

## **SECTION I: TRANSITION**

### **PART 1: BETTA TRANSITION**

#### **1. INTRODUCTION**

1.1 This Section I Part 1 sets out various steps and processes which shall be undertaken by the Parties during the Transition Period to develop and otherwise prepare for those matters under the Code which will take effect on and from the Go Live Date, including:

1.1.1 development of a Transitional Services Capability Specification, Transitional Outage Plans, Transitional Outage Proposals, Transitional Investment Plans, Transitional NGET Investment Plans and the Transitional Connection Site Specification; and

1.1.2 provision for the co-ordinated development of Current User Offers and New Transitional Offers by Transmission Owners in accordance with an Agreed Transitional Timetable.

1.2 This Section I Part 1 also sets out various steps and processes which shall be undertaken by the Parties on and after Go Live date to the extent necessary for the purposes of, in the case of NGET, Standard Condition C18 of its Transmission Licence and, in the case of each Transmission Owner, Standard Condition D15 of its Transmission Licence.

1.3 References in this Section I Part 1 to NGET may relate to the role of NGESO as carried out by NGET at the time before the separation of NGESO from NGET and this section shall be construed as such.

#### **2. PROVISIONS OF THE CODE NOT IN EFFECT DURING THE TRANSITION PERIOD**

2.1 The provisions of the Code set out in paragraph 2.2 of this Section I, Part 1 shall not have effect until the Go Live Date. For the avoidance of doubt, all other provisions of the Code shall have effect on and from the Code Effective Date.

2.2 The provisions of the Code that shall not take effect pursuant to paragraph 2.1 are:

2.2.1 Section C;

2.2.2 Section D;

2.2.3 Section G, paragraphs 2.2 and 3; and

2.2.4 Section H.

#### **3. GENERAL PROVISIONS**

3.1 Subject to any express provision of this Section I Part 1, each Party shall discharge its obligations:

- 3.1.1 under paragraphs 8 and 9 of this Section I Part 1 consistently with its obligations under, in the case of NGET, Standard Condition C18 of its Transmission Licence and, in the case of each Transmission Owner, Standard Condition D15 of its Transmission Licence;
- 3.1.2 under each other paragraph of this Section I Part 1, taking into account and consistent with those obligations which it is, at the relevant time, known (or reasonably anticipated) are to be imposed on the licensee on and from the Go Live Date under such Party's Licence.
- 3.2 In addition to any other obligation to provide or exchange information under this Section I Part 1, each Party shall Disclose such information or data to other Parties during the Transition Period as the Authority may from time to time direct.
- 3.3 A Party may agree with any other Party that information or data which would otherwise be required to be provided under this Section I Part 1 is not required to be so provided (for example, because such information or data has already been provided or is already held by such other Party).

#### **4. TRANSITIONAL PROVISIONS IN RELATION TO SECTION C, PART ONE**

- 4.1 Each Transmission Owner shall separately agree the form of specification with NGET for the purposes of this paragraph 4 by 31 October 2004 (referred to as a “**Transitional Services Capability Specification**”).
- 4.2 Each Transmission Owner shall have by 30 November 2004 and shall maintain from that date throughout the Transition Period its Transitional Services Capability Specification so that it is as full and complete as reasonably practicable and describes such Transmission Owner's best estimate of the parameters and levels (which parameters and levels shall reflect its transmission planning) within and to which it will be capable of providing Transmission Services to NGET at the Go Live Date: such information to include and identify, without limitation, those technical limits that will apply as Normal Capability Limits pursuant to paragraph Section C, Part One, sub-paragraph 3.1.1 on and from the Go Live Date.
- 4.3 Each Transmission Owner shall submit a copy of its Transitional Services Capability Specification to NGET by 30 November 2004 and shall, from that date throughout the Transition Period, immediately submit to NGET copies of any amendments made to it under paragraph 4.4.
- 4.4 NGET and a Transmission Owner may agree that the Transmission Owner shall amend its Transitional Services Capability Schedule from time to time during the Transition Period to include such other information as may be reasonably requested by NGET.
- 4.5 NGET and a Transmission Owner may, at any time during the Transition Period, agree a change to the form or content of such Transmission Owner's Transitional Services Capability Schedule.

- 4.6 At the Go Live Date, the Transitional Services Capability Specification that each Transmission Owner has maintained pursuant to this paragraph 4 shall be deemed to be the Services Capability Specification of such Transmission Owner for the purposes of Section C, Part One, paragraph 3.

## 5. TRANSITIONAL PROVISIONS IN RELATION TO SECTION C, PART TWO

### 5.1 Transitional Outage Plan

- 5.1.1 NGET shall develop by 30 November 2004 and maintain from that date throughout the Transition Period a separate plan for each of the 7 Financial Years immediately following the Financial Year ending 31 March 2005 (each plan being referred to as a “**Transitional Outage Plan**”) for the placement of Outages on the GB Transmission System and shall:

5.1.1.1 keep up-to-date and refine its Transitional Outage Plans during the Transition Period to reflect the best and most current information available to it; and

5.1.1.2 provide each Transmission Owner with the most up-to-date version of those parts of each Transitional Outage Plan as contain or relate to Outages of, or any other Outages which are likely to materially affect such Transmission Owner's Transmission System.

- 5.1.2 Each of the Transitional Outage Plans developed by NGET pursuant to subparagraph 5.1.1 shall contain those matters set out in Section C, Part Two, paragraph 2.2.

- 5.1.3 In the course of developing its Transitional Outage Plans, NGET shall, to the extent that it is reasonable and practicable to do so:

5.1.3.1 consult with the Transmission Owners and keep them informed of any current or proposed matters which may give rise to or affect Outages of each Transmission Owner's Transmission System; and

5.1.3.2 take into account each Transitional Outage Proposal in the preparation of its Transitional Outage Plan for the relevant Financial Year.

