount to be secured at the beginning of and throughout each such period.
- (c) If **The Company** shall not provide any subsequent **Bi-annual Estimate** and **Secured Amount Statement** by the requisite date, then the **User** shall at the date it is next required to have in full force and effect security and whether by renewal or replacement or otherwise in respect of the following six calendar month period nonetheless provide security in accordance with the provisions of this Paragraph 2.21 in the same amount as the amount then in force in respect of the then current six calendar month period. Notwithstanding the foregoing, if **The Company** shall provide the **User** with any **Bi-annual Estimate** and **Secured Amount**

Statement later than the date specified in Paragraph 2.21.2(a) then the following shall apply. The **User** shall within 30 (thirty) days of receipt of the said **Secured Amount Statement** procure that to the extent that the amount in respect of which security has been or is to be provided pursuant to this Paragraph 2.21.2(c) in respect of the relevant period (“the **Secured Amount**”) falls short of the amount stated in the **Secured Amount Statement** (the “**Required Amount**”) the **Secured Amount** shall be adjusted to the **Required Amount**.

(d) **Entitlement to Estimate**

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

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

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

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

such dispute shall not affect the ability of **The Company** to make demands pursuant to the security arrangement to be provided pursuant to Paragraph 2.21 and to recover the amount or amounts payable

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

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

2.22 TYPES OF SECURITY

2.22.1 Security can be provided by:

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

renewed periodically where applicable in the manner stated in Paragraph 2.22.2(c)

2.22.2 General Provisions

- (a) Any **Notice of Drawing** to be delivered to Barclays Bank PLC or any other bank at which the **Bank Account** shall have been opened or a **Qualified Bank** or a **Qualified Company** may be delivered by hand, by post or by facsimile transmission.
- (b) If the **User** becomes aware that the bank issuing the **Performance Bond** or **Letter of Credit** ceases to be a **Qualified Bank** or that the company giving the **Performance Bond** ceases to be a **Qualified Company**, the **User** shall notify **The Company** in writing as soon as it becomes so aware. If **The Company** becomes aware that the bank issuing the **Performance Bond** or **Letter of Credit** ceases to be a **Qualified Bank** or that the company giving the **Performance Bond** ceases to be a **Qualified Company**, **The Company** may notify the **User** to that effect in writing. Where the bank or the company so ceases to be either a **Qualified Bank** or a **Qualified Company** (as the case may be) as a consequence of **The Company** having reasonable cause to doubt the continued rating of the said bank or company, such notice shall be accompanied by a statement setting out **The Company's** reasons for having such doubt. The **User** shall within 21 days of the giving of such notice by **The Company** or the **User** whichever is the earlier provide a replacement **Performance Bond** and/or **Letter of Credit** from a **Qualified Bank** or **Qualified Company**, as the case may be, and/or provide a cash deposit in the required amount in a **Bank Account**. From the date the replacement **Performance Bond** or **Letter of Credit** or **Bank Account** cash deposit is effectively and unconditionally provided and **Valid**, **The Company** will consent in writing to the security which it replaces being released.
- (c) The following provisions shall govern the issuance, renewal and release of the **Performance Bond** or **Letter of Credit**:-
 - (i) The **Performance Bond** or **Letter of Credit** shall be **Valid** initially from the date required in accordance with Paragraph 2.20.4 or 2.21.1 respectively at least to and including the following 31st March or 30th September whichever is the earlier date. Such **Performance Bond** or **Letter of Credit** shall be for an amount not less than that stated in the **Secured Amount Statement** to be secured during the period specified in the **Secured Amount Statement**.

- (ii) On a date which is at least 45 days (or if such day is not a **Business Day** then on the immediately preceding **Business Day**) before the next following 31st March or 30th September whichever is the earlier date such **Performance Bond** or **Letter of Credit** shall be renewed so as to be **Valid** for not less than 6 months commencing from the immediately following 1st April or 1st October (as the case may be). Such renewed **Performance Bond** or **Letter of Credit** shall be for an amount not less than the amount stated in the **Secured Amount Statement** as the amount to be secured during the period that such renewed **Performance Bond** or **Letter of Credit** shall be **Valid**.
 - (iii) Thereafter, the renewed **Performance Bond** or **Letter of Credit** shall be further renewed in like manner every 6 months.
- (d) The following provisions shall govern the maintenance of cash deposits in the **Bank Account**:-
 - (i) The amount of the cash deposit to be maintained in the **Bank Account** shall be maintained from the date required in accordance with Paragraph 2.20.4 or 2.21.1 respectively at least to and including the following 31st March or 30th September, whichever is the earlier date. Such cash deposit shall be in an amount as stated in the **Secured Amount Statement** to be secured during the period stated in the **Secured Amount Statement**.
 - (ii) If the amount stated in the **Secured Amount Statement** as the amount to be secured from the following 1st April to 30th September or from the following 1st October to 31st March (as the case may be) is an amount greater than the amount then secured, the cash deposit in the **Bank Account** shall be increased to such greater amount on a date which is 45 days before the following 31st March or 30th September (as the case may be) which immediately precedes the commencement of the relevant above mentioned period.
 - (iii) If such amount stated in the **Secured Amount Statement** is smaller than the amount then

secured, the cash deposit in the **Bank Account** shall not be reduced to the amount so stated until the expiry of 7 days after the next following 31st March or 30th September (as the case may be) (the "**Release Date**").

(iv) The sum equal to the amount of reduction in the cash deposit in the **Bank Account** shall be paid by **The Company** to the **User** from the **Bank Account** on the **Release Date**.

(v) Any interest accruing to the **Bank Account** shall be for the account of and belong to the **User** absolutely, and **The Company** agrees to take any steps required to be taken by it for the release from the **Bank Account** and payment to the **User** of such interest as soon as the same shall have been credited to the **Bank Account** and **The Company** shall have received notice of such credit.

(e) Notwithstanding any provision aforesaid:-

(i) The **User** may provide different securities to **The Company** at any one time, each securing a different amount, provided that the aggregate amount secured by such securities shall be not less than the aggregate amount required to be secured pursuant to the **Secured Amount Statement** for any period specified therein.

(ii) The **User** may upon the expiry of at least 14 days prior written notice to **The Company**, substitute one type of security for another provided that unless **The Company** shall otherwise agree in writing such substituted security must be **Valid** from 1st April or 1st October (as the case may be) and committed at least 45 days before the immediately preceding 31st March or 30th September (as the case may be) in the following manner:-

(aa) where a **Performance Bond** or a **Letter of Credit** is to substitute for other securities, it must be issued or given at least 45 days before such immediately preceding 31st March or 30th September (as the case may be).

- (bb) where a cash deposit in a **Bank Account** is to substitute for other securities, it must be deposited into the **Bank Account** at least 45 days before such immediately preceding 31st March or 30th September (as the case may be).
- (iii) Upon request by the **User** to **The Company**, securities substituted in the aforesaid manner shall, providing the substitute security shall be **Valid**, be released on the following 1st April or 1st October (as the case may be). However, where the amount required by the **Secured Amount Statement** to be secured for any period is less than the amount required to be secured in the preceding period, the substituted security shall not be released until 7 days after the then following 31st March or 30th September (as the case may be).

END OF SECTION 2

CUSC - SECTION 6
GENERAL PROVISIONS

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CUSC - SECTION 6

GENERAL PROVISIONS

6.1 INTRODUCTION

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

6.2 The Company OBLIGATIONS

The Company agrees with each **User** to (and in respect of licence obligations contained within Section D or Section E of a transmission licence, procure that a **Relevant Transmission Licensee** shall) make available, plan, develop, operate and maintain the **National Electricity Transmission System** in accordance with the transmission licences and with the **Grid Code** subject to any **Derogations** from time to time.

6.3 COMPLIANCE WITH GRID CODE/DISTRIBUTION CODE

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

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

6.4 JOINT SYSTEM INCIDENTS

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

- (a) **Users** acting as **Suppliers**; and
- (b) **Users** who are **Trading Parties** and are responsible (as defined in the **Balancing and Settlement Code**) for **Embedded Small Power Station(s)**;

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

6.5 OBLIGATIONS OF USERS WHO OWN OR OPERATE DISTRIBUTION SYSTEMS

6.5.1

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

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

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

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

6.5.2 Any **User** who owns or operates a **Distribution System** shall not **Energise** the connection between any **Customer** of another **Authorised Electricity Operator** connected to such **Distribution System** if the **Authorised Electricity Operator** is responsible for **Demand (Active Power)** being supplied to such

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

6.5.3 **The Company** shall notify the relevant owner or operator of the **Distribution System** in writing as soon as the conditions set out in Paragraph 6.5.1 and Paragraph 6.5.2 have been satisfied in any particular case together with, if appropriate, a copy of any list provided under Paragraph 3.5. **The Company** undertakes to each **CUSC Party** that, for so long as it is the case, **The Company** shall from time to time forthwith upon receipt of any written request from that **CUSC Party** to do so, confirm in writing to any person specified in such request that that **CUSC Party** is a party to the **CUSC Framework Agreement** and any **Bilateral Agreement** specified in such request.

6.5.4 Each owner or operator of a **Distribution System** shall **De-energise** the connection equipment of any such **User** the subject of Paragraph 6.5.1 or **Customer** the subject of Paragraph 6.5.2 as soon as reasonably practicable following the instruction of **The Company** in accordance with the terms of the **CUSC**. **The Company** shall reimburse such owner or operator any expense incurred in relation to such act of **De-energisation**, if any, and shall indemnify such owner or operator against any liability, loss or damage suffered by it as a result of such **De-energisation**. Details of any circumstances likely to lead to such a **De-energisation** shall be notified promptly by **The Company** to the said owner or operator. The owner or operator of a **Distribution System** shall promptly notify **The Company** when the connection equipment of any **User** or **Customer** the subject of Paragraph 6.5.1 or 6.5.2 is **De-energised** or **Disconnected** from its **Distribution System** or ceases to use its **Distribution System** as the case may be following the instruction of **The Company** in accordance with the terms of the **CUSC**.

6.5.5 Statement of Works

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

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

shall cooperate with **The Company** to contribute to the full and timely completion of the **Offshore Transmission Implementation Plan**

6.5.6.2 Any **User** who owns or operates a **Distribution System** and has a **Relevant Offshore Agreement** with an **Existing Offshore Generator** shall provide **The Company** with information including:

- (a) The terms that have been agreed between the **User** who owns or operates a **Distribution System** and the **Existing Offshore Generator**;
- (b) Technical information about the connection arrangements that have been agreed between the **User** who owns or operates a **Distribution System** and the **Existing Offshore Generator**; and
- (c) Technical information about the **Existing Offshore Generator's Power Station** provided as part of the **Existing Offshore Generator's** application to the **User** who owns or operates a **Distribution System**.

6.5.6.3 **The Company** shall treat the information provided by any **User** who owns or operates a **Distribution System** under Paragraph 6.5.6.2, as an application for connection and use of the **National Electricity Transmission System** from the **Existing Offshore Generator**, for the purposes of standard condition C8.

6.6 PAYMENT

6.6.1 The Company will invoice **Users** for **Connection Charges** and/or **Use of System Charges** due under the **CUSC** and/or each **Bilateral Agreement** and/or as notified to the **User** where there is no **Bilateral Agreement**, in accordance with the **CUSC** and/or the **Charging Statements** in the following manner:

- (a) in the case of recurrent monthly charges identified in the relevant **Charging Statements** **The Company** shall despatch an invoice on or before the 15th day of the month for the charges due in relation to that month;
- (b) in the case of the **STTEC Charge** **The Company** shall invoice the **User** on or before the 15th day of the month for the full **STTEC Charge**;
- (c) In the case of the **LDTEC Charge** **NGC** shall invoice the **User** on or before the 15th day of the month for the full **LDTEC Charge**;
- (d) in the case of **ET Use of System Charges**, **The Company** shall invoice the **User** on the dates specified in

the **Bilateral Connection Agreement**;

- (e) unless otherwise specified in the **CUSC** where charges are payable other than monthly **The Company** shall despatch an invoice not less than 30 days prior to the due date for payment.

6.6.2 **Users** shall pay **Connection Charges** and/or **Use of System Charges** and the **STTEC Charge** and the **LDTEC Charge** and due to **The Company** under the **CUSC** and/or each **Bilateral Agreement** and/or as otherwise notified to the **User** where there is no **Bilateral Agreement**, in accordance with the **CUSC** and/or the **Charging Statements** in the following manner:

- (a) in the case of recurrent monthly charges and the **STTEC Charge** and the **LDTEC Charge** on the 15th day of the month in which **The Company's** invoice therefor was despatched (if despatched on the first day of that month) or, in all other cases, on the 15th day of the month following the month in which **The Company's** invoice therefor was despatched unless, in any such case, the said date is not a **Business Day** in which case payment shall be made on the next **Business Day**;
- (b) in the case of **ET Use of System Charges**, by the date specified for payment in **The Company's** invoice therefor;
- (c) unless otherwise specified in the **CUSC** where charges are payable other than monthly within 30 days of the date of **The Company's** invoice therefor.

6.6.3 All payments under this Paragraph 6.6 shall be made by the variable direct debit method or such other form of bankers automated payment as shall be approved by **The Company** to the account number, bank and branch as **The Company** or a **User** may from time to time notify in writing to the other.

6.6.4 All sums payable by one **CUSC Party** to the other pursuant to this **CUSC**, the **Bilateral Agreements** and/or the **Mandatory Services Agreements**, whether of charges, interest or otherwise shall (except to the extent otherwise required by law) be paid in full, free and clear of and without deduction set off or deferment in respect of sums the subject of any disputes or claims whatsoever save for sums the subject of a final award or judgement (after exhaustion of all appeals if this opportunity is taken) or which by agreement between **The Company** and those **CUSC Parties** may be so deducted or set-off.

6.6.5 Where a **User** wishes to pay its **Use of System Charges** payments in advance of the due date for such payment then

The Company will discuss and agree arrangements for this with the **User**.

- 6.6.6 Subject to Section 4, if any **CUSC Party** fails to pay on the due date any amount properly due under the **CUSC** or any **Bilateral Agreement** such **CUSC Party** shall pay to the **CUSC Party** to whom such amount is due interest on such overdue amount from and including the date of such failure to (but excluding) the date of actual payment (as well after as before judgement) at the **Prescribed Rate**. Interest shall accrue from day to day.
- 6.6.7 All amounts specified hereunder or under any **Bilateral Agreement** shall be exclusive of any **Value Added Tax** or other similar tax.

6.7 METERING

- 6.7.1 Each **User** consents to **The Company** having access to and copies of all meter readings taken from **Energy Metering Equipment** pursuant to the **Balancing and Settlement Code** in any **Financial Year** for the purposes of calculating **Connection Charges** and **Use of System Charges** due from **Users** or for the purpose of operating the **National Electricity Transmission System**. Such access and copies shall be obtained from the relevant **BSC Agent** appointed under the **Balancing and Settlement Code** from time to time provided always that if the relevant **BSC Agent** fails to provide such access and copies at **The Company's** request the **User** shall supply any such meter readings in the possession of the **User** direct to **The Company**.
- 6.7.2 The relationship between the **CUSC Parties** with respect to **Energy Metering Equipment** shall be regulated by Section L of the **Balancing and Settlement Code**.
- 6.7.3 In respect of **Operational Metering Equipment** owned by one **CUSC Party** and in respect of which access and rights to deal with such **Operational Metering Equipment** are not set down in any other document the **CUSC Parties** shall grant each other such access and other rights as are reasonably necessary to enable them to perform their obligations under the **CUSC** and the **Grid Code** upon presentation of a suitable indemnity and the **CUSC Parties** shall take such action as may be necessary to regularise the position forthwith thereafter.
- 6.7.4 The voltage at which the tariff metering is connected and its location shall be referred by **The Company** to the **BSC Panel**. **The Company** shall inform the relevant **User** of the voltage requirements specified by the **BSC Panel** as soon as possible thereafter.

6.7.5 Meter Operator Agent

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

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

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

6.7.6 Charges

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

6.7.7 Interference

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

6.7.8 Pulse Data

The **User** shall have the right to collect and record pulses from the meters comprised in the **Energy Metering System(s)** at the **Connection Site**. In relation to **Connection Sites** in England and Wales, **The Company** shall give the **User** access in accordance with the **Interface Agreement** to collect and record such pulses and to install and maintain such lines and equipment as may be reasonably necessary. In relation to **Connection Sites** in Scotland or **Offshore**, **The Company** shall procure that the **Relevant Transmission Licensee** shall give the **User** access in accordance with the **Interface Agreement** to collect and record such pulses and to install and maintain such lines and equipment as may be reasonably necessary.

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

6.8 BALANCING MECHANISM REQUIREMENTS

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

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

If required under **Grid Code** CC.6.5.8, the **User** must provide electronic data communication facilities approved by **The Company** to permit the submission of data required by the **Grid Code**, from the **User's Trading Point** (as defined in the **Grid Code**) to **The Company**. The **User** can elect to send data to two locations depending upon the level of diversity required by the **User**. **The Company** will provide the necessary "router" connection equipment at both Wokingham and Warwick House.

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

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

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

- (b) Operational Metering (CC.6.5.6)

- (i) The Operational Metering requirements are contained in Appendix 2 to this Section 6. The Operational Metering Summator (OMS) is detailed in NGTS 3.9.11.
- (ii) **The Company** shall supply and install the OMS Front End (FE) unit in a position close to the high accuracy meters, to be agreed with the **User**, preferably within the high accuracy metering cubicle. The OMS FE links to the OMS Processing End (PE) unit via a serial data link and this may need to be connected via **User** supplied cabling depending on the agreed positions of the two units.
- (iii) Where **User's Equipment** or equipment for which the **User** is responsible (as defined in the **Balancing and Settlement Code**) is located immediately adjacent to the Grid Entry Point (**Transmission Substation**), Telecoms Room accommodation shall be provided by the **User** for the **Transmission Marshalling Cubicles, Telemetry, System Monitoring, Signalling and Telephone** equipment required to collect and return the information required, and to provide voice communication. This will require space for between three and five 600mm square cubicles to contain equipment, supplies (e.g. 48-volt dc) and marshalling. The equipment will be provided and installed by **The Company**. The **User** will be responsible for providing the site connections and cabling to the plant/peripherals. The **User** should ensure that signals are wired out to the appropriate cubicle.
- (iv) Where **User's Equipment** or **Equipment** for which the **User** is responsible (as defined in the **Balancing and Settlement Code**) is located immediately adjacent to the Grid Entry Point (**Transmission Substation**),and the two sites have their earthing bonded together, the data required by **The Company** (from the OMS-FE and other plant) will be cabled directly between the two sites and **The Company** equipment located in the **User** bay in the **Transmission** substation.
- (v) The requirements as specified in Appendix 2 to this Section 6 must be met for all generating

plant, including any plant specifically installed for Black Start, that is the subject of bids or offers to the **Balancing Mechanism**.

(vi) The requirements as specified in Appendix 2 to this Section 6, to the extent that they are applicable, must be met where reasonably required by **The Company** for demand supplied by the **User** that is the subject of bids or offers to the **Balancing Mechanism**. **The Company** will not require the requirements of Appendix 2 to this Section 6 to be met where it is impracticable or unreasonable to do so, for example where the demand is a disparate collection of small demands aggregated to form a **BM Unit**.

(c) Control Point Electronic Dispatch & Logging (CC.6.5.8)

Electronic data communication facilities approved by **The Company** to permit the submission of Bid Offer Acceptance data from **The Company** to the **User's** Control Point (as defined in the **Grid Code**) and to permit the submission data required by the **Grid Code**, from the **User's** Control Point to **The Company**. **The Company** will provide the necessary communication links and "router" connection equipment at the **User's** Control Point. The requirements for Control Point Electronic Dispatch & Logging are specified in Appendix 1 to this Section 6 (Communications Plant).

6.9 MODIFICATIONS

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

6.9.2 Modifications Proposed by Users

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

6.9.2.2 **The Company** shall make the **Modification Offer** to that **User** as soon as practicable and (save where the **Authority** consents to a longer period) in any event not more than 3 months after receipt by **The Company** of the **Modification Application**. The **Modification Offer** shall include details of any

variations **The Company** proposes to make to the **Bilateral Agreement** or, where applicable, the **Construction Agreement** which applies to the **Connection Site** or **Transmission Interface Site** in question. During such period **The Company** and the **User** concerned shall discuss in good faith the implication of the proposed **Modifications**.

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

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

6.9.3 Modifications Proposed by The Company

6.9.3.1 If **The Company** wishes to make a **Modification** to the **National Electricity Transmission System**, **The Company** shall complete and submit to each **User** a **Modification Notification** and shall advise each **User** of any works (including where applicable any **OTSDUW** or changes to **OTSDUW**) which **The Company** reasonably believes that **User** may have to carry out as a result.

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

application to the **Authority** under Standard Condition C9 of the **Transmission Licence**.

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

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

6.9.4 Modifications Required for Offshore Transmission Implementation

6.9.4.1 **The Company** shall notify **Existing Offshore Generators** on or before go-active if **The Company** is required to make a **Modification** to a **Relevant Offshore Agreement** to meet the requirements of the **Offshore Transmission Implementation Plan**. Such notification by **The Company** shall be treated as a **Modification Application** from the **Existing Offshore Generator**.

6.9.4.2 Any **Existing Offshore Generator** that **The Company** has notified under Paragraph 6.9.4.1, shall cooperate with **The Company** to contribute to the full and timely completion of the **Offshore Transmission Implementation Plan**

6.9.4.3 Once a **Modification Application** has been made by a **User** pursuant to Paragraph 6.9.4.1 the provisions of Paragraph 6.9.2.2, 6.9.2.3 and 6.9.2.4 shall thereafter apply.

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

6.9.6 [Modifications relating to OTSDUW](#)

6.9.6.1 Where a **Construction Agreement** has been entered into on the basis of **OTSDUW Arrangements**, then any actual or proposed replacement, renovation, modification, alteration, or construction by or on behalf of the **User** to the **OTSUA**, the scope of the **OTSDUW** or the manner of the operation of the **OTSUA** which may have a **Material Effect** on another **CUSC Party** at the particular **Connection Site** and/or **Transmission Interface Site** shall be deemed to be a **Modification** proposed by the **User** for the purposes of the **CUSC**.

6.10 GENERAL PROVISIONS CONCERNING MODIFICATIONS AND NEW CONNECTION SITES

- 6.10.1 Subject to the payment of its **Reasonable Charges**, if any, as provided for in this Paragraph 6.10 **The Company** undertakes to each **User** to provide all advice and assistance reasonably requested by that **User** to enable that **User** adequately to assess the implications (including the feasibility) of making a **Modification** to the **User's Equipment**, the **User's System** or the **OTSUA** (whether such **Modification** is to be made at the request of **The Company** or of the **User**) or of constructing a **New Connection Site** or undertaking **Offshore Transmission System Development User Works** (including adequately assessing the feasibility of making any **Connection Application** or considering the terms of any **Connection Offer**). If the proposed **Modification** by the **User** is or may be required as a result of a **Modification** proposed by **The Company** then **The Company** shall provide such advice and assistance free of charge. If the proposed **Modification** is or may be proposed by the **User** or if the advice and assistance is in respect of a **New Connection Site** **The Company** may charge the **User Reasonable Charges** for such advice and assistance. The provision of such advice and assistance shall be subject to any confidentiality obligations binding on **The Company** and that **User**.
- 6.10.2 When giving such advice and assistance **The Company** shall comply with **Good Industry Practice**.
- 6.10.3 **The Company** shall have no obligation to compensate any **User** (the "**First User**") for the cost or expense of any **Modification** required to be made by any **User** as a result of any **The Company Modification** under Paragraph 6.9.3.1. Where such **The Company Modification** is made as a result of the construction of a **New Connection Site** or a **Modification** for another **User** (the "**Other User**"), the **Other User** shall compensate the **First User** for the reasonable and proper cost and expense of any **Modifications** required to be made by the

First User as a result of that **The Company Modification**. Such compensation shall be paid to the **First User** by the **Other User** within thirty days of production to the **Other User** of a receipted invoice (together with a detailed breakdown of such reasonable costs and expenses) for the expenditure which has been incurred by the **First User**.

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

- 6.10.4 If at the time of making any **Offer** or **Modification Offer** or **Connection Offer** to a **User** (the "**Second Offer**") there is an outstanding **Modification Offer(s)** or **Connection Offer(s)** to another **User(s)** (the "**First Offer**") which if accepted would affect the terms of the **Second Offer** **The Company** shall at the time of making the **Second Offer**:
- 6.10.4.1 inform the recipient(s) of both the **First Offer(s)** and **Second Offer(s)** in writing that there is another **Offer** outstanding which might affect them; and
 - 6.10.4.2 be entitled to make the **First Offer(s)** and **Second Offer(s)** conditional upon other outstanding **Offers** not having been or being accepted; and
 - 6.10.4.3 be entitled to vary the terms of either **Offer** if the other **Offer** is accepted first on the same procedures as those set out in Paragraphs 6.9.2.2 to 6.9.2.4 or 2.14.2 to 2.14.4 inclusive as the case may be.

6.11 NUCLEAR INSTALLATIONS

- 6.10.4 Save as provided in Paragraph 6.11.2 below notwithstanding anything to the contrary contained in the **CUSC** (but subject to the following proviso), in circumstances affecting a generator of nuclear electricity (a "**Nuclear Generator**") in which:
- (a) a breach of any of the matters specified in Paragraph 6.11.4 below may be reasonably anticipated; and
 - (b) there is no defence (other than that provided for under this Paragraph) available to the **Nuclear Generator** in respect of the breach referred to in Paragraph (a);

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

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

- (i) make reasonable efforts to verify the factors that it takes into account in its assessment of the circumstances and anticipated breach referred to above; and
 - (ii) use its best endeavours to comply with the relevant provision in a manner which will not cause the **Nuclear Generator** to breach any of the matters specified in Paragraph 6.11.4 below.
- 6.10.5 Paragraphs 6.11.1 and 6.11.3 shall not apply in relation to the provisions of the **Balancing Codes** which will apply with full force and effect notwithstanding the occurrence of the circumstances referred to in 6.11.1(a) (including those provisions specified in Paragraph 6.11.4 which relate to Safety of Personnel and **Plant**).
- 6.10.6 Save as provided in Paragraph 6.11.2 above notwithstanding anything in the **CUSC**, the **Nuclear Generator** shall be entitled upon giving reasonable notice to all affected **CUSC Parties** to require any **CUSC Party** to take any reasonable and proper action whatsoever to the extent necessary in order to comply with (or avert an anticipated breach of) any of the matters specified in Paragraph 6.11.4 below.
- 6.10.7 The matters referred to in Paragraphs 6.11.1 and 6.11.3 above are any covenant, agreement, restriction, stipulation, instruction, provision, condition or notice contained, or referred to, in a licence for the time being in force, granted in accordance with the Nuclear Installations Act 1965 (or legislation amending, replacing or modifying the same) or any consent, or approval issued, or to take effect from time to time under such licence, any emergency arrangements, operating rules or other matters from time to time under such licence, any emergency arrangements, operating rules or other matters from time to time approved by the relevant authority under, or pursuant to, any such agreements, restrictions, stipulations, instructions, provisions, conditions or notices.
- 6.10.8 The **Nuclear Generator** shall indemnify and keep indemnified any **CUSC Party** for any loss, damage, costs and expenses incurred by that **CUSC Party** as a consequence of any action of that **CUSC Party** pursuant to Paragraph 6.11.3 (to the extent that the action was not required by any licence or agreement binding on that **CUSC Party**).
- 6.10.9 Notwithstanding the fact that any action or inaction allowed by Paragraph 6.11.1 above does not constitute a breach of the **CUSC** or an **Event of Default** under Paragraph 5.3, the

Nuclear Generator shall be liable to the other **CUSC Parties** to the **CUSC** for any loss, claims, costs, liabilities and expenses arising from such action or inaction to the extent only that such loss, claims, costs, liabilities and expenses (had it arisen as a result of a breach of the **CUSC**) would not have been limited or excluded under the provisions of Paragraph 6.12.

