

# **INTERFACE AGREEMENT**

**Between .....**  
**(Transmission Service Provider)**

**and**

**User of Transmission Network Assets**

**In the Nigerian Electricity Supply Industry**

# **INTERFACE AGREEMENT**

Dated 200[ ]

Between

[ ] (Transmission Service Provider)

-and-

[ ] (User of Transmission Network Assets)

## **INTERFACE AGREEMENT**

Relating to interaction of personnel and operation of Equipment and Apparatus at a connection site between an Transmission Service Provider and User of the Transmission Network in the Nigeria Electricity Supply Industry

At

[ ] (Location of Interconnection)

# INTERFACE AGREEMENT

**THIS AGREEMENT is made on the                      day of            200[            ]**

**BETWEEN**

(1) ..... hereinafter referred to as the Transmission Service Provider (“TSP”), licence number [                      ], whose registered office is at [                      ].

And

(2) [                      ] hereinafter referred to as the User of Transmission Network (“User) licence number, [                      ] whose registered office is at [                      ].

Reference to both Parties shall include their respective representatives and assigns

WHEREAS

1. Pursuant to the Transmission licence granted to the TSP by virtue of Section 65 of the Electricity Power Sector Reform Act 2005, certain assets and facilities of each Party can be interconnected with the other Party being vested with title to its property.
2. This Agreement is entered into by the Parties to give effect to appropriate arrangement in respect of such assets and the use of such assets and facilities.
3. By virtue of this Agreement, the TSP and the User are hereby bound and governed by the provisions of the Electric Power Sector Reform (EPSR) Act, 2005, Grid Code, Distribution Code, The Market Rules, Metering Code, and the Health and Safety Code as applicable.

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## **1. SCOPE AND INTERPRETATION**

This Agreement applies to the connection system between the Assets or Facilities of the TSP and the Assets or Facilities of Users of the Transmission Network.

### **1.1 Purpose**

- a. This Agreement shall govern operations and safety across the System boundary between the Assets or Facilities of the TSP and the Assets or Facilities belonging to the User.
- b. This Agreement is in addition to, and does not replace, the Electric Power Sector Reform (EPSR) Act, 2005, Operating Licence Conditions, the Grid Code, Distribution Code, Metering Code, The Market Rules, Health and Safety Code, Connection Agreement and any other Regulation or Order made by the Nigerian Electricity Regulatory Commission in relation to the safe, reliable and adequate operation of the Transmission Network
- c. The Grid Code shall apply to all such connections between the TSP and Users of the Transmission Network.
- d. Compliance with the Grid Code is mandatory both for TSP and Users of the Transmission Network.
- e. The Distribution Code shall apply to all such connections between the Distribution Companies in Nigeria and Users of the Distribution Networks.
- f. Compliance with the Distribution Code is mandatory both for Distribution Companies and Users of the Distribution Networks.

### **1.2 In this Agreement:**

- a. Unless the context otherwise requires, all references to a particular clause, sub-clause, paragraph or Schedule shall be a reference to that clause, sub-clause, paragraph or Schedule in or to this Agreement;
- b. The table of contents and headings are inserted for convenience only and shall be ignored in constructing this Agreement;
- c. References to the words “include” or “including” are to be construed without limitation to the generality of the preceding words;
- d. Unless there is something in the subject matter or the content which is inconsistent therewith, any reference to the Electric Power Sector Reform (EPSR) Act, 2005, or any instrument, order or regulation made by the Nigerian Electricity Regulatory

Commission shall be construed at the particular time as including a reference to any modification, extension, replacement or re-enactment thereof then in force;

- e. References to the masculine shall include the feminine and references in the singular shall include the plural and vice versa and words denoting natural persons shall include companies, corporations and any other legal entity and vice versa;
- f. Unless otherwise provided to the contrary herein, defined terms used in this Agreement and not defined herein shall have the meaning set forth in other Agreements, Codes and Manuals relating to the safe, reliable and adequate operation of the Transmission Network.
- g. Each of the clauses or sub-clauses of this Agreement shall:
  - i. be construed as a separate and severable contract term, and if one or more of such clauses or sub-clauses is held to be invalid, unlawful or otherwise unenforceable, the other or others of the clauses or sub-clauses shall remain in full force and effect and shall continue to be binding on the Parties; and
  - ii. survive termination of this Agreement.

## 2. DEFINITIONS

In this Agreement, the following words and expressions shall, unless the subject-matter or context otherwise requires or is inconsistent therewith, have the following meanings:

Active Power	means the product of voltage and the in-phase component of alternating current measured in units of Watts and standard multiples thereof ie. 1000 Watts =kW 1000 kW =1MW 1000 MW =1GW 1000 GW =1TW.
Affiliate	any holding company or subsidiary of the TSP or any subsidiary of a holding company of the User as recognised by laws of the Federal Republic of Nigeria.
Agreement	means this agreement (including the Schedules) as amended, extended, supplemented, novated or modified from time to time.
Apparatus	means all equipment whether belonging to the TSP or the User which is employed, supported or forms part of the purpose of providing electrical services or products for the purpose of this Agreement.
Ancillary Services	means any or all of the following:

	<p>Reactive Power;  Reactive Power supplied by means of Synchronous Compensation;  Cancelled Start;  Hot Standby;  Primary Response, Secondary Response, Five Minute Response;  Operating Reserves  Inter Trip;  Frequency Response by means of Generating Unit Fast Start;  Frequency Response by means of Load Reduction;  Black Start Capability;  Voltage Control; and  such other ancillary services as the Parties may agree from time to time.</p>
Assets	<p>means a Property, Equipment or Apparatus owned or used by the Parties to this Agreement listed in Schedules 1, 2, 3, 4 of this Agreement, for the purpose of producing or transmitting or distributing or consuming or storing electricity in an adequate, safe and reliable manner.</p>
Bilateral Agreement	<p>means an agreement entered into between the TSP and the User of the network.</p>
Commission	<p>to bring an electrical Equipment or Apparatus at a Connection Site, connected to the Transmission Network into use.</p>
Competent Authority	<p>includes the Nigerian Electricity Regulatory Commission, any local, state, or national agency, ministry, department, commission; official or public or statutory person of the government of Federal Republic of Nigeria;</p>
Confidential Information	<p>means all data and other information supplied by either Party under the provisions of this Agreement.</p>
Connection Agreement	<p>Means the Agreement designated as the Connection Agreement made between all Users of the Transmission Network and TSP for connection of Plant and/or Apparatus and/or use of the Transmission or Distribution System, and any amendment, extension, variation or modification of that agreement.</p>
Connection Site	<p>means each location more particularly described in the relevant Connection Agreement at which the User's Generating Unit Equipment or Apparatus and the TSP Assets required to connect the Generating Unit to the Transmission Network System are situated or at which the Generating Unit Equipment or Apparatus is connected to the TSP's System.</p>
Derogation	<p>means a direction issued by the Nigerian Electricity Regulatory Commission (NERC) or any provision of any Agreement, which in either case, grants temporary relief to either Party from its obligation under the its Licence or under</p>

