

PROJECT PROGRAMMING – CONNECTION OFFER GUIDANCE

REF-NET-COM-029	Project Programming – Connection Offer Guidance		Applies to
			Distribution ✓
Revision: 1.00	Classification: Public	Issue Date: July 2026	Review Date: July 2034

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1 Introduction

This Guidance Note provides supporting information on 'Project Programming' for the Distribution System Connection Offer provided to the Customer by the Company. This Guidance Note applies to large and major 'Demand' and/or 'Generation' Connection Offers.

Reference to this Guidance Note when reviewing and interpreting Connection Offers is essential to ensure consistent interpretation and approach.

2 References

The documents detailed in Table 2.1 – Scottish and Southern Electricity Networks Documents should be used in conjunction with this document.

Table 2.1 – Scottish and Southern Electricity Networks Documents

Reference	Title
REF-NET-COM-004	SSEN Standard Terms and Conditions for Large and Major Demand Connections
REF-NET-COM-019	SSEN Standard Terms and Conditions for Large and Major Generation Connections
REF-NET-COM-020	Connection Offer – Glossary of Defined Terms
REF-NET-COM-021	Alternative Providers – Connection Offer Guidance
REF-NET-COM-022	Reinforcement Works – Connection Offer Guidance
REF-NET-COM-023	Transmission Works – Connection Offer Guidance
REF-NET-COM-024	Site Requirements – Connection Offer Guidance
REF-NET-COM-025	Land Rights – Connection Offer Guidance
REF-NET-COM-026	Metering – Connection Offer Guidance
REF-NET-COM-027	Flexible & Curtailable Connections – Offer Guidance
REF-NET-COM-028	Change & Variations – Connection Offer Guidance

3 Background

The Company is a regulated Distribution Network Operator (DNO) owning and operating electricity distribution networks through its companies Southern Electric Power Distribution plc in southern England and Scottish Hydro Electric Power Distribution plc in the north of Scotland.

This Guidance Note clarifies, supports and should be read with the Connection Offer made by the Company to the Customer. This Guidance Note gives details of the process of programming the Distribution Works to enable the Customer's Connection to the electricity Distribution System. The Customer should contact the Company if it has any queries about the information contained in this Guidance Note.

The Company provides an Estimated Connection Date in the Connection Offer based on a typical project of that type, with average deliverables and standard assumptions. This is generated from a desk-top study of the project – providing initial conceptual electrical optioneering and from that selecting a typical build list of assets and works. The actual project programme is based on the real project and the eventualities which occur as the design is refined and that project progresses, together with the requirement to schedule the Customer's project around 30,000 other live projects, the operational requirements of the Distribution System and interfaces with third parties and third-party systems. This is explained in more detail below.

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4 Programming Considerations

When the Company receives an application to connect to its Distribution it considers what the electrical options are, what typical works will be required and how long these will usually take, to set the Estimated Connection Date. The Company assesses the project complexity, considering internal and external factors including:

1. The technology type to be connected – is it new, unusual or standard and simple;
2. The design required – is it minimal or standardised design or will more complex and detailed design be required, are there derogations from standard specifications which will require technical authority type testing, etc.;
3. The Land Rights and Consents required – the number and complexity of consents or rights likely to be required, how many different land owners are on the route, for example is it possible to rely on existing agreements or will new agreements have to be negotiated, is it permitted development on the land, are consents required from known unsupportive third parties, are there complexities such as planning permission required, or a compulsory purchase order, land purchase, or a marine licence, are there any streetworks limitations;
4. The environmental complexity – what is required to achieve regulatory compliance, what could be the environmental impact – is it limited or severe and irreversible, will the route cover protected/designated sites, what is the sensitivity of site, what mitigation measures are required;
5. Whether there are other projects affecting this Connection – are there any Distribution System reinforcements required before this project can connect and what is the timeline for those works; are there any interlinking projects for other customers which will require to complete before this project can connect and what is the timeline for those works;
6. Whether Transmission Works are required before this project can connect and what is the timeline for those works (if known at that stage);
7. Whether it is a multi-discipline project – will there be a need to interface with the National Electricity Transmission System, are there other third parties to engage with – for example major asset owners who assets will be crossed by the project (rail crossings, oil pipeline crossings, etc.), is it a high profile project on National Critical Infrastructure, are there stakeholder concerns;
8. Commercial matters – what are lead times for plant items – are there long lead procurement times for items required for the Distribution Works, what are the current lead times for such items, what is supply chain availability, what is contractor availability, what type of contract will be required and how complex will it be to price and negotiate, are there other third parties who will impact on the works, for example telecommunications providers, and what is their timeline for their works (if known at this stage), etc.;
9. The works required – the route length, the location of the works (e.g., works on the Scottish islands may require a longer programme length than mainland projects), the complexity and scope of the works, are there particular technical considerations for the Customer's project, for example has it opted to connect early subject to constraints under an active network management system – and if so when will that active network management scheme and system be available, are there particular protection requirements or commissioning arrangements that need specialist resource, are there particular technical requirements that require specialist resource or equipment which will have limited availability, etc.;
10. The outage complexity on the operational network – is an outage required to complete the Distribution Works, what contingencies will be needed, are there known operational

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restrictions or network constraints, are there other projects/third parties competing to use the same network outage and will that outage be impacted by or other projects/third parties (e.g., National Grid Electricity Transmission), can the outage be carried out in the winter months or will this impact security of supply for all customers.