- 5.1.4 Each Transmission Owner shall co-operate and assist NGET in developing NGET's Transitional Outage Plans, including by:

5.1.4.1 developing and maintaining, in accordance with paragraph 5.2, that Transmission Owner's Transitional Outage Proposals with the objective of providing NGET with a proposed placement of Outages for each Financial Year that facilitates the most efficient, co-ordinated and economical placement of Outages on the GB Transmission System as is reasonably foreseeable and practicable, given the information available to such Transmission Owner; and

5.1.4.2 providing NGET with the most up-to-date version of each of its Transitional Outage Proposals.

## 5.2 **Transitional Outages Proposals**

- 5.2.1 Each Transmission Owner shall develop by 31 October 2004 a separate Outage Proposal in respect of each of the seven Financial Years immediately following the current Financial Year ending 31 March 2005 (each a “**Transitional Outage Proposal**”) and shall maintain from that date throughout the Transition Period the Transitional Outage Proposals for each of the six Financial Years immediately following the Financial Year ending March 2006.
- 5.2.2 The Transitional Outage Proposals of each Transmission Owner shall contain those matters set out in Section C, Part Two, paragraph 3.2.
- 5.2.3 The Transitional Outage Proposal provided by each Transmission Owner pursuant to sub-paragraph 5.1.4.2 in respect of the Financial Year ending 31 March 2006 shall be the final version of such Transitional Outage Proposal and each Transmission Owner shall ensure that it is as full and complete as reasonably practicable.

## 5.3 **Changes to the Transitional Outage Plan for the Financial Year ending 31 March 2006**

- 5.3.1 As soon as a Party becomes aware, during the Transition Period, that a change is required to the Transitional Outage Plan for the Financial Year ending 31 March 2006, including any requirement for a further Outage or changes to the scheduled dates or times for, or cancellation of, an existing Outage, that Party:
  - 5.3.1.1 if it is a Transmission Owner, shall request a change to such Transitional Outage Plan to NGET, including with such request a brief description of the reason(s) for the change; or
  - 5.3.1.2 if it is NGET, notify each Transmission Owner that NGET itself requests or another Transmission Owner has requested (where it has received a request under sub-paragraph 5.3.1.1) a change to the Transitional Outage Plan to the extent that it considers that such change affects Outages of, or any other Outages which are likely to materially affect, that Transmission Owner’s Transmission System, with a brief description of the reason(s) for the change.
- 5.3.2 Following a request to change a Transitional Outage Plan made pursuant to 5.3.1, the Party requesting such change, NGET and any Transmission Owners which receive notification pursuant to sub-paragraph 5.3.1.2 shall agree how the change may be accommodated.
- 5.3.3 During the Transition Period, each Party shall discuss and exchange relevant information with each other Party to the extent that such information is likely to have a material effect on the Outages of such other Party.

- 5.3.4 Each Transmission Owner shall develop its Transitional Outage Proposals taking into account, to the extent that it is reasonable and practical to do so, the activities and reasonable requests of each other Party and the information provided to it under this Code.
- 5.3.5 Where it is reasonably prudent to do so, the Parties shall jointly prepare during the Transition Period for the implementation of any Outages which are planned to occur during the Financial Year ending 31 March 2006.
- 5.3.6 At the Go Live Date:
- 5.3.6.1 the Transitional Outage Plans developed by NGET pursuant to paragraph 5.1 shall be deemed to be the initial Outage Plans for the purposes of Section C, Part Two, paragraph 2.1;
- 5.3.6.2 the Transitional Outage Proposals developed by each Transmission Owner pursuant to paragraph 5.2 shall be deemed to be the initial Outage Proposals of that Transmission Owner for the purposes of Section C, Part Two, paragraph 3.1; and
- 5.3.6.3 any process or associated configuration of the GB Transmission System required for the implementation of an Outage and developed pursuant to sub-paragraph 5.3.5 shall be deemed to be the Outage Implementation Process for such Outage for the purposes of Section C, Part Two, paragraph 6.1.

## **6. TRANSITIONAL PROVISIONS IN RELATION TO SECTION C, PART THREE**

### **6.1 Interface Agreements**

- 6.1.1 Each Transmission Owner shall advise NGET as soon as reasonably practicable and in any event by 1 December 2004 whether an Interface Agreement is required in relation to each Connection Site and New Connection Site located on their Transmission System.
- 6.1.2 Where a Transmission Owner identifies that an Interface Agreement is required pursuant to sub-paragraph 6.1.1, it shall promptly enter into an Interface Agreement with the relevant User in a form to be agreed between them, but based substantially in the form set out in Exhibit O, Part B to the CUSC.

### **6.2 Black Start**

- 6.2.1 On or before 31 March 2005, the Parties shall have in place a Code Procedure setting out the information and assistance required by Transmission Owners so that NGET can implement a Black Start.

## **7. TRANSITIONAL PROVISIONS IN RELATION TO SECTION D, PART ONE**

### **7.1 Transmission Owner's Transitional Investment Plans**

- 7.1.1 Each Transmission Owner shall develop by 31 October 2004 and then maintain from that date throughout the Transition Period a separate plan in respect of each of the seven Financial Years immediately following the Financial Year ending on 31 March 2005 (each plan referred to as a “**Transitional Investment Plan**”) and shall keep up-to-date and refine its Transitional Investment Plans during this period to reflect the best and most current information available to it.
- 7.1.2 Each Transitional Investment Plan shall contain, to the extent and in such detail as is reasonably practicable and appropriate at the time, for the relevant Financial Year, those matters set out in Section D, Part One, sub-paragraph 2.1.2.
- 7.1.3 Each Transmission Owner shall ensure, to the extent that it is reasonable and appropriate to do so, that from 31 October 2004 throughout the Transition Period:
  - 7.1.3.1 NGET is provided with the most up-to-date versions of its Transitional Investment Plans; and
  - 7.1.3.2 each other Transmission Owner is provided with such parts of the up-to-date versions of its Transitional Investment Plans as may have a material effect upon that other Transmission Owner’s Transitional Investment Plans.

