Your Ref:

Our Ref: ENQ5359613

Network Connections

Northumbria Works
Mill Street East
Dewsbury
WF12 9AH
[redacted]

[redacted]@northernpowergrid.com

Mr Mark Wickham
HRS Energy Ltd
Postal Address :
Boundary House,
Boston Road,
London
W7 2QE.

12 June 2017

Dear Mark

QUOTATION FOR WORK ON THE ELECTRICITY DISTRIBUTION NETWORK OF NORTHERN POWERGRID (YORKSHIRE) plc AT STATHER ROAD, FLIXBOROUGH, SCUNTHORPE, DN15 8SE (the "Premises")

Thank you for asking us to provide you with a quotation for the provision of a new extra high-voltage connection to our Distribution System at the Premises. I have reviewed your requirements and am pleased to confirm that we can provide you with the Connection with a maximum import capacity of 2000kVA and a maximum export capacity of 63,000kW. Consequently, this Quotation constitutes our formal offer to provide the Connection. I would be grateful if you could note the Terms and Conditions of Contract for Work Required to the Distribution System contained in Part 2 (the "Terms and Conditions"), which include the Definitions applicable to the Quotation.

Contestable work

Certain parts of the work required to provide connections to the Distribution System can be carried out by ICPs. The work ICPs are able to do in that respect is known as "Contestable Work". You can, therefore, seek competitive quotations from ICPs for the contestable work associated with the Connection. ICPs must be accredited by the Lloyd's Register National Electricity Registration Scheme ("NERS") in order to carry out contestable work. Consequently, Northern Powergrid is not the only company that can undertake contestable work for you.

In accordance with the provisions of our electricity distribution licence aimed at facilitating competition, we have applied a regulated margin of 4% to those elements of this Quotation that

will be funded solely by you and are identified as contestable and in respect of which, therefore, you could, if you wished, seek terms from alternative providers.

Non-Contestable work

There are certain tasks that only Northern Powergrid can carry out on the Distribution System. This work is known as "Non-Contestable Work".

The Quotation consists of this letter and the following three Parts:

Part 1, which includes your request, our proposals in response to your request and our site specific terms and conditions (the "Special Terms and Conditions");

Part 2, which includes the Terms and Conditions; and

Part 3, which includes the Form of Acceptance.

Acceptance of our Quotation

Our Quotation is valid for acceptance for 90 days from the date of the Quotation. You can either:

a) Accept the Quotation in its entirety (the "Full Works Option") for Northern Powergrid to undertake both the Non-Contestable Work and the Contestable Work i.e. all of the connection works; or

b) Accept the Quotation for Northern Powergrid to undertake only the Non-Contestable Work (the "Point of Connection Option").

Please note that, if you decide to accept the Point of Connection Option, you

a) Will have to appoint a suitably accredited ICP to carry out the Contestable Work; and

b) Must pass a copy of this Quotation to the End User, if you are not the End User.

To assist you in making this choice, you should read this Quotation in conjunction with the following documents:

- The enclosed Design and Construction Specification for Contestable Work Associated with 33,000, 66,000 and 132,000 Volt Connections;
- The enclosed Functional Specification; and
- The policies and codes of practice as amended from time to time, published on our web site at [redacted]

Connection agreement for the ongoing use of the Connection

The ongoing use of the Connection will be governed by the terms of the Connection Agreement, which the End User will be required to complete and sign before the Connection is made available. Please note that the Connection Agreement includes the following terms:

- With effect from the date which is 18 months after the date of the Connection Agreement, the Maximum Import Capacity and the Maximum Export Capacity will each be the lower of (i) the Maximum Import Capacity and/or the Maximum Export Capacity, as applicable, and (ii) the capacity actually installed at the Premises on that date; and

- If, in any 12 month period, the amount of electricity imported or exported through the Connection is never greater than 75% of the Maximum Import Capacity and/or the Maximum Export Capacity, as applicable, we will give notice that we wish to reduce that capacity and, if you agree, the Maximum Import Capacity and/or the Maximum Export Capacity will be amended accordingly.

We will prepare the Connection Agreement when:

- You have accepted this Quotation and returned the completed information form for the Connection Agreement to us;
- The Statement of Works studies are completed;
- The stability/transient voltage studies are completed;
- The construction of the Point of Connection (Non-Contestable Works) is nearing completion; and
- The construction of the Contestable Connection Assets (Contestable Works) is nearing completion.

If something goes wrong and you would like to complain about our level of customer service

We are committed to providing excellent customer service but are aware that, occasionally, we may not live up to your expectations. If this happens, we want to hear from you and will try to address your concerns. You can contact us using the details at the top of this letter and you can obtain details of our complaints process from the 'help and information' page of our website at [redacted]

Determination of disputes

We will endeavour to resolve any issues you may have. However, section 23 of the Electricity Act 1989 (the "Act") provides that any dispute arising under sections 16 to 21 of the Act between an electricity distributor and a person requiring a connection may be referred to the Gas and Electricity Markets Authority (the "Authority") for determination. Any such dispute must be referred to the Authority within 12 months of the date on which the relevant connection is made. The Authority operates through Ofgem, which can be contacted at 9 Millbank, London, SW1P 3GE. Telephone: 0207 901 7000.

If you have any technical questions, please contact Mr Taiwo Giwa on telephone number [redacted]

Please contact me on the above number if you would like to discuss anything further.

Yours sincerely,

Ian Machin
Commercial Engineer

Enclosures:

QUOTATION
FORM OF ACCEPTANCE
INFORMATION FORM FOR THE CONNECTION AGREEMENT
FUNCTIONAL SPECIFICATION DOCUMENT
THE DESIGN AND CONSTRUCTION SPECIFICATION FOR CONTESTABLE WORKS ASSOCIATED WITH 33,000, 66,000 AND 132,000 VOLT CONNECTIONS.

THE QUOTATION
Part 1 – The Special Terms and Conditions

Dated **12 June 2017

Quotation for Work on the Electricity Distribution System of Northern Powergrid (Yorkshire) plc

A1	Name and Address of the Customer	**HRS Energy Ltd** **Postal Address :** **Boundary House,** **Boston Road,** **London** **W7 2QE.**
A2	Name of End User	**HRS Energy Ltd**
A3	Address/Location of the Exit Point and where applicable the Entry Point	**Stather Road, Flixborough, Scunthorpe, DN15 8SE**
A4	Address/Location of the Point of Connection.	**132kV Point of Connection: Northern Powergrid's Scunthorpe North 132/33kV substation at new 132kV cable sealing end supports.** **11kV (Auxiliary Supply) Point Of Connection:** **At 2 cable joints into our Flixborough to Flixborough Wharf 11kV circuit.**
A5	Type of Work	**The provision of the Non-Contestable and Contestable elements of a connection to the Distribution System for an import capacity of 2MVA and an export capacity of 63MW.**

B. INTRODUCTION

This Quotation supercedes any quotation we may have issued previously in respect of a Connection.

B1: Interactivity

Your application for the Connection is an Interactive Connection Application as defined in our Statement of Methodology and Charges for Connection to Northern Powergrid (Yorkshire) plc / Northern Powergrid (Northeast) Limited Electricity Distribution System (the "Statement"). In accordance with the Statement please also find attached a "notice of interactivity" which sets out the procedures, payment arrangements and timescales that apply with regard to your ability to accept this Quotation (as also set out in the Statement).

B2: Connection of the End User's Installation.

We have produced the Quotation on the basis of information you have provided and that is available as at the date of the Quotation. The Quotation is subject to any changes that may be required to take account of the following:

- Use of the Connection will be in accordance with the Distribution Code, which imposes certain duties. Please note, in particular, that the Distribution Code imposes certain obligations on Users (as defined in the Distribution Code) regarding voltage disturbances and harmonic distortion caused by certain types of equipment.

- **Stability Study** - This Quotation is subject to a stability/transient voltage study being undertaken following acceptance of this Quotation. The purpose of this study is to assess the impact of the proposed generation on the Distribution System and other customers connected to it. This Quotation is subject to the conclusions and the implementation of any and all recommendations of this study and the Contract Price shall be amended to take account of the a result of that study. This study is undertaken by an external consultant and, for the purpose of guidance, has historically taken approximately seven months to complete, including administrative time for you and us.

  A charge of £26,920 plus VAT has been included in the Contract Price in respect of this study.

- **Statement Of Works** ("SoW") - As a Distribution Network Operator ("DNO"), we are obliged under the Grid Code to notify NGET of any embedded connection at 50 MW (or cumulative requests equalling 50 MW) or greater, which is intending to connect to the Distribution System. NGET has advised us that any generation enquiry falling within this requirement will require NGET to undertake studies of the impact of that proposed generation on its transmission system and that we will be required to submit a request for a Statement of Works to NGET on your behalf. NGET charges a fee for a SoW, which is currently £2,750 plus VAT, which we will collect from you and pass to NGET. This amount has, therefore, been included in the Contract Price.

  Should the SoW studies undertaken by NGET indicate that the proposed generation or cumulative generation has, or may have, a material effect on NGET's transmission system, NGET will notify us and we, in turn, will notify you. Should you wish to continue with this connection enquiry, NGET will require us to submit a Modification Notice to NGET and NGET will need to undertake further studies to confirm the work NGET needs to carry out on its transmission system. NGET charges a fee for these studies, which is currently £7,500 (or £15,000 if complex) plus VAT, which we will collect from you and pass to NGET. This cost will be subject to a separate invoice should a Modification Notice prove necessary.

A range of information can be obtained from NGET's web site, [redacted] including regarding the SoW and Modification Notices.

This Quotation is subject to the outcome of any and all recommendations and/or requirements of the SoW and/or Modification Notice studies carried out for this project and any costs associated with NGET's requirements will be in addition to the Contract Price and, therefore, are outside the scope of this Quotation.

This Quotation will be reissued for your further acceptance should NGET indicate any costs or security requirements in respect of the Connection and its impact on the NGET transmission network.

- This Quotation has been prepared in advance of receipt of a full technical specification of the proposed generating set/s. It has, therefore, not been possible to confirm with certainty the impact of increased fault level duties, or to undertake a transient stability study to confirm that no additional work over and above that contained in this Quotation will need to be carried out on the Distribution System. Consequently, when you provide us with the actual generator data, we reserve the right to undertake further studies to confirm the impact of the generation on the Distribution System and other customers connected to it. This Quotation is provided on the basis that the outcome of such further studies may indicate that additional work and costs are required to those shown in this Quotation. We will confirm any such additional work and costs to you and, where necessary, provide a separate quotation for your acceptance in order for the additional work to be carried out. The cost of any such additional work will be in addition to the Contract Price. Any Work we have done prior to receipt of the outcome of such further studies will be carried out at your risk that it may be abortive or require amending as a result of the outcome of such studies.

- The Connection will not be made available until the Connection Agreement has been signed, all relevant agreements have been signed with NGET and we have been provided with written documentation from NGET confirming its agreement for the Connection to be made available.

- The Connection is made available subject to compliance with the Distribution Code, the Grid Code and the CUSC, each of which imposes certain duties, including but not limited to voltage disturbances and harmonic distortion caused by certain types of equipment.

- If you are a party to the Balancing and Settlement Code, you must inform us immediately as it may have an impact on the Quotation. You must also comply with all provisions of the Balancing and Settlement Code, the Distribution Code, the Grid Code and the CUSC that are relevant to you.

