

## STCP 19-2 Issue 006 Construction Process & Scheme Closure

### STC Procedure Document Authorisation

Party	Name of Party Representative	Signature	Date
<del>National Grid Electricity System Operator Ltd</del> <u>The Company</u>			
National Grid Electricity Transmission plc			
SP Transmission Ltd			
Scottish Hydro-Electric Transmission Ltd			
Offshore Transmission Owners			

### STC Procedure Change Control History

Issue 001	16/03/2005	BETTA Go-Live version
Issue 002	26/05/2005	Issue 002 incorporating PA016
Issue 003	25/10/2005	Issue 003 incorporating PA034 & PA037
Issue 004	24/11/2009	Issue 004 incorporating changes for offshore
Issue 005	03/03/2010	Issue 005 incorporating PA056 - changes to reporting requirements
Issue 006	01/04/2019	Issue 006 incorporating National Grid Legal Separation changes
<u>Issue 007</u>	<u>X/X/2023</u>	<u>Issue 007 incorporating use of 'The Company' definition as made in the STC</u>

# 1 Introduction

## 1.1 Scope

1.1.1 This document applies to the construction process and the following aspects of the Scheme closure process in the authorised areas of TOs:

- the closure of a Scheme when a Connection is commissioned or construction is completed;
- the termination of a TO Construction Agreement; and/or
- the termination of a Bilateral Agreement.

1.1.2 For the purposes of this document, the TOs are:

- NGET;
- SPT;
- SHETL; and
- All Offshore Transmission Licence holders as appointed by Ofgem from time to time.

## 1.2 Objective

1.2.1 The objective of this document is to provide detailed processes for:

- construction, modification or replacement of Connection assets;
- construction, modification or replacement of infrastructure assets related to a new or modified Connection;
- construction, modification or replacement of infrastructure assets not related to a new or modified Connection;
- One Off Works;
- closure of Schemes when a Connection is commissioned or construction of Connection assets is completed;
- the termination of a TO Construction Agreement;
- the termination of a Bilateral Agreement; and,
- the process to be followed when arranging for the Disconnection and removal of the relevant TO Connection assets following the termination of a Bilateral Agreement and/or TO Construction Agreement.

1.2.2 This document details certain interactions between ~~NGESO~~The Company, as defined in the STC and meaning the licence holder with system operator responsibilities, and each TO in the construction of new or modified Transmission assets or the replacement of Transmission assets. The document also sets out some of the actions to be taken upon the termination of a Bilateral Agreement and/or TO Construction Agreement.

# 2 Key Definitions

## 2.1 For the purposes of STCP 19-2:

2.1.1 **Detailed TO Construction Programme** is as defined in Paragraph 5.2.1.3.

2.1.2 **Disconnection Notice Programme** is the programme to manage the Disconnection notice process and will be included with the TO Termination Notices. The Disconnection Notice Programme shall list the key milestones that shall be completed as the Disconnection is progressed. The dates of these milestones shall be agreed by all Parties.

- 2.1.3 **Disconnection Steering Group** means a team made up of named representatives from NGESOThe Company and the Affected Parties, formed to oversee the Disconnection. The members of the Disconnection Steering Group shall be identified on the Scheme Briefing Notes. The remit of this group is to agree the dates within the Disconnection Notice Programme, monitor progress and agree any changes.
- 2.1.4 **Final Project Report** is a report produced by a TO on completion of a Scheme and includes the information specified in section 7.3.2 of this STCP.
- 2.1.5 **Infrastructure Construction Project** is that construction project entered into as a result of Works undertaken pursuant to STCP 16-1: Investment Planning.
- 2.1.6 **Initial Project Meeting** is the meeting called by the relevant TO as soon as reasonably practicable following the signing of a TO Construction Agreement by all of the Parties or as detailed in the relevant Project Listing Document. NGESOThe Company and each TO shall be entitled to attend such meeting and any other attendees as agreed between the relevant Parties.
- 2.1.7 **Post Project Review** means a review of a Scheme undertaken by the Joint Project Parties upon the completion of a Scheme.
- 2.1.8 **Reporting Date(s)** are those dates (if any) set out in the Detailed TO Construction Programme for the production of reports required throughout the Detailed TO Construction Programme.
- 2.1.9 **Scheme** means the TO Construction Works relating to a specific TO Construction Agreement.
- 2.1.10 **Site Access Date(s)** are those dates that may be contained within the Detailed TO Construction Programme by which a TO requires access to a Connection Site in order to complete Transmission Connection Asset Works or Transmission Reinforcement Works in accordance with the Detailed TO Construction Programme.
- 2.1.11 **Stage-by-Stage Document** is that document produced in accordance with Section 5.4 or Section 6.4, as the case may be, of this STCP.
- 2.1.12 **Stage Date(s)** are those dates that may be contained within the Detailed TO Construction Programme by which each individual stage of a Detailed TO Construction Programme shall be completed, or the date upon which a scheduled payment detailed within the Detailed TO Construction Programme becomes due.
- 2.1.13 **Termination Notice** a notice sent by, in the case of NGESOThe Company, to each relevant TO upon the termination of a Bilateral Agreement or, in the case of a TO, to NGESOThe Company upon the termination of a TO Construction Agreement.
- 2.1.14 **Termination Report** is a report produced by the relevant TO, giving details pertinent to closure upon termination of a Bilateral Agreement or a TO Construction Agreement.
- 2.1.15 **TO Construction Project** is a construction project undertaken by a TO pursuant to a TO Construction Agreement.
- 2.1.16 **TO Infrastructure Construction Programme** is as defined in Section 6.2.
- 2.1.17 **Transmission Infrastructure Assets** are those TO assets not classed as Transmission Connection Assets.
- 2.1.18 **Transmission Infrastructure Works** are those Works undertaken pursuant to STCP16-1: Investment Planning.