## 7.2 **NGET's Transitional NGET Investment Plans**

- 7.2.1 NGET shall develop by 31 October 2004 and then maintain from that date throughout the Transition Period separate plans in respect of each of the seven Financial Years immediately following the Financial Year ending on 31 March 2005 (each plan referred to as a “**Transitional NGET Investment Plan**”) for those proposed Changes to its Transmission System which are likely to have a material effect upon any of the Transmission Owners’ Transitional Investment Plans and NGET shall keep up-to-date and refine its Transitional NGET Investment Plans during this period to reflect the best and most current information available to it.
- 7.2.2 Each Transitional NGET Investment Plan shall contain, to the extent and in such detail as is reasonably practicable and appropriate at the time, for the relevant Financial Year, the same matters in relation to NGET as are required to be set out in relation to Transmission Owners in their Transitional Investment Plans under sub-paragraph 7.1.2.
- 7.2.3 NGET shall ensure, to the extent that it is reasonable and appropriate to do so, that from 31 October 2004 throughout the Transition Period each Transmission Owner is provided with such parts of its up-to-date Transitional NGET Investment Plans as may have a material effect upon that Transmission Owner’s Transitional Investment Plans.

## 7.3 **Transitional Planning Assumptions**

- 7.3.1 NGET shall prepare Planning Assumptions on a GB-wide basis during the Transition Period ("**Transitional Planning Assumptions**") and shall as soon as reasonably practicable and, in any event, on or before 30 September 2004, provide such Transitional Planning Assumptions to Transmission Owners (and then as updated or modified from time to time) to be used by them in planning and developing their Transmission Systems in accordance with this Section I Part 1.
- 7.3.2 A Transmission Owner may at any time submit a request to NGET for a change to Transitional Planning Assumptions it has received pursuant to sub-paragraph 7.3.1, provided that such request shall contain a description (in reasonable but not excessive detail) of the reason(s) for the request.
- 7.3.3 If NGET receives a request for a change to Transitional Planning Assumptions pursuant to sub-paragraph 7.3.2 it shall, as soon as reasonably practicable:
- 7.3.3.1 notify the Transmission Owner submitting the request and any other Transmission Owner which is likely to be materially affected by the requested change whether or not and, where relevant, how NGET intends to accommodate such request; and
- 7.3.3.2 where relevant, change and re-issue such Transitional Planning Assumptions accordingly.
- 7.3.4 In planning its Transmission System during the Transition Period, each Transmission Owner shall do so in accordance with the obligations which will apply to planning and development on and from the Go Live Date under Section D, Part One, paragraph 2.2, except that references to:
- 7.3.4.1 "Planning Assumptions" shall be taken to be references to Transitional Planning Assumptions provided to it by NGET pursuant to sub-paragraph 7.3.1;
- 7.3.4.2 "Connection Site Specification" shall be taken to be references to the Transitional Connection Site Specification; and
- 7.3.4.3 "Licence Standards" shall be taken to be references to those obligations which are imposed on the Transmission Owner during the Transition Period by Standard Condition D3 of such Transmission Owner's Transmission Licence or which it is, at the relevant time, known (or reasonably anticipated) are to be imposed on the Transmission Owner on and from the Go Live Date.

#### 7.4 **Co-ordination of and Changes to Transitional Investment Planning**

- 7.4.1 During the Transition Period, the Parties shall:

7.4.1.1 co-operate and assist each other in the development of co-ordinated Transitional Investment Plans and Transitional NGET Investment Plans; and

7.4.1.2 plan, for the purposes of this paragraph 7, their Transmission Systems taking into account, to the extent that it is reasonable and practicable to do so, the activities and reasonable requests of each other Party relating to the planning and development of such other Parties' Transmission Systems.

7.4.2 A Party may, at any time during the Transition Period, request a change to such parts as it has been provided with pursuant to sub-paragraphs 7.1.3 or 7.2.3 of, in the case where such other Party is a Transmission Owner, that other Party's Transitional Investment Plan(s) or, in the case where such other Party is NGET, any Transitional NGET Investment Plan(s).

7.4.3 At the Go Live Date:

7.4.3.1 the Transitional Investment Plans developed by each Transmission Owner pursuant to paragraph 7.1 shall be deemed to be the initial Transmission Investment Plans of that Transmission Owner for the purposes of Section D, Part One, sub-paragraph 2.1.1;

7.4.3.2 the Transitional NGET Investment Plans developed by NGET pursuant to paragraph 7.2 shall be deemed to be the initial NGET Investment Plans of NGET for the purposes of Section D, Part One, sub-paragraph 2.1.4; and

7.4.3.3 the Transitional Planning Assumptions prepared by NGET pursuant to sub-paragraph 7.3.1 (as changed during the Transition Period) shall be deemed to be the initial Planning Assumptions for the purposes of Section D, Part One, paragraph 2.2.

7.4.4 Each Transmission Owner shall co-operate and assist NGET during the Transition Period in the development by NGET of the Interim Seven Year Statement and Seven Year Statement including, without limitation, by promptly complying with any reasonable request from NGET for information or such co-operation or assistance.

## **8. TRANSITIONAL PROVISIONS IN RELATION TO CURRENT USERS**

### **8.1 Transitional Connection Site Specification**

8.1.1 Each Transmission Owner shall submit to NGET by 5 September 2004, or such other date as the Transmission Owner and NGET shall agree, a specification setting out the Transmission Owner Connection Assets forming part of such Transmission Owner's Transmission System and any User Equipment connected to or associated with such Transmission Owner Connection Assets as at 1 September 2004 ("**Transitional Connection Site Specification**").



