

DATED _____ **20[]**

NATIONAL GRID ELECTRICITY SYSTEM OPERATOR LIMITED

and

[]

MASTER ANCILLARY SERVICES AGREEMENT

CONTRACT LOG NO []

SUBJECT TO CONTRACT

DRAFT []

[DATE]

REF: []

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THIS MASTER ANCILLARY SERVICES AGREEMENT IS MADE THE [] OF [] 20[]

BETWEEN:-

- (1) **NATIONAL GRID ELECTRICITY SYSTEM OPERATOR LIMITED** a company registered in England with Number 11014226 whose registered office is at 1-3 Strand, London, WC2N 5EH (the “**Company**” which expression shall include its permitted successors and/or assigns);
- (2) [] a company registered in England and Wales with Number [] whose registered office is at [] (“the “**Generator**” which expression shall include its permitted successors and/or assigns).

WHEREAS:-

- (A) The **Connection and Use of System Code** and the **Grid Code** require the **Generator** to provide to the **Company** the **Part 1 System Ancillary Services** needed for **System** reasons, and the terms for the provision of and payment for these **Ancillary Services** are set out in the **Connection and Use of System Code** and associated **Mandatory Services Agreements**.
- (B) For the purposes of the operation and use of the **National Electricity Transmission System**, the **Company** also has a requirement for **Agreed Ancillary Services**, which are provided to the **Company** only where agreement is reached between the **Company** and the party concerned.
- (C) The purpose of this **Agreement** is to establish a contractual framework between the **Company** and the **Generator** pursuant to which **Supplemental Ancillary Services Agreements** will be entered into which will govern the detailed requirements for the provision by the **Generator** from **BM Units** within individual **Power Stations** of particular **Agreed Ancillary Services** and the rates and prices payable for such services by the **Company**.

NOW IT IS HEREBY AGREED as follows:-

1. DEFINITIONS AND INTERPRETATION

- 1.1 In this **Agreement** and in each **Supplemental Ancillary Services Agreement** unless the subject matter or context otherwise requires or is inconsistent therewith, the definitions set out in Schedule B shall apply and unless the subject matter or context otherwise requires or is inconsistent therewith or unless expressly defined in Schedule B, terms and expressions defined in any **Supplemental Ancillary Services Agreement** shall have the same meanings, interpretations and constructions in this **Agreement**.
- 1.2 In the event of any inconsistency between the provisions of any **Supplemental Ancillary Services Agreement** and this **Agreement**, the provisions of the **Supplemental Ancillary Services Agreement** shall prevail in relation to the **Power Station** which is the subject thereof.
- 1.3 In this **Agreement** and in each **Supplemental Ancillary Services Agreement**:-
 - 1.3.1 except where the context otherwise requires, references to a particular Sub-Clause, Clause, Paragraph, Appendix or Schedule shall be a reference to that Sub-Clause, Clause, Paragraph, Appendix or Schedule in or to the agreement in which such reference appears;

- 1.3.2 the table of contents and headings are inserted for convenience only and shall be ignored in construing this **Agreement** or a **Supplemental Ancillary Services Agreement**, as the case may be;
- 1.3.3 references to the words “include” or “including” are to be construed without limitation;
- 1.3.4 except where the context otherwise requires, any reference to an Act of Parliament or any Part or Section or other provision of, or Schedule to, an Act of Parliament shall be construed, at the particular time, as including a reference to any modification, extension or re-enactment thereof then in force and to all instruments, orders or regulations then in force and made under or deriving validity from the relevant Act of Parliament;
- 1.3.5 references to the masculine shall include the feminine and references in the singular shall include references in the plural and vice versa;
- 1.3.6 except where the context otherwise requires, any reference to a “person” includes any individual, partnership, firm, company, corporation, joint venture, trust, association, organisation or other entity, in each case whether or not having separate legal personality.

2. **SUPPLEMENTAL ANCILLARY SERVICES AGREEMENTS**

- 2.1 In respect of each of the **Generator’s Power Stations** which are either operational at the date hereof or which become operational after the date hereof, the **Company** and the **Generator** may enter into one or more **Supplemental Ancillary Services Agreements** governing the provision of, and payment for, one or more **Agreed Ancillary Services**.
- 2.2 Each **Supplemental Ancillary Services Agreement** entered into between the **Company** and the **Generator** shall be in such form as may be agreed between the **Company** and the **Generator** but shall be governed by this **Agreement**.

3. **COMMENCEMENT AND TERM**

- 3.1 This **Agreement** shall come into effect at 00.00 hours on the date hereof and shall continue in force and effect until terminated pursuant to the provisions of this **Agreement**.
- 3.2 Termination or expiry of a particular **Supplemental Ancillary Services Agreement** shall not, of itself, cause this **Agreement** to terminate.

4. **PAYMENT**

The **Parties** agree that the provisions of Paragraph 4.3.2 of the **Connection and Use of System Code** shall apply to payments made by the **Company** to the **Generator** (and by the **Generator** to the **Company**) pursuant to this **Agreement** and each **Supplemental Ancillary Services Agreement** in respect of the provision of **Agreed Ancillary Services** as if set out in full herein.

5. **LIMITATION OF LIABILITY**

- 5.1 Subject to Sub-Clause 5.2 and any liquidated damages provision of any **Supplemental Ancillary Services Agreement** and save where any provision of

this **Agreement** or any **Supplemental Ancillary Services Agreement** provides for an indemnity, the **Parties** agree and acknowledge that neither **Party** (the "**Party Liable**") nor any of its officers, employees or agents shall be liable to the other **Party** for loss arising from any breach of this **Agreement** or any **Supplemental Ancillary Services Agreement** other than for loss directly resulting from such breach and which at the date of this **Agreement** or (in the case of breach of a **Supplemental Ancillary Services Agreement**) at the date of the **Supplemental Ancillary Services Agreement** concerned was reasonably foreseeable as not unlikely to occur in the ordinary course of events from such breach in respect of:-

5.1.1 physical damage to the property of the other **Party**, its officers, employees or agents; and/or

5.1.2 the liability of such other **Party** to any other person for loss in respect of physical damage to the property of any person subject, for the avoidance of doubt, to the requirement that the amount of such liability claimed by such other **Party** should be mitigated in accordance with general law,

provided further that the liability of any **Party** in respect of all claims for such loss shall not exceed £5 million per incident or series of related incidents.

