

Condition C18. Requirement to offer terms for connection or use of the GB transmission system during the transition period

1. The principal objectives of this condition are to ensure that, to the extent possible, the licensee shall, in accordance with the requirements of this condition:

(a) have agreements governing connection to or use of the GB transmission system with all existing users by the BETTA go-live date; and

(b) make offers for connection to or use of the GB transmission system to all applicants in accordance with the timescales specified in paragraph 7 below,

each such agreement and offer, as appropriate, to take account of and be consistent with:

(i) the licensee's obligations under this condition, including the licensee's obligations under Schedule 1 to this condition;

(ii) subject to (i), those obligations which it is, at the relevant time, known (or reasonably anticipated) are to be imposed on the licensee by this licence on and from the BETTA go-live date and which would, had the agreement been entered into or the offer been made after the BETTA go-live date, have applied to that agreement or offer, as appropriate.

2. Without prejudice to its obligations under condition B13 (BETTA implementation), the licensee shall take such steps and do such things as are necessary or requisite and as are within its power to secure the achievement of the principal objectives described in paragraph 1 above.

3. The licensee shall, in the manner provided for in Section 12 of the CUSC (save that, in the event of any conflict between the provisions of Section 12 of the CUSC and the provisions of this condition, the provisions of this condition shall prevail) and unless otherwise directed by the Authority:

- (a) offer to enter into agreements to connect to or use the GB transmission system with all existing Scottish users, which agreements shall comply and be consistent with the provisions of this condition;
 - (b) offer to amend such of the existing agreements between it and existing other users for connection to or use of the licensee's transmission system as are necessary to ensure that all of those agreements will, with effect from the BETTA go-live date, become agreements for connection to or use of the GB transmission system and will otherwise be modified such that those agreements comply and are consistent with the provisions of this condition; and
 - (c) subject to paragraph 8 below, offer to enter into agreements to connect to or use the GB transmission system with all applicants, which agreements shall comply and be consistent with the provisions of this condition.
- 4. To enable the licensee to comply with paragraph 3 above, the licensee shall, unless otherwise directed by the Authority and, in the case of applicants, subject to paragraph 8 below, offer to enter into:
 - (a) the CUSC Framework Agreement (where the relevant person is not already a party to such agreement); and
 - (b) to the extent appropriate, such other agreements as are provided for in the CUSC,with each existing user and each applicant.
- 5. Each offer which the licensee makes to an existing Scottish user or an existing Scottish applicant pursuant to paragraph 3 above shall:
 - (a) reflect any associated TO offer which relates to that offer and, to the extent appropriate, Section I Information;

- (b) take account of and be consistent with the licensee's obligations under this condition, including the licensee's obligations under Schedule 1 to this condition;
- (c) in the case of each existing Scottish user, reflect a Connection Entry Capacity and Transmission Entry Capacity which are, to the extent practicable, equal to that existing Scottish user's equivalent rights under the relevant existing agreement between it and a Scottish licensee;
- (d) subject to sub-paragraphs (b), (c) and (f), take account of and be consistent with those obligations which it is, at the relevant time, known (or reasonably anticipated) are to be imposed on the licensee by this licence on and from the BETTA go-live date and which would, had the offer been made after the BETTA go-live date, have applied to that offer;
- (e) where that offer is for connection, and to the extent appropriate, make detailed provision regarding the connection charges to be paid to the licensee, such charges:
 - (i) to be presented in such a way as to be referable to the GB connection charging methodology (or, in respect of any offer made prior to 1 February 2005 or such later date as the Authority may direct for these purposes, the licensee's best estimate thereof) or any revision thereof;
 - (ii) where the licensee has, in accordance with sub-paragraph (e)(i) above, relied upon an estimate of the GB connection charging methodology, to be updated, as necessary, so as to be referable to the GB connection charging methodology as soon as reasonably practicable after it is available;
 - (iii) to be set in conformity with the requirements of paragraph 8 of standard condition C6 (Connection charging methodology) and (where relevant) paragraph 4;