B3: Non-Contestable Work and Contestable Work

Contestable Work – If provided by your appointed ICP.

If you are an ICP or you appoint an ICP to undertake the Contestable Work, we will wish to adopt such Contestable Works after their completion, subject to them being satisfactorily tested and inspected by us, so that they form part of the Distribution System. An Adoption Agreement will, therefore, need to be executed by the ICP and us before the Contestable Connection Assets are energised.

If you appoint an ICP to undertake the Contestable Work, you must take account of the following:

Prior to the Contestable Connection Assets being connected to the Distribution System, they will need to be designed in accordance with:

- Our Functional Specification enclosed with this Quotation;

- Our Design and Construction Specification for Contestable Works associated with 33,000, 66,000 and 132,000 Volt Connections enclosed with this Quotation; and

- The relevant policies and codes of practice published on our web site [redacted], as amended from time to time.

In addition:

- The ICP's electrical and civil design will need to be approved by us. This Work has been provisionally allowed for in the Contract Price but we reserve the right to amend the Contract Price subject to the ICP's design and how, when and in what format it is presented to us for approval;

- All works carried out by the ICP must be approved prior to commencing and be in accordance with our requirements;

- You must comply with all relevant Engineering Recommendations as may be published by the Energy Networks Association from time to time, all electricity industry codes as may be applicable to you, including the Distribution Code, and current statute. This list is indicative not exhaustive;

- We will need to obtain Consents (on our standard terms and conditions for the securing of such Consents) from landowners for all the Contestable Connection Assets prior to us adopting them and the cost associated with us so has been assumed and is subject to the ICP's actual design. This assumed cost has been included in the Contract Price and may be amended once the ICP's design has been approved;

- We will need to assure the work to install the Contestable Connection Assets. The cost of each quality assurance visit has been assumed and is subject to the ICP's actual design. This assumed cost has been included in the Contract Price and may be amended once the ICP's design has been approved. Any of the ICP's work that fails our quality assurance checks will result in additional visits to re-check the failed item/s. Any additional visit/s will incur a fee and that cost will be assessed on an individual basis at the time.

  Our quality assurance Work will include:

  - Work associated with the adoption process described in the Design and Construction Specification for Contestable Works associated with 33,000, 66,000 and 132,000 Volt Connections;

  - Management of the proposed connection in line with Northern Powergrid's electricity distribution licence obligations;

  - Design discussions with you and/or the ICP, as appropriate;

  - Review and approval of any quality plans, time plans, design submissions and equipment specifications prior to commencement of the ICP's construction activities;

  - Wayleave and lease agreement costs; and

  - Management of handover of and acceptance onto the Distribution System (i.e. our adoption of the Contestable Connection Assets).

- The ICP and any sub-contractor/s working for the ICP, including but not exclusively electrical design staff, will need to be NERS accredited to undertake each aspect of the relevant Contestable Works. The ICP must send us a copy of its current NERS accreditation showing the expiry date and the aspects it is accredited to undertake prior to undertaking the Contestable Work;

- The ICP will need to complete our Adoption Agreement once it has been appointed and prior to us undertaking any Work, including design and planning Work; and

- We can only adopt the Contestable Connection Assets from the party that owns them. Proof of ownership will be required prior to progressing with the adoption process.

The connection of the Contestable Connection Assets to the Distribution System will only be made following our formal adoption of the Contestable Connection Assets. Formal adoption is confirmed by our signature on the Acceptance of Operational Handover and Adoption form which is included in the schedules to the Adoption Agreement. The terms and conditions of the Adoption Agreement are outside the scope of this Quotation.

B4: Land Rights - Where you Appoint an ICP.

Land Rights mean the formal security of tenure granted by landowners and occupiers in respect of the installation, retention, use, maintenance, inspection, repair, renewal and rendering usable of the relevant electric lines or electrical plant. The Land Rights also include planning permissions and all other Consents, approvals and consultations that may be required by statute or other policy or code of practice before exercising the various aspects of the Land Rights. All Land Rights must apply from the time of adoption is deemed to be 'non-contestable' i.e. we will secure our own Land Rights with the affected landowners and with relevant consenting authorities. This Work is undertaken as part of the adoption process and adoption will not take place until all of these Land Rights have been obtained.

For the Contestable Work, the appointed ICP will be responsible for securing its own Land Rights to install the Contestable Connection Assets and must retain those rights up to the time of adoption, such Land Rights being capable of enduring if adoption does not take place. The ICP must ensure that, in the process of securing its own Land Rights, it must not purport to be acting for us or exercising or benefiting from any statutory power or provision that can only be used by us. The ICP must ensure that any arrangements made with the landowners do not create any adverse impact on our negotiations with potential Grantors.

For the Contestable Work, the appointed ICP will have continuing liability after adoption with respect to any latent damage or defects arising out of its installation of the relevant electric lines or electrical plant. The ICP will be liable for reinstatement on completion of its works (and paying compensation for any damages that cannot be made good plus damage for loss of any trees to be felled), for any subsequent claims in respect of repairs to drains and roads that arise due to latent damage reasonably attributable to the installation and initial reinstatement work. Documentation of the ICP's Land Rights should include wording to clearly reflect this liability and distinguish it from any liability that we may accept on adoption of the relevant assets.

B5: Energisation.

Only a person who is licensed to supply electricity or is exempted from holding such a licence can request us to energise the Connection at the Exit Point and, where applicable, the Entry Point in order that a supply of electricity may flow through the Connection and then only after the relevant energy supplier has:

a) Registered with us its responsibility for the relevant Meter Point Administration Number(s) ("MPANs"); and

b) Notified us of the meter operator it has appointed.

During the latter stages of the Work, we will advise you in writing of the MPAN(s) for the Connection. You will need to give these numbers to the relevant energy supplier so that the relevant energy supplier can register itself against those MPAN(s).

We cannot energise the Connection until we have received a written instruction from the relevant energy supplier to do so.

C. TO ACCEPT THIS QUOTATION

Acceptance of the Full Works Option

If you wish to accept the Full Works Option within the stated validity period, you must send us both of the following:

- The completed and signed Form of Acceptance. Please ensure that you clearly indicate that you wish to accept the Full Works Option; and

- The appropriate payment amount as stated in this Quotation. Please ensure that you make this payment to us at the same time as you return the Form of Acceptance. Please confirm how you have made the payment to us (by cheque, BACS, or CHAPS) and when you make the payment.

Please return the Form of Acceptance (and your payment if paying by cheque) to us in an envelope addressed to:

RSXE-RCZX-XKBL
Cashiers – Northern Powergrid
Manor House
Station Road
Penshaw
Houghton Le Spring
Tyne & Wear
DH4 7LA

There is no need for a stamp or other address details on the envelope.

The Form of Acceptance must be signed by a person with the requisite authority to bind and commit you to acceptance of the Quotation e.g. a Director of your company. If you are acting as an agent, you must also provide us with a letter of authority from your Principal confirming that you are authorised to act on its behalf in respect of this Quotation.

You must also ensure that we receive payment of the amount required by this Quotation at the time you accept the Quotation. The Contract will be formed upon our receipt of your signed Form of Acceptance and the appropriate payment stated in this Quotation.

Once we have received both the signed Form of Acceptance and your payment, we will acknowledge receipt to you and confirm that you have successfully accepted the Quotation.

Please indicate on the Form of Acceptance or in your covering letter, if you require an invoice.

Acceptance of the Point of Connection Option

If you wish to accept the Point of Connection Option within the stated validity period, you must send us both of the following:

- The completed and signed Form of Acceptance. Please ensure that you clearly indicate that your wish to accept the Point of Connection Option; and

- The appropriate payment amount as stated in this Quotation. Please ensure that you make this payment to us at the same time as you return the Form of Acceptance. Please confirm how you have made the payment to us (by cheque, BACS, or CHAPS), and when you made the payment.

Please return the Acceptance Form (and your payment if paying by cheque) to us in an envelope addressed to:

RSXE-RCZX-XKBL
Cashiers – Northern Powergrid
Manor House
Station Road
Penshaw
Houghton Le Spring
Tyne & Wear
DH4 7LA

There is no need for a stamp or other address details on the envelope.

The Acceptance Form must be signed by a person with the requisite authority to bind and commit you to acceptance of the Quotation e.g. a Director of your company. If you are acting as an agent, you must also provide a letter of authority from your Principal confirming that you are authorised to act on its behalf in respect of this Quotation.

You must also ensure that we receive payment of the amount required by this Quotation at the time your acceptance of the Quotation. The Contract will be formed upon our receipt of your signed Form of Acceptance and the appropriate payment stated in this Quotation.

Once we have received both the signed Form of Acceptance and your payment, we will acknowledge receipt to you and confirm that you have successfully accepted the Quotation.

Please indicate on the Form of Acceptance or in your covering letter, if you require an invoice.

Within 3 months of us having received your acceptance, or such other time period as may be agreed with us, you shall:

- Provide us with satisfactory evidence that your appointed ICP holds NERS accreditation; and

- Submit the design for the Contestable Works to us.

If you do not satisfy these conditions, we reserve the right to revise the terms of the Quotation accordingly or to terminate the Contract.

1. DETAILS OF THE APPLICATION

Our understanding is that you have requested us to provide you with a Quotation for the Connection. That Quotation will be based on the following information you have provided to us:

1.1 Location of the Connection

The Connection will be at the new substation located at “Address/Location of the Exit Point and where applicable the Entry Point” shown in “A3” above.

1.2 Electrical Capacity

The Exit Point and, where applicable, the Entry Point will have:

- A maximum import capacity of 2MVA; and
- A maximum export capacity of 63MW.

The available capacity will then be subject to the terms of the Connection Agreement, which the End User will be required to complete and sign before the Connection is made available.

1.3 Electrical Security

The electrical security at the Exit Point and, where applicable, the Entry Point is to be designed and constructed with:

- Single circuit non-firm security within the conditions of the Distribution Code, unless otherwise stated in this Quotation.

1.4 The End User’s Installation

The End User’s Installation will comprise of three synchronous generators each with a rating of 23MW (28.75MVA).

The generators the End User wishes to operate in parallel with the Distribution System will have a combined rating of 69MW. However, you only wish us to make available a maximum export capacity of 63MW and a maximum import capacity of 2MVA on the Distribution System.

The import requirement of 2MVA is for general use with no single item having a significant detrimental impact on the Distribution System.

1.5 Voltage of Connection

The preferred voltage for the Exit Point and, where applicable, the Entry Point is 33kV.

Please note: If any of the information shown under item 1, Details of the Application, is not correct, please contact us to confirm the differences, as we may need to provide a different Quotation to meet any revised requirements.