### 3 General Provisions

#### 3.1 Nuclear Site Licence Provisions Agreement

- 3.1.1                When following this process where this may interact with, impact upon or fall within the boundary of a Nuclear Site Licence holder's site, or may otherwise have any form of affect and/or implication for a nuclear power station consideration must be given to the relevant provisions of the applicable Nuclear Site Licence Provisions Agreement, the CUSC Bilateral Connection Agreement for that site, paragraph 6.9.4 of the CUSC and Section G3 of the STC to ensure compliance with all of these obligations.

## 4 Construction Process

### 4.1 Introduction

4.1.1 The construction process may be triggered either through a legally binding Acceptance of a TO Construction Agreement (“TOCA”) or Indemnity Agreement by ~~NGESO~~The Company, or through detailed option development within Investment Planning STCP 16-1.

### 4.2 Commencement

4.2.1 The following activities shall commence with the triggers set out in the following table:

Trigger	Activity
(A) Legally binding Acceptance of TO Construction Agreement (“TOCA”) by <del>NGESO</del> <u>The Company</u>	Construction of new Transmission Connection Assets, associated infrastructure and One Off Works in accordance with the TOCA.
	Construction works to modify or replace Transmission Connection Assets in accordance with the TOCA.
	Construction, modification or replacement of Transmission Infrastructure Assets triggered by a new or modified Connection in accordance with the TOCA.
(B) Detailed option development within Investment Planning STCP 16-1	Construction, modification or replacement of Transmission Infrastructure Assets not triggered by a new or modified Connection

4.2.2 The process followed resulting from Trigger A is set out in Section 5 of this STCP.

4.2.3 The process followed resulting from Trigger B is set out in Section 6 of this STCP.

## 5 Construction Projects

5.1.1 The Construction Project includes the following stages:

- commencement;
- preparation and consideration of Detailed TO Construction Programmes;
- applying for planning Consents;
- preparation and consideration of Stage-by-Stage documents;
- provision of drawings;
- progress reporting and information exchange;
- TO Final Sums reporting; and
- completion.

5.1.2 As soon as possible following receipt of an executed copy of the relevant TO Construction Agreement ("TOCA"), the relevant TO will arrange the Initial Project Meeting. The Initial Project Meeting shall be attended by [NGESO The Company](#) and the other affected TO and by any other parties as agreed between the relevant TO, [NGESO The Company](#) and the other affected TO. The objective of the Initial Project Meeting shall be:

- to perform a high-level review of the TO Construction Project;
- to agree a timetable for the production of a Detailed TO Construction Programme;
- to discuss indicative Outage requirements; and
- for each Party to confirm their principle contact for the TO Construction Project.

### 5.2 TO Construction Programme

#### 5.2.1 Preparation of a Detailed TO Construction Programme

5.2.1.1 The relevant TO shall prepare a Detailed TO Construction Programme in accordance with the timetable agreed at the Initial Project Meeting.

5.2.1.2 The Detailed TO Construction Programme shall be compliant with the TO Construction Agreement(s) and shall contain any other relevant information as notified by [NGESO The Company](#) to a TO in accordance with the STC.

5.2.1.3 The Detailed TO Construction Programme shall contain, where applicable:

- planning permission application dates;
- date for the provision of the Stage-by Stage Document by the relevant TO to [NGESO The Company](#)
- dates by when Consents are required;
- dates by when any leases or licenses are required;
- dates by when the TO needs certain information from the User;
- dates for provision of drawings to [NGESO The Company](#) ;
- Site Access Date;
- Stage Dates;
- Commissioning Programme Commencement Dates;
- Completion Dates; and,
- Reporting Dates.

---

Such dates shall be consistent with the STC and TOCA where applicable.