- 8.1.2 Each Transmission Owner shall keep under review and update its Transitional Connection Site Specification during the Transition Period so that it contains, without limitation, information of the same kind and in substantially the same detail as set out in relation to Transmission Connection Assets and User Equipment in any bilateral agreements entered into between such Transmission Owner and Users at any time up to the Go Live Date.
- 8.1.3 At the same time as it submits its Transitional Connection Site Specification, or any update made pursuant to sub-paragraph 8.1.2, to NGET, each Transmission Owner shall also provide the following information in respect of each Connection Site (to the extent such information does not already form part of the Transitional Connection Site Specification):
- 8.1.3.1 the date on which the User entered into a bilateral agreement with the Transmission Owner in respect of such Connection Site (where applicable); and
- 8.1.3.2 any other information reasonably requested by NGET in relation to such User or Connection Site including, without limitation, information required to enable NGET to determine the Transmission Entry Capacity and Connection Entry Capacity of such Connection Site.
- 8.1.4 At the Go Live Date the Transitional Connection Site Specification developed by each Transmission Owner pursuant to sub-paragraph 8.1.1 (as modified or updated during the Transition Period pursuant to sub-paragraphs 8.1.2 or 8.1.3) shall be deemed to be the initial Connection Site Specification.

## 8.2. **Current User Applications**

- 8.2.1 For the purposes of this Section I Part 1, a "**Current User**" is a User which, as at 1 January 2005:
- 8.2.1.1 is a party to an agreement (including, without limitation, any party that has accepted an offer prior to 1 January 2005) with NGET or a Transmission Owner for connection or use of system; or
- 8.2.1.2 has otherwise submitted an application for connection or use of system to NGET or a Transmission Owner (including without limitation any application in relation to which NGET or a Transmission Owner has submitted an offer prior to 1 January 2005).
- 8.2.2 In accordance with the Agreed Transitional Timetable (referred to in paragraph 10.1) and, except to the extent otherwise agreed between NGET and the relevant Transmission Owner, prior to 5 January 2005, each Transmission Owner shall notify NGET of:
- 8.2.2.1 each Current User who has an agreement for connection to or use of such Transmission Owner's Transmission System;

- 8.2.2.2 any applications made by a Current User to the Transmission Owner at any time prior to 1 January 2005 in relation to a Connection Site (including any application for use of system) and in respect of which the Transmission Owner has not provided a relevant offer to such Current User and shall provide NGET with a complete copy of any such application; and
- 8.2.2.3 any offers which have been provided to a Current User by the Transmission Owner at any time before 1 January 2005 in relation to a Connection Site (including any offer for use of system) and which have not been accepted by such Current User.
- 8.2.3 At any time prior to 7 January 2005, NGET may submit an application (a "**Current User Application**") to a Transmission Owner, in accordance with the Agreed Transitional Timetable (referred to in paragraph 10.1), in respect of:
  - 8.2.3.1 any current Connection Site of a Current User, or any proposed Connection Site in respect of which an application has been submitted to a Party by a User prior to 1 January 2005, which is located on such Transmission Owner's Transmission System; and
  - 8.2.3.2 any other Connection Site of a Current User in respect of which an application has been submitted to a Party by a User prior to 1 January 2005 and which NGET reasonably considers is likely to materially affect the first Transmission Owner's Transmission System, taking into account the criteria referred to in paragraph 11.
- 8.2.4 NGET may, if it reasonably considers that it is appropriate or expedient to do so, submit a Current User Application pursuant to sub-paragraph 8.2.3 to a Transmission Owner in respect of more than one Connection Site.
- 8.2.5 A Current User Application submitted pursuant to sub-paragraph 8.2.3 shall contain the information reasonably necessary in order to enable each Transmission Owner, following receipt of Transitional Construction Planning Assumptions pursuant to paragraph 8.3, to:
  - 8.2.5.1 identify whether construction works would be required in respect of each Connection Site identified in such Current User Application; and
  - 8.2.5.2 where relevant, prepare a Current User Offer pursuant to sub-paragraph 8.4 in respect of such Connection Site(s).
- 8.2.6 A Current User Application submitted pursuant to sub-paragraph 8.2.3 shall be deemed to be effective from the date on which it is received by the relevant Transmission Owner.

### 8.3 **Transitional Construction Planning Assumptions**

- 8.3.1 In addition to the Transitional Planning Assumptions and, Planning Assumptions used for general transmission planning, NGET may generate a set of Planning Assumptions which takes into account the power flows which NGET anticipates might be associated with a Current User Application for use only in the preparation by the relevant Transmission Owner(s) of the corresponding Current User Offer(s) ("**Transitional Construction Planning Assumptions**").
- 8.3.2 NGET shall notify each Transmission Owner as soon as reasonably practicable if it does not intend to generate a set of Transitional Construction Planning Assumptions in respect of a Current User Application, following which the general Transitional Planning Assumptions provided to Transmission Owners pursuant to sub-paragraph 7.3.1 of this Section I Part 1 shall be deemed to be Transitional Construction Planning Assumptions for the purposes of this paragraph 8.
- 8.3.3 A Transmission Owner may at any time submit a request to NGET for a change to Transitional Construction Planning Assumptions it has received pursuant to sub-paragraph 8.3.1 or which have been deemed pursuant to sub-paragraph 8.3.2, provided that such request shall contain a description (in reasonable but not excessive detail) of the reason(s) for the request.
- 8.3.4 If NGET receives a request for a change to Transitional Construction Planning Assumptions pursuant to sub-paragraph 8.3.3 it shall, as soon as reasonably practicable notify the Transmission Owner submitting the request and any other Transmission Owner which is likely to be materially affected by the requested change whether or not and, where relevant, how NGET intends to accommodate such request.
- 8.3.5 NGET may, in its discretion, change a set of Transitional Construction Planning Assumptions (including any deemed Transitional Construction Planning Assumptions under sub-paragraph 8.3.2), at any time up to the time at which it accepts the Current User Offer to which such Construction Planning Assumptions apply by giving notice to the relevant Transmission Owner(s).
- 8.3.6 If NGET generates, modifies or updates Transitional Construction Planning Assumptions, it shall do so, and shall provide any relevant parts of such Transitional Construction Planning Assumptions to Transmission Owners, in accordance with the Agreed Transitional Timetable (referred to in paragraph 10.1).

#### 8.4. **Current User Offers**

- 8.4.1 Each Transmission Owner shall notify NGET as soon as reasonably practicable following receipt of a Current User Application and, in any event, in accordance with the Agreed Transitional Timetable (referred to in paragraph 10.1), whether or not such Transmission Owner intends to submit an offer in respect of such Current User Application ("**Current User Offer**") to NGET pursuant to this paragraph 8.4 in respect of any Connection Site(s) identified in such Current User Application including, without limitation, where the Transmission Owner is

not submitting a Current User Offer because it is not obliged to do so pursuant to Standard Condition D15 of its Transmission Licence or the Act.

