

## UNIFORM NETWORK CODE – TRANSPORTATION PRINCIPAL DOCUMENT

### SECTION Q – EMERGENCIES

#### 1 GENERAL

##### 1.1 Introduction

###### 1.1.1 In this Section Q:

- (a) "**Regulations**" means the Gas Safety (Management) Regulations 1996, and references to particular Regulations shall be construed accordingly;
- (b) "**supply emergency**" has the meaning ascribed thereto in the Regulations;
- (c) "**NEC**" means the person from time to time who is the network emergency coordinator in accordance with the Regulations;
- (d) references to Transco NTS do not include Transco NTS in its capacity as NEC where it has been so appointed;
- (e) "**NEC Safety Case**" means the safety case (in accordance with Regulation 2(5)) of the NEC.

###### 1.1.2 Users and the Transporter acknowledge that the conveyance of gas by pipelines involves risk of supply emergency, in the context of which (and of the duties of the Transporter in relation to supply emergencies pursuant to the Regulations and any other Legal Requirement) the provisions of this Section Q are appropriate and reasonable.

###### 1.1.3 This Section Q provides for the following matters:

- (a) requirements to be complied with by Users in respect of Gas Supply Emergencies to enable the Transporter to discharge its duties (pursuant to the Regulations and any other Legal Requirement) in respect of Gas Supply Emergencies;
- (b) the consequences for the Transporter and Users of a Gas Supply Emergency in respect of the application of the Code.

###### 1.1.4 Without prejudice to the duty of cooperation under Regulation 6(1) (*Co-operation*), a User shall not be required in a Gas Supply Emergency to comply with any requirement under this Section Q where it would be manifestly unreasonable to expect the User to do so; but where a User is of the opinion that it is (by reason of this paragraph 1.1.4) excused from complying with any requirement under this Section Q it shall forthwith notify the Transporter of that fact and if so requested cooperate with the Transporter to the maximum extent reasonable in the circumstances to establish what alternative requirement (whether or not contemplated by this Section Q) it would be able to comply with; provided that paragraph 4.2 shall (insofar as capable of applying) apply in respect of compliance with any such alternative requirement.

###### 1.1.5 A User shall not be excused by virtue of paragraph 1.1.4 from any payment obligation

under paragraph 4.

## 1.2 Gas Supply Emergency

1.2.1 For the purposes of the Code, a "**Gas Supply Emergency**" is a gas supply emergency (as referred to in the NEC Safety Case), namely the occurrence of an event or existence of circumstances which have resulted in, or which give rise to a significant risk of, a loss of pressure in the Total System or a part of the Total System which itself has resulted in or might result in a supply emergency; and any reference in any other Section of the Code to an "**Emergency**" is a reference to a Gas Supply Emergency.

1.2.2 In particular, but without limitation, a Gas Supply Emergency may exist where the Transporter's ability to maintain safe pressures within a System is affected or threatened by any actual or potential interruption or disruption to or insufficiency of deliveries of gas to the System, or by any actual or potential failure of or damage to any part of the System.

1.2.3 For the purposes of the Code:

- (a) a "**Network Gas Supply Emergency**" is a network gas supply emergency (as referred to in the NEC Safety Case), namely a Gas Supply Emergency which involves or may involve a loss of pressure in the NTS;
- (b) a "**Network Gas Supply Emergency Gas Deficit Emergency**" is a Network Gas Supply Emergency which arises as a result of:
  - (i) deliveries of gas to the Total System being insufficient for the purpose of meeting demand for gas on the Total System;
  - (ii) or a Transportation Constraint affecting the deliveries of gas to the Total System;
  - (iii) or a Transportation Constraint on a System which does not prejudice the ability of Users to offtake gas from the Total System;
  - (iv) or a potential or actual breach of a Safety Monitor.
- (c) a "**Network Gas Supply Emergency Critical Transportation Constraint Emergency**" is a Network Gas Supply Emergency which is not a Network Gas Supply Emergency Gas Deficit Emergency; and
- (d) any other Gas Supply Emergency is a "**Local Gas Supply Emergency**" (that is, local gas supply emergency as referred to in the NEC Safety Case).

1.2.4 In accordance with the NEC Safety Case, the existence, duration and cessation of a Network Gas Supply Emergency is to be determined by the NEC.

1.2.5 The Transporter confirms that in its opinion any Gas Supply Emergency including, in the opinion of Transco NTS, a Potential Network Gas Supply Emergency will constitute a pipeline system emergency (as referred to in Standard Licence Condition 5(1)(b) of the Shipper's Licence).

1.2.6 In this Section Q:

- (a) "**Stage**" means a stage (from 1 to 5) of the Network Gas Supply Emergency Procedure as described in the NEC Safety Case, and a Network Gas Supply Emergency is of a particular Stage where the NEC has determined that the relevant stage of such procedures applies in relation to such Gas Supply Emergency;
- (b) a "**Potential Network Gas Supply Emergency**" is a potential network gas supply emergency as described in the Network Gas Supply Emergency Procedures, namely a case where the NEC has initiated Stage 1 of the Network Gas Supply Emergency Procedure and is for the time being of the opinion that a Network Gas Supply Emergency can be averted by Emergency Steps which may be taken in Stage 1;
- (c) unless expressly otherwise provided, references to a Gas Supply Emergency or a Network Gas Supply Emergency do not include a Potential Network Gas Supply Emergency.

1.2.7 The existence of a Local Gas Supply Emergency in relation to a relevant System(s) shall be determined by the Transporter in its sole judgement and irrespective of the cause of and of whether the Transporter or any other person may have caused or contributed to the Local Gas Supply Emergency.

1.2.8 A Local Gas Supply Emergency will continue until such time as the Transporter determines that the circumstances which resulted in or might result in a supply emergency no longer apply, that no further Emergency Steps are required, and that normal operation of the relevant part of the Total System and implementation of the Code may be resumed.