5.2.1.4 The Detailed TO Construction Programme may be amended from time to time by the relevant TO after discussion with, and with the consent of, the Joint Project Parties. Upon any such amendment an updated Detailed TO Construction Programme shall be provided to NGESOThe Company and NGESOThe Company shall provide such to the Joint Project Parties.

### **5.2.2 NGESOThe Company 's consideration of the Detailed TO Construction Programme**

5.2.2.1 NGESOThe Company may discuss the Detailed TO Construction Programme with any relevant User. The TOs shall provide all reasonable assistance to answer any queries raised by a User and shall accommodate a request for a meeting at the convenience of all relevant parties.

5.2.2.2 If any of the Joint Project Parties identify any reasons why the Detailed TO Construction Programme is, in its reasonable opinion, inappropriate, such Joint Project Party shall submit such views to the other Joint Project Parties in writing; providing clear reasons as to why the Detailed TO Construction Programme is not appropriate. The relevant TO shall either redraft the Detailed TO Construction Programme reflecting any views put forward and/or proceed with the works as laid out in the Detailed TO Construction Programme to ensure that the TO(s) meet the Completion Date set out in the TOCA(s).

## **5.3 *Obtaining Consents***

5.3.1 Where requested by a TO, NGESOThe Company shall provide all reasonable support for that TO's application for Consents.

5.3.2 NGESOThe Company shall be entitled to its reasonable costs from the TO(s) in providing such support. In particular, NGESOThe Company shall provide:

- justification of any generation or Demand backgrounds which underpin the need for a reinforcement;
- evidence on ongoing System operation costs; or,
- details of the Connection requirements (as the counterparty to the agreement with any User).

5.3.3 NGESOThe Company shall inform the TO(s) when all relevant Consents have been obtained by the User(s). The TO shall inform NGESOThe Company when they have obtained all Consents in respect of a TO Construction Agreement.

## **5.4 *Stage-by-Stage Document***

### **5.4.1 TO preparation of a Stage-by-Stage Document**

5.4.1.1 The TO(s) shall provide NGESOThe Company with the Stage-by-Stage Document in accordance with the Detailed TO Construction Programme.

5.4.1.2 The purpose of the Stage-by-Stage Document is to set out the TO(s) fundamental approach to the work. Text in reasonable detail shall be included in the Stage-by-Stage Document to describe the key activities to be undertaken at each stage. The Stage-by-Stage Document shall set out for each stage:

- assets which are live;
- assets which are dead; and
- assets which are being worked on.

5.4.1.3 Details of any contingency arrangements relating to the operation of the System concerning each stage of the Transmission Construction Works shall be determined by the TO(s) and shall be contained in the Stage-by-Stage Document.

5.4.1.4 The assets to be commissioned, or re-commissioned, after each stage of the Transmission Construction Works is complete shall be determined by the TO(s) and shall also be set out in the Stage-by-Stage Document.

### **5.4.2 NGESOThe Company 's consideration of the Stage-By-Stage Document and Outage requirements**

5.4.2.1 NGESOThe Company shall review the Stage-by-Stage Document and agree the Outage requirements received from the TO(s) in accordance with STCP 11-1 Outage Planning.

5.4.2.2 Where appropriate, NGESOThe Company shall be responsible for liaising with relevant Users regarding the Stage-by-Stage Document or the Outage requirements.

5.4.2.3 If any of the Joint Project Parties identify any reasons why the Stage-by-Stage Document is, in its reasonable opinion, inappropriate, such Joint Project Party shall submit such views to the other Joint Project Parties in writing; providing clear reasons as to why the Stage-by-Stage Document is not appropriate. The relevant TO shall either redraft the Stage-by-Stage Document reflecting any views put forward and/or proceed with the works as laid out in the Stage-by-Stage Document to ensure that the TO(s) meet the Completion Date set out in the TOCA(s).

## **5.5 Drawings to be provided**

5.5.1 The procedure to be followed for the exchange, development and signing off of technical and non-technical documents and drawings required throughout the construction process are detailed in STCP 19-4 Commissioning & Decommissioning.

## **5.6 Progress Reporting and information exchange**

5.6.1 The Joint Project Parties shall liaise throughout the Transmission Construction Works and each shall provide to the other any information the other reasonably requires in order to assist each other in the works. In the case of NGESOThe Company, this shall include the provision of all information reasonably requested by the TO(s) (whether held by NGESOThe Company or a User) to enable the TO(s) to complete the Transmission Construction Works. In the case of the TO(s), this shall include the provision of all information reasonably requested by NGESOThe Company in order that NGESOThe Company fulfils its obligations to the User.

5.6.2 The TO(s) shall provide on a quarterly basis (or other timetable as agreed between the TO(s) and NGESOThe Company) reports in the format laid out in Appendix A: Quarterly Reporting Pro Forma (or other format as agreed between the relevant TO and NGESOThe Company). The dates for submission of these reports shall be included in the Detailed TO Construction Programme, and shall be no later than [7] Business Days before the end of that Calendar Quarter (or other time as agreed between the TO(s) and NGESOThe Company).