	the Connection Agreement to comply with such parts of the Grid or Distribution Code as may be specified in such direction or provision.
Distribution Code	means the document containing instructions, rules, procedures, guidelines, etc for the operation and planning of the Distribution network agreed upon by Licensees and approved by the Commission.
Disconnect	means permanent physical disconnection of the Generating Unit Equipment and Apparatus at any given Connection Site.
Electricity	means an Active and /or Reactive Energy produced from the existence of charged particles, either statically as a build-up of charged or dynamically as a current.
Emergency Personnel	in relation to a Party, all employees of that Party who have appropriate knowledge and experience and are recognised by that Party as being able to carry out competently and safely emergency action for the purpose of clause 10.
Energy or Active Energy	the electrical energy produced, flowing or supplied by an electric circuit during a time interval, being the integral with respect to time of the instantaneous power, measured in units of Watt-hours or standard multiples thereof ie: 1000 Wh = 1kWh 1000 kWh = 1MWh 1000 MWh = 1GWh 1000 GWh = 1TWh.
EPSR Act	Electric Power Sector Reform Act, 2005.
Equipment Owner	means either Party to this Agreement who owns any Equipment on the Connection Site in the context referred to in this Agreement
Force Majeure	in relation to a Party, any event or circumstance which is beyond the reasonable control of that Party, and which results in or causes the failure of that Party to perform any of its obligations under this Agreement including any acts of God, strikes, lockouts or other industrial disturbance, act of the public enemy, war declared or undeclared, threat of war, terrorist act, blockade, revolution, riot, insurrection, civil commotion, public demonstration, sabotage, act of vandalism, lightning, fire, storm, flood, earthquake, drought, explosion, any change of laws in Nigeria or any change in the interpretation of such law that adversely affects the Parties ability to perform their obligations under the Agreement, fault or failure of equipment and apparatus which could not have been prevented by Good Industry Practice, governmental restraint, legislative bill or motion, by-law and Directive. Provided that lack of funds shall not be interpreted as a cause beyond the reasonable control of the Party.

"Generator"	a person who generates electricity under licence or exemption under the EPRS Act 2005.
Good Industry Practice	means the exercise of that degree of skill, diligence, prudence and foresight which would reasonably and ordinarily be expected from a skilled and experienced operator engaged in the same type of undertaking under the same or similar circumstances.
Grid Code	means the document containing instructions, rules, procedures, guidelines etc. for the operation and planning of an interconnected power transmission system and accounting requirements relating thereto, agreed upon by licensees and approved by the Commission.
Intellectual Property	means Patents, trademarks, service marks, rights in design, trade names, copyrights and topography rights, (whether or not any of the same is registered and including applications for registration of any of the same) and rights under licences and consents in relation to any of the same and all rights or forms of protection of a similar nature or having equivalent or similar effect to any of the same of the same which may subsist anywhere in the world.
Land Owner	Means either Party to this Agreement who owns any property or land as described in this Agreement
Modification	means any actual or proposed replacement, renovation, alteration or construction by or on behalf of either Party to that Party's Plant or Apparatus or the manner of its operation which has or may have a Material Effect on the other Party for the purposes of the Connection Agreement at a particular Connection Site.
Market Rules	Means Rules as approved under Section 26(2) of the EPSR Act 2005.
TSP	An Operator and/or owner of equipment, apparatus and systems licensed to setup, run, maintain and expand Distribution or Transmission Plants, Equipment or Apparatus for the purpose of transportation of electricity over a network of infrastructure from one point to another on the infrastructure.
Network System	a transmission or distribution network use for transporting of electricity.
NERC	The Nigeria Electricity Regulatory Commission as defined in the EPSR Act, 2005.
Party	each person for the time being and from time to time a party to this Agreement and any successor(s) in title to, or permitted assign(s) of, such person.

Plant	means fixed and moveable items used in the generation or transmission or distribution of electricity, other than Apparatus.
Power Station	an installation comprising one or more Generating Units (even where separately sited) owned or controlled by the same User which may reasonably be considered as being managed as one Power Station.
Right of Access	full right and liberty during the currency of this Agreement to enter upon and through and remain upon any part of the land upon which interconnected Assets, property, equipment or apparatus are located or used. Right of access includes the right to bring on to the premises or land of the other party vehicles, plant, machinery, maintenance or construction materials as shall be reasonably necessary for the agreed purpose of work to be done.
Reactive Power	the product of voltage and current and the sine of the phase angle between them measured in units of voltamperes reactive and standard multiples thereof ie. 1000 VAr = 1 kVAr 1000 kVAr = 1 MVar.
Services	in the context of this Agreement, goods and services specified in Schedule 4.
System	any combination of User's Assets or the TSP's Transmission or Distribution Assets used for electricity operation as the case may be.
User	A person or party using the transmission network or distribution network as agreed and permitted by the TSP.

### 3. OPERATIONAL GUIDELINES

#### 3.1 Operation of the connection

3.1.1 The connection shall be operated in accordance with the Grid Code or Distribution Code and all applicable technical, safety and environmental standards and codes in force. All Users of Transmission Network must be licensed either as Generators, Distribution Companies, External Interconnectors, Large Industrial Consumers by the Commission, have a current Connection Agreement with the TSP or operate within the registered import and export capacities for the connection.

