

**Standard Special Condition A11. Network Code and Uniform Network Code**

*Transportation Arrangements*

1. The licensee shall establish transportation arrangements, pursuant to paragraphs 3 and 6 of this condition in respect of matters other than those to which Standard Special Conditions A4 (**Charging – General**) and A5 (Obligations as Regards Charging Methodology) relate, which are calculated, consistently with the licensee's duties under section 9 of the Act, to facilitate the achievement of the following objectives –
  - (a) the efficient and economical operation of the pipe-line system to which this licence relates;
  - (b) so far as is consistent with (a), the coordinated, efficient and economical operation of (i) the combined pipe-line system, and/ or (ii) the pipe-line system of one or more other relevant gas transporter;
  - (c) so far as is consistent with sub-paragraphs (a) and (b), the efficient discharge of the licensee's obligations under this licence;
  - (d) so far as is consistent with sub-paragraphs (a) to (c) the securing of effective competition:
    - (i) between relevant shippers;
    - (ii) between relevant suppliers; and/or
    - (iii) between DN operators (who have entered into transportation arrangements with relevant gas transporters) and relevant shippers.
  - (e) so far as is consistent with sub-paragraphs (a) to (d), 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

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Customers) of the standard conditions of Gas Suppliers' licences) are satisfied as respects the availability of gas to their domestic customers; and

- (f) so far as is consistent with sub-paragraphs (a) to (e), the promotion of efficiency in the implementation and administration of the network code and/or the uniform network code;

hereinafter referred to as the “relevant objectives”;

- 2. In relation to a proposed modification of the network code modification procedures, a reference to the relevant objectives is a reference to the requirements in paragraphs [9 and 12] of this condition (to the extent that those requirements do not conflict with the objectives set out in paragraph 1).

### *Network Code*

- 3. Subject to paragraph 4, in respect of the pipe-line system to which this licence relates, the licensee shall prepare a document (the **network code**) setting out (together with the terms of any other arrangements which the licensee considers it appropriate to set out in the document):
  - (a) the terms of the arrangements made in pursuance of paragraph 1 save in so far as they relate to matters regulated by standard condition 4B (Connection Charges etc) or are contained in such an agreement, or an agreement of such a class or description, as may be designated by the Authority for the purposes of this condition; and
  - (b) the network code modification procedures established, where they differ to those within the uniform network code following Authority consent pursuant to paragraph 8

and the licensee shall furnish the Authority with a copy thereof.

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4. Where the holder of this licence also holds, in the same legal entity, one or more other gas transporter licences for relevant gas transporters, it may apply to the Authority for written consent to prepare a single network code in respect of all of its pipe-line systems, which consent may be granted subject to such conditions as the Authority may direct.
5. The network code shall incorporate by reference the terms of the uniform network code except where the Authority consents otherwise in writing; and references in the conditions of this licence to the network code include the uniform network code (as the same may be varied from time to time) as so incorporated, unless otherwise stated.

### *Uniform Network Code*

6. The licensee shall, together with the other relevant gas transporters, prepare a document (the **uniform network code**) setting out:
  - (a) the terms of transportation arrangements established by the licensee and other relevant gas transporters, to the extent that such terms are common, or are not in conflict, as between relevant gas transporters; and
  - (b) the network code modification procedures established pursuant to paragraph 7, which are, subject to paragraph 8, incorporated by reference into each network code prepared by or on behalf of each relevant gas transporterand the licensee shall furnish the Authority with a copy thereof.

### *Network Code Modification Procedures*

7. The licensee shall, together with the other relevant gas transporters, establish and operate procedures (**network code modification procedures**), for the modification of the uniform network code and/or of any network code prepared by or on behalf of each relevant gas transporter (including modification of the network code modification procedures themselves) so as to better facilitate, consistent with the licensee's duties under section 9 of the Act, the achievement of the relevant objectives