5.6.3 NGESOThe Company and the TO(s) shall, unless otherwise agreed, each provide representation at site meetings to be held on dates set out in the Detailed TO Construction Programme.

5.6.4 When considering the scheduling of meetings, the provision of data and/or the timetable for providing reports, due regard must be given to any confidentiality restrictions laid out in the STC.

## **5.7 TO Final Sums Reporting**

5.7.1 The TO(s) shall provide TO Final Sums reporting in the format set out in Appendix B, in accordance with the terms of the TO Construction Agreement.

## **5.8 Complete construction works**

5.8.1 Each TO shall complete the works in accordance with the Detailed TO Construction Programme and the Stage-by-Stage Document.

5.8.2 Where it is recognised, at any stage during the works, by the Joint Project Parties, that the timetable for the completion of the works contained within the Stage-by-Stage Document may no longer be feasible, then the Detailed TO Construction Programme shall be reassessed by the Joint Project Parties and re-issued by the TO(s), along with an updated Stage-by-Stage document, if appropriate.



## **6 Investment Planning Construction Programme**

### **6.1 Introduction**

6.1.1 The Infrastructure Construction Project includes the following stages:

- Commencement
- preparation and consideration of TO Infrastructure Construction Programmes;
- applying for planning Consents;
- preparation and consideration of Stage-by-Stage Documents;
- provision of drawings;
- information exchange; and
- completion.

6.1.2 As soon as reasonably practicable following detailed option development within Investment Planning STCP16-1, the relevant TO will arrange the Initial Project Meeting. The objective of the Initial Project Meeting shall be:

- to perform a high-level review of the Infrastructure Construction Project;
- to develop a timetable for the production of a detailed TO Infrastructure Construction Programme; and
- to discuss indicative Outage requirements.

### **6.2 TO Infrastructure Construction Programme**

6.2.1 The relevant TO shall prepare a TO Infrastructure Construction Programme in accordance with the timetable agreed at the Initial Project Meeting and shall supply a copy of the TO Infrastructure Construction Programme to [NGESOThe Company](#).

6.2.2 The TO Infrastructure Construction Programme shall contain, where applicable:

- planning permission application dates;
- date for the provision of the Stage-by Stage Document
- dates by when Consents are required;
- dates by when any leases or licenses are required;
- dates for provision of drawings to [NGESOThe Company](#) ;
- Stage Dates;
- Commissioning Programme Commencement Dates; and,
- Completion Dates.

6.2.3 The TO Infrastructure Construction Programme may be amended from time to time by the relevant TO and the TO shall supply upon reasonable request by [NGESOThe Company](#) a copy of such amended TO Infrastructure Construction Programme(s). [NGESOThe Company](#) may make such request at the Initial Project Meeting.

#### **6.2.4 [NGESOThe Company](#) 's Consideration of the TO Infrastructure Construction Programme**

6.2.4.1 [NGESOThe Company](#) may discuss the TO Infrastructure Construction Programme with any relevant User. The TOs shall provide all reasonable assistance to answer any queries raised by a User and shall accommodate a request for a meeting at the convenience of all relevant parties.

6.2.4.2 If NGESOThe Company and/or any TO and/or any User impacted by the TO Infrastructure Construction Programme identify any reasons why the TO Infrastructure Construction Programme is, in its reasonable opinion, inappropriate, NGESOThe Company and/or the TO impacted by the TO Infrastructure Construction Programme shall submit such views to the TO in writing, providing clear reasons as to why the TO Infrastructure Construction Programme is not appropriate. The TO shall either redraft the detailed TO Infrastructure Construction Programme reflecting any views put forward and/or proceed with the works as laid out in the detailed TO Infrastructure Construction Programme.

### **6.3 Obtaining Consents**

6.3.1 Where requested by a TO, NGESOThe Company shall provide all reasonable support for that TO's application for Consents.

6.3.2 NGESOThe Company shall be entitled to its reasonable costs from the TO(s) in providing such support. In particular, NGESOThe Company shall provide:

- justification of any generation or Demand backgrounds which underpin the need for a reinforcement; or,
- evidence on ongoing System operation costs;

### **6.4 Stage-by-Stage Document**

#### **6.4.1 TO preparation of a Stage-by-Stage Document**

6.4.1.1 The TO(s) shall provide NGESOThe Company with the Stage-by-Stage Document in accordance with the TO Infrastructure Construction Programme. The Stage-by-Stage Document shall set out the proposals in reasonable detail for each stage of the Transmission Infrastructure Works.

6.4.1.2 The purpose of the Stage-by-Stage Document is to set out the TO(s) fundamental approach to the work. Text in reasonable detail shall be included in the Stage-by-Stage Document to describe the key activities to be undertaken at each stage. The Stage-by-Stage Document shall set out for each stage:

- assets which are live;
- assets which are dead; and
- assets which are being worked on.