- 8.4.2 A Transmission Owner may, where it has agreed to do so with NGET, submit a Current User Offer in accordance with this paragraph 8.4 in respect of one or more Connection Sites notwithstanding that NGET has not submitted a Current User Application in respect of such Connection Site(s).
- 8.4.3 Where a Transmission Owner does not require Transmission Construction Works to be undertaken in respect of a Current User Application or where it otherwise notifies NGET under paragraph 8.4.1 that it will not be submitting a Current User Offer, it shall not (subject to any contrary determination of the Authority) submit a Current User Offer to NGET in relation to such Current User Application.
- 8.4.4 Subject to Standard Condition D15 of its Transmission Licence, a Transmission Owner shall prepare Current User Offer(s) in accordance with the obligations which will apply to the preparation of TO Construction Offers on and from the Go Live Date under Section D, Part Two, paragraph 4, except that references to:
- 8.4.4.1 "TO Construction Offer" shall be taken to be references to Current User Offer;
- 8.4.4.2 "Part One, paragraph 2.2 of this Section D" shall be taken to be a reference to paragraph 7.3 of this Section I Part 1;
- 8.4.4.3 "NGET Construction Application" shall be taken to be a reference to Current User Application.
- 8.4.5 If a Transmission Owner is submitting a Current User Offer to NGET, it shall do so as soon as reasonably practicable and, in any event, in accordance with the Agreed Transitional Timetable.
- 8.4.6 For the avoidance of doubt, where a Current User Application is submitted by NGET in respect of more than one Connection Site pursuant to sub-paragraph 8.2.3, the applicable Current User Offer may, at the discretion of the relevant Transmission Owner, also apply to one or more of such Connection Site(s).
- 8.4.7 A Current User Offer submitted by a Transmission Owner to NGET pursuant to sub-paragraph 8.4.4 shall include, without limitation, those matters set out in Schedule Eight, paragraph 1.1 except that in relation to Current User Offers submitted before the Go Live Date:
- 8.4.7.1 references to "Transmission Services" and "Normal Capability Limits" shall be to those Transmission Services and Normal Capability Limits which reflect the Transmission Owner's transmission planning and which the relevant Transmission Owner reasonably anticipates it will provide or which will apply on and from the Go Live Date; and

8.4.7.2 references to "Construction Project" shall be to those construction works required in relation to the Connection Site(s) as set out in the Current User Offer.

8.4.8 Where a Current User Offer relates to more than one Connection Site, it may also contain one or more TO Construction Agreement(s), provided that:

8.4.8.1 all of the TO Construction Works identified in such Current User Offer are covered by TO Construction Agreement(s); and

8.4.8.2 all of the Works undertaken at an individual Connection Site are covered by only one TO Construction Agreement.

## **8.5 Acceptance of Current User Offer by NGET**

8.5.1 A Current User Offer shall remain open for acceptance in accordance with the Agreed Transitional Timetable (referred to in paragraph 10.1) unless an application is made to the Authority under Standard Condition C18 of NGET's Transmission Licence, in which event such period shall remain subject to any determination by or other direction from the Authority.

8.5.2 In the event that NGET modifies Transitional Construction Planning Assumptions after a Transmission Owner has submitted its Current User Offer for the Construction Project to which such Transitional Construction Planning Assumptions apply, the Transmission Owner shall, as soon as reasonably practicable or otherwise within such timescales as shall be agreed between NGET and the Transmission Owner, revise and re-submit its Current User Offer to NGET, taking into account such modified Transitional Construction Planning Assumptions.

8.5.3 If NGET wishes to accept a Current User Offer, it shall do so by promptly notifying the relevant Transmission Owner in the form specified in such Current User Offer and by providing it with an executed copy or executed copies of the relevant TO Construction Agreement(s).

8.5.4 Following acceptance of a Current User Offer by NGET pursuant to subparagraph 8.5.3 the Transmission Owner shall construct the relevant Transmission Construction Works in accordance with the terms of this Code and the executed TO Construction Agreement(s).

## **9. TRANSITIONAL PROVISIONS IN RELATION TO NEW TRANSITIONAL APPLICATIONS DURING THE PERIOD FROM 1 JANUARY 2005 TO THE GO LIVE DATE**

### **9.1 New Transitional Applications**

9.1.1 Each Transmission Owner shall immediately forward to NGET a complete copy of any application received from a User in respect of a Connection Site (including

any application for use of system) during the period commencing on 1 January 2005 and ending on the Go Live Date.

- 9.1.2 NGET may submit an application (a "**New Transitional Application**"), in accordance with this paragraph 9 and the Agreed Transitional Timetable (referred to in paragraph 10.1), to:
  - 9.1.2.1 the Transmission Owner, if any, whose Transmission System is located at the Connection Site which is the subject of the relevant application or offer (the "**Transitional Connection Site**");
  - 9.1.2.2 any Transmission Owner in relation to whose Transmission System the Transitional Connection Site satisfies the criteria referred to in paragraph 11; and
  - 9.1.2.3 any Transmission Owner which does not receive a New Transitional Application pursuant to sub-paragraphs 9.1.2.1 or 9.1.2.2 above, but who otherwise receives New Construction Planning Assumptions pursuant to paragraph 9.2 in relation to the Transitional Connection Site.
- 9.1.3 A New Transitional Application submitted pursuant to sub-paragraph 9.1.2 shall contain the information reasonably necessary in order to enable each Transmission Owner to:
  - 9.1.3.1 identify whether construction works would be required in respect of the Connection Site which is the subject of such New Transitional Application; and
  - 9.1.3.2 where relevant, prepare a New Transitional Offer.
- 9.1.4 A New Transitional Application submitted pursuant to sub-paragraph 9.1.2 shall be deemed to be effective from the date on which it is received by the relevant Transmission Owner.
- 9.1.5 If a Transmission Owner reasonably considers that a New Transitional Application is not effective by reason of it not containing sufficient information, pursuant to sub-paragraph 9.1.3, to enable it to identify construction works or prepare a New Transitional Offer, it shall:
  - 9.1.5.1 as soon as reasonably practicable and in any event in accordance with the Agreed Transitional Timetable (referred to in paragraph 10.1), notify NGET of the further information or clarifications required; and
  - 9.1.5.2 otherwise use its best endeavours to liaise with and assist NGET (and, where requested by NGET, relevant third parties) so that the New Transitional Application is made effective as soon as reasonably practicable.