5.2 Nothing in this **Agreement** or in any **Supplemental Ancillary Services Agreement** shall exclude or limit the liability of the **Party Liable** for death or personal injury resulting from the negligence of the **Party Liable** or any of its officers, employees or agents and the **Party Liable** shall indemnify and keep indemnified the other **Party**, its officers, employees or agents, from and against all such and any loss or liability which such other **Party** may suffer or incur by reason of any claim on account of death or personal injury resulting from the negligence of the **Party Liable** or any of its officers, employees or agents.

5.3 Subject to Sub-Clause 5.2 and any liquidated damages provision of any **Supplemental Ancillary Services Agreement** and save where any provision of this **Agreement** or any **Supplemental Ancillary Services Agreement** provides for an indemnity neither the **Party Liable** nor any of its officers, employees or agents shall in any circumstances whatsoever be liable to the other **Party** for:-

5.3.1 any loss of profit, loss of revenue, loss of use, loss of contract or loss of goodwill; or

5.3.2 any indirect or consequential loss; or

5.3.3 loss resulting from the liability of the other **Party** to any other person howsoever and whensoever arising save as provided in Sub-Clause 5.1.2 and Sub-Clause 5.2.

5.4 Each **Party** acknowledges and agrees that the other **Party** holds the benefit of Sub-Clauses 5.1 and 5.2 and 5.3 for itself and as trustee and agent for its officers, employees and agents.

5.5 The rights and remedies provided by this **Agreement** and any **Supplemental Ancillary Services Agreement** to the **Parties** are exclusive and not cumulative and exclude and are in place of all substantive (but not procedural) rights or remedies express or implied and provided by common law or statute in respect of the subject matter of this **Agreement** and any **Supplemental Ancillary Services Agreement**, including without limitation any rights either **Party** may possess in tort which shall include actions brought in negligence and/or nuisance. Accordingly,

each of the **Parties** hereby waives to the fullest extent possible all such rights and remedies provided by common law or statute and releases the other **Party**, its officers, employees and agents to the same extent from all duties, liabilities, responsibilities or obligations provided by common law or statute in respect of the matters dealt with in this **Agreement** and any **Supplemental Ancillary Services Agreement** and undertakes not to enforce any of the same except as expressly provided herein.

5.6 For the avoidance of doubt, the **Parties** acknowledge and agree that nothing in this **Agreement** or in any **Supplemental Ancillary Services Agreement** shall exclude or restrict or otherwise prejudice or affect any of the rights, powers, privileges, remedies, duties and obligations of the **Secretary of State** or the **Authority** under the **Act**, any **Licence** or otherwise howsoever.

5.7 Each of Sub-Clauses 5.1, 5.2, 5.3 and 5.4 shall:-

5.7.1 be construed as a separate and severable contract term, and if one or more of such Sub-Clauses is held to be invalid, unlawful or otherwise unenforceable the other or others of such Sub-Clauses shall remain in full force and effect and shall continue to bind the **Parties**; and

5.7.2 survive termination of this **Agreement**.

5.8 For the avoidance of doubt, nothing in this Clause 5 shall prevent or restrict any **Party** enforcing any obligation (including suing for a debt) owed to it under or pursuant to this **Agreement** or any **Supplemental Ancillary Services Agreement**.

5.9 Each **Party** acknowledges and agrees that the provisions of this Clause 5 have been the subject of discussion and negotiation and are fair and reasonable having regard to the circumstances as at the date of this **Agreement**.

6. **METERING**

6.1 The relationship between the **Parties** with respect to **Energy Metering Equipment** at the **Connection Site** shall be regulated in accordance with Sections K and L of the **Balancing and Settlement Code**.

6.2 The relationship between the **Parties** with respect to **Operational Metering Equipment** at the **Connection Site** shall be regulated by Paragraph 6.7.3 of the **Connection and Use of System Code**.

7. **TERMINATION**

7.1 This **Agreement** and all **Supplemental Ancillary Services Agreements** shall automatically terminate upon:-

7.1.1 the **Generator** ceasing to be party to the **BSC Framework Agreement**;
or

7.1.2 the **Generator** ceasing to be party to the **CUSC Framework Agreement**; or

7.1.3 revocation or withdrawal of the **Generation Licence** or the **Transmission Licence**.

7.2 Upon termination of any **Bilateral Agreement**, the relevant **Supplemental Ancillary Services Agreement** shall automatically be terminated to the extent that

it applies to the **BM Units** at, and **Agreed Ancillary Services** supplied or made available from, the **Connection Site** which is the subject of the said **Bilateral Agreement**.

- 7.3 Where the **Generator** serves notice to **Disconnect** the **Generator's Equipment** at a **Connection Site** under a **Bilateral Agreement** or the **Connection and Use of System Code**, the **Parties** shall discuss the possibility of terms being offered under an existing or a new **Supplemental Ancillary Services Agreement** for the continued provision (following the date when **Disconnection** would otherwise have occurred) of any **Agreed Ancillary Service** which was being provided by the **Generator** at that **Connection Site** immediately before service of the notice to **Disconnect** and for which the **Company** is unable to find a reasonable alternative.
- 7.4 Without purporting to exhaustively specify within this Sub-Clause 7.4 the circumstances in which no payments will be made under this **Agreement** or any **Supplemental Ancillary Services Agreement**, no payments will be made under this **Agreement** or any **Supplemental Ancillary Services Agreement** in respect of an **Agreed Ancillary Service** to be provided from a **BM Unit** or **CCGT Unit** in relation to any period when the **BM Unit** or **CCGT Unit** or the **Generator's Equipment** at any **Connection Site** used by that **BM Unit** or **CCGT Unit** is prevented from providing that **Agreed Ancillary Service** by reason of a circumstance of **Force Majeure** or is **Deenergised** or **Disconnected** for any reason pursuant to the relevant **Bilateral Agreement** or the **Connection and Use of System Code**.