### 1.3 Emergency Steps

1.3.1 For the purposes of the Code, "**Emergency Steps**" are steps to be taken by the Transporter or a User:

- (a) to avert and/or to reduce the probability of or the probable scale of a Gas Supply Emergency, and/or to prepare for the occurrence of a Gas Supply Emergency; or
- (b) to overcome or contain a Gas Supply Emergency and/or to avert or reduce the hazard presented by it, and/or restore gas supply and normal operation of the relevant part of the Total System and facilitate appropriate reinstatement of the provisions of the Code following the taking of any such steps.

1.3.2 Users and the Transporter acknowledge that in a Gas Supply Emergency their business interests will be subordinate to the need to take Emergency Steps in accordance with this Section Q.

1.3.3 Nothing in this Section Q or the Emergency Procedures shall limit the ability of the Transporter to take any action or step necessitated in its judgement in the interests of safety by a Gas Supply Emergency (including in the case of Transco NTS in a Potential Network Gas Supply Emergency).

- 1.3.4 No Emergency Step taken or other thing done or not done, by the Transporter, any other Transporter or any User, pursuant to (and in compliance with any requirements under) this Section Q or Condition 5(2) of the Shipper's Licence shall be a breach of any provision of the Code; and in particular the Transporter will not be in breach of its obligation to accept gas tendered for delivery to the Total System at a System Entry Point or to make gas available for offtake from the Total System at a System Exit Point to the extent that (as a result of any such step taken or thing done or not done) gas tendered for delivery is not accepted or gas is not made available for offtake and in accordance with the Applicable Offtake Requirements.
- 1.3.5 It is acknowledged that, in a Gas Supply Emergency (including a Potential Network Gas Supply Emergency), if so authorised by the NEC pursuant to Regulation 8(2) (*Content and other characteristics of gas*), the Transporter may permit gas which does not comply with the applicable Gas Entry Conditions to be delivered to the Total System at a System Entry Point.

#### **1.4 Emergency Procedures**

- 1.4.1 "**Emergency Procedures**" means in relation to a Network Gas Supply Emergency, the document issued by Transco NTS entitled 'Network Gas Supply Emergency Procedure', and in relation to a Local Gas Supply Emergency the document issued by the Transporters entitled 'Local Gas Supply Emergency Procedure', containing details (inter alia) of planned Emergency Steps, as from time to time revised by Transco NTS or the Transporters in consultation with the Health and Safety Executive, Users and others.
- 1.4.2 Transco NTS or (as the case may be) the Transporters will provide without charge to each User a reasonable number of copies of the relevant Emergency Procedures not later than the User Accession Date, and thereafter of any update thereof or revision thereto upon making such update or revision.

#### **1.5 Large Firm Supply Points**

- 1.5.1 For the purposes of this Section Q, a "**Large Firm Supply Point**" is a Firm Supply Point whose Annual Quantity is greater than 732,000 kWh (*25,000 therms*).
- 1.5.2 Where the Emergency Steps to be taken in any Gas Supply Emergency include a reduction in demand at Firm Supply Points, consumers at Large Firm Supply Points will (in accordance with the Emergency Procedures) be required to reduce demand before other categories of consumer.

#### **1.6 Priority Consumers**

For the purposes of this Section Q:

- (a) a "**Priority Consumer**" is a consumer whose name appears on the list established (and from time to time amended) by the Transporter in accordance with Standard [6(17)] of the Transporter's Licence; and the relevant Supply Point is a "**Priority Supply Point**";
- (b) "**Priority Criteria**" means the criteria designated by the Secretary of State pursuant to that condition and, if the Secretary of State has not designated criteria, or to the extent that such designated criteria are not expressed to be

exhaustive, any other criteria which the Transporter may from time to time notify to Users for the purposes of assisting the Transporter to determine which consumers should be given priority in accordance with that condition.

## **1.7 Connected Systems**

The Transporter may agree pursuant to a Network Entry Agreement or Network Exit Provisions (or other agreement with the relevant person) upon procedures or steps to be taken in a Gas Supply Emergency by the Transporter or another Transporter or a Delivery Facility Operator or Connected System Operator and may give effect to such procedures or steps in addition to or in lieu of any Emergency Steps pursuant to this Section Q.

## **1.8 Scope of this Section**

1.8.1 This Section Q does not apply in respect of:

- (a) the Transporter's duties under Regulation 7 (*Gas escapes and investigations*) nor the arrangements referred to in paragraphs (1), (8) of Standard Special Condition [A8] of the Gas Transporter's Licence, it being understood that such arrangements (and any co-operation required of Users pursuant to Regulation 6(1) (*Co-operation*) in relation to such duties and any arrangements which the Transporter and any User may make in connection with Standard Condition 5(1)(b) of the Shipper's Licence) are matters outside the scope of the Code;
- (b) any other duties of the Transporter pursuant to the Regulations relating to matters other than Gas Supply Emergencies, it being understood that any cooperation required of Users pursuant to Regulation 6(1) in relation to any such matter is a matter outside the scope of the Code;
- (c) any circumstances constituting a pipeline system emergency where such circumstances do not also constitute a Gas Supply Emergency, it being understood that any request given by the Transporter for the purposes of Standard Condition 5(1)(b) of the Shipper's Licence in such circumstances is a matter outside the scope of the Code.

1.8.2 In accordance with paragraph 1.8.1(a) an escape of gas is not of itself a Gas Supply Emergency (but subject thereto an escape of gas may be a circumstance which gives rise to a Gas Supply Emergency); and Gas Supply Emergency and Emergency Steps shall be construed accordingly.

## **1.9 Shipper's Licence**

1.9.1 Any request or instruction given by the Transporter to a User in a Gas Supply Emergency shall be treated as being:

- (a) a request for the purposes of Standard Licence Condition 5(2) of the Shipper's Licence;
- (b) a request for cooperation pursuant to Regulation 6(1); and
- (c) to the intent that paragraph 4 shall (where relevant) apply in relation thereto, a

request or instruction made pursuant to this Section Q

unless in any case such request or instruction is not capable of being construed as such.

- 1.9.2 Without prejudice to paragraph 1.9.1(b), nothing in this Section Q shall preclude the Transporter from making any request to a User for the purposes of Standard Licence Condition 5(2) of the Shipper's Licence or for cooperation pursuant to Regulation 6(1).
- 1.9.3 Nothing in this Section Q shall be construed as precluding the Transporter from giving any direction to any person pursuant to Regulation 6(4) (*Co-operation*).