2. OUR PROPOSALS TO MEET THE APPLICATION

Our proposals to meet your application for the Connection are as follows:

2.1 Location

- Non-Contestable Works - Establishing the Point of Connection by:
    - Installing a new 132kV motorised disconnector and cable sealing end structure at Scunthorpe North 132/33kV SP substation on the Keadby to Scunthorpe South 2 teed Scunthorpe North 2 132kV circuit;
    - Installing inter-tripping between different parts of the Distribution System, which will interface with the Contestable Connection Assets and the End User's Installation;
    - Undertaking any protection and control modifications that may be necessary at our Keadby 400/132kV GSP substation and Scunthorpe North 132/33kV SP substation to facilitate the new 33kV metered connection;
    - Installing two microwave radio links between the new 132/33kV metering substation at the Premises and Keadby 400/132kV GSP substation;
    - Providing an 11kV Point of connection on our Flixborough to Flixborough Wharf 11kV circuit for the backup LV auxiliary supply for the new 132/33kV metering substation; and
    - Jointing the new 11kV cable(s) to the 11kV Point of Connection.
- Contestable Works:
    - Building a new 132/33kV metering substation comprising a 132kV outdoor switchgear/transformer compound, 132/33kV indoor control room and indoor 33kV switchroom at the Premises to contain a 132kV motorised disconnector, 132/33kV 60/120MVA transformer, 33kV switchboard with a metering circuit breaker and associated protection, control and auxiliary plant;
    - Installing one underground 132kV cable circuit and associated fibre optic cable for approximately 5.4km from the Point of Connection to the new 132/33kV metering substation;
    - Installing two 11kV underground cable circuits from the 11kV Point of Connection to a position adjacent to the new 132/33kV metering substation, where we will install a new ground-mounted 11/0.4kV substation including substation building and a low voltage cable to the new 132/33kV metering substation for the backup/alternative low voltage supply; and

2.2 Electrical Capacity of the Exit Point and, where applicable, the Entry Point

The maximum electrical capacity to be provided at the Exit Point and, where applicable, the Entry Point on energisation of the Connection will be:

- for import purposes : 2MVA; and
- for export purposes: 63MW (66.31MVA at 0.95 Power Factor).

Following energisation, the maximum electrical capacity to be provided at the Exit Point and, where applicable, the Entry Point will be in accordance with the terms of the Connection Agreement for the ongoing use of the Connection.

However, we may curtail the actual export and/or import, as appropriate, at any time in order to ensure the safe and efficient operation of the Distribution System.

No capacity will be allocated to the proposed Point of Connection or to the Exit Point or, where applicable, the Entry Point until such time as all of the following requirements have been met:

- You have accepted this Quotation;
- You have paid the Contract Price in full;
- Our Work has been completed, commissioned and energised;
- The Contestable Connection Assets have been constructed, connected to the Point of Connection, commissioned and energised;
- The End User's Installation has been constructed and connected at the Exit Point and, where applicable, the Entry Point and the Connection has been energised;
- The Connection Agreement has been completed and signed; and
- The relevant energy supplier has registered with us its responsibility for the relevant MPAN(s).

2.3 Electrical Characteristics of the Exit Point and, where applicable, the Entry Point

2.3.1 Imports from the Distribution System

The import characteristics from the Distribution System will be as shown below at 2.3.1A to 2.3.1G inclusive:

2.3.1A Standard of Electrical Security

The standard of security of the Connection will comply with the conditions set out in the Distribution Code.

The electrical security at the Exit Point and, where applicable, the Entry Point is to be designed and constructed with:

- Single circuit non-firm security within the conditions of the Distribution Code, unless otherwise stated in this Quotation.

As you requested in your application, the Connection will be single circuit security (non-firm). Consequently, you should note that:

- If any faults occur or if maintenance or modifications to the Distribution System are required for any reason, the Connection will be disconnected from the Distribution System until any such faults are repaired or such maintenance or modification work is completed. It is the End User's responsibility to make any arrangements it considers appropriate in order to maintain an electricity supply at the Premises during such times (such arrangements being made at the End User's own expense).

2.3.1B Voltage, Frequency and Short Circuit Level

The Point of Supply or Exit Point will permit an electricity supply to be provided at three phase alternating current at a nominal voltage of 33kV and a normal frequency of 50 Hz. The three phase short circuit level is not expected to exceed 31.5 kA.

2.3.1C Exit Point

The Exit Point will be at the outgoing cable box terminals of the 33kV metering circuit breaker. The outgoing terminals are part of the Distribution System and the cable and lugs connected to them form part of the End User's Installation.

2.3.1D Earthing

We do not provide an earth terminal. It is, therefore, your responsibility to ensure that adequate earthing arrangements are made.

It may be necessary to interconnect the End User's Installation's earthing system with that of the Distribution System. Any such interconnection is outside the scope of this Quotation and will be the subject of separate discussions.

You must confirm to us and we must agree the rise in earth potential from the End User's Installation, which must comply with Engineering Recommendation S34 ("ER, S34"). Any reports you may need to procure in order to demonstrate such compliance will be at your cost.

2.3.1E Breaking Capacity of High Voltage Switchgear

It is your responsibility to provide suitable equipment to protect the End User's Installation against excess energy. The actual short circuit level may vary from time to time but should not normally exceed the rating shown at paragraph 2.3.1B, Voltage, Frequency and Short Circuit Level, above.

2.3.1F Disconnection from the Distribution System in an Emergency by the End User.

A push button will be provided adjacent to the metering equipment that will enable the End User to disconnect the End User's Installation from the Distribution System **in an emergency**. This facility can be extended to provide a push button at an alternative location, which is outside the scope of this Quotation but we will be pleased to issue a quotation for this additional work, if required.

If the push button is used, reconnection to the Distribution System must be carried out by our personnel. We will normally make a charge for this service.

2.3.1G Maximum Import Capacity and Power Factor

The maximum import capacity will be that shown at paragraph 2.2 above and is based on a site power factor of between 0.95 lagging to unity.

2.3.2 Export to the Distribution System

The export characteristics to the Distribution System will be as shown below in 2.3.2A to 2.3.2G inclusive:

2.3.2A Standard of Security

The standard of Security of the Connection will be the same as set out in 2.3.1A above.

However,

- There may be circumstances where third parties (including NGET) require us to constrain the amount of generation on the Distribution System for a period of time. NGET has indicated that prevailing transmission system conditions may lead to such constraints on the Distribution System and, under such circumstances, the End User may be required to reduce its generation output or cease generating.

- An export management scheme will be implemented such that your generation will be totally constrained off (zero export via the Entry point) on all occasions when any one of the three NGET 400/132kV transformers is out of normal service at our Keadby 400/132kV Grid Supply Point substation.

- The generator must not export onto the Distribution System at times when any part of the Distribution System, to which the Connection is made, is unavailable for any reason.

- As you have requested that the Connection has single circuit security, the export capacity will be totally constrained (zero export via the Entry Point) for any network outage of any of the following:
    - the 132/33kV metering substation on the Premises,
    - the 132kV circuit from the Premises to our Scunthorpe North 132/33kV substation,
    - the 132kV circuit from Scunthorpe North 132/33kV substation to our Keadby 400/132kV substation,
    - the corresponding section of the 132kV busbar at our Scunthorpe North 132/33kV substation, and / or at our Keadby 400/132kV Grid Supply Point substation.

  For planned network outages, this constraint will be managed by our Network Control Centre.

- **132/33kV Transformer - Export Constraint –** Being a biomass technology, your generators will be exporting the full 66.3MVA most of the time. This implies that the proposed 132/33kV 60/120MVA transformer at the metering substation will be running on forced cooling (with fans and pumps) at most times. It is crucial therefore to closely monitor the transformer's fan and pumps (or the cooling system in general) and your generator's export capacity will be curtailed if any anomaly is observed. In such circumstances we will discuss the necessary actions with you and agree a suitable course of actions / work, which may result in additional cost to you.

For the avoidance of doubt, the total length of the constraint period will depend on the circumstances prevailing at the time of such constraint and, therefore, cannot be guaranteed. All costs and losses (financial or otherwise) incurred either directly or indirectly by the End User as a result of such constraint will be the sole responsibility of the End User.

2.3.2B Voltage, Frequency

This will be the same as shown in 2.3.1B above.

2.3.2C Entry Point

This will be the same as shown in 2.3.1C above.

2.3.2D Earthing

This will be the same as shown in 2.3.1D above.

2.3.2E Breaking Capacity of High Voltage Switchgear

You are responsible for providing suitable equipment to protect our Distribution System against excess energy from the End User's Installation.

2.3.1F Disconnection from the Distribution System in an Emergency by You

This will be the same as shown in 2.3.1F above.

2.3.2G Maximum Export Capacity and Power Factor

The End User's Installation must be designed and constructed to be capable of operation throughout the range of power factor between 0.95 lagging to Unity whilst exporting energy (both VArs and Watts). The End User's Installation must be operated within this power factor range at all times.

The End User must operate the End User's Installation at a power factor of 0.95 lagging to Unity. This will be recorded in the Connection Agreement and any changes to this figure will be notified to the End User as required from time to time.

3. OUR PROPOSALS FOR THE WORK TO PROVIDE THE POINT OF CONNECTION AND THE EXIT POINT AND, WHERE APPLICABLE, THE ENTRY POINT

3.1 A summary of our Work

Our proposal is to:

- Undertake the detailed design to provide the Point of Connection and the Exit Point and, where, applicable the Entry Point to/from the Distribution System;
- Provide a new 132kV Point of Connection by installing a new 132kV motorised disconnector and cable sealing end structure at Scunthorpe North 132/33kV SP substation on the Keadby to Scunthorpe South 2 teed Scunthorpe North 2 132kV circuit;
- Install inter-tripping between different parts of the Distribution System, which will interface with the Contestable Connection Assets and the End User's Installation;
- Undertake any protection and control modifications that may be necessary at our Keadby 400/132kV GSP substation and Scunthorpe North 132/33kV SP substation to facilitate the new 33kV metered connection;
- Install two microwave radio links between the new 132/33kV metering substation at the end user's premises and Keadby 400/132kV GSP substation;
- Build a new 132/33kV metering substation comprising a 132kV outdoor switchgear/transformer compound, 132/33kV indoor control room and indoor 33kV switchroom at the Premises to contain a 132kV motorised disconnector, 132/33kV 60/120MVA transformer, 33kV switchboard with a metering circuit breaker and associated protection, control and auxiliary plant;

- Install one underground 132kV cable circuit and associated fibre optic cable for approximately 5.4km from the Point of Connection to the new 132/33kV metering substation;

- Provide an Export Management Scheme to trip the new generation during transformer outages at Keadby 400/132kV GSP substation.

- Provide an 11kV Point of Connection on our Flixborough to Flixborough Wharf 11kV circuit for the backup low voltage auxiliary supply for the new 132/33kV metering substation;

- Joint the new 11kV cables to the 11kV Point of Connection;

- Install two 11kV underground cable circuits from adjacent to the new 132/33kV metering substation to the 11kV Point of Connection;

- Install a new ground-mounted 11/0.4kV substation including substation building and a low voltage cable to the new 132/33kV metering substation for the backup/alternative low voltage supply for the new 132/33kV metering substation;

- Provide planning and supervision of our Work;

- Negotiate the Connection Agreement with the End User;

- Witness your G59 testing; and

- Update our records accordingly.

Please note the following:

- We will not order or procure any plant, apparatus or equipment until such time as we have completed the Consents (on our standard terms and conditions for the securing of such Consents) we need in order to carry out the Works or to make the Connection available.

The above is a high level summary of the Works and is not an exhaustive list of all the associated elements. The full design and specification of the Work can only be undertaken once we have met with your appointed project delivery team, have agreed the details of your works and have received the following:

- The Form of Acceptance;

- The required payment; and

- Your programme of works.

3.2 The Non-Contestable Work includes:

3.2.1 Civil Works

We will:

- Carry out civil Works at Scunthorpe North 132/33kV SP substation to accommodate a motorised disconnector with earth switches and cable sealing end structures.