6.12 LIMITATION OF LIABILITY

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

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

6.12.1.2 the liability of any such other **CUSC Party** to any other person for loss in respect of physical damage to the property of any other person, subject, for the avoidance of doubt, to the requirement that the amount of such liability claimed by such other **CUSC Party** should be mitigated in accordance with general law.

provided that the liability of any **CUSC Party** in respect of all claims for such loss shall not exceed £5million per incident or series of related incidents and that in cases where an incident or series of related incidents occur on an **Onshore Distribution System** affects **Users** of an **ET Offshore Transmission System** or on an **ET Transmission System** affecting **Users** of an **Onshore Distribution System**, the liability of all **CUSC Parties** in respect of all claims for such loss shall not exceed £1million per incident or series of related incidents.

6.12.2 Nothing in the **CUSC** shall exclude or limit the liability of the **Party Liable** in respect of fraudulent misrepresentation or death or personal injury resulting from the negligence of the **Party**

Party Liable or any of its officers, employees or agents and the **Party Liable** shall indemnify and keep indemnified each of the other **CUSC Parties**, its officers, employees or agents, from and against all such and any loss or liability which any such other **CUSC Party** may suffer or incur by reason of any claim on account of fraudulent misrepresentation, death or personal injury resulting from the negligence of the **Party Liable** or any of its officers, employees or agents.

6.12.3 In consideration of the rights conferred upon each **CUSC Party** (other than **The Company**) under the **CUSC**, the right of such **CUSC Party** (other than **The Company**) to claim in negligence, other tort, or otherwise howsoever against a **Relevant Transmission Licensee** in respect of any act or omission of such **Relevant Transmission Licensee** in relation to the subject matter of the **STC** is hereby excluded and each **CUSC Party** (other than **The Company**) agrees not to pursue any such claim save that nothing in this paragraph 6.12.3 shall restrict the ability of such **CUSC Party** to claim in respect of fraudulent misrepresentation or death or personal injury resulting from the negligence of a **Relevant Transmission Licensee**.

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

6.12.4.1 any loss of profit, loss of revenue, loss of use, loss of contract or loss of goodwill; or

6.12.4.2 any indirect or consequential loss; or

6.12.4.3 loss resulting from the liability of any other **CUSC Party** to any other person howsoever and whensoever arising save as provided in Sub Paragraphs 6.12.1.1 and 6.12.1.2.

6.12.5 The rights and remedies provided by the **CUSC** to the **CUSC Parties** are exclusive and not cumulative and exclude and are in place of all substantive (but not procedural) rights or remedies express or implied and provided by common law or statute in respect of the subject matter of the **CUSC**, including without limitation any rights any **CUSC Party** may possess in tort which shall include actions brought in negligence and/or nuisance. Accordingly, each of the **CUSC Parties** hereby

waives to the fullest extent possible all such rights and remedies provided by common law or statute, and releases a **CUSC Party** which is liable to another (or others), its officers, employees and agents to the same extent from all duties, liabilities, responsibilities or obligations provided by common law or statute in respect of the matters dealt with in the **CUSC** and undertakes not to enforce any of the same except as expressly provided herein.

6.12.6 Save as otherwise expressly provided in the **CUSC**, this Paragraph 6.12 insofar as it excludes or limits liability shall override any other provision in the **CUSC** provided that nothing in this Paragraph 6.12 shall exclude or restrict or otherwise prejudice or affect any of:-

6.12.6.1 the rights, powers, duties and obligations of any **CUSC Party** which are conferred or created by the **Act**, the **Licence** or the **Regulations**; or

6.12.6.2 the rights, powers, duties and obligations of the **Authority** or the **Secretary of State** under the **Act**, any **Licence** or otherwise howsoever.

6.12.7 Each of the Paragraphs of this Paragraph 6.12 shall:-

6.12.7.1 be construed as a separate and severable contract term, and if one or more of such Paragraphs is held to be invalid, unlawful or otherwise unenforceable the other or others of such Paragraphs shall remain in full force and effect and shall continue to bind the **CUSC Parties**; and

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

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

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

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

6.13 ADDITIONAL CUSC PARTIES

- 6.13.1 The **CUSC Parties** shall admit as an additional party to the **CUSC Framework Agreement** any person who accepts a **Connection Offer** or **Use of System Offer** from **The Company** (the '**New CUSC Party**') and who is not at the time a **CUSC Party**. Such admission shall take effect by way of an **Accession Agreement** prepared by **The Company** at the expense and cost of the **New CUSC Party** and to be executed by **The Company** for itself and on behalf of all other **CUSC Parties**. Upon execution of the **Accession Agreement** by **The Company**, subject to and in accordance with the terms and conditions of that **Accession Agreement**, the **New Party** shall become a **CUSC Party** for all purposes of the **CUSC Framework Agreement**.
- 6.13.2 Each **CUSC Party** hereby authorises and instructs **The Company** to sign any such **Accession Agreement** on its behalf and undertakes not to withdraw, qualify or remove any such authority or instruction at any time.
- 6.13.3 **The Company** shall promptly notify all **Users** that the **New CUSC Party** has become a **CUSC Party**. Such notification shall be by both publication on **The Company Website** and written notice (which may be sent electronically) of the name, registered address and capacities in which the new **CUSC Party** will, or intends to, be connected to or use the **National Electricity Transmission System**.

6.14 TRANSFER AND SUBCONTRACTING

- 6.14.1 The rights, powers, duties and obligations of a **User** under the **CUSC** or the **CUSC Framework Agreement** and/or any **Bilateral Agreement** (and associated **Construction Agreement**) or **Mandatory Services Agreement** are personal to that **User** and that **User** may not assign or transfer the benefit or burden of those documents save in the following circumstances:
- 6.14.1.1 upon the disposal by that **User** of the whole of its business or undertaking it shall have the right to transfer its rights and obligations under the **CUSC**, all **Bilateral Agreements** (and associated **Construction Agreements**) and all **Mandatory Services Agreements** to the purchaser thereof on condition that the purchaser if not already a **User** enters into an **Accession Agreement** with **The Company** pursuant to Paragraph 6.13 and confirms to **The Company** in writing either that all of the technical or related conditions, data, information, operational issues or other matters specified in or pursuant to the relevant **Bilateral Agreement** (and

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

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

satisfactory to **The Company** it shall consult with the **User** seeking to undertake such transfer and pending the outcome thereof to **The Company's** reasonable satisfaction the transfer shall not be effective provided always that the **User** may refer any dispute to the **Dispute Resolution Procedure**. Such transfer shall become effective once the changes are reasonably satisfactory to **The Company** or have been determined to be so under the **Dispute Resolution Procedure**;

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

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

6.14.2 Nothing in Paragraph 6.14.1 shall prevent a transfer of **OTSUA** (and transfer or assignment of all associated property and rights) by the relevant **User** to an **Offshore Transmission Licensee**.

6.15 Confidentiality

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

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

- (a) divulged by **Business Personnel** to any person unless that person is an **Authorised Recipient**;
- (b) used by **Business Personnel** for the purposes of obtaining for **The Company** or any of its subsidiaries or for any other person:

- (i) any electricity licence; or
 - (ii) any right to purchase or otherwise acquire (including to enter into or acquire the benefit of a contract conferring rights or obligations, including rights or obligations by way of option, in relation to or by reference to the sale, purchase or delivery of electricity at any time or the price at which electricity is sold or purchased at any time), or to distribute electricity; or
 - (iii) any contract or arrangement for the supply of electricity to **Customers** or **Suppliers**; or
 - (iv) any contract for the use of any electrical lines or electrical plant belonging to or under the control of a **Public Distribution System Operator**, except and to the extent that **The Company** is required to do so pursuant to a request by a **User** in its application for connection to the **National Electricity Transmission System** at a **Connection Site** located **Offshore**; or
 - (v) control of any body corporate which, whether directly or indirectly, has the benefit of any such licence, contract or arrangement; and
- (c) used by **Business Personnel** for the purpose of carrying on any activities other than **Permitted Activities** except with the prior consent in writing of the **CUSC Party** to whose affairs such **Protected Information** relates.

6.15.1.2 Nothing in Paragraph 6.15.1.1 shall apply:

- (a) to any **Protected Information** which, before it is furnished to **Business Personnel**, is in the public domain; or
- (b) to any **Protected Information** which, after it is furnished to **Business Personnel**:
 - (i) is acquired by **The Company** or any subsidiary of **The Company** in

circumstances in which Paragraph 6.15.1 does not apply; or

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

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

- (c) to the disclosure of any **Protected Information** to any person if **The Company** or any subsidiary of **The Company** is required or expressly permitted to make such disclosure to such person:
 - (i) in compliance with the duties of **The Company** or any subsidiary under the **Act** or any other requirement of a **Competent Authority**; or
 - (ii) in compliance with the conditions of the **Transmission Licence** or any document referred to in the **Transmission Licence** with which **The Company** or any subsidiary of **The Company** is required by virtue of the **Act** or the **Transmission Licence** to comply; or
 - (iii) in compliance with any other requirement of law; or
 - (iv) in response to a requirement of any stock exchange or regulatory authority or the Panel on Take-overs and Mergers; or
 - (v) pursuant to the Arbitration Rules for the **Electricity Arbitration Association** or

pursuant to any judicial or other arbitral process including where determination is by an expert or tribunal having jurisdiction in relation to **The Company** or any of its subsidiaries; or

- (vi) in compliance with the requirements of section 35 of the **Act** and with the provisions of the **Fuel Security Code**; or
- (d) to any **Protected Information** to the extent that **The Company** or any of its subsidiaries is expressly permitted or required to disclose that information under the terms of any agreement or arrangement (including the **CUSC**, the **Grid Code**, the **Distribution Codes** and the **Fuel Security Code**) with the **CUSC Party** to whose affairs such **Protected Information** relates.

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

- (a) the operation and planning of the **National Electricity Transmission System**;
- (b) the calculation of charges and preparation of offers of terms for connection to or use of the **National Electricity Transmission System**;
- (c) the operation and planning in relation to the utilisation of **Balancing Services** and the calculation of charges therefor;
- (d) the provision of information under the **British Grid Systems Agreement** and **EdF Documents**,

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

6.15.1.4 **The Company** undertakes to each of the other **CUSC Parties** that, having regard to the activities in which any **Business Person** is engaged and the nature and effective life of the **Protected Information** divulged to him by virtue of such

activities, neither **The Company** nor any of its subsidiaries shall unreasonably continue (taking into account any industrial relations concerns reasonably held by it) to divulge **Protected Information** or permit **Protected Information** to be divulged by any subsidiary of **The Company** to any **Business Person**:

- (a) who has notified **The Company** or the relevant subsidiary of his intention to become engaged as an employee or agent of any other person (other than of **The Company** or any subsidiary thereof) who is:
 - (i) authorised by licence or exemption to generate, transmit, distribute or supply electricity; or
 - (ii) an electricity broker or is known to be engaged in the writing of electricity purchase contracts (which shall include the entering into or acquiring the benefit of a contract conferring rights or obligations including rights and obligations by way of option, in relation to or by reference to the sale, purchase or delivery of electricity at any time or the price at which electricity is sold or purchased at any time); or
 - (iii) known to be retained as a consultant to any such person who is referred to in (i) or (ii) above; or
- (b) who is to be transferred to the **Generation Business**, save where **The Company** or such subsidiary could not, in all the circumstances, reasonably be expected to refrain from divulging to such **Business Person Protected Information** which is required for the proper performance of his duties.

6.15.2 Without prejudice to the other provisions of this Paragraph 6.15 **The Company** shall procure that any additional copies made of the **Protected Information** whether in hard copy or computerised form, will clearly identify the **Protected Information** as protected.

6.15.3 **The Company** undertakes to use all reasonable endeavours to procure that no employee is a **Corporate Functions Person**

unless the same is necessary for the proper performance of his duties.

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

Confidentiality other than for The Company and its subsidiaries

- 6.15.6 Each **User** undertakes with each other **User** and with **The Company** and its subsidiaries that it shall preserve the confidentiality of, and not directly or indirectly reveal, report, publish, disclose or transfer or use for its own purposes **Confidential Information** except in the circumstances set out in Paragraph 6.15.7 or to the extent otherwise expressly permitted by the **CUSC** or with the prior consent in writing of the **CUSC Party** to whose affairs such **Confidential Information** relates.
- 6.15.7 The circumstances referred to in Paragraph 6.15.6 are: (a) where the **Confidential Information**, before it is furnished to the **User**, is in the public domain; or
- (b) where the **Confidential Information**, after it is furnished to the **User**:
- (i) is acquired by the **User** in circumstances in which Paragraph 6.15.6 does not apply; or
- (ii) is acquired by the **User** in circumstances in which Paragraph 6.15.6 does apply and thereafter ceases to be subject to the restrictions imposed by Paragraph 6.15.6; or

(iii) enters the public domain,
and in any such case otherwise than as a result of a breach by the **User** of its obligations in Paragraph 6.15.6 or a breach by the person who disclosed that **Confidential Information** of that person's confidentiality obligation and the **User** is aware of such breach; or

(c) if the **User** is required or permitted to make disclosure of the **Confidential Information** to any person:

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

(ii) in compliance with the conditions of any **Licence** or any document referred to in any **Licence** with which the **User** is required to comply or

(iii) in compliance with any other requirement of law; or

(iv) in response to a requirement of any stock exchange or regulatory authority or the Panel on Take-overs and Mergers; or

(v) pursuant to the Arbitration Rules for the **Electricity Arbitration Association** or pursuant to any judicial or other arbitral process (including where determination is by an expert) or tribunal having jurisdiction in relation to the **User**; or

(d) where **Confidential Information** is furnished by the **User** to its **Affiliates** or **Related Undertakings** or to the employees, directors, agents, consultants and professional advisors of the **User** or those of its **Affiliates** or **Related Undertakings**, in each case on the basis set out in Paragraph 6.15.8.

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

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

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

the **User's** obligations of confidence in relation thereto; and

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

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

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

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

6.16 DATA

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

6.17 Not Used

6.18 INTELLECTUAL PROPERTY

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

6.19 FORCE MAJEURE

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

Agreements or **Mandatory Services Agreements** shall remain in effect but:

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

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

- (a) the suspension of performance is of no greater scope and of no longer duration than is required by the **Force Majeure**;
- (b) no obligations of any **CUSC Party** that arose before the **Force Majeure** causing the suspension of performance are excused as a result of the **Force Majeure**;
- (c) the **Non-Performing Party** gives the other **CUSC Parties** prompt notice describing the circumstance of **Force Majeure**, including the nature of the occurrence and its expected duration, and continues to furnish regular reports with respect thereto during the period of **Force Majeure**;
- (d) the **Non-Performing Party** uses all reasonable efforts to remedy its inability to perform; and
- (e) as soon as practicable after the event which constitutes **Force Majeure** the **CUSC Parties** shall discuss how best to continue their operations so far as possible in accordance with the **CUSC**, any **Bilateral Agreements** or **Mandatory Services Agreements** and the **Grid Code**.

6.20 WAIVER

No delay by or omission of a **CUSC Party** in exercising any right power, privilege or remedy under this **CUSC**, any **Bilateral Agreement** or any **Construction Agreement** or any **Mandatory Services Agreement** or the **Grid Code** shall operate to impair such right, power, privilege or remedy or be construed as a waiver thereof. Any single or partial exercise of any such right, power, privilege or remedy shall not preclude

any other or future exercise thereof or the exercise of any other right, power, privilege or remedy.

6.21 NOTICES

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

6.21.2 Save as otherwise expressly provided in the **CUSC**, any notice or other communication to be given by any **CUSC Party** to any other **CUSC Party** under, or in connection with the matters contemplated by, the **CUSC** shall be in writing and shall be given by letter delivered by hand or sent by first class prepaid post (airmail if overseas) or telex or facsimile, and shall be deemed to have been received:

6.21.2.1 in the case of delivery by hand, when delivered; or

6.21.2.2 in the case of first class prepaid post, on the second day following the day of posting or (if sent airmail from overseas) on the fifth day following the day of posting; or

6.21.2.3 in the case of telex, on the transmission of the automatic answer back of the address (where such transmission occurs before 17.00 hours on day of transmission) and in any other case on the day following the day of transmission; or

6.21.2.4 in the case of facsimile, on acknowledgement by the addressee's facsimile receiving equipment (where such acknowledgement occurs before 17.00 hours on the day of acknowledgement) and in any other case on the day of acknowledgement.

6.21.3 This Paragraph shall apply only to **Users** acting in their capacity as **Trading Parties** (as defined in the **Balancing and Settlement Code**) who are responsible for **Small Power Stations** which are **Embedded**. In addition to the other

provisions of this Paragraph 6.21 of the **CUSC**, any notice or other communications to be served upon the **User** under the provisions of Paragraph 5.4 shall in each case be served by any one of the senior managers of **The Company** whose names, posts, locations, telephone and facsimile numbers have been provided to the **User** by **The Company** for that purpose. In the case where an application, notice or other communication is to be made by the **User** to **The Company** under the provisions of Section 5 such application, notice or other communication shall be made by any one of the senior managers whose names, posts, location, telephone and facsimile numbers have been provided to **The Company** by the **User** for that purpose. Both parties shall be under an obligation to keep each other notified in writing of changes to the lists of senior managers exchanged between them.

6.22 THIRD PARTY RIGHTS

- 6.22.1 Subject to the remainder of this Paragraph 6.22, a **Relevant Transmission Licensee** may rely upon and enforce the terms of Paragraph 6.12.3, against a **CUSC Party** (other than **The Company**) as specified therein.
- 6.22.2 The third party rights referred to in Paragraph 6.22.1 (and any other terms of the **CUSC** which expressly provide that a third party may in his own right enforce a term of the **CUSC**) may only be enforced by the relevant third party subject to and in accordance with the provisions of the Contracts (Rights of Third Parties) Act 1999 and all other relevant terms of this **CUSC**.
- 6.22.3 Notwithstanding any other provisions of the **CUSC**, the **CUSC Parties** may (pursuant to section 8), amend the **CUSC** without recourse to the consent of a third party and accordingly, section 2(1) of the Contracts (Rights of Third Parties) Act 1999 shall not apply, save that, where and to the extent that any amendment to the **CUSC** would have an impact on the rights of third parties conferred under Paragraph 6.22.1, then **The Company** shall bring such impact to the attention of **CUSC Parties** and third persons to the extent that such impact is not already brought to their attention in an **Amendment Proposal** by the **Proposer**.
- 6.22.4 Except as provided in Paragraph 6.22.1 (or insofar as the **CUSC** otherwise expressly provides that a third party may in its own right enforce a term of the **CUSC**), a person who is not a **CUSC Party** has no right under the Contracts (Rights of Third Parties) Act 1999 to rely upon or enforce any term of the **CUSC** but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

6.23 JURISDICTION

- 6.23.1 Subject and without prejudice to Section 7 and to Paragraph 6.23.4 below, all the **CUSC Parties** irrevocably agree that only the courts of England and Wales and the courts of Scotland are to have jurisdiction to settle any disputes which may arise out of or in connection with the **CUSC** including the **Grid Code** and any **Bilateral Agreement** or **Mandatory Services Agreement** and that accordingly any suit, action or proceeding (together in this Paragraph 6.23 referred to as "**Proceedings**") arising out of or in connection with the **CUSC** and any **Bilateral Agreement** or **Mandatory Services Agreement** may be brought in such courts.
- 6.23.2 Each **CUSC Party** irrevocably waives any objection which it may have now or hereafter to the laying of the venue of any **Proceedings** in any such court as is referred to in this Paragraph 6.23 and any claim that any such **Proceedings** have been brought in an inconvenient forum and further irrevocably agrees that judgement in any **Proceedings** brought in the courts of England and Wales or the courts of Scotland shall be conclusive and binding upon such **CUSC Party** and may be enforced in the courts of any other jurisdiction.
- 6.23.3 Each **CUSC Party** which is not incorporated in any part of **Great Britain** agrees that if it does not have, or shall cease to have, a place of business in **Great Britain** it will promptly appoint, and shall at all times maintain, a person in **Great Britain** irrevocably to accept service of process on its behalf in any **Proceedings** in **Great Britain**.

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

6.24 COUNTERPARTS

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

6.25 GOVERNING LAW

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

6.26 SEVERANCE OF TERMS

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

6.27 LANGUAGE

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

6.28 MCUSA

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

6.29 BSC

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

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

6.30 Transmission Entry Capacity

- 6.30.1 Decrease in **Transmission Entry Capacity**

- 6.30.1.1 Subject to payment of the **TEC Reduction Charge** where less than the **Full TEC Reduction Notice Period** is given in accordance with 6.30.1.4 below, each User shall be entitled to decrease the **Transmission Entry Capacity** for the **Connection Site** once the **Power Station** to which it relates has been **Commissioned** upon giving **The Company** not less than the **Minimum TEC Reduction Notice Period**.
- 6.30.1.2 **The Company** shall as soon as practicable after receipt of such notice issue a revised Appendix C for the purposes of the relevant **Bilateral Agreement** reflecting the decrease in the **Transmission Entry Capacity**.
- 6.30.1.3 The decrease in the **Transmission Entry Capacity** shall take effect on the first of April following the expiry of the notice period stated in the notice from the **User**.
- 6.30.1.4 Where a reduction in **Transmission Entry Capacity** is to take effect on or after 1 April 2012 and the period of notice given is less than the **Full TEC Reduction Notice Period**, in addition to its obligation to pay the **Use of System Charges** until the reduction in **Transmission Entry Capacity** takes effect, the **User** shall be liable to pay to **The Company** the **TEC Reduction Charge**. **The Company** shall calculate any **TEC Reduction Charge** due from the **User** on receipt of the notice of reduction of **Transmission Entry Capacity** from the **User** and shall invoice the **User** as soon as possible thereafter. The **TEC Reduction Charge** shall be payable within 28 days of the date of **The Company's** invoice in respect thereof.

6.30.2 Increase in **Transmission Entry Capacity**

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

months (save where the **Authority** consents to a longer period after”.

6.30.3 Exchange Rate Requests

6.30.3.1 The **Company** shall establish and maintain a **TEC Register** published on **The Company Website** recording the details set out in 6.30.3.2.

6.30.3.2 The **TEC Register** shall set out the name of the **User**, the **Connection Site** (or in the case of an **Embedded Generator** site of connection), the **Transmission Entry Capacity**, the year of connection to (or in the case of an **Embedded Generator** the year of the use of) the **National Electricity Transmission System** in respect of any **Bilateral Agreements** or agreements to change a **User’s Transmission Entry Capacity**.

6.30.3.3 The details of the **Bilateral Agreement** or agreements to change a **User’s Transmission Entry Capacity** shall be recorded on the **TEC Register** within 5 **Business Days** of the completion of such agreements.

6.30.3.4 Subject to the payment of the fee as outlined in the **Charging Methodology Statements**, **The Company** shall, after receipt of an **Exchange Rate Request** calculate the **Exchange Rate** as soon as practicable but in any event not more than 3 months after such request is received.

6.30.3.5 In the event that the parties which to proceed with a **TEC Trade** on the basis of the **Exchange Rate** then the **User** shall notify **The Company** and effective from the following 1 April, **The Company** shall revise the **Bilateral Agreements** (as appropriate) provided.

6.31 Short Term Transmission Entry Capacity

6.31.1 Background

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

6.31.2 Form of STTEC Request

- 6.31.2.1 A **STTEC Request** must be received by **The Company** by the relevant date specified in Paragraph 6.31.6.5.
- 6.31.2.2 A **STTEC Request** must be made by email and confirmed by fax and must attach the **STTEC Request Form** duly completed and signed on behalf of the **User**.
- 6.31.2.3. A **STTEC Request** shall not be deemed received by **The Company** until the non-refundable **STTEC Request Fee** has been paid to **The Company** and until the faxed copy of the **STTEC Request** is received in accordance with Paragraph 6.21.2.4 of the **CUSC**.
- 6.31.2.4 The **STTEC Request** must specify whether it is a **Request for a STTEC Authorisation** or an **Application for a STTEC Offer**.
- 6.31.2.5 Each **STTEC Request** must state one **STTEC Period** only.
- 6.31.2.6. A **STTEC Request** must be for a **STTEC Period** within a 12 month period of receipt by **The Company** of the **STTEC Request** and the **STTEC Period** must not include any days within more than one **Financial Year**. The **STTEC Request** must include the minimum and maximum level of MW for the **STTEC Period**.
- 6.31.2.7 In respect of **Power Stations** directly connected to the **National Electricity Transmission System**, a **User' s Transmission Entry Capacity** plus the maximum figure requested (plus any **STTEC** previously granted for any part of the **STTEC Period**) must not exceed its total station **Connection Entry Capacity**.

6.31.3 Assessment by The Company of STTEC Requests

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

recorded by **The Company**) will be assessed first and then the **Request for a STTEC Authorisation** received next in time after that, and so on;

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

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

6.31.4 Notification by The Company

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

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

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

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

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

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

6.31.5 Charging, Invoicing and Payment

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

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

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

6.31.6 General

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

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

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

6.31.6.3 A **STTEC Offer** shall:

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

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

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

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

6.31.6.6 The date referred to at Paragraph 6.31.4.6 is:-

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

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

1. details of the **STTEC Period**;

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

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

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

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

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

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

6.32 Limited Duration Transmission Entry Capacity

6.32.1 Background

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

6.32.2 Form of LDTEC Request

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

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

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

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

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

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

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

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

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

6.32.3 Assessment by NGC of LDTEC Requests

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

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

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

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

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

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

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

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

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

6.32.4 Notification by NGC

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

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

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

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

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

6.32.5 Charging, Invoicing and Payment

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

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

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

6.32.6 LDTEC Offers

6.32.6.1 An **LDTEC Block Offer** shall:

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

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

- (i) state the **LDTEC Indicative Profile** ;
- (ii) include a revised Appendix C to the relevant **Bilateral Connection Agreement** or **Bilateral Embedded Generation Agreement** (as appropriate) which will detail the **LDTEC Indicative Profile** and the **LDTEC Period** for which this applies;
- (iii) state the **Available LDTEC** for the first seven **LDTEC Weeks** within the **LDTEC Indicative Profile**; and

- (iv) and be open for acceptance by the **User** within one **Business Day** of receipt of the faxed copy of the **LDTEC Offer**.

6.32.6.3 Where the **LDTEC Offer** comprises both an **LDTEC Block Offer** and an **LDTEC Indicative Block Offer** a **User** may only accept one or the other but not both.

6.32.6.4 A **User** may accept an **LDTEC Block Offer** within one **Business Day** of receipt of the faxed copy of the **LDTEC Block Offer**. Acceptance of an **LDTEC Block Offer** shall be made by the **User** executing and faxing back the accepted **LDTEC Block Offer** in which the **User** shall have either confirmed acceptance of the **LDTEC Profile** in full or confirmed acceptance of the **LDTEC Profile** with a cap throughout the profile at a specific MW figure (not exceeding the maximum MW figure in the **LDTEC Profile**). An **LDTEC Block Offer** lapses if not accepted within such period.

6.32.6.5 A **User** may accept an **LDTEC Indicative Block Offer** within one **Business Day** of receipt of the faxed copy of the **LDTEC Indicative Block Offer**. Acceptance of an **LDTEC Indicative Block Offer** shall be made by the **User** accepting the **LDTEC Indicative Block Offer** in which the **User** shall have completed the **Requested LDTEC** figure in MW (which figure shall not exceed the maximum level of MW in the **LDTEC Request**). An **LDTEC Indicative Block Offer** lapses if not accepted within such period.