- 9.1.6 Each Transmission Owner shall charge NGET and NGET shall pay Engineering Charges in relation to a New Transitional Application in accordance with Schedule Ten.
- 9.1.7 NGET and each Transmission Owner shall keep each other informed of any changes in an application or any associated information provided by a User to either NGET or the relevant Transmission Owner and notice of any withdrawal by a User of an application which is the subject of a New Transitional Application shall also constitute notice of withdrawal by NGET of the relevant New Transitional Application from the time at which both NGET and the relevant Transmission Owner received notice of the User's withdrawal.

## 9.2 **Provision of New Construction Planning Assumptions**

- 9.2.1 In addition to the Transitional Planning Assumptions and Planning Assumptions used for general transmission planning, NGET may, as a consequence of a New Transitional Application, generate a set of Planning Assumptions which take into account the power flows which NGET expects may result from the Construction Project for use only in the preparation of Transitional New User Offers ("**New Construction Planning Assumptions**").
- 9.2.2 NGET shall notify each Transmission Owner as soon as reasonably practicable if it does not intend to generate a set of New Construction Planning Assumptions in respect of a New Transitional Application, following which the general Transitional Planning Assumptions provided to Transmission Owners pursuant to sub-paragraph 7.3.1 of this Section I Part 1 shall be deemed to be New Construction Planning Assumptions for the purposes of this Section I Part 1, paragraph 9.
- 9.2.3 A Transmission Owner may at any time submit a request to NGET for a change to New Construction Planning Assumptions it has received pursuant to sub-paragraph 9.2.1 or which have been deemed pursuant to sub-paragraph 9.2.2, provided that such request shall contain a description (in reasonable but not excessive detail) of the reason(s) for the request.
- 9.2.4 If NGET receives a request for a change to New Construction Planning Assumptions pursuant to sub-paragraph 9.2.3 it shall, as soon as reasonably practicable notify the Transmission Owner submitting the request and any other Transmission Owner which is likely to be materially affected by the requested change whether or not and, where relevant, how NGET intends to accommodate such request.
- 9.2.5 NGET may, in its discretion, change a set of New Construction Planning Assumptions (including any deemed New Construction Planning Assumptions under sub-paragraph 9.2.2), at any time up to the time at which it accepts the New Transitional Offer to which such New Construction Planning Assumptions apply by giving notice to the relevant Transmission Owner(s).

9.2.6 If NGET generates, modifies or updates New Construction Planning Assumptions, it shall do so, and shall submit any relevant parts of such New Construction Planning Assumptions to Transmission Owners, in accordance with the Agreed Transitional Timetable (referred to in paragraph 10.1).

### 9.3 **New Transitional Offers**

9.3.1 Each Transmission Owner shall notify NGET as soon as reasonably practicable and, in any event, in accordance with the Agreed Transitional Timetable (referred to in paragraph 10.1) following receipt of a New Transitional Application whether or not such Transmission Owner intends to submit a New Transitional Offer to NGET pursuant to this paragraph 9.3 in respect of any Connection Site identified in such New Transitional Application including, without limitation, where the Transmission Owner is not submitting a New Transitional Offer because it is not obliged to do so pursuant to Standard Condition D15 of its Transmission Licence or the Act.

9.3.2 Subject to Standard Condition D15 of its Transmission Licence, a Transmission Owner shall prepare New Transitional Offer(s) in accordance with the obligations which will apply to the preparation of TO Construction Offers on and from the Go Live Date under Section D, Part Two, paragraph 4, except that references to:

9.3.2.1 "TO Construction Offer" shall be taken to be references to New Transitional Offer;

9.3.2.2 "Part One, paragraph 2.2 of this Section D" shall be taken to be a reference to sub-paragraph 7.3.4 of this Section I Part 1; and

9.3.2.3 "NGET Construction Application" shall be taken to be a reference to New Transitional Application.

9.3.3 If a Transmission Owner is submitting a New Transitional Offer to NGET, it shall do so as soon as reasonably practicable and, in any event, in accordance with the Agreed Transitional Timetable (referred to in paragraph 10.1).

9.3.4 A New Transitional Offer submitted by a Transmission Owner to NGET pursuant to sub-paragraph 9.3.3 shall include, without limitation, those matters set out in Schedule Eight, paragraph 1.1 except that in relation to New Transitional Offers submitted before the Go Live Date:

9.3.4.1 references to "Transmission Services" and "Normal Capability Limits" shall be to those Transmission Services and Normal Capability Limits which reflect the Transmission Owner's transmission planning and which the relevant Transmission Owner reasonably anticipates it will provide or which will apply on and from the Go Live Date; and

9.3.4.2 references to "Construction Project" shall be to those construction works required in relation to the Connection Site(s) to facilitate the use of the



GB Transmission System by the relevant User(s) on and from the Go Live Date as set out in the New Transitional Offer.