3.1.2 Generators must operate their plant in accordance with the dispatch arrangements that are in force. Where limitations are applied by the TSPs or by Distribution Companies (in case of Embedded Generators) on the maximum amount of export that the Transmission Network System can accept, then the Generator must comply with any such restriction until the restriction is lifted.

## 3.2 Electricity Market Arrangement

- 3.2.1 If and when the Electricity Market Arrangement is introduced to govern the dispatch of generation of electricity, all generators will be required to comply with these arrangements which will be necessary to enable generation to be controlled so as to match demand.
- 3.2.2 In addition to the production or consumption of Active Power output, the Users are also required to provide certain Ancillary Services in accordance with the Grid Code and with individual Connection Agreements. Connections shall be of sufficient capacity to allow these services to be delivered safely and reliably at the point of connection to the network. It is not permitted to operate a connection in such a manner that mandatory levels of Ancillary Service cannot be provided.
- 3.2.3 In accordance with the provisions of the Grid or Distribution Code, Generators connected to the Transmission Network may be disconnected by the TSP if such Generators operate and continue to operate in contravention to the terms of the Grid or Distribution Code or that of this Agreement.

## 3.3 Control of Energy flow

- 3.3.1 Users of the Transmission Network are responsible for the control of Energy flow across the System boundary. Export flows shall not exceed the agreed export capacity and import flows shall not exceed the agreed import capacity. Users of the Transmission Network shall also ensure that Energy flows are within the ratings and capability of their Assets or Facilities connected to the Transmission Network so as to operate safely.
- 3.3.3 In emergency situations, either the TSP or the User may interrupt the flow of Energy across a connection at any time. However, such interruption should be for the shortest period practicable. In the event that the Parties concerned do not agree that the situation constituted an emergency, then the Parties shall refer their dispute to the NERC. Following an emergency disconnection, neither Party with inter connection to the Transmission Network shall restore the connection until the other Party has confirmed that reconnection may take place.

## 3.4 Safety of the interface

- 3.4.1 In accordance with relevant sections of the Grid, Distribution and Health and Safety Codes, safety precautions shall be put in place at all times for all connections and operations involving the User and the TSP's Assets and Facilities.
- 3.4.2 The safety arrangements in the Grid, Distribution and Health and Safety Codes shall not be overruled or voided by any other agreement or contract. Additional requirements unforeseen in the Grid or Distribution or Health and Safety Codes as agreed between the TSP and the User may be implemented from time to time, to meet local and particular

operating conditions at the point of connection between the TSP and User's Assets and Facilities.

- 3.4.3 Local safety instructions shall be agreed between the Parties at every interface and shall be updated from time to time as necessary. No interface shall be energised unless applicable safety instructions are in place. Safety precautions shall only be implemented by appropriately qualified personnel in accordance with the provisions of the Grid or Distribution and Health and Safety Codes.
- 3.4.4 Safety precautions are to protect personnel, equipment and apparatus from danger and to ensure that circumstances which may be injurious to life or property do not arise.
- 3.4.5 Any incident which causes, or could cause, accident or injury shall be fully investigated by the Parties concerned and arrangements made to prevent repetition of the event. Where such an incident could occur equally or similarly at other System interfaces, the TSP shall be responsible for issuing appropriate advice to all such other parties with similar connection. In addition, amendments to the Grid or Distribution or Health and Safety Code and/or to the Connection Agreement may be proposed in accordance with the modification procedures contained within each document.

### 3.5 Registration of Technical Data

- 3.5.1 The User must register data concerning the performance characteristics and technical parameters of equipment with the TSP in accordance with the Grid or Distribution Code. Such data is required for both operational and planning reasons.
- 3.5.2 Equipment or Apparatus whose data is registered in accordance with the Grid or Distribution Code may not be altered in such a way as to cause the registered parameters to change, unless the change has been notified to, and agreed by, the TSP before the change is implemented.
- 3.5.3 Energisation of a connection shall not take place until all necessary information has been registered and agreed with the TSP.
- 3.5.4 In the event that the TSP becomes aware that equipment or apparatus at an interface does not conform to the information registered with it, the TSP shall advise the relevant parties that a registration amendment is required. Where the situation presents urgent safety issues, the connection shall be de-energised forthwith. In all other cases, the TSP shall give the other party time to correct the error. Where a change in the registered data is necessary the change must be agreed by both Parties in accordance with normal procedure.
- 3.5.5 All equipment or apparatus installed at the interface shall comply with prevailing engineering standards and shall have full functionality with respect to the requirements of the Grid or Distribution, Health and Safety Codes and the Connection Agreement where applicable. Sub-standard equipment shall not be accepted for registration.

### 3.6 Operational facilities required by Generators

- 3.6.1 The Users' equipment and apparatus shall comply with the requirements of the Grid or Distribution Code where applicable. These requirements include:
- a. The ability to contribute to frequency control
  - b. The ability to contribute to voltage control
  - c. The provision of operational reserve
  - d. The ability to black start
  - e. The ability to isolate safely from the System
  - f. Protection equipment to Disconnect from the grid in the event of overload, voltage outside limits or frequency outside limits
  - g. The ability to control the level of active and reactive Energy transfer

### 3.7 Metering

- 3.7.1 The User must ensure that metering is installed at the relevant connection point prior to the Transmission Network System being energised. The requirements of the Metering Code shall be complied with at all times. In the event of conflict, the requirements of the Metering Code shall take precedence over any other agreement concerning metering.
- 3.7.2 Requirements of the Metering Code cannot be set aside although owners of older generating stations with non-compliant metering may apply to NERC to be granted time to bring their metering up to standard. Any such concession shall be issued in the form of a Derogation which shall specify a time by which the non-compliant metering must be taken out of service. Metering can be provided by a licensed meter operator and must be installed in accordance with the Metering Code.
- 3.7.3 Tariff Metering and Operational Metering are required at an interface between the User and the TSP.

