

CUSC - SECTION 9
INTERCONNECTORS
CONTENTS

9.1 Introduction

PART I – CONNECTION TO THE NATIONAL ELECTRICITY
TRANSMISSION SYSTEM BY INTERCONNECTOR OWNERS

9.2 Connection – Introduction

9.3 Being Operational, Connection and Energisation

9.4 Export of Power from the Interconnector Connection Site

9.5 Import of Power to the Interconnector Connection Site

9.6 [no heading]

9.7 Maintenance of Transmission Connection Assets

9.8 Outages

9.9 Connection Charges

9.10 Special Automatic Facilities

9.11 Protection and Control Relay Settings / Fault Clearance Times

9.12 Other Site Specific Technical Conditions

9.13 Safety Rules

9.14 Interface Agreement

9.15 Principles of Ownership

9.16 Event of Default

9.17 New Connection Sites

PART II – USE OF THE NATIONAL ELECTRICITY TRANSMISSION
SYSTEM BY INTERCONNECTOR USERS AND INTERCONNECTOR
ERROR ADMINISTRATORS

9.18 Introduction

9.19 Rights to Use the National Electricity Transmission System

9.20 Use of System Application

9.21 Termination and Related Provisions

CUSC - SECTION 9

INTERCONNECTORS

9.1 INTRODUCTION

This Section 9 of the **CUSC** deals with **Interconnectors** other than **Distribution Interconnector Owners** (which are dealt with in Section 3). Part I provides for connection to the **National Electricity Transmission System** by an **Interconnector Owner** and Part II for use of the **National Electricity Transmission System** by **Interconnector Users** and **Interconnector Error Administrators**.

PART I - CONNECTION TO THE NATIONAL ELECTRICITY TRANSMISSION SYSTEM BY INTERCONNECTOR OWNERS

9.2 CONNECTION - INTRODUCTION

This Part I deals with connection to the **National Electricity Transmission System** by an **Interconnector Owner**. The **User** for the purposes of this Part I will therefore be the **Interconnector Owner**.

9.3 BEING OPERATIONAL, CONNECTION AND ENERGISATION

9.3.1 Right to Remain Connected

Subject to the other terms and conditions of the relevant **Bilateral Connection Agreement** and the **Grid Code** and any **Operating Agreement**, each **User** as between **The Company** and that **User** shall have the right for the **User's Equipment** to remain connected to the **National Electricity Transmission System** at the **Connection Site** of an **Interconnector** specified in the relevant **Bilateral Connection Agreement** once **Commissioned** and then for the duration of the relevant **Bilateral Connection Agreement** in relation to that **Connection Site**.

9.3.2 Right to Remain Energised and Operational

Subject to the other provisions of the **CUSC**, the **relevant Bilateral Connection Agreement** and the **Grid Code** and any **Operating Agreement** each **User** as between **The Company** and that **User** shall have the right for the **User's Equipment** at the **Connection Site** of an **Interconnector** to remain **Energised**

and **Operational** once **Commissioned** for the duration of the **Bilateral Connection Agreement** in relation to that **Connection Site**.

9.3.3 **Obligation to Remain Connected**

- (a) Without prejudice to its rights to make **Modifications** to the **User's Plant** (and/or **User's Equipment** as the case may be) pursuant to the **CUSC** and subject to the provisions of Paragraph 5.2 and the other provisions of the **CUSC**, the **Grid Code** and any **Operating Agreement**, the **User** shall keep the **User's Equipment** at the **Connection Site** of an **Interconnector** connected to the **National Electricity Transmission System** until **Decommissioning** or **Disconnection** is permitted pursuant to the **CUSC** and the relevant **Bilateral Connection Agreement**.
- (b) For as long as the **User** is connected to the **National Electricity Transmission System** and the **User's Equipment** is **Energised** and **Operational** the **User** shall ensure:
 - (i) that there is an **Interconnector Error Administrator** appointed in respect of that **Interconnector**; and
 - (ii) that any party with whom it enters into an agreement for use of that **Interconnector** is a party to the **CUSC** and is in receipt of a **Use of System Interconnector Confirmation Notice** prior to and during its use of that **Interconnector**.