3.2.2 Excavation Works (cable)

We will:

- Carry out excavation and reinstatement of the trenches required for our equipment at Scunthorpe North 132/33kV SP substation in order to complete our Work.

3.2.3 Electrical Works

We will:

- Install and commission a motorised disconnector with earth switched and cable sealing ends to provide a new 132kV feeder bay at Scunthorpe North 132/33kV SP substation subject to outages being available on our 132kV network;

- Terminate the 132kV Contestable Connection Assets to the Distribution System at the Point of Connection, at our new cable sealing end structure in Scunthorpe North 132/33kV SP substation.

- Terminate the 11kV Contestable Connection Assets to the Distribution System at the Point of Connection for the alternative auxiliary connection for the metering substation at the Premises.

3.2.4 Protection and Inter-tripping Works and Load Management Arrangements

We will:

- Undertake the necessary protection and control modifications at Keadby 400/132kV GSP 400/132kV substation and Scunthorpe North 132/33kV SP substation in order to protect the Distribution System. You should note such protection equipment is not designed or intended to protect the End User's Installation.

- Install a new duel inter-tripping facilities at Keadby 400/132kV GSP substation towards the new 132/33kV metering substation at the Premises.

- Provide an Export Management Scheme to prevent system overloads during transformer outages at Keadby GSP substation.

- Provide monitoring of each of the three 400/132kV grid transformers and their associated circuit breakers at Keadby 400/132kV GSP substation that will totally constrain the export capacity of the End User's Installation on all occasions when any one of the grid transformers is out of normal service. Post acceptance, we will develop the specifications and requirements for this Export Management / Monitoring scheme. Additional costs may subsequently be incurred to the Contract Price.

- Install a Loss of Mains scheme at Keadby 400/132kV GSP substation and Scunthorpe North 132/33kV SP substation to provide source end inter-tripping.

- Install inter-tripping between our circuit breakers at Keadby 400/132kV GSP substation, our disconnector at Scunthorpe North 132/33kV SP substation, the End User's generator synchronising circuit breaker and our 33kV metering circuit breaker at your Premises. The operation of this inter-tripping will initially send an intertripping signal to the End User's generator synchronising circuit breaker, if this circuit breaker does not open within 300ms the 33kV metering circuit breaker at your Premises will trip. Prior to us closing our 33kV metering circuit breaker at your Premises, we will need to receive a signal from the |End User's Installation confirming that their generation is not operating;

- Install a new fibre optic wall box within Scunthorpe North 132/33kV SP substation control room to terminate the fibre optic cable installed as part of the Contestable Connection Assets.

- Provide a combined SCADA outstation and marshalling kiosk for the new 132/33kV metering substation at the Premises. We will carry out the internal jumpering and commissioning out to Our Control Centre.

- Modify the existing SCADA system at Keadby 400/132kV GSP substation and Scunthorpe North 132/33kV SP substation to facilitate the new metering substation at the Premises.

- Witness the End User's generator commissioning tests.

Please note that as no protection equipment is failsafe, you should satisfy yourself that you have back up protection suitable to ensure the safety of the End User's Installation.

3.2.5 Communications for Protection and Inter-tripping Works and Load Management Arrangement

As we can no longer rely on British Telecom circuits due to British Telecom's circuit routing policy for our pilot/SCADA purposes, we have to provide these facilities via our own pilot circuits or radio links, if no pilot circuits are available/feasible.

We will:

- Install a communications array (microwave radio antenna), which may be subject to line of sight surveys, between our Keadby 132kV Radio Site and the new 132/33kV metering substation at the Premises in order to provide the dual microwave links required for the protection and telecoms circuits between Keadby 400/132kV GSP substation and the new 132/33kV metering substation at the Premises. We reserve the right to vary our connection proposal, the Contract Price and timescales for the completion of our Work to take account of the results of the line of sight tests. You will be required to obtain any planning permission that may be required for the installation of our radio aerial;

- Modify the existing telecoms systems at our Keadby 400/132kV GSP substation and Scunthorpe North 132/33kV SP substation to provide the telecoms service for the new 132/33kV metering substation at the Premises;

- Install new telecoms equipment at the new 132/33kV metering substation at the Premises to provide the protection, inter-tripping and telecoms circuits; and

- Provide SCADA and Telephony services for the new 132/33 kV metering substation at the Premises. Fibre optic cables are required to carry these signals from/to our Scunthorpe North 132/33kV SP substation.

3.2.6 We have also made the following assumptions:

<u>Costs</u>

- The costs included in the Contract Price are estimated, based on current technologies, and are subject to the costs we actually incur as a result of our normal procurement process.

Towers

- Any existing tower we propose to use has sufficient space and structural strength (based on existing structural surveys) to allow our proposed installations to be carried out;

- Planning consent for any new tower installation will be granted, typically taking three months to obtain and will be approved at the first submission; and

- Land is available at the proposed locations for new tower(s).

Microwave Radio Links

- Radio links are subject to 'line of sight' confirmation;

- Any radio spectrum licences (with associated costs) will be available from the appropriate authority (OFCOM and JRC) and the spectrum licences and costs are acceptable to us;

- Where existing Direct Current ("DC") systems are to be used, those systems have sufficient electrical capacity to support the additional electrical load of proposed radio link(s);

- The proposed radio link will connect to our existing radio network via a 1.4Ghz radio link and the license applications will request 99.99% availability;

- The equipment will be installed at our substation and radio site to carry the radio connections and be protected by a suitable DC system that will provide a minimum of 8 hours operation in response to a loss of mains; and

- The duplicate inter-tripping circuits will be carried over the radio link.

Please note – Should you decide to accept the Point of Connection Option (i.e. for Northern Powergrid to carry out only the Non-Contestable Work), your appointed ICP must undertake the Contestable Work for you. The following provides an indication of the work your appointed ICP will need to undertake for you.

3.3 The Contestable Work includes:

3.3.1 Civil Works

We will:

- Establish a 132/33kV substation at the Premises including the control building. (This does not include us obtaining any planning permission that may be required for that substation, which will be your responsibility). The substation will comprise of an outdoor switchgear compound, control room and metering annex on your site to contain the motorised 132kV disconnector with earth switch, 132/33kV 60/120MVA transformer, 33kV two panel switchboard including a 33kV metering circuit breaker, associated protection, control, metering and auxiliary plant. The exact position of the substation will need to be finalised in due course.

3.3.2 Excavation Works (cable)

We will:

- Negotiate and, where possible, complete any necessary Consents we required in order to carry out the Contestable Work or to make the Connection available and will not procure any plant, apparatus or equipment until such time as the required Consents are completed**;** and

- Carry out the excavation and reinstatement of any trenches required for our cables and/or ducts in Type 3/4 ground at the Premises. Any excavation undertaken by us will be by machine.

The feasibility of the project is dependent on successfully securing Consents for the installation of our equipment through the private land. We have not met with the local Highways Department or any other organisation at this stage and, any potential cable route will be subject to negotiation with the local Highways Department to finalise details of access, traffic sensitive routes and areas of engineering difficulty.

The cable route derived as part of the feasibility study covers a total distance of approximately 5.4km The quote for the cabling aspects of the works remains budgetary at this time.

The route is as follows:

- Exit Scunthorpe North 132/33kV SP substation onto Normanby Road.
- Normanby Road to A1077
- A1077 to Phoenix Parkway
- Phoenix Parkway to B1216/Ferry Road West
- Phoenix Parkway to B1216/Ferry Road West to Stather Road
- Stather Road to your service road
- Your service road to proposed intake substation

If you or your appointed ICP carry out the Contestable Work and are working in proximity to our overhead lines, you or your appointed ICP must comply with HSE document GS6 which can be obtained at www.hse.gov.uk.

If you or your appointed ICP carry out the Contestable Work, and are working in proximity to our underground cables, you or your appointed ICP must comply with HSE document HSG47, which can be obtained at www.hse.gov.uk.

You or your appointed ICP will need to check the requirements of any other utilities and local authorities before undertaking any excavation work.

3.3.3 Electrical Works

We will:

- Install and commission a 132kV motorised disconnector with earth switch, 132kV cable sealing ends, 132/33kV 60/120MVA transformer, two panel 33kV switchboard including 33kV metering circuit breaker at the new metering substation at the Premises.

- Install a 132kV underground circuit and associated fibre optic cable for approximately 5.4km from the new 132/33kV metering substation at the Premises to the Point of Connection at Scunthorpe North 132/33kV SP substation, including excavation and reinstatement;

- Terminate the 132kV cable circuit at the new 132/33kV metering substation at the Premises.

- Install 33kV single core cables from the 132/33kV transformer to the 2 panel 33kV switchboard, including cable terminations.

  This quotation has a requirement for 360m of single core 630mm2 Cu XLPE 33kV cable for this element of the Contestable Works. This quantity is less than the minimum manufacturing quantity available from our suppliers. In this instance we are obliged to purchase 3000m of cable for your project, leaving a remainder of approximately 2640m. The value of this excess cable is approximately £160,267.00, and has been included within the Contract Price. If however we are able to use this cable elsewhere, the cost for the excess cable will be deducted from the final Contract Price value. In the event the excess cable cannot be used by us, the excess cable will become your property and our project delivery engineer will agree with you how you can collect this cable from us. If you do not wish to take the excess cable, it will be scrapped by us and the scrap value deducted from the Contract Price value.

- Install two 11kV underground cable circuit(s) from adjacent to the new 132/33kV metering substation to the 11kV Point of Connection;

- Install a new ground-mounted 11/0.4kV substation including substation building and a low voltage cable to the new 132/33kV metering substation for the backup/alternative low voltage supply for the new 132/33kV metering substation;

3.3.4 Protection and Inter-tripping Works / Load Management Arrangements

We will:

- Install any protection equipment as may be required to protect the Distribution System. You should note that such protection equipment is not designed or intended to protect the End User's Installation;

- Supply and install 110V DC and LVAC supplies and any auxiliary equipment as required at the 132/33kV metering substation;

- Provide an Export Management Scheme to prevent system overloads during transformer outages at Keadby 400/132kV GSP substation;

- Install a set of main protection CTs in the metering circuit breaker to your specification to act as the protection for the End User's Installation;

- Install a multicore cable from the CTs to the interface wall box in the substation control room. You will need to supply and install your own cable(s) from the interface wall box to your protection control equipment. You should satisfy yourself that your electrical design for signals, protection, metering etc. take account of the CT & VT lead burdens; and

- Install a Loss of Mains scheme at the new 132/33kV metering substation to provide source end inter-tripping.

- Install inter-tripping between our circuit breakers at Keadby 400/132kV GSP substation, our disconnector at Scunthorpe North 132/33kV SP substation, the End User's generator synchronising circuit breaker and our 33kV metering circuit breaker at your Premises. The operation of this inter-tripping will initially send an intertripping signal to the End User's generator synchronising circuit breaker, if this circuit breaker does not open within 300ms the 33kV metering circuit breaker at your Premises will trip. Prior to us closing our 33kV

metering circuit breaker at your Premises, we will need to receive a signal from the End User's Installation confirming that their generation is not operating;

- Install a new fibre optic wall box in the control room at the new 132/33kV metering substation to terminate the fibre optic cable;

At any time when our metering circuit breaker is open and prior to closing our metering circuit breaker, we must be in receipt of an appropriate signal from the End User's Installation to confirm that its generator synchronising circuit breaker is open.