### 3.8 Tariff metering

- 3.8.1 Tariff metering shall be provided for the sole purpose of registering the quantity of Energy that passes across the connection point over fixed periods of time as defined in the Metering Code and Market Rules.
- 3.8.2 Tariff metering shall be installed to a high degree of accuracy. For large generators connected to the Transmission Network the degree of error must not exceed 0.2%. In order to preserve this accuracy, the Current and Voltage Transformers (i.e. CTs and VTs) used to drive tariff meters must not be used for any other purpose except metering and the burden placed on the CTs and VTs must remain within their rating.
- 3.8.3 Where secondary (or check) metering is provided, the CTs and VTs used for this purpose may also serve other functions, provided that the burdens are not exceeded. Primary and Secondary Metering should not be driven from the same CTs and VTs.

- 3.8.4 Tariff meters must be installed, operated and maintained by a licensed meter operator who shall be granted access to the Connection site for this purpose at any time.
- 3.8.5 Tariff meters must be fitted with seals by the meter operator in such a way that the meters and the equipment used to drive the meters cannot be tampered with without that tampering being evident.
- 3.8.6 In case of damage or tamper to the meter seal, Users shall advise the Meter Operator immediately. Metering seals may only be removed by the Meter Operator or, exceptionally, by the User or the TSP's staff acting under the instruction of the Meter Operator.
- 3.8.7 Where tampering is suspected to have had a material effect upon the accuracy of the registered power flow, the Parties shall meet to agree on the acceptable meter reading for the disputed period in accordance with the Metering Code. If agreement cannot be reached, the dispute shall be referred to NERC for settlement.

### 3.9 Operational metering

- 3.9.1 The purpose of operational metering is to provide real-time information concerning energy flows to the control rooms of the User and TSP so that each may control their System in an economic and safe manner.
- 3.9.2 All generators must ensure that the operational metering is installed in accordance with the Metering Code and Connection Agreement. A licensed Meter operator may provide this service or it can be carried out by the TSP on its own behalf. Operational metering shall be to a minimum accuracy of class 0.5S although class 0.2S is preferred.
- 3.9.3 Operational metering used by the TSP is to ensure that the User complies with its dispatch instructions in addition to being used to enable the TSP help control the Transmission Network System.

## **4. RIGHT OF ACCESS**

- 4.1 The TSP and the User of the Transmission Network agree that upon reasonable notification (except in an emergency), each party including nominated third parties or contractors shall have unhindered access to its equipment and apparatus wherever situated on the other's premises or land, for the purpose of installation, testing, commissioning, maintenance, inspection, modification, replacement and removal.
- 4.2 Access to the Apparatus or equipment of either Party or its nominated agent shall be with minimum disruption, disturbance or inconvenience to its equipment or apparatus. Arrangements and provisions including the right to make directions or instructions from time to time shall be issued to either Party or its nominated agent.

- 4.3 Access shall be available at all times to personnel or nominated third parties to any Apparatus or Equipment on the premises or land where such Equipment or Apparatus are located unless a safety issue prevents such access.
- 4.4 The Parties shall take all reasonable steps to ensure:
- a. Adequate service and safe use of assets at all times;
  - b. No damage to the property or equipment or apparatus of either party involved in this Agreement;
  - c. Cause as little disturbance and inconvenience as possible to the property, equipment, apparatus, personnel of either party to this Agreement.
  - d. Prompt action is taken to remedy any damage caused to each other's equipment or apparatus, in the course of exercising this Agreement;
  - e. Give right of access for the purpose of modifying any equipment or apparatus.
- 4.5 Where right of access is granted, the procedure and work method for executing any work on Apparatus or Equipment on the premises or land of the other party shall be agreed and documented in a Manual to be revised from time to time by the Parties to this Agreement.

Matters to be covered by such arrangements and provisions shall include:

- a. The identification of any relevant equipment or apparatus belonging to Parties involved in this Agreement;
- b. Identification and arrangements applicable to emergency personnel.
- c. The particular access route on the premises or land applicable to the location of the affected equipment or apparatus;
- d. Any limitations on times of exercise of right of access to the equipment or apparatus;
- e. Any requirements as to prior notification or authorisation or security clearance to individuals exercising such access rights;
- f. Safety requirements;
- g. Means of communication between all Parties and their employees or nominated third party (contractors, agents, consultants) from time to time shall be established and well known to all Parties.

## **5. RIGHT TO INSTALL AND RETAIN ASSETS**

- 5.1 Subject to sub clause 6.1, the User and the TSP shall grant each other the right to install and thereafter retain and replace equipment and apparatus on either Party's land as required for safe, reliable and adequate operation of the Transmission Network in such places as are currently in use or proposed, subject to the date of installation as may be agreed to by parties to this Agreement., and such right shall extend to any modification or upgrade to relevant equipment and apparatus.

5.2 Appropriate support shall be provided by the Land Owner to the other Party whose equipment and apparatus is to be installed and / or upgraded from the date agreed for the installation to commence. The Land Owner shall grant a Right of Access for the purpose of maintenance, inspection, testing, removal, operation, modification or repair of any apparatus or equipment installed by the other Party to this Agreement.

## **6. MODIFICATIONS, REPLACEMENTS AND ALTERATIONS**

6.1 The TSP or the User may at its own expense replace or alter any of its Assets, equipment or apparatus provided that, the replacement Assets, Apparatus or equipment so altered:

- a. are placed in the same or approximately same position;
- b. fulfil the same or similar purpose;
- c. can where relevant be accommodated in and on existing buildings or structures;
- d. do not require additional or improved facilities or services;
- e. do not restrict the actual and intended use of other equipment or apparatus to any materially greater extent than the Assets, equipment or property so replaced or altered;
- f. are either of same or a similar or smaller size or the alteration is effected substantially within the space occupied by either Party's Assets, equipment or apparatus to be used up to their full capability; and
- g. prior written notification has been given to the other party involved in this Agreement.

6.2 Where any replacement or alteration permitted under clause 6.1 shall require minor alterations or work to the existing buildings or structures housing or supporting either party's Assets in question, such alterations or works shall be carried out with the prior written approval of the "Affected Party", provided that such approval shall not be unreasonably withheld or delayed. The cost of the replacement or alteration shall be borne by the party originating the replacement or alteration (Initiating Party).