9.4 **EXPORT OF POWER FROM THE INTERCONNECTOR CONNECTION SITE**

Subject to the other provisions of the **CUSC**, the relevant **Bilateral Connection Agreement** and the **Grid Code** and any **Operating Agreement**, **The Company** shall accept into the **National Electricity Transmission System** at the **Connection Site** of an **Interconnector** power up to the **Transmission Entry Capacity** and (if any) **STTEC** and/or **LDTEC** and/or any **Temporary Received TEC** less any **Temporary Donated TEC** for the relevant **Period** as specified in Appendix C to the relevant **Bilateral Connection Agreement** except to the extent (if any) that **The Company** is prevented from doing so by transmission constraints which could not be avoided by the exercise of **Good Industry Practice**.

9.5 **IMPORT OF POWER TO THE INTERCONNECTOR CONNECTION SITE**

Subject to the other provisions of the **CUSC**, the relevant **Bilateral Connection Agreement**, the **Grid Code** and any **Operating Agreement**, **The Company** shall transport a supply of power to a **Connection Site** of an **Interconnector** through the **National Electricity Transmission System** up to the amount specified in the **Bilateral Connection Agreement** except to the extent (if any) that **The Company** is prevented from doing so by transmission constraints which could not be avoided by the exercise of **Good Industry Practice** by **The Company**.

- 9.6 The **User** shall not permit the transfer of any amount of electricity onto the **National Electricity Transmission System** in excess of the **Transmission Entry Capacity** and (if any) **STTEC** and/or **LDTEC** and/or any **Temporary Received TEC** less any **Temporary Donated TEC** for the relevant **Period** specified in Appendix C to the relevant **Bilateral Connection Agreement** or permit the taking of any amounts of electricity off the **National Electricity Transmission System** in excess of the value as specified in Appendix C to the relevant **Bilateral Connection Agreement** save as expressly permitted or instructed pursuant to an **Emergency Instruction** under the **Grid Code** or save as expressly permitted pursuant to any **Operating Agreement** or the **Fuel Security Code** or as may be necessary or expedient in accordance with **Good Industry Practice**.

9.6A Connection Entry Capacity

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

9.7 MAINTENANCE OF TRANSMISSION CONNECTION ASSETS

Subject to the other provisions of the **CUSC**, the relevant **Bilateral Connection Agreement**, the **Grid Code** and any **Operating Agreement**, **The Company** shall use all reasonable endeavours to maintain the **Transmission Connection Assets** at each **Connection Site** of an **Interconnector** in the condition necessary to render the same fit for the purpose of passing power up to the **Connection Entry Capacity** specified in Appendix C to the **Bilateral Connection Agreement** as appropriate between the

User's Equipment and the National Electricity Transmission System.

9.8 OUTAGES

Subject to the provisions of the **Grid Code** and any **Operating Agreement**, **The Company** and the **User** shall as between themselves be entitled to plan and execute outages of parts of, in the case of **The Company**, the **National Electricity Transmission System** or **Transmission Plant** or **Transmission Apparatus** and, in the case of the **User**, its **System** or **Plant** or **Apparatus** at any time and from time to time.

9.9 CONNECTION CHARGES

9.9.1 Connection Charges

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

9.9.2 Obligation to provide Security

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

9.9.3 Outturn Reconciliation

- (a) The following provisions relate to the ability for invoices to be issued for **Connection Charges** based on an estimate of the cost of **Transmission Connection Asset Works**, and for a reconciliation once those costs are known.
- (b) **The Company** shall be entitled to invoice the **User** for **Connection Charges** payable in accordance with the **CUSC** in respect of any **Plant** and **Apparatus** installed as part of the **Transmission Connection Asset Works** on the basis set out in the **Statement of the Connection Charging Methodology**, until the final cost of carrying out the said **Transmission Connection Asset Works** shall have been determined.

- (c) As soon as practicable after the **Completion Date** and in any event within one year thereof **The Company** shall provide to the **User** a written statement specifying the **Connection Charges** calculated in accordance with the **Charging Statements** based on the cost of carrying out the **Transmission Connection Asset Works** (the “**Cost Statement**”). **The Company** shall be entitled to revise Appendix B to the relevant **Bilateral Connection Agreement** accordingly.
- (d) In the event that the **Connection Charges** specified in the **Cost Statement** are greater than the amount paid by the **User** based on **The Company’s** estimate under Paragraph 2.14.3(b), the **User** shall pay to **The Company** the difference between the two amounts plus interest on a daily basis from the date of payment by the **User** of the amounts calculated on **The Company’s** estimate to the date of payment by the **User** of the difference at the **Base Rate**. In the event that the **Connection Charges** specified in the **Cost Statement** are less than the amount paid by the **User** based on **The Company’s** estimate, **The Company** shall pay to the **User** the difference between the two amounts plus interest on a daily basis from the date of payment by the **User** of the amounts calculated on **The Company’s** estimate to the date of repayment by **The Company** at the **Base Rate**. Such payment of reconciliation shall be made by one party to the other within 28 (twenty eight) days of the **Cost Statement**.