Notification of weekly available LDTEC

6.32.6.6 Where **NGC** has made an **LDTEC indicative Block Offer** to a **User** and this has been accepted in accordance with Paragraph 6.31.6.5 **NGC** will by 17.00 on the Friday prior to the eighth **LDTEC Week** and each subsequent Friday during the **LDTEC Period** send to the **User** by email an **LDTEC Availability Notification** which will state the **Available LDTEC** up to the **Requested LDTEC** for the **LDTEC Week** eight weeks ahead.

6.32.6.7 If the **User** accepts the **LDTEC Offer** made in accordance with Paragraph 6.32.6.4 or 6.32.6.5, for the **LDTEC Period** Appendix C to the relevant **Bilateral Agreement** will be that accepted by the **User** in accordance with Paragraph 6.32.6.4 or 6.32.6.5 as appropriate unless otherwise subsequently amended in accordance with such **Bilateral Agreement** or the **CUSC**. Upon expiry of the **LDTEC Period** such Appendix C as it relates to that **LDTEC** shall cease to have effect.

6.32.7 LDTEC reporting provisions

6.32.7.1 **NGC** may publish the following information in respect of **LDTEC Requests** which are accepted:-

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

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

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

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

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

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

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

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

6.34 Temporary TEC Exchanges

6.34.1 Background

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

6.34.2 Form of Temporary TEC Exchange Rate Request

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

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

6.34.2.2 A **Temporary TEC Exchange Rate Request** must be made by email and confirmed by fax and must attach the **Temporary TEC Exchange Rate Request Form** duly completed and signed by the **Joint Temporary TEC Exchange Users**.

6.34.2.3 A **Temporary TEC Exchange Rate Request** shall not be deemed received by **The Company** until the **Temporary TEC Exchange Rate Request Fee** has been paid to **The Company** and until the faxed copy of the **Temporary TEC Exchange Rate Request** is received in accordance with Paragraph 6.34.2.2 of the **CUSC**.

6.34.2.4 Each **Temporary TEC Exchange Rate Request** must state one **Temporary TEC Exchange Period** only. Each **Temporary TEC Exchange Rate Request** must be by reference to whole MW only.

6.34.2.5 A **Temporary TEC Exchange Rate Request** cannot be made prior to the start of the **Financial Year** to which it relates.

6.34.2.6 A **Temporary TEC Exchange Rate Request** cannot be made unless **The Company** has published within that **Financial Year** a **Temporary TEC Exchange Notification of Interest Form** from the **Temporary TEC Exchange Donor User**.

6.34.2.7 In respect of **Power Stations** directly connected to the **National Electricity Transmission System**, a **User's Transmission Entry Capacity** plus any **Temporary Received TEC** plus any **STTEC** or **LDTEC** less any **Temporary Donated TEC** must not exceed its total station **Connection Entry Capacity**.

6.34.2.8 A **Temporary TEC Exchange Rate Request** can be withdrawn at any time upon written notice from the **Joint Temporary TEC Exchange Users**.

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

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

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

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

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

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

6.34.3.4 If **The Company** receives more than one **Temporary TEC Exchange Rate Request** for a **Temporary TEC Exchange Period** or a **STTEC Request** or an **LDTEC Request** or a **TEC Increase Request** which **The Company** believes will impact on each other, **The Company** will assess such requests and the capacity available on the **National Electricity Transmission System** on a first come

first served basis such that the request received earliest in time by **The Company** (as recorded by **The Company**) will be considered first in terms of capacity available and then the request received next in time after that, and so on.

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

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

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

6.34.4 Notification by The Company

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

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

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

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

6.34.5 Charging, Invoicing and Payment

6.34.5.1 Each **Temporary TEC Exchange Recipient User** must pay the **LDTEC Charge** in respect of the **Temporary Received TEC** even if the **User** does not use the corresponding **Temporary Received TEC**.

6.34.6 Temporary TEC Exchange Rate Offers

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

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

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

6.34.6.3 If the **Temporary TEC Exchange Rate Offer** is accepted in accordance with Paragraph 6.34.6.2, for the **Temporary TEC Exchange Period** Appendix C to the relevant **Bilateral Agreements** will be that accepted by the **Joint Temporary TEC Exchange Users**, unless otherwise subsequently amended in accordance with

such **Bilateral Agreement** or the **CUSC**. Upon expiry of the **Temporary TEC Exchange Period** such Appendix C as it relates to that **Temporary TEC Exchange Period** shall cease to have effect.

6.34.7 Temporary TEC Exchange reporting and information provisions

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

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

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

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

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

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

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

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

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

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

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

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

6.35 Embedded Generator MW Register

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

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

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

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

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

6.36 Transmission Works Register

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

Communications Plant (CC.6.5) - Appendix 1

Power Station Located Adjacent to the Transmission Substation

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

Communications Plant (CC.6.5) - Appendix 1

Power Station Not Located Adjacent to the Transmission Substation

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

Communications Plant (CC.6.5) - Appendix 1

Demand

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

Appendix 2

Operating Metering (CC.6.5.6)

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

END OF SECTION 6

CUSC - SECTION 11

INTERPRETATION AND DEFINITIONS

CONTENTS

- 11.1 Introduction
- 11.2 Interpretation and Construction
- 11.3 Definitions

SECTION 11

INTERPRETATION AND DEFINITIONS

11.1 INTRODUCTION

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

11.2 INTERPRETATION AND CONSTRUCTION:

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

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

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

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

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

- 11.2.4 If such **Consent** is required from any **CUSC Party** then such **CUSC Party** shall grant such **Consent** unless it is unable to do so or it would be unlawful for it to do so provided that such grant by such **CUSC Party** may be made subject to such reasonable conditions as such **CUSC Party** shall reasonably determine.
- 11.2.5 For the avoidance of doubt if the **CUSC Party** who is under a duty to obtain such **Consent** fails to obtain such **Consent** having complied with this Paragraph 11.2 the obligation on that **CUSC Party** (in relation to which such **Consent** is required) shall cease.
- 11.2.6 In the **CUSC** and in each **Bilateral Agreement** and in each **Mandatory Services Agreement** and each **Construction Agreement**:
- (a) unless the context otherwise requires all references to a particular Paragraph, Part, Section, Schedule or Exhibit shall be a reference to that Paragraph, Part, Section, Schedule or Exhibit in or to the **CUSC** and all references to a particular Appendix shall be a reference to that Appendix to a **Bilateral Agreement** or **Mandatory Services Agreement** or **Construction Agreement** (as the case may be);
 - (b) a table of contents and headings are inserted for convenience only and shall be ignored in construing the **CUSC** or a **Bilateral Agreement**, **Construction Agreement** or **Mandatory Services Agreement** as the case may be;
 - (c) references to the words "include" or "including" are to be construed without limitation to the generality of the preceding words;
 - (d) unless the context otherwise requires any reference to an Act of Parliament or any part or section or other provision of or schedule to an Act of Parliament shall be construed, at the particular time, as including a reference to any modification, extension or re-enactment thereof then in force and to all instruments, orders or regulations then in force and made under or deriving validity from the relevant Act of Parliament; and
 - (e) references to the masculine shall include the feminine and references in the singular shall include the plural and vice versa and words denoting persons shall include any individual, partnership, firm, company, corporation, joint venture, trust, association, organisation or other entity, in each case whether or not having separate legal personality.

11.3 DEFINITIONS

The following terms shall have the following meanings:

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

"Affected User"	<p>a User:</p> <p>a) with Transmission Entry Capacity for the Connection Site against which the affected BM Unit is registered and who is paying or in receipt of generator Transmission Network Use of System Charges by reference to such Transmission Entry Capacity; or</p> <p>b) an Interconnector Owner;</p>
"Affiliate"	<p>in relation to The Company (and in relation to Paragraphs 6.14 and 8A.4.2.2, any User) means any holding company or subsidiary of The Company (or the User as the case may be) or any subsidiary of a holding company of The Company (or the User as the case may be), in each case within the meaning of sections 736, 736A and 736B of the Companies Act 1985 as substituted by section 144 of the Companies Act 1989;</p>
"Agency Business"	<p>any business of The Company or any Affiliate or Related Undertaking in the purchase or other acquisition or sale or other disposal of electricity as agent for any other Authorised Electricity Operator;</p>
"Agreed Ancillary Services"	<p>Part 2 System Ancillary Services and Commercial Ancillary Services;</p>
"Agreed Value"	<p>the value attributed by The Company to the form of security provided that if The Company and the User cannot agree on such value then the value will be determined by an expert appointed by The Company and the User or, failing their agreement as to the expert, the expert nominated by the Director General of The Institute of Credit Management;</p>
"Alternate Election Process"	<p>As defined in Paragraph 8A.4.4.2</p>
"Alternate Members"	<p>persons appointed as such pursuant to Paragraph 8.6.2;</p>
"Alternate Member Interim Vacancies"	<p>as defined in Paragraph 8A.4.3.3</p>
"Allowed Interruption"	<p>shall mean an Interruption as a result of any of the following:</p> <p>a) an Event other than an Event on the National Electricity Transmission System;</p>

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

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

"Amendment Procedures"

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

"Amendment Process"

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

"Amendment Proposal"

a proposal which is not rejected pursuant to Paragraphs 8.15.3 or 8.15.4;

"Amendments Panel"

the body established and maintained pursuant to Paragraph 8.2;

"Amendments Panel Recommendation Vote"

The vote of **Panel Members** undertaken by the **Panel Chairman** in accordance with Paragraph.20.4 as to whether they believe each **Proposed Amendment**, or **Working Group Alternative Amendment** would better facilitate achievement of the applicable **CUSC Objective(s)**;

"Amendment Register"

as defined in Paragraph 8.12.1;

"Amendment Report"

a report prepared pursuant to Paragraph 8.20;

"Ancillary Services"	System Ancillary Services and/or Commercial Ancillary Services as the case may be;
"Ancillary Services Agreement"	an agreement between The Company and a User or other person to govern the provision of and payment for one or more Ancillary Services , which term shall include without limitation a Mandatory Services Agreement ;
"Annual Average Cold Spell (ACS) Conditions"	a particular combination of weather elements which gives rise to a level of peak Demand within an The Company Financial Year which has a 50% chance of being exceeded as a result of weather variation alone;
"Apparatus"	all equipment in which electrical conductors are used, supported or of which they may form a part;
"Applicant"	a person applying for connection and/or use of system under the CUSC ;
"Applicable CUSC Objectives"	as defined in the Transmission Licence ;
"Application for a STTEC"	an application made by a User in accordance with the Offer " Paragraph 6.31 for Short Term Capacity for a STTEC Period .
"Approved Agency"	the panel of three independent assessment agencies appointed by NGC and other network operators from time to time for the purpose of providing Independent Credit Assessments details of such agencies to be published on the NGC Website ;
"Approved Amendment"	as defined in Paragraph 8.20.7 and 8.21.2.3;
"Applicable Balancing Services Volume Data"	has the meaning given in the Balancing and Settlement Code
"Approved Credit Rating"	a long term debt rating of not less than BB- by Standard and Poor's Corporation or a rating not less than Ba3 by Moody's Investor Services, or a short term rating which correlates to those long term ratings, or an equivalent rating from any other reputable credit agency approved by The Company ; or such other lower rating as may be reasonably approved by The Company from time to time;
"Authorised Electricity Operator"	any person (other than The Company in its capacity as operator of the National Electricity Transmission System) who is authorised to

	generate, participate in the transmission of, distribute or supply electricity and for the purposes of Standard Condition C4 of the Transmission Licence shall include any person who has made application to be so authorised which application has not been refused and any person transferring electricity to or from Great Britain across an interconnector or who has made application for use of interconnector which has not been refused;
"Authorised Recipient"	in relation to any Protected Information , means any Business Person who, before the Protected Information had been divulged to him by The Company or any Subsidiary of The Company , had been informed of the nature and effect of Paragraph 6.15.1 and who requires access to such Protected Information for the proper performance of his duties as a Business Person in the course of Permitted Activities ;
"Authority"	the Director General of Electricity Supply appointed for the time being pursuant to section 1 of the Act or, after the coming into force of section 1 of the Utilities Act 2000, the Gas and Electricity Markets Authority established by that section;
"Available LDTEC"	is the level of MW for an LDTEC Week as notified by NGC to a User in (in the case of the first seven LDTEC Weeks) the LDTEC Indicative Block Offer and for subsequent LDTEC Weeks in an LDTEC Availability Notification .
"Back Stop Date"	in relation to an item of Derogated Plant , the date by which it is to attain its Required Standard , as specified in or pursuant to the relevant Derogation ;
"Balancing and Settlement Code" or "BSC"	as defined in the Transmission Licence ;
"Balancing Code" or "BC"	as defined in the Grid Code ;
"Balancing Mechanism"	as defined in the Transmission Licence ;
"Balancing Services"	as defined in the Transmission Licence ;
"Balancing Services Activity"	as defined in the Transmission Licence ;
"Balancing Services Agreement"	an agreement between The Company and a User or other person governing the provision of and payment for one or more Balancing Services ;

"Balancing Services Use of System Charges"

the element of **Use of System Charges** payable in respect of the **Balancing Services Activity**;

"Balancing Services Use of System Reconciliation Statement"

as defined in Paragraph 3.15.1

"Bank Account"	a separately designated bank account in the name of The Company at such branch of Barclays Bank PLC, or such branch of any other bank, in the City of London as is notified by The Company to the User , bearing interest from (and including) the date of deposit of principal sums to (but excluding) the date of withdrawal of principal sums from such account, mandated for withdrawal of principal solely by The Company against delivery of a Notice of Drawing for the amount demanded therein and mandated for the transfer of any interest accrued to the Bank Account to such bank account as the User may specify;
"Base Rate"	in respect of any day, the rate per annum which is equal to the base lending rate from time to time of Barclays Bank PLC as at the close of business on the immediately preceding Business Day ;
"Base Value at Risk"	The sum of HH Base Value at Risk and the NHH Base Value at Risk
"BELLA Application"	an application for a BELLA in the form or substantially in the form set out in Exhibit Q;
"BELLA Offer"	an offer for a BELLA in the form or substantially the form set out in Exhibit R including any revision or extension of such offer;
"Bi-annual Estimate"	an estimate pursuant to Paragraph 2.21.2 of all payments to be made or which may be required to be made by the User in any relevant period, such estimate to be substantially in the form set out in Exhibit L to the CUSC ;
"Bid-Offer Acceptance"	as defined in the Balancing and Settlement Code ;
"Bid-Offer Volume"	as defined in the Balancing and Settlement Code ;
"Bilateral Agreement"	in relation to a User , a Bilateral Connection Agreement or a Bilateral Embedded Generation Agreement , or a BELLA between The Company and the User ;
"Bilateral Connection Agreement"	an agreement entered into pursuant to Paragraph 1.3.1 a form of which is set out in Exhibit 1 to Schedule 2 ;
"Bilateral Embedded Generation Agreement"	an agreement entered into pursuant to Paragraph 1.3.1, a form of which is set out in

	Exhibit 2 to Schedule 2 ;
"Bilateral Embedded Licence exemptable Large power station Agreement" or "BELLA"	an agreement in respect of an Embedded Exemptable Large Power Station entered into pursuant to Paragraph 1.3.1, a form of which is set out in Exhibit 5 to Schedule 2 ;
"Bilateral Insurance Policy"	a policy of insurance taken out by the User with a company in the business of providing insurance who meets the Requirements for the benefit of The Company and upon which The Company can claim if the circumstances set out in CUSC Paragraph 5.3.1(b) (i) to (v) arise in respect of such User and which shall provide security for the Agreed Value . In addition The Company may accept such a policy from such a company who does not meet the Requirements up to an Agreed Value where The Company agrees or where The Company does not agree as determined by an expert appointed by The Company and the User or failing their agreement as to the expert the expert nominated by the Director General of The Institute of Credit Management;
"Block LDTEC"	is at any given time the lower of the MW figure in the LDTEC Profile or Adjusted LDTEC Profile for an LDTEC Period
"BM Unit"	as defined in the Balancing and Settlement Code ;
"BM Unit Identifiers"	the identifiers (as defined in the Balancing and Settlement Code) of the BM Units ;
"BM Unit Metered Volume"	as defined in the Balancing and Settlement Code ;
"Boundary Point Metering System"	as defined in the Balancing and Settlement Code ;
"British Grid Systems Agreement"	the agreement made on 30 March 1990 of that name between The Company , Scottish Hydro Electric plc, and Scottish Power plc;
"BSC Agent"	as defined in the Balancing and Settlement Code ;
"BSC Framework Agreement"	as defined in the Transmission Licence ;
"BSC Panel"	the Panel as defined in the Balancing and Settlement Code ;
"BSC Party"	a person who is for the time being bound by the Balancing and Settlement Code by virtue of being a party to the BSC Framework

	Agreement;
"Business Day"	any week-day other than a Saturday on which banks are open for domestic business in the City of London;
"Business Person"	any person who is a Main Business Person or a Corporate Functions Person and " Business Personnel " shall be construed accordingly;
"Capability Payment"	as defined in Paragraph 4.2A.4(a)(i);
"Category 1 Intertripping Scheme"	as defined in the Grid Code ;
"Category 2 Intertripping Scheme"	as defined in the Grid Code ;
"Category 3 Intertripping Scheme"	as defined in the Grid Code ;
"Category 4 Intertripping Scheme"	as defined in the Grid Code ;
"CCGT Unit"	a Generating Unit within a CCGT Module ;
"Charging Dispute"	as defined in Paragraph 7.2.1;
"Charging Statements"	the Statement of the Connection Charging Methodology , the Statement of the Use of System Charging Methodology , and the Statement of Use of System Charges ;
"Circuit Breaker"	a mechanical switching device, capable of making, carrying and breaking currents under normal circuit conditions and also of making, carrying for a specified time and breaking currents under specified abnormal circuit conditions, such as those of short circuit;
"CMRS"	as defined in the Balancing and Settlement Code ;
"Code of Practice"	as defined in the Balancing and Settlement Code ;
"Combined Cycle Gas Turbine Module" or "CCGT Module"	a collection of Generating Units (registered under the Grid Code PC) comprising one or more Gas Turbine Units (or other gas based engine units) and one or more Steam Units where, in normal operation, the waste heat from the Gas Turbine Units is passed to the water/steam system of the associated Steam Units and where the component units within the CCGT Module are directly connected by steam or hot gas lines to enable those units to contribute to the efficiency of the combined cycle operation of the CCGT Module ;

"Commercial Ancillary Services"	as defined in the Grid Code ;
"Commercial Boundary"	(unless otherwise defined in the relevant Mandatory Services Agreements), the commercial boundary between either The Company or a Public Distribution System Operator (as the case may be) and the User at the higher voltage terminal of the generator step-up transformer;
"Commercial Services Agreement"	an agreement between The Company and a User or other person to govern the provision of and payment for one or more Agreed Ancillary Services ;
"Commissioned"	in respect of Plant and Apparatus commissioned before the Transfer Date means Plant and Apparatus recognised as having been commissioned according to the commissioning procedures current at the time of commissioning and in respect of Plant and Apparatus commissioned after the Transfer Date means Plant and/or Apparatus certified by the Independent Engineer as having been commissioned in accordance with the relevant Commissioning Programme ;
"Commissioning Programme"	in relation to a particular user as defined in its Construction Agreement ;
"Commissioning Programme Commencement Date"	as defined in relation to a particular User in the Construction Agreement ;
"Competent Authority"	the Secretary of State , the Authority and any local or national agency, authority, department, inspectorate, minister (including Scottish ministers), ministry, official or public or statutory person (whether autonomous or not) of, or of the government of, the United Kingdom or the European Community;
"Completion Date"	in relation to a particular User , as defined in its Construction Agreement ;
"Composite Demand Charges"	in respect of a User its Demand related Transmission Network Use of System Charges for each Transmission Network Use of System Demand Zone ;
"Confidential Information"	all data and other information supplied to a User by another CUSC Party under the provisions of the CUSC or any Bilateral Agreement , Construction Agreement or Mandatory Services Agreement ;

“Connect and Manage Arrangements”	the arrangements whereby pursuant to Standard Condition C26 of the Transmission Licence and Standard Condition D16 of a Relevant Transmission Licensee’s transmission licence connection to and or use of the National Electricity Transmission System is permitted by virtue of a Connect and Manage Derogation on completion of the Enabling Works but prior to completion of the Wider Transmission Reinforcement Works ;
“Connect and Manage Derogation”	means the temporary derogation from the NETS SQSS available to The Company pursuant to Standard Condition C17 of the Transmission Licence and/or a Relevant Transmission Licensee pursuant to Standard Condition D3 of its transmission licence;
“Connect and Manage Derogation Criteria”	the criteria detailed as such in CUSC Section 13.2.4;
“Connect and Manage Derogation Report”	the report required to be prepared by The Company and/or a Relevant Transmission Licensee in respect of a Connect and Manage Derogation ;
“Connect and Manage Implementation Date”	means the date which the Secretary of State determines shall be the connect and manage implementation date;
“Connect and Manage Power Station”	means a Power Station which is directly connected to the National Electricity Transmission System or which is Distributed Generation ;
“Connect and Manage Transition Period”	means the period ending 6 months after the Connect and Manage Implementation Date
"Connected Planning Data"	in relation to a particular user, as defined in its Construction Agreement ;
"Connection"	a direct connection to the National Electricity Transmission System by a User ;
"Connection Application"	an application for a New Connection Site in the form or substantially in the form set out in Exhibit B to the CUSC ;
"Connection Charges"	charges made or levied or to be made or levied for the carrying out (whether before or after the date on which the Transmission Licence

	comes into force) of works and provision and installation of electrical plant, electric lines and ancillary meters in constructing entry and exit points on the National Electricity Transmission System , together with charges in respect of maintenance and repair of such items in so far as not otherwise recoverable as Use of System Charges , all as more fully described in the Transmission Licence , whether or not such charges are annualised, including all charges provided for in the statement of Connection Charging Methodology (such as Termination Amounts and One-off Charges);
"Connection Charging Methodology"	as defined in the Transmission Licence ;
"Connection Conditions" or "CC"	that portion of the Grid Code which is identified as the Connection Conditions ;
"Connection Entry Capacity"	the figure specified as such for the Connection Site and each Generating Units as set out in Appendix C of the relevant Bilateral Connection Agreement ;
"Connection Offer"	an offer or (where appropriate) the offers for a New Connection Site in the form or substantially in the form set out in Exhibit C including any revision or extension of such offer or offers;
"Connection Site"	each location more particularly described in the relevant 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. 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 ;
"Connection Site Demand Capability"	the capability of a Connection Site to take power to the maximum level forecast by the User from time to time and forming part of the Forecast Data supplied to The Company pursuant to the Grid Code together with such margin as The Company shall in its reasonable opinion consider necessary having regard to The Company's duties under its Transmission Licence ;
"Consents"	in relation to a particular User , as defined in its Construction Agreement , and as provided for in Section 11;

"Construction Agreement"	an agreement entered into pursuant to Paragraph 1.3.2;
"Construction Programme"	in relation to a particular User , as defined in its Construction Agreement ;
"Construction Works"	In relation to a particular User , as defined in its Construction Agreement ;
"Control Telephony"	as defined in the Grid Code ;
"Contract Test"	a test (not being a Reactive Test) described in a Market Agreement ;
"Contract Start Days"	as defined in Paragraph 3.3 of Schedule 3, Part I;
"Core Industry Documents"	as defined in the Transmission Licence ;
"Core Industry Document Owner"	in relation to a Core Industry Document , the body(ies) or entity(ies) responsible for the management and operation of procedures for making changes to such document;
"Corporate Functions Person"	any person who is: <ul style="list-style-type: none"> (a) a director of The Company; or (b) an employee of The Company or any of its subsidiaries carrying out any administrative, finance or other corporate services of any kind which in part relate to the Main Business; or (c) engaged as an agent of or adviser to or performs work in relation to or services for the Main Business;
"Cost Statement"	as defined in Paragraph 2.14.3;
"Credit Assessment Score"	a score between zero and ten given by an Approved Agency in the Independent Credit Assessment ;
"Credit Assessment Sum"	the proportion of the of the Unsecured Credit Cover extended by NGC to a User who does not meet the Approved Credit Rating and calculated in accordance with Paragraph 3.26.6;
"Credit Rating"	the credit requirements set by The Company from time to time in relation to Termination Amounts ;
"CUSC"	this Connection and Use of System Code ;
"CUSC Framework Agreement"	as defined in the Transmission Licence ;

"CUSC Implementation Date"	00.01 on the 18 September 2001;
"CUSC Party"	as defined in the Transmission Licence ;
"Customer"	a person to whom electrical power is provided (whether or not he is the provider of such electrical power) other than power to meet Station Demand of that person;
"DC Converter"	As defined in the Grid Code ;
"Data Registration Code" or "DRC"	the portion of the Grid Code which is identified as the Data Registration Code ;
"Deemed HH Forecasting Performance"	the sum calculated in accordance with Appendix 2 Paragraph 3 as it may be revised in accordance with paragraph 3.22.7.
"Deemed NHH Forecasting Performance"	the sum calculated in accordance with Appendix 2 Paragraph 6 as it may be revised pursuant to Paragraph 3.22.8.
"Deenergisation" or "Deenergise(d)"	the movement of any isolator, breaker or switch or the removal of any fuse whereby no electricity can flow to or from the relevant System through the User's Equipment ;
"Defaulting Party"	as defined in Paragraph 4.3.2.11;
"Defendant Party"	as defined in Paragraph 7.5.1;
"De-Load"	the difference (expressed in MW) between the Maximum Export Limit and the Final Physical Notification Data as adjusted by the Acceptance Volume in respect of a Bid-Offer Acceptance (if any), and "De-Loaded" shall be construed accordingly;
"Demand"	the demand of MW and Mvar of electricity (i.e. both Active Power and Reactive Power), unless otherwise stated;
"Demand Forecast"	a Users forecast of its Demand submitted to The Company in accordance with paragraphs 3.10, 3.11 and 3.12;
"Derogation"	means (a) a direction issued by the Authority relieving a CUSC Party from the obligation under its Licence to comply with such parts of the Grid Code or any Distribution Code or in the case of The Company the Transmission Licence as may be specified in such direction and/or (b) a Connect and Manage Derogation as the context requires and "Derogated" shall be construed accordingly;

"Derogated Plant"	Plant or Apparatus which is the subject of a Derogation ;
"Design Variation"	is a connection design (which provides for connection to the National Electricity Transmission System) which fails to satisfy the relevant deterministic criteria detailed for an Onshore Connection in paragraphs 2.5 to 2.13 and for an Offshore Connection in 7.7 to 7.19, as appropriate, of the NETS SQSS ;
"De-synchronisation"	the act of taking a BM Unit off a System to which it has been Synchronised , by opening any connecting circuit breaker, and " De-synchronised " shall be construed accordingly;
"Detailed Planning Data"	detailed additional data which The Company requires under the PC in support of Standard Planning Data;
"Directive"	includes any present or future directive, requirement, instruction, direction or rule of any Competent Authority , (but only, if not having the force of law, if compliance with the Directive is in accordance with the general practice of persons to whom the Directive is addressed) and includes any modification, extension or replacement thereof then in force;
"Disconnect" or "Disconnection"	without prejudice to the interpretation of the terms " Disconnect " or " Disconnection " to Users acting in capacities other than those detailed, the following definitions shall apply: <ul style="list-style-type: none"> <li style="margin-top: 10px;">(a) for Users acting in their capacity as Generators with Embedded Large Power Stations or Embedded Medium Power Stations, passing power on to a Distribution System through a connection to a Distribution System which had not been commissioned as at the Transfer Date, means permanent physical disconnection of the User's Equipment at the site of connection to the Distribution System; <li style="margin-top: 10px;">(b) for Users who are Trading Parties (as defined in the Balancing and Settlement Code) acting in their capacity as responsible for Small Power Stations which are Embedded, means, permanent physical disconnection of the User's Equipment or Equipment for which the User is responsible (as defined in Section

	K of the Balancing and Settlement Code) at the site of connection to the Distribution System ;
	(c) for Users acting in a capacity other than those detailed in (a) or (b), means permanent physical disconnection of a User's Equipment at any given Connection Site which permits removal thereof from the Connection Site or removal of all Transmission Connection Assets therefrom (as the case may be);
"Dispute Resolution Procedure"	the procedures set out in Section 7;
"Dispute Statement"	as defined in Paragraph 3.15.4;
"Distributed Generation"	means for the purposes of the Connect and Manage Arrangements : <ul style="list-style-type: none"> (a) an Embedded Power Station which is the subject of a Bilateral Embedded Generation Agreement; (b) an Embedded Power Station which is the subject of a Bilateral Embedded Licence Exemptable Large Power Station Agreement; (c) a Relevant Embedded Medium Power Station; (d) a Relevant Embedded Small Power Station.
"Distribution Agreement"	an agreement entered into by a User with the owner/operator of the Distribution System for the connection of the User's Equipment (or equipment for which the User is responsible (as defined in Section K of the Balancing and Settlement Code) to and use of such Distribution System ;
"Distribution Code(s)"	the Distribution Code(s) drawn up by Public Distribution System Operators pursuant to the terms of their respective Licence(s) as from time to time revised in accordance with those Licences ;
"Distribution Connection Agreement"	an agreement between a User who owns or operates a Distribution System and an owner of a Power Station for connection to that User's Distribution System .

