SCHEDULE EIGHT

TO CONSTRUCTION OFFER

1. **Requirements of a TO Construction Offer**

1.1 Unless otherwise agreed with NGET, a TO Construction Offer shall be signed by the Transmission Owner and shall include the information set out in Transmission Licence Condition D4A or E17 as appropriate and, to the extent that such information does not otherwise require it, shall also include the following:

1.1.1 a description of any Change(s) to its Transmission System required to give effect to the Construction Project;

1.1.2 a description of any associated variation in the Transmission Services to be provided to NGET under Section C, Part One, paragraph 2.1 and including (where appropriate) any new or revised Normal Capability Limits that will apply;

1.1.3 a contract (a "**TO Construction Agreement**") for the construction of those Changes to its Transmission System described in paragraph 1.1.1, which is capable of being entered into by NGET and which binds NGET upon signature, and which shall contain the following:

1.1.3.1 commercial terms in, or substantially in, the form set out in Schedule Nine;

1.1.3.2 a description (in the form of Appendices) of any of the following types of works required to be undertaken by the Transmission Owner to give effect to the Construction Project:

(a) Transmission Connection Asset Works;

(b) Transmission Reinforcement Works;

(c) Seven Year Statement Works;

(d) One Off Works;

(e) Transmission Interface Asset Works;

(f) Embedded Transmission Interface Asset Works; and

(g) such additional works as are required in order to comply with any relevant Consents in relation to any of the works in (a) - (f) above,

(referred to together as the **"Transmission Construction Works"**)

1.1.3.3 Appendices setting out any User Works and Third Party Works, respectively, associated with the Construction Project;

1.1.3.4 an Appendix setting out the TO Construction Programme, including the date on which the Transmission Construction Works shall be completed;

1.1.3.5 the Independent Engineer for the purposes of the TO Construction Agreement;

1.1.3.6 the date by which NGET, the Transmission Owner or the User shall have commenced, or shall be ready to commence, the Commissioning Programme;

1.1.3.7 the Completion Date; and

1.1.3.8 such other terms as are or may be appropriate for the purpose of the TO Construction Agreement (including, without limitation, any Liquidated Damages).

1.1.4 the likely material effect of Transmission Construction Works on other third parties (not including the User to whose User Application the TO Construction Offer relates);

1.1.5 any Outage(s) forming part of or otherwise associated with the Transmission Construction Works;

1.1.6 a description of any assumptions, technical limitations or works of other Parties which the TO Construction Offer is based upon and which are likely to be associated with the provision of Transmission Services at the Connection Site, New Connection Site, Transmission Interface Site or New Transmission Interface Site, Embedded Transmission Interface Site or New Embedded Transmission Interface Site or otherwise in relation to the construction of the relevant parts of the Construction Project including (without limitation) any SYS Works proposed for another Party's Transmission System which are required to be undertaken in order for the Transmission Owner to give effect to the TO Construction Offer;

1.1.7 a description of any technical design or operational criteria which the Transmission Owner reasonably considers User or Transmission Owner Equipment would be required to meet in order for such Transmission Owner to comply with Standard Condition D3 or Standard Condition E16 of its Transmission Licence as applicable.

1.2 In the case of a TO Construction Offer in relation to a New Connection, such TO Construction Offer may contain some or all of the following conditions:

1.2.1 That NGET shall procure that the User enters into an Interface Agreement with the Transmission Owner covering the New Connection Site in a form to be agreed between the Transmission Owner and User but substantially in the form set out in Schedule O of the CUSC.

1.2.2 That the New Connection Site is not a nominated site under the "NAECI" (the National Agreement for the Engineering Construction Industry) conditions and will not become one and any agreement for this site will be conditional upon this.

1.3 **Connect and Manage Arrangements**

Where NGET has applied to the Onshore Transmission Owner on the basis of the Connect and Manage Arrangements the following is also required.

1.3.1 confirmation that the TO Construction Offer is made on the basis of the Connect and Manage Arrangements;

1.3.2 the Transmission Reinforcement Works referred to at paragraph 1.1.3.2(b) shall be divided and categorised into those works which are the Enabling Works and those works which are the Wider Transmission Reinforcement Works;

1.3.3 the references to Transmission Construction Works in the terms and conditions at Schedule 9 and for the purposes of the Commissioning Programme referred to at paragraph 1.1.3.6 and the Construction Programme referred to at paragraph 1.1.3.4 shall all be by reference to the Transmission Construction Works excluding the Wider Transmission Reinforcement Works and Seven Year Statement Works;

1.3.4 confirmation that a Connect and Manage Derogation is or is not required in respect of any Wider Transmission Reinforcement Works based on whether or not connection and/or use of system on completion of the Enabling Works but in advance of any identified Wider Transmission Reinforcement Works does not comply with the NETS SQSS,

1.3.5 if a Connect and Manage Derogation is required, the TO Construction Offer shall also include as part of it the Connect and Manage Derogation Report which will justify the need for and scope of any Connect and Manage Derogation by reference to the Connect and Manage Derogation Criteria.

1.4 A TO Construction Offer shall remain open for acceptance by NGET according to the terms of Section D, Part Two, paragraph 5 of the Code.