Taken together these considerations are used to predict a likely project length, for example are the Distribution Works likely to take 1 year, 3 years or 5 years. The precise details of the project length cannot be known at an early stage – for example actual time required to obtain consents or the construction contractor's programme for delivery. The project length before detailed design and construction contractor involvement can only be a typical, average estimate.

The initial programming is carried out before the Connection Offer has been accepted. Only a limited percentage of offers to customers are accepted, so the initial programme review by the Company is a desk-top, high-level assessment based on typical assumptions. This allows the Company to focus in more detail on planning the offers that have been accepted and on developing and refining the programme for those projects that will go ahead.

5 Scheduling the Distribution Works

Once the Customer has accepted its Connection Offer, the Company looks to schedule the Distribution Works for that project. The Company takes the estimate project length/scope/complexity into account when determining when it should start to focus on the Customer's project. Where possible the Company works back from the Estimated Connection Date (as updated from time to time) to schedule its Distribution Works. For example, if associated Transmission Works will not be completed for 10 years from the date of acceptance of the Connection Offer, but the Distribution Works would typically not take longer than 3 years to carry out, then it would not make sense to schedule the Distribution Works until 7 years after acceptance. Carrying out the works earlier would lead to manufacturers' warranties expiring before energisation, customers having to commit to substantial costs at a stage when their own project is not substantially progressed, etc. It would not be reasonable programme management. This can often mean that the Company does not start its Distribution Works until some years after the acceptance of the Connection Offer.

The Company will schedule an initial meeting with the Customer to find out more about the Customer's project and to discuss the Company's next steps and envisaged Distribution Works lifecycle. A project and contract manager will be appointed at an early stage to support the Customer, however given the lengthy durations of many of the projects these staff may change over time. Where appropriate after that meeting the Company will re-schedule the Customer's contractual performance milestones and payment milestones to reflect the project scheduling, meaning that the Customer is only asked to carry out works and make payment in line with the project programme.

Where the Distribution Works will not commence for some time, the Company will keep the project in its queue and check in regularly to understand the progress of Customer Works or Alternative Provider Contestable Works, to review the progress of any third party interfaces such as Land Rights and Consents and Transmission Works and to ensure payments from the Customer required to start the Distribution Works have been made.

6 Programme Stages

The overall programme for the Distribution Works divides into various different stages:

1. Initial project review after acceptance of the Connection Offer.
2. Feasibility Design – looking at different design and delivery options for the project and locking in the preferred option, establishing the land referencing corridor for Land Rights to assess what would be a consentable route, with deliverables including a feasibility report and design and a Land Rights and Consents management plan.

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3. Detailed Design – developing the preferred option to detailed design, completing the detailed design, progressing through the Land Rights and Consents plan to obtain the necessary rights and consents to have a fully consented design, preparing a project delivery plan and procuring long lead items.
4. Execution – construction, working through the project delivery plan from site preparation and installation to testing, commissioning and protection.
5. Financial close and handover – finalising the project for energisation and operation.

Before/between these stages in many cases time will be required to negotiate with and appoint contractors to carry out the relevant works. For example, a major project might require 6 months for feasibility design, 18 months for detailed design, 24 months for delivery and commissioning with a further 6 months for appointment of contractors, etc.

7 Appointment of Contractors

The Company will consider whether to carry out the Distribution Works through its internal teams for smaller jobs or whether to appoint contractors for some or all of those works – to achieve the most effective outcome. The Company considers the size and complexity of the work, customer requirements, project scheduling and available resource when making this assessment. The Company may pass all of the work – design and build to a single contractor, or appoint various contractors according to their specialisms, for example selecting a contractor for a particular scope of works such as overhead line works. As they become ready works are awarded to the contractors, to allow the contractors to commit and move the projects forward.

The Company works with experienced contractors on long-term framework contracts to have partners with the expertise, resource and financial strength to manage high value and/or complex projects across the portfolio of projects. As a regulated utility when appointing these contractors, the Company must comply with the procurement rules applicable to DNOs. Tendering through the procurement rules ensures that the opportunity to carry out the works is publicly notified and allows all contractors who are interested in carrying out the works and who have the technical capacity and financial security to do so, to bid in competition for the works. Contractors that do not have the technical or financial capacity and resource, or who price unreasonably are not selected by the Company. This means the prices under the frameworks are the competitively tested prices available to the Company in the market for experienced contractors. If contractors do not perform the Company takes action to ensure this is not to the detriment of the Customer.

If a contractor is to be appointed for design, the Company will appoint a design contractor to carry out a detailed assessment of the design for the Distribution Works. The Company has a number of potential design contractors which it can call upon to carry out the works. The Company will ask the contractor to price the design works and set out a programme for its design deliverables. These will be discussed with the Customer.