6.3 To the extent that any of the conditions of clause 6.1 are not complied with in the reasonable opinion of the Affected Party, the Affected Party may by 5 days notice in writing require the the Initiating Party to remove such replacement or modification or alteration and, if this request is not effected may remove such Assets, equipment or apparatus at the cost and expense of the Initiating Party. On such removal, the initial Assets, equipment or apparatus may be reinstated by the Land Owner.

6.4 Any dispute between the Parties regarding this clause shall be determined in accordance with the provisions of clause 13 of this Agreement.

## **7. SECURITY AND COMPLIANCE WITH APPLICABLE LAWS**

7.1 The User or the Land Owner shall with the cooperation with the other Party maintain and provide security to Assets, property, equipment or apparatus involved in the

interconnection to the Transmission Network on the Connection Site in accordance with the arrangements set out in this Agreement.

- 7.2 Each Party shall ensure that, as between the Parties, all reasonable and necessary steps are taken, as and when necessary or desirable, in co-operation with the other (and, so far as applicable, with any third party), to ensure compliance with the provisions of:
- i. Any Applicable Laws, Regulations or Rules which may affect any property (of whatever nature) of either Party as a result of the existence, nature, location, or manner of operation of any Assets, property, equipment or apparatus involved in the interconnection;
  - ii. Any Applicable Laws, Regulations or Rules requiring the reporting of any occurrence relating to or affecting any Assets, property, equipment or apparatus (including the reporting of injuries, diseases and dangerous occurrence) to the relevant Authority.
- 7.3 Each Party shall so far as it is aware of the same, unless it has reasonable grounds for believing that the other Party possesses the information, keep the other Party informed of all matters relating to any obligation or potential obligation and/or the extent to which such obligation may be applicable.
- 7.4 In the event of any dispute as to the responsibility, between the Parties, pursuant to Clause 7.2 for compliance with an obligation, that responsibility shall be allocated, so far as practicable on the basis that:
- a. Positive action required in relation to a Party's property, equipment or apparatus as a consequence of the existence, nature, location or manner of operation of that property, equipment or apparatus or any other property of that Party shall be the responsibility of that Party, and, to the extent that such action is required in respect of or affecting any property of the other Party (or the property, equipment or apparatus of a third party located in or on the land where the interconnection occurs);
  - b. Such action may be taken with the prior approval of the other Party (such approval, not to be unreasonably withheld or delayed).
  - c. Each Party shall refrain from taking or permitting any act or omission which would prevent compliance with an obligation.

## **8. RELOCATION**

- 8.1 At any time and from time to time during the term of this Agreement, the Land Owner, on whose land the other Party to this Agreement has its equipment and apparatus installed, may with prior written notice based on an agreed date require such equipment and apparatus be relocated either to a different location on the same land or to other location

outside the land. Such agreement or consent for relocation to be sought and given or refused in accordance with the following procedures:

- a. The Land Owner shall serve a written notice on the Equipment Owner, which notice shall specify:
    - i. the other Party's equipment and apparatus which the Land Owner wishes to be relocated;
    - ii. the reasons for such action;
    - iii. the proposed new location on the land for the relocation of the Equipment Owner's equipment and apparatus;
    - iv. the timing for the carrying out of such relocation.
  - b. The Equipment Owner served with notice of relocation shall within one month of receipt of such notice serve a counter notice stating:
    - i. Whether or not in its reasonable opinion such relocation notice is acceptable to it;
    - ii. If the relocation notice is not acceptable to the Equipment Owner, the grounds for such objection and the terms of any alternative proposal (i.e Alternative Relocation Proposal) covering the relevant matter referred to in 8(a) (i) which would be acceptable to the Land Owner;
    - iii. The costs of such relocation and any consequential losses including payments to third parties involved in the relocation in or outside the Land and the proposed manner and timing of payment of same to the Land Owner.
  - c. If within one month of the date of such counter notice (or such longer period as shall be reasonably necessary) the Land owner has not withdrawn the Relocation notice and the Parties have not agreed upon it or the Alternative Relocation Proposal (if any) or a variation of either of them, the matter shall be dealt with in accordance with Clause 13 of this Agreement.
- 8.2 Upon approval or settlement of any Relocation Proposal, Alternative Relocation Proposal or variation thereof, the Equipment Owner shall relocate or proceed to relocate such equipment or apparatus as quickly as reasonably practicable, having regard to amongst other things technical and operational requirements and the availability of necessary licences, approval and consents from authorised Government Agencies.
- 8.3 The Land Owner shall render all possible assistance to relocate the equipment or apparatus and payment of costs referred to in 8.1(b) (iii) as agreed or settled pursuant to Clause 8.1 provided all reasonable endeavours are used to minimise such costs and in the event that the Relocation Proposal is withdrawn or consent / permit is withdrawn by relevant government authorities pursuant to Clause 8.1, the Land Owner shall pay the Equipment Owner all costs reasonably incurred as a result of implementing the Relocation Proposal and any counter proposal.

## **9. REMOVALS**

- 9.1 In the event that there ceases to be any Agreement relating to the connection of equipment or apparatus between the TSP and User, the Equipment Owner shall be obliged to remove such equipment or apparatus unless there is an application for extension of stay on the land made by the Equipment Owner.
- 9.2 In respect of an application for extension of stay, the Land Owner shall consider such application and if considered to be reasonable and required for the safety, reliability and adequacy of the Transmission Network, such extension shall be granted by the Land Owner.
- 9.3 The Land Owner shall provide all reasonable assistance to enable the Equipment Owner remove its equipment from the Land. Provided that the Equipment Owner shall pay and reimburse the Land Owner all costs and expenses reasonably incurred by the Land Owner in doing so.

## **10. SERVICES AND USE OF ASSETS**

- 10.1 The TSP and the User shall if required, make available for use by either Party to such extent as necessary property, equipment or apparatus belonging to the other Party forming the interconnection for its undertaking, at such times as requested. The Party requesting such service or use of asset shall undertake such in a quality and quantity as requested unless specifically agreed otherwise between the Parties.
- 10.2 Where the use of property, equipment or apparatus is made available or such services are supplied as requested, the Parties shall ensure that all reasonable arrangements and provisions are agreed and documented in a Manual to be revised from time to time, such arrangements and provisions shall include:
- a. the identification of property, equipment or apparatus and/or services in question including the extent of their availability;
  - b. the hours during which such use or provision shall be allowed or made;
  - c. any requirements as to notification of use or call for supply or temporary suspension thereof;
  - d. maintenance of property, equipment, apparatus and /or service in accordance with good industry practice;
  - e. any requirements as to authorisation or security clearance of individuals and the procedures for obtaining the same; and
  - f. any safety requirements.
- 10.3 The use of such property, equipment or apparatus and/or services shall not be terminated unless the User ceases to require such property, equipment or apparatus and/or services for its own use and upon not less than six months notice in writing of such termination by either party.