#### **1.10 Code Communications**

The provisions of the UK Link Manual as to the giving of Code Communications are without prejudice to the provisions of the Emergency Procedures and such other requirements as the Transporter may specify for communicating in a Gas Supply Emergency.

#### **1.11 DNO Users**

In this Section Q references to Users exclude DNO Users, other than (in paragraph 4 only) a DNO User in its capacity as an LDZ Shrinkage Provider.

### **2 EMERGENCY PREPAREDNESS**

#### **2.1 Introduction**

- 2.1.1 Users are required to comply with the requirements in this paragraph 2 with a view to ensuring an adequate level of preparedness for the occurrence of a Gas Supply Emergency.
- 2.1.2 Each User shall ensure that suppliers supplying gas at Supply Points of which the User is the Registered User are aware of the terms of this Section Q in so far as they may be affected thereby.

#### **2.2 User emergency contacts**

- 2.2.1 Each User shall provide to the Transporter:
- (a) a single telephone number and a single facsimile number by means of each of which the Transporter may contact, 24 hours a Day, a representative of the User in a Gas Supply Emergency for any purpose pursuant to this Section Q;
  - (b) the name(s) or title(s) of the User's representatives who may be contacted at such numbers.
- 2.2.2 Each such representative shall be a person having appropriate authority and responsibilities within the User's organisation to act as the primary contact for the Transporter in the event of a Gas Supply Emergency.
- 2.2.3 The details required under paragraph 2.2.1 shall be provided by an Applicant User before becoming a User and shall at all times be maintained up to date; and for these

purposes the User shall notify to the Transporter any change in such details promptly and where possible in advance.

## **2.3 Large Firm Supply Points**

2.3.1 A User shall in respect of each Large Firm Supply Point of which it is the Registered User provide to the Transporter:

- (a) in accordance with paragraph 2.3.2, the names and/or job titles of representatives of the consumer ("**emergency contacts**") each of which has the power and authority to comply with any direction given pursuant to Regulation 6(4);
- (b) at least one (but not more than four) telephone numbers for each emergency contact by means of which the Transporter may contact, 24 hours a day, at least one emergency contact; and
- (c) in the case of a Large Firm Supply Point the Annual Quantity of which is greater than 1,464,000 kWh (*50,000 therms*), one facsimile number, for the purposes of receiving communications pursuant to this Section Q, which is able to receive transmissions 24 hours a day.

2.3.2 For the purposes of paragraph 2.3.1(b):

- (a) in the case of a Large Firm Supply Point in respect of any site which is manned 24 hours a day, the Registered User will provide to the Transporter the name(s) and/or job title(s) of at least one but not more than 5 emergency contacts; and
- (b) in the case of a Large Firm Supply Point in respect of any site which is not manned 24 hours a day, the Registered User will provide to the Transporter the names and/or job titles of at least 3 but not more than 5 emergency contacts.

2.3.3 A User shall comply with the requirements of paragraph 2.3.1:

- (a) where the User becomes the Registered User in respect of a Large Firm Supply Point, when submitting the Supply Point Confirmation;
- (b) where for any Gas Year a Supply Point of which a User is the Registered User becomes (by virtue of a change in its Annual Quantity or being designated as Firm) a Large Firm Supply Point, as soon as reasonably practicable, and in any event not later than 30 September in that Gas Year.

2.3.4 The details required under paragraph 2.3.1 shall at all times be maintained up to date; and for these purposes the User shall notify to the Transporter any change in such details as soon as reasonably practicable and where possible in advance of such change.

## **2.4 Interruptible Supply Points**

2.4.1 A User shall in respect of each Interruptible Supply Point of which it is the Registered User provide to the Transporter:

- (a) the name and (in the case of a corporation) registered office of the consumer;

- (b) in accordance with paragraph 2.4.2, the names and/or job titles of representatives of the consumer ("**emergency contacts**") each of which has the power and authority to comply with any direction given pursuant to Regulation 6(4);
- (c) at least one (but not more than 4) telephone numbers for each emergency contact by means of which the Transporter may contact, 24 hours a day, at least one emergency contact; and
- (d) one facsimile number, for the purposes of receiving communications pursuant to Section G and Section Q, which is able to receive transmissions 24 hours a day

and for the avoidance of doubt, the emergency contacts provided for under this paragraph may be the same contacts as those referred to in Section G 6.6.2 as 'interruption contacts'. The total number of emergency contacts provided for under this paragraph (and interruption contacts provided for under Section G 6.6.2) shall not exceed 5 in relation to any Interruptible Supply Point.

2.4.2 For the purposes of paragraph 2.4.1(b):

- (a) in the case of any Interruptible Supply Point in respect of any site which is manned 24 hours a day, the Registered User will provide to the Transporter the name(s) and/or job title(s) of at least one but not more than 4 emergency contacts; and
- (b) in the case of any Interruptible Supply Point in respect of any site which is not manned 24 hours a day, the Registered User will provide to the Transporter the names and/or job titles of at least 3 but not more than 4 emergency contacts.

2.4.3 A User shall comply with the requirements of paragraph 2.4.1 where the User becomes the Registered User in respect of an Interruptible Supply Point, when submitting the Supply Point Confirmation.

2.4.4 The details required under paragraph 2.4.1 shall at all times be maintained up to date; and for these purposes the User shall notify to the Transporter any change in such details as soon as reasonably practicable and where possible in advance of such change.

## **2.5 Priority Supply Points**

2.5.1 Each User shall:

- (a) take all reasonable steps to ascertain, in relation to any Supply Point in respect of which the User submits a Supply Point Nomination, or of which it is the Registered User, whether the consumer satisfies or (as the case may be) has come to satisfy the Priority Criteria;
- (b) where it believes that the consumer does satisfy the Priority Criteria (where it is the Registered User, promptly upon forming that belief) so notify the Transporter, stating the identity of the consumer and the basis for its belief; and
- (c) where:



- (i) a User becomes the Registered User at a Supply Point in relation to which the consumer is a Priority Consumer; or
- (ii) the Transporter confirms pursuant to paragraph 2.5.2 that a consumer in relation to which that User is the Registered User is a Priority Consumer

notify that consumer (in terms reasonably specified by the Transporter having regard to Standard Special Condition [A8] of the Transporter's Licence) of the circumstances in which it need not comply with instructions to reduce or cease, or in which it may resume or increase, the consumption of gas in a Gas Supply Emergency.