It is the End User's responsibility to maintain the network power factor within the prescribed limits. Consequently, the End User's associated power factor control equipment must use measurements from suitable CTs and VTs that form part of the End User's Installation and are connected within the End User's Installation at the same connection voltage as the Connection.

Under no circumstances can any CTs or VTs located on our Distribution System be used to provide current or voltage measurement to the End User or the End User's Installation or be used for the End User's power factor control.

Please note that, as no protection equipment is failsafe, you should satisfy yourself that you have installed back up protection that is suitable to ensure the safety of the End User's Installation.

3.3.5 Communications for Protection and Inter-tripping Works / Load Management Arrangements

None

3.3.6 Metering Interface Equipment

We will install:

- One set (red and blue phases only) of metering CTs and VTs (to a specification agreed with your energy supplier's meter operator). This equipment will be used for metering purposes only. We do not provide the metering instruments; and

You must check with the relevant energy supplier's meter operator to confirm whether it has any specific requirements.

3.3.7 Other Work

We will:

- Update our records accordingly.

Sections 4.0 to 12 inclusive are applicable to both the Full Works Option and the Point of Connection Option.

4. OUR QUOTATION DOES NOT INCLUDE ANY OF THE FOLLOWING OR ANY OF THE COSTS ASSOCIATED THEREWITH:

- The provision, installation or testing of any part or parts of the End User's Installation or any associated building and civil work;

- Us diverting or isolating any of our existing assets affected by the construction activities you undertake for your project;

- Provision and maintenance of the substation access roadway from the public highway to the substation;

- Provision of your generator export management system equipment;

- Any additional costs and/or extension to the project delivery time that may arise from the outcomes of any surveys associated with the project, such as an environment surveyor an earthing survey;

- Obtaining any conveyances, transfers, leases, deeds of grant, or other Consents or licences (including planning permission) required for any work to be carried out at the Premises and/or on the End User's Installation;

- Taking any necessary measures either to prevent any flooding, which may affect our equipment, plant or apparatus whilst on the Premises or mitigate against damage likely to be caused by any such flooding;

- You will need to arrange for an independent flood risk report to be prepared at your expense to evaluate the possibility of flooding and provide us with all of the recommendations for the prevention of flooding and/or for the mitigation of the effects of flooding in respect of our equipment, plant and apparatus, at no cost to us. We will implement the recommendations set out in such report and reserve the right to amend the Contract Price accordingly;

- The excavation or removal of any items or obstructions or service/s below the surface of the ground or removal of any contamination of whatsoever nature from the ground whether such contamination occurred as a result of your use of the ground or otherwise;

- Any actions that may be required at the Premises to mitigate any rise of earth potential issues, such that the site is then deemed to be a "Cold Site" in terms of earthing;

- The provision, installation or testing of any required control equipment to integrate the generation connected to the End User's Installation into our automatic generator management scheme;

- Any building and civil works associated with the End User's Installation;

- The provision of any plant, apparatus and equipment for the End User's Installation or any metering instruments or remote meter reading facilities;

- Conducting testing on the End User's Installation;

- Installing the End User's 132kV private power cables or multicores in the new 132/33kV metering substation at the Premises;

- The clearance of all waste associated with the Works and reinstatement of any trenches associated with the End User's 132kV or HV cable in the new substation at the Premises;

- Substation accommodation, including:

    a) Leasehold land, at no cost to us, so that we are able to establish a 132/33kV metering substation. For guidance purposes only, the land area required will need to be approximately (to be confirmed) metres with an access road and fencing

provided to our specification. The access road must be fully completed prior to any of our Work commencing. It has been assumed that, the substation site, with which we are being provided, will be within the security boundary of the Premises and we will, therefore, not need to incur the cost of arranging additional security for our site;

b) 24 hour vehicle and pedestrian access to the substation. Our access requirements to the substation can be discussed in more detail following your acceptance of this Quotation;

For the avoidance of doubt the land provided under a) and b) above shall be free from all restrictions with respect to our use of it;

c) A 50 kVA three phase 400/230 Volt feed from the End User's Installation will be required for auxiliaries in our part of the substation. The electrical energy for this is to be provided by you at no charge to us. This substation electricity supply will be required for the full duration or life of the Exit Point and, where applicable, the Entry Point. As the Connection will have single circuit security, an alternative low voltage feed will be required to feed the auxiliaries in the substation. This will be derived from an adjacent 11kV circuit, the cost of which is included in the Contract Price;

d) A fresh (drinking) and foul water connection to the public main water supply systems to the boundary of our substation site; and

- Obtaining planning permission for any of our buildings or compounds for our substation plant, apparatus and equipment to be located at the Premises, which you will obtain based on our specified requirements;

- Piling foundations for any building and/or structures to house our equipment necessary for completion of the Works. The land provided for our substation compound and building will have a minimum bearing capacity of 80kN/m^2 with a maximum settlement of 10mm; and

- Any ground earthing in the vicinity of the metering substation at the Premises. It is your responsibility to arrange for a ground earthing study to be carried out at your cost and to provide us with a copy of such study at no charge. Any additional Work we are required to undertake as a result of any such study will be in addition to the Contract Price.

It is the End User's responsibility to maintain the network power factor within the prescribed limits. Consequently, the End User's associated power factor control equipment must use measurements from suitable CTs and VTs that form part of the End User's Installation and are connected within the End User's Installation at the same connection voltage as the Connection.

Under no circumstances can any CTs or VTs located on our Distribution System be used to provide current or voltage measurement to the End User or the End User's Installation or be used for the End User's power factor control.

5. ASSUMPTIONS

We have based the Contract Price and our proposed Work for this Quotation on the following assumptions:

- You will construct an access road with offsite parking to allow us suitable access to the new metering substation at the Premises;

- The proposed site area for the new metering substation at the Premises has good easy access and is relatively flat;

- There are no existing buildings or structures to be demolished or moved at the metering substation location at the Premises;

- No allowance has been made for diverting any drains that may cross the metering substation location at the Premises;

- No allowance has been made for the removal of any contaminated land encountered during any excavation works;

- The proposed cable route will be subject to approvals by a number of parties, and as noted earlier the cabling price remains budgetary at this time. In addition to this the cable size proposed assumes no de-rating factors are introduced by other underground services;

- The proposed cable route from Stather Main Road to the new 132/33kV metering substation runs through a third party's land. Northern Powergrid have not met or negotiated with any third party(s) at this stage to secure the necessary easement for the new cables. It has been assumed that the End User will secure this route and will obtain all the necessary easements for Northern Powergrid to install the new 132kV cable circuit and associated fibre optic cable. The End User should consider Northern Powergrid's future access to the cable for repair and maintenance, particularly as their development is connected to the network via a single circuit. The costs associated with the cable easement are excluded from the quotation. Only a provisional allowance has been included for the Northern Powergrid legal work that will associate the cable easement. This connection offer is subject to successfully securing the necessary cable easement through third party land;

- The 132kV cable circuit will require crossing buried BOC pipelines just to the north of Scunthorpe North 132/33kV SP substation. This will result in a physical barrier (resulting in potentially increased depth for the new circuits) and a possible interaction with pipeline cathodic protection systems. Any additional works associated with crossing these pipelines will be established post acceptance. No costs have been included in this quotation for any additional works required;

- The Contestable Cable route crosses the Neap House Drain culvert on Ferry Road West near Neap House Farm. We have assumed there will be sufficient spare ducts in the bridge for this connection. Should the scheme be accepted, following receipt of appropriate payments a detailed assessment of the bridge design drawings and trial holes are required to confirm the capacity for this circuit. If there is insufficient space within the bridge structure an alternate route will have to be found. In such an instance revised costs for the new route will be submitted which may have a significant impact on the project Contract Price.

- Cable routes/access positions are subject to wayleave/easement negotiation and you will complete these negotiations;

- If you appoint an ICP to complete the Contestable works, We assume that the ICP shall excavate and install as necessary all 132kV and fibre optic cables from the new metering substation at the Premises to the termination points at Scunthorpe North 132/33kV SP substation. Your ICP will, under Northern Powergrid's supervision, install the 132kV and fibre optic cables inside Scunthorpe North 132/33kV SP substation to the termination points (the 132kV cable at the switchgear bay and fibre optic cable at the protection and control room). The integrity of any flood defence walls must be maintained at all times;

- We have assumed that your appointed ICP will present the new 132kV power and fibre optic cables at Scunthorpe North 132/33kV SP substation with adequate route length to cater for both our 132kV termination works onto the 132kV cable sealing end structure in

the outdoor compound, and the fibre optic cable within the Control Room to facilitate the Point of Connection;

- If you appoint an ICP to complete the Contestable works, and the ICP installs the 132kV cables to the Point of Connection at Scunthorpe North 132/33kV SP substation before the outage is planned, it is assumed that the ICP will safely bury the cable tails and return to site to re-excavate and expose the said tails at the time of energisation and make good the same excavation;

- An indicative sum has been allocated for the installation of the dual microwave link required between the new 132/33kV metering substation at the Premises and Keadby 400/132kV GSP substation. A clear line of site is required between the microwave antennas to be installed on the existing communications mast at Keadby 400/132kV GSP substation and the microwave antennas required to be installed on the new communications mast to be installed at the new 132/33kV metering substation at the Premises. If this line of site is not possible an alternative communications links will be required and will be subject to extra costs. A full site survey will be carried out post-acceptance and costs firmed up.

- Any radio spectrum licences (with associated costs) will be available from the appropriate authority (OFCOM and JRC) and the spectrum licences and costs are acceptable to us;

- You will be responsible for obtaining planning permission for the radio mast required to support the microwave antenna at your Premises;

- It has been assumed that the existing radio mast at Keadby 400/132kV GSP substation will be suitable to accommodate a new microwave antennas, and therefore no cost has been included to install a new radio mast;

- Our design for the LV back up supply is based upon your site being a “cold site” in terms of earthing. Should your site be found to be a “hot site” in terms of earthing, we reserve the right to vary our proposals and the Contract Price as appropriate.

- The capacity of your generation project is classified as an Embedded Medium Power Station under the Distribution Code and Grid Code. It is the End User’s responsibility to ensure that their installation complies with the requirements of these codes.

- Based on information supplied by Environment Agency flood mapping portal the new metering substation lies within a flood plain and flood mitigation measures required to be incorporated at the site. It has been assumed that the customer will provide a finished site level at new metering substation that caters for the implementation of the Northern Powergrid flood policy. No costs have been included in this PEP quotation.

6. TIMESCALE OF OUR PROPOSED WORK

Commencing on our receipt of:

- The completed and signed Form of Acceptance and your payment of the Contract Price; and

- Formal confirmation of the ICP you have appointed to provide the Contestable Connection Assets

We will look to complete the Work at the earliest opportunity and estimate timescales of approximately:

- 26 months for completion of the **Full Works** Option; and

- 21 months for completion of the **Point of Connection** Option.