10.4 Provided that for Rights of Access and Services and Use of Access as provided for in this Agreement, the Parties agree to keep each other indemnified at all times against liabilities and claims arising out the non performance of the defaulting Party's obligations or negligent acts with respect to the use of any property, equipment, apparatus and or services of either Party to this Agreement.

## **11. NON-INTERFERENCE**

11.1 The Parties agree that they or their agents, employees and nominated third parties shall not interfere in any way with either Party's property, equipment or apparatus without the other's consent. For the purpose of this Agreement interference shall include:

- a. disconnecting or altering the connection of either Party's property, equipment or apparatus or other means to which it may be connected or prevent supply of any substance or thing through such connection;
- b. affixing or removing any item or substance of any nature belonging to either Party;
- c. damage or causing obstruction to access either Party's property, equipment or apparatus;
- d. alteration of any meters or settings on either party's equipment or apparatus.

11.2 The obligation contained in this clause 11.1 above shall be suspended to the extent that emergency action is taken by Emergency Personnel in good faith to protect the health and safety of personnel, equipment or apparatus or to prevent damage to property, equipment or apparatus affected by such event. All reasonable care shall be taken in the course of such emergency action. At the end of the emergency, damaged property belonging to other Party will be reinstated by the Party where the emergency originated, save for damage self inflicted or due to negligence of the owner of the property, equipment or apparatus.

## **12. INTERFACE MANAGEMENT**

12.1 In order to emplace an effective interface process between the Parties, the Parties hereby agree to jointly nominate an Interface manager who will have the overall responsibility for the implementation and maintenance of the interface management on the Connection Site. The terms and specifications of the interface process shall be as described under Schedule 6 of this Agreement.

## **13. DISPUTE RESOLUTION**

13.1 Any dispute arising between the Parties or their agents under this Agreement, if not amicably resolved within 30 days of first arising, either Party may by a Dispute Notice refer such a dispute to NERC for resolution.

13.2 NERC within 20 days of the receipt of a Dispute Notice shall refer such disputes either to an Independent Engineer or Arbitration. Provided that the Parties may of their own accord agree to appoint an Independent Engineer or resort to Arbitration.

### 13.3 Independent Engineer

The Parties agree that for disputes of a technical nature, the Parties shall within 14 days of such dispute or by a referral by NERC as specified in Clause 13.2, jointly appoint an Independent Engineer nominated by the President of the Nigerian Society of Engineers and shall be guided in accordance with the following rules:

13.3.1 The Independent Engineer appointed shall act as an expert and not as an arbitrator and shall decide those matters referred or reserved to him under this Agreement by reference to Good Industry Practice using his skill, experience and knowledge and with regard to such other matters as an Independent Engineer in his sole discretion considers appropriate.

13.3.2 The Parties shall endeavour to promptly supply the Independent Engineer with such documents and information as he may request when considering the dispute in question. The Independent Engineer shall use his best endeavours to give his decision upon the question before him as soon as possible following its referral to him. The Parties shall share equally the fees and expenses of the Independent Engineer. The Parties expressly acknowledge that submission of disputes for resolution by the Independent Engineer does not preclude subsequent submission of disputes for resolution by arbitration. Pending any such arbitration the Parties shall treat the Independent Engineer's decision as final and binding.

### 13.4 Arbitration

13.4.1 Subject to Clause 13.1-3 above, where the Parties are still unable to resolve their dispute, the Parties shall of their own accord or by NERC's referral refer their disputes to Arbitration.

13.4.2 The Parties shall jointly appoint a Sole Arbitrator either within themselves or nominated by the President of the Chartered Institute of Arbitrators UK (Nigerian Branch).

13.4.3 Pursuant to Clause 13.4.2, where the Parties are unable to agree on a Sole Arbitrator, the Parties shall appoint an Arbitration Tribunal consisting of Three Arbitrators; one Arbitrator appointed by each Party and the third Arbitrator appointed by NERC.

13.4.4 Failure to abide by the decision of the Sole Arbitrator or Arbitration Tribunal shall constitute a violation of this Agreement. Upon adequate presentation by the aggrieved Party to the NERC of such acts of violation, the aggrieved Party upon at least 30 days notification to the violating Party may suspend access to property, equipment or apparatus and/or service until such time as the violating Party complies or is serviced

with notice of termination of this Agreement and disconnection of the violating party property, equipment or apparatus and/or service.

13.4.5 During the Arbitration process, Parties shall use expert witnesses where the circumstances make it necessary.

13.4.6 The Parties shall bear the costs of Arbitration equally between them.

13.7 Notwithstanding, the provisions of this Clause 13, the Parties undertake in good faith to continue to operate and perform their respective obligations under this Agreement and the Relevant Rules during the course of a dispute.

## **14. CONFIDENTIALITY**

14.1 The Parties (including their agents or nominated third parties) hereby undertake that they shall preserve the confidentiality and secrecy of, and not directly or indirectly reveal, report, publish, disclose or transfer or use for its own purposes Confidential Information obtained pursuant to this Agreement except:

- a. where the Confidential Information is in the public domain;
- b. to the extent expressly permitted by this Agreement, The Parties Operating Licenses and the Relevant Rules ;
- c. with the consent in writing of the owner of the information.

14.2 With effect from the date of this Agreement, Parties shall adopt procedures within its organisation for ensuring the confidentiality of all Confidential Information which it is obliged to preserve as confidential under this Clause 14. These procedures will include:

- a. The Confidential Information to be disseminated to the relevant parties on a need to know basis;
- b. Employees, directors, agents, lenders, consultants and professional advisers of the relevant party in respect of Confidential Information will be made fully aware of the party's obligations of confidence in relation thereto.