9.9.4 Connection Charges – One-off Charges

- (a) The following provisions relate to the payment for certain **One-off Works**, which arise in relation to the construction of a **Connection Site**.
- (b) The **User** shall forthwith on the relevant date set out in the relevant **Bilateral Connection Agreement** be liable to pay to **The Company** the **One-off Charge** (if any) as set out in the relevant **Bilateral Connection Agreement**.
- (c) **The Company** shall invoice the **User** for an amount equal to **The Company’s** estimate of the **One-off Charge** before, on or after the relevant date set out in the relevant **Bilateral Connection Agreement** and the **User** shall pay to **The Company** the amount stated in **The Company** invoice at the later of such relevant date or 28 (twenty eight) days after the date of the said invoice.
- (d) As soon as practicable thereafter **The Company** shall provide the **User** with a statement of the **One-off Charge**.

In the event of the amount specified in the statement being more than the amount paid by the **User** to **The Company** in terms of Paragraph 2.14.4(c), the **User** shall pay to **The Company** the difference plus interest on a daily basis from the date of the invoice under Paragraph 2.14.4(c) to the date of invoice for the difference at the **Base Rate** from time to time within 28 days (twenty eight) days of the date of **The Company's** invoice. In the event of the amount specified in the statement being less than the amount paid by the **User** under the terms of Paragraph 2.14.4(c), **The Company** shall forthwith pay to the **User** an amount equal to the difference plus interest calculated on a daily basis at the **Base Rate** from the date of payment by the **User** under Paragraph 2.14.4(c) to the date on which the difference is repaid by **The Company**.

9.9.5 Connection Charges – Site Specific Maintenance Charge

- (a) **The Company** shall be entitled to invoice each **User** for the indicative **Site Specific Maintenance Charge** in each **Financial Year** as set out in the **Statement of the Connecting Charging Methodology**.
- (b) As soon as reasonably practicable and in any event by 31 July in each **Financial Year** **The Company** shall:
 - (i) in accordance with the **Statement of the Connection Charging Methodology** calculate the actual **Site Specific Maintenance Charge** that would have been payable by the **User** during the preceding **Financial Year** (the “**Actual Charge**”) and compare this with the indicative **Site Specific Maintenance Charge** received from the **User** during the preceding **Financial Year** (the “**Notional Charge**”) and
 - (ii) prepare and send to the **User** a **Maintenance Reconciliation Statement** specifying the **Actual Charge** and the **Notional Charge** for the preceding **Financial Year**.
- (c) Two months after the date of issue of the **Maintenance Reconciliation Statement** and in any event by 30 September **The Company** shall issue a credit note in relation to any sums shown by the **Maintenance Reconciliation Statement** to be due to the **User** or an invoice in respect of sums due to **The Company** (such invoice to be payable within 30 days of the date of the invoice) and in each case interest thereon calculated pursuant to Paragraph 9.9.5(e) below.

- (d) Interest on all amounts due under this Paragraph 9.9.5 shall be payable by the paying **CUSC Party** to the other on such amounts from the date of payment applicable to the month concerned until the date of invoice for such amounts and such interest shall be calculated on a daily basis at a rate equal to the **Base Rate** during such period.

9.9.6 Payment

The **Connection Charges** in the **Financial Year** in which the **Charging Date** occurs shall be apportioned as follows:-

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

- 9.9.7 The provisions of Paragraphs 2.15 (Revision of Charges), 2.16 (Data Requirements), 2.17 (Replacement of Transmission Connection Assets), 2.18 Termination Amounts Re-use) and 2.19 to 2.22 inclusive (Security and Termination Amounts) of the **CUSC** shall apply to this Section 9 as if set out herein in full.