(f) save where the Authority otherwise directs, reflect the division of ownership of Plant and Apparatus provided for in:

(i) the relevant existing agreement between a Scottish licensee and that existing Scottish user; or

(ii) any offer made or to be made by a Scottish licensee to that existing Scottish applicant, and

(g) contain such further terms as are or may be appropriate for the purpose of the agreement, taking account, in the case of existing Scottish users, of :

(i) any rights afforded to and any restrictions imposed upon the relevant person pursuant to any existing agreement for connection or use of system, as appropriate; ~~or~~

(ii) any rights afforded to and any restrictions imposed upon the relevant person pursuant to any agreement for connection or use of system, as appropriate, that has been run-off pursuant to standard condition B14 (BETTA run-off arrangements scheme).

to the extent that the same have been notified to the licensee and the licensee is able to continue to offer such rights or impose such restrictions and there are no grounds upon which the licensee may reasonably object to such rights or restrictions being reflected in the offer being made by it to the relevant existing Scottish user (or in any subsequent agreement).

6. Each offer which the licensee makes to an existing other user or an existing other applicant pursuant to paragraph 3 above shall:

(a) reflect any associated TO offer which relates to that offer;

- (b) take account of and be consistent with the licensee's obligations under this condition, including its obligations under Schedule 1 to this condition;
- (c) in the case of each existing other user, reflect the Connection Entry Capacity and Transmission Entry Capacity which apply under the relevant existing agreement between that existing other user and the licensee;
- (d) subject to sub-paragraphs (b), (c) and (f), take account of and be consistent with those obligations which it is, at the relevant time, known (or reasonably anticipated) are to be imposed on the licensee by this licence on and from the BETTA go-live date and which would, had the offer been made after the BETTA go-live date, have applied to that offer; and
- (e) where that offer is for connection, and to the extent appropriate, make detailed provision regarding the connection charges to be paid to the licensee, such charges:
 - (i) to be presented in such a way as to be referable to the GB connection charging methodology (or, in respect of any offer made prior to 1 February 2005 or such later date as the Authority may direct for these purposes, the licensee's best estimate thereof) or any revision thereof;
 - (ii) where the licensee has, in accordance with sub-paragraph (f)(i) above, relied upon an estimate of the GB connection charging methodology, to be updated, as necessary, so as to be referable to the GB connection charging methodology as soon as reasonably practicable after it is available;
 - (iii) to be set in conformity with the requirements of paragraph 8 of standard condition C6 (Connection charging methodology) and (where relevant) paragraph 4;

- (f) save where the Authority otherwise directs, reflect the division of ownership of Plant and Apparatus provided for in:
 - (i) the relevant existing agreement between the licensee and that existing other user; or
 - (ii) any offer made or to be made by the licensee to that existing other applicant; and
- (g) contain such further terms as are or may be appropriate for the purpose of the agreement, taking account, in the case of existing other users, of:
 - (i) any rights afforded to and any restrictions imposed upon the relevant person pursuant to any existing agreement for connection or use of system, as appropriate, ~~and~~; or
 - (ii) any rights afforded to and any restrictions imposed upon the relevant person pursuant to any agreement for connection or use of system, as appropriate, that has been run-off pursuant to standard condition B14 (BETTA run-off arrangements scheme).

to the extent that the licensee is able to continue to offer such rights or impose such restrictions and there are no grounds upon which the licensee may reasonably object to such rights or restrictions being reflected in the offer being made by it to the relevant existing other user (or in any agreement between it and that relevant user).