- 2.5.2 Where the Transporter adds the name of a consumer to the list described in paragraph 1.6(a) it shall inform the Registered User in relation to that consumer of such addition.
- 2.5.3 The Registered User shall promptly inform the Transporter if it becomes aware (and shall take reasonable steps to ensure that it does become aware) that the consumer at a Priority Supply Point ceases to satisfy the Priority Criteria.
- 2.5.4 Where the Transporter removes the name of a consumer from the list described in paragraph 1.6(a) it shall inform the User that is the Registered User in relation to that consumer of such removal.
- 2.5.5 Where the Transporter informs a User that a consumer in relation to which that User is the Registered User has been removed from the list described in paragraph 1.6(a), that User shall notify the consumer of the change to the circumstances in which it may reduce, cease, resume or increase the consumption of gas in a Gas Supply Emergency.
- 2.5.6 A User may not designate a Priority Supply Point as Interruptible except as otherwise set out in the Priority Criteria.
- 2.5.7 Each User shall (subject to the other requirements of this Section Q), in respect of each Priority Supply Point of which it is the Registered User, provide to the Transporter the name and/ or title of one representative of the consumer, together with a telephone number by means of which the Transporter may contact such representative during normal working hours on a Business Day.

## **2.6 Emergency Procedures**

- 2.6.1 Each User shall secure that all of its relevant personnel are familiar with the Emergency Procedures.
- 2.6.2 For the purposes of paragraph 2.6.1 a User's relevant personnel are personnel employed or engaged by the User whose functions or areas of responsibility are such that (in order to enable the User to comply with any requirement of this Section Q) they are likely to be required to take any decision or action in a Gas Supply Emergency.

## **2.7 User procedures**

- 2.7.1 Each User shall establish and maintain such procedures as may be necessary:

- (a) to facilitate compliance by the User with the requirements of this paragraph 2;
  - (b) to enable the User to comply with the requirements of paragraph 3 in a Gas Supply Emergency.
- 2.7.2 Each User shall take all reasonable steps within its power to ensure that, in so far as may be necessary to give effect to the requirements of this Section Q and to the Emergency Procedures, the procedures established by it under paragraph 2.7.1 are coordinated:
- (a) with the Emergency Procedures; and
  - (b) if the Transporter shall so notify the User identifying the other person(s) and specifying the coordination required, with any procedures established by Delivery Facility Operators or Offtake System Operators or another Transporter relating to Gas Supply Emergencies, or the procedures established by other Users under this paragraph 2.7; and shall consult with such other parties accordingly.
- 2.7.3 The User shall if requested by the Transporter provide to the Transporter a copy of the procedures from time to time established by it under paragraph 2.7.1; and the Transporter shall be at liberty to disclose to and discuss with any Competent Authority any such procedures provided to it.

### **3 OCCURRENCE OF A GAS SUPPLY EMERGENCY**

#### **3.1 General**

- 3.1.1 Where the NEC declares a Network Gas Supply Emergency (including a Potential Network Gas Supply Emergency) Transco NTS, or where a Local Gas Supply Emergency arises the Transporter, will:
- (a) inform Users, in accordance with the Emergency Procedures and (except in the case of a Gas Supply Incident as described in such Procedures) as soon as reasonably practicable, of the commencement of the Gas Supply Emergency, whether it is a Local or a Network Gas Supply Emergency and (in the case of a Network Gas Supply Emergency) whether it is a Potential Network Gas Supply Emergency or of the Stage thereof, and (in the case of a Network Gas Supply Emergency which is not a Potential Network Gas Supply Emergency) whether it is a Network Gas Supply Emergency Gas Deficit Emergency or a Network Gas Supply Emergency Critical Transportation Constraint Emergency, and (in the case of any Gas Supply Emergency), in so far as reasonably practicable, of the nature, extent and expected duration of the Gas Supply Emergency and the part of the Total System affected thereby;
  - (b) thereafter keep Users reasonably informed as to material changes to the information provided under paragraph (a) (including any change in the Stage of a Network Gas Supply Emergency) and material developments in respect of the Gas Supply Emergency (including, without limitation, any determination made by Transco NTS pursuant to paragraph 3.5.1); and
  - (c) inform Users as soon as reasonably practicable when the NEC has informed the

Transporter, or (as the case may be) the Transporter has determined (in accordance with paragraph 1.2.7), that the Gas Supply Emergency is no longer continuing.

- 3.1.2 Upon being informed of a Gas Supply Emergency (including a Potential Network Gas Supply Emergency) a User shall brief all relevant personnel (as defined in paragraph 2.6.2) as to the existence and nature of the Gas Supply Emergency.
- 3.1.3 During a Gas Supply Emergency each User is required:
- (a) to comply with the Emergency Procedures in so far as applicable to the User in the circumstances;
  - (b) to comply (in the case of a Network Gas Supply Emergency, including a Potential Network Gas Supply Emergency) with the requirements of paragraph 3.3.1, and (in the case of any Gas Supply Emergency) with the requirements (insofar as applicable to Users) of paragraph 3.4, as to Emergency Steps in relation to the delivery and offtake of gas to and from the Total System;
  - (c) to cooperate with the Transporter, to the extent within the User's power (and without thereby rendering the User unable to comply with any requirement to take Emergency Steps itself), so as to enable the Transporter to take Emergency Steps in accordance with the Emergency Procedures; and
  - (d) in so doing to comply with the Transporter's instructions and requests (made for the purposes of paragraphs (a), (b) and (c)) as soon as reasonably practicable.
- 3.1.4 Where there is any conflict between any requirement under this Section Q or the Emergency Procedures as to anything to be done by a User, the Transporter may decide which requirement is to prevail and will inform the relevant User of its decision, which decision will relieve the User of any obligation under the Code to comply with the conflicting requirement.
- 3.1.5 A User shall not be required to comply with any requirement under this paragraph 3 applying in respect of any Gas Supply Emergency (including a Potential Network Gas Supply Emergency) until and unless the User has been informed by the Transporter (or Transco NTS in the case of Potential Network Gas Supply Emergency) of the existence of such Gas Supply Emergency.