The timescale provided above is for general planning purposes only and a date for completion of the Work has not yet been agreed. This approximate timescale is subject to:

- All of the necessary Consents for our Work being obtained;

- Completion of all relevant legal documents by all relevant parties;

- Any additional time incurred for a Statement of Works study and/or a Stability Study and/or an Energy Curve Assessment, where appropriate;

- Any implications as may be highlighted by any separate NGET investigation and/or Stability Studies;

- Meeting with you, your project team and your ICP within one month of receipt of the completed and signed Form of Acceptance and your payment of the Contract Price;

- The availability of any network outages required in order to carry out our Work. Any such timescales for any network outages will be determined by our Network Control Centre and will be based upon any other work already planned on our Distribution System or as may be determined by any other unforeseen or emergency work that may arise prior to or during the Works. Consequently, the availability of network outages could delay provision of the Connection; and

- Your ICP's timescale for its completion of the Contestable Works, if you accept the Point of Connection Option.

Please note that we may terminate the Contract in accordance with paragraph 7.3 of the Terms and Conditions of Contract, if you delay the commencement of our Work or otherwise impede the progress of our Work such that our Work is delayed for a period exceeding three calendar months.

For guidance purposes only, initial discussions with our Network Control Centre have identified that there will be restrictions on the availability of network outages on the existing extra high voltage network (132/33kV) with network outage opportunities potentially only being available between April and October each year. All Works would have to be co-ordinated with other customers connected to the Distribution System and planned one year in advance. As indicated above, however, this is subject to change at any time.

In order for us to progress the provision of our Work, you will need to submit to us your work programme or project plan in line with the table shown below within three months of you accepting this Quotation and making the appropriate payment.

When we have received this information, we will use it for guidance purposes to start producing our Work programme. Once we have started to produce our Work programme, we may request more detailed information from you for specific areas of your programme in instances where both programmes interact to enable both parties to manage the progression of the overall project.

Once our Work programme is agreed, we will review the progress made using your programme as a point of reference. For this reason, it is important that you confirm to us in writing immediately if you become aware of any matters that materially impact on your work programme. Upon receipt of such information, we will evaluate the effect of any changes on our

Work programme and discuss this with you. If the impact of the information provided to us is such that it introduces a delay into our Work programme, we will consider this in terms of the overall project completion date. We will also advise you if we become aware of any issues that emerge impacting our ability to adhere to our Work programme.

If, following our assessment of any changes to your work programme, the delay does not affect our obligations to provide the Connection or other connections, we will discuss and agree an amended Work programme with you. Where the delay does affect those obligations, we will advise you in writing of any amendments required to the Quotation.

Enclosed is an example of the minimum level of information that we require from you to enable us to start to develop the Work. If you do not provide this minimum level of information by the required date, we will write to you confirming that we are unable to progress the Work and advising of the action we intend to take, which could include termination of the Contract.

Project Milestones	**Date**
Connection Quotation to be accepted	
Appropriate payment made to Us	
Statement of Works to start with NGET	
Stability/transient Voltage studies to start	
Full planning permission granted for project	
Full financial authorisation granted for project	
Order long lead time equipment	
Start ground works on site	
Site ready for Our Work to start	
Civil works to establish generation starts	
Generation established on site	
Installation is complete and commissioned	

In any event, in accepting this Quotation you agree to meet each relevant milestone (the "Milestone") set out in the Energy Networks Association's document "Fair and Effective Management of DNO Connection Queues: Progression Milestones Best Practice Guide", as amended from time to time (the "Guide"). In the event that you do not meet a Milestone, Northern Powergrid may terminate the Contract by giving you written notice to that effect. The Guide is available at:

[redacted]

6.1 Delays in the Provision or Energisation of the Connection

Potential delays in providing or energising the Connection include:

- Any programme of Works we agree will be subject to having network outages to connect the Works. Network outages are subject to a number of factors including but not limited to the configuration of the Distribution System at the time as any faults or other work of any nature may lead to network outages being cancelled at short notice; and

- Any other connection work or reinforcement projects being complete before energisation of the Connection.

7. THE CONTRACT PRICE

The Contract Price will depend upon whether you accept the Full Works Option or the Point of Connection Option.

You can either:

a) Accept the Full Works Option, in which case the Contract Price is £10,435,866.00 (Contract Price) plus VAT at the appropriate rate, subject to the Terms and Conditions.

or

b) Accept the Point of Connection Option, in which case the Contract Price is £1,541,212.00 (Contract Price) plus VAT at the appropriate rate, subject to the Terms and Conditions, and you must appoint a suitably accredited ICP to carry out the Contestable Work.

We have estimated the cost of providing the Non-Contestable Work and the Contestable Work based upon information known to us at the time of providing this Quotation. Once we have received the completed Form of Acceptance and the appropriate payment, we will proceed to finalise the design and tender for the Work.

The Contract Price is subject to final tendered costs and, upon completion of the Work and our determination of the final tendered cost, you will be responsible for payment of the final tendered cost whether that cost is higher or lower than the Contract Price.

7.1 The Contract Price is based on:

- The Works being carried out during our normal working hours, which are 9:00 am to 5:00 pm Monday to Friday, excluding all public holidays. If we are required to work outside of these hours, we must be informed in writing and we will issue a new Quotation or amend the Contract Price accordingly; and

- Our staff and our contractors' staff being given unimpeded access to all areas where we or they are required to work.

We aim to offer a method of connection at the lowest cost possible that still enables us to provide a reliable and efficient connection to the Distribution System. However, if an ICP is appointed to undertake the Contestable Work, we will be pleased to discuss this with you. If you would like more information on how this can be achieved, please visit our web site at [redacted]

The cost of the Full Works Option (i.e. the Non-Contestable Work and the Contestable Work), including any associated Non-Contestable diversion and reinforcement Work is detailed below in Table 1 and the cost of the Point of Connection Option (i.e. the Non-Contestable Work), including any associated Non-Contestable diversion and reinforcement Work is detailed below in Table 2.

Table 1 – The Full Works Option

Non Contestable Works		Contestable Works Only	
Connection Work	**Contract Estimate figures**	**Connection Work**	**Contract Estimate figures**
Telecommunications Equip.	£461,768.78	Telecommunications Equip.	£0.00
Design Costs	£69,719.83	Design Costs	£32,326.83
Records Costs	£3,152.45	Records Costs	£4,728.67
Project Management	£71,183.19	Project Management	£80,186.79
Survey Costs	£12,200.00	Wayleaves Costs	£6,868.60
Wayleaves Costs	£10,302.90	Switching & Testing	£14,694.65
Switching & Testing	£40,369.31	Site Supervision	£7,347.33
Site Supervision	£25,674.65	Building / Civil	£1,023,068.33
Site Inspection	£8,540.00	Telecontrol / Scada	£6,100.00
Building / Civil	£135,508.45	132kV Underground	£4,918,639.36
Telecontrol / Scada	£25,620.04	132kV Switchgear	£136,640.04
132kV Underground	£118,400.57	132kV Transformation	£996,599.70
132kV Switchgear	£119,105.87	132kV Protection	£503,805.71
132kV Protection	£402,426.96	33kV Underground	£245,182.50
11kV Auxiliary POC	£7,569.00	11kV Diversion	£114,680.03
Stability Study	£26,920.00	33kV Protection	£363,417.16
Statement of Works	£2,750.00	11kV Auxiliary Supply	£98,266.30
		Regulated 4 % Margin	£342,102.00
Total	**£1,541,212.00**	**Total**	**£8,894,654.00**

Table 2 – The Point of Connection Option

Non Contestable Works	
Connection Work	**Contract Estimate figures**
Telecommunications Equip.	£461,768.78
Design Costs	£69,719.83
Records Costs	£3,152.45
Project Management	£71,183.19
Survey Costs	£12,200.00
Wayleaves Costs	£10,302.90
Switching & Testing	£40,369.31
Site Supervision	£25,674.65
Site Inspection	£8,540.00
Building / Civil	£135,508.45
Telecontrol / Scada	£25,620.04
132kV Underground	£118,400.57
132kV Switchgear	£119,105.87
132kV Protection	£402,426.96
11kV Auxiliary POC	£7,569.00
Stability Study	£26,920.00
Statement of Works	£2,750.00
Total	**£1,541,212.00**

If you accept the Point of Connection Option, we will charge you the Contract Price for the Non-Contestable Works and you will have to appoint an ICP to undertake the Contestable Works.

The cost of the ICP's Contestable Works may vary from the cost of the Contestable Works included in the Full Works Option, depending on the specific design proposed by the ICP. However, the ICP's design of the Contestable Works is subject to our approval.

7.2 Terms of Payment

You must pay the actual cost of the Work in full, which may vary from the Contract Price, prior to us making the Connection available.

The results of our credit check of HRS Energy Limited indicate that we are unable to offer to accept payment of the Contract Price by you in stages. Consequently, you are required to make full payment with the completed Form of Acceptance.

We will only consider agreeing to payment of the Contract Price in stages, if you have a parent company registered in England and Wales that is willing to provide us with a parent company guarantee in respect of the Contract Price and meets our credit criteria. If you would like us to consider this option, please provide confirmation of the registered company name, number and address of the parent company and details of its relationship to you.

7.3 Payment Arrangements

The appropriate payment can be made by cheque (made payable to Northern Powergrid (Yorkshire) plc), by BACS or by CHAPS as shown below:

BACS or CHAPS - Bank Details for payment to Northern Powergrid (Yorkshire) plc

[redacted]

It should be noted that, when paying by BACS or CHAPS, you MUST quote the reference ENQ5359613 to enable the payment to be credited correctly. Failure to quote the correct reference number may delay provision of the Work.

Any questions regarding payment by BACS or CHAPS should be referred to:

Joan Moore (Cashier)
Manor House, Station Road, Houghton Le Spring, DH4 7LA.

Fax: 0191 3877183 [redacted]

or

Email to Cashiers@northernpowergrid.com Please quote the reference ENQ number in your email title.

Please note: The provision of a purchase order number does not constitute payment of the Contract Price.

8. USE OF SYSTEM CHARGES

These are the charges for using the Distribution System.

8.1 Exported and Imported Energy

The relevant energy supplier will be charged for using the Distribution System at the rates set out in our Use of System Charging Methodology which can be found on our website [redacted]

As the End User's Installation is to be connected to the Distribution System at 33kV, these charges will be calculated on a site-specific basis.

8.2 Maximum Capacity

When both parties sign the Connection Agreement, the Site Specific Charges will be calculated on the Maximum Capacity stated in the Connection Agreement and the Maximum Capacity will be subject to the terms of the Connection Agreement.

9. INTERRUPTIONS

The offer set out in this Quotation is based on the level of security that you have requested from us and on the relevant provisions in the Distribution Code. Whilst the security of the Exit Point and where applicable, the Entry Point will be extremely high, we cannot guarantee that no interruptions to the electricity supply will occur.

Parts of the Distribution System are subject to short-term interruptions (typically up to 30 seconds) due to the use of high-speed automatic recloser switches. You should satisfy yourself, therefore, that the apparatus, equipment and plant you intend to install will not be adversely affected by such interruptions. We will not accept liability for any damage that may be caused or any losses, costs or expenses that may arise as a result of any such interruptions.

10. INTERFERENCE

The End User's Installation, apparatus, equipment and plant must comply with current statutory requirements and must not cause interference to or on the Distribution System or to other customers connected to the Distribution System. If the End User's Installation, including but not limited to any apparatus, equipment or plant, causes interference to or on the Distribution System or to other customers connected to the Distribution System, the End User will be responsible for (without limitation) any and all damage of whatever nature and howsoever caused and for any losses, costs or expenses arising as a result of the same.