7. The licensee shall make an offer in accordance with paragraph 3 above:
- (a) (i) to the extent required to comply with paragraph 3, to each existing other user; and
 - (ii) to each existing Scottish user whose details have been provided to the licensee in accordance with Section I of the STC,

as soon as reasonably practicable after the date upon which this condition takes effect in the licensee's licence and, in any event, by 1 February 2005 or such later date as the Authority may direct for these purposes;

(b) to each existing other applicant as soon as reasonably practicable and in any event (except where the Authority consents to a longer period) within:

(i) 3 months of the later of (aa) 1 January 2005 and (bb) the earliest date upon which the licensee is in receipt of an application from that existing other applicant for connection to the licensee's transmission system containing all such information as the licensee may reasonably require for the purpose of formulating the terms of its offer; or

(ii) 28 days of the later of (aa) 1 January 2005 and (bb) the earliest date upon which the licensee is in receipt of an application from that existing other applicant for use of the licensee's transmission system containing all such information as the licensee may reasonably require for the purpose of formulating the terms of its offer;

(c) to each existing Scottish applicant as soon as reasonably practicable and in any event (except where the Authority consents to a longer period) within:

(i) 3 months of the later of (aa) 1 January 2005 and (bb) the earliest date upon which the licensee is in receipt of a notification from a Scottish licensee in accordance with condition D15 (Obligations relating to the preparation of TO offers during the transition period) that that Scottish licensee has received an application for connection containing all such information as that Scottish licensee reasonably requires for the purpose of formulating the terms of its offer to that existing Scottish applicant; or

(ii) 28 days of the later of (aa) 1 January 2005 and (bb) the earliest date upon which the licensee is in receipt of a notification from a Scottish licensee in accordance with condition D15 (Obligations relating to the preparation of TO offers during the transition period) that that Scottish licensee has received an application for use of system containing all such information as that Scottish licensee reasonably requires for the purpose of formulating the terms of its offer to that existing Scottish applicant.

8. The licensee shall not be obliged pursuant to this condition to offer to enter or to enter into any agreement with any applicant if:

- (a) to do so would be likely to involve the licensee:
 - (i) in breach of its duties under section 9 of the Act;
 - (ii) in breach of any regulations made under section 29 of the Act or of any other enactment relating to safety or standards applicable in respect of the transmission business;
 - (iii) in breach of the Grid Code; or
 - (iv) in breach of the conditions; or
- (b) the person to whom the offer is being made does not undertake to be bound insofar as applicable by the terms of the Grid Code or the CUSC from time to time in force; or
- (c) in the case of offers for use of system, the person to whom the offer is being or is to be made ceases to be an authorised electricity operator; or
- (d) a Scottish licensee has notified the licensee that under paragraph 5 of condition D15 (Obligations relating to the preparation of TO offers during the transition period) it is not obliged to offer to enter or to enter

into any agreement in response to the application or notification, as appropriate.

9. Each offer made by the licensee to:
 - (a) an existing Scottish user or an existing other user pursuant to paragraph 3 above shall be open for acceptance for a minimum period of one month (or such longer period as the Authority may direct for these purposes) from the date that it is received by that existing Scottish user or existing other user, as appropriate; and
 - (b) an applicant pursuant to paragraph 3 above shall be open for acceptance for a minimum period of three months.
10. If the licensee and any applicant or existing user fail to agree upon the terms of an agreement based upon an offer made pursuant to this condition, the Authority may, pursuant to section 7(3)(c) of the Act and on application of the licensee, an applicant or an existing user, settle any terms in dispute in such manner as appears to the Authority to be reasonable.
11. If an application is made to the Authority as provided at paragraph 10 above, the licensee shall:
 - (a) notify the Authority of:
 - (i) any associated TO offer which relates to the agreement which is the subject of that application;
 - (ii) any Section I Information which relates to the agreement which is the subject of that application;
 - (iii) any transmission licensee (other than a transmission licensee who has made a TO offer or who is affected by the Section I Information notified to the Authority in accordance with subparagraph 11(a)(ii)) which the licensee knows or reasonably considers is or may be an affected transmission licensee for the

purposes of the agreement which is the subject of that application or any associated TO offer;