6.4.1.3 Details of any contingency arrangements relating to the operation of the System concerning each stage of the Transmission Infrastructure Works shall be determined by the TO(s) and shall be contained in the Stage-by-Stage Document.

6.4.1.4 The assets to be commissioned, or re-commissioned, after each stage of the Transmission Infrastructure Works is complete shall be determined by the TO(s) and shall also be set out in the Stage-by-Stage Document.

#### **6.4.2 NGESOThe Company 's consideration of the Stage-by-Stage Document and Outage requirements**

6.4.2.1 NGESOThe Company shall review the Stage-by-Stage Document and agree the Outage requirements received from the TO(s) in accordance with STCP 11-1 Outage Planning.

6.4.2.2 If any of the Joint Project Parties identify any reasons why the Stage-by-Stage Document is, in its reasonable opinion, inappropriate, such Joint Project Party shall submit such views to the other Joint Project Parties in writing; providing clear reasons as to why the Stage-by-Stage Document is not appropriate. The relevant TO shall either redraft the Stage-by-Stage Document reflecting any views put forward and/or proceed with the works as laid out in the Stage-by-Stage Document to ensure that the TO(s) meet the Completion Date set out in the TO Infrastructure Construction Programme(s)

## **6.5 Drawings to be provided**

6.5.1 The procedure to be followed for the exchange, development and signing off of technical and non-technical documents and drawings required throughout the construction process are detailed in STCP 19-4 Commissioning & Decommissioning.

## **6.6 Information Exchange**

6.6.1 [NGESOThe Company](#) and the TO(s) shall liaise throughout the Transmission Infrastructure Works and each shall provide to the other any necessary progress information the other reasonably requires in order to assist each other in the works.

## **6.7 Complete construction works**

6.7.1 Each TO shall complete the works in accordance with the detailed TO Infrastructure Construction Programme and the Stage-by-Stage Document.

6.7.2 Where it is recognised, at any stage during the works, by the TO(s) or [NGESOThe Company](#), that the timetable for the completion of the works contained within the Stage-by-Stage Document may no longer be feasible, then the detailed TO Infrastructure Construction Programme shall be reassessed by the TO(s) and [NGESOThe Company](#) and re-issued by the TO(s), along with an updated Stage-by-Stage Document, if appropriate.

# **7 Post TOCA Completion Date Activities**

## **7.1 Termination Amounts Reporting**

7.1.1 Following the Completion Date of a Construction Project, each TO shall provide [NGESOThe Company](#) no less than 82 calendar days prior to 31<sup>st</sup> March and 30<sup>th</sup> September of each year with an estimate of all payments which may be required to be paid by [NGESOThe Company](#) in respect of Termination Amounts for the six-month period commencing from 31<sup>st</sup> March and 30<sup>th</sup> September (such charges to be in accordance with the relevant TO Charging Statement). The return shall be in the format laid out in Appendix D: Termination Amounts Reporting. In addition, the TO(s) shall provide to [NGESOThe Company](#) all information and explanations needed by [NGESOThe Company](#) in order to answer any queries raised by a User on such estimates.

## **7.2 Closure**

7.2.1 Following the Completion Date of a Construction Project and/or termination of a Construction Agreement, Schemes need to be formally closed and the final construction costs identified and provided within timescales agreed between the relevant Parties, but in any event within 12 months.

7.2.2 On completion of a Scheme, the closure process in section 7.3 shall be followed in the case of firm price agreements, with the exception that TO charges do not need to be calculated.

7.2.3 Termination of a Construction Agreement before completion may give rise to TO Final Sums and termination of a Bilateral Agreement after commissioning may give rise to Termination Amounts. In both circumstances a closure process will need to be carried out and these are covered in this procedure.

## **7.3 Closure upon completion of Scheme**

7.3.1 Within 2 months of the Completion Date (in the TO Construction Programme), where either party to a TOCA considers it necessary, such parties shall arrange a Post Project Review to consider the proposed contents of the Final Project Report including any learning points.

7.3.2 Within 8 months of the Completion Date (or as otherwise agreed), the TO shall send [NGESOThe Company](#) a Final Project Report which shall contain the following, where appropriate:

- a signed statement from the TO(s) to the effect that all costs have been accounted for and that no further scheduled or planned financial payments are due under the TO(s) Construction Agreement and as at the date thereof, no financial claim has been made in respect of any other matter pertaining to the Scheme;

## STCP 19-2 Construction Process & Scheme Closure

Issue 006 – 01/04/2019

- finalised schedules of data, as identified in Appendix C: Scheme Outturn Charge Notification
- lessons learned impacting on ~~the NGESO~~The Company /TO interface;
- variance analysis of finalised schedules of data against the latest schedules provided to ~~NGESO~~The Company ; and
- confirmation by the TO(s) of the addition of appropriate data for the Works to the Connection Site Specification and Services Capability Specification.

