

Standard Special Condition A]]. Prohibited procurement activities**[NTS AND DN CONDITION]**

1. Except with the written consent of the Authority [or in accordance with its functions under the licensee's Network Code] [or the Offtake Code], 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 capacity rights, gas or gas derivatives with the intention of subsequently selling, assigning or otherwise disposing of such assets to third parties.

Deleted: transportation commodities

2. The prohibition in paragraph 1 of this Standard Special Condition shall 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 capacity rights, gas or gas derivatives with the intention of selling, assigning or otherwise disposing of such capacity rights, gas or gas derivatives for the purpose of facilitating balancing management and constraint management so long as such transactions:

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Deleted: 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

- (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 Standard Special Condition:

balancing management

means the balancing of the licensee's pipe-line system through the acquisition or disposal of gas to replace gas lost from the licensee's pipe-line system in respect of shrinkage (having the meaning given to that term in the licensee's Network Code).

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Deleted: <#>the licensee's functions as Top-up Manager (having the meaning given to that term in the licensee's Network Code); and ¶

Deleted: <#>the procurement of gas storage capacity for the purposes of meeting operating margins requirements (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 licensee's pipe-line system or off-take up to a given

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volume of gas from the licensee’s pipe-line system;

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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;

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- Deleted:** means the licensee's national transmission system (having the meaning given to that term in the licensee's Network Code); and¶
- Deleted:** NTS
- Deleted:** means (including derivatives of such commodities) balancing trades and capacity rights.
- Deleted:** transportation commodities