- (b) notify each transmission licensee who has made an associated TO offer or who is affected by the Section I Information notified to the Authority in accordance with sub-paragraph 11(a)(ii) and any other transmission licensee which the licensee knows or reasonably considers is or may be an affected transmission licensee for the purposes of the agreement which is the subject of that application or any associated TO offer, of such application; and
 - (c) request that the Authority exercise its powers under section 7(3)(c) of the Act to:
 - (i) settle the terms of each associated TO offer which is affected by the Authority's determination made pursuant to paragraph 10 above or this paragraph 11(c);
 - (ii) determine any changes to be made to Section I Information (including any addition to be made thereto) as a consequence of the Authority's determination made pursuant to paragraph 10 above or this paragraph 11(c); and
 - (iii) determine whether any TO offer (other than those TO offers (if any) which the licensee shall have notified to the Authority in accordance with paragraph 11(a) above) is required in connection with the Authority's determination made pursuant to paragraph 10 above or this paragraph 11(c).
12. Insofar as an applicant or an existing user wishes to proceed on the basis of an agreement as settled by the Authority pursuant to paragraph 10 above, the licensee shall forthwith enter into an agreement or amend an existing agreement, as appropriate, on the basis so settled.
13. If the licensee has failed by 1 March 2005 (or such later date as the Authority may direct for these purposes) to enter into an agreement with an existing

Scottish user who is also an electricity licensee, or to agree changes to an existing agreement for connection to or use of system with an existing other user who is also an electricity licensee, then, without prejudice to either party's right to refer the matters in dispute to the Authority for determination as provided at paragraph 10 above, the licensee shall:

- (a) where no such reference has been made, apply to the Authority to settle any terms in dispute and the Authority shall be entitled to settle such terms in such manner as appears to the Authority to be reasonable;
- (b) notify the Authority of:
 - (i) any associated TO offer which relates to the agreement which is the subject of that application;
 - (ii) any Section I Information which relates to the agreement which is the subject of that application;
 - (iii) any transmission licensee (other than a transmission licensee who has made a TO offer or who is affected by the Section I Information notified to the Authority in accordance with sub-paragraph 13(b)(ii)) which the licensee knows or reasonably considers is or may be an affected transmission licensee for the purposes of the agreement which is the subject of that application or any associated TO offer;
- (c) notify each transmission licensee who has made an associated TO offer or who is affected by the Section I Information notified to the Authority in accordance with sub-paragraph 13(b)(ii) and any other transmission licensee which the licensee knows or reasonably considers is or may be an affected transmission licensee for the purposes of the agreement which is the subject of that application or any associated TO offer, of such application; and

- (d) request that the Authority exercise its powers under section 7(3)(c) of the Act to:
 - (i) settle the terms of each associated TO offer which is affected by the Authority's determination made pursuant to this paragraph 13; and
 - (ii) determine any changes to be made to the Section I Information (including any addition to be made thereto) as a consequence of the Authority's determination made pursuant to this paragraph 13; and
 - (iii) determine whether any TO offer (other than those TO offers (if any) which the licensee shall have notified to the Authority in accordance with paragraph 13(b) above) is required in connection with the Authority's determination made pursuant to this paragraph 13.

- 14. Where the terms of an agreement are settled by the Authority pursuant to paragraph 13 above, the licensee shall forthwith enter into an agreement or amend an existing agreement, as appropriate, on the basis so settled.

- 15. Where the terms of an agreement which are to be settled by the Authority pursuant to paragraph 13 above have not been settled by the date which falls two weeks prior to the BETTA go-live date ([or such later date as the Authority may direct for these purposes](#)), the licensee shall forthwith enter into an agreement, or amend an existing agreement, on the basis of the terms of the licensee's offer to the relevant electricity licensee pending settlement of the terms of that agreement by the Authority. The Authority's determination of the terms of any such agreement may, where and to the extent appropriate, take account of and make appropriate adjustments to reflect the difference between the terms of that agreement as settled and the terms of that agreement which applied during the period from the BETTA go-live date to the date upon which the agreement as settled takes effect.

