

Tracked change version of the Head of Terms

Key to coloured changes

Original document in black

Changes made and offered to BJP on 16th December 2015 additional text coloured in red and deleted text coloured red and struck through.

Changes made and offered to BJP on 18th January 2016 additional text coloured in cyan and deleted text coloured cyan and struck through.

Changes made and offered to BJP on 11th March 2016 additional text coloured in green and deleted text coloured green and struck through. These changes were made subsequent to the tracked changed heads of terms submitted as Appendix 6 (REP5-035)

Chronology of the Heads of Terms Document

The template legal documents, being the Agreement to Grant and the Easement document, were sent to agents as a template on 21st July 2015 together with an invitation to attend a meeting with Osborne Clarke to familiarise the agents with the rights being sought and terms being offered for the private agreement; BJP attended this meeting on 27th July 2015.

This was followed up with invitations to arrange meetings with each individual landowner. Template Heads of Terms were sent out to the agent a few days before each meeting and discussed at the meeting. Where time did not enable sending of the terms ahead of the meeting then they were presented at the meetings

Much dialogue continued with BJP concerning the arranging of meetings, in the meantime meetings continued with other agents and those that chose to represent themselves. With several landowners having not had sight of the Heads of Terms being offered, the decision was made to send draft documents to all parties who had not benefitted from individual meetings; these were sent out on 12 November 2015. The first of two meetings arranged with BJP and landowners and the project team took place on 17th November 2015.

Bruton Knowles met with BJP on 7th December 2015 when the Heads of Terms document was considered in detail. Three issues were raised with Bruton Knowles offering to take these matters back to the project team. A full response to these was sent to BJP on 16th December 2015 along with a revised set of Heads of Terms (changes coloured red in the tracked change document below).

A further 30+ issues were then raised by BJP by email on 29th December 2015. These were considered and a full response provided on 18th January 2016 along with a revised set of Heads of Terms (changes coloured cyan in the tracked change document below).

Further to an offer made 12th February, WPD reviewed the plans accompanying the Heads of Terms and removed land that was neither required for access nor for an Easement. The plans showed indicative access routes and the Heads of Terms document was amended accordingly. A revised document was sent to BJP on 11th March, which included the new changes but omitted the previous changes. A corrected document was sent to BJP on 17th March.

Key Terms Sheet - Overhead Electricity Line Agreement for Grant and Easement

1. Western Power Distribution (South Wales) plc (**WPD**) will enter into an Agreement for Grant (**Agreement**) with the Landowner and where applicable a tenant, to acquire an Easement relating to an overhead electricity line (**Easement**).

The Agreement will provide that WPD can call on the Landowner to grant to WPD an Easement over land (the **Easement Strip** shown shaded green on the attached plan) located within land owned by the Landowner (the **Easement Area** shown shaded brown on the attached plan).
2. The Agreement will contain rights to carry out surveys within the Easement Area, and to construct and use the electric lines until completion of the Easement. These rights may be exercised following the service by WPD of a notice of entry for construction. During construction the covenants contained in the Easement (summarised below) shall apply. Completion of the Easement will take place once the conductor has been erected, commissioned and tested and the as built plans showing the route of the line are made available.
3. The payment for the easement will be paid as follows:
 - (a) 50% on exchange of the Agreement; and
 - (b) the balance on completion of the Easement and at the same time any additional payment for any injurious affection that has already been assessed and agreed.
4. If payable, the incentive payment will be paid in the same proportion percentages as above and on the same milestone dates. In order for the Landowner (and if applicable any tenant) to qualify for all of the incentive payment, the Agreement must be exchanged within 12 weeks of the initial draft documentation being issued to the Landowner's solicitors. If the Agreement exchanges between 12 and 24 weeks from this date then 50% of the incentive payment is payable. After 24 weeks, no incentive payment is payable. It is recommended that you provide your solicitor with proof of title to your land as soon as possible to assist your solicitor to complete the Agreement within this timescale.
5. The easement payment will be based on the anticipated equipment within the Easement Strip. If the anticipated equipment changes once the Agreement is entered into, the Agreement provides for an adjustment to either increase or decrease the overall easement payment. Where the anticipated equipment reduces the overall Easement payment then the initial payment is based on 50% of the original payment and the completion payment is based on 50% of the constructed apparatus. The total easement payment cannot be reduced by more than 50% (the amount that would be due on completion of the Easement) but may increase by any amount to reflect any additional equipment on the Easement Strip.
6. The Agreement contains an irrevocable power of attorney appointing WPD as attorney to execute and complete the Easement once any outstanding payments have been paid. This is to ensure that the Easement is completed within WPD's programme.
7. Under the terms of the Agreement, the Landowner (and any tenant who is party to the Agreement) will agree not to object to the application for a Development Consent Order and will agree to a number of protective provisions relating to the Landowner's property including not to submit a planning application, not to do anything which may interfere with the rights to be granted to WPD under the Easement, not grow trees or plant or alter the Easement Area and not to create new interests affecting the Landowner's property, without first seeking the consent of the grantee.
8. If the Landowner transfers its interest in the affected property it shall obtain for WPD from the person to whom the Landowner transfers its interest a deed of covenant confirming the transferee shall comply with the obligations, covenants and conditions on the part of the Landowner contained in the Agreement, including the above mentioned irrevocable power of

attorney. This obligation will be protected by a restriction / land charge (as applicable) noted against the title to the Landowner's property / at the Land Charges Register (as applicable).