## **3.2 Supply and demand control**

- 3.2.1 Emergency Steps may require (in the case of a Network Gas Supply Emergency) increases and/or reductions in deliveries of gas to the Total System, and (in the case of any Gas Supply Emergency) reductions in the offtake of gas from the Total System.
- 3.2.2 In a Network Gas Supply Emergency Gas Deficit Emergency the application of Section D (other than paragraph 2.4 thereof) will be suspended and with effect from the time the Network Gas Supply Emergency Gas Deficit Emergency was declared, and in respect of any later Gas Flow Day falling within the duration of a Network Gas Supply Emergency Gas Deficit Emergency, Transco NTS will not take any Market Balancing Actions; and (in lieu thereof) the Emergency Procedures will apply and Transco NTS's decisions as to the delivery and offtake of gas to and from the Total System will be

implemented pursuant to paragraphs 3.3 and 3.4.

### **3.3 Supply-side steps**

3.3.1 In a Network Gas Supply Emergency (including a Potential Network Gas Supply Emergency) each User shall:

- (a) comply with any request from time to time made by Transco NTS to inform and/or keep informed Transco NTS of the maximum rates at which and/or quantities in which gas can be delivered to the Total System by the User at any System Entry Point at such time(s) or over such period(s) as Transco NTS may specify;
- (b) if requested by Transco NTS, take such steps as may be available (pursuant to contract) to the User to secure any increase in the maximum rates or quantities referred to in paragraph (a), for example by arranging the deferment of maintenance or other works in respect of gas production or processing facilities (but without being obliged pursuant to this paragraph (b) to secure any increase in the actual rates or quantities of delivery).

3.3.2 In a Network Gas Supply Emergency Gas Deficit Emergency each User shall comply with all instructions by Transco NTS to deliver gas to the Total System at System Entry Points in such quantities and at such rates as Transco NTS may specify, up to the maximum quantities or rates which are available (by the exercise of all contractual rights as to the supply of gas or otherwise) to the User, irrespective of the commercial terms of such supplies, and irrespective of the quantities of gas being offtaken from the Total System by the User.

3.3.3 In any Network Gas Supply Emergency Transco NTS may (where appropriate, in lieu of applying paragraph 3.3.2 in relation to gas-in-storage) issue direct instructions to the Operator of any Storage Facility in relation to which appropriate arrangements exist in the relevant Storage Connection Agreement to deliver gas to the Total System at the relevant Storage Connection Point (in which case relevant Users shall be treated as having delivered to the Total System, at the relevant Storage Connection Point, such quantities of gas as have been notified to Transco NTS by the relevant Storage Operator).

### **3.4 Demand-side steps**

3.4.1 Where Emergency Steps include the reduction or discontinuance of offtake of gas at Firm as well as Interruptible Supply Points (in a Local Gas Supply Emergency or a Stage 3 Network Gas Supply Emergency), such steps will (insofar as is practicable and as may be required by Standard Special Condition [A8(15)] of the Transporter's Licence) be applied in the following order:

- (a) first, at Interruptible Supply Points (insofar as offtake has not already been interrupted at such points);
- (b) secondly, at Supply Points, other than Priority Supply Points, which include VLDMC Supply Point Components;
- (c) thirdly, at other Large Firm Supply Points other than Priority Supply Points;

- (d) lastly, at Firm Supply Points (including for the avoidance of doubt Supply Points whose Annual Quantities do not exceed 73,200 kWh (2,500 therms)) and at Priority Supply Points.
- 3.4.2 To the extent that Emergency Steps include the isolation of any part of a System in which several Supply Points are located, the order in paragraph 3.4.1 may not apply.
- 3.4.3 The manner in and priority with which Emergency Steps may be taken for the reduction or discontinuance of offtake of gas at a Connected System Exit Point will be in accordance with the relevant Network Exit Provisions (which will where appropriate take account of the requirements of Standard Special Condition [A8(15)] of the Transporter's Licence); and the Transporter and the Connected System Operator shall be at liberty to take Emergency Steps in accordance therewith.
- 3.4.4 In a Gas Supply Emergency (including for the purposes of paragraph (a) below a Potential Network Gas Supply Emergency):
  - (a) unless the Transporter notifies a User otherwise, instructions to consumers in relation to interruption of offtake at Interruptible Supply Points will be given by Users;
  - (b) instructions to consumers in relation to the reduction or discontinuance of offtake at Large Firm Supply Points will be given by the Transporter;
  - (c) appeals, directions or other communications to other consumers will be made by the Transporter.
- 3.4.5 The relevant provisions of Section G6 will apply for the purposes of Interruption in a Gas Supply Emergency (including a Potential Network Gas Supply Emergency) or Local Gas Supply Emergency, except that:
  - (a) the Transporter shall not be required to give 5 hours' notice of Interruption but may require Interruption as soon as practicable following the Transporter's Interruption Notice;
  - (b) the User may not request an alteration pursuant to Section G 6.8.2 to the Supply Points to be Interrupted;
  - (c) any Day or Days of Interruption pursuant to this Section Q shall not count towards the use of the Interruption Allowance under Section G 6.7.5;
  - (d) the provisions of Section G 6.9 (other than Section G 6.9.2(a)) in respect of a failure to Interrupt shall not apply.
- 3.4.6 Notwithstanding paragraph 3.4.5, where pursuant to the Emergency Procedures the Transporter instructs a User to give any notification or communication to a consumer or supplier, the User shall comply with that instruction.
- 3.4.7 Without prejudice to the Transporter's ability to take any Emergency Step, the Transporter may take steps physically to isolate any Large Firm Supply Point where the consumer does not comply with any instruction given under paragraph 3.4.4(b).