"Distribution Interconnector"	as defined in the Balancing and Settlement Code ;
"Distribution Interconnector Owner"	the Owner of a Distribution Interconnector or of that part of a Distribution Interconnector directly connected to a Distribution System ;
"Distribution Licence"	a licence issued under section 6(1)(c) of the Act ;
"Distribution System"	the system consisting (wholly or mainly) of electric lines owned or operated by any Authorised Electricity Operator and used for the distribution of electricity from Grid Supply Points or generation sets or other entry points to the point of delivery to Customers or Authorised Electricity Operators , and includes any Remote Transmission Assets operated by such Authorised Electricity Operator and any electrical plant and meters owned or operated by the Authorised Electricity Operator in connection with the distribution of electricity, but shall not include any part of the National Electricity Transmission System ;
"Dormant CUSC Party"	a CUSC Party which does not enjoy any ongoing rights and/or obligations for the period of its dormancy under the CUSC , as provided for in Section 5;
"Earthing"	as defined in the Grid Code ;
"EdF Documents"	as defined in the Balancing and Settlement Code ;
"Election Timetable"	as defined in Paragraph 8A.1.2.1;
"Election Year"	as defined in Paragraph 8A.1.1.2;
"Electricity Arbitration Association"	as the phrase ' Electricity Supply Industry Arbitration Association ' is defined in the Grid Code ;
"Embedded"	a direct connection to a Distribution System or the System of any other User to which Customers and/or Power Stations are connected;
"Embedded Generator MW Register"	the Register set up by The Company pursuant to Paragraph 6.35;;
"Emergency Deenergisation Instruction"	an instruction issued by The Company to a User to either: <ul style="list-style-type: none"> (a) Deenergise that User's Equipment, or

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

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

- (i) the condition or manner of operation of any **Transmission Plant** and/or **Apparatus** is such that it may cause damage or injury to any person or to the **National Electricity Transmission System**; and
- (ii) if the **User's Equipment** connected to such **Transmission Plant** and/or **Apparatus** was not **Deenergised** and/or the **Maximum Export Limit** of such **User's Equipment** connected to such **Transmission Plant** and/or **Apparatus** was not reduced to zero then it is likely that the **Transmission Plant** and/or **Apparatus** would automatically trip; and
- (iii) if such **Transmission Plant** and/or **Apparatus** had tripped automatically, then
 - (I) the **BM Unit** comprised in such **User's Equipment** (other than an **Interconnector Owner**); or
 - (II) an **Interconnector** of an **Affected User** who is an **Interconnector Owner**,

	would, solely as a result of Deenergisation of Plant and Apparatus forming part of the National Electricity Transmission System , have been Deenergised .
"Emergency Instruction"	as defined in the Grid Code ;
"Enabling Works"	those elements of the Transmission Reinforcement Works identified as such in accordance with CUSC Section 13 and which in relation to a particular User are as specified and by its acceptance of the Offer or Modification Offer , agreed by the User in the relevant Construction Agreement ;
"End Date"	shall mean 5.00pm on the date 12 months from (and not including) the Security Amendment Implement Date ;
"Energisation" or "Energise(d)"	the movement of any isolator, breaker or switch or the insertion of any fuse so as to enable Energy to flow from and to the relevant System through the User's Equipment ;
"Energy"	the electrical energy produced, flowing or supplied by an electric circuit during a time interval, being the integral with respect to time of the power, measured in units of watt-hours or standard multiples thereof i.e. 1000 Wh = 1KWh 1000 KWh = 1MWh 1000 MWh = 1GWh 1000 GWh = 1TWh;
"Energy Metering Equipment"	as the phrase " Metering Equipment " is defined in the Balancing and Settlement Code ;
"Energy Metering System"	as the phrase " Metering System " is defined in the Balancing and Settlement Code ;
"Enforceable"	The Company (acting reasonably) is satisfied that the security is legally enforceable and in this respect the User shall obtain such legal opinion at its expense as The Company (acting reasonably shall require);
"Enhanced Reactive Power Service"	as defined in Paragraph 1.2 of Schedule 3, Part I;
"Enhanced Rate"	in respect of any day the rate per annum which is 4% per annum above the Base Rate ;

"Escrow Account"	a separately designated bank account in the name of The Company at such branch of Barclays Bank PLC or such branch of any other bank, in the City of London as is notified by The Company to the User , bearing interest from (and including) the date of deposit of principal sums to (but excluding) the date of withdrawal of principal sums from such account, mandated for withdrawal of any sums solely by The Company ;
"Estimated Demand"	the forecast Demand (Active Power) data filed with The Company pursuant to the Charging Statements ;
"ET Interface Operator"	the operator of the Onshore Distribution System to which an ET Offshore Transmission System connects;
"ET Interface Point"	the electrical point of connection between an Offshore Transmission System and an Onshore Distribution System and in relation to a particular User as defined in its Bilateral Connection Agreement ;
"ET Offshore Transmission System"	an Offshore Transmission System connected at an ET Interface Point ;
"ET Restrictions on Availability"	is in the context of an ET Offshore Transmission System the reduction in capability as set out in the relevant Notification of ET Restrictions on Availability ;
"ET Use of System Charges"	the element of Use of System Charges consisting of charges payable by The Company to the ET Interface Operator in respect of the connection to a Distribution System by an Offshore Transmission System and use of such Distribution System by means of such Offshore Transmission System ;
"Event"	as defined in the Grid Code ;
"Event of Default"	any of the events set out in Section 5 as constituting an event of default;
"Exchange Rate"	the Transmission Entry Capacity available to a specific party as a direct result of a specific reduction in the Transmission Entry Capacity available to another party.
"Exchange Rate Request"	a joint request from a User and another User to calculate the Exchange Rate that would apply were they to agree to a TEC Trade .

"Excitation System"	the equipment providing the field current of a machine, including all regulating and control elements as well as field discharge or suppression equipment and protective devices;
"Exemptable"	where the person generating electricity at the relevant Power Station is, or would be (if it generated electricity at no other Power Station and/or did not hold a Generation Licence) exempt from the requirement to hold a Generation Licence under the Act ;
"Exempt Power Station"	a Power Station where the person generating electricity at that Power Station is exempt from the requirement to hold a Generation Licence under the Act ;
"Existing ICM Construction Agreement"	a Construction Agreement entered into between The Company and a User prior to the Connect and Manage Implementation Date and which is on the basis of the Interim Connect and Manage Arrangements ;
"Existing Offshore Generator"	as defined in the Transmission Licence ;
"Existing Security Cover"	the Security Cover held by NGC in respect of a User pursuant to CUSC Section 3 Part III immediately prior to the Security Amendment Implementation Date ;
"External Interconnection"	as defined in the Grid Code ;
"Externally Interconnected System Operator"	as defined in the Grid Code ;
"Final Adjustments Statement"	as defined in Paragraph 4.3.2.6(b);
"Final Demand Reconciliation Statement"	as defined in Paragraph 3.12.7(a);
"Final Monthly Statement"	as defined in Paragraph 4.3.2.6;
"Final Physical Notification Data"	as defined in the Balancing and Settlement Code ;
"Final Reconciliation Settlement Run"	as defined in the Balancing and Settlement Code ;
"Final Reconciliation Volume Allocation Run"	as defined in the Balancing and Settlement Code ;
"Final Statement"	as defined in Paragraph 4.3.2.6(a);
"Final Sums"	in relation to a particular User , as defined in its Construction Agreement ;

"Financial Year"	the period of 12 months ending on 31st March in each calendar year;
"First Offer"	as defined in Paragraph 6.10.4;
"First User"	as defined in Paragraph 6.10.3;
"FMS Date"	1st April 1993;
"Force Majeure"	in relation to any CUSC Party any event or circumstance which is beyond the reasonable control of such CUSC Party and which results in or causes the failure of that CUSC Party to perform any of its obligations under the CUSC including act of God, strike, lockout or other industrial disturbance, act of the public enemy, war declared or undeclared, threat of war, terrorist act, blockade, revolution, riot, insurrection, civil commotion, public demonstration, sabotage, act of vandalism, lightning, fire, storm, flood, earthquake, accumulation of snow or ice, lack of water arising from weather or environmental problems, explosion, fault or failure of Plant and Apparatus (which could not have been prevented by Good Industry Practice), governmental restraint, Act of Parliament, other legislation, bye law and Directive (not being any order, regulation or direction under section 32, 33, 34 and 35 of the Act) provided that lack of funds shall not be interpreted as a cause beyond the reasonable control of that CUSC Party and provided, for the avoidance of doubt, that weather conditions which are reasonably to be expected at the location of the event or circumstance are also excluded as not being beyond the reasonable control of that CUSC Party ;
"Forecasting Performance Related VAR "	the sum of HH . Forecasting Performance Related VAR and NHH Forecasting Performance Related VAR .
"Frequency"	the number of alternating current cycles per second (expressed in Hertz) at which a System is running;
"Frequency Deviation"	a positive or negative deviation from Target Frequency ;
"Frequency Response"	an automatic response by a BM Unit or CCGT Unit to a change in Frequency with the aim of containing System Frequency within the limits provided for under the Grid Code ;

"Frequency Sensitive Mode"	as defined in the Grid Code ;
"Fuel Security Code"	the document of that title designated as such by the Secretary of State as from time to time amended;
"Full TEC Reduction Notice Period"	means one Financial Year and 5 Business Days prior to the beginning of the Financial Year from which the decrease in Transmission Entry Capacity or Disconnection (as appropriate) is to take effect;
"GB Transmission System" or "GBTS"	for the purposes of Section 12 means the system consisting (wholly or mainly) of high voltage electric wires owned or operated by transmission licensees within Great Britain and used for the transmission of electricity from one Power Station to a sub-station or to another Power Station or between sub-stations or to or from any External Interconnection and includes any Plant and Apparatus or meters owned or operated by any transmission licensee within Great Britain in connection with the transmission of electricity but shall not include Remote Transmission Assets ;
"Gas Turbine Unit"	a Generating Unit driven by a gas turbine (for instance an aero-engine);
"Generating Plant"	a Large Power Station ;
"Generating Unit"	unless otherwise provided in the Grid Code any Apparatus which produces electricity;
"Generation Business"	the authorised business of The Company or any Affiliate or Related Undertaking in the generation of electricity or the provision of Balancing Services , in each case from pumped storage and from the Kielder hydro-electric generating station;
"Generation Capacity"	the normal full load capacity of a Generating Unit as declared by the Generator , less the MW consumed by the Generating Unit through the Generating Unit's unit transformer when producing the same;
"Generation Licence"	the licence granted to a Generator pursuant to section 6(1)(a) of the Act ;
"Generation Reconciliation Statement"	as defined in Paragraph 3.12.2;

"Generator"	a person who generates electricity under licence or exemption under the Act ;
"Genset"	as defined in the Grid Code ;
"Good Industry Practice"	in relation to any undertaking and any circumstances, the exercise of that degree of skill, diligence, prudence and foresight which would reasonably and ordinarily be expected from a skilled and experienced operator engaged in the same type of undertaking under the same or similar circumstances;
"Great Britain"	The landmass of England and Wales and Scotland, including internal waters;
"Grid Code"	the Grid Code drawn up pursuant to the Transmission Licence , as from time to time revised in accordance with the Transmission Licence ;
"Grid Supply Point"	a point of delivery from the National Electricity Transmission System to a Distribution System or a Non-Embedded Customer ;
"Gross Asset Value"	the value calculated by The Company in accordance with recognised accounting principles and procedures as published by The Company from time to time;
"Group"	as defined in the Grid Code ;
"HH Base Percentage"	the % value for the relevant Security Period as specified in the table in paragraph 1 of Appendix 2.
"HH Base Value at Risk"	the sum as calculated in accordance with Paragraph 3.22.3.
"HH Charges"	that element of Transmission Network Use of System Demand Charges relating to half-hourly metered Demand .
"HH Forecasting Performance Related VAR "	the amount resulting from multiplying the Deemed HH Forecasting Performance and the Indicative Annual HH TNUoS Charge calculated on the basis of the latest Demand Forecast received by The Company .
"High Frequency Response"	as defined in the Grid Code ;
"High Voltage" or "HV"	a voltage exceeding 650 volts;
"Holding Payment"	that component of the payment for Mode A Frequency Response calculated in accordance

	with Paragraph 4.1.3.9;
"Housekeeping Amendment"	an Amendment Proposal relating to the correction of cross referencing or paragraph numbering, corrections to tables of contents and contact details, spelling or typographical errors, the deletion or insertion of text which has previously been retained or deleted erroneously following implementation of an earlier Proposed Amendment where the Amendments Panel so agrees that the Amendment Proposal can be treated as a Housekeeping Amendment ;
"Housekeeping Amendment Report"	the report submitted by The Company to the Authority in accordance with Paragraph 8.22.2.2;
"Indemnified Persons"	as defined in Paragraph 8.11.1;
"Independent Engineer"	in relation to a particular User , as defined in its Construction Agreement ;
"Independent Credit Assessment"	an assessment of the creditworthiness of a User by an Approved Agency as nominated by the User obtained in accordance with Paragraph 3.26.7, 3.26.8 and 3.26.9;
"Independent Security Arrangement"	a guarantee in favour of The Company in a form satisfactory to The Company and which is provided by an entity which meets the Requirements . In addition The Company may accept such a policy from an entity who does not meet the Requirements up to an Agreed Value where The Company agrees or where The Company does not agree as determined by an expert appointed by The Company and the User or failing their agreement as to the expert the expert nominated by the Director General of The Institute of Credit Management;
"Indicative Annual HH TNUoS charge"	The Company's forecast of the User's total HH Charges relating to a Financial Year .
"Indicative Annual NHH TNUoS charge"	The Company's forecast of the User's total NHH Charges relating to a Financial Year .
"Indicative Block LDTEC"	is the Available LDTEC .
"Indicative Maximum Generation Capability"	has the meaning attributed to it in Paragraph 4.2.3.2;
"Initial Charge"	as defined in Paragraph 3.15.2;
"Initial Demand Reconciliation Statement"	as defined in Paragraph 3.12.4;
"Initial Volume Allocation Run"	as defined in the Balancing and Settlement Code ;

"Implementation Date"	is the date and time for implementation of an Approved Amendment as specified in accordance with Paragraph 8.23.3;
"Insurance Performance Bond"	a Performance Bond provided by a company in the business of providing insurance which meets the Requirements . In addition The Company may accept such a policy from such a company who does not meet the Requirements up to an Agreed Value where The Company agrees or where The Company does not agree as determined by an expert appointed by The Company and the User or failing their agreement as to the expert the expert nominated by the Director General of The Institute of Credit Management;
"Intellectual Property" or "IPRs"	patents, trade marks, service marks, rights in designs, trade names, copyrights and topography rights (whether or not any of the same are registered and including applications for registration of any of the same) and rights under licences and consents in relation to any of the same and all rights or forms of protection of a similar nature or having equivalent or similar effect to any of the same which may subsist anywhere in the world;
"Interconnected System Operator"	as defined in the Balancing and Settlement Code ;
"Interconnector"	as defined in the Balancing and Settlement Code ;
"Interconnector Error Administrator"	as defined in the Balancing and Settlement Code ;
"Interconnector Owner"	the owner of an Interconnector , or of that part of an Interconnector , directly connected to the National Electricity Transmission System ;
"Interconnector User"	<p>(a) in relation to an Interconnector connected to the National Electricity Transmission System, as defined in the Balancing and Settlement Code; and</p> <p>(b) in relation to a Distribution Interconnector, a Lead Party (as defined in the Balancing and Settlement Code) in respect of a single BM Unit where under Section K5 of the Balancing and Settlement Code the BM Unit has been allocated in relation to that Distribution Interconnector or if there is no such allocation, as defined in the Balancing and Settlement Code;</p>

"Interface Agreement"	the agreement(s) entered into pursuant to Paragraph 2.11 and Paragraph 9.15 based substantially on the forms set out in Exhibit O to the CUSC ;
"Interim Connect and Manage Arrangements"	the arrangements in place between 8 May 2009 and the Connect and Manage Implementation Date whereby Offers were made by The Company on the basis that a Derogation would be obtained from the Authority such that identified Transmission Reinforcement Works did not need to be completed prior to connection and/or use of system;
"Interim Panel and Alternate Election process"	As defined in Paragraph 8A.4.3.2
"Interruption"	<p>where either:-</p> <ul style="list-style-type: none"> (i) solely as a result of Deenergisation of Plant and Apparatus forming part of the National Electricity Transmission System; or (ii) in accordance with an Emergency Deenergisation Instruction; <ul style="list-style-type: none"> a) a BM Unit comprised in the User's Equipment of an Affected User (other than an Interconnector Owner) is Deenergised; or b) an Interconnector of an Affected User who is an Interconnector Owner is Deenergised.; or c) The Maximum Export Limit in respect of the BM Unit(s) associated with such User's Equipment is zero.
"Interruption Payment"	<p>the payment for each day or part thereof of the Interruption Period calculated as follows:</p> <ol style="list-style-type: none"> 1. In the case of a Relevant Interruption arising as a result of a Planned Outage the higher of: <ul style="list-style-type: none"> A. the £ per MW calculated by reference to the total TNUoS income derived from generators divided by the total system Transmission Entry Capacity, in each case using figures for the Financial Year prior to that in which the Relevant Interruption occurs, this is then

divided by 365 to give a daily £ per MW rate; or

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

A or B are then multiplied by:

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

2. In the case of a **Relevant Interruption** arising as a result of an **Emergency Deenergisation Instruction**:

- (a) sum equal to the price in £/MWh for the relevant **Settlement Period(s)** (as provided for in Section T 4.4.5 of the **Balancing and Settlement Code**) for each **Settlement Period** (or part thereof) from the time when the **Emergency Deenergisation Instruction** was issued by **The Company** until the first **Settlement Period** for which **Gate Closure** had not (at the time the **Emergency Deenergisation Instruction** was issued by **The Company**) occurred

multiplied by:

- (i) in the case of an **Affected User** other than an **Interconnected Owner** the MW arrived at after deducting from the **Transmission Entry Capacity** for the **Connection Site** the sum of the **Connection Entry Capacity** of

the unaffected **BM Units** at the **Connection Site**; and

- (ii) in the case of an **Affected User** who is an **Interconnector Owner** the MW specified in the **Transmission Entry Capacity** for the **Connection Site**,
- (b) For each subsequent **Settlement Period** of the **Relevant Interruption** which occurs within the first 24 hours of the **Relevant Interruption**, a sum equal to the price in £/MWh for the relevant **Settlement Period(s)** (as provided for in Section T 1.5.3 of the **Balancing and Settlement Code**)

multiplied by:

- (i) in the case of an **Affected User** other than an **Interconnector Owner** the MW arrived at after deducting from the **Transmission Entry Capacity** for the **Connection Site** the sum of the **Connection Entry Capacity** of the unaffected **BM Units** at the **Connection site**; and
 - (ii) in the case of an **Affected User** who is an **Interconnector Owner** the MW specified in the **Transmission Entry Capacity** for the **Connection Site**; and
- (c) and after the first 24 hours a sum calculated as 1 above

3. In the case of all other **Relevant Interruptions**:

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

Multiplied by:

- a) in the case of an **Affected User** other than an **Interconnector Owner** the MW arrived at after deducting from

the **Transmission Entry Capacity** for the **Connection Site** the sum of the **Connection Entry Capacity** of the unaffected **BM Units** at the **Connection Site**; and

- b) in the case of an **Affected User** who is an **Interconnector Owner** the MW specified in the **Transmission Entry Capacity** for the **Connection Site**

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

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

"Interruption Period"

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

"Intertrip Contracted Unit"

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

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

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

"Intertrip Payment"
"Isolation"

as defined in Paragraph 4.2A.4(c);
as defined in the **Grid Code**;

"Joint System Incident"

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

- (a) for **Users** in respect of their **Connection Sites** which were not **Commissioned** as at the **Transfer Date**, shall have the meaning given to that term in the **Grid Code**;
- (b) for **Users** acting in their capacity as **Generators** with **Embedded Large Power Stations** or **Embedded Medium Power Stations** and who are passing power onto a **Distribution System** through a connection with a **Distribution System** which was not **Commissioned**

	as at the Transfer Date , means an event wherever occurring (other than on an Embedded Medium Power Station or Embedded Small Power Station) which, in the opinion of The Company or a User has or may have a serious and/or widespread effect, being (in the case of an event on a User(s) System(s)) (other than on an Embedded Medium Power Station or Embedded Small Power Station), on the National Electricity Transmission System , and (in the case of an event on the National Electricity Transmission System), on a User(s) System(s) (other than on an Embedded Independent Generating Plant);
"Joint Temporary TEC Exchange Users"	means the Temporary TEC Exchange Donor User and the Temporary TEC Exchange Recipient User .
"Lagging"	in relation to Reactive Power , exporting Mvar;
"Land Charge"	the charge (if any) set out in Appendix B to a Bilateral Connection Agreement .
"LDTEC"	Is, in the case of an accepted LDTEC Block Offer , Block LDTEC or, in the case of an accepted LDTEC Indicative Block Offer , Indicative Block LDTEC .
"LDTEC Availability Notification"	the form set out in Exhibit T to the CUSC .
"LDTEC Block Offer"	is an offer made by NGC for Short Term Capacity in accordance with the terms of Paragraphs 6.32.4.6 and 6.32.6.1 in response to an LDTEC Request .
"LDTEC Charge"	being a component of the Use of System Charges which is made or levied by NGC and to be paid by the User , in the case of an accepted LDTEC Block Offer , for Block LDTEC and in the case of an accepted LDTEC Indicative Block Offer for Requested LDTEC and in the case of an accepted Temporary TEC Exchange Rate Offer for Temporary Received TEC , in each case calculated in accordance with the Charging Statements .
"LDTEC Indicative Block Offer"	is an offer made by NGC for Short Term Capacity in accordance with the terms of Paragraphs 6.32.6.4 and 6.32.6.2 in response to an LDTEC Request .
"LDTEC Indicative Profile"	is a profile in MW that indicates NGC's assessment of the MW capacity that may be available to a User for the LDTEC Period which

has been prepared solely for the purpose of enabling a **User** to make its assessment of an **LDTEC Indicative Block Offer**.