Termination by the Generator

- 7.5 In the event that:-
- 7.5.1 the **Company** shall fail to pay (other than by inadvertent error in funds transmission which is discovered by the **Generator**, notified to the **Company** and corrected within 48 hours following such notification) any amount properly due or owing from it pursuant to this **Agreement** or any **Supplemental Ancillary Services Agreement** according to its terms and such non-payment continues unremedied and not disputed in good faith and upon reasonable grounds at the expiry of 7 **Business Days** immediately following receipt by the **Company** of written notice from the **Generator** of such non-payment; or
- 7.5.2 in respect of the **Company**:-
- (a) an order of the High Court is made or an effective resolution passed for its insolvent winding-up or dissolution; or
 - (b) a receiver (which expression shall include an administrative receiver within the meaning of section 29 of the Insolvency Act 1986) of the whole or any material part of its assets or undertaking is appointed; or
 - (c) an administration order under section 8 of the Insolvency Act 1986 is made or any other steps are taken to appoint an administrator or if a voluntary arrangement is proposed under section 1 of that Act; or
 - (d) it enters into any scheme of arrangement (other than for the purpose of reconstruction or amalgamation upon terms and

within such period as may previously have been approved in writing by the **Authority**); or

- (e) it is unable to pay its debts (within the meaning of section 123 (1) or (2) of the Insolvency Act 1986 save that such section shall have effect as if for £750.00 there was inserted £250,000 (and the **Company** shall not be deemed to be unable to pay its debts if any demand for payment is being contested in good faith by it with recourse to all appropriate measures and procedures);

and in any such case within 28 days of appointment of the liquidator, receiver, administrative receiver, administrator nominee or other similar officer, such person has not provided to the **Generator** a guarantee of future performance by the **Company** of this **Agreement** and all **Supplemental Ancillary Services Agreements** in such form and amount as the **Generator** may reasonably require,

the **Generator** may declare by notice in writing to the **Company** that such event has become an event of default. Once the **Generator** has given due and proper notice of an event of default this **Agreement** and all **Supplemental Ancillary Services Agreements** shall terminate.

- 7.6 Termination of this **Agreement** or termination of any **Supplemental Ancillary Services Agreement** in relation to any **BM Unit** and/or any **Agreed Ancillary Service** under Sub-Clauses 7.1 to 7.5 or any of them shall not affect any rights or obligations of the **Parties** that have accrued at the time of such termination.

8. **ASSIGNMENT**

- 8.1 The **Generator** shall not assign or transfer nor purport to assign or transfer the benefit or burden of this **Agreement** or any **Supplemental Ancillary Services Agreement** save in the following circumstances:-

- 8.1.1 the **Generator** may assign or charge its benefit under this **Agreement** or under any **Supplemental Ancillary Services Agreement** in whole or in part by way of security;

- 8.1.2 upon the disposal of the whole of the **Generator's** business or undertaking, the **Generator** may transfer its rights and obligations under this **Agreement** and all **Supplemental Ancillary Services Agreements** to the purchaser thereof provided that the transfer to the purchaser of all of its rights and obligation under the **Connection and Use of System Code**, all **Bilateral Agreements** (and associated **Construction Agreements**) and all **Mandatory Services Agreements** shall have taken place;

- 8.1.3 upon disposal of part of the **Generator's** business or undertaking comprising **Generator's Equipment** at one or more **Connection Sites**, the **Generator** may transfer its rights and obligations under the relevant **Supplemental Ancillary Services Agreement** concerned to the purchaser thereof provided that the transfer to the purchaser of all of its rights and obligations under those **Bilateral Agreements** (and associated **Construction Agreements**) and **Mandatory Services Agreements** relevant to the part of the business or undertaking to be transferred shall have taken place, and the purchaser has entered into a

master ancillary services agreement covering the **Supplemental Ancillary Services Agreements** concerned in substantially the same form as this **Agreement**.

8.2 The **Company** shall not assign or transfer nor purport to assign or transfer the benefit or burden of this **Agreement** or any **Supplemental Ancillary Services Agreement** save to the holder of a **Licence** with responsibility for carrying out the **Balancing Services Activity**.

9. CONFIDENTIALITY AND ANNOUNCEMENTS

9.1 General Restrictions

9.1.1 Subject to the exceptions provided in Sub-Clause 9.2 (and to the extent otherwise expressly permitted by this **Agreement** and/or any **Supplemental Ancillary Services Agreement**) neither **Party** shall, at any time, whether before or after the expiry or sooner termination of this **Agreement** or any **Supplemental Ancillary Services Agreement**, without the prior consent of the other **Party** in writing (in the case of approval by the **Generator**, such consent not to be unreasonably withheld or delayed), divulge or suffer or permit its officers, employees, agents or contractors to divulge to any person or permit use by any person (other than disclosure to or use by any of its or their respective officers or employees to the extent that such disclosure and use is required to enable such persons properly to carry out their duties in connection with this **Agreement** or any **Supplemental Ancillary Services Agreement**):-

- (a) any of the contents of this **Agreement** and/or any **Supplemental Ancillary Services Agreement**;
- (b) any commercially confidential information relating to the negotiations concerning the entering into of this **Agreement** and/or any **Supplemental Ancillary Services Agreement**;
- (c) any commercially confidential information which may come to a **Party's** knowledge in the course of such negotiations; or
- (d) any commercially confidential information concerning the operations, contracts, commercial or financial arrangements or affairs of the other **Party**.

9.1.2 Each **Party** undertakes to use information referred to in Sub-Clause 9.1.1 and disclosed to it by the other **Party** solely for the purposes of this **Agreement** and the **Supplemental Ancillary Services Agreements** and shall not use it for any other purpose or for the purposes of any third party.

9.2 Exceptions

9.2.1 The restrictions imposed by Sub-Clause 9.1 shall not apply to the disclosure of any information:-

- (a) which now or hereafter comes into the public domain otherwise than as a result of a breach of a confidentiality obligation or which either **Party** can show was in its written

records prior to the date of disclosure of the same by the other **Party** under this **Agreement** or any **Supplemental Ancillary Service Agreement** or which it receives from a third party independently entitled to disclose it;

- (b) which is required by law or pursuant to the rules of the **Electricity Supply Arbitration Association** in England and Wales or pursuant to the rules or regulations of the Financial Services Authority to be disclosed to any person who is authorised by law or pursuant to the rules of the **Electricity Supply Arbitration Association** in England and Wales or pursuant to the rules or regulations of the Financial Services Authority to receive the same;
- (c) which is required to be disclosed by the regulations of any recognised exchange upon which the share capital of the **Party** making the disclosure (or its parent undertaking) is or is proposed to be from time to time listed or dealt in, or is required to be disclosed by the Panel on Takeovers and Mergers;
- (d) to a court, arbitrator or administrative tribunal in the course of proceedings before it to which the disclosing **Party** is a party;
- (e) in accordance with the provisions of the **Balancing and Settlement Code** or pursuant to any **Licence** of the **Party** concerned;
- (f) by either **Party** to any parent undertaking on a “need to know” basis only;
- (g) to any authorised consultants, banks, financiers, insurers or professional advisers to the disclosing **Party**;
- (h) by the **Company** to any parent, subsidiary or fellow subsidiary undertaking; or
- (i) required or expressly permitted to be disclosed under the terms of any agreement or arrangement (including this **Agreement**, any **Supplemental Ancillary Services Agreement**, the **Connection and Use of System Code**, any **Bilateral Agreement** (and associated **Construction Agreement**), any **Mandatory Services Agreement**, the **Grid Code**, the **Distribution Code** and the **Fuel Security Code** (if any)) to which both the **Parties** have agreed to be bound.