#### 9.4 **Acceptance of New Transitional Offer by NGET**

- 9.4.1 A New Transitional Offer shall remain open for acceptance in accordance with the Agreed Transitional Timetable (referred to in paragraph 10.1) unless an application is made to the Authority under Standard Condition C18 of NGET's Transmission Licence, in which event such period shall remain subject to any determination by or other direction from the Authority.
- 9.4.2 In the event that NGET modifies New Construction Planning Assumptions after a Transmission Owner has submitted its New Transitional Offer for the Construction Project to which such New Construction Planning Assumptions apply, the Transmission Owner shall, as soon as reasonably practicable, revise and re-submit its New Transitional Offer to NGET, taking into account such modified New Construction Planning Assumptions.
- 9.4.3 If NGET wishes to accept a New Transitional Offer, it shall do so by promptly notifying the relevant Transmission Owner in the form specified and by providing it with an executed copy or executed copies of the relevant TO Construction Agreement(s).
- 9.4.4 Following acceptance of a New Transitional Offer by NGET pursuant to sub-paragraph 9.4.3 the Transmission Owner shall, on and from the Go Live Date, construct the relevant Transmission Construction Works in accordance with the terms of this Code and the executed TO Construction Agreement.

### 10. **GENERAL PROVISIONS CONCERNING THE DEVELOPMENT OF CURRENT USER OFFERS AND NEW TRANSITIONAL OFFERS**

#### 10.1 **Agreed Transitional Timetable**

10.1.1 The Parties shall agree a timetable (the "**Agreed Transitional Timetable**"), on or before 5 September 2004, which sets out those timeframes which are to apply between the Parties for the purposes of paragraphs 8 and 9 of this Section I Part 1, to the extent that such timeframes are not otherwise specified, and which includes, without limitation, provision for the submission or acceptance of:

- 10.1.1.1 Current User Applications pursuant to sub-paragraph 8.2.3;
- 10.1.1.2 Current User Offers pursuant to sub-paragraphs 8.4.1 or 8.5.1;
- 10.1.1.3 New Transitional Applications pursuant to sub-paragraphs 9.1.3, 9.1.6;
- 10.1.1.4 New Transitional Offers pursuant to sub-paragraph 9.3.2;
- 10.1.1.5 Transitional Construction Planning Assumptions pursuant to sub-paragraph 8.3.1 and

10.1.1.6 New Construction Planning Assumptions pursuant to subparagraph 9.2.1.

10.1.2 The Parties may agree to update or otherwise modify the Agreed Transitional Timetable at any time.

## **10.2 General Co-ordination of Construction Projects**

10.2.1 The Parties shall, to the extent reasonably practicable, co-operate and assist each other in the preparation of Current User Offers and New Transitional Offers in the same manner and complying with the same requirements as shall apply in respect of TO Construction Offers on and from the Go Live Date pursuant to Section D, Part Two, paragraph 6.

## **11. CRITERIA FOR ASSESSING THOSE TRANSMISSION SYSTEMS AFFECTED BY APPLICATIONS DURING THE TRANSITION PERIOD**

11.1 On or before 1 October 2004, the Parties shall agree and submit to the Authority for approval the proposed criteria for assessing those Transmission Systems affected by a Current User Application or New Transitional Application for the purposes of subparagraphs 8.2.3 and 9.1.3.

11.2 The criteria that apply for the purpose of assessing those Transmission Systems affected by a Current User Application or New Transitional Application shall be the criteria proposed by the Parties pursuant to paragraph 11.1 as amended or otherwise approved by the Authority.

## **12. SITE RESPONSIBILITY SCHEDULES**

12.1 On or before 28 February 2005, each Transmission Owner shall complete, or procure from a User, a Site Responsibility Schedule in respect of each Connection Site located on its Transmission System and provide all such Site Responsibility Schedules to NGET.

12.2 Each Transmission Owner shall promptly provide to NGET a copy of any new or updated Site Responsibility Schedules completed or updated by itself or a User at any time after 28 February 2005 up to the Go Live Date.

12.3 NGET shall provide to each Transmission Owner any assistance which it reasonably requests from NGET in relation to the preparation of a Site Responsibility Schedule pursuant to this paragraph 12.

## **13. DISPUTES**

13.1 Any matter arising between two or more Parties:

13.1.1 during the Transition Period, under the Code; and

13.1.2 on and from the Go Live Date, under paragraph 8, 9 and 10 of this Section I Part 1.

- 13.2 A Party may raise a Dispute by issuing a Transitional Dispute Notice to the Authority and each of the other Dispute Parties.
- 13.3 Unless otherwise specified in this Code or directed by the Authority, any specification, plan, proposal or other document developed or changed under this Section I Part 1 which is the subject of a Dispute shall be developed and, if relevant, implemented as proposed by the Party responsible for the initial development of such specification, plan, proposal or other document, subject to any subsequent determination of the Dispute by the Authority.
- 13.4 The Authority's determination of a Dispute under this paragraph 13 shall, without prejudice to any right to apply for judicial review of any determination, be final and binding on the Dispute Parties.
- 13.5 It is expected that, in most cases, the Authority's determination of a Dispute under this paragraph 13 will set out the effect of the determination in terms of any actions or other steps that the Dispute Parties should take. To the extent that there is a Dispute between the Dispute Parties over the implementation of any such determination by the Authority (a "**Transitional Implementation Dispute**"), then any such Dispute Party may refer the Transitional Implementation Dispute back to the Authority for determination.
- 13.6 Following a determination under this paragraph 13, each Dispute Party shall take such steps as are required to give full and timely effect to that determination including, without limitation, issuing, withdrawing or modifying any application, offer (including the terms of such application or offer), notice, plan or any other information or process or taking any other steps required pursuant to this Section I Part 1.

#### **14. TRANSITIONAL PROVISIONS IN RELATION TO LARGE POWER STATIONS**

- 14.1 Each Transmission Owner who has in force at 15 December 2004 an agreement for use of the Transmission Owner's transmission system with a person who owns or operates a Large Power Station other than a Large Power Station which is connected to a part of either a Distribution System that is not directly or indirectly connected to the GB Transmission System or a User System that is not directly or indirectly connected to the GB Transmission System, shall use its best endeavours to procure that such persons shall accede to the CUSC Framework Agreement.
- 14.2 In paragraph 14.1, "Large Power Station" and "User System" have the meanings given in the CUSC.