14.3 The provisions of this Clause shall survive the termination of this Agreement, but shall expire and be of no further effect upon the third anniversary of the date of termination of this Agreement.

## **15. LIMITATION OF LIABILITY**

15.1 Subject to Sub clause 10.4, Neither Party, nor any of its officers, employees, agents or nominated third parties shall be liable for loss arising from any breach of this Agreement

other than for loss directly arising from such breach which at the date thereof was reasonably foreseeable as likely to occur in the ordinary course of events from such breach particularly:

- i. Physical damage to the property, equipment or apparatus of the other party(ies), its officers, employees or agents;
  - ii. The liability of the other Party to any such person or loss arising from physical damage to the property of any means.
- 15.2 Nothing in this Agreement shall exclude or limit the liability of the Party liable for death or personal injury resulting from negligence from the action of the Party liable or any of its officers, employees or agents. The Party liable shall indemnify and keep indemnified the other Party, its officers, employees or agents, from and against all such and any loss or liability which the other Party may suffer or incur by reason of any claim on account of death or personal injury resulting from the negligence of the Party liable or any of its officers, employees or agents.
- 15.3 Subject to any other provisions of this Agreement to the contrary, neither Party, nor any of its officers, employees or agents shall in any circumstances whatsoever be made liable to the other Party for:
  - i. Any loss of profit, loss of revenue, loss of use, loss of contract or loss of goodwill; or
  - ii. Any indirect or consequential loss; or
  - iii. Losses resulting from liability of either Party to any other person howsoever and when so ever arising save as provided in this Clause 15 of this Agreement.
- 15.4 The rights and remedies provided by this Agreement to the Parties are exclusive and not cumulative and are in place of all substantive (but not procedural) rights or remedies express or implied and provided by common law or statute in respect of the subject matter of this Agreement, including any rights either Party may possess in tort which shall include actions brought in negligence and/or nuisance. Accordingly, the Parties hereby waive in the fullest extent possible all such rights and remedies provided by common law or statute, and releases the Party liable, its officers, employees and agents to the same extent from all duties, liabilities, responsibilities or obligations provided by common law or statute in respect of matters dealt with in this Agreement and undertakes not to enforce any of the same except as expressly provided herein.
- 15.5 Nothing in this Clause 15 shall exclude or restrict or otherwise prejudice or affect any of:
  - i. The rights, powers, duties and obligations of either Party which are conferred or created by the EPSR Act, 2005, the Party's Operating Licences, orders and regulations made by NERC or any amendments or re-enactment thereof; or

- ii. The rights, powers, duties and obligations of NERC or relevant Government Authorities under the EPSR Act, 2005.

## **16. FORCE MAJEURE**

16.1 If either Party is unable to carry out any of its obligations under this Agreement due to circumstances amounting to Force Majeure, this Agreement shall remain in effect but save as otherwise provided herein the Non-Performing Party's obligations hereunder shall be suspended without liability for a period equal to the circumstance of Force majeure provided that:

- a. the non-performing Party gives the other Party prompt notice describing the circumstance of Force Majeure, including the nature of the occurrence, its expected duration and the particular obligations affected by it, and continue to furnish regular reports with respect thereto during the period of Force Majeure;
- b. the suspension of performance is of no greater scope and of no longer duration than is required by the Force Majeure;
- c. no liabilities of either Party that arose before the Force Majeure causing the suspension of performance are excused as a result of the Force Majeure;
- d. the non-performing Party uses all reasonable efforts to remedy its inability to perform; and
- e. as soon as practicable after the event which constitutes Force Majeure the Parties shall discuss how best to continue their operations so far as possible in accordance with this Agreement.

16.2 If the event of Force Majeure continues to be in existence for a continuous period of 120 days, either party shall be a liberty to terminate this Agreement to the extent that the Force Majeure events renders it impossible to continue with a substantive part of this Agreement. Provided, that on termination, the Parties shall reconcile their accounts as provided by the Market Rules, and make outstanding payments according to the terms of this Agreement.

## **17. TERM AND TERMINATION**

17.1 This Agreement shall automatically terminate upon:

- a. termination of the Grid Code if the User is connected to the Transmission Network; or
- b. termination of the Distribution Code if the User is Connected to the Distribution Network; or
- c. revocation or withdrawal of the User's Licence or the TSP's Licence.

- d. In respect of the User or the TSP:
  - i. an involuntary Termination as provided in Clause 17.2 below
  - ii. Termination resulting from an extended Force Majeure event as provided in Clause 16 above.
  - iii. an order of the High Court is made or an effective resolution passed for its insolvent winding up or dissolution; or
  - iv. the appointment of a receiver (which expression shall include an administrative receiver) of the whole or any material part of its Asset or undertaking; or
  - v. where an administration order under is made or if a voluntary arrangement is proposed for its dissolution; or
  - vi. where it enters into any scheme of arrangement (other than for the purpose of reconstruction or amalgamation upon terms and within such period as may previously have been approved in writing by its Directors); or
  - vii. where it is unable to pay its debts and its operations are declared bankrupt by the order of a High Court.

## 17.2 Event of Default

The following event shall be an event of default which if not remedied within the period specified, shall give rise to the right of the Non-Defaulting Party to terminate this Agreement pursuant to this Agreement

- a. Any material breach under this Agreement, which jeopardizes the safety of the interconnected facilities, after notice from the Party initiating the termination, giving reasonable details of the breach and demanding remedy thereof within a reasonable time.

17.2.1 Upon the occurrence of an Event of Default as specified in Clause 17.2 above, and which is by its nature not capable of remedy, or which, if it is capable of remedy, is not remedied within the applicable period for remedy, the Non-Defaulting Party may at its option initiate termination of this Agreement by delivering a notice of its intent to terminate this Agreement to the Defaulting Party. The Notice of Intent to Terminate shall specify in reasonable detail the Event of Default giving rise to such notice.

