

SOUTHERN ELECTRIC POWER DISTRIBUTION PLC (“THE COMPANY”)

GUIDANCE NOTE

This note has been produced to assist land owners (“the Owner”) and its solicitors in dealing with the Company’s standard form documentation. Its purpose is to avoid delays in completing the transaction, which delays may lead to increased costs for the Owner and prevent commencement of the use of the substation and cables.

When engaging with the Company, the Owner and the Owner’s solicitors must have particular regard to the following:

1. TITLE

1.1 The Company requires:

1.1.1 up to date official copies of the registers and title plan; or

1.1.2 an epitome of title if the land is unregistered together with confirmation of which matters affect the substation site and/or cables and/or access; and

1.1.3 a copy of the relevant documents referred to in the official copies or the epitome of title.

1.2 If the Owner’s property is charged, the lender under each charge should be approached immediately for:

1.2.1 its written consent to the deed of grant/lease; or

1.2.2 in the case of a transfer, to release the lender’s charge over the substation site (by way of form DS3 or deed of release); and

1.2.3 to issue its written consent to the easements.

1.3 If any substation site is already let, the lease must be surrendered.

1.4 If land to be affected by any easements is let, the tenant must join into the transfer/deed of grant/lease.

1.5 The Owner must make applications without delay for any consents/releases required from:

1.5.1 any landlord/superior landlord;

1.5.2 any restrictive covenants which may prevent the Company from using the substation site and/or the easements for its business, which restrictive covenants must be released in writing;

1.5.3 any beneficiary of a Land Registry Restriction affecting the substation site and/or the land to be affected by the easements in Land Registry form RX4.

1.5.4 any beneficiary of a Unilateral or Agreed Notice affecting the substation site and/or the land to be affected by the easements in Land Registry form UN2 (Unilateral Notice) or otherwise as appropriate (Agreed Notice).

2. ACCESS

Unfettered vehicular and pedestrian access to the substation site and/or cables is required without notice, 24 hours a day 365 days a year and must be direct from a public highway. If access is dependent upon private rights of way, the Company requires title to be deduced to the right and the Owner must have the ability to sub-grant such rights to the Company.

3. PLANS

The key to the colouring which may appear on the plan is:

Pink	Substation site
Green	Underground SEPD cables
Red	Overhead lines
Brown	Accessway to the substation and/or cables and/or lines
Brown hatched black	Accessway and underground cables

4. THE DEED

- 4.1 The deed is a balanced draft and represents the minimum the Company requires to develop and maintain an efficient, co-ordinated and economical system of electricity distribution.
- 4.2 The deed is in a standard form for new connections throughout the Company's operating area and it should not be amended other than to make it specific to describe the Owner's property.
- 4.3 When reviewing the deed please bear in mind that the Company is not seeking a commercial advantage from the Owner. The Owner has requested a connection to the network for their own benefit and in order for the Company to comply with its statutory obligations, it must secure its assets in a satisfactory form.

5. PLANNING

- 5.1 Where the Owner's property is affected by planning agreements (including section 106 agreements and section 278 agreements) any substation site must be excluded from the terms of such agreements, failing which the Owner must procure:
 - 5.1.1 a variation to such agreement to exclude the substation site; or failing this
 - 5.1.2 a comfort letter from the relevant authority confirming that the terms of such agreement will not be enforced against the Company or its successors.
- 5.2 Where a substation enclosure is provided by the Owner or its ICP, the Company will need to see confirmation that the enclosure is Permitted Development or, where the enclosure is not with the Permitted Development regime, evidence that planning consent has been secured.

6. INDEMNITY INSURANCE

To the extent the Company is prepared to proceed with the transaction on the basis of an existing indemnity policy, the Company's interest must be noted on such policy which must also be expressed to benefit the Company as successor/lessee/grantee (as applicable) along with its successors. A more detailed guidance note on title indemnity insurance is available upon request.

7. SEARCHES AND ENQUIRIES

The Owner must provide full replies to the standard Enquiries. Where a full reply to an enquiry is not given, the enquiry will be re-submitted. If the Owner or the Owner's solicitors would prefer the Company to rely on its own searches and enquiries, then please be aware of the inevitable delay and associated costs. Please also note that the search results may result in additional enquiries and additional delays.

8. ENVIRONMENTAL SEARCHES AND CONTIMINATION

The Owner's land must be free from any contamination that might prevent the installation of the electrical apparatus and the subsequent exercise of the Company's rights. Where the Owner is unable or unwilling to provide an unequivocal confirmation in this regard, we will require a standard form of wording to be inserted in the Deed. The new provisions are designed such that any existing hazardous substances on the Owner's land remain the obligation of the Owner and any new substances introduced to the site by the Company will be the obligation of the Company.

9. COMMISSIONING / ENERGISATION

The cables/substation will not be commissioned/energised until the transaction is legally complete which shall include the completion of any associated documentation with third parties.