9.2.2 In this Sub-Clause 9.2, the words “parent undertaking”, “subsidiary undertaking” and “fellow subsidiary undertaking” shall have the meanings as provided in sections 1161 and 1162 of the Companies Act 2006.

9.3 **Third parties**

Before either **Party** discloses any information in any of the circumstances described in Sub-Clause 9.2.1(f) and (g) (other than to its authorised professional advisers), it shall notify the other **Party** of its intention to make such disclosure and procure

the execution and delivery to that **Party** of an undertaking executed by the person to whom the disclosure is proposed to be made being in the same terms mutatis mutandis as the undertakings contained in this Clause 9.

9.4 **Public announcements**

9.4.1 Subject to Sub-Clause 9.4.2, no public announcement or statement regarding the signature, performance or termination of this **Agreement** and/or any **Supplemental Ancillary Services Agreement** shall be issued or made unless before it is issued or made both the **Parties** have been furnished with a copy of it and have approved it (in the case of approval by the **Generator**, such approval not to be unreasonably withheld or delayed).

9.4.2 Neither **Party** shall be prohibited from issuing or making any such public announcement or statement if it is necessary to do so in order to comply with any applicable law or the regulations of any recognised stock exchange upon which the share capital of such **Party** is from time to time listed or dealt in.

9.5 **Procedures**

With respect to the information referred to in Sub-Clause 9.1.1, both **Parties** shall ensure that:-

9.5.1 such information is disseminated within their respective organisations on a “need to know” basis only;

9.5.2 employees, directors, agents, consultants and professional advisers who are in receipt of such information are made fully aware of the **Party’s** obligations of confidence in relation thereto; and

9.5.3 any copies of such information, whether in hard copy or computerised form, will clearly identify the information as confidential.

9.6 **Termination**

Notwithstanding any other provision of this **Agreement** and/or any **Supplemental Ancillary Services Agreement**, the provisions of this Clause 9 shall continue to bind a person after termination of this **Agreement** or any **Supplemental Ancillary Services Agreement**, in whole or in part, for whatever reason.

10. **ADDITIONAL COSTS**

10.1 Save where expressly provided in this **Agreement** or any **Supplemental Ancillary Services Agreement**, if:-

10.1.1 the **Generator** is of the opinion that in order to comply with any change in or amendment to the **Grid Code** (other than the withdrawal of or reduction in the scope of a **Derogation**) or any statutory or regulatory obligation coming into force after the date hereof the **Generator** is obliged to incur costs and expenses for the purpose of carrying out modifications to any **BM Unit** or **CCGT Unit** or otherwise for the purposes of changing the manner of operation of a **BM Unit** or **CCGT Unit** in relation to the provision of any **Agreed Ancillary Service**; or

- 10.1.2 the **Company** is of the opinion that by reason of any change in or amendment to the **Grid Code** or any statutory or regulatory obligation coming into force after the date hereof the **Generator** is able to make savings in the cost and expense of providing any **Agreed Ancillary Service** from any **BM Unit** or **CCGT Unit**,

then either the **Generator** or the **Company** as the case may be may by notice in writing require that the **Parties** shall endeavour to agree any adjustment in the rates, prices and indexation formulae (if applicable) for the **Agreed Ancillary Service** and the **BM Unit** or **CCGT Unit** concerned as set out in the relevant **Supplemental Ancillary Services Agreements** having regard to the **Charging Principles** (if any) set out therein. If the **Parties** cannot agree to an adjustment in the rates, prices and indexation formulae for the **Agreed Ancillary Service** as set out in the relevant **Supplemental Ancillary Services Agreements** within a month of receipt by either **Party** of the other **Party's** written notice, either **Party** may refer the matter to arbitration for determination pursuant to Clause 15 (*Dispute Resolution*) (and any arbitrator appointed shall exercise his powers pursuant to subparagraph 12.1 of the rules of the **Electricity Supply Arbitration Association**).

- 10.2 If, at any time during the term of this **Agreement** there is a variation in the security standards with which the **Company** is obliged to comply and such variation would, in the **Generator's** reasonable opinion, materially affect the operation of the services to be provided under any **Supplemental Ancillary Services Agreement**, the **Company** and the **Generator** shall negotiate in good faith with a view to agreeing and implementing appropriate amendments to this **Agreement** or any relevant **Supplemental Ancillary Services Agreement** (as the case may be). If the **Parties** are unable to reach agreement within 28 days of either **Party** serving on the other notice of its intention to refer matter to arbitration either **Party** may refer the matter to arbitration for determination pursuant to Clause 15 (*Dispute Resolution*).

11. **WAIVER**

No delay by or omission of any **Party** in exercising any right, power, privilege or remedy under this **Agreement** or under any **Supplemental Ancillary Services Agreement** shall operate to impair such right, power, privilege or remedy or be construed as a waiver thereof. Any single or partial exercise of any such right, power, privilege or remedy shall not preclude any other or further exercise thereof or the exercise of any other right, power, privilege or remedy. Payment of any sum or the submission of any **Provisional Monthly Statement** or **Final Monthly Statement** by the **Company** to the **Generator** under this **Agreement** shall not operate to impair or be construed as a waiver of any right, power, privilege or remedy the **Company** may have against the **Generator** under this **Agreement** and/or any **Supplemental Ancillary Services Agreement** and/or the **Grid Code** and/or the **Connection and Use of System Code** and/or any **Bilateral Agreement** (including any associated **Construction Agreement**) and/or any **Mandatory Services Agreement**.

12. **NOTICES**

- 12.1 Any notice or other communication to be given by one **Party** to the other under, or in connection with the matters contemplated by, this **Agreement** or any **Supplemental Ancillary Services Agreement** shall be addressed to the recipient and sent to the address or facsimile number of such other **Party** given in Schedule A for the purpose and marked for the attention of the person so given or to such

other address or facsimile number and/or marked for such other attention as such other **Party** may from time to time specify by notice given in accordance with this Clause 12 to the **Party** giving the relevant notice or other communication to it.