7.3.3 ~~NGESO~~The Company shall check the contents of the Final Project Report. If required, ~~NGESO~~The Company shall request further detail/clarification from a TO, specifying a reasonable response time and details of the query.

7.3.4 The relevant TO shall supply the further detail or clarification regarding the contents of the Final Project Report if requested by ~~NGESO~~The Company.

7.3.5 Where a User has a query concerning the outturn charges based upon those figures provided in the Final Project Report, the process set out in the STCP 14-3 Customer Charging Queries, shall be followed.

7.3.6 When the closure process has been completed ~~NGESO~~The Company shall notify the TO(s) and confirm ~~NGESO~~The Company 's acceptance of the Final Project Report.

7.3.7 In the event that ~~NGESO~~The Company has over/underpaid given the figures in the Final Project Report, the relevant TO shall submit a reconciling invoice to ~~NGESO~~The Company .

7.3.8 ~~NGESO~~The Company shall check the reconciling invoice and settle any outstanding sums in accordance with STCP 13-1 Invoicing and Payment.

### **7.4 Closure upon termination of a TO Construction Agreement**

7.4.1 Following the termination of a TO Construction Agreement the TO shall send ~~NGESO~~The Company an update of outstanding contents and Final Sums and a Termination Report in accordance with the provisions of the TO Construction Agreement.

7.4.2 On receipt of the Termination Report, ~~NGESO~~The Company shall check the data. ~~NGESO~~The Company may request further detail or clarification from the TO(s) regarding the Termination Report if required.

7.4.3 Upon request by ~~NGESO~~The Company the TO(s) shall supply further detail or clarification regarding the Termination Report if required and shall notify ~~NGESO~~The Company of any updates to the previously notified TO Final Sums and/or outstanding Consents.

7.4.4 As soon as reasonably practicable, and in any case within 6 months of the termination of the TO(s) Construction Agreement, the TO(s) shall provide ~~NGESO~~The Company with a statement of TO Final Sums together with evidence of such costs having been incurred and/or paid, and/or having been committed to be incurred including any interest thereupon. The TO(s) shall also provide a statement signed on behalf of the TO(s) to confirm that all costs have been accounted for and that no further scheduled or planned financial payments are due under the TO(s) Construction Agreement and as at the date thereof, no financial claim has been made in respect of any other matter pertaining to the Scheme.

### **7.5 Closure upon termination of a Bilateral Agreement**

7.5.1 Within 2 Business Days of:

- ~~NGESO~~The Company receiving notice from a User that the User intends to terminate, Disconnect or partially Disconnect the User Equipment which is connected to a TO's Transmission System; or
- ~~NGESO~~The Company giving notice of termination to the User

~~The NGESO~~The Company Lead Person shall issue a notice of termination in the form of a Scheme Briefing Note ("SBN") (see STCP18-1 Connection and Modification Application, Appendix B.1) to each Affected Party's Named Contact. The SBN shall include (where appropriate):

- a copy of the User's notice to terminate and/or Disconnect or a copy of ~~NGESO~~The Company notice of



- the date of termination;
- the draft Disconnection Notice Programme dates entered by ~~NGESO~~The Company ; and
- details of the Disconnection, identifying the Host TO, Affected TO(s) and Other Affected TO(s) as appropriate, ~~the NGESO~~The Company Lead Person and a ~~NGESO~~The Company Scheme number.

7.5.2 If the User gives ~~NGESO~~The Company more than six months notice of termination, ~~NGESO~~The Company shall only inform the Affected Parties of the User's wish to Disconnect with the User's consent. Should a User withhold its consent then ~~NGESO~~The Company shall notify the Affected Parties six months prior to the date at which the User wishes to Disconnect.

7.5.3 Within 2 Business Days of receipt of an SBN from ~~NGESO~~The Company, each Affected Party shall acknowledge receipt of such SBN to ~~the NGESO~~The Company Lead Person by email, and shall advise ~~NGESO~~The Company of the identity of that Affected Party's Lead Person. ~~The NGESO~~The Company Lead Person shall update the SBN with details of each Affected Party's Lead Person. All formal communication related to the termination shall be addressed to the appropriate Lead Person, who shall be the TO's representative on the Disconnection Steering Group.

7.5.4 ~~The NGESO~~The Company Lead Person and each Affected Party's Lead Person shall agree a date to meet and discuss the Disconnection Notice Programme. ~~NGESO~~The Company shall update the SBN to record this date. This meeting may be cancelled if the Parties agree that it is not required.

