Schedule 2, Exhibit 3 Part One and Part Two and Exhibit 3A (**Construction Agreement**)

1. The Following definitions will be added at Clause 1.1 of the **Construction Agreement**

|  |  |
| --- | --- |
| [“Gate 2 Date” | means [the date on which the Gate 2 Agreements are entered into by the User and The Company] [means the date at which the Gate 2 Agreements are entered into both by The Company and the User and the owner/operator of the Distribution System and The Company.**]** |
| [“Reservation Expiry Date” | [ ] being the date on which the Reservation expires.] |

1. The following optional Clauses will be added as Clause 1. 2 of the **Construction Agreement**

[*To include where the Construction Agreement Is A Gate 1 Agreement*

1.2 *If There Is No Reservation Applied* - GATED Application AND OFFER PRocess – GATE 1 Conditional Clause]

1.2.1 The rights and obligations of the **User** and **The Company** under this **Construction Agreement** [and the [**Bilateral Connection Agreement] [Bilateral Embedded Generation Agreement**]] are conditional on:

1.2.1.1 the **User** making a **Gate 2 Application**;

1.2.1.2 the **Gate 2 Application** meeting the **Gate 2 Criteria**; and

1.2.1.3 the **User** accepting the terms of the [**Gate 2 Offer];** *[and*

*in the case of a* ***BEGA****,*1.2.1.4 the owner/operator of the **Distribution System** accepting the related **Gate 2 Offer**.]

1.2.2 The parties agree that until the [**Gate 2 Date]**, the rights and obligations of each party pursuant to this **Construction** **Agreement** (other than this Clause 1.2**)** and in the **[Bilateral Connection Agreement] [Bilateral Embedded Generation Agreement]** shall be suspended.

1.2.3 The parties further agree that the information provided for the purposes of this **Gate 1 Agreement** [ and set out in [Appendix [O] to this **Construction Agreement** being a proposed [**Connection Site] [**Site of Connection] are indicative only prior to the [**Gate 2 Offer**] and shall not be binding on the parties or confer any commitment to these by **The Company** and any reliance on them for any purpose prior to the **Gate 2 Date** is at the **User’s** risk.

1.2.4 At any time prior to the **Gate 2 Date**, the **User** shall have the right to terminate this **Connection Agreement** by written notice to **The Company** without any liability for any [**Cancellation Charge**][**Final Sums]**.This right to terminate shall expire with effect from the **Gate 2 Date**.

1.2.5 With effect from the [**Gate 2 Date**] the provisions of this **Construction** **Agreement**, as amended by the [**Gate 2 Offer**]by agreement of the parties, shall be in full force and effect.

[1.2*If* ***Reservation*** *is applied*- **GATED APPLICATION AND OFFER PROCESS** – **GATE 1 CONDITIONAL CLAUSE AND RESERVATION]**

1.2.1 Subject to Clause 1.2.3, the rights and obligations of the **User** and **The Company** under this **Construction Agreement** and the **Bilateral Connection Agreement** are conditional on:

1.2.1.1 the **User** making a **Gate 2 Application**;

1.2.1.2 the **Gate 2 Application** meeting the **Gate 2 Criteria**; and

1.2.1.3 the **User** accepting the terms of the [**Gate 2 Offer];**

1.2.2 The parties agree that until the [**Gate 2 Date]**, the rights and obligations of each party pursuant to this **Construction** **Agreement** (other than this Clause 1.2 and 1.2.3)and in the **Bilateral Connection Agreement** are suspended.

1.2.3 The parties further agree that the **Connection Site** and **Completion Date** and [**Transmission Entry Capacity**] as set out in Appendix [O] to this **Construction Agreement** and the **Bilateral Connection Agreement** have been **Reserved** for the **User’s** project and any **Gate 2 Offer** will reflect this provided that the **Gate 2 Application** is made prior to the **Reservation Expiry Date**.

1.2.4 At any time prior to the **Gate 2 Date**, the **User** shall have the right to terminate this **Connection Agreement** by written notice to **The Company** without any liability for any [**Cancellation Charge**][**Final Sums]**.This right to terminate shall expire with effect from the **Gate 2 Date**.

1.2.5 With effect from the [**Gate 2 Date**] the provisions of this **Construction** **Agreement**, as amended by the [**Gate 2 Offer**]by agreement of the parties, shall be in full force and effect.

Schedule 2, Exhibit 3 Part Two (**Construction Agreement**)

1. The Following definition will be added at Clause 1.1 of the **Construction Agreement**

|  |  |
| --- | --- |
| [“Gate 2 Date” | means [the date on which the Gate 2 Agreements are entered into by the User and The Company] [means the date at which the Gate 2 Agreements are entered into both by The Company and the User and the owner/operator of the Distribution System and The Company.**]** |

1. The following optional Clause will be added as Clause 1.2 of the **Construction Agreement**

[*To include where the Construction Agreement Is A Gate 1 Agreement*

1.2 GATED Application AND OFFER PRocess – GATE 1 Conditional Clause]

1.2.1 The rights and obligations of the **User** and **The Company** under this **Construction Agreement** [and the [**Bilateral Connection Agreement]** are conditional on:

1.2.1.1 the **User** making a **Gate 2 Application**;

1.2.1.2 the **Gate 2 Application** meeting the **Gate 2 Criteria**; and

1.2.1.3 the **User** accepting the terms of the [**Gate 2 Offer].**

1.2.2 The parties agree that until the [**Gate 2 Date]**, the rights and obligations of each party to this **Construction** **Agreement** (other than this Clause 1.2**)** and in the **Bilateral Connection Agreement** shall be suspended.

1.2.3 The parties further agree that the information provided for the purposes of this **Gate 1 Agreement** [ and set out in the Appendix [O] to this **Construction Agreement** **Site [Site of Connection]** are indicative only prior to the [**Gate 2 Offer**] and shall not be binding on the parties or confer any commitment to these by **The Company** and any reliance on them for any purpose prior to the **Gate 2 Date** is at the **User’s** risk.

1.2.4 At any time prior to the **Gate 2 Date**, the **User** shall have the right to terminate this **Connection Agreement** by written notice to **The Company** without any liability for any **Final Sums**.This right to terminate shall expire with effect from the **Gate 2 Date**.

1.2.5 With effect from the [**Gate 2 Date**] the provisions of this **Construction** **Agreement**, as amended by the [**Gate 2 Offer**]by agreement of the parties, shall be in full force and effect.