"LDTEC Offer"	is an LDTEC Block Offer and/or an LDTEC Indicative Offer .
"LDTEC Period"	is, (a) a period of weeks or part thereof within a Financial Year as specified by the User in its LDTEC Request Form for a minimum period of seven weeks commencing on a Monday at 0.00 hours and finishing at 23.59 on any given day no later than the last day of such Financial Year , or (b) in the case of a n accepted Temporary TEC Exchange Offer , the Temporary TEC Exchange Period .
"LDTEC Profile"	is a profile in MW of NGC's assessment of the MW capacity that is available to a User for the LDTEC Period (not exceeding the maximum level in the LDTEC Request) in an LDTEC Block Offer .
"LDTEC Request"	is an application made by a user for an LDTEC Block Offer and/or an LDTEC Indicative Block Offer made using an LDTEC Request Form .
"LDTEC Request Fee"	the fee to be paid by the User to NGC for an LDTEC Request as detailed in the Charging Statements .
"LDTEC Request Form"	is the form set out in Exhibit S to the CUSC .
"LDTEC Week"	is a week or part thereof within an LDTEC Period commencing on Monday at 0.00 and finishing on 23:59 on the last day within such week.
"Large Power Station"	as defined in the Grid Code ;
"Leading"	in relation to Reactive Power , importing Mvar;
"Legal Challenge"	an appeal to the Competition Commission or a judicial review in respect of the Authority's decision to approve or not to approve an Amendment Proposal ;
"Letter of Credit"	(a) in respect of Paragraph 2.22 shall mean an irrevocable standby letter of credit in a form reasonably satisfactory to The Company but in any case expressed to

be governed by the Uniform Customs and Practice for Documentary Credits 1993 Revision ICC Publication No. 500 or such other form as may be reasonably satisfactory to **The Company** and allowing for partial drawings and providing for the payment to **The Company** on demand forthwith on and against **The Company's** delivery to the issuer thereof of a **Notice of Drawing** of the amount demanded therein;

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

"Licence"	any licence granted pursuant to Section 6 of the Act ;
"Licence Standards"	the standards to be met by The Company under Standard Condition C17 of the Transmission Licence ;
"Liquidated Damages"	in relation to a particular User , as defined in its Construction Agreement ;
"Local Safety Instructions"	as defined in the Grid Code ;
"MCUSA"	the Master Connection and Use of System Agreement dated 30 March 1990 (now amended to become the CUSC Framework Agreement);
"Main Business"	any business of The Company or any of its subsidiaries as at the Transfer Date or which it is required to carry on under the Transmission Licence , other than the Generation Business ;
"Main Business Person"	any employee of The Company or any director or employee of its subsidiaries who is engaged solely in the Main Business and " Main Business Personnel " shall be construed accordingly;
"Main System Circuits"	means Transmission Circuits but excluding a

"Maintenance Reconciliation Statement"	Grid Supply Point transformer; the statement prepared in accordance with Paragraph 2.14.5 and Paragraph 9.9.5;
"Mandatory Ancillary Services"	Part 1 System Ancillary Services ;
"Mandatory Services Agreement"	an agreement between The Company and a User to govern the provision of and payment for Mandatory Ancillary Services or to govern the payment by The Company to a User for Obligatory Reactive Power Service provided by an Offshore Transmission Licensee in accordance with the STC ;
"Market Agreement"	as defined in Paragraph 3.1 of Schedule 3, Part I;
"Market Day"	as defined in Paragraph 3.3 of Schedule 3, Part I;
"Material Effect"	an effect causing The Company or a Relevant Transmission Licensee to effect any works or to alter the manner of operation of Transmission Plant and/or Transmission Apparatus at the Connection Site or the site of connection or a User to effect any works or to alter the manner of operation of its Plant and/or Apparatus at the Connection Site or the site of connection which in either case involves that party in expenditure of more than £10,000;
"Maximum Export Capacity"	as defined in the Grid Code and in relation to a particular User , as defined in its Bilateral Connection Agreement ;
"Maximum Export Limit"	as defined in the Grid Code ;
"Maximum Generation"	means a Balancing Service provided from the Available BM Units by generating at a level above the MEL so as to increase the total export of Active Power from the Power Station to the National Electricity Transmission System , contributing towards The Company's requirement for additional short-term generation output, all as more particularly described in Paragraph 4.2;
"Maximum Generation BM Unit"	means, as between The Company and a User, the BM Units, specified in the Maximum Generation Service Agreement;
"Maximum Generation Energy Fee"	the amount (£/MWh) set out in the Maximum Generation Service Agreement as the same may be revised from time to time in accordance with Paragraph 4.2.5;

"Maximum Generation Energy Payment"	has the meaning attributed to it in Paragraph 4.2.5.1;
"Maximum Generation Instruction"	has the meaning attributed to it in Paragraph 4.2.4.1;
"Maximum Generation Redeclaration"	has the meaning attributed to it in Paragraph 4.2.3.3;
"Maximum Generation Service Agreement"	an agreement between The Company and a User specifying, amongst other things, the BM Units and the Maximum Generation Energy Fee applicable to the provision of Maximum Generation;
"Maximum Import Capacity"	as defined in the Grid Code and in relation to a particular User , as defined in its Bilateral Connection Agreement ;
"Medium Power Station"	as defined in the Grid Code ;
"Meters"	as defined in the Balancing and Settlement Code
"Metering Equipment"	as defined in the Balancing and Settlement Code ;
"Meter Operator Agent"	as defined in the Balancing and Settlement Code ;
"Metering System"	as defined in the Balancing and Settlement Code ;
"Methodology"	the Statement of the Use of System Charging Methodology or the Statement of the Connection Charging Methodology (and " Methodologies " shall be construed accordingly);
"Minimum TEC Reduction Notice Period"	means 5 Business Days prior to 31 March in any Financial Year ;
"MITS Connection Works"	means those Transmission Reinforcement Works (inclusive of substation works) that are required from the Connection Site to connect to a MITS Substation (and in the context of an Embedded Power Station , "connection site" shall mean the associated Grid Supply Point identified as such in the relevant Bilateral Agreement);
"MITS Substation"	means (in the context of the definition of MITS Connection Works , a Transmission substation with more than 4 Main System

	Circuits connecting at that substation;
"Mode A Frequency Response"	as defined in Paragraph 4.1.3.3;
"Modification"	any actual or proposed replacement, renovation, modification, alteration, or construction by or on behalf of a User or The Company to either the User's Plant or Apparatus or the manner of its operation or Transmission Plant or Transmission Apparatus or the manner of its operation which in either case has or may have a Material Effect on another CUSC Party at a particular Connection Site ;
"Modification Affected User"	as defined in Paragraph 6.9.3.2;
"Modification Application"	an application in the form or substantially in the form set out in Exhibit I to the CUSC ;
"Modification Notification"	a notification in the form or substantially in the form set out in Exhibit K to the CUSC ;
"Modification Offer"	an offer in the form or substantially in the form set out in Exhibit J to the CUSC , including any revision or extension of such offer;
"National Consumer Council"	the body of that name established by Part I, section 1 of the Consumers, Estate Agents and Redress Act 2007'.
"National Electricity Transmission System"	the system consisting (wholly or mainly) of high voltage electric wires owned or operated by transmission licensees within Great Britain and Offshore and used for the transmission of electricity from one Power Station to a sub-station or to another Power Station or between sub-stations or to or from any External Interconnection and includes any Plant and Apparatus or meters owned or operated by any transmission licensee within Great Britain and Offshore in connection with the transmission of electricity but shall not include Remote Transmission Assets ;
"National Electricity Transmission System SQSS" or "NETS SQSS"	is the National Electricity Transmission System Security and Quality of Supply Standards (version 1) issued under Standard Condition C17 of the Transmission Licence (as amended, varied or replaced from time to time);
"Natural Demand"	the Demand (Active Power) which is necessary to meet the needs of Customers excluding that Demand (Active Power) met by Embedded Generating Units whose generation is not traded by Trading Parties

	through Energy Metering Systems registered under the Balancing and Settlement Code ;
"Net Asset Value"	the Gross Asset Value of the Transmission Connection Asset in question less depreciation over the Replacement Period calculated in accordance with recognised accounting principles and procedures;
"New Connection Site"	a proposed Connection Site in relation to which there is no Bilateral Agreement in force between the CUSC Parties ;
"New CUSC Party"	as defined in Paragraph 6.13;
"NGC Prescribed Level"	the forecast value of the regulatory asset value of NGC for a Financial Year as set out in the document published from time to time by Ofgem setting this out and currently known as "Ofgem's Transmission Price Control Review of NGC – Transmission Owner Final Proposals" such values to be published on the NGC Website by reference to the NGC credit arrangements no later than 31 January prior to the beginning of the Financial Year to which such value relates;
"NHH Base Percentage"	the % value for the relevant Security Period as specified in the table in paragraph 2 of Appendix 2.
"NHH Charges"	that element of Transmission Network Use of System Demand Charges relating to non-half-hourly metered Demand .
"NHH Base Value at Risk"	the sum as calculated in accordance with Paragraph 3.22.4.
"NHH Forecasting Performance Related VAR "	the amount resulting from multiplying the Deemed NHH Forecasting Performance and the Indicative Annual HH TNUoS Charge calculated on the basis of the latest Demand Forecast received by The Company .
"Nominated Registered Capacity"	as defined in Appendix 5 of Schedule 3, Part I;
"Non- Performing Party"	as defined in Paragraph 6.19;
"Non-Embedded Customer"	a Customer except for a Public Distribution System Operator receiving electricity direct from the National Electricity Transmission System irrespective of from whom it is supplied;
"Non Standard Boundary"	where the division of ownership of Plant and Apparatus is contrary to the principles of ownership set out in CUSC Paragraph 2.12;

<p>"Non-Synchronous Generating Unit"</p> <p>"Notice of Drawing"</p>	<p>as defined in the Grid Code.</p> <p>a notice of drawing signed by or on behalf of The Company substantially in the form set out in Exhibit N to the CUSC;</p>
<p>"Notification Date"</p>	<p>as defined in the Balancing and Settlement Code;</p>
<p>"Notification of Circuit Outage"</p>	<p>as defined in the relevant Bilateral Connection Agreement or Bilateral Embedded Generation Agreement;</p>
<p>"Notification of Circuit Restriction"</p>	<p>as defined in the relevant Bilateral Connection Agreement or Bilateral Embedded Generation Agreement;</p>
<p>"Notification of Restrictions on Availability"</p>	<p>as defined in the relevant Bilateral Connection Agreement or Bilateral Embedded Generation Agreement;</p>
<p>"Notification of ET Restrictions on Availability"</p>	<p>as defined in the relevant Bilateral Connection Agreement;</p>
<p>"Notional Amount"</p>	<p>as defined in Paragraph 3.13;</p>
<p>"Nuclear Generator"</p>	<p>as defined in Paragraph 6.11;</p>
<p>"Nuclear Site Licence Provisions Agreement"</p>	<p>shall mean each of the following agreements (as from time to time amended) (a) the agreement between The Company and Magnox Electric plc (formally called Nuclear Electric plc) dated 30 March 1990, (b) the agreement between The Company and British Energy Generation Limited dated 31 March 1996, (c) the agreement between SP Transmission Limited and British Energy Generation (UK) Limited dated 29 May 1991 in relation to Hunterston power station and Torness power station, and (d) the agreement between SP Transmission Limited and British Nuclear Fuels plc in relation to Chapelcross power station.</p>
<p>"Obligatory Reactive Power Service"</p>	<p>as defined in Paragraph 1.1 of Schedule 3, Part I or provided by an Offshore Transmission Licensee in accordance with the STC;</p>
<p>"Offer"</p>	<p>an offer for connection to and/or use of the National Electricity Transmission System made by The Company in relation to the CUSC;</p>
<p><u>"Offshore"</u></p>	<p>means wholly or partly in the Offshore Waters and when used in conjunction with another defined term and the terms together are not otherwise defined means that the associated</p>

“Offshore Construction Works”	<p>term is to be read accordingly;</p> <p>In relation to a particular User means those elements of the Construction Works to be undertaken by an Offshore Transmission Licensee on the Offshore Transmission System as defined in its Construction Agreement;</p>
"Offshore Grid Entry Point"	as defined in the Grid Code ;
"Offshore Platform"	a single structure comprising of Plant and Apparatus located Offshore which includes one or more Offshore Grid Entry Points ;
"Offshore Standard Design"	is a connection design (which provides for connection to the National Electricity Transmission System) of a Connection Site located Offshore which satisfies the minimum deterministic criteria detailed in paragraphs 7.7 to 7.19 of the NETS SQSS but does not satisfy the deterministic criteria detailed in paragraphs 2.5 to 2.13 of the NETS SQSS ;
"Offshore Tender Process"	that process followed by the Authority to make, in prescribed cases, a determination on a competitive basis of the person to whom an offshore transmission licence is to be granted;
"Offshore Tender Regulations"	those regulations made by the Authority in accordance with section 6C of the Act to facilitate the determination on a competitive basis of the person to whom an offshore transmission licence is to be granted;
“Offshore Transmission”	means as defined in the Energy Act 2004;
“Offshore Transmission Implementation Plan”	as defined in the Transmission Licence ;
"Offshore Transmission Licensee"	means such person in relation to whose Licence the standard conditions in Section E (offshore transmission owner standard conditions) of such Licence have been given effect or any person in that prospective role;
“Offshore Transmission Owner”	means either (a) such person in relation to whose Licence the standard conditions in Section E (offshore transmission owner standard conditions) of such Licence have been given effect; or (b) a party who has acceded to the STC prior to the grant of a Licence referred to in (a) above as a requirement of the Offshore Tender Regulations ;
“Offshore Transmission Reinforcement Works”	in relation to a particular User , as defined in its Construction Agreement

<p>"Offshore Transmission System"</p>	<p>a part of the National Electricity Transmission System used <u>(or to be used)</u> for the purposes of Offshore Transmission and for which there is <u>(or where the OTSDUW Arrangements apply, will be)</u> an Offshore Transmission Licensee;</p>
<p><u>"Offshore Transmission System Development User Works" or "OTSDUW"</u></p>	<p><u>in relation to a particular User where the OTSDUW Arrangements apply, means those activities and/or works for the design, planning, consenting and/or construction and installation of the Offshore Transmission System to be undertaken by the User as identified in Part 2 of Appendix I of the relevant Construction Agreement;</u></p>
<p><u>"Offshore Transmission System User Assets" or "OTSUA"</u></p>	<p><u>in relation to a particular User, any Plant and Apparatus resulting from the OTSDUW that once transferred to the Relevant Transmission Licensee will form the Offshore Transmission System to which the User's Equipment is to be connected at the Connection Site, as identified in its Construction Agreement;</u></p>
<p>"Offshore Waters"</p>	<p>has the meaning given to "offshore waters" in Section 90(9) of the Energy Act 2004;</p>
<p>"One Off Charge"</p>	<p>the costs, including profits and overheads of carrying out the One Off Works, together with the Net Asset Value of any asset made redundant as a result of the Construction Works an estimate of which is specified in Appendix B1 to the relevant Construction Agreement and/or Bilateral Agreement;</p>
<p>"One Off Works"</p>	<p>the works described in Appendix B1 to the relevant Construction Agreement and/or Bilateral Agreement;</p>
<p>"Onshore"</p>	<p>means within Great Britain and when used in conjunction with another defined term and the terms together are not otherwise defined means that the associated term is to be read accordingly;</p>
<p><u>Onshore Transmission System</u></p>	<p><u>the part of of the National Electricity Transmission System which is not an Offshore Transmission System.</u></p>
<p>"Onshore Construction Works"</p>	<p>in relation to a particular User, means those elements of the Construction Works to be undertaken other than on the Offshore Transmission System as defined in its Construction Agreement;</p>

"Onshore Transmission Reinforcement Works"	in relation to a particular User , as defined in its Construction Agreement
"Operating Agreement(s)"	the operating agreements or arrangements identified in the Bilateral Connection Agreement between The Company and the Interconnector Owner of the relevant Interconnector and made between either The Company and the relevant Interconnector Owner and/or The Company and the relevant Interconnected System Operator ;
"Operating Code" or "OC"	the portion of the Grid Code which is identified as the Operating Code ;
"Operation Diagrams"	as defined in the Grid Code ;
"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 ;
"Operational Date"	the date on which The Company issues the Operational Notification ;
"Operational Effect"	any effect on the operation of any System which causes that System to operate (or be at a materially increased risk of operating) differently to the way in which it would have normally operated in the absence of that effect;
"Operational Intertripping"	the automatic tripping of circuit breakers to prevent abnormal system conditions occurring, such as over voltage, overload, system instability etc. after the tripping of other circuit breakers following power system fault(s) which includes System to Power Station and System to Demand intertripping schemes;
"Operational Metering Equipment"	meters, instrument transformers (both voltage and current), transducers, metering protection equipment including alarms circuitry and their associated outstations as may be necessary for the purpose of CC.6.5.6 of the Grid Code and the corresponding provision of the relevant Distribution Code ;
"Operational Notification"	the notice of that name given to the User by The Company under Paragraphs 1.5.5 or 3.2.6 as appropriate;

"Original Party"	as defined in the CUSC Framework Agreement ;
"Other Dispute"	as defined in Paragraph 7.2.3;
"Other Party"	as defined in Paragraph 7.5.1;
"Other User"	as defined in Paragraph 6.10.3;
<u>"OTSDUW Arrangements"</u>	<u>the arrangements whereby certain or all aspects of the design, planning and consenting and/or construction and installation of assets that are to comprise an Offshore Transmission System are capable of being undertaken by a User;</u>
<u>"OTSUA Transfer Time"</u>	<u>the time and date at which the OTSUA are transferred by the relevant User to an Offshore Transmission Licensee;</u>
"Output"	the actual Active Power or Reactive Power output achieved by a BM Unit ;
"Output Useable"	Shall have the meaning given to that term in the Grid Code ;
"Panel Chairman"	a person appointed as such in accordance with Paragraph 8.3.1;
"Panel Member"	any of the persons listed in Paragraph 8.2.1.2;
"Panel Member Interim Vacancies"	as defined in Paragraph 8A.4.3.3;
"Panel Secretary"	a person appointed as such in accordance with Paragraph 8.2.1.3;
"Part 1 System Ancillary Services"	as defined in Grid Code CC 8.1;
"Part 2 System Ancillary Services"	as defined in Grid Code CC 8.1;
"Partial Shutdown "	as defined in the Grid Code ;
"Party Liable"	as defined in Paragraph 6.12.1;
"Payment Date"	as defined in the Balancing and Settlement Code ;
"Payment Record Sum"	the proportion of the Unsecured Credit Cover extended by NGC to a User who does meeting the Approved Credit Rating calculated in accordance with Paragraph 3.26.4 and 3.26.5;
"Pending Amendment Proposal"	an Amendment Proposal in respect of which, at the relevant time, the Authority has not yet made a decision as to whether to direct such Proposed Amendment to be made pursuant to

	the Transmission Licence (whether or not an Amendment Report or Housekeeping Amendment Report has been submitted in respect of such Amendment Proposal);
"Performance Bond"	an on first demand without proof or conditions irrevocable performance bond or performance guarantee executed as a deed in a form reasonably satisfactory to The Company but in any case allowing for partial drawings and providing for the payment to The Company on demand forthwith on and against The Company's delivery to the issuer thereof of a Notice of Drawing of the amount demanded therein;
"Permitted Activities"	activities carried on for the purposes of the Main Business ;
"Physical Notification"	as defined in the Balancing and Settlement Code ;
"Planned Outage"	as defined in the Grid Code ;
"Planning Code" or PC	that portion of the Grid Code which is identified as the Planning Code ;
"Plant"	fixed and moveable items used in the generation and/or supply and/or transmission of electricity other than Apparatus
"Pool Member"	as defined in the Balancing and Settlement Code ;
"Pooling and Settlement Agreement"	as defined in the Balancing and Settlement Code ;
"Power Park Module"	as defined in the Grid Code .
"Power Park Unit"	as defined in the Grid Code ;
"Power Station"	as defined in the Grid Code ;
"Practical Completion Date"	in relation to a particular User , as defined in its Construction Agreement
"Preference Votes"	as defined in Paragraph 8A.3.2.1;
"Prescribed Rate"	the rate of interest set for the relevant period as the statutory interest rate for the purposes of the Late Payment of Commercial Debts (interest) Act 1998;
"Proceedings"	as defined in Paragraph 6.23.1;
"Progress Report"	as defined in Paragraph 8.13;

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

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

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

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

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

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

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

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

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

(the expressions "holding company" and "subsidiary" having the respective meanings assigned thereto by section 736, Companies Act 1985 as supplemented by section 144(3), Companies Act 1989) and which has throughout the validity period of the Performance Bond it gives in favour of The Company, a rating of at least A- in Standard and Poor's long term debt rating or A3 in Moody's long term debt rating or such lesser rating which The Company may in its absolute discretion allow by prior written notice given pursuant to a resolution of its board of directors for such period and on such terms as such resolution may specify provided that such company is not during such validity period put on any credit watch or any similar credit surveillance procedure which gives The Company reasonable cause to doubt that such company may not be able to maintain the aforesaid rating throughout the validity period of the Performance Bond and no other event has occurred which gives The Company reasonable cause to have such doubt;

"Qualifying Guarantee"	a guarantee in favour of The Company in a form proposed by the User and agreed by The Company (whose agreement shall not be unreasonably withheld or delayed) and which is provided by an entity which holds an Approved Credit Rating provided that such guarantee cannot secure a sum greater than the level of User's Allowed Credit that would be available to that entity in accordance with Paragraph 3.26 if it was a User;
"Rated MW"	as defined in the Grid Code ;
"Reactive Despatch Instruction"	an instruction relating to Reactive Power given by The Company to a Generator in accordance with Grid Code BC2 ;
"Reactive Despatch Network Restriction"	as defined in the Grid Code ;
"Reactive Energy"	as defined in the Balancing and Settlement Code ;
"Reactive Power"	the product of voltage and current and the sine of the phase angle between them measured in units of voltamperes reactive and standard multiples thereof i.e.:- 1000 Var = 1Kvar 1000 Kvar = 1Mvar;
"Reactive Test"	a test conducted pursuant to Grid Code OC 5.5.1 ;
"Reasonable Charges"	reasonable cost reflective charges comparable to charges for similar services obtainable in the open market;
"Reconciled Charge"	as defined in Paragraph 3.15.1 and like terms shall be construed accordingly;
"Reenergisation" or "Reenergised"	any Energisation after a Deenergisation ;
"Registered Capacity"	has the meaning given in the Grid Code ;
"Registered Data"	those items of Standard Planning Data and Detailed Planning Data which upon connection become fixed (subject to any subsequent changes);
"Registrant"	as defined in the Balancing and Settlement Code ;
"Regulations"	the Electricity Supply Regulations 1988 or any amendment or re-enactment thereof;
"Rejected Amendment Proposal"	an Amendment Proposal in respect of which the Authority has decided not to direct The

	Company to modify the Code pursuant to the Transmission Licence in the manner set out herein;
"Related Undertaking"	in relation to The Company (and for the purposes of Paragraph 6.15, a User) means any undertaking in which The Company has a participating interest as defined by section 260(1) of the Companies Act 1985 as substituted by section 22 of the Companies Act 1989;
"Release Date"	as defined in Paragraph 2.22.2;
"Relevant Embedded Medium Power Station"	an Embedded Medium Power Station which is an Exempt Power Station , and does not intend to be the subject of a Bilateral Agreement .
"Relevant Embedded Small Power Station"	an Embedded Small Power Station that the User who owns or operates the Distribution System to which the Embedded Small Power Station intends to connect reasonably believes may have a significant system effect on the National Electricity Transmission System .
"Relevant Interruption"	an Interruption other than an Allowed Interruption ;
"Relevant Offshore Agreement"	as defined in the Transmission Licence ;
"Relevant Transmission Licensee"	means SP Transmission Limited in south of Scotland, Scottish Hydro- Electric Transmission Limited in north of Scotland and in respect of each Offshore Transmission System the Offshore Transmission Licensee for that Offshore Transmission System;
"Remote Transmission Assets"	any Plant and Apparatus or meters owned by The Company which (a) are embedded in a Distribution System or a User System and which are not directly connected by Plant and/or Apparatus owned by The Company to a sub-station owned by The Company and (b) are by agreement between The Company and such Public Distribution System Operator or User under the direction and control of such Public Distribution System Operator or User ;
"Replacement Period"	in relation to a Transmission Connection Asset , the period commencing on the date on which such Transmission Connection Asset is or was originally Commissioned , after which it is assumed for accounting purposes such Transmission Connection Asset will need to be replaced, which shall be 40 years except (a) in the case of Transmission Connection Assets located Offshore

	where it shall be 20 years, or
	(b) unless otherwise agreed between the CUSC Parties to a Bilateral Agreement and recorded in the relevant Bilateral Agreement ;
"Reported Period(s) of Increase"	the period of time during which a User's Demand increased not being more than 20 Business Days , as notified to The Company under paragraph 3.22.7 or paragraph 3.22.8.
"Request for a Statement of Works"	a request in the form or substantially in the form set out in Exhibit S to the CUSC .
"Request for a STTEC Authorisation"	a request made by a User in accordance with the terms Paragraph 6.31 for Short Term Capacity for a STTEC Period .
"Requested LDTEC"	the figure in MW for the LDTEC Period (not exceeding the maximum level in the LDTEC Request) specified in the User's acceptance of the LDTEC Indicative Block Offer in accordance with paragraph 6.32.6.5.
"Required Amount"	as defined in Paragraph 2.21.2(c);
"Required Sovereign Credit Rating"	a long term debt rating of not less than A by Standard and Poor's Corporation or a rating not less than A2 by Moody's Investor Services or a short term rating which correlates to those long term ratings or an equivalent rating from any other reputable credit agency approved by The Company in respect of non local currency obligations;
"Required Standard"	in relation to an item of Derogated Plant , the respective standard required of that item (which shall not exceed that required by the Grid Code or the Licence Standards , as the case may be) as specified in or pursuant to the relevant Derogation ;
"Requirements"	shall mean an entity who throughout the validity period of the Bilateral Insurance Policy , Insurance Performance Bond or Independent Security Arrangement : (a) holds a rating of at least A- in Standard and Poor's long term debt rating or A3 in Moody's long term debt rating provided that such entity is not during such validity period put on any credit watch or any similar credit surveillance which gives The Company reasonable cause to doubt that such entity may not be able to retain the aforesaid rating throughout the validity period; and

(b) the country of residence of such entity meets the **Required Sovereign Credit Rating**; and

(c) the security provided is **Enforceable**; and

(d) there are no material conditions preventing the exercise by **The Company** of its rights under the **Bilateral Insurance Policy, Insurance Performance Bond or Independent Security Arrangement**.

"Resigning Alternate Member"

As defined in Paragraph 8A.4.1.3

"Resigning Panel Member"

as defined in Paragraph 8A.4.1.

"Response"

Primary Response, Secondary Response and High Frequency Response or any of them as the case may be;

"Response Energy Payment"

that component of the payment for Mode A **Frequency Response** calculated in accordance with Paragraph 4.1.3.9A;

"Restricted Export Level Payment"

in respect of each **Restricted Export Level Period**, the payment for each day comprised within the **Restricted Export Level Period** or (where the **Restricted Export Level Period** starts or ends during a day) part of a day calculated as follows:

The higher of:

A. the £ per MW calculated by reference to the total TNUoS income derived from generators divided by the total system **Transmission Entry Capacity**, in each case using figures for the **Financial Year** prior to that in which the **System to Generator Operational Intertipping Scheme** trips, this is then divided by 365 to give a daily £ per MW rate; or

B. the actual £ per MW of the **User** (who requests in accordance with Clause 4.2A.4) by reference to the tariff in the **Use of System Charging Statement** for the **Financial Year** in which the **System to Generator Operational Intertipping Scheme** trips divided by 365 to give a daily £ per MW rate.

A or B are then multiplied by:

the MW arrived at after deducting from the **Transmission Entry Capacity** for the

	Connection Site the Restricted MW Export Level;
"Restricted Export Level Period"	as defined in Paragraph 4.2A.4(b)(ii);
"Restricted MW Export Level"	as defined in Paragraph 4.2A.2.1(c)(i);
"Restrictions on Availability"	is, in the context of a Design Variation or an Offshore Connection , the outage or reduction in capability as set out in the relevant Notification of Restrictions on Availability;
"Retail Price Index"	the general index of retail prices published by the Office for National Statistics each month in respect of all items or: <ul style="list-style-type: none"> (a) if the said index for any month in any year shall not have been published on or before the last day of the third month after such month such index for such month or months as the parties hereto agree produces as nearly as possible the same result shall be substituted or in default of the parties reaching agreement within six weeks after the last day of such three month period then as determined by a sole Chartered Accountant appointed by agreement by both parties or in the absence of agreement on the application of either party by the President of the Electricity Arbitration Association who shall act as an expert and whose decision shall be final and binding on the parties; or (b) if there is a material change in the basis of the said index, such other index as the parties agree produces as nearly as possible the same result shall be substituted or in default of the parties reaching agreement within six weeks after the occurrence of the material change in the basis of the said index then as determined by the sole Chartered Accountant appointed by agreement by both parties or in the absence of agreement on the application of either party by the President of the Electricity Arbitration Association who shall act as an expert and whose decision shall be final and binding on the parties;
"Revised Indicative Annual HH TNUoS charge"	the value calculated in accordance with Appendix 2 paragraph 5.
"Revised Indicative Annual NHH TNUoS charge"	the value calculated in accordance with Appendix 2 paragraph 8.