**PART 2: STC MODIFICATION PROPOSAL [000] (Amendments relating to the transfer of the system operator functions from NGET)**

**1. INTRODUCTION**

- 1.1 This Section I Part 2 deals with issues arising out of the transition associated with the approval and implementation of STC Modification Proposal [000] (Amendments relating to the transfer of the system operator functions from NGET to NGESO).
- 1.2 This Section I, Part 2 sets out the arrangements such that:
- 1.2.1 the rights and obligations of NGET under the STC that relate to the role of system operator are novated to NGESO;
  - 1.2.2 certain amendments are made to Existing STC Related Agreements;
  - 1.2.3 NGET is deemed to have followed the processes set out in Section B such that it becomes an Onshore Transmission Owner party under the STC; and
  - 1.2.4 each Party co-operates in relation to the transition.
- 1.3 The provisions of the Post STC [000] STC shall be suspended except for this Section I (which will take immediate effect) until the Transfer Date.
- 1.4 In this Section I, Part 2:
- 1.4.1 the term "STC [000]" shall mean STC Modification Proposal [000] (Amendments relating to the transfer of the system operator functions from NGET to NGESO);
  - 1.4.2 the term "Post STC [000] STC" means the version of the STC as amended by STC [000];
  - 1.4.3 the term "Pre STC [000] STC" means the version of the STC prior to amendment by STC [000];
  - 1.4.4 the term "Transfer Date" means the date on which the Transmission Licence granted to NGET is transferred in part to NGESO to reflect the transfer of the system operator functions.
- 1.5 Without prejudice to any specific provision under this Section I, Part 2 as to the time within which or the manner in which any Party should perform its obligations under this Section I Part 2 where a Party is required to take any step or measure under this Section I Part 2, such requirement shall be construed as including any obligation to:
- 1.5.1 take such step or measure as quickly as reasonably practicable; and
  - 1.5.2 do such associated or ancillary things as may be necessary to complete such step or measure as quickly as reasonably practicable.

## **2. STC [000]: NOVATION**

- 2.1 This paragraph applies to facilitate the transfer of all NGET's rights and obligations under the STC that relate to its role as system operator to NGESO on the Transfer Date to reflect the transfer of the system operator functions from NGET to NGESO.
- 2.2 NGET and NGESO shall each enter into a novation agreement in a form published by NGET.
- 2.3 Such novation agreement will, with effect from the Transfer Date, novate to NGESO all rights and obligations of NGET that relate to its role as system operator under the agreements referred to in paragraph [2.4] (including all rights, obligations and liabilities of NGET as system operator that may have accrued in respect of the period prior to the Transfer Date).
- 2.4 Such novation agreement shall be in respect of the following agreements:
- 2.4.1 The Framework Agreement; and
  - 2.4.2 all TO Construction Agreements<sup>1</sup>.
- 2.5 NGET shall enter into such novation agreement in (to the extent applicable) its own right, and also (to the extent applicable) on behalf of the Parties that are counterparties to the agreements referred to in paragraph 2.4.
- 2.6 Each Party hereby irrevocably and unconditionally authorises NGET to execute and deliver, on behalf of such Party, a novation agreement as envisaged by this section.
- 2.7 Each Party shall do all such things as NGET or NGESO may reasonably request in relation to the novation of the agreements referred to in paragraph 2.4 from NGET to NGESO.
- 2.8 All rights and obligations novated to NGESO from NGET pursuant to a novation in accordance with this section shall take effect on the Transfer Date without any requirement to follow the admission procedure or the party entry processes set out in Section B of the STC and this paragraph constitutes express provision for the purposes of Section B, paragraph 3.2.1 and applies notwithstanding Section G, paragraph 6.
- 2.9 A novation in accordance with this section shall not affect NGET's continuing status as a Party in its capacity as a Transmission Owner.

## **3. STC [000]: AMENDMENTS TO EXISTING AGREEMENTS AND DOCUMENTS**

- 3.1 Each existing TO Construction Agreement AND each existing Transmission Interface Agreement shall be read and construed, with effect from the Transfer Date, as if the defined terms within it, and the effect of those defined terms<sup>2</sup>, had been amended in

---

<sup>1</sup> Please consider whether there are any additional contracts that should be listed here.

<sup>2</sup> Consider making this wider than just the definitions – to review once new pro-formas are settled.

accordance with any changes to its corresponding proforma exhibit to the Post STC [000] STC. Each Party acknowledges and agrees that the provisions of this paragraph shall apply notwithstanding the provisions in the agreements as to variation of those agreements.

- 3.2 Each existing document issued by a Party in accordance with the terms of the Pre STC [000] STC shall be read and construed, with effect from the Transfer Date, as if any references in it to NGET in the context of its the system operator role were references to NGESO.

#### **4. ACCESSION OF NGET AS ONSHORE TRANSMISSION OWNER**

- 4.1 The Parties agree that effective on the Transfer Date NGET in its role as an Onshore Transmission Owner shall be deemed to have followed the process set out in Section B to accede to the STC in its role as an Onshore Transmission Owner and followed all due process.
- 4.2 NGET shall take such steps and do all things necessary or appropriate prior to the Transfer Date in order to ensure that it has provided such information as is required to the Panel Secretary and shall sign an Accession Agreement on the Transfer Date.

#### **5. STC [000]: TRANSITION**

- 5.1 Each Party shall take such steps and do such things [in relation to the STC and the existing TO Construction Agreements and Transmission Interface Agreements as are within its power and as are necessary or appropriate in order to give full and timely effect to the transfer of the system operator functions from NGET to [NGESO].
- 5.2 Each Party agrees that all things done by NGET prior to the Transfer Date (including but not limited to the making of offers, the provision of reports and statements and the serving of notices) shall be deemed to have been done by [NGESO] and all things received by NGET (including but not limited to applications and notices) shall be deemed to have been received by [NGESO].
- 5.3 NGET shall take such steps and do such things as a necessary or appropriate prior to the Transfer Date in order to ensure that all contracts and documents (including without limitation any Services Capability Specification or Connection Site Specification) required pursuant to the terms of the STC to govern the relationship between NGET and NGESO will be in place and take effect on the Transfer Date or as soon as reasonably practicable thereafter.