12.2 Any notice or other communication to be given by one **Party** to the other **Party** under, or in connection with the matters contemplated by, this **Agreement** or any **Supplemental Ancillary Services Agreement** shall be in writing and shall be given by letter delivered by hand or sent by first class prepaid post (airmail if overseas) or facsimile, and shall be deemed to have been received:-

12.2.1 in the case of delivery by hand, when delivered; or

12.2.2 in the case of first class prepaid post, on the second day following the day of posting or (if sent airmail from overseas) on the fifth day following the day of posting; or

12.2.3 in the case of facsimile, on acknowledgement by the addressee's facsimile receiving equipment (where such acknowledgement occurs before 17.00 hours on the day of acknowledgement) and in any other case on the day following the day of acknowledgement.

13. **COUNTERPARTS**

This **Agreement** and any **Supplemental Ancillary Services Agreement** may be executed in any number of counterparts and by the different **Parties** on separate counterparts, each of which when executed and delivered shall constitute an original but all the counterparts shall together constitute but one and the same instrument. For the purposes of this Clause 13, the delivery of a facsimile copy of a signed counterpart of this **Agreement** or any **Supplemental Ancillary Services Agreement** shall be deemed to be valid signature thereof provided that the **Party** so delivering a facsimile hereby undertakes to deliver an original copy of this **Agreement** or the **Supplemental Ancillary Services Agreement** (as the case may be) forthwith following such facsimile transmission.

14. **VARIATIONS**

14.1 Subject to Sub-Clause 14.2 and save as may otherwise be provided in any **Supplemental Ancillary Services Agreement** no variations or amendments to this **Agreement** or any **Supplemental Ancillary Services Agreement** shall be effective unless made in writing and signed by or on behalf of both the **Company** and the **Generator**.

14.2 The **Company** and the **Generator** shall effect any amendment required to be made to this **Agreement** and/or any **Supplemental Ancillary Services Agreement** by the **Authority** as a result of a change in the **Transmission Licence** or an order or directions made pursuant to the **Act** or a **Licence** or as a result of settling any of the terms hereof or otherwise as required by this **Agreement** and/or any **Supplementary Ancillary Services Agreement** and the **Generator** hereby authorises and instructs the **Company** to make any such amendment on its behalf and undertakes not to withdraw qualify or revoke such authority or instruction at any time.

15. **DISPUTE RESOLUTION**

15.1 Save where expressly stated in this **Agreement** or in any **Supplemental Ancillary Services Agreement** to the contrary and subject to any contrary provision of the

Act or any **Licence** or the rights, powers, duties and obligations of the **Authority** or the **Secretary of State** under the **Act**, any **Licence** or otherwise howsoever, any dispute or difference of whatever nature howsoever arising under out of or in connection with this **Agreement** or any **Supplemental Ancillary Services Agreement** between the **Parties** shall be and is hereby referred to arbitration pursuant to the rules of the **Electricity Supply Arbitration Association** in force from time to time.

15.2 Whatever the nationality, residence or domicile of either **Party** and wherever the dispute or difference or any part thereof arose, the law of England shall be the proper law of any reference to arbitration hereunder and in particular (but not so as to derogate from the generality of the foregoing) the provisions of the Arbitration Act 1996 (notwithstanding anything in section 108 thereof) shall apply to any such arbitration wherever the same or any part of it shall be conducted.

16. JURISDICTION

16.1 Subject and without prejudice to Clause 15 (*Dispute Resolution*) and to Sub-Clause 16.4, both **Parties** irrevocably agree that the courts of England and Wales [and the courts of Scotland] are to have [exclusive] jurisdiction to settle any disputes which may arise out of or in connection with this **Agreement** or any **Supplemental Ancillary Services Agreement** and that accordingly any suit, action or proceeding (together in this Clause 16 referred to as "**Proceedings**") arising out of or in connection with this **Agreement** or any **Supplemental Ancillary Services Agreement** may be brought to such courts.

16.2 Each **Party** irrevocably waives any objection which it may have now or hereafter to the laying of the venue of any **Proceedings** in any such court as is referred to in this Clause 16 and any claim that any such **Proceedings** have been brought in an inconvenient forum and further irrevocably agrees that judgment in any proceedings brought in the courts of England and Wales [or the courts of Scotland] shall be conclusive and binding upon such **Party** and may be enforced in the courts of any other jurisdiction.

16.3 Each **Party** which is not incorporated in any part of **Great Britain** agrees that if it does not have, or shall cease to have, a place of business in **Great Britain** it will promptly appoint, and shall at all times maintain, a person in **Great Britain** to accept service of process on its behalf in any **Proceedings** in **Great Britain**.

16.4 For the avoidance of doubt nothing contained in the foregoing provisions of this Clause 16 shall be taken as permitting a party to commence **Proceedings** in the courts where this **Agreement** otherwise provides for **Proceedings** to be referred to arbitration.

17. GOVERNING LAW

This **Agreement** and each **Supplemental Ancillary Services Agreement** shall be governed by and construed in all respects in accordance with English law.

18. SEVERANCE OF TERMS

If any provision of this **Agreement** or any **Supplemental Ancillary Services Agreement** is or becomes or is declared invalid, unenforceable or illegal by the courts of any jurisdiction to which it is subject or by order of the Commission of the European Communities or by order of the **Secretary of State**, such invalidity, unenforceability or illegality shall not prejudice or affect the remaining provisions of

this **Agreement** or such **Supplemental Ancillary Services Agreement** which shall continue in full force and effect notwithstanding such invalidity, unenforceability or illegality.

19. **ENTIRE AGREEMENT**

This **Agreement** and the **Supplemental Ancillary Services Agreements** contain or expressly refer to the entire agreement between the **Parties** with respect to the subject matter of such agreements, and expressly exclude any warranty, condition or other undertaking implied at law or by custom, and supersedes all previous agreements and understandings between the **Parties** with respect thereto and each of the **Parties** acknowledges and confirms that it is not aware of any representation, warranty or other undertaking not fully reflected in the terms of this **Agreement** and/or any **Supplemental Ancillary Services Agreement** upon which it has relied in entering into this **Agreement** and/or any **Supplemental Ancillary Services Agreement**. To the extent that any such representation, warranty or other undertaking exists, each **Party** irrevocably and unconditionally waives any right it may have to claim damages for breach of warranty and/or to rescind this **Agreement** and/or any **Supplemental Ancillary Services Agreement**, unless such warranty or misrepresentation was made or given fraudulently.