"Safety Coordinator(s)"	a person or persons nominated by The Company and each User in relation to Connection Points (as defined in the Grid Code) in England and Wales or nominated by the Relevant Transmission Licensee and each User in relation to Connection Points in Scotland or Offshore to be responsible for the co-ordination of Safety Precautions (as defined in the Grid Code) at each Connection Point when work and/or testing is to be carried out on a system which necessitates the provision of Safety Precautions on HV Apparatus , pursuant to OC8;
"Safety Rules"	the rules of The Company , a Relevant Transmission Licensee or a User that seek to ensure that persons working on Plant and/or Apparatus to which the rules apply are safeguarded from hazards arising from the System ;
"Second Offer"	as defined in Paragraph 6.10.4;
"Secondary Response"	as defined in the Grid Code ;
"Secretary of State"	has the meaning given to that term in the Act ;
"Secured Amount Statement"	a statement accompanying the Bi-annual Estimate setting out the amount to be secured by the User under Paragraph 2.21 based on figures contained in the Bi-annual Estimate being the amount for which security shall be provided to The Company pursuant to that Paragraph such statement to be substantially in the form set out in Exhibit M to the CUSC ;
"Secured Event"	as defined in the Grid Code ;
"Security Amendment"	the Proposed Amendment in respect of Amendment Proposal 089\090\091 ;
"Security Amendment Implementation Date"	the Implementation Date of the Security Amendment ;
"Security Amount"	in respect of the User the aggregate of available amounts of each outstanding (a) Letter of Credit , (b) Qualifying Guarantee and (c) the principal amount (if any) of cash that the User has paid to the credit of the Escrow Account (and which has not been repaid to the User); for the purpose of this definition, in relation to a Letter of Credit or Qualifying Guarantee "available amount" means the face amount thereof less (i) payments already made thereunder and (ii) claims made thereunder but

	not yet paid;
"Security Cover"	for each User , the User's Security Requirement less the User's Allowed Credit ;
"Security Period"	the period from 1 April to 30 June (inclusive), 1 July to 30 September (inclusive), 1 October to 31 December (inclusive), or 1 January to 31 March (inclusive) as appropriate.
"Security and Quality of Supply Standard"	as defined in the Grid Code ;
"Security Requirement"	the aggregate amount for the time being which the User shall be required by NGC to provide and maintain by way of Security Cover and its User's Allowed Credit in accordance with Paragraph 3.22;
"Separate Business"	the Transmission Business taken separately from any other business of The Company , but so that where all or any part of such business is carried out by an Affiliate or Related Undertaking of The Company such part of the business as is carried out by that Affiliate or Related Undertaking shall be consolidated with any other such business of The Company (and of any other Affiliate or Related Undertaking) so as to form a single Separate Business ;
"Settlement Administration Agent"	as defined in the Balancing and Settlement Code ;
"Settlement Day"	as defined in the Balancing and Settlement Code ;
"Settlement Period"	as defined in the Balancing and Settlement Code ;
"Short Term Capacity"	the right to export on to the National Electricity Transmission System power in accordance with the provisions of CUSC .
"Site Common Drawings"	as defined in the Grid Code ;
"Site Responsibility Schedule"	a schedule containing the information and prepared on the basis of the provisions set out in Appendix 1 of the CC ;
"Site Specific Maintenance Charge"	the element of the Connection Charges relating to maintenance and repair calculated in accordance with the Connection Charging Methodology ;
"Site Specific Requirements"	those requirements reasonably required by The Company in accordance with the Grid Code at

	the site of connection of a Relevant Embedded Medium Power Station or a Relevant Embedded Small Power Station .
"Small Independent Generating Plant"	a Medium Power Station ;
"Small Power Station"	as defined in the Grid Code ;
"Small Power Station Trading Party"	a Trading Party trading on behalf of one or more Small Power Stations whether owned by the Trading Party or another person;
"SMRS"	as defined in the Balancing and Settlement Code ;
"Statement of the Connection Charging Methodology"	the statement produced pursuant to and in accordance with Standard Condition C6 of the Transmission Licence , as modified from time to time;
"Statement of Use of System Charges"	the statement produced pursuant to and in accordance with Standard Condition C4 of the Transmission Licence , as modified from time to time;
"Statement of the Use of System Charging Methodology"	the statement produced pursuant to Standard Condition C5 of the Transmission Licence , as modified from time to time;
"Station Demand"	<p>in respect of any generating station and Generator, means that consumption of electricity (excluding any supply to any Customer of the relevant Generator who is neither such Generator nor a member of a qualifying group of which such Generator is a part) from the National Electricity Transmission System or a Distribution System at premises on the same site as such generating station, with premises being treated as on the same site as each other if they are:</p> <ul style="list-style-type: none"> (i) the same premises; (ii) immediately adjoining each other; (iii) separated from each other only by road, railway or watercourse or by other premises (other than a pipe-line, electric line or similar structure) occupied by the consumer in question or by any other person who together with that consumer forms a qualifying group; and for the purpose of this definition "generating station" and "qualifying group" shall have the meanings given those expressions when used in the Electricity (Class Exemptions from the Requirement for a

Licence) Order 1990;

"Station Transformer"	has the meaning given in the Grid Code ;
"Steam Unit"	a Generating Unit whose prime mover converts the heat energy in steam to mechanical energy;
"STTEC"	the figure in MW (if any) for the STTEC Period granted by The Company in accordance with Paragraph 6.31 of the CUSC and specified as such in Appendix C of the relevant Bilateral Connection Agreement or Bilateral Embedded Generation Agreement .
"STTEC Authorisation"	the authorisation notified by The Company for Short Term Capacity in accordance with the terms of Paragraph 6.3.1.6.1 in response to a Request for a STTEC Authorisation .
"STTEC Charge"	being a component of the Use of System Charges which is made or levied by The Company and to be paid by the User for STTEC calculated in accordance with the Charging Statements .
"STTEC Offer"	an offer made by The Company for Short Term Capacity in accordance with the terms of Paragraphs 6.31.6.2 and 6.31.6.3 in response to an Application for a STTEC Offer .
"STTEC Period"	in the case of a STTEC Authorisation , a period of 28 days commencing on a Monday at 00.00 hours and finishing at 23.59 on a Sunday. In the case of a STTEC Offer , a period of either 28, 35, or 42 days (as specified by the User in its STTEC Request Form) commencing on a Monday at 0.00 hours and finishing at 23.59 on a Sunday.
"STTEC Request"	either a Request for a STTEC Authorisation or an Application for a STTEC Offer .
"STTEC Request Fee"	the non-refundable fee to be paid by the User to The Company as detailed in the Charging Statements .
"STTEC Request Form"	the form set out in Exhibit P to the CUSC .
"Subsidiary"	has the meaning given to that term in section 736A of the Companies Act 1985;
"Supplemental Agreement"	an agreement entered into pursuant to clause 2 of the MCUSA ;
"Supplier"	a person who holds a Supply Licence ;

"Supply Agreement"	an agreement between a Non-Embedded Customer and a Supplier for the supply of electricity to the Non-Embedded Customer's Connection Site ;
"Supply Licence"	a licence granted under section 6(1)(d) of the Act ;
"Synchronous Compensation"	the operation of rotating synchronous apparatus for the specific purpose of either generation or absorption of Reactive Power ;
"Synchronised"	the condition where an incoming BM Unit or CCGT Unit or System is connected to the busbars of another System so that the Frequencies and phase relationships of that BM Unit or CCGT Unit or the System , as the case may be, and the System to which it is connected are identical;
"System Ancillary Services"	Mandatory Ancillary Services and Part 2 System Ancillary Services ;
"System"	any User System or the National Electricity Transmission System as the case may be;
"System to Generator Operational Intertripping"	as defined in the Grid Code ;
"System to Generator Operational Intertripping Scheme"	as defined in the Grid Code ;
"System Operator - Transmission Owner Code or STC"	the STC entered into by The Company pursuant to the Transmission Licence as from time to time revised in accordance with the Transmission Licence ;
"Target Frequency"	the Frequency determined by The Company in its reasonable opinion as the desired operating Frequency of the Total System . This will normally be 50.00 Hz plus or minus 0.05 Hz, except in exceptional circumstances as determined by The Company in its reasonable opinion. An example of exceptional circumstances may be difficulties caused in operating the System during disputes affecting fuel supplies;
"TEC Increase Request"	a request for an increase in Transmission Entry Capacity pursuant to CUSC paragraph 6.30.2.
"TEC Reduction Charge"	means (a) in relation to positive zones, a sum equal to the difference between the Transmission Network Use of System

	<p>Charges due for the Financial Year in which reduction in Transmission Entry Capacity takes effect or termination occurs (as appropriate) and the Transmission Network Use of System Charges due for the Financial Year preceding the Financial Year in which the reduction in Transmission Entry Capacity takes effect or termination occurs (as appropriate); and</p>
"TEC Register"	<p>(b) in relation to negative zones, zero. the register set up by The Company pursuant to Paragraph 6.30.3.1.</p>
"TEC Trade"	<p>a trade between parties of their respective Transmission Entry Capacity.</p>
"Tendered Capability Breakpoints"	<p>as defined in Paragraph 1.4 of Appendix 5 of Schedule 3, Part I;</p>
"Temporary Donated TEC"	<p>is the temporary MW reduction in the export rights of the Temporary TEC Exchange Donor User arising from acceptance of a Temporary TEC Exchange Offer.</p>
"Temporary Received TEC"	<p>is at any time the Temporary TEC Exchange Rate.</p>
"Temporary TEC Exchange Donor User"	<p>is a User that has jointly made a Temporary TEC Exchange Rate Request to reduce its rights to export for the duration of the Temporary TEC Exchange Period.</p>
"Temporary TEC Exchange Notification of Interest Form"	<p>is the form set out in Exhibit X to the CUSC.</p>
"Temporary TEC Exchange Offer"	<p>is an offer made by The Company for a Temporary TEC Exchange Rate in accordance with the terms of Paragraphs 6.34.4.6.</p>
"Temporary TEC Exchange Period"	<p>is a period within a Financial Year as specified in the Temporary TEC Exchange Rate Request Form being for a minimum of four weeks and commencing at 0.00 hours on a Monday and finishing at 23.59 on any given day no later than the last day of such Financial Year.</p>
"Temporary TEC Exchange Rate Request Fee"	<p>is the single fee to be paid to The Company for a Temporary TEC Exchange Rate Request as detailed in the Charging Statements.</p>
"Temporary TEC Exchange Rate Request Form"	<p>is the form set out in Exhibit W to the CUSC.</p>

"Temporary TEC Exchange Rate Request"	is a joint application made by a Temporary TEC Exchange Donor User and a Temporary TEC Exchange Recipient User for a Temporary TEC Exchange Rate Offer .
"Temporary TEC Exchange Rate"	is a weekly profile of the additional export rights in MW available to the Temporary TEC Exchange Recipient User as a direct result of the temporary reduction in export rights in MW of the Temporary TEC Exchange Donor User .
"Temporary TEC Exchange Recipient User"	is a User that has jointly made a Temporary TEC Exchange Rate Request to increase its rights to export for the duration of the Temporary TEC Exchange Period .
"Temporary TEC Trade Exchange"	a trade made pursuant to CUSC Paragraph 6.34
"Tenders"	as defined in Paragraph 3.3 of Schedule 3, Part I;
"Tenderers"	as defined in Paragraph 3.3 of Schedule 3, Part I;
"Tender Period"	as defined in Paragraph 3.3 of Schedule 3, Part I;
"Term"	without prejudice to the interpretation of Term in respect of Users acting in other capacities, for Users acting in respect of their Connection Sites which were not Commissioned at the Transfer Date , it means the term of the relevant Bilateral Connection Agreement commencing on the date of the Bilateral Connection Agreement and ending in accordance with Clause 9 of that agreement;
"Termination Amount"	in relation to a Connection Site , the amount calculated in accordance with the Charging Statements ;
"The Company"	National Grid Electricity Transmission plc (No: 2366977) whose registered office is at 1-3 Strand, London, WC2N 5EH;
"The Company Credit Rating"	any one of the following:- <ul style="list-style-type: none"> (a) a credit rating for long term debt of A- and A3 respectively as set by Standard and Poor's or Moody's respectively; (b) an indicative long term private credit rating of A- and A3 respectively as set by Standard and Poor's or Moody's as the basis of

	issuing senior unsecured debt;
	(c) a short term rating by Standard and Poor's or Moody's which correlates to a long term rating of A- and A3 respectively; or
	(d) where the User's Licence issued under the Electricity Act 1989 (as amended by the Utilities Act 2000) requires that User to maintain a credit rating, the credit rating defined in that User's Licence .
"The Company's Engineering Charges"	the charges levied by The Company in relation to an application for connection and/or use of the National Electricity Transmission System ;
"The Company Website"	the site established by The Company on the World-Wide Web for the exchange of information among CUSC Parties and other interested persons in accordance with such restrictions on access as may be determined from time to time by The Company ;
"Third Party Claim"	as defined in Paragraph 7.5.3;
"Third Party Works"	in relation to a particular User those works, defined as such in its Construction Agreement ; being works undertaken on assets belonging to someone other than The Company or the User where such works are required by The Company to enable it to provide the connection to and/or use of the National Electricity Transmission System by the User or required as a consequence of connection to and/or use of the National Electricity Transmission System by the User ; the National Electricity Transmission System and all User Systems in Great Britain and Offshore ;
"Total System"	
"Total System Chargeable HH Demand"	the total of all half-hourly metered Demands for which HH Charges are paid, taken over a period of time which may or may not be that to which HH Charges relate.
"Total System Chargeable NHH Demand"	the total of all half-hourly metered Demands for which NHH Charges are paid, taken over a period of time which may or may not be that to which NHH Charges relate.
"Trading Party"	as defined in the Balancing and Settlement Code ;
"Trading Unit"	as defined in the Balancing and Settlement Code ;

" Transfer Date "	"24.00" hours on 30th March 1990;
" Transfer Scheme "	schemes made under sections 65 and 66 of the Act and effected on the Transfer Date ;
" Transmission "	means, when used in conjunction with another term relating to equipment, whether defined or not, that the associated term is to be read as being part of or directly associated with the National Electricity Transmission System and not of or with the User System ;
" Transmission Business "	the authorised business of The Company or any Affiliate or Related Undertaking in the planning, development, construction and maintenance of the National Electricity Transmission System (whether or not pursuant to directions of the Secretary of State made under section 34 or 35 of the Act) and the operation of such system for the transmission of electricity, including any business in providing connections to the National Electricity Transmission System but shall not include (i) any other Separate Business or (ii) any other business (not being a Separate Business) of The Company or any Affiliate or Related Undertaking in the provision of services to or on behalf of any one or more persons;
" Transmission Circuits "	as defined in the NETS SQSS ;
" Transmission Connection Assets "	the Transmission Plant and Transmission Apparatus necessary to connect the User's Equipment to the National Electricity Transmission System at any particular Connection Site in respect of which The Company charges Connection Charges (if any) as listed or identified in Appendix A to the Bilateral Connection Agreement relating to each such Connection Site ;
" Transmission Connection Asset Works "	in relation to a particular User , as defined in its Construction Agreement ;
" Transmission Entry Capacity "	the figure specified as such as set out in Appendix C of the relevant Bilateral Connection Agreement or Bilateral Embedded Generation Agreement ;
<u>"Transmission Interface Point"</u>	<u>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.</u>
<u>"Transmission Interface Site"</u>	<u>the site at which the Transmission Interface</u>

"Transmission Licence"	Point is located. the licence granted to The Company under section 6(1)(b)of the Act ;
"Transmission Network Services"	as defined in the Transmission Licence ;
"Transmission Network Use of System Charges"	the element of Use of System Charges payable in respect of Transmission Network Services (including for the avoidance of doubt Transmission Network Use of System Demand Reconciliation Charges and ET Use of System Charges);
"Transmission Network Use of System Demand Charges"	that element of Transmission Network Use of System Charges relating to Demand ;
"Transmission Network Use of System Demand Zone"	each of the zones identified by The Company in the Charging Statements for charging of Transmission Network Use of System Charges in relation to Demand ;
"Transmission Network Use of System Demand Reconciliation Charges"	sums payable by the User to The Company under invoices issued to the User pursuant to Paragraph 3.12.7;
"Transmission Related Agreement"	an agreement between The Company and a User substantially in the form of Schedule 2 Exhibit 5;
"Transmission Services Activity"	as defined in the Transmission Licence ;
"Transmission Services Use of System Charges"	the element of Use of System Charges payable in respect of the Transmission Services Activity ;
"Transmission Reinforcement Works"	in relation to a particular User , as defined in its Construction Agreement or BELLA as appropriate;
"Transmission Works Register"	the register set up by The Company pursuant to Paragraph 6.36.1.
"Transmission Works"	in relation to a particular User , those works which are specified in Appendix H or identified as OTSDUW in the relevant Construction Agreement .
"Undertaking"	as defined in section 259 of the Companies Act 1985;
"Unsecured Credit Cover"	the maximum amount of unsecured credit available to each User for the purposes of Part III of Section 3 of the CUSC at any time which shall be a sum equal to 2% of the NGC Prescribed Level in the relevant Financial Year ;

"Unusual Load Characteristics"	loads which have characteristics which are significantly different from those of the normal range of domestic, commercial and industrial loads (including loads which vary considerably in duration or magnitude).
"Urgent Amendment Proposal"	an Amendment Proposal treated or to be treated as an Urgent Amendment Proposal in accordance with Paragraph 8.21;
"Use of System"	use of the National Electricity Transmission System for the transport of electricity by any Authorised Electricity Operator or Interconnector User or Interconnector Error Administrator ;
"Use of System Application"	an application for a Bilateral Embedded Generation Agreement or for Use of System in the form or substantially in the form set out in Exhibit D or F to the CUSC as appropriate;
"Use of System Charges"	charges made or levied or to be made or levied by The Company for the provision of services as part of the Transmission Business to any Authorised Electricity Operator as more fully described at Standard Condition C4 and C5 of the Transmission Licence and in the Bilateral Agreements and Section 3 and Section 9 Part II and as amended in accordance with Standard Condition C13 of the Transmission Licence but shall not include Connection Charges ;
"Use of System Interconnector Confirmation Notice"	the part of the Use of System Interconnector Offer and Confirmation Notice by which The Company confirms the use of the National Electricity Transmission System by an Interconnector User or an Interconnector Error Administrator ;
"Use of System Interconnector Offer and Confirmation Notice"	the notice which combines the offer and confirmation in relation to the use of the National Electricity Transmission System by an Interconnector User or an Interconnector Error Administrator , in the form set out in Exhibit H to the CUSC ;
"Use of System Interconnector Offer Notice"	the part of the Use of System Interconnector Offer and Confirmation Notice by which The Company offers an Interconnector User or an Interconnector Error Administrator use of the National Electricity Transmission System ;
"Use of System Offer"	an offer (or in the case of a use of system generation offer and where appropriate, offers)

	made by The Company to a User pursuant to Paragraph 3.7 or 9.21 substantially in the form of Exhibit G (Use of System Supply Offer) or Exhibit E (Use of System Generation Offer) or Exhibit H (Use of System Interconnector Offer) to the CUSC ;
"Use of System Payment Date"	the date for payment of Use of System Charges ;
"Use of System Supply Confirmation Notice"	the part of the Use of System Supply Offer and Confirmation Notice by which The Company confirms the use of the National Electricity Transmission System by a Supplier ;
"Use of System Supply Offer and Confirmation Notice"	the notice which combines the offer and confirmation in relation to the use of the National Electricity Transmission System by a Supplier , in the form set out in Exhibit G to the CUSC ;
"Use of System Supply Offer Notice"	the part of the Use of System Supply Offer and Confirmation Notice by which The Company offers a Supplier use of the National Electricity Transmission System ;
"Use of System Termination Notice"	the notice to be given to terminate Use of System by a Supplier or an Interconnector User , or an Interconnector Error Administrator in accordance with the CUSC ;
"User"	a person who is a party to the CUSC Framework Agreement other than The Company ;
"User Development"	shall have the meaning set out in the Connection Application or the Use of System Application as the case may be;
"User's Allowed Credit"	that proportion of the Unsecured Credit Cover extended to a User by NGC as calculated in accordance with Paragraph 3.26;
"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 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's Licence"	a User's licence to carry on its business granted pursuant to Section 6 of the Act ;
"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 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 ;
"Valid"	valid for payment to be made thereunder against delivery of a Notice of Drawing given within the period stated therein;
"Value Added Tax"	United Kingdom value added tax or any tax supplementing or replacing the same;
"Value At Risk Amendment"	the Proposed Amendment in respect of Amendment Proposal 127 .
"Value At Risk Amendment Implementation Date"	the Implementation Date of the Value At Risk Amendment .
"Value At Risk Amendment Implementation End Date"	the date one year following the Value At Risk Amendment Implementation Date .
"Week"	means a period of seven Calendar Days commencing at 05.00 hours on a Monday and terminating at 05.00 hours on the next following Monday;
"Weekly Maximum Generation Declaration"	has the meaning attributed to it in Paragraph 4.2.3.1;
"Wider Transmission Reinforcement Works"	in relation to a particular User means those Transmission Reinforcement Works other than the Enabling Works and which are specified in the relevant Construction

Agreement;

"Working Group"

a **Working Group** established by the **Amendments Panel** pursuant to Paragraph 8.17.1.

"Working Group Consultation"

As defined in Paragraph 8.17.10, and any further consultation which may be directed by the **Amendments Panel** pursuant to Paragraph 8.17.17;

"WG Consultation Alternative Request"

any request from a **CUSC Party** for a **Working Group Alternative Amendment** be developed by the **Working Group** expressed as such and which contains the information referred to at Paragraph 8.17.13. For the avoidance of doubt any **WG Consultation Alternative Request** does not constitute an **Amendment Proposal**;

"Working Group Alternative Amendment"

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

END OF SECTION 11

CUSC - EXHIBIT B

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

**DIRECTLY CONNECTED POWER STATION
NON EMBEDDED CUSTOMER
DISTRIBUTION SYSTEM DIRECTLY CONNECTED TO THE
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 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 Company's Website**⁴ contains a statement that describes the means by which **The Company** shall ensure compliance with Special Condition M of its **Transmission Licence**.

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)

⁴ www.nationalgrid.com/uk/electricity

15. **Applicants** have the option to request a **Connection Offer** on the basis of a **Design Variation**. In requesting such an **Offer**, the **Applicant** acknowledges that the connection design (which provides for connection to the **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** 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

⁵ www.nationalgrid.com/uk/electricity

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 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** 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** will not be available for use for the purposes of transmission until they have been transferred to an **Offshore Transmission Licensee**.

23-29. 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

24-30. 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.

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

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**.

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

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.

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

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.

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

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. Are you considering building any assets that would be identified as **Transmission Connection Assets**? If you indicate yes **The Company** will contact you to discuss further details.

Yes []

No []

10. For **New Connection Sites** located 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 []

Crown Estate Lease []

Identified sub-sea cable routes []

Identified cable landing points []

Other (please specify) []

.....

APPLICATION FOR A NEW CONNECTION

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

.....

11. Applicants should note that for **Generating Units** proposed to be connected to an **Offshore Transmission System** certain requirements in respect of **Reactive Power** capability (contained within the **STC**, Section K [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 **MITS Connection Works**.
2. If you want the **Enabling Works** to be greater in scope than the **MITS 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	<input type="checkbox"/>
do not meet The Company Credit Rating .	<input type="checkbox"/>
6. We confirm our agreement to the disclosure in the manner set out in Paragraph 6.30.3 of **CUSC** of the information specified in such Paragraph.
7. We confirm that we are applying in the category of:

Directly Connected Power Station	<input type="checkbox"/>
Non-Embedded Customer	<input type="checkbox"/>
Distribution System Directly Connected to the National Electricity Transmission System	<input type="checkbox"/>

[Please tick correct option].

SIGNED BY

.....

For and on behalf of the **Applicant**

Date:

END OF EXHIBIT B

CUSC - EXHIBIT C

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

**DIRECTLY CONNECTED POWER STATIONS
NON EMBEDDED CUSTOMER
DISTRIBUTION SYSTEM DIRECTLY
CONNECTED TO THE NATIONAL ELECTRICITY TRANSMISSION SYSTEM**

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). 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.

9-10. 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.*]

10-11. 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**.

11-12. All communications in relation to this **Offer** must, in the first instance, be directed to [description].

[4113](#). 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

CUSC - EXHIBIT I

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

MODIFICATION APPLICATION – NOTES

Please study the following notes before completing and signing this application form.

Please note that certain expressions which are used in this application form 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. 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 purposes of preparing an offer (the “**Offer**”) of a **Construction Agreement** for the construction of a proposed **Modification** and for the variation of the existing [**Bilateral Connection Agreement** or **Bilateral Embedded Generation Agreement** or **Construction Agreement**] affected by the **Modification**. It is essential that the **Applicant** should supply all information requested in this 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

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

reasonably satisfied that the **Applicant** has completed Sections A-D. **The Company** shall notify the **Applicant** of such date.

6. **The Company** will make the **Offer** in accordance with the terms of Paragraphs 6.9 (Modification) and 6.10 (**Modifications and New Connection Sites**) of the **CUSC** and the **Transmission Licence**.
7. **The Company** will make an **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**. On grounds of commercial confidentiality, **The Company** shall need authorisation for the release to the **Public Distribution System Operator(s)** or **Relevant Transmission Licensees** of certain information contained in your 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)**, 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 any agreement to vary **Bilateral Agreements** and shall need authorisation from the **Applicant** in respect of this.
10. Data submitted pursuant to this application shall be deemed submitted pursuant to the **Grid Code**.
11. **The Company's Offer** will, to the extent appropriate, be based upon its standard form terms of **Modification Offer** and the statement of charges

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.

12. As provided for 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. **Applicants** are recommended to contact **The Company**¹ where our staff will be pleased to help.
13. **The Applicant** has the ability to pay a fixed price application fee in respect of their application or pay the actual costs incurred (variable price application fee). The fixed price application fee is derived from analysis of historical costs of similar applications. The variable price application fee is based on an advance of the Transmission Licensee's Engineering and out of pocket expenses and will vary according to the size of the scheme and the amount of work involved. **The Applicant** is requested to indicate their preferred basis of application fee in Section A question 4. **The Applicant** is advised that further information can be obtained from the **Charging Statements** which can be found on **The Company's Website**².
14. Please complete this application form in black print and return it duly signed to Customer Services Manager, National Grid Electricity Transmission plc, Warwick Technology Park, Gallows Hill, Warwick, CV34 6DA (Telephone No. 01926 65 4634). In addition to returning the application to the Customer Services Manager an electronic form may be e-mailed to **The Company** at camdata@uk.ngrid.com
15. For the most up to date contact details applicants are advised to visit **The Company's Website**².

² www.nationalgrid.com/uk/electricity

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 as identified in 2 above)**

Name:.....

Title:.....

Address:.....

.....
.....

Email:.....

Telephone:.....

Fax:.....

4. Please identify which application fee basis you wish to use for this application.

Fixed price application fee []

Variable price application fee []

SECTION B THE CONNECTION SITE [AND, IN THE CASE OF A USER UNDERTAKING OTSDUW, THE TRANSMISSION INTERFACE SITE] TO BE MODIFIED

1. Please provide agreement reference number.

.....

2. Please identify by name the **Connection Site** [and, in the case of a User undertaking OTSDUW, the Transmission Interface Site] at which the **Modification** is to be undertaken.

.....

3. Give details of the rights in any additional land which you are proposing to acquire at the **Connection Site** [or, in the case of a User undertaking OTSDUW, the Transmission Interface Site] (to include leasehold and freehold interests and in the case of **Connection Sites** [or, in the case of a User undertaking OTSDUW, the Transmission Interface Site] in Scotland legal interests and heritable or leasehold interests including servitudes or other real rights) so as to undertake the **Modification**).

.....

.....

.....

4. Is space available on the **Connection Site** [or, in the case of a User undertaking OTSDUW, the Transmission Interface Site] for working storage and accommodation areas for **The Company** contractors or, for **Connection Sites** [or, in the case of a User undertaking OTSDUW, the Transmission Interface Site], in Scotland the contractors of the **Relevant Transmission Licensees**? If so, please indicate by reference to a plan the location of such areas, giving the approximate dimensions of the same.

.....

.....

.....

5. Please provide details (including copies of any surveys or reports) of the physical nature of any additional land the subject to your answer to Question 2 above including the nature of the ground and the sub-soil.

.....

...

6. Please give details and provide copies of all existing relevant planning and other consents (statutory or otherwise) held by you relating to the

Connection Site [and/or, in the case of a **User** undertaking **OTSDUW**, the **Transmission Interface Site**] or the **Modification** and/or details of any pending applications for the same.

.....
.....

7. Please indicate what, if any, of the necessary construction works necessary for the **Modification** you would like **The Company** to conduct upon your behalf.

.....
.....

SECTION C. TECHNICAL INFORMATION

1. Summary of Application (brief description of plant to be connected):
.....
.....
.....

2. Please provide full details of the proposed **Modification** together with the relevant **Standard Planning Data** as listed in Part 1 of the Appendix to the **Planning Code** to the extent that the data will change from previously submitted Committed Project Planning Data or Connected Planning Data as a result of the proposed **Modification**. Note: the data concerned form part of the **Planning Code** and **Data Registration Code**. **Applicants** should refer to these sections of the **Grid Code** for an explanation. Further guidance is available from **The Company**³ on request.

3. Please notify **The Company** as to whether the **Modification** is associated with a **BELLA/BEGA Application** and if so details of the relevant **BELLA/BEGA Application**.

BELLA/BEGA Agreement Ref:

Site of Connection.....