7.5.5 As soon as reasonably possible, but in any event within 2 Business Days of sending the SBN to each Affected Party, ~~the NGESO~~The Company Lead Person shall confirm the latest version of the Planning Assumptions to be used by the Affected Parties in assessing the termination. The Host TO shall determine which Connection assets may be redundant as a result of the User's notice to Disconnect or ~~NGESO~~The Company's notice of termination to the User.

7.5.6 Following receipt of the confirmation of the Planning Assumptions to be used in assessing the termination from ~~NGESO~~The Company, each Affected Party shall take into account the Planning Assumptions when considering any implications on the draft Disconnection Notice Programme.

7.5.7 The dates within the Disconnection Notice Programme shall be agreed by ~~the NGESO~~The Company Lead Person and each Affected Party's Lead Person within 10 Business Days of receipt by the Affected Parties of the SBN. Any proposed amendments to the Disconnection Notice Programme shall be submitted to ~~the NGESO~~The Company Lead Person at least one Business Day prior to any meeting of the Disconnection Steering Group.

7.5.8 In accordance with the agreed Disconnection Notice Programme and prior to the Termination Date, Affected TO(s) shall prepare and issue a Termination Report to ~~the NGESO~~The Company Lead Person.

7.5.9 The Termination Report shall contain the following details where appropriate:

- the estimated cost of removal of equipment/Disconnection/storage, the estimated cost of making good the condition of the site, or estimate of any other cost associated with the termination, and shall provide as soon as practicable, evidence of such costs having been incurred;
- assets in respect of which a Termination Amount is payable, which are re-used at the same Connection Site or elsewhere in the National Electricity Transmission System, including infrastructure assets;
- assets in respect of which a Termination Amount is payable which are disposed or made redundant as a result of the Disconnection;
- any outstanding works with a programme for their completion;
- consideration of the effect on other agreements (e.g. Interface Agreement, rental agreement, lease agreement, wayleave agreement);
- timescales for the Disconnection and removal of assets;
- de-commissioning timescales;
- environmental and consents issues;



- impact on other customers and Third Party Works (~~the NGESO~~The Company Lead Person to establish the requirements of any remaining connected customers); and,
- consideration of removal of communications.

7.5.10 If there is a requirement to reinforce a TO's Transmission System as a result of the notice to Disconnect then this infrastructure reinforcement shall be identified in accordance with STCP 161 Investment Planning.

7.5.11 ~~NGESO~~The Company shall check the contents of the Termination Report and shall request further detail/clarification from the Affected Parties if required. ~~NGESO~~The Company and the Affected Parties shall meet to discuss the Disconnection where required by ~~NGESO~~The Company. ~~The NGESO~~The Company Lead Person may request an updated Termination Report from an Affected Party to reflect any agreed changes resulting from such discussions. Upon such a request the Affected Parties shall provide to ~~the NGESO~~The Company Lead Person the requested updated Termination Report as soon as reasonably practicable and no later than the Termination Date.

7.5.12 ~~NGESO~~The Company and Affected TO(s) shall liaise to discuss indicative Outage requirements (in accordance with STCP 11-1 Outage Planning and endeavouring to meet the User's Disconnection date) and agree which assets (if any) should be removed from the System.

7.5.13 Following submission of the final Termination Report to ~~NGESO~~The Company, the TO:

- shall calculate the Termination Amounts (in accordance with that TO's Charging Methodology); and
- invoice ~~NGESO~~The Company for such Termination Amounts.

7.5.14 ~~NGESO~~The Company shall settle any Termination Amounts pursuant to section 7.5.13 in accordance with STCP 13-1 Invoicing and Payment.

## **7.6 Termination Amounts – Re-use**

7.6.1 This section 7.6 deals with issues relating to re-use of TO(s) assets in respect of which Termination Amounts have been paid by ~~NGESO~~The Company.

7.6.2 The TO(s) shall use reasonable endeavours to re-use assets where Termination Amounts have been paid. If at any point, the TO(s) re-use or dispose of any of the assets contained in the Termination Report, they shall immediately inform ~~NGESO~~The Company. In the event that a Termination Amount has been paid in respect of assets and the TO subsequently re-uses such assets, that TO shall pay to ~~NGESO~~The Company the net asset value of such asset.

7.6.3 Upon request in writing, at the cost of ~~NGESO~~The Company, and no more frequently than once each calendar year, the TO(s) shall issue a certificate indicating whether or not such assets have been re-used. If, at any time, the TO(s) decide that it is not economic to retain any Plant or Apparatus constituting any asset in respect of which Termination Amounts have been paid it may, at its reasonable discretion, dispose of the said Plant and/or Apparatus and pay ~~NGESO~~The Company any sums due based on the net asset value of such asset.

## **7.7 Disconnection**

7.7.1 The Host TO shall give, and ~~NGESO~~The Company shall procure that any relevant User gives, such rights to access land as are reasonably required in order to facilitate the removal of the User's Equipment and Host TO's assets on each other's land.