- 16. In this condition:

"Apparatus"	has the meaning given to it in the CUSC.
"applicant"	means either an existing other applicant or an existing Scottish applicant.
"Connection Entry Capacity"	has the meaning given to it in the CUSC.
"existing agreement"	means an agreement between the licensee or a Scottish licensee and an existing user.
"existing other applicant"	<p>means in respect of each application, either:</p> <ul style="list-style-type: none"> (a) any authorised electricity operator in the case of an application for use of system; or (b) any person in the case of an application for connection, <p>who has made or who at any time during the transition period makes an application requesting an offer for connection to or use of the licensee's transmission system but who has not, as at 1 January 2005, accepted any such offer provided that an authorised electricity operator or a person, as appropriate, shall not (or no longer) constitute, for the purposes of the relevant application,</p>

an existing other applicant where the period within which the relevant offer needs to be accepted has expired and that offer has not been accepted.

"existing other user"

means in respect of each agreement, a person who, as at 1 January 2005, has an agreement with (or has accepted an offer from) the licensee for connection to or use of the licensee's transmission system provided that any person who has an agreement with the licensee relating to connection to the licensee's transmission system of the interconnection shall not, in respect of that agreement, constitute an existing other user for the purposes of this condition.

"existing Scottish applicant"

means in respect of each application, either:

- (a) any authorised electricity operator in the case of an application for use of system;
or
- (b) any person in the case of an application for connection,

who has made or who at any time during the transition period makes an application requesting an offer for

connection to or use of a Scottish licensee's transmission system but who has not, as at 1 January 2005, accepted any such offer provided that an authorised electricity operator or a person, as appropriate, shall not (or no longer) constitute an existing other applicant where the period within which the relevant offer needs to be accepted has expired and the offer has not been accepted.

"existing Scottish user"

means in respect of each agreement, a person who, as at 1 January 2005, has an agreement with (or has accepted an offer from) a Scottish licensee for connection to or use of a Scottish licensee's transmission system provided that any person who has an agreement with a Scottish licensee relating to connection to that Scottish licensee's transmission system of the interconnection shall not, in respect of that agreement, constitute an existing Scottish user for the purposes of this condition.

"existing user"

means an existing Scottish user or an existing other user.

"GB connection charging methodology"

means the connection charging methodology which the licensee is obliged to determine in accordance with standard condition 6

	(Connection charging methodology).
"Plant"	has the meaning given to it in the CUSC.
"relevant time"	for the purposes of this condition means the time at which the licensee makes an offer as required by paragraph 3 of this condition.
"Section I Information"	means any information which is contained or to be contained in the Site Specification.
"Site Specification"	means the "Transitional Connection Site Specification" (as defined in the STC).
"Transmission Entry Capacity"	has the meaning given to it in the CUSC.
"transmission licensee"	means the licensee or any Scottish licensee, as appropriate.
"transmission system works"	means those works which are required to be undertaken on the GB transmission system to ensure that the GB transmission system meets the standards prescribed by standard condition C17 (Transmission system security standard and quality of service) and standard condition D3 (Transmission system security standard and quality of service).

**SCHEDULE 1 TO CONDITION 18 (REQUIREMENT TO OFFER TERMS
FOR CONNECTION OR USE OF THE GB TRANSMISSION SYSTEM
DURING THE TRANSITION PERIOD)**

1. Offers made by the licensee pursuant to paragraph 3 of this condition C18 (Requirement to offer terms for connection or use of the GB transmission system during the transition period) shall comply and be consistent with the requirements of this Schedule.