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8. In accordance with paragraph 5, unless the Authority consents otherwise in writing, the network code modification procedures shall be contained in the uniform network code.
9. The network code modification procedures shall provide for:
  - (a) a mechanism by which any of (i) each of the network codes prepared by or on behalf of each relevant gas transporter, and (ii) the uniform network code may be modified and/or reviewed);
  - (b)
    - (i) the making of proposals for the modification of the uniform network code in accordance with paragraph 10 (a) of this condition; and/or
    - (ii) the making of proposals for the modification of a network code prepared by or on behalf of a relevant gas transporter in accordance with paragraph 11(a) of this condition;
  - (c) the making of alternative modification proposals in accordance with paragraphs 10(b) and 11(b) of this condition, except in a case where the Authority otherwise directs in writing;
  - (d) the giving of adequate publicity to any such proposal including, in particular, drawing it to the attention of all relevant gas transporters, all relevant shippers and sending a copy of the proposal to any person who asks for one;
  - (e) the seeking of the views of the Authority on any matter connected with any such proposal;
  - (f) the consideration of any representations relating to such a proposal made (and not withdrawn) by the licensee, any other relevant gas transporter, any relevant shipper, or any gas shipper or other person likely to be materially affected were the proposal to be implemented; and
  - (g) where the Authority accepts that the uniform network code or a network code prepared by or on behalf of a relevant gas transporter may require modification as a matter of urgency, the exclusion, acceleration or other

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variation, subject to the Authority's approval, of any particular procedural steps which would otherwise be applicable.

10. In respect of the uniform network code:
  - (a) a modification proposal may be made by any of the following:
    - (i) the licensee,
    - (ii) each other relevant gas transporter,
    - (iii) any relevant shipper identified in the network code modification procedures as being entitled to propose a modification, and/or
    - (iv) any other relevant person (a **third party participant**) identified (individually or as a member of a class of persons) in the network code modification procedures as being entitled to propose a modification.
  - (b) where a modification proposal has been made under paragraph 10(a) of this condition (an **"original proposal"**) alternative modification proposals may be made, in respect of any such original proposal, by any of the parties listed in paragraph 10(a) of this condition with the exception of the person who made the original proposal.
  
11. In respect of each network code prepared by or on behalf of relevant gas transporter (excluding the terms of the uniform network code incorporated within it):
  - (a) a modification proposal may be made by one of the following:
    - (i) the licensee, to the extent that the modification proposed relates to the pipe-line system to which this licence relates,
    - (ii) any relevant shipper identified in the network code modification procedures as being entitled to propose a modification;
    - (iii) a DN operator with whom the licensee has entered into transportation arrangements in respect of the pipe-line system to which this licence relates; and/or

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- (iv) any other relevant person (a **third party participant**) identified (individually or as a member of a class of persons) in the network code modification procedures as being entitled to propose a modification.
  - (b) where a modification proposal has been made under paragraph 11(a) of this condition (an **“original proposal”**) alternative modification proposals may be made, in respect of any such original proposal, by any of the parties listed in paragraph 11(a) of this condition with the exception of the person who made the original proposal.
12. Subject to paragraphs 9, 10 and 11 of this condition, the network code modification procedures may include provisions which differ as between proposed modifications to the uniform network code and proposed modifications to each network code prepared by or on behalf of each relevant gas transporter (excluding the terms of the uniform network code incorporated within it).

*Modification of Network Code and Uniform Network Code*

13. .The licensee shall not make any modification to the network code prepared by or on behalf of the licensee (excluding the terms of the uniform network code incorporated within it) or make or permit any modification to the uniform network code except:
- (a) to comply with paragraph 15(b) or 16 ; or
  - (b) with the written consent of the Authority;
- and shall furnish or cause to be furnished to the Authority a copy of any such modification made.
14. .Where:
- (a) the Health and Safety Executive have given a notice to the licensee in pursuance of this paragraph referring to a matter relating to the protection of the public from dangers arising from the conveyance of gas through the pipe-line system to which this licence relates, and
  - (b) a modification to the network code prepared by or on behalf of the licensee (excluding the terms of the uniform network code incorporated within it)

and/or the uniform network code could, consistently with the relevant objectives, appropriately deal with the matter

the licensee shall propose such a modification in accordance with the network code modification procedures, and any requirement that a modification be such as to better facilitate the achievement of the relevant objectives shall be treated as met if the modification is consistent with those objectives.