7.7.2 The Host TO assets shall be physically Disconnected and removed from the Transmission System in accordance with STCP 19-4, Commissioning & Decommissioning.

## **Appendix A: Quarterly Reporting Pro Forma**

---

**TO:**

**SITE:** [ ]

**CONNECTION OF:** [USER ]

**CONTRACT REFERENCE:**

*Quarterly Report: [First/Second/Third/Fourth] Quarter 200[ ]*

**Switchgear and Civils (composite/other contract)**

*OHL Line Contract*

*Cable Contract*

*Unlicensed Work (where material to progress of Licensed Work/Impacts on Connection Date)*

*Programme and Consents*

**Bilateral Connection Agreement / TO Construction Agreement and Associated Issues**

**[Costs – For Indicative Priced Agreements]**

The costs underlying the Connection Charges set out in the Bilateral Connection Agreement dated [ ] have increased / decreased by approximately [ %], and the Connection Charges shall be likely to change by a corresponding proportion. Similarly, the TO Final Sums liability for the remainder of the Detailed TO Construction Programme shall also change correspondingly. ]

**[Costs – For Firm Priced Agreements]**

The costs underlying the Final Sums for the Bilateral Connection Agreement dated [ ] have increased / decreased by approximately [ %], and the Final Sums shall be likely to change by a corresponding proportion. ]

Confirmation that the scope of works have not changed.

Confirmation that the programme has not changed.



## Appendix B: TO Final Sums Reporting

### BI-ANNUAL TO FINAL SUMS REPORT

---

TO:

User:

Site:

~~NGESO~~ The Company Scheme No:

Amount due and amount which shall or might fall due for the period commencing on and including [xx/xx/xxxx] and ending on and including [xx/xx/xxxx].

- 
1. Engineering Charges & expenses for obtaining Consents
  2. TO Final Sums

#### **Explanatory notes:**

[To include explanation of major variances, risks, key issues etc]

## Appendix C: Scheme Outturn Charge Notification

### Scheme Outturn Charge Notification

#### Charge Basis

Year	2005/06	2006/07
Rate of Return %		
Depreciation %		
Site Specific Maintenance %		
Transmission Running Costs %		

Connection Asset	GAV in year prior to outturn @ April 2005 price	Year prior to outturn 2005/06 annual charge	GAV in year of outturn @ April 2006 price	Year of outturn 2006/07 annual charge
		Users: Agreement Reference: Site:		
<b>Total</b>	<b>£0.00</b>	Charging Date: <b>£0.00</b>	<b>£0.00</b>	<b>£0.00</b>

#### Where applicable

Outturn One-off Charge at Charging Date:	<b>£0.00</b>
--	--------------

## Appendix D: Termination Amounts Reporting

---

### BI-ANNUAL TERMINATION AMOUNTS REPORT

TO:

User:

Site:

~~NGESO~~The Company Scheme No:

Amount due and amount which shall or might fall due for the period commencing on and including [xx/xx/xxxx] and ending on and including [xx/xx/xxxx].

---

1. Termination Amounts

**Explanatory notes:**

[To include explanation of major variances, risks, key issues etc]

## Appendix E: Abbreviations & Definitions

### Abbreviations

OFTO Offshore Transmission Owner  
SPT SP Transmission Limited  
SHETL Scottish Hydro-Electric Transmission Ltd  
SBN Scheme Briefing Note  
TOCA TO Construction Agreement  
TO Transmission Owner

### STC definitions used:

Calendar Quarter  
Commissioning Programme Commencement Date  
Completion Date  
Connection  
Connection Site  
Connection Site Specification  
Consents  
Construction Project  
National Electricity Transmission System  
Interface Agreement  
Joint Project Parties  
NGET  
~~NGESO~~The Company  
One Off Works  
Outage  
Planning Assumptions  
Plant  
Services Capability Specification  
System  
Transmission Connection Assets  
Transmission Construction Works  
Transmission Owner  
TO Construction Agreement  
TO Construction Programme  
Transmission System  
User  
User Equipment

### CUCS definitions used:

Bilateral Agreement  
Construction Agreement  
Demand  
Disconnect  
Disconnection  
One-off Works  
Termination Amount

### Definition used from other STCPs:

Project Listing Document	As defined in STCP16-1: Investment Planning
Affected Parties	As defined in STCP18-1: Connection and Modification Applications
Affected TO	As defined in STCP18-1: Connection and Modification Applications
Charging Methodology	As defined in STCP14-1: Data Exchange for Annual Charge



	Setting
Host TO	As defined in STCP18-1: Connection and Modification Applications
Named Contact	As defined in STCP18-1: Connection and Modification Applications
Other Affected TO	As defined in STCP18-1: Connection and Modification Applications
Scheme Briefing Note	As defined in STCP18-1: Connection and Modification Applications
Indemnity Agreement	As defined in STCP18-1: Connection and Modification Applications