

DRAFTING NOTE:

The approach anticipated by the s8AA drafting in relation to the amendment of Standard Special Condition A[] (Network Code) (Currently ASC 9 in Transco's GT licence) is that the s8AA amendments will have the effect of deleting the Network Code condition in the NTS and DN licences (Standard Special Condition A[] (Network Code) at the time the s8AA amendments are to take effect and replacing that condition with a number of conditions, namely:

Standard Special Condition A[] (Interpretation of Standard Special Conditions A[] [A] (Network Code), [A[]/[B] (Offtake Code)] and A[] [C] (Joint Governance Arrangements) (see below);

Standard Special Condition A[]/[A] (Network Code) (attached separately);

[Standard Special Condition A[]/[B] (Offtake Code)(if appropriate - not attached at this stage)];and

Standard Special Condition A []/[C] (Joint Governance Arrangements (attached separately).

Standard Special Condition A[] (Interpretation of Standard Special Conditions A[] [A] (Network Code), [A[] [B] (Offtake Code)] and A[] [C] (Joint Governance Arrangements)

In Standard Special Conditions A[] [A] (Network Code), [A[] [B] (Offtake Code)] and A[] [C] (Joint Governance Arrangements), unless the context otherwise requires:

- (1) subject to paragraphs [(2)] and [(3)], **relevant objectives** means:
 - (a) the efficient and economic operation of the licensee's pipe-line system, and so far as is consistent therewith the coordinated, efficient and economic operation of the combined pipe-line system;
 - (b) so far as is consistent with sub-paragraph (a), the efficient discharge of the licensee's obligations under this licence;
 - (c) so far as is consistent with sub-paragraphs (a) and (b), the securing of effective competition between relevant shippers and between relevant suppliers; and
 - (d) [so far as is so consistent, the provision of reasonable economic incentives for relevant suppliers to secure that the domestic customer supply security standards (within the meaning of paragraph 4 of standard condition 32A (Security of Supply – Domestic Customers) of the standard conditions of Gas Suppliers' licences) are satisfied as respects the availability of gas to their domestic customers].
- (2) a reference to the relevant objectives:
 - (i) in the context of the Network Code, shall include, so far as is consistent with the objectives in paragraph (1) [and is otherwise appropriate in the circumstances], the maintenance of conformity between the transportation arrangements provided for in the Network Codes of each relevant gas transporter;
 - (ii) in the context of the Uniform Network Code, shall be to the relevant objectives in each relevant gas transporter's licence to the extent to which, in the opinion of the Authority, there is no conflict (as between any of the relevant gas transporters) in the achievement or better achievement of such objectives;
- (3) in relation to a proposed modification:
 - (i) of the network code modification procedures, a reference to the relevant objectives is a reference to the requirements in [paragraphs 8 and 12] of Standard Special Condition A[] [A] (Network Code (to the extent that those requirements do not conflict with the objectives set out in paragraph (1)));
 - (ii) [of the offtake code modification procedures, a reference to the relevant objectives is a reference to the requirements in [paragraphs 5 and 8] of Standard Special Condition A[] [B] (Offtake Code (to the

extent that those requirements do not conflict with the objectives set out in paragraph (1)).

- (4) **relevant gas transporter** means the licensee and any other licensed gas transporter in whose licence the condition corresponding to this condition is effective;
- (5) [**connected modification** means a modification of the Offtake Code, or (as the case may be) the Uniform Network Code or an Individual Network Code, which is or would be necessary or appropriate in order to give effect to, or otherwise in consequence of, a proposed modification of the Uniform Network Code or an Individual Network Code or (as the case may be) the Offtake Code];
- (6) **Network Code** means, subject to paragraph (7), the document prepared by the licensee pursuant to Standard Special Condition A[][A] (Network Code (as from time to time modified pursuant to that condition);
- (7) where the context requires, references to a Network Code shall include the equivalent document prepared by each other relevant gas transporter (as from time to time modified) pursuant to the condition in its licence corresponding to this condition;
- (8) **Individual Network Code** means a relevant gas transporter's Network Code, to the extent of any provision contained in such Network Code which is not contained in (and incorporated by reference from) the Uniform Network Code.
- (9) where the context requires, references to transportation arrangements shall include the corresponding arrangements made by each other relevant gas transporter;
- (10) **combined pipe-line system** means the licensee's pipe-line system and the pipe-line system of each other relevant gas transporter taken as a whole;
- (11) for the purposes of Standard Special Condition A[][A] (Network Code), references to a relevant shipper include any gas shipper which is a relevant shipper for the purposes of the licence of any relevant gas transporter;
- (12) [**offtake connection arrangements** means arrangements [relating to a] connection (of another pipeline system, a facility for gas storage, any other pipeline, or other plant and equipment at premises) to the licensee's pipe-line system at which gas is or may be taken out of the licensee's pipe-line system];
- (13) [**offtake connected person** means the owner or operator of the pipe-line system, facility for gas storage, pipeline, or other plant and equipment which is directly connected to the licensee's pipe-line system and with whom the licensee has made offtake connection arrangements which are governed by the Offtake Code];
- (14) **network code modification procedures** means the modification procedures referred to in [paragraph 6] of Standard Special Condition A[][A](Network Code);

- (15) **[offtake code modification procedures]** means the modification procedures referred to in [paragraph 4] of Standard Special Condition A[][B](Offtake Code)];
- (16) **Uniform Network Code** means the document prepared by the licensee together with other relevant gas transporters pursuant to Standard Special Condition A[][A] (Network Code)(as from time to time modified pursuant to that condition);
- (17) **[Offtake Code]** means the document prepared by the licensee pursuant to Standard Special Condition A[][B] (Offtake Code)(as from time to time modified pursuant to that condition)];
- (18) **Joint Governance Arrangements** means the arrangements referred to in [paragraph 1] of Standard Special Condition A[][C] (Joint Governance Arrangements); and
- (19) **Common System Arrangements** means the arrangements referred to in [paragraph 17] of Standard Special Condition A[][A](Network Code).