15. Where a proposal is made in accordance with the network code modification procedures to modify the network code prepared by or on behalf of the licensee,(excluding the terms of the uniform network code incorporated within it) or the uniform network code the licensee shall:

- (a) as soon as is reasonably practicable, give notice to the Authority:
  - (i) giving particulars of the proposal;
  - (ii) where an alternative proposal is made in respect of the same matter as the original proposal, giving particulars of that alternative proposal;
  - (iii) giving particulars of any representations by:
    - (aa) the licensee,
    - (bb) any other relevant gas transporter,
    - (cc) any relevant shipper identified in the network code modification procedures as being entitled to propose a modification,
    - (dd) in respect of modifications to a network code (excluding the terms of the uniform network code incorporated within it) only, a DN operator with whom the licensee has entered into transportation arrangements in respect of the pipe-line system to which this licence relates, or
    - (ee) any other person with respect to those proposals;

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- (iv) including a recommendation (on the part of such person or body as may be provided for in the network code modification procedures) as to whether any proposed modification should or should not be made, and the factors which (in the opinion of such person or body) justify the making or not making of a proposed modification; and
    - (v) giving such further information as may be required to be given to the Authority by the network code modification procedures;
  - (b) comply with any direction of the Authority to make a modification to the network code prepared by or on behalf of the licensee (excluding the terms of the uniform network code incorporated within it) and/or the uniform network code in accordance with a proposal described in a notice given to the Authority under paragraph 15(a) which, in the opinion of the Authority, will, as compared to the existing provisions of the network code prepared by or on behalf of the licensee (excluding the terms of the uniform network code incorporated within it) and/or (as the case may be) the uniform network code or any alternative proposal, better facilitate, as required by paragraph 7, the achievement of the relevant objectives.
- 16. Where any directions are given to the licensee under section 19 or 21(1) of the Act, the licensee shall make such modifications to the network code prepared by or on behalf of the licensee (excluding the terms of the uniform network code incorporated within it) and/or the uniform network code as may be necessary to enable the licensee to comply with the directions under section 19 or 21(1) of the Act without contravening Standard Special Condition A7 (Requirement to Enter into Transportation Arrangements in Conformity with Network Code).
- 17. The licensee shall:
  - (a) prepare and publish a summary of (i) the network code prepared by or on behalf of the licensee (excluding the terms of the uniform network code incorporated within it) and (ii) the uniform network code as modified or changed from time to time in such form and manner as the Authority may from time to time direct; and

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- (b) make available a copy of the network code prepared by or on behalf of the licensee (excluding the terms of the uniform network code incorporated within it) and the uniform network code as modified from time to time to any person who asks for one and makes such payment to (or to a person nominated by) the licensee in respect of the cost thereof as it may require not exceeding such amount as the Authority may from time to time approve for the purposes hereof.

*Determinations by the Authority*

- 18. Where a provision of the network code prepared by or on behalf of the licensee (excluding the terms of the uniform network code incorporated within it) and/or the uniform network code requires that, in circumstances specified in the provision, a determination by the licensee pursuant to that provision in a particular case should be such as is calculated to facilitate the achievement of the relevant objectives, any question arising thereunder as to whether the licensee has complied with that requirement shall be determined by the Authority.
- 19. The network code modification procedures shall provide that any question arising under the network code modification procedures as to:
  - (a) whether a gas shipper or other person is likely to be materially affected by a proposal to modify the network code prepared by or on behalf of the licensee (excluding the terms of the uniform network code incorporated within it) and/or the uniform network code were it to be implemented; or
  - (b) whether representations relating to such a proposal and made in pursuance of the rules have been properly considered by the licensee,shall be determined by the Authority.

*Miscellaneous*

- 20. **NOT USED**
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22. If and in so far as the Authority so consents, this condition shall have effect as if the definition of “transportation arrangements” in Standard Special Condition A3 (Definitions and Interpretation) referred only to gas consisting wholly or mainly of methane.
23. Any reference to “relevant shipper” in any of paragraphs 9(d), 9(f), 10(a)(iii), 11(a)(ii), or 15(a)(iii)(cc) shall, where it relates to any proposed modification which could have been proposed by a third party participant under the network code modification procedures, be treated as if it were also a reference to all such third party participants.
24. (a) In this condition:

“**combined pipe-line system**” means the pipe-line system to which this licence relates and the pipe-line system of each other relevant gas transporter taken as a whole;

“**network code modification procedures**” means the modification procedures referred to in paragraph 6 of this condition;

- (b) Where the context requires,
- (i) 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; and
  - (ii) references to transportation arrangements shall include the corresponding arrangements made by each other relevant gas transporter.
- (c) For the purposes of this condition, relevant shipper shall have the meaning given to that term in Standard Special Condition A3 (Definitions and Interpretation) and 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.

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