20. **BILATERAL AGREEMENT**

The **Generator** hereby undertakes at the **Company's** request to enter into an agreement in a form to be agreed between the **Parties** to amend the provisions of Appendix F1 to the **Bilateral Agreement** in respect of the relevant **Power Station** to include reference to those **Agreed Ancillary Services** which the **Generator** agrees from time to time to provide to the **Company** pursuant to this **Agreement** and/or any **Supplemental Ancillary Services Agreement** but which are not at the date of signature of the relevant agreement included in Appendix F1.

21. **THIRD PARTY RIGHTS**

The **Parties** hereby acknowledge and agree for the purposes of the Contracts (Rights of Third Parties) Act 1999 that no rights, powers or benefits are or shall be conferred on any person pursuant to this **Agreement** or any **Supplemental Ancillary Services Agreement** save as expressly provided in this **Agreement** or such **Supplemental Ancillary Services Agreement**.

22. **FORCE MAJEURE**

22.1 In so far as either **Party** is prevented from performing any of its obligations under this **Agreement** or any **Supplemental Ancillary Services Agreement** due to an event or circumstance of **Force Majeure**, then neither the **Generator** nor the **Company** (as the case may be) shall be deemed to be in breach of such obligations for so long as the circumstance of **Force Majeure** continues to prevent such performance.

22.2 The **Party** affected by the **Force Majeure** shall give to the other **Party** immediately upon becoming aware of an event or circumstance of **Force Majeure**, a written communication describing the **Force Majeure** (including, without limitation, the nature of the occurrence and its expected duration) and the obligations which it is prevented from performing and shall continue to furnish regular reports with respect thereto to the other **Party** during the period of **Force Majeure**.

- 22.3 As soon as is reasonably practicable, following an event or circumstance of **Force Majeure**, the **Parties** shall meet to discuss how best to continue their respective obligations as set out in this **Agreement** and the relevant **Supplemental Ancillary Services Agreement**.
- 22.4 For the avoidance of doubt the non-performance of either **Party's** obligations pursuant to this **Agreement** and any **Supplemental Ancillary Services Agreement** arising prior to the event or circumstance of **Force Majeure**, shall not be excused as a result of the event or circumstance of **Force Majeure**.
- 22.5 Either **Party** shall have a right to terminate the provisions of the relevant **Supplemental Ancillary Services Agreement** if a **Party** has been prevented from performing its obligations thereunder due to an event or circumstance of **Force Majeure** for a continuous period of two calendar months.
23. **ANTI-BRIBERY**
- 23.1 Each **Party** shall:
- 23.1.1 comply with all **Anti-Bribery Laws**;
- 23.1.2 not engage in any activity, practice or conduct which would constitute an offence under sections 1, 2 or 6 of the **Bribery Act** if such activity, practice or conduct had been carried out in the UK;
- 23.1.3 have and shall maintain in place throughout the term of this **Agreement** its own policies and procedures, including **Adequate Procedures** to ensure compliance with the **Anti-Bribery Laws**, and this Sub-Clause 23.1, and will enforce them where appropriate; and
- 23.1.4 procure and ensure that all of its **Associated Persons** and/or other persons who are performing services and/or providing goods in connection with this **Agreement** or any **Supplemental Ancillary Services Agreement** comply with this Sub-Clause 23.1.
- 23.2 Without prejudice to any other rights or remedies either **Party** may terminate this **Agreement** on written notice to the other **Party** specifying the date on which this **Agreement** will terminate in the event of a breach of Sub-Clause 23.1.

IN WITNESS WHEREOF the hands of the duly authorised representatives of the **Parties** at the date first above written.

SIGNED on behalf of)
NATIONAL GRID ELECTRICITY)
SYSTEM OPERATOR LIMITED)

SIGNED on behalf of)

[])

SCHEDULE A

Notices

The **Company's** address for service of Notices:
National Grid Electricity System Operator Limited
System Operator
Faraday House
Warwick Technology Park
Gallows Hill
Warwick CV34 6DA

For the attention of the Company Secretary
Facsimile Number: 01926 655630
Copy to the Contracts and Settlements Manager
Facsimile Number: 01926 656612

Generator's address for service of Notices:

[REDACTED]

For the attention of the Company Secretary
Facsimile Number: [REDACTED]

SCHEDULE B

Definitions

"the Act"	the Electricity Act 1989;
"Active Power"	the product of voltage and the in-phase component of alternating current measured in units of Watts and standard multiples thereof i.e. 1000 Watts = 1kW 1000 kW = 1MW 1000 MW = 1GW 1000 GW = 1TW;
"Agreed Ancillary Services"	Part 2 System Ancillary Services and Commercial Ancillary Services;
"Agreement"	this agreement (including the Schedules) as amended, extended, supplemented, novated or modified from time to time;
"Ancillary Services"	System Ancillary Services and/or Commercial Ancillary Services , as the case may be;
"Apparatus"	all equipment in which electrical conductors are used, supported or of which they may form a part;
"Authority"	the Director General of Electricity Supply appointed for the time being pursuant to section 1 of the Act or, after the coming into force of section 1 of the Utilities Act 2000, the Gas and Electricity Markets Authority established by that section;
"Balancing and Settlement Code (BSC)"	the meaning attributed to it in the Transmission Licence;
"Balancing Mechanism"	the meaning attributed to it in the Transmission Licence;
"Balancing Services Activity"	the meaning attributed to it in the Transmission Licence;
"Base Rate"	in respect of any day the rate per annum which is equal to the base lending rate from time to time of Barclays Bank plc as at the close of business on the immediately preceding Business Day;
"Bilateral Agreement"	the meaning attributed to it in the CUSC;

"BM Unit"	the meaning attributed to it in the BSC , except for the purposes of this Agreement and any Supplemental Ancillary Services Agreement the reference to "a Party" in the BSC shall be a reference to the Generator ;
"BSC Framework Agreement"	the meaning attributed to it in the Transmission Licence ;
"Business Day"	a week-day other than a Saturday on which banks are open for domestic business in the City of London;
"Combined Cycle Gas Turbine Module" or "CCGT Module"	a collection of Generating Units (registered as a CCGT Module under the Grid Code PC) comprising one or more Gas Turbine Units (or other gas based engine units) and one or more Steam Units where, in normal operation, the waste heat from the Gas Turbine Units is passed to the water/steam system of the associated Steam Unit or Steam Units and where the component units within the CCGT Module are directly connected by steam or hot gas lines which enable those units to contribute to the efficiency of the combined cycle operation of the CCGT Module ;
"Combined Cycle Gas Turbine Unit" or "CCGT Unit"	a Generating Unit within a CCGT Module ;
"Commercial Ancillary Services"	Ancillary Services other than System Ancillary Services ;
"Connection Site"	each location more particularly described in the relevant Bilateral Agreement at which the Generator's Equipment and Transmission Connection Assets required to connect the Generator to the National Electricity Transmission System are situated or at which the Generator's Equipment is connected to a User System ;
"Construction Agreement"	as defined in the CUSC ;
"Connection and Use of System Code (CUSC)"	the Connection and Use of System Code designated by the Secretary of State as from time to time modified;
"CUSC Framework Agreement"	the meaning attributed to it in the Transmission Licence ;
"Customer"	a person to whom electrical power is provided (whether or not he is the same person as the

person who provides the electrical power) other than power to meet **Station Demand** of that person;

