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Special Condition B[] [Additional] Permitted procurement activities

**[NTS ONLY CONDITION TO BE READ IN CONJUNCTION WITH
STANDARD SPECIAL CONDITION A[] (PROHIBITED
PROCUREMENT ACTIVITIES)]**

1. The prohibition contained in paragraph 1 of Standard Special Condition A[] (Prohibited procurement activities) shall also not apply to the purchase, entering into or acquisition by the licensee or any affiliate or related undertaking on the account of the licensee of transportation commodities, gas or gas derivatives with the intention of selling, assigning or otherwise disposing of such transportation commodities, gas or gas derivatives for the purpose of facilitating balancing management and constraint management so long as such transactions:

Deleted: <#>Except with the written consent of the Authority, the licensee shall not and shall procure that any affiliate or related undertaking of the licensee shall not, on its own account (or that of the licensee or of any affiliate or related undertaking of the licensee as the case may be), purchase, enter into or otherwise acquire transportation commodities, gas or gas derivatives with the intention of subsequently selling, assigning or otherwise disposing of such assets to third parties.¶

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- (a) are conducted on economic and efficient terms; and
- (b) facilitate the economic and efficient operation of the Transportation System.

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3. In this Special Condition:

balancing management means the balancing of the NTS through the management of inputs and off-takes of gas to and from the NTS. For the avoidance of doubt such management includes but is not necessarily limited to:

- (i) [the acquisition or disposal of gas to replace gas lost from the system in respect of NTS shrinkage (having the meaning given to that term in the licensee's Network Code); and

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- (ii) the procurement of gas storage capacity for the purposes of meeting operating margins requirements (having the meaning given to that

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term in the licensee's Network Code);

balancing trade means an eligible balancing action (having the meaning given to that term in the licensee's Network Code);

capacity rights means rights allocated in accordance with the licensee's Network Code to input up to a given volume of gas to the NTS or off-take up to a given volume of gas from the NTS;

constraint management means the management of capacity rights;

derivative shall have the meaning given to it in the Glossary to the Handbook of Rules and Guidance issued by the Financial Services Authority pursuant to the Financial Services and Markets Act 2000 as at 1 April 2002;

NTS means the licensee's national transmission system (having the meaning given to that term in the licensee's Network Code); and

| [transportation commodities means (including derivatives of such commodities) balancing trades and capacity rights.