2. Each offer which the licensee makes in accordance with paragraph 3 of this condition C18 (Requirement to offer terms for connection or use of the GB transmission system during the transition period) to:
 - (a) an existing user; or

 - (b) an applicant who has, on or before 1 January 2005, submitted a complete application (which, for the purposes of this Schedule 1 shall mean an application which contains the information which the transmission licensee to whom it is submitted reasonably requires for the purposes of preparing an offer for connection or use of that licensee's transmission system) for connection or use of system, shall:
 - (i) not be contingent on the completion of transmission system works on circuits which relate directly to the interconnection (or works directly consequential, in the context of the relevant offer, to such transmission system works);

 - (ii) in the case of an existing Scottish user or an existing Scottish applicant who has submitted a complete application for connection or use of system to a Scottish licensee on or before 1 January 2005, not be contingent on the completion of transmission system works in England and Wales;

 - (iii) in the case of an existing other user or an existing other applicant who has submitted a complete application for connection or use of system to the licensee on or before 1

January 2005, not be contingent on the completion of transmission system works in Scotland.

3. [Subject to paragraph 6 of this Schedule 1, in](#) preparing the offers which the licensee makes or is to make in accordance with this condition C18 (Requirement to offer terms for connection or use of the GB transmission system during the transition period) the licensee shall (subject to paragraph 2 of this Schedule 1) identify the transmission system works which are relevant to each offer in the following order:
 - (a) first, and subject to (b), for each offer which is made or to be made to a person who is, as at 1 September 2004, an existing user;
 - (b) for each existing user who falls within (a) above, in the order in which each such existing user accepted the offer for connection or use of system which led to its existing agreement, starting with the existing user who accepted its offer earliest, provided that, where it is not reasonably practicable for the licensee to determine the date upon which an offer was accepted by a particular existing user, the relevant date for these purposes shall be the date upon which that relevant existing user's Plant or Apparatus was commissioned; and
 - (c) then, for each offer which is made or to be made to each existing user who does not fall within the scope of paragraph 3(a) and to each applicant.
4. In identifying transmission system works for the purposes of preparing the offers which the licensee makes or is to make to:
 - (a) existing users who fall within the scope of paragraph 3(a) of this Schedule 1, the licensee shall assume that each existing user who precedes, in the order identified in paragraph 3(b) of this Schedule, the existing user whose offer it is preparing, has accepted the offer which the licensee makes or is to make to it in accordance with this condition C18 (Requirement to offer terms for connection or use of the GB transmission system during the transition period);

- (b) existing users and applicants who fall within the scope of paragraph 3(c) of this Schedule 1, the licensee shall assume that each existing user who falls within the scope of paragraph 3(a) of this Schedule 1 has accepted the offer which the licensee makes or is to make to that existing user in accordance with this condition C18 (Requirement to offer terms for connection or use of the GB transmission system during the transition period).
5. ~~Without~~ Subject to paragraph 6 of this Schedule 1 and without prejudice to paragraph 7 of this condition (Requirement to offer terms for connection or use of the GB transmission system during the transition period), the licensee shall use best endeavours to ensure that each existing user (an ‘earlier existing user’) and each applicant (an ‘earlier applicant’) who falls within the scope of paragraph 3(c) of this Schedule 1 does not receive its offer from the licensee, made in accordance with this condition 18 ((Requirement to offer terms for connection or use of the GB transmission system during the transition period) later than the date upon which another existing user or applicant who also falls within the scope of paragraph 3(c) of this Schedule 1 receives its offer where that other existing user or applicant, as appropriate, submitted or submits its complete application to the licensee or a Scottish licensee, as appropriate, later than the date upon which the earlier existing user or earlier applicant, as appropriate, submitted or submits its complete application to the licensee or a Scottish licensee, as appropriate.
6. Paragraph 5 of this Schedule 1 does not apply to the receipt of offers from the licensee, made in accordance with this condition C18 (Requirement to offer terms for connection or use of the GB transmission system during the transition period), by existing users or applicants who fall within the scope of paragraph 3(c) of this Schedule 1 if the licensee is satisfied that any such offer, or any revised offer that may be made in relation to the same application as such offer, will not provide for the carrying out of works in connection with the extension or reinforcement of the GB transmission system rendered (at the licensee’s discretion where such works are to be carried out on the licensee’s

transmission system) appropriate or necessary by reason of making the connection or modification to an existing connection.

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