“Deenergise”

the movement of any isolator breaker or switch or the removal of any fuse whereby no **Electricity** can flow to or from the relevant **System** at a **Connection Site** through the **Generator’s Equipment** and **“Deenergised”** shall be construed accordingly;

[“Defaulting Party”

the meaning attributed to it in Sub-Clause Error! Reference source not found.;]

“Demand”

the demand of MW and Mvar of **Electricity**;

“Derogation”

a direction issued by the **Authority** which relieves the **Generator** from its obligation under the **Generation Licence** to comply with such parts of the **Grid Code** as may be specified in such direction;

“Desynchronisation”

the act of taking a **BM Unit** off a **System** to which it has been **Synchronised**, by opening any connecting circuit breaker and **“Desynchronised”** shall be construed accordingly;

“Disconnect”

permanent physical disconnection of the **Generator’s Equipment** at any given **Connection Site** and **“Disconnection”** shall be construed accordingly;

“Distribution Code”

the **Distribution Code** drawn up by **Public Distribution System Operators** pursuant to the terms of their respective **Licences** as from time to time revised in accordance with those **Licences**;

“Distribution Licence”

a licence issued under section 6(1)(c) of the **Act**;

“Electricity”

Active Energy and **Reactive Energy**;

“Electricity Supply Arbitration Association”

the meaning attributed to it in the **Grid Code**;

“Embedded”

having a direct connection to a **User System** or the **System** of any other **User** to which **Customers** and/or **Power Stations** are connected such connection being either a direct connection or a connection with a busbar of another **User** or of the **Company** (but with no

other connection to the **National Electricity Transmission System**);

“Energy” or “Active Energy” the electrical energy produced, flowing or supplied by an electric circuit during a time interval, being the integral with respect to time of the instantaneous power, measured in units of Watt-hours or standard multiples thereof i.e.

1000 Wh = 1kWh

1000 kWh = 1MWh

1000 MWh = 1GWh

1000 GWh = 1TWh;

“Energy Metering Equipment” the meaning attributed to the phrase “Metering Equipment” in the **Balancing and Settlement Code**;

“Enhanced Rate” in respect of any day the rate per annum which is 4% above the base lending rate from time to time of Barclays Bank plc as at the close of business on the immediately preceding **Business Day**;

“Enhanced Reactive Power Services” the meaning attributed to it in the **CUSC**;

“External Interconnection” the meaning attributed to it in the **Grid Code**;

“Externally Interconnected System Operator” the meaning attributed to it in the **Grid Code**;

[“Final Adjustment Statement” the meaning attributed to it in Sub-Clause **Error! Reference source not found.**];

“Final Monthly Statement” the meaning attributed to it in **[Sub-Clause Error! Reference source not found.]OR[the CUSC]**;

[“Final Statement” the meaning attributed to it in Sub-Clause **Error! Reference source not found.**];

“Force Majeure” unless otherwise defined for the purposes thereof in a **Supplemental Ancillary Services Agreement**, in relation to either **Party** any event or circumstance which is beyond the reasonable control of such **Party** (not being, without limitation an event or circumstance caused by the negligence or lack of care and attention of that **Party** or its officers or employees) but subject thereto including act of God, strike, lockout or other industrial disturbance, act of the public enemy, war declared or undeclared, threat of

war, terrorist act, blockade, revolution, riot, insurrection, civil commotion, public demonstration, sabotage, act of vandalism, lightning, fire, storm, flood, earthquake, accumulation of snow or ice, lack of water arising from weather or environmental problems, explosion, governmental restraint, Act of Parliament, other legislation, bye law and Directive (not being any order, regulation or direction under Section 32, 33, 34 and 35 of the **Act**) provided that lack of funds shall not be interpreted as a cause beyond the reasonable control of the **Party**;

- "Frequency"** the number of alternating current cycles per second (expressed in Hertz) at which a **System** is running;
- "Frequency Deviation"** a positive or negative deviation from **Target Frequency**;
- "Frequency Sensitive Mode"** the meaning attributed to it in the **Grid Code**;
- "Fuel Security Code"** the document of that title designated as such by the **Secretary of State**, as from time to time amended;
- "Generating Unit"** unless otherwise provided in this **Agreement** or any **Supplemental Ancillary Services Agreement**, any **Apparatus** which produces electricity including for the avoidance of doubt a **CCGT Unit**;
- "Generation Licence"** the licence granted to the **Generator** pursuant to section 6(1)(a) of the **Act**;
- "Generator's Equipment"** the **Plant** and **Apparatus** owned by the **Generator** (ascertained in the absence of agreement to the contrary by reference to the principles of ownership set out in **CUSC**) which:
- a. is connected to **Transmission Connection Assets** forming part of any particular **Connection Site** to which the **Generator** wishes so to connect or
 - b. is connected to a **User System** to which the **Generator** wishes so to connect;
- "Great Britain" or "GB"** the meaning attributed to it in Schedule 1 of the **Transmission Licence**;
- "Grid Code"** the **Grid Code** drawn up pursuant to the **Transmission Licence** as from time to time

revised in accordance with the **Transmission Licence** (and references in this **Agreement** or any **Supplemental Ancillary Services Agreement** to any specific provision or part of the **Grid Code** shall be construed as references to such provision or part as from time to time amended);