11. STANDBY GENERATION

Any standby generating plant must be connected to the End User's Installation in such a way so as to prevent the generator operating in parallel with the Distribution System. A drawing showing the proposed interlocking arrangements of the generating equipment must be provided for checking before the plant is installed.

12. AUTHORISED PERSONNEL

The connection of the End User's Installation to the Distribution System is made subject to all statutory requirements including but not exclusively the Distribution Code, the Electricity, Safety, Quality and Continuity Regulations 2002 and the Electricity at Work Regulations 1989.

A User under the Distribution Code is required to appoint authorised persons to carry out the control, operation, work or testing of any plant and apparatus forming part of, or connected to, the Distribution System. The names and contact details of these authorised persons must be confirmed in writing to our electrical engineer in charge of the Works. We will not energise the Connection, if you do not provide us with this written confirmation.

PART 2
TERMS AND CONDITIONS OF CONTRACT
FOR WORK REQUIRED TO THE DISTRIBUTION SYSTEM

1. DEFINITIONS

In this Quotation, the Terms and Conditions and the Form of Acceptance, the following words and phrases shall have the meanings ascribed to them below, unless the context otherwise requires:-

"Adoption Agreement"	means an agreement to be entered into by the ICP and us, which sets out the terms and conditions under which the ICP transfers ownership of the Contestable Connection Assets to us;
"Confidential Information"	means any and all information relating to our business or interests and those of our affiliates, supplied by us to you including (without limitation) the contents of this Quotation, the Curtailment Assessment, technical information, data, know-how, formulae, processes, designs (both registered and unregistered), drawings and specifications;
"Connection"	means the connection to the Distribution System to be made at the Premises;
"Connection Agreement"	means an agreement for the ongoing use of the Connection;
"Consent"	means any conveyance, transfer, lease, deed of grant, wayleave or other consent or licence required for any substation, overhead or underground electricity lines, any ancillary apparatus and any other plant or equipment required by us in order to carry out the Works;
"Contestable Connection Assets"	means the assets constructed by an ICP that connect the End User's Installation to the Distribution System;
"Contestable Works"	means works that may be undertaken either by the Distributor or by an ICP;
"Contract"	means the contract that is formed on your acceptance of the Quotation and on our receipt of the appropriate payment stated in the Quotation;
"Contract Price"	means the estimated price stated in the Quotation as being payable by you for the Work, as varied in accordance with the Terms and Conditions;
"CUSC"	means the Connection and Use of System Code, as amended from time to time, which determines the rules governing connection to and use of NGET's transmission system;
"Customer", "you" or "your"	means the person, firm or company whose name appears on the Quotation as requiring the Connection;
"Distribution Code"	means the Distribution Code, as amended from time to time, published pursuant to our electricity distribution licence;

"Distribution System"	means the electricity Distribution System of Northern Powergrid (Yorkshire) plc;
"Distributor", "Northern Powergrid", "we" or "us"	means Northern Powergrid (Yorkshire) plc and its successors in title;
"End User"	means the owner or occupier of the premises connected to the Distribution System through the Point of Connection;
"End User's Installation"	means any structures, equipment, lines, appliances or devices (not forming part of the Distribution System or the Contestable Connection Assets) used or to be used by the End User and connected or to be connected to the Distribution System or the Contestable Connection Assets subject to formal adoption by us at the Exit Point and, where applicable, the Entry Point to enable the End User to import and, where applicable, export electricity;
"Entry Point"	means the point at which (if energised) electricity is capable of flowing from the End User's Installation to the Distribution System under normal circumstances;
"Exit Point"	means the point at which (if energised) electricity is capable of flowing from the Distribution System to the End User's Installation under normal circumstances;
"Form of Acceptance"	means the Form of Acceptance attached to this Quotation as Part 3;
"Grid Code"	means the code which NGET is required to publish under its transmission licence from time to time;
"ICP"	means a suitably accredited Independent Connections Provider under the Lloyd's National Electricity Registration Scheme or a similar scheme of equal standing and quality;
"NGET"	means National Grid Electricity Transmission plc;
"Non-Contestable Works"	means Works that must be undertaken by us;
"Point of Connection"	means the location on the Distribution System where We will connect the Contestable Connection Assets, as set out in paragraph 1.1 of the Quotation; and
"Work or Works"	means the Works to be carried out by us for you as stated in the Contract and as amended pursuant to these Terms and Conditions.

2. TERMS AND CONDITIONS

2.1. These terms and conditions shall be the terms and conditions of Contract. They shall prevail over any other terms and conditions.

2.2. The Contract Price is based on the proposed design of the Works and prices current as at the date of this Quotation. Both parties agree that the Distributor shall have the right at its sole discretion to vary the Contract Price:-

2.2.1. following acceptance of this Quotation in the event that the final tendered cost of the Works is higher or lower than the Contract Price;

2.2.2. if the design of the Works or any of the design parameters alter, are varied or change during the construction of the Works;

2.2.3. if, for any reason (other than those reasons already detailed in Clause 2.2.2) there is any alteration, variation or amendment to the Works, irrespective of which party initiated such alteration, variation or amendment;

2.2.4. if the Works:

2.2.4.1. are not completed within the period of 12 months from the date of this Quotation;

2.2.4.2. are suspended at the Customer's request for more than 3 calendar months pursuant to Clause 5.2; or

2.2.4.3. are suspended pursuant to Clause 6.2.

2.3. If the Contract Price ("**Existing Contract Price**") is varied pursuant to Clause 2.2.1 you will be notified in writing of the revised Contract Price and we will not make the Connection available until we receive your agreement to the revised Contract Price in writing.

2.4. If we intend to revise the Existing Contract Price pursuant to Clauses 2.2.2 to 2.2.4 (inclusive) you will be notified of the revised Contract Price in writing and we will not complete any Works, the value of which exceeds the Existing Contract Price, until such time as you notify us in writing of your acceptance of the revised Contract Price.

2.5. If we notify you of a revised Contract Price in accordance with Clauses 2.3 or 2.4 and you decide not to accept the revised Contract Price, either party has the right to terminate this Contract by 7 days' prior notice in writing to the other. We will refund to you an amount equal to the Existing Contract Price, less (i) the value of the Works completed as at the date of termination, (ii) the costs of making the Works safe and (iii) our reasonable costs incurred at the time of termination, including (without limitation) the costs associated with cancelling or terminating any contracts for the supply of any plant, materials or equipment and any contracts for labour or the costs of the same if they cannot be cancelled or terminated.

3. PERIOD OF QUOTATION

The Quotation is open for acceptance by the Customer for a period of 90 calendar days from the date of it, or as otherwise specified in the Quotation.

4. DRAWINGS

The Distributor accepts no responsibility for any drawing, design or specification not prepared by it. The reasonable cost of any additional Work to be carried out by the Distributor as a result of defects or omissions in any such drawing, design or specification shall be calculated and the Contract Price varied pursuant to Clause 2.2.2 or 2.2.2 (as applicable). Any drawing, design or specification prepared by the Distributor shall be indicative unless the Distributor confirms in writing to the Customer that any such drawing is considered to be in final form.

5. ALTERATIONS AND ADDITIONS

5.1. The Work to be carried out by the Distributor shall be that described in this Quotation unless both parties agree otherwise in writing in which case the consequential alteration, variation or amendment to the Contract Price shall be calculated and agreed with the Customer before any alterations to the Works are agreed pursuant to Clause 2.

5.2. If the Customer suspends the Works for any reason, the Contract Price shall be altered, varied or amended in accordance with Clause 2.

6. TERMS OF PAYMENT

6.1. Subject always to Clause 6.2, the Contract Price is payable by the Customer on the date upon which the Form of Acceptance is received by the Distributor, unless otherwise set out in this Quotation. If payment of the Contract Price (or any relevant milestone payment comprising part of the Contract Price) is not made by you within 14 days of the date of an invoice issued by us then we reserve the right to charge interest on the outstanding balance at the rate of 3% per annum above the base rate from time to time of National Westminster Bank plc from the date payment was due until the date payment is made.

6.2. If the Customer fails to make any payment when due then in addition to the rights reserved to the Distributor pursuant to Clause 7.4 the Distributor shall also have the right by notice in writing to the Customer to suspend all the Distributor's obligations under the Contract until such time as payment is made. Any costs, losses and expenses (whether direct or indirect) incurred or suffered by the Distributor as a result of the suspension and subsequent resumption of the Works shall be added to the Contract Price.

7. TERMINATION AND TITLE

7.1. The Customer acknowledges that the Works comprise alterations or improvements to the Distribution System and that notwithstanding payment of the Contract Price the Customer shall not be entitled to any right, title or interest of any nature in any of the assets, equipment or plant used in connection with the Works or created as a result of them.

7.2. The Distributor is entitled to enter upon any premises owned or occupied by the Customer to carry out the Works or to recover assets, equipment or plant belonging to the Distributor.

7.3. If, following our receipt of your signed acceptance of this Quotation, you delay the commencement of the Work or otherwise impede the progress of the Work such that the Work is delayed for a period exceeding three calendar months, this period to be determined at our discretion, we shall have the right to terminate this Contract upon 7 days written notice being given by us to you. Following termination of this Contract in accordance with this Clause 7.3, should you still require a new connection to the Distribution System we will only commence or recommence work upon your making a further formal application for a connection to the Distribution System and our issuing and you accepting a new quotation based on your further formal application.

7.4. Where:

7.4.1. either party ('Defaulting Party') commits any breach of the Contract (including failure to pay on the due date any charge, instalment or other payment);

7.4.2. the Defaulting Party makes any voluntary arrangement with its creditors or becomes subject to an administration order or (being an individual or firm) becomes bankrupt or (being a company) goes into liquidation (otherwise than for the purpose of amalgamation or reconstruction);

7.4.3. an encumbrancer takes possession, or a receiver is appointed, over any of the property or assets of the Defaulting Party;

7.4.4. the Defaulting Party ceases to carry on business;

7.4.5. the other party ('Party not in Default') reasonably apprehends that any of the events mentioned above is about to occur in relation to the Defaulting Party and notifies the Defaulting Party accordingly,

then, without prejudice to any other right or remedy, the Party not in Default shall be entitled by written notice to terminate the Contract. In any case where the Customer is the Defaulting Party, and any of the Work has been carried out but not paid for, the Customer shall pay to the Distributor a sum of money equal to the value of such Work as determined by the Distributor notwithstanding any previous agreement to the contrary.

8. COMMENCEMENT AND COMPLETION OF THE WORKS

8.1. The Works shall be commenced and completed on the agreed dates and shall be completed with all reasonable speed.

8.2. If the Distributor suffers any direct loss or expense by reason of the regular progress of the Work having been impeded by any reason other than any act, omission or default of the Distributor, then the amount of such loss or expense shall be ascertained by the Distributor and added to the Contract Price. This Clause shall not prejudice any other rights or remedies of the Distributor.

9. LIMITS ON LIABILITY

9.1. Nothing in this agreement shall limit liability for:

9.1.1. death or personal injury caused by negligence;

9.1.2. fraud or fraudulent misrepresentation; or

9.1.3. any other liability which cannot be limited or excluded by applicable law.