9. The Landowner is primarily responsible for obtaining agreement from its tenants, and you may agree a different split of the payments if all parties agree. It is the responsibility of the Landowner to pay to any tenants the tenant's split of any payment upon receipt of funds from WPD.

The landowner may request in writing that WPD seeks separate agreement with the tenant. Both landowner's and tenant's Agreement to Grant documents must be simultaneously completed.

10. Rights to be granted to WPD include:
 - (a) the right for WPD to erect, replace, retain, inspect, repair, alter, test, maintain, renew, decommission, remove and use the electric lines (and ancillary apparatus) within the Easement Strip;
 - (b) the right for WPD (and those authorised by it) to take access over and use any land ~~adjoining the Easement Strip within the Landowner's property~~ within the Easement Area for construction, installation, commissioning, testing, inspecting, repairing, maintenance, replacement, renewal, decommissioning, removal and the use of the electric lines. WPD will make good any physical damage caused as soon as reasonably practicable; and
 - (c) the right for WPD to take access over the Landowner's property to any adjoining land in connection with the WPD's undertaking for the transmission of electricity.

For the avoidance of doubt the access routes shown coloured blue on the attached plan are indicative only and show the intended access route to be taken, WPD may vary this route within the Easement Area to minimise disturbance and damage to the Easement Area and / or the Easement Strip.

12. WPD will be subject to covenants in relation to its use of the Landowner's property. The Landowner (and any tenant who is party to the Agreement) will also be subject to covenants to protect the electric lines and any ancillary equipment.
13. In addition to any easement and incentive payments, where applicable injurious affection and other appropriate heads of claim will be considered at the appropriate time on an individual basis and in accordance with current legislation and comparable settlements.
14. The land payments set out in WPD's 'Guide to Payments for Landowners' document already take into account indexation up to 31 December 2017.
15. Where agreement cannot be reached on submitted claims for injurious affection, disturbance, or any other head of claim either party may refer the matter to the Upper Tribunal (Lands Chamber) and follow protocols as if a Notice to Treat had been served.

We recommend that you use an agent to assist you with the Heads of Terms and a solicitor to assist you with the Agreement and Easement. Where we have been informed in writing that you have appointed an agent, WPD will pay your agent a reasonable fee based on the WPD's Fee Scale (effective from September 2012). ~~Your reasonable solicitor's costs will similarly be paid, capped at £1,000 plus VAT (if applicable).~~ Reasonable and properly incurred legal fees will be paid by WPD, subject to a cap of £1,000 plus VAT. Any increase will require WPD approval on a landowner by landowner basis.

If you have any questions that your agent cannot answer please contact us on [•] or [•]@[•].

Subject to Contract

HEADS OF TERMS

Agreement for Grant and Easement - WPD Brechfa Forest Connection

1.	Landowner	
2.	Landowner's Address	
3.	Easement Area	The area shown coloured green on the attached plan in which the electric lines will be erected
5.	Tenant(s)	
6.	Tenant's address	
7.	Landowner's Agent	
8.	Landowner's Solicitor	
9.	Grantee	Western Power Distribution (South Wales) plc of Avonbank, Feeder Road, Bristol BS2 0TB
10.	Grantee's agent	Freedom Group of Delta House, 10 th Avenue, Zone 3, Deeside Industrial Park, Deeside, Flintshire CH5 2UA
11.	Grantee's Solicitor	Osborne Clarke of One London Wall, London EC2Y 5EB (Reference: SPT/JMS/ (landowner name))
11.	Grantor's Easement Payment	£ (see below for full breakdown)
12.	Grantor's Incentive Payment	£[] (see Key Terms Sheet for qualification terms)
14.	Tenant's Incentive Payment	£[] (see Key Terms Sheet for qualification terms)

Summary of proposed apparatus: (delete as appropriate)

Apparatus	Payment to Owner	Payment to tenant(s) (if different)
[0] x Single Wood Poles		
[0] x H Poles		
[0] x Stays		
[0] x permanent accesses (if no poles or stays)		
[0] m of oversail (if no poles or stays)		
[[0] m ² of land used for construction only]		

Total:		
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I confirm that I have read the above Heads of Terms together with the Key Terms Sheet and confirm my agreement to these terms.

Signed

Dated

Our Ref: []