When the design has been completed the Company may appoint an installation contractor, this can be the same contractor as previously or a different contractor, depending on availability, expertise, price, etc. The Company will ask the contractor to price the works and set out a programme for its works. These will be discussed with the Customer. There may be additional contractors appointed for specialist works, commissioning, etc. Each project is considered in detail, as they are not the same.

It is not until the detailed quotations and programmes have been received from the contractors that the Company can tie down its own programme and charges precisely. This can mean that there are cost and programme changes at a reasonably late stage in the overall project timeline. This reflects the fact that the Company's contractors are not appointed until a stage when the Customer's project has substantially advanced and interfaces, such as Transmission Works, have substantially progressed.

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8 Customer Readiness

Customer readiness is also key to the Company's project planning. Many Connection Offers contain milestone deadlines which the Customer, and where applicable its Alternative Provider, must meet to enable the project to progress on time. The milestones set dates by which the Customer must, for example, purchase the land for the project, have planning permission in place, complete the Customer and Alternative Provider design and complete the Customer installation and Alternative Provider Contestable Works. If the Customer does not meet these milestones, for example if its Alternative Provider's Contestable Design is late or the Customer is not ready to support the Company's works, or access is not made available for the Company to carry out its works, then the Company will not be able to meet the Estimated Connection Date. The programme will have to be extended or if the issue continues ultimately the project could be terminated.

The Company currently has around 50,000 applications for connection per year and around 30,000 live connections projects and operates Distribution Systems serving nearly 4 million customers. Where the Customer is not ready to progress its connection or where a third party is delaying matters, then the Company must focus its resources on those customers whose projects are ready to progress. This approach reflects industry wide Connections Reform which is focused on unblocking the connections queue to the electricity grid, moving from first come first served to first ready and strategically aligned, to improve the efficiency and effectiveness of energy connections to enhance energy security. This may mean that the Customer's Estimated Connection Date changes.

9 Customer Payments

Customer payment for a project is also key for the timeline. For smaller projects full payment may be required up front, but for larger projects a payment schedule may be agreed with the Customer. Typically a payment schedule may include an initial payment to reserve the Customer's project in the Company's queue, a payment in advance of feasibility design to cover the cost of those works, a payment in advance of detailed design and for Land Rights and Consents, followed by a payment to procure plant and materials, then a payment in advance of construction starting to cover the contractors' costs, with a final payment 30 days prior to energisation for remaining costs (such as changes during site works) (excluding Second Comer Charges which are often payable after energisation).

These payments are scheduled to reflect the Estimated Connection Date (as updated from time to time). So, for example, if the Distribution Works are envisaged to take 4 years for an Estimated Connection Date of 2035, then the Company would ask the Customer to pay in advance for design costs at the end of 2030.

If the Customer does not meet the necessary payments the Company will not be in funds to allow the Distribution Works to progress. If the Customer does not commit to funding the project by paying sums due, the next phase of the work will not be unlocked, and this puts the Estimated Connection Date at risk.

10 Factor in Change

The Customer should refer to the Guidance Note on Change and Variations as this is closely related to works programming (linked in the Connection Offer).

Given the many variables affecting the projects all programmes have to be flexible and the Estimated Connection Date and project cost may have to change. Changes to third party works and the Distribution Works will all required to be factored into the programme and are likely to lead to variations to the Estimated Connection Date and cost. A particular risk for change can be the time it takes to obtain Land Rights and Consents from third parties – this can be unpredictable and can

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impact the design of the works. Design studies and reviews may lead to changes needed to the route, assets required and scope of delivery works. Some change may come late in the project – adverse conditions during site works, late third-party telecommunications delays, etc. There may be changes at interfaces with third parties, such as changes to NESO's Transmission Works programmes.

Where a project is ready it will still require to be scheduled around the 30,000 other live projects, the requirements of the existing Distribution System (such as the occurrence of faults and the availability of outages), practical requirements such as availability of plant, materials, equipment and specialist resource (such as Protection works and Senior Authorised Persons to oversee certain works and testing), the availability of contractors, etc. All such matters can change and may impact on the programme and the cost of the Distribution Works. Whilst the Company works with the Customer to manage such change through collaborative action, not all change can be prevented or mitigated.

The Customer and its Alternative Provider may also experience delays or changes. Clear communication by the Customer and its Alternative Provider to the Company at an early stage of any delays or changes to the Customers Works (including but not limited to the Contestable Works), will assist in prompt rescheduling of the Distribution Works.

For some projects customers wish to discuss programme acceleration. The Company will discuss project programming and scheduling with the Customer, but if the Customer wants to request acceleration it should do so at an early stage in the project. The ability for the Company to accelerate will depend on the type of project and its complexity, for example outage slot and specialist resource availability, procurement lead times and third-party interfaces. For acceleration to progress the Customer will need to commit to earlier payment for the project. Once a project is well advanced and scheduled alongside other projects, in particular where a project is already in delivery, it will usually be too late for the Company to make major changes to accelerate the programme.

11 Revision History

No	Overview of Amendments	Previous Document	Revision	Authorisation
01	New Guidance Document	Not Applicable	1.00	Rob Gladstone
02				