"Grid Code BC"	the Balancing Codes of the Grid Code ;
"Grid Code CC"	the Connection Conditions of Grid Code ;
"Grid Code DRC"	the Data Registration Code of the Grid Code ;
"Grid Code OC"	the Operating Codes of the Grid Code ;
"Grid Code PC"	the Planning Code of the Grid Code ;
"Grid Entry Point"	a point at which a Generating Unit or a CCGT Module or a CCGT Unit , as the case may be, which is directly connected to the National Electricity Transmission System , connects to the National Electricity Transmission System ;
"Grid Supply Point"	a point of supply from the National Electricity Transmission System to Network Operators or Non-Embedded Customers ;
["Interim Information Settlement Run"]	the meaning attributed to it in the Balancing and Settlement Code ;
"Large Power Station"	as defined in the Grid Code ;
"Licence"	any one or more as appropriate of the Licences granted pursuant to section 6 of the Act ;
"Load"	the Active Power or Reactive Power as the context requires generated, transmitted or distributed;
"Loaded"	supplying electrical power to the System ;
"Mandatory Services Agreement"	the meaning attributed to it in the CUSC ;
"Modification"	the meaning attributed to it in the CUSC ;
"National Electricity Transmission System"	the meaning attributed to it in the CUSC ;
"Network Operator"	a person with a User System directly connected to the National Electricity Transmission System to which Customers and/or Power Stations (not forming part of a User System)

are connected, acting in its capacity as an operator of the **User System**, but shall not include a person acting in the capacity of an **Externally Interconnected System Operator**;

"Non-Embedded Customer" a **Customer** except for a **Network Operator** acting in its capacity as such receiving electricity direct from the **National Electricity Transmission System** irrespective of from whom it is supplied;

"Operational Metering Equipment" meters, instrument transformers (both voltage and current), transducers metering protection equipment including alarms circuitry and their associated outstations as may be necessary for the purposes of the **Grid Code** CC6.5.6 and the corresponding provision of the relevant **Distribution Code**;

"Output" the actual **Active Power** or **Reactive Power** output achieved by a **BM Unit**;

"Part 1 System Ancillary Services" the meaning attributed to it in **Grid Code** CC8.1;

"Part 2 System Ancillary Services" the meaning attributed to it in **Grid Code** CC8.1;

"Party" each person for the time being and from time to time a party to this **Agreement** and any successors in title to, or permitted assigns of, such person and **"Parties"** shall be construed accordingly;

"Party Liable" the meaning attributed to it in Sub-Clause 5.1;

"Plant" fixed and movable items used in the generation and/or supply and/or transmission of electricity other than **Apparatus**;

"Power Station" an installation comprising one or more **Generating Units** (even where separately sited) owned or controlled by the same **Generator** which may reasonably be considered as being managed as one **Power Station**;

"Proceedings" the meaning attributed to it in Sub-Clause 16.1;

"Provisional Adjustment Statement" the meaning attributed to it in Sub-Clause **Error! Reference source not found.**;

"Provisional Monthly Statement" the meaning attributed to it in **[Sub-Clause Error! Reference source not found.] or [the CUSC]**;

[“Provisional Statement”	the meaning attributed to it in Sub-Clause Error! Reference source not found. ;
“Public Distribution System Operator”	a holder of a Distribution Licence who was the holder of, or is a successor to a company which was the holder of, a Public Electricity Supply Licence , relating to distribution activities in Great Britain ;
“Public Electricity Supply Licence”	a licence issued under section 6(1)(c) of the Act prior to the coming into force of section 30 of the Utilities Act 2000;
“Reactive Energy”	the integral with respect to time of Reactive Power ;
“Reactive Power”	the product of voltage and current and the sine of the phase angle between them measured in units of voltamperes reactive and standard multiples thereof i.e. 1000 VAR = 1kvar 1000 kVAR = 1Mvar;
“Remote Transmission Assets”	any Plant and Apparatus or meters owned by the Company which: (a) are embedded in a User System and which are not directly connected by Plant and/or Apparatus owned by the Company to a sub-station owned by the Company ; and (b) are by agreement between the Company and such User under the direction and control of such User ;
“Secretary of State”	the meaning attributed to it in the Act ;
[“Settlement Administration Agent”	the meaning attributed to it in the BSC ;
“Settlement Period”	a period of 30 minutes ending on the hour or half hour in each hour during a day;
“Short Term Operating Reserve”	the additional Active Power and/or the reduction in Demand from non-synchronised generating plant or demand sites which must be capable of being provided within 240 minutes of instruction by the Company and sustained for up to 2 hours for the purposes of balancing Active Power and Demand on the National Electricity Transmission System ;
“Station Demand”	the meaning attributed to it in the CUSC ;

"Steam Unit"	a Generating Unit whose prime mover converts the heat-energy in steam to mechanical energy;
"Supplemental Ancillary Services Agreements"	in relation to any Power Station , each and every agreement between the Parties for the provision of and payment for Agreed Ancillary Services entered into, or construed as having been entered into, as a Supplemental Ancillary Services Agreement pursuant to this Agreement and in force from time to time and " Supplemental Ancillary Services Agreement " shall be construed accordingly;
"Synchronised"	the condition where an incoming BM Unit or CCGT Unit or System is connected to the busbars of another System so that the Frequencies and phase relationships of that BM Unit or CCGT Unit or the System , as the case may be, and the System to which it is connected are identical;
	"Synchronise" and Synchronisation" shall be construed accordingly;
"System"	any User System or the National Electricity Transmission System as the case may be;
"System Ancillary Services"	Part 1 System Ancillary Services and Part 2 System Ancillary Services ;
"Target Frequency"	that Frequency determined by the Company , in its reasonable opinion, as the operating Frequency of the Total System ;
"Total System"	the National Electricity Transmission System and all User Systems in Great Britain ;
"Transmission Connection Assets"	the meaning attributed to it in the CUSC ;
"Transmission Licence"	the licence granted to the Company under section 6(1)(b) of the Act ;
"User"	a person who is party to the CUSC Framework Agreement other than the Company ;
"User System"	any System owned or operated by a User comprising:- <ul style="list-style-type: none"> a. Generating Units; and/or b. systems consisting (wholly or mainly) of electric lines used for the distribution of electricity from Grid Supply Points or

Generating Units or other entry points to the point of delivery to **Customers**, or other **Users**; and

c. **Plant** and/or **Apparatus** connecting:

i. the system as described above; or

ii. **Non-Embedded Customers** equipment;

to the **National Electricity Transmission System** or to the relevant other **User System**, as the case may be.

The **User System** includes any **Remote Transmission Assets** operated by such **User** or other person and any **Plant** and/or **Apparatus** and meters owned or operated by the **User** or other person in connection with the distribution of electricity but does not include any part of the **National Electricity Transmission System**;

["Value Added Tax"]

Value Added Tax as defined by the Value Added Tax Act 1994 and any modification or re-enactment thereof and any new tax of a similar nature.]