17.2.2 Following the delivery of a Notice of Intent to Terminate, the Parties shall consult for a period not exceeding thirty (30) days or for such other periods as the Parties may mutually agree. During the period following the delivery of the Notice of Intent to Terminate, the defaulting Party may continue to undertake efforts to remedy the Default

and if the Default is remedied at any time prior to the delivery of a Termination Notice in accordance with this Clause 17 the Non-Defaulting Party shall have no right to terminate this Agreement in respect of such remedied event of default.

- 17.2.3 Upon the expiry of the consultation period referred to in Clause 17.3 and unless the Parties have otherwise agreed upon or unless the Event of default giving rise to the Notice of Intent to Terminate has been remedied, the Party who gave the Notice of Intent to Terminate may terminate this Agreement by delivering a Termination Notice to the other Party.
- 17.2.4 The termination notice delivered pursuant to Clause 17.2 shall not become effective for a period of thirty (30) days.
- 17.2.5 During the thirty (30) days period referred to in Clause 17.5, the Parties shall endeavour to reach an agreement in order to continue with their respective rights and obligations under this Agreement. Failure to do so shall cause the Termination Notice to be effective at the end of the thirty (30) day period and this Agreement shall effectively be terminated.
- 17.3 In instances of voluntary termination by either Party, the Initiating Party is required to provide at least twelve months notice to commence the process for termination of this Agreement
- 17.4 This Agreement shall otherwise continue and remain in force until there is no physical connection or interface and no sharing of services between the property, equipment or apparatus and/or land of the TSP and the User.

## **18. GOVERNING LAW AND JURISDICTION**

- 18.1 This Agreement shall be governed by and construed in all respects in accordance with Nigerian law.
- 18.2 Subject and without prejudice to Clause 13 of this Agreement, the Parties involved in this Agreement irrevocably agree that where the need arises only the courts in Nigeria have jurisdiction to settle any dispute or proceedings which may arise out of or in connection to this Agreement; Provided that the Parties have first of all exhausted other dispute resolution procedures as contained in the licence conditions and other Regulations, Rules and Codes of the Commission
- 18.3 Each Party irrevocably waives any objection which it may have now or later to the laying of the venue of any proceedings in any Nigerian court, and any claim that any such proceedings have been brought in an inconvenient forum and further irrevocably agrees that a judgement from any proceedings brought in any Nigerian court shall be conclusive and binding upon such Party and be enforced by such court in Nigeria.

18.4 For the avoidance of doubt nothing contained in the provisions of this clause shall be taken as permitting a Party to commence proceedings in the courts where this Agreement otherwise provides for proceedings to be referred to arbitration or hearing before the Commission.

## **19. INTELLECTUAL PROPERTY**

19.1 All Intellectual Property relating to the subject matter of this Agreement conceived, originated, devised, developed or created by either Party, its officers, employees, agents or consultants during the term of this Agreement or any Supplemental Agreement shall vest in such Party as sole beneficial owner thereof save where the Parties agree in writing otherwise.

## **20. WAIVER**

20.1 No delay by or omission of either Party in exercising any right, power, privilege or remedy under this Agreement shall operate to impair such right, power, privilege or remedy or be construed as a waiver thereof. Any change or partial exercise of any such right, power, privilege or remedy shall not preclude any other or future exercise thereof or the exercise of any other right, power, privilege or remedy.

## **21. NOTICES**

21.1 Any notice or other communication to be given by either Party to the other under, or in connection with the matters contemplated by this Agreement shall be addressed to the recipient and sent to the address, telex number or facsimile number of such other party given in Schedule 5 and marked for the attention of the person so given or to such other address, telex number and/or facsimile number and/or marked for such other attention as the other party may from time to time specify by notice.

21.2 Any notice or other communication to be given by either Party to the other party under, or in connection with the matters contemplated by this Agreement shall be in writing and shall be given by letter delivered by hand or sent by courier or telex or facsimile, and shall be deemed to have been received:

- a. In the case of delivery by hand, when delivered; or
- b. In the case of courier, on the 4th working day following the day of posting (including overseas); or
- c. In the case of telex or facsimile on the automatic answerback of the addressee (where such transmission occurs before 1700 hours on the day of transmission) and in any other case on the day following the day of transmission.

## **22. VARIATIONS / AMENDMENTS**

22.1 The provisions of the Schedules to this Agreement may be varied from time to time by mutual Agreement which shall be in writing by both Parties. Any amendments to this Agreement shall be by way of an Addendum signed by both Parties,

## **23. ASSIGNMENT AND SUB-CONTRACTING**

23.1 The rights and obligations of either Party shall not be assigned otherwise than to an Affiliate or by way of a change or an assignment by way of security without the consent of the other party and NERC, such consent not to be unreasonably withheld. Provided that, this, does not preclude the TSP from the novation of its rights and obligations to an Independent System Operator when the Minister gives a directive for the opening of a more competitive market.

23.2 Neither Party shall have the right to sub-contract or delegate the performance of any of its obligations or duties arising under this Agreement without the consent of the other and NERC. The sub-contracting by either Party of this performance of any obligations or duties under this Agreement shall not relieve such Party from the liability for performance of such obligation or duty.

**IN WITNESS WHEREOF** the Parties have caused this Agreement to be signed by their duly authorised representatives at the date first above written.

SIGNED BY )  
[*name of authorised representative*] )

For and on behalf of  
The "Transmission Service Provider" [ *name* ] )

SIGNED BY )  
[ *name* ] )

For and on behalf of  
[The *User of the Transmission Network* ]  
[Name]

# **SCHEDULE 1**

Interconnected Assets of the TSP

## **SCHEDULE 2**

Interconnected Assets of the User

## **SCHEDULE 3**

Land where Assets are Interconnected

Land Owner:

Location:

# **SCHEDULE 4**

Shared Services Provided on Location

## **SCHEDULE 5**

Addresses, Fax Number

1. TSP: [ *name* ]  
[ *Address* ]  
[ *Telephone* ]  
[ *Fax number* ]

2. User: [ *name* ]  
[ *Address* ]  
[ *Telephone* ]  
[ *Fax number* ]

3. THE COMMON SEAL of the TSP:

[ *name* ]

was hereunto affixed in the presence of:

4. THE COMMON SEAL of the User :

[ *name* ]

was hereunto affixed in the presence of:

# **SCHEDULE 6**

## **INTERFACE MANAGEMENT**