9.10 SPECIAL AUTOMATIC FACILITIES

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

9.11 PROTECTION AND CONTROL RELAY SETTINGS/FAULT CLEARANCE TIMES

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

9.12 OTHER SITE SPECIFIC TECHNICAL CONDITIONS

- 9.12.1 The **User** shall ensure that, in the case of a **Connection Site Commissioned** prior to the **Transfer Date**, on the **Transfer Date**,

and in the case of a **Connection Site Commissioned** after the **Transfer Date**, on the **Completion Date(s)**, the **User's Equipment** complies with the site specific technical conditions set out in Appendix F5 to the relevant **Bilateral Connection Agreement** and/or in the relevant **Operating Agreement**.

9.12.2 The **User** shall use all reasonable endeavours to ensure during the period in which it is a party to a particular **Bilateral Connection Agreement** that the **User's Equipment** which is subject to that **Bilateral Connection Agreement** shall continue to comply with the site-specific technical conditions set out in Appendix F5 to that **Bilateral Connection Agreement** and/or in the relevant **Operating Agreement**.

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

- (a) under Appendix F4 to the relevant **Bilateral Connection Agreement** it may do so upon obtaining the agreement of the other party such agreement not to be unreasonably withheld;
- (b) under Appendices F1 or F3 or F5 to the relevant **Bilateral Connection Agreement** it shall be deemed to be a **Modification** for the purposes of the **CUSC**.

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

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

the **User** shall, as between **The Company** and that **User**, use all reasonable endeavours to ensure that during the period of such

Bilateral Connection Agreement the **User's Equipment** which is subject to that **Bilateral Connection Agreement** retains such technical attributes or facilities provided always that if the **User** wishes to modify alter or otherwise change the same or their operation it may do so by following the procedures relating to a **Modification** in accordance with the **CUSC**.

9.13 SAFETY RULES

9.13.1 In relation to a **Connection Site Onshore** **The Company** shall procure that the **Relevant Transmission Licensee** supplies to the **User** a copy of their **Safety Rules** current from time to time, including any site-specific **Safety Rules**, and also a copy of the **Local Safety Instructions** applicable at each **Connection Site** from time to time.

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

9.14 INTERFACE AGREEMENT

9.14.1 In relation to **Connection Sites** and **New Connection Sites Onshore** **The Company** shall procure that the **Relevant Transmission Licensee** shall enter into an **Interface Agreement** with a **User** in either case in a form to be agreed between them but based substantially on the forms set out in Schedule 2 as appropriate where such **Interface Agreement(s)** is/are required pursuant to the applicable **Bilateral Connection Agreement** or otherwise.

9.14.2 In relation to **Connection Sites** and **New Connection Sites Onshore** the **User** undertakes to enter into an **Interface Agreement** with the **Relevant Transmission Licensee** in a form to be agreed between them but based substantially on the forms set out in Exhibit O to the **CUSC** as appropriate where such **Interface Agreement(s)** is/are required pursuant to the applicable **Bilateral Connection Agreement** or otherwise.

9.15 PRINCIPLES OF OWNERSHIP

9.15.1 Subject to any contrary agreement in any **Bilateral Connection Agreement** or elsewhere, the division of ownership of **Plant** and **Apparatus** shall be at the electrical boundary, such boundary to be in relation to **Plant** and **Apparatus** located between the **National Electricity Transmission System** and an **Interconnector** at the busbar clamp on the busbar side of the

busbar isolators in the **Interconnector** transformer circuits at a **Connection Site**.

- 9.15.2 For the avoidance of doubt nothing in this Paragraph 9.16 shall effect any transfer of ownership in any **Plant** or **Apparatus**.

9.16 EVENT OF DEFAULT

- 9.16.1 Where **The Company** has given notice of event of default to an **Interconnector User** or **Interconnector Error Administrator** in accordance with Section 5 **The Company** shall be entitled to request the **User** to cease or procure the cessation of the transfer of power across the relevant **Interconnector** by or on behalf of that **Interconnector User** or **Interconnector Error Administrator**.

- 9.16.2 As soon as practicable after such request from **The Company** the **User** shall cease or procure the cessation of the transfer of power across the relevant **Interconnector** by or on behalf of that **Interconnector User**.

9.17 NEW CONNECTION SITES

- 9.17.1 If the **User** wishes to connect a **New Connection Site** it shall complete and submit to **The Company** a **Connection Application** in accordance with the **Gated Application and Offer Process** and comply with the terms thereof.