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

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 or, in the case of a User undertaking OTSDUW, any OTSUA) 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 following relevant 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'). Where applicable this information is expected to provide the anticipated project overview at the time of application:-

- Planning Application Submitted (Town & Country Planning, S36,S37*)
- 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

SECTION E. ENABLING WORKS [CONNECT AND MANAGE POWER STATION ONLY]

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

1. We hereby apply to modify our connection to the **National Electricity Transmission System** at [] **Connection Site** and/or in the case of a **User** undertaking **OTSDUW** [] **Transmission Interface Site**.
2. We agree to pay **The Company's** Engineering Charges on the terms specified in the Notes to the **Connection Application**.
3. 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.
4. We authorise the release of certain information, on the grounds of commercial confidentiality, to the appropriate **Public Distribution System Operator(s)** or **Relevant Transmission Licensees** should it be considered necessary.
5. We confirm that we do/do not meet **The Company's Credit Rating/Approved 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 this **Modification** is associated with a:
 - BELLA Application []
 - BEGA Application []
 - Neither []

SIGNED BY:

.....

For and on behalf of the **Applicant**

Date.....

END OF EXHIBIT I

CUSC - EXHIBIT J

**THE CONNECTION AND USE OF SYSTEM CODE
MODIFICATION OFFER**

- Agreement**. It is your responsibility to ensure that your equipment complies with the requirements of the relevant conditions.
6. This offer is open for acceptance according to the terms of Paragraph 6.9 (**Modifications**) 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**.
 7. 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 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.
 8. To accept this offer, please sign and return the [**Construction Agreement**] [**Bilateral Construction Agreement**] and [**Bilateral Embedded Generation Agreement**] attached to this offer as Section A and Section B. **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 executed by **The Company**.
 9. 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**] [and on the basis of the **OTSDUW Arrangements** [Connect and Manage Power Station only].

Yours faithfully

.....

for and on behalf of
National Grid Electricity Transmission plc

SECTION A
FORM OF CONSTRUCTION AGREEMENT

SECTION B
FORM OF VARIED BILATERAL AGREEMENT

END OF SECTION J

CUSC - EXHIBIT K

**THE CONNECTION AND USE OF SYSTEM CODE
MODIFICATION NOTIFICATION**

MODIFICATION NOTIFICATION

1. This **Modification Notification** is issued by **The Company** pursuant to Paragraph 6.9 of the **CUSC**. The **User** has certain rights under Paragraph 6.9 of the **CUSC** and is advised to consider whether it wishes to avail itself to such rights upon receipt of this **Modification Notification**.

2. **The Company** proposes to make the **Modification** to the **National Electricity Transmission System** (or in the case of **Offshore Transmission System Development User Works** those works) set out below:-

3. **The Company** reasonably believes that you may have to carry out the following works as a result of the proposed **Modification**:-

4. The latest date upon which you may apply to the **Authority** under Standard Condition C9 of the **Transmission Licence** is [date: to be supplied by **The Company**, subject to Paragraph 6.9 of the **CUSC**.]

Dated:

Signed for and on behalf of
National Grid Electricity Transmission plc

END OF SECTION K

[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
9	Credit Requirements
10	Event of Default
11	Termination on Event of Default
12	Term
13	CUSC
14	Disputes
15	Variations
16	Restrictive Trade Practices Act
17	Development of Offshore Transmission System Development User Works
Appendix B1	One Off Works
Appendix G	Transmission Connection Asset Works
Appendix H1	Onshore Transmission Reinforcement Works
Appendix H2	Offshore Transmission Reinforcement Works
Appendix I	User's Works
Appendix J	Construction Programme

CUSC v1.1

Appendix K	Liquidated Damages
Appendix L	Independent Engineer
Appendix M	Security Arrangements
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.
"Bilateral Connection Agreement"	the Bilateral Connection Agreement entered into between the parties on even date herewith.
"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 , are completed to a stage where The Company could commence commissioning and by such date the User's Works shall not have been so certified then the date falling [] days after the date of such certification, provided that the Offshore Transmission Reinforcement Works and 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 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.
"Commissioning Programme Commencement Date"	the date specified in the Construction Programme for the commencement of the Commissioning Programme or any substituted date fixed under the terms of this Construction Agreement

“Commissioning Programme”	the sequence of operations/tests necessary to connect the User’s Works and the [Transmission Connection Asset Works] to the 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 .
“Completion Date”	[] or such other date as may be agreed in terms of this Construction Agreement .
“Connect and Manage Derogation”	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;
“Connected Planning Data”	data required pursuant to the Planning Code which replaces data containing estimated values assumed for planning purposes by validated actual values and updated estimates for the future and by updated forecasts for forecast data items.

<u>“Connection Site Specification”</u>	<u>a specification which sets out the following information in relation to the Connection Site:</u> <u>(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;</u> <u>(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);</u> <u>(c) information reasonably requested by The Company in order to complete Appendices F1 to F5 in the Bilateral Connection Agreement; and</u>
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(d) a description of the technical design and operating criteria which apply to the User's Equipment.

"Consents"	<p>in relation to any Works:-</p> <ul style="list-style-type: none">(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"	<p>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.</p>
"Construction Site"	<p>the site where the Transmission Connection Asset Works are being undertaken by or on behalf of The Company;</p>
"Construction Works"	<p>the Offshore Construction Works and Onshore Construction Works but excluding for the avoidance of doubt any Third Party Works.</p>
"Dispute Resolution Procedure"	<p>the procedure for referral to arbitration set out in Paragraph 7.4 of the CUSC.</p>
"Enabling Works"	<p>Those Onshore Transmission Reinforcement Works which are specified in Appendix H1 Part 1 to this Construction Agreement.</p>
"Event of Default"	<p>any of the events set out in Clause 10 of this Construction Agreement as</p>

constituting an event of default.

“Final Sums”

the amount payable by the **User** on termination of this **Construction Agreement** being the aggregate from time to time and for the time being of:-

- (1) all **The Company Engineering Charges** arisen prior to the date of termination;
- (2) fees, expenses and costs (excluding costs on account of interest charges incurred by The Company) of whatever nature reasonably and properly incurred or due by **The Company** in respect of any part of the **Construction Works** carried out prior to the date of termination of this **Construction Agreement**;
- (3) fees, expenses and costs properly payable by **The Company** in respect of, or arising from the termination by it or any third party of any contract for or relating to the carrying out of any **Construction Works** provided it is negotiated on an arms length basis (including any such arising under the **STC**);
- (4) a sum equal to the reasonable costs of removing any **Transmission Connection Assets** and of making good the remaining **Plant** and **Apparatus** following such removal; and
- (5) interest on any such amounts from the date they were paid by The Company to the date of The Company's invoice at 2% over **Base Rate** from time to time and for the time being.

Provided that no sum shall be due in respect of **Final Sums** in respect of fees, expenses and costs associated with (a)

the **Seven Year Statement Works** and/or (b) **Transmission Reinforcement Works** required for wider system reasons and specified in Part 2 of Appendix H.

Any dispute as to the amount of **Final Sums** shall be referred to arbitration in accordance with the **Dispute Resolution Procedure**.

“Independent Engineer”

the engineer specified in Appendix L to this **Construction Agreement**. Provided that:-

- (a) where the parties fail to agree on a suitable engineer within 120 days of the date of this **Construction Agreement**; or
- (b) where any **Independent Engineer** appointed from time to time shall fail, refuse or cease to act in the capacity set out herein and no substitute engineer of suitable standing and qualification can be agreed by the parties within 30 days;

then such engineer as the President of the Institution of Electrical Engineers shall, on the application of either party, nominate shall be the **Independent Engineer**.

“Interface Agreement”

the agreement substantially in the form of **CUSC** Exhibit O [Part IC or Part IIC] to be entered into pursuant to Clause 2.17.

“Liquidated Damages”

the sums specified in or calculated pursuant to Appendix K to this **Construction Agreement**.

“Offshore Agreement to Vary”

the agreement proposed by **The Company** to the **User** pursuant to Clause 1.2.3.

“Offshore Construction Works”

the **Transmission Connection Asset**

	<p>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.</p>
“Offshore TO Construction Offer”	<p>the offer to be made to The Company in respect of the Offshore Construction Works pursuant to the System Operator – Transmission Owner Code.</p>
“Offshore Transmission Reinforcement Works”	<p>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 this Construction Agreement, where Part 1 is works required for the User and Part 2 is works required for wider system reasons[; <u>but OTSDUW are excluded from Offshore Transmission Reinforcement Works (and are specified in Appendix I2 and not Appendix H2)</u>].</p>
“Offshore Works Assumptions”	<p>the assumptions set out in Appendix [P] <u>as amended from time to time in accordance with the provisions of this Construction Agreement and/or the CUSC</u></p>
“One Off Works”	<p>the works described in Appendix B1 to this Construction Agreement.</p>
“Onshore Construction Works”	<p>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.</p>

“Onshore Transmission Reinforcement Works”

those works other than the **Transmission Connection Asset Works, Offshore Transmission Reinforcement Works, 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 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"

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**.

"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** subject to Clause [1.4] of this **Construction Agreement**].

"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

[Capacity Reduction Charge

[where on interim methodology a sum equal to the difference between
a) the **Cancellation Charge** that would have been payable by the **User** had this **Construction Agreement** terminated in the

Financial Year (or part of **Financial Year**) in which the **User** reduced its **Connection Entry Capacity** and/or **Transmission Entry Capacity** as appropriate and the **User** had not reduced its **Connection Entry Capacity** and/or **Transmission Entry Capacity** as appropriate and
b) the **Cancellation Charge** that would have been payable in such **Financial Year** (or part of **Financial Year**) if such charge was calculated on the basis of the reduced **Connection Entry Capacity** and/or **Transmission Entry Capacity**.] or
or

[*where on final sums -*”**Final Sums** and as such subject to the provisions of Clauses [9.2 and 9.3 -*if user meets credit rating*] [9.6 and 9.7 - *if user does not meet credit rating*] of this **Construction Agreement** except that the **Final Sums** will be assessed by reference to those elements of the **Construction Works** no longer required as a result of a **Notice of Reduction** taking effect rather than on termination of this **Construction Agreement**”]]
the notice issued by **The Company** pursuant to Clause 7.4.4

Notice of Intent

[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**.]

- 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] [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**. 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.
- 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**.

[1.3 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 the User shall be entitled to revise the OTSDUW 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.]

2.4.1 The **User** shall be liable to pay to **The Company**:-

- (a) all **The Company 's Engineering Charges** accrued; and
- (b) proper and reasonable out-of-pocket expenses incurred and/or paid or which **The Company** is legally bound to incur or pay

in seeking and obtaining the **Consents** the subject of Clause 2.2 of this **Construction Agreement** excluding any costs associated with the **Seven Year Statement Works** and the works specified in Part 2 of Appendix H.

The **User** acknowledges these out of pocket ancillary expenses may include planning inquiries or appeals and the capital costs together with reasonable legal and surveyors costs of landowners or occupiers in acquiring permanent easements or other rights in respect of any electric line or underground cable forming part of the **Transmission Connection Asset Works**. This sum shall not include any capital costs incurred by **The Company**, in relation to **Connection Sites [or Transmission Interface Sites]** in England and Wales, in the acquisition by it of the freehold of any land or any **Relevant Transmission Licensee [or Onshore Transmission Licensee]**, in relation to **Connection Sites [or Transmission Interface Sites]** in Scotland, in the acquisition by it of the feuhold of any land. **The Company** shall keep the **User** informed of the level of such charges and expenses being incurred. The **User** shall pay such sums within 28 (twenty eight) days of the date of **The Company 's** invoice therefor.

2.4.2 Paragraphs 11.2.3 to 11.2.5 of the **CUSC** relating to **Consents** shall apply to the **Construction Agreement** as if set out here in full.

2.5 Prior to the commencement of the **Transmission Connection Asset Works [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 **User** shall in addition to the payments for which it is liable under Clause 2.4 hereof be liable to pay to **The Company** a sum equal to **The Company 's** estimate or if applicable revised estimate of **Final Sums**. The **User** shall pay such sums within 14 (fourteen) days of the date of **The Company's** invoice(s) therefor on termination where applicable **[The**

Company shall disconnect the **User's Equipment** at the **Connection Site** and:

- (a) where the **Relevant Transmission Licensee** is the owner of the **Offshore Platform** the **User** shall remove any of the **User's Equipment** on the **Offshore Platform** within such period 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 of the [**Transmission Connection Assets**] on the period as may be agreed between 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 the **Onshore Transmission Licensee** and the **User**.]

2.6 If the **User** fails to obtain all **Consents** for the **User's Works** having complied with the obligations in Clause 2.2 of this **Construction Agreement** the obligation on the **User** to complete the **User's Works** shall cease and the **User** may by written notice to **The Company** terminate this **Construction Agreement** whereupon the **User** shall in addition to the sums for which it is liable under Clause 2.4 hereof be liable to pay to **The Company** a sum equal to **The Company 's** estimate or if applicable revised estimate of **Final Sums**. The **User** shall pay such sums within 14 (fourteen) days of the date of **The Company 's** invoice(s) therefor and (where applicable) on termination [**The Company** shall disconnect the **User's Equipment** at the **Connection Site** and;

- (a) where the **Relevant Transmission Licensee** is the owner of the **Offshore Platform** the **User** shall remove any of the **User's Equipment** on 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 of the [**Transmission Connection Assets**] on the such period as may be agreed between the **Relevant Transmission Licensee** the **User**.]

OR

[(a) **The Company** shall disconnect the **User's Equipment** and **OTSUA** at the **Transmission Interface Site**; and

(b) the **User** shall remove any of the **User's Equipment** and **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**.]

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)** 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. 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**.

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 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.

2.19.2 To the extent that the **Wider Transmission Reinforcement Works** are undertaken prior to the **Completion Date** sums associated with them shall form part of any **Final Sums** due on termination of this **Construction**

Agreement on or before the **Completion Date** [and so will be included in the **Bi-annual Estimate** and **Secured Amount Statement** (as defined in Clause 9B.2)].

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**. In the event of such termination the **User** shall in addition to the amounts for which it is liable under Clause 2.4 to this **Construction Agreement** be liable to **The Company** to pay to **The Company** a sum equal to **The Company's** estimate or revised estimate of **Final Sums**. The **User** shall pay such sums within 14 (fourteen) days of the date of **The Company 's** invoice(s) therefor and on termination (where applicable) [**The Company** shall disconnect the **User's Equipment** at the **Connection Site** and :

- (a) where the **Relevant Transmission Licensee** is the owner of the **Offshore Platform** the **User** shall remove any of the **User's Equipment** on 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**.]

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 [\[For the Transmission Interface Site information to enable preparation of Site Responsibility Schedules complying with the provisions of Appendix 1 to the Connection Conditions\].](#)

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 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 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

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 **Capacity Reduction Charge** and **Reduction Fee** where applicable. The parties acknowledge that any dispute regarding this variation shall be referable to and determined by the **Authority** under the provisions of Standard Condition C9 Paragraph 4 of the **Transmission Licence**.

8. COMPLIANCE WITH SITE SPECIFIC TECHNICAL CONDITIONS

The **User** shall ensure that on the **Completion Date** the **User's Equipment** complies with the site specific technical conditions set out in Appendix F 1-5 to the **Bilateral Connection Agreement** [\[and that the OTSUA complies with the site specific technical conditions set out in Appendix OF to this Construction Agreement\]](#).

9. CREDIT REQUIREMENTS

Alternate provisions apply depending whether or not the **User** does (9A) or does not (9B) meet **The Company's** required credit rating on signing the **Construction Agreement**. Details of the credit requirements are set out in the **CUSC**.

9A1 PROVISION OF SECURITY

9A.1.1 The User shall as soon as possible after execution of this **Construction Agreement** and in any event no later than one (1) month after the date of such execution confirm to **The Company** whether it meets **The Company Credit Rating**. Thereafter not less than 75 days before 1 April and 1 October in each year until (subject to Clause 9A.4) 28 days after the **Charging Date** the **User** shall confirm its **The Company Credit Rating** to **The Company** (which in the case of a long term private credit rating shall be confirmed by Standard and Poor's or Moody's within a period of 45 days prior to the date of confirmation). The **User** shall inform **The Company** in writing forthwith if it becomes aware of losing its **The Company Credit Rating** or if it is or is likely to be put on credit watch or any similar credit surveillance procedure which may give **The Company** reasonable cause to believe that the **User** may not be able to sustain its **The Company Credit Rating** for at least 6 months.

9A.1.2 In the event that the **User** has elected to provide **The Company** with an indicative credit rating and **The Company** is of the reasonable opinion that the **User** has ceased to comply with the requirements of Clause 9A.1.1 then **The Company** may require the User forthwith:-

- (i) to apply to Standard and Poor's and/or Moody's for a further indicative long term private credit rating; or
- (ii) to confirm to **The Company** that it shall provide the security referred to in Clause 9A.1.4 hereof.

9A.1.3 In the event of the **User**:-

- (i) not having an **The Company Credit Rating**; or
- (ii) having a credit rating below **The Company Credit Rating**; or
- (iii) not having obtained from Standard and Poor's or Moody's within 30 days of the written notification under Clause 9A.1.2 above an indicative long term private credit rating,

or if **The Company** becomes aware that:

- (iv) the **User** ceases to have an **The Company Credit Rating**; or
- (v) the **User** is put on credit watch or other similar credit surveillance procedure as specified above which may give **The Company** reasonable cause to believe that the User may not be able to maintain an **The Company Credit Rating** for at least 6 months; or
- (vi) the **User** has not obtained from Standard and Poor's within 30 days of the written notification by **The Company** under Clause 9A.1.2(i) above a further indicative long term private credit rating,

the **User** shall (where appropriate on receipt of written notification from **The Company**) comply with the terms of Clause 9A.1.4.

9A.1.4 The **User** shall within 21 days of the giving of a notice under Clause 9A.1.3 or within 30 days of the **User** confirming to **The Company** under Clause 9A.1.2(ii) that it will provide the security specified below (whichever is the earlier), provide **The Company** with the security specified below to cover the **User's** payment obligations to **The Company** arising in the event of, or which have arisen prior to, termination of this **Construction Agreement**. The security to be provided shall be in an amount not greater than such sums payable on termination and specified in writing by **The Company** to the **User** from time to time as appropriate. Such security shall be provided by way of:-

- (i) an irrevocable on demand standby **Letter of Credit** or guarantee; or
- (ii) cash held in escrow [**Escrow Account/ Bank Account**]; or
- (iii) any other form included in **The Company's** then current policy and procedure

such letter of credit or guarantee or security to be in a form agreed in writing by **The Company** and to be given by a **Qualifying Bank**, or **Qualifying Company**. Cash deposited in [escrow] shall be deposited with a **Qualifying Bank**. The choice of such security shall be at the discretion of the **User**.

9A.1.5 The **User** shall in addition to providing the requisite security enter into an agreement with **The Company**, which shall be supplemental to this **Construction Agreement** (the "Amending Agreement"). The **Amending Agreement** shall be in such form as **The Company** shall reasonably require and shall contain such provisions in relation to the **User's** obligations to provide and maintain security as shall be consequential upon the requirement for security having arisen, in line with **The Company's** then current provisions to the like effect in its agreements with other parties. The **Amending Agreement** shall relate to the procedures required in obtaining and maintaining the security and shall not alter or amend the amount of security required in terms of this **Construction Agreement**.

9A.1.6 In the event of **The Company's** credit requirements being reviewed at any time **The Company** shall advise the **User** in writing of the new credit requirements and the **User** shall within 30 days of such notification confirm in writing to **The Company** whether it wishes to enter into an **Amending Agreement** to reflect the new credit requirements. Thereafter if the **User** has confirmed it wishes to accept the new credit requirements **The Company** and the **User** shall within 30 days of such notification enter into an **Amending Agreement**.

9A.1.7 In the event that the facts or circumstances giving rise to the obligations of the **User** to provide the security have ceased, then **The Company** shall release

the security and provisions to that effect shall be included in the **Amending Agreement**.

Final Sums

9A.2 Within 60 days of the date of termination of this **Construction Agreement** **The Company** shall:

- (a) furnish the **User** with a further statement showing a revised estimate of **Final Sums** and will provide as soon as practicable evidence of such costs having been incurred; and
- (b) by written notice to the **User** inform the **User** of all capital items which cost **The Company** in excess of £10,000 and in relation to which an amount on account of **Final Sums** shall have been paid and whether **The Company** (1) wishes to retain the said capital items or (2) dispose of them.

9A.3.1 In respect of all capital items which **The Company** wishes to retain (other than those which have been, or are proposed to be installed as a replacement for **Transmission Plant and Transmission Apparatus**) **The Company** shall forthwith reimburse to the **User** the amount paid by the **User** on account of **Final Sums** in respect of the said capital items (including without limitation the amount paid on account of the design, purchase, installation and testing of the said capital item and also associated construction works and interest charges) together with interest calculated thereon on a daily basis from the date of termination of this **Construction Agreement** to the date of payment at **Base Rate** for the time being and from time to time provided that in the event that **The Company** wishes to retain any capital item which has been installed but wishes to remove it to storage or to another site then it shall only reimburse to the **User** the cost of the capital item and not the costs of such installation and shall deduct from any reimbursement due to the **User** the costs of removal and/or storage.

9A.3.2 In respect of all capital items which **The Company** wishes to dispose (other than those which have been, or are proposed to be installed as a replacement for **Transmission Plant and Transmission Apparatus**) it shall forthwith (and subject to **The Company** obtaining the consent of the **Authority** under Standard Condition B3 of the **Transmission Licence** if required and/or subject to any **Relevant Transmission Licensee** obtaining the consent of the **Authority** under Standard Condition B3 of its transmission licence) sell or procure the sale of the said capital item on an arms-length basis as soon as reasonably practicable. Forthwith upon receipt of the sale proceeds **The Company** shall pay to the **User** the proceeds received from any such sale together with interest thereon calculated on a daily basis from the date of termination to the date of payment at **Base Rate** for the time being and from time to time less any reasonable costs associated with the sale including the costs and expenses reasonably incurred and/or paid and/or which **The Company** is legally bound to pay on removing the capital item, any storage charges and any costs reasonably incurred by **The Company** in respect of

reinstatement associated with removal of the capital item. **The Company** shall provide the **User** with reasonably sufficient evidence of all such costs and expenses having been incurred. If the **Authority** does not agree to the disposal of the capital item the capital item shall be retained by **The Company** and **The Company** shall reimburse the **User** the notional current market value in situ of the said capital item as between a willing buyer and a willing seller as agreed between the parties and failing agreement as determined by reference to arbitration in accordance with the **Dispute Resolution Procedure** together with interest thereon calculated on a daily basis from the date of termination of this **Construction Agreement** to the date of payment at **Base Rate** for the time being and from time to time.

9A.3.3 As soon as reasonably practicable after termination of this **Construction Agreement** **The Company** shall provide the **User** with a statement of and invoice for **Final Sums** together with evidence of such costs having been incurred and/or paid and/or having been committed to be incurred. If the **Final Sums** are greater than the payments made by the **User** in respect of **The Company's** estimate(s) of **Final Sums** the **User** shall within 28 days of the said statement and invoice prepared by **The Company** pay to **The Company** the additional payments due by the **User** together with interest calculated thereon on a daily basis at **Base Rate** for the time being and from time to time from the date of previous payment(s) sums equal to **The Company's** estimate of **Final Sums** to the date of the statement of and invoice for **Final Sums**. If the **Final Sums** is less than the payments made by the **User** in respect of **The Company's** estimate of **Final Sums** paid by the **User** following termination of this **Construction Agreement** **The Company** shall forthwith pay to the **User** the excess paid together with interest on a daily basis at **Base Rate** for the time being and from time to time from the date of payment of the fair and reasonable estimate of **Final Sums** to the date of reimbursement by **The Company** of the said excess paid.

9A.4 The obligations to provide security under this Clause 9A shall continue until either all sums due under this **Construction Agreement** have been paid in full or security arrangements have been put in place by the **User** under the **Bilateral Connection Agreement** in accordance with Section 2 Part III of the **CUSC**. Until such time as the security arrangements are put in place in accordance with Section 2 Part III of the **CUSC** **The Company** shall be entitled to call upon the security put in place under the terms of this **Construction Agreement** for payment of **Termination Amounts** when due under the provisions of the **CUSC**.

Or

9B.1 Provision of Security

9B.1.1 The **User** hereby agrees that it shall forthwith upon the signing of this **Construction Agreement** provide to **The Company** or procure the provision to **The Company** of, and the **User** shall until (subject to Clause 9B.8) 28 days after the **Charging Date** (unless and until this **Construction Agreement** shall

be terminated and all sums due or which will or might fall due in respect of which security is to be provided shall have been paid) maintain or procure that there is maintained in full force and effect (including by renewal or replacement), a security arrangement from time to time and for the time being as set out in Appendix M hereto to provide security for the **User's** obligation to pay **The Company** any and all sums specified by **The Company** in accordance with Clause 9B.2 of this **Construction Agreement** as requiring to be secured in respect of:-

- (a) the **User's** liability to pay **The Company** amounts from time to time due under Clause 2.4 of this **Construction Agreement**; and
- (b) **Final Sums**.

9B.2 Provision of **Bi-annual Estimate** and **Secured Amount Statement**

9B.2.1 **The Company** shall provide to the **User** an estimate ("the **Bi-annual Estimate**") in substantially the form set out in Part 2 of Appendix M to this **Construction Agreement** and showing the amounts of all payments required or which may be required to be made by the **User** to **The Company** in respect of **Final Sums** and **The Company Engineering Charges** and other expenses in relation to seeking **Consents** referred to in Clause 2.4 of this **Construction Agreement** at the following times and in respect of the following periods:-

- (a) forthwith on and with effect from the signing of this **Construction Agreement**, in respect of the period from and including the day of signing of this **Construction Agreement** until the next following 31st March or 30th September (whichever shall first occur); and
- (b) not less than 75 (seventy five) days (or if such day is not a Business Day the next following **Business Day**) prior to each 31st March and 30th September thereafter in respect of the period of six calendar months commencing on the immediately following 1st April or 1st October (as the case may be), until this **Construction Agreement** shall be terminated and all sums due or which will or might fall due in respect of which security is to be provided shall have been paid.

9B.2.2 Such **Bi-annual Estimate** shall be accompanied by a statement (in the form of the **Secured Amount Statement** set out in Part 3 of Appendix M to this **Construction Agreement**) ("**Secured Amount Statement**") specifying the aggregate amount to be secured at the beginning of and throughout each such period.

9B.2.3 If **The Company** shall not provide any subsequent **Bi-annual Estimate** and **Secured Amount Statement** by the requisite date, then the **User** shall at the date it is next required to have in full force and effect security and whether by renewal or replacement or otherwise in respect of the following six calendar month period nonetheless provide security in accordance with the provisions of this **Construction Agreement** in the same amount as the amount then in

force in respect of the then current six calendar month period. Notwithstanding the foregoing, if **The Company** shall provide the **User** with any **Bi-annual Estimate** and **Secured Amount Statement** later than the date specified in Clause 9B.2.1 of this **Construction Agreement**, then the following shall apply. The **User** shall within 30 (thirty) days of receipt of the said **Secured Amount Statement** procure that to the extent that the amount in respect of which security has been or is to be provided pursuant to this Clause 9B.2.3 in respect of the relevant period ("**the Secured Amount**") falls short of the amount stated in the **Secured Amount Statement** ("**the Required Amount**") the Secured Amount shall be adjusted to the **Required Amount**.