### **3.5 Network Gas Supply Emergency Critical Transportation Constraint Emergency**

- 3.5.1 If, in the event of a Network Gas Supply Emergency Critical Transportation Constraint Emergency, Transco NTS determines at any time that the application of Section D may have a detrimental effect on Transco NTS's immediate ability to take Emergency Steps in accordance with paragraph 1.3.1 above, then the application of Section D (other than paragraph 2.4 thereof) will be suspended with effect from such time as may be determined by Transco NTS and notified to Users pursuant to paragraph 3.1.1(b) and in respect of any later Gas Flow Day falling within the duration of a Network Gas Supply Emergency Critical Transportation Constraint Emergency. Transco NTS will not take any Market Balancing Actions from such time and (in lieu thereof) the Emergency Procedures will apply and Transco NTS's decisions as to the delivery and offtake of gas to and from the Total System will be implemented pursuant to paragraphs 3.3 and 3.4.
- 3.5.2 In the event that paragraph 3.5.1 applies, the provisions of paragraphs 3.3.2, 4.1.1 and 4.2 shall, from the time determined by Transco NTS pursuant to paragraph 3.5.1, apply mutatis mutandis to the Network Gas Supply Emergency Critical Transportation Constraint Emergency as if all references in such paragraphs to a Network Gas Supply Emergency Gas Deficit Emergency were to the Network Gas Supply Emergency Critical Transportation Constraint Emergency.

### **3.6 Return to normal operation**

- 3.6.1 The order in which during a Gas Supply Emergency offtake of gas at Supply Points is restored will (so far as is practicable and subject to any requirements in relation to Priority Supply Points) be the inverse of that under paragraph 3.4.1.
- 3.6.2 For the purposes of paragraph 4, a Network Gas Supply Emergency will be considered to have ceased only:
- (a) when integrity of the NTS is restored, such that any loss of pressure in the NTS (or risk of such loss arising as a result of a Gas Supply Emergency) has ceased; and
  - (b) where the Transporter is reasonably able to provide forecasts and demand information in accordance with Section H;
  - (c) with effect from the start of a Day; and
  - (d) upon notice to Users given not later than 10:00 hours on the Preceding Day.

## **4 CONSEQUENCES OF EMERGENCY**

### **4.1 Suspension of certain provisions of the Code**

- 4.1.1 In respect of each Day or part of a Day during a Network Gas Supply Emergency Gas Deficit Emergency:
- (a) the provisions of Section B as to Overrun Charges, LDZ CSEP Overrun Charges and Supply Point Ratchets will not apply and the provisions of Section B2 as to Daily NTS Entry Capacity, Interruptible NTS Entry Capacity, surrender of NTS Entry Capacity and curtailment of NTS Entry Capacity shall

not apply (and in relation to the first such Day or part of a Day, amounts payable pursuant to the application of those paragraphs on the Preceding Day shall cease to be payable);

- (b) Section C will not apply, except to the extent to which Transco NTS may wish to use the Nomination process as a means for Users to communicate with Transco NTS;
- (c) in accordance with paragraph 3.2.2, Section D (other than paragraph 2.4 thereof) will not apply (and for the avoidance of doubt the provisions as to Physical Renomination Incentive Charges will not apply);
- (d) Section E will apply, subject to paragraph (f); but the Exit Close-out Date may be deferred;
- (e) Section F2 will apply on the basis in paragraph 4.2; Section F3 will not apply (so that no Scheduling Charges will be payable); Section F4 will apply, modified in accordance with paragraph 4.2 (and in consequence of the provisions of this paragraph 4.1.1); and Sections F5 and F6 will apply;
- (f) the application of Section H will be modified with a view to ensuring (on such approximate basis as is reasonably practicable in the circumstances) that gas is not treated as offtaken at NDM Supply Point Components at which the offtake of gas has been discontinued pursuant to Emergency Steps as described in paragraph 3.4.1;
- (g) Section I3.10 (as to rates of delivery of gas) will not apply, and where the Transporter requests or permits the delivery of gas to the Total System which does not comply with the applicable Gas Entry Conditions, Section I3.4 will not apply;
- (h) the provisions of Sections G and M as to payments by the Transporter to Users in respect of the performance or failure to perform the Transporter's obligations under those Sections will not apply to the extent any failure in such performance results from the Gas Supply Emergency or the taking of Emergency Steps; and
- (i) the Transporter may by notice to Users suspend the implementation (as respects all Users) of any of the provisions of Section G.

4.1.2 In a Gas Supply Emergency any other provision of the Code which would in any particular case conflict with the implementation of this Section Q shall to that extent not apply.

#### **4.2 Clearing of gas balances following a Network Gas Supply Emergency Gas Deficit Emergency**

4.2.1 In a Network Gas Supply Emergency Gas Deficit Emergency Section F2 will apply on such modified basis as is appropriate to give effect to paragraph 4.2.2 (and in particular without the application of any tolerances, or of any price other than the relevant price under paragraph 4.2.3).