- 9.17.2 The **Connection Application** and **Connection Offer** shall be processed in accordance with the **Gated Application and Offer Process**.

- 9.17.2A An application for a **New Connection Site** which is a **Gate 1 Application** shall include the provision of a **Letter of Acknowledgement**.

The **Applicant** shall ensure that a **Letter of Acknowledgement** shall pertain to the **New Connection Site** if this is known and otherwise shall be a general acknowledgement of the project and its offshore nature as set out in the **Connection Application** by reference to the offshore specific guidance in the **LoA Guidance**.

- 9.17.3 The **Connection Offer** shall remain open for acceptance (subject to **CUSC** Paragraph 6.10.4.4) for 3 months from its receipt by that **User** unless either that **User** or **The Company** makes an application to the **Authority** under condition E13 of the **ESO Licence**, in which event the **Connection Offer** shall remain open for acceptance until the date 14 days after any determination by the **Authority** pursuant to such application.

- 9.17.4 If the **Connection Offer** is accepted by that **User** the connection shall proceed according to the terms of the **CUSC** and the relevant **Bilateral Connection Agreement** and **Construction Agreement** entered into consequent upon acceptance of the **Offer**.

PART II - USE OF THE NATIONAL ELECTRICITY TRANSMISSION SYSTEM BY INTERCONNECTOR USERS AND INTERCONNECTOR ERROR ADMINISTRATORS

9.18 INTRODUCTION

This Part II deals with rights and obligations relating to use of the **National Electricity Transmission System** by **Interconnector Users** and **Interconnector Error Administrators**. An **Interconnector Error Administrator** is deemed to be using the **National Electricity Transmission System** because of its registered **BM Units**. The **User** for the purposes of this Part II will therefore be an **Interconnector User** and/or an **Interconnector Error Administrator**. Where the **Interconnector Error Administrator** is **The Company**, the **User** for the purposes of this Part II will be **The Company**.

9.19 RIGHTS TO USE THE NATIONAL ELECTRICITY TRANSMISSION SYSTEM

- 9.19.1 Subject to the provisions of the **CUSC**, the **Grid Code** and any relevant **Operating Agreement** **The Company** shall as between **The Company** and that **User** transport a supply of power through the **National Electricity Transmission System** together with such margin as **The Company** shall in its reasonable opinion consider necessary having due regard to **The Company's** duties under the **ESO Licence** except to the extent (if any) that **The Company** is prevented from doing so by transmission constraints or by insufficiency of generation which, in either case, could not have been avoided by the exercise of **Good Industry Practice** by **The Company**.
- 9.19.2 This right is subject to there being a **Bilateral Connection Agreement** between the **Interconnector Owner** and **The Company** for the **Connection Site** of the relevant **Interconnector**.
- 9.19.3 The **User** acknowledges that breach of the provisions of the **CUSC** by an **Interconnector Owner** may give rise to **Deenergisation** or **Disconnection** of the **Connection Site** of that **Interconnector** pursuant to Section 5.
- 9.19.4 Subject to the provisions of the **Grid Code** and any **Operating Agreement** **The Company** shall be entitled to plan and execute

outages of parts of the **National Electricity Transmission System** or **Transmission Plant** or **Transmission Apparatus** at any time and from time to time.