9.2. Subject to Clause 9.1,

9.2.1. each party's total liability to the other party, whether in contract, tort (including negligence), breach of statutory duty, or otherwise, arising under or in connection with this Contract shall be limited to the lesser of five hundred thousand pounds and the Contract Price;

9.2.2. neither party shall be liable to the other party, whether in contract, tort (including negligence), breach of statutory duty, or otherwise, in respect of any indirect, consequential or economic loss, loss of contract or loss of profit arising under or in connection with this Contract;

9.2.3. the Distributor shall have no liability to the Customer in respect of any losses, costs or expenses suffered or incurred by the Customer (directly or indirectly) as a result of the failure of the Distributor to complete the Work by any agreed date;

9.2.4. where the Distributor works on or tests any equipment owned by the Customer or any third party and that equipment is damaged or destroyed due to the Distributor's negligence, the Distributor's liability shall be limited to the lesser of:

9.2.4.1. the cost of effecting the repair or replacement;

9.2.4.2. the Contract Price; and

9.2.4.3. five hundred thousand pounds.

10. SUBSTITUTION OF EQUIPMENT

The Distributor reserves the right to substitute other equipment for equipment specified in the Quotation. However, if any such substitution is likely to increase the Contract Price, such substitution will be first agreed with the Customer.

11. ASSIGNMENT

The Customer shall not, without the written consent of the Distributor, assign the benefit of the Contract.

12. VALUE ADDED TAX

The Contract Price shall be increased as appropriate by the amount of any Value Added Tax (at the rate from time to time in force) properly payable in respect of the Work.

13. CONNECTION AGREEMENT

The Customer acknowledges and agrees that, unless stated to the contrary in the Quotation, no equipment or installation, whether belonging to the Customer or any other person, firm or company, will be connected to the Distribution System or energised unless and until the person, firm or company (whether or not the Customer) whose equipment or installation is intended to be connected to the Distribution System has executed and completed the connection agreement for the on-going use of the Connection.

14. SUBSTATION SITES, EASEMENTS AND WAYLEAVES

14.1. As soon as reasonably practicable following the date of the Contract, the Distributor shall establish its requirements for substations, overhead electric lines, underground electric lines and all ancillary apparatus and will notify the Customer of such requirements. Insofar as it is within the ability of the Customer to grant or procure the grant of any conveyances, transfers, leases, deeds of grant and Wayleave consents required by the Distributor, the Customer shall do so without delay or charge and on terms acceptable to the Distributor. Insofar as it is not within the ability of the Customer to grant or procure the grant of any conveyances, transfers, leases, deeds of grant and Wayleave consents, the Distributor shall contact the owners/occupiers of the area(s) of land affected by the relevant requirements and attempt to negotiate and complete all relevant conveyances, transfers, leases, deeds of grant and Wayleave consents. All payments that the Distributor agrees to make to such owners/occupiers shall be repaid by the Customer on demand

provided that any such amount in excess of £1,000 (individually, not collectively) shall not be incurred without the agreement of the Customer. The Distributor reserves the right to delay commencement of any other part of the Work until all conveyances, transfers, leases, deeds of grant and Wayleave consents required by the Distributor have been legally completed.

14.2. In the event that the Distributor, having used reasonable endeavours (such expression not being deemed to require the Distributor to use any or all of its statutory powers), has been unable to complete any or all of the said conveyance, transfers, leases, deeds of grant and Wayleave consents within six calendar months of the date of the Contract, or the Customer has not agreed to the amounts referred to in Clause 14.1, the Distributor shall be entitled at any time after such date to terminate the Contract forthwith by notice in writing to the Customer. If it does so, the Distributor shall refund to the Customer within 14 days of the date of the said notice all amounts paid by the Customer to the Distributor pursuant to the Contract less a reasonable amount to reflect the parts of the Work already carried out by the Distributor. If the Customer has not made any payment to the Distributor, the Customer shall pay to the Distributor such amount as the Distributor reasonably considers reflects the parts of the Work already carried out.

15. CONFIDENTIALITY

15.1 Subject to and in accordance with this Clause 17 you hereby agree to keep confidential the Confidential Information provided by us to you for the purposes of executing a binding agreement between us and not to disclose it to any third party; and

15.1.1 only to disclose such Confidential Information to those of your employees, directors or professional advisers (including, for the avoidance of doubt, project financial providers and their professional advisors) who have reasonable need to see and use it and shall inform each of them of the confidential nature of the confidential information and of its obligations in respect thereof;

15.2 The restrictions set out in 17.1 above shall not apply to any Confidential Information or part thereof which:-

15.2.1 you can prove was already in your possession and at your free disposal before the disclosure of the Confidential Information was made to you;

15.2.2 is hereafter disclosed to you by a third party without (so far as you are aware) any obligations of confidence;

15.2.3 You can prove was independently developed by you without the use of Confidential Information;

15.2.4 Is or becomes generally available to the public in printed publications or computer data in general circulation in the United Kingdom through no act or default on your part or that of your agents or employees; or

15.2.5 Is required to be disclosed by law, regulation, legal process or by the rules of any relevant Stock Exchange. In which instance you will inform us prior to making any disclosure and will co-operate with us to agree the content and manner of its disclosure under this clause 17.2.5.

15.3 Publication of this Quotation in any form or the disclosure of its existence shall only be with our prior written consent.

15.4 The obligations of confidentiality set out in this Clause 17 shall continue for a period of 2 years from the date of the completion of the Works and shall survive termination or expiry of the agreement arising on your acceptance of this Quotation.

15.5 Without prejudice to any other rights and remedies we may have, you agree that the Confidential Information is valuable and that damages may not be an adequate remedy for any breach by you of your obligations under this Clause 17. Accordingly, you agree that we shall each be entitled without proof of special damage to the remedies of an injunction and other equitable relief for any actual or threatened breach by you of this Clause 17.

16. DELAYS

The Contract Price is based on the Work progressing and being completed approximately in line with the guidance given in Paragraph 6 of Part 1, the Special Terms and Conditions. If for any reason the Work begins after the date we anticipate or completion of the Work is delayed and/or project costs increase for any other reason, we reserve the right to vary the Contract Price accordingly.

If we begin the Work but are delayed in completing the Work for reasons beyond our reasonable control or by you and as a consequence we reasonably anticipate that the Work will not be completed within the guidance period shown in Paragraph 6 of Part 1, the Special Terms and Conditions, we reserve the right to vary the Contract such that you will pay to us the full costs we have incurred in completing the Work and/or we will refund to you any balance between the amount you have paid and the cost of the Work completed (as appropriate).

The costs we may incur in completing the Work include but are not limited to:

a) Work we have undertaken and/or completed up to and including the point of the delay both on site and off;

b) Plant, apparatus and equipment we have ordered for the Work (N.B. if reasonably practicable, we will aim to use any items ordered for the Work on other projects and thus attempt to mitigate the costs to you but this cannot be guaranteed); and

c) Design, planning and administration costs.

17. MILESTONES

You agree to meet each relevant milestone (the “Milestone”) set out in the Energy Networks Association’s document “Fair and Effective Management of DNO Connection Queues: Progression Milestones Best Practice Guide”, as amended from time to time (the “Guide”). In the event that you do not meet a Milestone, Northern Powergrid may terminate the Contract by giving you written notice to that effect. The Guide is available at:

[redacted]

18. LEGAL CONSTRUCTION

The Contract shall be governed by and construed in accordance with English law and the parties agree to submit to the exclusive jurisdiction of the English courts.

19. WHOLE AGREEMENT

The Customer acknowledges that the Contract comprises the whole agreement between the parties and that the Customer has not, in entering into the Contract, relied upon any oral or written representation made to the Customer by the Distributor or its employees or agents.

20. WAIVER

The failure by either party to enforce at any time or for any period any one or more of the terms and conditions of the Contract shall not be a waiver of them or of the right at any time subsequently to enforce all terms and conditions of the Contract.

21. UNENFORCEABLE CONDITIONS

If any provision of these terms and conditions is held by any competent authority to be invalid or unenforceable in whole or in part, the validity of the other provisions of these terms and conditions and the remainder of the provision in question shall not be affected thereby.

22. FORCE MAJEURE

The Distributor shall not be liable to the Customer for any delay or failure due to any cause beyond the Distributor's reasonable control.

23. ADDITIONAL TERMS AND CONDITIONS

There shall be deemed included within these terms and conditions any other terms and conditions that are contained in the Quotation that are stated to be the Special Terms and Conditions.

PART 3
FORM OF ACCEPTANCE: ENQ5359613
FOR 33kV CONNECTION WORK
Page 1 of 2

This form must be completed by the Customer in order to accept the Quotation.

Exit Point and, where applicable, the Entry Point address: Stather Road, Flixborough, Scunthorpe, DN15 8SE.

Import Capacity: 2MVA **Export Capacity**: 63MW (66.31MVA at 0.95 Power Factor)

Please place a [X] cross next to the option you are accepting in the relevant box below.

Option (a) - I/We confirm acceptance of the Quotation and the Terms and Conditions for Northern Powergrid to undertake the Full Works Option i.e. both the Non-Contestable Work and the Contestable Work. **Contract Price**: £10,435,866.00 plus VAT (£12,523,039.20 inclusive of VAT @ 20%), subject to the Terms and Conditions.	

Option (b) - I/We confirm acceptance of the Quotation and associated terms and conditions for Northern Powergrid to undertake only the Point of Connection Option i.e. the Non-Contestable Work and I/we will appoint a suitably accredited ICP to carry out the Contestable Work. **Contract Price**: £1,541,212.00 plus VAT (£1,849,454.40 inclusive of VAT @ 20%), subject to the Terms and Conditions.	

Payment Terms: Full payment of above Contract Price upon acceptance.

Payment in Stages: NONE

The charges for energy are outside the scope of this Quotation.

Under the current trading arrangements, we are unable to energise the Connection until the End User's appointed electricity supplier has registered with us its liability for the electricity passing through the Connection and instructed us to energise the Exit Point and, where applicable, the Entry Point.

CONTINUED ON PAGE 2

FORM OF ACCEPTANCE: ENQ5359613
FOR 33kV CONNECTION WORK
Page 2 of 2

CONTINUED FROM PAGE 1

Energy Export
Supplier:_____

_____

Energy Import
Supplier:_____

_____

Meter
Operator:_____

_____

If we do not receive confirmation of the name, address, phone and facsimile number of the End User's electricity supplier and meter operator, we will not energise the Connection.

I hereby confirm that I am the Customer or I am duly authorised to sign this Form of Acceptance on behalf of the Customer, the Customer accepts the terms for a Connection to the Premises in accordance with Part 1, Part 2 and Part 3 of the Quotation and the End User's Installation will comply with the Distribution Code.

Signed _____ Date _____
For and on behalf of the Customer

Name (in capitals) _____

Designation _____

Company Name _____

Office Address_____

Information for us to Start Drafting the Connection Agreement for the End User.

Please complete and return this form to:	**Ian Machin** **Network Connections** **Northumbria Works** **Mill Street East** **Dewsbury** **WF12 9AH**

ENQ5359613

Exit Point and where applicable the Entry Point connection address: Stather Road, Flixborough, Scunthorpe, DN15 8SE.

Please Provide Contact Details of the End User's Electrical Engineers responsible for this site

Name	Tel No.	Mobile No.

Characteristics of Generators forming part of the End User's Installation

Operating regime	Continuous
Total number of generators connected on site	THREE

Serial number of generator *****Please enter details *****	No:_____ No:_____ . No:_____ .
Type of prime mover	Steam
Type of generator	Synchronous
Rated capacity kVA	28,750 kVA per generator
Rated capacity kW	23,000 KW per generator