- 4.2.2 In respect of each Day during a Network Gas Supply Emergency Gas Deficit Emergency:
- (a) Transco NTS shall pay to each User who delivered on a Day more gas to the Total System than it offtook on such Day an amount determined as the User's Daily Imbalance multiplied by the relevant price, subject to paragraph 4.2.5;
  - (b) each User who offtook on a Day more gas from the Total System than it delivered on such Day shall pay to Transco NTS an amount determined as the User's Daily Imbalance multiplied by the relevant price.
- 4.2.3 For the purposes of this paragraph 4.2 the "**relevant price**" is the value of the arithmetic mean of the System Average Prices determined under Section F1.2.1 or F1.2.2 but by reference to the 30 Days preceding the Day on which the Network Code Gas Supply Emergency Gas Deficit Emergency started.
- 4.2.4 In applying Section F4 in respect of Days during a Network Gas Supply Emergency Gas Deficit Emergency, to the extent amounts payable by Transco NTS to Users pursuant to paragraph 4.2.5 exceed the amounts payable pursuant to paragraph 4.2.2, the excess amounts will be taken into account as though such amounts were Market Balancing Action Charges payable by Transco NTS (for the purposes of Section F 4.4.3).
- 4.2.5 Where a User (the "**claimant**") believes that it will suffer a financial loss by reason of being paid only the relevant price in respect of any gas delivered to the Total System on a Day during a Network Gas Supply Emergency Gas Deficit Emergency (but not in respect of a quantity of gas which exceeds the amount of the claimant's Daily Imbalance if any under paragraph 4.2.2(a)):
- (a) the claimant may within such time as Transco NTS shall reasonably require submit to Transco NTS a claim to be paid at a higher price, together with details of the basis on which it believes it will suffer a financial loss and the amount of such loss;
  - (b) Transco NTS will appoint an independent accountant or other appropriately qualified person as "**claims reviewer**" to review each claimant's claim and advise Transco NTS of whether the claim appears to the claims reviewer to be justified and the amount which (in the claims reviewer's opinion) the claimant should be paid, in excess of what is payable calculated at the relevant price, so that it will not suffer such financial loss;
  - (c) the claimant shall be required (as a condition to its claim being considered, but subject to the claims reviewer accepting a reasonable obligation of confidence) to provide such information, access to records and cooperation as the claims reviewer shall reasonably require;
  - (d) the fees and costs of the claims reviewer shall be paid by Transco NTS and shall be additional Monthly Adjustment Neutrality Costs for the month in which they are paid;
  - (e) Transco NTS will (after consultation with the claimant and the Authority) pay to the claimant the amount advised by the claims reviewer (unless on Transco



NTS's application after consultation with the claimant the Authority shall give Condition [A11(18)] Approval to Transco NTS's paying a different amount).

#### **4.3 Consequences of Network Gas Supply Emergency Critical Transportation Constraint Emergency**

4.3.1 Save where paragraph 3.5.1 applies (in which event this paragraph 4.3 shall be of no effect), where a User (the "**claimant**") believes that it will suffer a financial loss in respect of any gas delivered to the Total System on a Day during a Network Gas Supply Emergency Critical Transportation Constraint Emergency in accordance with Transco NTS's instructions to the operator of a Storage Facility (in which the User had gas-in-storage) pursuant to paragraph 3.3.3:

- (a) the claimant may within such time as Transco NTS shall reasonably require submit to Transco NTS a claim in respect of such financial loss together with details of the basis on which it believes it will suffer such loss and the amount thereof;
- (b) Transco NTS will appoint an independent accountant or other appropriately qualified person as "**claims reviewer**" to review each claimant's claim and advise Transco NTS of whether the claim appears to the claims reviewer to be justified and the amount which (in the claims reviewer's opinion) the claimant should be paid so that it will not suffer such financial loss;
- (c) the claimant shall be required (as a condition to its claim being considered, but subject to the claims reviewer accepting a reasonable obligation of confidence) to provide such information, access to records and cooperation as the claims reviewer shall reasonably require;
- (d) the fees and costs of the claims reviewer shall be paid by Transco NTS and shall be additional Monthly Adjustment Neutrality Costs for the month in which they are paid; and
- (e) Transco NTS will (after consultation with the claimant and the Authority) pay to the claimant the amount advised by the claims reviewer (unless on Transco NTS's application after consultation with the claimant the Authority shall give Condition [A11(18)] Approval to Transco NTS's paying a different amount).

4.3.2 Save where paragraph 3.5.1 applies, in applying Section F4 in respect of Days during a Network Gas Supply Emergency Critical Transportation Constraint Emergency:

- (a) amounts payable by Transco NTS to Users pursuant to paragraph 4.3.1; and
- (b) all such costs as Transco NTS may reasonably incur pursuant to paragraph 3.4 will be taken into account as though such amounts were Market Balancing Action Charges payable by Transco NTS (for the purposes of Section F4.4.3).

#### **4.4 Further consequences**

The Transporter and Users acknowledge that during any Gas Supply Emergency it may be necessary for each of them to divert resources from other activities which may

potentially result in a temporary impairment of their abilities subsequently to perform their respective obligations pursuant to the Code; and acknowledge that any such impairment resulting from such diversion of resources may be Force Majeure for the purposes of GT Section B3.

## **5 SAFETY MONITOR AND FIRM GAS MONITOR**

### **5.1 Introduction**

5.1.1 For the purposes of paragraph 5:

- (a) "**Annual Firm Severe Demand**" means that element of the 1 in 50 Severe Annual Demand which is attributable to all Firm Supply Points;
- (b) "**Annual NDM/Priority Severe Demand**" means the element of the 1 in 50 Severe Annual Demand which is attributable to those Supply Points identified in the Transco Safety Case as being 'protected by monitor';
- (c) "**Firm Gas Monitor**" means, for each day of the Winter Period and each Storage Facility Type, that portion of the Stored Firm Gas Requirement allocated in aggregate to that Storage Facility Type by Transco NTS;
- (d) "**Peak Firm Demand**" means the peak day demand at Firm Supply Points;
- (e) "**Peak NDM/Priority Demand**" means the peak day demand at those Supply Points identified in the Transco Safety Case as being 'protected by monitor';
- (f) "**Safety Monitor**" means, for each day of the Winter Period and each Storage Facility Type, that portion of the Stored Safety Gas Requirement allocated in aggregate to that Storage Facility Type in accordance with the principles set out in the Transco Safety Case, together with an amount of gas for each Storage Facility Type to permit the safe shutdown of those Supply Points not identified in the Transco Safety Case as being 'protected by monitor';
- (g) "**Storage Facility Type**" means one of the types (as determined by Transco NTS from time to time and notified to Users pursuant to paragraph 5.2.1(f) of Storage Facility or (where the context requires) all Storage Facilities of such a type;
- (h) "**Storage Firm Deliverability Requirement**" means the amount by which the Peak Firm Demand exceeds the maximum daily supply;
- (i) "**Storage Safety Deliverability Requirement**" means the amount by which the Peak NDM/Priority Severe Demand exceeds the maximum daily supply;
- (j) "**Stored Firm Gas Requirement**" means the amount (in kWh) by which the Annual Firm Severe Demand exceeds the maximum daily supply;
- (k) "**Stored Safety Gas Requirement**" means the amount (in kWh) by which the Annual NDM/Priority Demand exceeds the level of demand equal to the maximum daily supply; and

- (l) **"Transco Safety Case"** means the safety case (in accordance with Regulation 2(5)) of Transco NTS acting in its capacity as a gas transporter in relation to the NTS.