9.20 USE OF SYSTEM APPLICATION

- 9.20.1 If a **User** wishes to use the **National Electricity Transmission System** in accordance with this Part II, it shall complete and submit to **The Company** a **Use of System Application** and comply with the terms thereof.
- 9.20.2 Without prejudice to condition E12 of the **ESO Licence**, **The Company** shall make a **Use of System Offer** to that prospective **User** as soon as practicable after receipt of the **Use of System Application** and (save where the **Authority** commits to a longer period) in any event not more than 28 days after receipt by **The Company** or the **Use of System Application**.
- 9.20.3 The **Use of System Offer** shall be in the form of **Use of System Interconnector Offer Notice**. The provisions of condition E12 of the **ESO Licence** shall apply to an application by a **User** under this Section 9 Part II as if the **Use of System Interconnector Offer Notice** and **Use of System Interconnector Confirmation Notice** was an agreement for the purposes of that condition.
- 9.20.4 The **Use of System Interconnector Offer** shall remain open for acceptance for 28 days from its receipt by that **User** unless either that **User** or **The Company** makes an application to the **Authority** under condition E13 of the **ESO Licence**, in which event the **Use of System Interconnector Offer Notice** shall remain open for acceptance until the date 14 days after any determination by the **Authority** pursuant to such application.
- 9.20.5 Upon acceptance of the **Use of System Interconnector Offer** (as offered by **The Company** or determined by the **Authority**) by the **User** and the issuing by **The Company** of a **Use of System Interconnector Confirmation Notice**, the **User** shall have the right to use the **National Electricity Transmission System** in accordance with this Section. Such right shall continue until a **Use of System Termination Notice** is submitted pursuant to Paragraph 9.23.1 or the use ceases in accordance with 9.23.2.
- 9.20.6 Such rights shall be conditional upon the **Applicant**, if it is not already a party to the **CUSC Framework Agreement**, becoming a party to the **CUSC Framework Agreement**.

9.21 TERMINATION AND RELATED PROVISIONS

9.21.1 A **User** may terminate its use of the **National Electricity Transmission System** by giving **The Company** a **Use of System Termination Notice** not less than 28 days prior to such termination of use and the right to use the **National Electricity Transmission System** shall cease upon the termination date in the **Use of System Termination Notice**.

9.21.2.1 Use shall cease forthwith upon:

- (a) There ceasing to be a **Bilateral Connection Agreement** for the **Connection Site** of the relevant **Interconnector**;
- (b) disconnection of the **Connection Site** of the relevant **Interconnector** pursuant to Section 5;
- (c) an **Event of Default** by the **User** as provided for in Section 5.

9.21.2.2 Use shall be suspended for the period of any **Deenergisation** of the **Connection Site** of the relevant **Interconnector** pursuant to the **CUSC**.

PART III - INTERCONNECTORS ADJUSTMENT PAYMENTS

9.22 INTRODUCTION

This Part III deals with **Interconnector Adjustment Payments**. The **User** for the purposes of this Part III will therefore be the **Interconnector Owner**.

9.23 DATA EXCHANGE FOR CHARGE SETTING

9.23.1 This section sets out when a **User** shall provide its best estimates of the Interconnector Adjustment Payments to **The Company** which is required so that **The Company** can calculate **Transmission Network Use of System Charges** and the date by which the **User** shall provide a statement to the **Authority** of the estimates sent to **The Company**.

9.23.2 By 1 November 2017 and then by 1 November in each subsequent **Financial Year**, each **User** will provide **The Company** with a best forecast of its **Interconnector Adjustment Payments** for that **Financial Year** and the following **Financial Year**. The **User** will update and provide a final forecast of the **Interconnector Adjustment Payments** for that and the following **Financial Year** by each 25 January.

- 9.23.3 On or before 25 January in 2018 and each following **Financial Year** (or such later date as the **Authority** may direct) the **User** shall provide a statement to the **Authority** of the forecast provided to **The Company** under Paragraph 9.23.2 for the previous **Financial Year**.

9.24 REVENUE FORECAST INFORMATION PROVISION

- 9.24.1 This section describes the data exchange process between **The Company** and the **User**, which is required so that **The Company** can regularly publish the forecast annual revenue used in the calculation of **Transmission Network Use of System Charges** over a five year period, so that parties that pay **Transmission Network Use of System Charges** can understand future changes.
- 9.24.2 Each **User** will report or forecast their **Interconnector Adjustment Payments** for the current **Financial Year** and each of the next five **Financial Years** on a nominal price basis (money of the day), and provide this data and narrative by e-mail no later than the close of the 5th business day each February and October.
- 9.24.3 All financial values will be supplied to the nearest £100k.
- 9.24.4 Each **User** will provide contact details with respect to answering any query with regards to their data.
- 9.24.5 Each **User** shall provide all necessary assistance in response to any reasonable query from **The Company** regarding the data submitted by that **User**.

9.25 USE OF SUBSTITUTE DATA

- 9.25.1 Under Paragraphs 9.23 and 9.24 where no data is provided by the **User** or the data is subject to dispute, **The Company** shall use, for the purposes of calculating or forecasting the **Transmission Network Use of System Charges**, the data that it believes to be the most accurate until **The Company** is satisfied with the data provided or any dispute has been resolved.
- 9.25.2 For the avoidance of doubt, the use of substitute data as referred to in paragraph 9.25.1 will not affect the invoicing of **The Company** by the **User**, or the **User** by **The Company**.
- 9.25.3 Where **The Company** has used substitute data, **The Company** shall notify the relevant **User**.