9B.3 Entitlement to Estimate

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

9B.4 Demands not Affected by Disputes

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

9B.4.1 any amount certified by **The Company** in any **Secured Amount Statement** as requiring at any time and from time to time to be secured; or

9B.4.2 the fairness and reasonableness of **The Company's** estimate; or

9B.4.3 whether there has been an **Event of Default** (under the **Construction Agreement** or the **CUSC**), or

9B.4.4 the lawfulness or otherwise of any termination or purported termination of this **Construction Agreement**

such dispute shall not affect the ability of **The Company** to make demands pursuant to the security arrangement to be provided pursuant to Clause 9B.1 of and Appendix M to this **Construction Agreement** and to recover the amount or amounts payable thereunder, it being acknowledged by the **User** that but for such being the case **The Company's** security would be illusory by reason of the period of validity of the relevant security being likely to expire or capable of expiring before the final resolution of such dispute. The **User** accordingly covenants with **The Company** that it will not take any action,

whether by way of proceedings or otherwise, designed or calculated to prevent, restrict or interfere with the payment to **The Company** of any amount secured under the security arrangement nor seek nor permit nor assist others to do so.

9B.5 If there shall be any dispute as mentioned in Clause 9B.4 of this **Construction Agreement** the same shall, whether **The Company** shall have terminated this **Construction Agreement** and recovered or sought to recover payment under the security arrangement or not, and without prejudice to **The Company's** right to recover or seek to recover such payment, be referred in the case of Clauses 9B.4.1 and 9B.4.2 to the **Independent Engineer** (and, for the avoidance of doubt the provisions of this **Construction Agreement** relating to the **Independent Engineer** for the purposes of this Clause 9B.5 shall survive termination) and, in the case of Clauses 9B.4.3 and 9B.4.4 be dealt with by referral to arbitration in accordance with the **Dispute Resolution Procedure**.

Final Sums

9B.6 Within 60 days of the date of termination of this **Construction Agreement** **The Company** shall:

- (a) furnish **the User** with a further statement showing a revised estimate of **Final Sums** and will provide as soon as practicable evidence of such costs having been incurred; and
- (b) by written notice to **the User** inform **the User** of all capital items which cost **The Company** in excess of £10,000 and in relation to which an amount on account of **Final Sums** shall have been paid and whether **The Company** (1) wishes to retain the said capital items or (2) dispose of them.

9B.7.1 In respect of all capital items which **The Company** wishes to retain (other than those which have been, or are proposed to be installed as a replacement for **Transmission Plant and Transmission Apparatus**) **The Company** shall forthwith reimburse to the **User** the amount paid by the **User** on account of **Final Sums** in respect of the said capital items (including without limitation the amount paid on account of the design, purchase, installation and testing of the said capital item and also associated construction works and interest charges) together with interest calculated thereon on a daily basis from the date of termination of this **Construction Agreement** to the date of payment at **Base Rate** for the time being and from time to time provided that in the event that **The Company** wishes to retain any capital item which has been installed but wishes to remove it to storage or to another site then it shall only reimburse to the **User** the cost of the capital item and not the costs of such installation and shall deduct from any reimbursement due to the **User** the costs of removal and/or storage.

9B.7.2 In respect of all capital items which **The Company** wishes to dispose (other than those which have been, or are proposed to be installed as a replacement

for **Transmission Plant and Transmission Apparatus**) it shall forthwith (and subject to **The Company** obtaining the consent of the **Authority** under Standard Condition B3 of the **Transmission Licence** if required and/or subject to any **Relevant Transmission Licensee** obtaining the consent of the **Authority** under Standard Condition B3 of its transmission licence) sell or procure the sale of the said capital item on an arms-length basis as soon as reasonably practicable. Forthwith upon receipt of the sale proceeds **The Company** shall pay to the **User** the proceeds received from any such sale together with interest thereon calculated on a daily basis from the date of termination to the date of payment at **Base Rate** for the time being and from time to time less any reasonable costs associated with the sale including the costs and expenses reasonably incurred and/or paid and/or which **The Company** is legally bound to pay on removing the capital item, any storage charges and any costs reasonably incurred by **The Company** in respect of reinstatement associated with removal of the capital item. **The Company** shall provide the **User** with reasonably sufficient evidence of all such costs and expenses having been incurred. If the **Authority** does not agree to the disposal of the capital item the capital item shall be retained by **The Company** and **The Company** shall reimburse the **User** the notional current market value in situ of the said capital item as between a willing buyer and a willing seller as agreed between the parties and failing agreement as determined by reference to arbitration in accordance with the **Dispute Resolution Procedure** together with interest thereon calculated on a daily basis from the date of termination of this **Construction Agreement** to the date of payment at **Base Rate** for the time being and from time to time.

9B.7.3 As soon as reasonably practicable after termination of this **Construction Agreement** **The Company** shall provide the **User** with a statement of and invoice for **Final Sums** together with evidence of such costs having been incurred and/or paid and/or having been committed to be incurred. If the **Final Sums** are greater than the payments made by the **User** in respect of **The Company's** estimate(s) of **Final Sums** the **User** shall within 28 days of the said statement and invoice prepared by **The Company** pay to **The Company** the additional payments due by the **User** together with interest calculated thereon on a daily basis at **Base Rate** for the time being and from time to time from the date of previous payment(s) sums equal to **The Company's** estimate of **Final Sums** to the date of the statement of and invoice for **Final Sums**.

If the **Final Sums** is less than the payments made by the **User** in respect of **The Company's** estimate of **Final Sums** paid by the **User** following termination of this **Construction Agreement** **The Company** shall forthwith pay to the **User** the excess paid together with interest on a daily basis at **Base Rate** for the time being and from time to time from the date of payment of the fair and reasonable estimate of **Final Sums** to the date of reimbursement by **The Company** of the said excess paid.

9B.8 The obligations to provide security under this Clause 9 B shall continue until either all sums due under this **Construction Agreement** have been paid in

full or security arrangements have been put in place by the **User** under the **Bilateral Connection Agreement** in accordance with Section 2 Part III of the **CUSC**. Until such time as the security arrangements are put in place in accordance with Section 2 Part III of the **CUSC** **The Company** shall be entitled to call upon the security put in place under the terms of this **Construction Agreement** for payment of **Termination Amounts** where due under the provisions of the **CUSC**.

10. EVENT OF DEFAULT

As before alternate provisions apply depending whether or not the User does (10A) or does not (10B) meet The Company's required credit rating on signing this **Construction Agreement**

10A. Event of Default

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

10A.1 If the **User** fails to provide or procure that there is provided to **The Company** within the requisite time any relevant security satisfactory to **The Company**, or to enter into the **Amending Agreement** pursuant to Clauses 9A.1 or 10A.3 of this **Construction Agreement**.

10A.2 If having entered into the **Amending Agreement** and having provided security satisfactory to **The Company** pursuant to Clauses 9A.1 and 10A.3 of this **Construction Agreement**.

(a) The **User** thereafter fails to provide or procure that there is provided to **The Company** or at any time fails to maintain or procure that there is maintained in full force and effect the relevant security arrangement required by this **Construction Agreement** as varied by the **Amending Agreement** or to revise or renew such security with the required replacement security or to maintain or procure that there is maintained in full force and effect any such renewed, revised or substituted security as so required, or if the User shall otherwise be in breach of any of its obligations in respect of security under this **Construction Agreement** as varied by the **Amending Agreement**;

(b) The **User** or any shareholder (whether direct or indirect) of the **User** or any other party who may at any time be providing security to **The Company** pursuant to the requirements of this **Construction Agreement** as varied by the **Amending Agreement** takes any action whether by way of proceedings or otherwise designed or calculated to prevent, restrict or interfere with the payment to **The Company** of any amount so secured whether or not there shall be a dispute between the parties;

(c) Any party who may at any time be providing security to **The Company** pursuant to the provisions of this **Construction Agreement** as varied

by the **Amending Agreement** fails to pay to **The Company** any sum demanded pursuant thereto.

10A.3 If

- (i) There is a material adverse change in the financial condition of the **User** such as to give **The Company** reasonable grounds for concluding that there is a substantial probability that the **User** will default in the payment of any sums due or to become due to **The Company** within the next following period of twelve (12) months in terms of or on termination of this **Construction Agreement**; or
- (ii) an event of default has occurred under any banking arrangements (as such may be more particularly described in the **Bilateral Connection Agreement**) (an event of default being any event described as such in the banking arrangements)] put in place by the **User** in connection with a project for which security under this Clause 10A is required by **The Company** and as a result the banks who are party to such banking arrangement have taken steps to declare the principle of the advances under such arrangement immediately due and payable; or
- (iii) any other indebtedness of the **User** for the repayment of borrowed money (in a principal outstanding amount of not less than £1,000,000 pounds sterling or such greater amount specified in the **Bilateral Connection Agreement**) has become due and payable prior to the stated date of maturity thereof by reason of any default or breach on the part of the **User** and the amount in question has not been paid by the **User** or refinanced within a period of 28 days following the date upon which it was so declared due and payable

and in (i) or (ii) or (iii) the **User** fails, within a period of 7 (seven) days following the date on which **The Company** gives the **User** notice in writing of one or other of the above events occurring to provide **The Company** with such security as **The Company** shall require to cover the **User's** payment obligations to **The Company** arising in the event of or which have arisen prior to termination of this **Construction Agreement** and which arise under this **Construction Agreement**. The security to be provided shall be in a form satisfactory to **The Company** in accordance with its then current policy and procedures and in such amount as **The Company** shall specify to the **User** in the aforesaid notice. The **User** shall if required by **The Company**, in addition to providing the requisite security, within a period of 30 days following the date on which **The Company** gives the **User** such notice enter into an **Amending Agreement**. Such **Amending Agreement** shall contain such provisions in relation to the **User's** obligations to provide and maintain security as shall be consequential upon the requirement for security having arisen and shall be in such form as **The Company** shall reasonably require in line with **The Company's** then current provisions to the like effect in its connection agreements with other parties.

Provided that (in relation to paragraphs (i) or (ii) or (iii) above) if at anytime after the putting in place of security under Clause 10A.3 the **User** shall produce to **The Company** evidence to **The Company's** reasonable satisfaction that there is not a substantial probability of the **User** not being able to make payment to **The Company** of such sums within the next following period of twelve (12) months, **The Company** shall not require the **User** to provide the aforesaid security and shall release any such security then in place. This waiver is without prejudice to **The Company's** right to require security at any time thereafter in the event of any of the circumstances set out in paragraph (i) and/or (ii), and/or (iii) subsequently occurring.

10A.4 Any of the **Events of Default** in Paragraph 5.3.1 of the **CUSC** have occurred and are occurring.

Or

10B **Event of Default**

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

10B.1 If

- (i) an event of default has occurred under any banking arrangements (as such may be more particularly described in the **Bilateral Connection Agreement**) (an event of default being any event described as such in the banking arrangements) put in place by the **User** in connection with a project for which security under this Clause 10B is required by **The Company** and as a result the banks who are party to such banking arrangement have taken steps to declare the principle of the advances under such arrangement immediately due and payable; or
- (ii) there is a material adverse change in the financial condition of the **User** such as to give **The Company** reasonable grounds for concluding that there is a substantial probability that the **User** will default in the payment of any unsecured sum due or to become due to **The Company** within the next following period of 12 (twelve) months in terms of or on termination of this **Construction Agreement**;
- (iii) any other indebtedness of the **User** for the repayment of borrowed money (in a principal amount of not less than £1,000,000 pounds sterling or such greater amount specified in the **Bilateral Connection Agreement**) has become due and payable prior to the stated date of maturity thereof by reason of any default or breach on the part of the **User** and the amount in question has not been paid by the **User** or refinanced within a period of 28 days following the date upon which it was so declared due and payable

and in either (i) or (ii) or (iii) the **User** fails:-

- (1) within a period of 14 (fourteen) days following the date on which **The Company** gives notice of such circumstances to provide to **The Company** a cash deposit in a **Bank Account**, a **Performance Bond** or **Letter of Credit** (as defined in Appendix M) in favour of **The Company** and **Valid** (as defined in Appendix M) at least up to the last day of the **Financial Year** in which the event occurs for such amount representing **The Company's** reasonable estimate of all unsecured sums to become due to **The Company** in the period up to the end of the **Financial Year** in which the event occurs such sum to be specified in the said notice; or
- (2) to subsequently provide such cash deposit or renew such **Performance Bond** or **Letter of Credit** (or such renewed **Performance Bond** or **Letter of Credit** provided under this paragraph) not less than 45 days prior to its stated expiry date for such amount representing **The Company's** reasonable estimate of the unsecured sums to become due to **The Company** in the next following **Financial Year** valid at least up to the last day of the next following **Financial Year** and to continue the provision of cash deposit a **Performance Bond** or **Letter of Credit** in a similar manner, to such estimate of unsecured sums.

Provided that regarding (i) or (ii) or (iii) if at any time after the putting in place of security under this Clause 10B.1 the **User** shall provide to **The Company** evidence to **The Company's** reasonable satisfaction that there is not a substantial probability of the **User** being unable to make payment to **The Company** of any unsecured sums within the next following period of twelve (12) months, **The Company** shall not require the **User** to provide the aforesaid security and shall release any such security then in place. This waiver is without prejudice to **The Company's** right to return security at any time thereafter in the event of any of the circumstances set out in paragraph (i) and/or (ii) and/or (iii) in this Clause 10B.1 subsequently occurring.

10B.2 If the **User** fails to provide or procure that there is provided to **The Company** or at any time fails to maintain or procure that there is maintained in full force and effect the relevant security arrangement required under Clauses 9B.1 or 10B.1 of and Appendix M to this **Construction Agreement** or to renew or revise such security or to substitute any security with the required replacement security or to maintain or procure that there is maintained in full force and effect any such renewed, revised or substituted security as so required or if the **User** is otherwise in breach of any of its obligations under Appendix M to this **Construction Agreement**.

10B.3 If the **User** or any shareholder (whether direct or indirect) of the **User** takes any action whether by way of proceedings or otherwise designed or calculated to prevent restrict or interfere with the payment to **The Company** of any amount so secured or seeks or permits or assists others to do so, whether or not there shall be a dispute between the parties.

10B.4 If any party who may at any time be providing or holding security in favour of **The Company** pursuant to Clauses 9B.1 or 10B.1 of and Appendix M to this **Construction Agreement** fails to pay **The Company** any sum demanded in any Notice of Drawing (as defined in Appendix M) pursuant thereto.

10B.5 Any of the **Events of Default** in Paragraph 5.3.1 of the **CUSC** have occurred and are occurring.

11. TERMINATION ON EVENT OF DEFAULT

11.1 Once an **Event of Default** pursuant to Clause 10 has occurred and is continuing **The Company** may give notice of termination to the **User** whereupon this **Construction Agreement** shall forthwith terminate and **The Company** shall disconnect all the **User's Equipment** at the **Connection Site** and:

(a) where the **Relevant Transmission Licensee** is the owner of the **Offshore Platform** the **User** shall remove any of the **User's Equipment** on 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 the **Onshore Transmission Licensee** and the **User**.]

11.2 The **User** shall (notwithstanding any longer time for payment which but for such termination the **User** may have for payment pursuant to this **Construction Agreement**) within 14 days from the date of termination pay to **The Company** all amounts already due and owing on the date this **Construction Agreement** so terminates and if this **Construction Agreement** terminates prior to the **Charging Date** the **User** shall be liable forthwith on the date this **Construction Agreement** so terminates to pay to **The Company**:-

- (1) a sum equal to all liabilities arising under Clause 2.4 of this **Construction Agreement** which have not yet been invoiced by **The Company** to the **User**; and
- (2) a sum equal to **The Company's** fair and reasonable estimate of **Final Sums**,

such payments in each case to be made within 14 days of the date of **The Company's** invoice(s) in respect thereof subject to adjustment in respect of **The Company's** estimate of **Final Sums** in accordance with Clause 9A.3.3. or 9B.7.3.

12. TERM

- 12.1 Subject to the provisions for earlier termination set out in the **CUSC** this **Construction Agreement** shall continue until terminated in accordance with Clause 1, 2.5, 2.6, 4.8 or 11 hereof.
- 12.2 In addition this **Construction Agreement** shall terminate upon termination of the associated **Bilateral Connection Agreement** and in the event that this is prior to the **Charging Date** the **User** shall in addition to the amounts for which it is liable under Clause 2.4 hereof be liable to pay to **The Company Final Sums** and the provisions of Clause 11 shall apply.
- 12.3 The associated **Bilateral Connection Agreements** 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**.

IN WITNESS WHEREOF the hands of the duly authorised representatives of the parties hereto at the date first above written

SIGNED BY)
[name])
for and on behalf of)
National Grid Electricity Transmission plc)

SIGNED BY)
[name])
for and on behalf of)
[User])

APPENDIX [J]
CONSTRUCTION PROGRAMME

APPENDIX [H1]

ONSHORE TRANSMISSION REINFORCEMENT WORKS

PART 1 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

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 [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 £XXXXX per week subject to the limit that the total Liquidated Damages payable by The Company to the User under this Clause shall not exceed £XXXXX.

APPENDIX [G]

TRANSMISSION CONNECTION ASSET WORKS

**APPENDIX [B]
[Part 1]**

ONE OFF WORKS

APPENDIX [M]

PART 1

SECURITY ARRANGEMENT

1. DEFINITIONS

In this Appendix M, the following terms have the meanings set out next to them:-

“Bi-annual Estimate” means an estimate pursuant to Clause [9B.2.1] of this Construction Agreement of all payments to be made or which may be required to be made by the User in any relevant period, such estimate to be substantially in the form set out in Part 2 of this Appendix M;

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

“Letter of Credit” means an irrevocable standby letter of credit in a form reasonably satisfactory to The Company but in

any case expressed to be governed by the Uniform Customs and Practice for Documentary Credits 1993 Revision ICC Publication No. 500 or such other form as may be reasonably satisfactory to The Company and allowing for partial drawings and providing for the payment to The Company on demand forthwith on and against The Company's delivery to the issuer thereof of a Notice of Drawing of the amount demanded therein;

“Notice of Drawing” means a notice of drawing signed by or on behalf of The Company substantially in the form set out in Part 4 of this Appendix M;

“Performance Bond” means an on first demand without proof or conditions irrevocable performance bond or performance guarantee executed as a deed in a form reasonably satisfactory to The Company but in any case allowing for partial drawings and providing for the payment to The Company on demand forthwith on and against The Company's delivery to the issuer thereof of a Notice of Drawing of the amount demanded therein;

“Qualified Bank” means a City of London branch of a bank, its successors and assigns, which has throughout the validity period of the Performance Bond or Letter of Credit it issues in favour of The Company, a rating of at least A- in Standard and Poor's long term debt rating or A3 in Moody's long term debt rating provided that such bank is not during such validity period put on any credit watch or any similar credit surveillance which gives The Company reasonable

cause to doubt that such bank may not be able to maintain the aforesaid rating throughout the validity period and no other event has occurred which gives The Company reasonable cause to have such doubt;

“Qualified Company”

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

- (a) a shareholder of the **User** or any holding company of such shareholder-or
- (b) any subsidiary of any such holding company, but only where the subsidiary
 - (i) demonstrates to **The Company’s** satisfaction that it has power under its constitution to give a **Performance Bond** other than in respect of its subsidiary;
 - (ii) provides an extract of the minutes of a meeting of its directors recording that the directors have duly concluded that the giving of the **Performance Bond** is likely to promote the success of that subsidiary for the benefit of its members;
 - (iii) provides certified copies of the authorisation by every holding company of the subsidiary up to and including the holding company of the **User**, of the giving of the **Performance Bond**,

(the expressions “holding company” and “subsidiary” having the respective meanings assigned thereto by section 736, Companies Act 1985 as supplemented by section 144(3), Companies Act 1989) and which has throughout the validity period of the **Performance Bond** it gives in favour of **The Company**, a rating of at least A- in Standard and Poor’s long term debt rating or A3 in Moody’s long term debt rating or such lesser rating which **The Company** may in its absolute discretion

allow by prior written notice given pursuant to a resolution of its board of directors for such period and on such terms as such resolution may specify provided that such company is not during such validity period put on any credit watch or any similar credit surveillance procedure which gives **The Company** reasonable cause to doubt that such company may not be able to maintain the aforesaid rating throughout the validity period of the **Performance Bond** and no other event has occurred which gives **The Company** reasonable cause to have such doubt;

“Secured Amount Statement”

means a statement accompanying the Bi-annual Estimate setting out the amount of the User’s Obligation based on figures contained in the Bi-annual Estimate being the amount for which security shall be provided to The Company pursuant to Clause 9B of this Construction Agreement;

“User’s Obligation”

means the User’s obligation to pay under this Construction Agreement:-

(i) all amounts in respect of which the User has a liability to pay to The Company pursuant to Clause 2.4 of this Construction Agreement Agreement;

(ii) Final Sum

“Valid”

means valid for payment to be made thereunder against delivery of a Notice of Drawing given within the period stated therein.

2. **SECURITY REQUIREMENT**

The User's Obligation shall be secured by any one of the following:-

- 2.1 A Performance Bond or Letter of Credit from a Qualified Bank for the amount stated in the Secured Amount Statement as the estimated amount of the User's Obligation to be secured, such Performance Bond or Letter of Credit to be Valid for at least the period stated in such Secured Amount Statement and to be renewed periodically where applicable in the manner stated in paragraph 3.3 of this Appendix M; or
- 2.2 A cash deposit in a Bank Account at least for the amount stated in the Secured Amount Statement as the estimated amount of the User's Obligation to be secured, such cash deposit to be increased or reduced periodically where applicable in the manner stated in paragraph 3.4 of this Appendix M; or
- 2.3 A Performance Bond from a Qualified Company for the amount stated in the Secured Amount Statement as the estimated amount of the User's Obligation to be secured, such Performance Bond to be Valid for at least the period stated in such Secured Amount Statement and to be renewed periodically where applicable in the manner stated in paragraph 3.3 of this Appendix M.

3. **GENERAL PROVISIONS**

- 3.1 Any Notice of Drawing to be delivered to Barclays Bank PLC or any other bank at which the Bank Account shall have been opened or a Qualified Bank or a Qualified Company may be delivered by hand, by post or by facsimile transmission.
- 3.2 If the User becomes aware that the bank issuing the Performance Bond or Letter of Credit ceases to be a Qualified Bank or that the company giving the Performance Bond ceases to be a Qualified Company, the

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

3.3 The following provisions shall govern the issuance, renewal and release of the Performance Bond or Letter of Credit:-

3.3.1 The Performance Bond or Letter of Credit shall be Valid initially from the signing of this Construction Agreement at least to and including the following 31st March or 30th September whichever is the earlier date. Such Performance Bond or Letter of Credit shall be for an amount not less than that stated in the Secured Amount Statement as the amount of the User's Obligation to be secured during the period specified in the Secured Amount Statement.

3.3.2 On a date which is at least 45 days (or if such day is not a Business Day then on the immediately preceding Business Day) before the next

following 31st March or 30th September whichever is the earlier date such Performance Bond or Letter of Credit shall be renewed so as to be Valid for not less than 6 months commencing from the immediately following 1st April or 1st October (as the case may be). Such renewed Performance Bond or Letter of Credit shall be for an amount not less than the amount of the User's Obligation stated in the Secured Amount Statement as the amount to be secured during the period that such renewed Performance Bond or Letter of Credit shall be Valid.

3.3.3 Thereafter, the renewed Performance Bond or Letter of Credit shall be further renewed in like manner every 6 months.

3.4 The following provisions shall govern the maintenance of cash deposits in the Bank Account:-

3.4.1 The amount of the cash deposit to be maintained in the Bank Account shall be maintained from the date of this Construction Agreement at least to and including the following 31st March or 30th September, whichever is the earlier date. Such cash deposit shall be in an amount as stated in the Secured Amount Statement as the amount of the User's Obligation to be secured during the period stated in the Secured Amount Statement.

3.4.2 If the amount stated in the Secured Amount Statement as the amount of the User's Obligation to be secured from the following 1st April to 30th September or from the following 1st October to 31st March (as the case may be) is an amount greater than the amount then secured, the cash deposit in the Bank Account shall be increased to such greater amount on a date which is 45 days before the following 31st March or 30th September (as the case may be) which immediately precedes the commencement of the relevant above mentioned period.

- 3.4.3 If such amount stated in the Secured Amount Statement is smaller than the amount then secured, the cash deposit in the Bank Account shall not be reduced to the amount so stated until the expiry of 7 days after the next following 31st March or 30th September (as the case may be) ("the Release Date").
- 3.4.4 The sum equal to the amount of reduction in the cash deposit in the Bank Account shall be paid by The Company to the User from the Bank Account on the Release Date.
- 3.4.5 Any interest accruing to the Bank Account shall be for the account of and belong to the User absolutely, and The Company agrees to take any steps required to be taken by it for the release from the Bank Account and payment to the User of such interest as soon as the same shall have been credited to the Bank Account and The Company shall have received notice of such credit.
- 3.5 Notwithstanding any provision aforesaid:-
- 3.5.1 The User may provide different securities to The Company at any one time, each securing a different amount, provided that the aggregate amount secured by such securities shall be not less than the aggregate amount required to be secured pursuant to the Secured Amount Statement for any period specified therein.
- 3.5.2 The User may upon the expiry of at least 14 days prior written notice to The Company, substitute one type of security for another provided that unless The Company shall otherwise agree in writing such substituted security must be Valid from 1st April or 1st October (as the case may be) and committed at least 45 days before the immediately preceding 31st March or 30th September (as the case may be) in the following manner:-

- (a) where a Performance Bond or a Letter of Credit is to substitute for other securities, it must be issued or given at least 45 days before such immediately preceding 31st March or 30th September (as the case may be).
- (b) where a cash deposit in a Bank Account is to substitute for other securities, it must be deposited into the Bank Account at least 45 days before such immediately preceding 31st March or 30th September (as the case may be).

3.5.3 Upon request by the User to The Company, securities substituted in the aforesaid manner shall, providing the substitute security shall be Valid, be released on the following 1st April or 1st October (as the case may be). However, where the amount required by the Secured Amount Statement to be secured for any period is less than the amount required to be secured in the preceding period, the substituted security shall not be released until 7 days after the then following 31st March or 30th September (as the case may be).

PART 2

BI-ANNUAL ESTIMATE FOR CONSTRUCTION AGREEMENT
DATED []

Amount due and amount which will
or might fall due for the period
commencing on and including
[] and ending on and
including [] in
respect of which security is
required

1. The Company Engineering Charges & expenses
for obtaining Consents pursuant to
to Clause 2.4
2. Final Sums
- [3. One Off Charge]

PART 3

SECURED AMOUNT STATEMENT

CONSTRUCTION AGREEMENT DATED [_____]

Amount in which security is
required for the period
commencing on and including
[] and ending on and
including []

User's Obligation

We hereby certify that the amount to be secured in respect of the User's Obligation is as stated above in respect of the named period.

for and on behalf of
NATIONAL GRID ELECTRICITY TRANSMISSION PLC

Duly authorised officer

PART 4

NOTICE OF DRAWING

To [] Bank/Public Limited Company/Limited

copy to:

[date]

Dear Sirs,

RE: **CONSTRUCTION AGREEMENT DATED []**
PERFORMANCE BOND NO./DATED []/LETTER OF CREDIT NO.
[]/BANK ACCOUNT NO. [] (“THE SECURITY”)

We refer to the above Security in our favour. We hereby demand immediate payment thereunder in the amount of £[].

We require payment to be made by telegraphic transfer to:-

Bank plc

Address:

Sort Code:

Account Name: National Grid Electricity Transmission plc

Account No:

Yours faithfully,

for and on behalf of
NATIONAL GRID ELECTRICITY TRANSMISSION PLC

Duly authorised officer

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 OF

Site Specific Technical Conditions

F1 Special Automatic Facilities

F2 Protection and Control Relay Settings

F3 Load Shedding Frequency Sensitive Relays

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

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URN 10D/1010 Ofgem 157/10