## 5.2 Information Requirements

5.2.1 Transco NTS will by 31 May in each Gas Year, notify Users of the following in respect of the coming Winter Period:

- (a) Stored Safety Gas Requirement;
- (b) Storage Safety Deliverability Requirement;
- (c) Stored Firm Gas Requirement;
- (d) Storage Firm Deliverability Requirement;
- (e) maximum daily supply; and
- (f) the number and designation of Storage Facility Types, together with the classification criteria used in the determination of those Storage Facility Types and (where the classification criteria has changed from that used in respect of the previous Winter Period) details of any change to such classification criteria.

5.2.2 Transco NTS will, by 31 May in each Gas Year, determine whether the available Storage Space and/or Storage Deliverability is in aggregate less than the quantities detailed in paragraph 5.2.1(a) to (d) and shall notify Users of any shortfall and the extent thereof. In this event, the Safety Monitor and the Firm Gas Monitor notified pursuant to paragraph 5.2.3 will reflect the available Storage Space and/or Storage Deliverability.

5.2.3 Transco NTS will, by 1 October in each Gas Year, notify Users of the Safety Monitor and the Firm Gas Monitor for each day of the coming Winter Period in respect of each Storage Facility Type.

5.2.4 Calculations of available Storage Space and/or Storage Deliverability made pursuant to this paragraph 5 shall exclude:

- (a) Storage Capacity booked by Transco for Operating Margins Purposes; and
- (b) Storage Capacity in respect of Storage Facilities where there are relevant operational and/or physical characteristics that would make use of their Storage Capacity and/or gas-in-storage inappropriate in the calculation of any of the information specified in paragraphs 5.2.1, 5.2.2 and/or 5.2.3.

5.2.5 Transco NTS will keep under review the information previously notified pursuant to paragraphs 5.2.1, 5.2.2 and/or 5.2.3, and may:

- (a) reallocate the Safety Monitor and/or the Firm Gas Monitor between Storage Facility Types in order to enhance the security provided by current storage stocks;

- (b) reduce a Safety Monitor and/or a Firm Gas Monitor to reflect longer-term demand forecasts (for example, during the later Days of the Winter Period); and
  - (c) adjust a Safety Monitor and/or a Firm Gas Monitor to reflect the occurrence of severe weather.
- 5.2.6 Where Transco NTS undertakes any of the actions specified in paragraph 5.2.5, Transco NTS will notify Users of any material changes in the information previously notified pursuant to paragraphs 5.2.1, 5.2.2 and/or 5.2.3.
- 5.2.7 Transco NTS will:
- (a) notify Users, on a weekly basis, of the aggregate physical gas-in-storage level (in kWh) in each Storage Facility Type; and
  - (b) where Transco NTS calculates that the aggregate physical gas-in-storage level in a Storage Facility Type exceeds the Safety Monitor for that Storage Facility Type by a quantity (in kWh) equal to or less than the amount of gas that could be withdrawn from the Storage Facility Type in two (2) Days at the maximum withdrawal rate applicable to that Storage Facility Type, notify Users of:
    - (i) the quantity (in kWh) by which the physical gas-in-storage levels of that Storage Facility Type exceeds the Safety Monitor for that Storage Facility Type; and
    - (ii) the sum of all Storage Withdrawal Nominations for all Storage Facilities of that Storage Facility Type.

These physical gas-in-storage levels and the maximum withdrawal rate may reflect gas-in-storage and other information provided by the relevant Storage Operator(s), as well as Input and Output Nominations.

- 5.2.8 Transco NTS shall notify all Users of potential or actual breaches of either a Safety Monitor or a Firm Gas Monitor as a result of:
- (a) insufficient bookings of Storage Space and/or Storage Deliverability as notified to Transco NTS by the relevant Storage Operator(s);
  - (b) anticipated shortfall of gas-in-storage based upon current stock levels and the injection and withdrawal information notified to Transco NTS by the relevant Storage Operator(s);
  - (c) Renominations or other relevant within day information.

### **5.3 Storage Information**

5.3.1 Transco NTS shall have access to such details of the use of a Storage Facility by all Storage Users as may be provided for under the relevant Storage Connection Agreement.

5.3.2 In particular, each Storage Operator will provide to Transco NTS:

- (a) where Transco NTS so requests, the details of the amounts of aggregate Storage Capacity allocated to Storage Users for each Storage Facility for the Storage Year or remaining part of the Storage Year pursuant to applications for Storage Capacity under the relevant Storage Terms;
  - (b) on a daily basis throughout the Storage Year, details for each Storage Facility of Storage Users' aggregate Storage Capacity, injections, withdrawals and gas-in-storage; and
  - (c) where Transco NTS so requests, details of the Applicable Total Storage Space, the Applicable Total Storage Deliverability and Maximum Injection Rate of each Storage Facility.
- 5.3.3 Each Storage Operator shall ensure that its Storage Terms permit the disclosure by the Storage Operator to Transco NTS of the information referred to in paragraph 5.3.2(a) and (b) and the subsequent publication of this information by Transco NTS pursuant to the provisions of this paragraph 5 (or as otherwise required by the Code).

#### **5.4 Actions to Prevent Monitor Breaches**

- 5.4.1 Other than notifying Users in accordance with paragraph 5.2.8, and subject to taking such steps as it is required to take under the Transco Safety Case, Transco NTS will not take any specific action as a consequence of identifying a potential or actual breach of a Safety Monitor or a Firm Gas Monitor.
- 5.4.2 Where Transco NTS has assessed that any actions taken by it pursuant to the Transco Safety Case and any actions taken by Users in response to the notification made under paragraph 5.2.8 have not been or, in Transco NTS's opinion, would not be sufficient to prevent a breach of a Safety Monitor, Transco NTS shall liaise with the Network Emergency Coordinator to declare a Network Gas Supply Emergency.