- 9.25.4 If applicable, once any dispute has been resolved, charges shall be revised on the basis of the appropriate data.

9.26 INVOICING (PAYMENT TO THE USER)

- 9.26.1 This section describes the process applied when **Interconnector Adjustment Payments** are made from **The Company** to the **User** in a given **Financial Year**.

- 9.26.2 The **User** shall receive payment from **The Company** for the **Interconnector Adjustment Payments** in monthly instalments. By 1 October each year **The Company** shall email the **User** requesting a forecast of their **Interconnector Adjustment Payments** for the following **Financial Year** only. The **Interconnector** shall email **The Company**, on or before 1st November each year, their forecast of the **Interconnector Adjustment Payments** for the following **Financial Year**. Revisions to the **Interconnector Adjustment Payments** can be made up to 25th January each year for the following **Financial Year**.

- 9.26.3 The amount forecast in Paragraph 9.26.2 shall be accompanied by an invoicing schedule to detail the annual and monthly amounts for **Interconnector Adjustment Payments** as defined in the **Interconnector** Licences.

- 9.26.4 The **User** shall invoice **The Company** equal amounts over the remaining months of the **Financial Year**, matching the amounts shown in the schedule provided under Paragraph 9.26.3 and totalling the annual **Interconnector Adjustment Payments**. **The Company** shall pay the recurrent monthly **User** invoice on the later of

- (a) the 15th day following the day that the **User's** invoice was despatched; and
- (b) the 16th day of the month to which the invoiced payments relate,
- (c) unless, in such case, such payment day is not a **Business Day** in which case payment shall be made on the next **Business Day**.

- 9.26.5 Paper invoices will be despatched by post, and supported by email, where feasible, to **The Company**. The **User's** bank account details shall be included with each monthly invoice.

- 9.26.6 All payments will be by BACS.
- 9.26.7 Only under exceptional circumstances, can **Interconnector Adjustment Payments** from **The Company** be changed after final notification on 25th January. Exceptional circumstances mean an event or circumstance that is beyond the reasonable control of the licensee and for which it should not reasonably bear the financial risk.

9.27 PAYMENT (PAYMENT TO THE COMPANY)

- 9.27.1 This section describes the process for when **Interconnector Adjustment Payments** are made from the **User** to **The Company** in a given **Financial Year**.
- 9.27.2 **The Company** shall receive payment of the **Interconnector Adjustment Payments** from the **User** in monthly instalments. By 1 October each year **The Company** shall email the **User** requesting a forecast of their **Interconnector Adjustment Payments** for the following **Financial Year**. The **User** shall email **The Company**, on or before 1st November each year, their forecast of the **Interconnector Adjustment Payments** for the following **Financial Year** only. Revisions to the **Interconnector Adjustment Payments** can be made up to 25th January each year for the following **Financial Year**.
- 9.27.3 The amount forecast in Paragraph 9.27.2 shall be accompanied by an invoicing schedule to detail the annual and monthly amounts for **Interconnector Adjustment Payments**.
- 9.27.4 **The Company** shall invoice the **User** equal amounts over the remaining months of the **Financial Year**, matching the amounts shown in the schedule provided under Paragraph 9.27.3 and totalling the annual **Interconnector Adjustment Payments**. The **User** shall pay the recurrent monthly **Company** invoice on the later of
- (a) the 15th day following the day that **The Company's** invoice was despatched; and
 - (b) the 16th day of the month to which the invoiced payments relate,
 - (c) unless, in such case, such payment day is not a **Business Day** in which case payment shall be made on the next **Business Day**.
- 9.27.5 Paper invoices will be despatched by post, and supported by email, where feasible, to the **User**. **The Company's** bank account details shall be included with each monthly invoice.

9.27.6 All payments will be by BACS.

9.27.7 Only under exceptional circumstances, can **Interconnector Adjustment Payments to The Company** be changed after final notification on 25th January. Exceptional circumstances mean an event or circumstance that is beyond the reasonable control of the licensee and for which it should not reasonably bear the financial risk.

END OF SECTION 9