UNIFORM NETWORK CODE – OFFTAKE ARRANGEMENTS DOCUMENT

SECTION C

SAFETY AND EMERGENCY

1 Introduction

1.1 General

1.1.1 This Section C sets out requirements in relation to:

(a) gas supply emergencies;

(b) the adoption, review and revision of the SCO Interface Procedure;

(c) Site Emergency Procedures established by each Party at each Offtake Site;

(d) General Site Safety and Environmental Requirements to be established by each Party at each Offtake Site.

2 Gas Supply Emergencies

2.1 Introduction

2.1.1 This paragraph 2 sets out or refers to procedures and arrangements to be made by each Party relating to gas supply emergencies (which procedures and arrangements may be referred to in each Party's Safety Case).

2.1.2 The arrangements in this paragraph 2 apply as between the Parties and are without prejudice to the provisions of TPD Section Q as respects Users.

2.1.3 In this paragraph 2:

(a) "**Regulations**" means the Gas Safety (Management) Regulations 1996, and references to a particular Regulation shall be construed accordingly;

(b) "**supply emergency**" has the meaning given to that term in the Regulations;

(c) "**Safety Case**" means a Party's safety case (in accordance with Regulations 2(5) and 3(1)(a));

(d) "**NEC**" means the person who is for the time being the network emergency co-ordinator in accordance with the Regulations (and references to Transco NTS do not include Transco NTS in its capacity as NEC where it acts as such);

(e) "**NEC Safety Case**" means the safety case (in accordance with Regulations 2(5) and 3(2)) of the NEC.

2.1.4 The Parties acknowledge that the conveyance of gas by pipelines involves the risk of a gas supply emergency, in the context of which (and of their respective duties in relation to gas supply emergencies pursuant to the Regulations and any other Legal Requirement) the provisions of this paragraph 2 are appropriate and reasonable; and accordingly each of the

Parties agrees to commit (in the implementation of this paragraph 2) personnel and other resources adequate to ensure that the objectives of this paragraph 2 are achieved.

2.1.5 Nothing in this Section C shall be construed as precluding any Party from giving any direction to any person pursuant to Regulation 6(4).

2.2 Gas Supply Emergency

For the purposes of this Document "**gas supply emergency**" has the meaning given to that term 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 a System which itself has resulted in or might result in a supply emergency;

2.2.1 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 (which is the Primary System as defined in the NEC Safety Case).

2.2.2 A "**Local Gas Supply Emergency**" is a local gas supply emergency (as referred to in the NEC Safety Case), namely any gas supply emergency other than a Network Gas Supply Emergency.

2.3 Emergency Procedures

2.3.1 For the purposes of this paragraph 2:

(a) "**Emergency Procedures**" are procedures relating to gas supply emergencies, including:

(i) planning for gas supply emergencies;

(ii) averting or limiting gas supply emergencies;

(iii) the occurrence of a gas supply emergency; and

(iv) the recovery from, and restoration of operations following, a gas supply emergency;

(b) Emergency Procedures comprise Emergency Procedures E1, E2 and E3;

(c) Emergency Procedures "**E1**" are Emergency Procedures (known at the date of this Document as T/PME/1), to be complied with by each Party and by Users and others, relating to Network Gas Supply Emergencies (and are the Network Gas Supply Emergency Procedures referred to in the Transportation Principal Document);

(d) Emergency Procedures "**E2**" are Emergency Procedures (known at the date of this Document as T/PME/2), to be complied with by DNOs and by Users and others, relating to Local Gas Supply Emergencies (and are the Local Gas Supply Emergency Procedures referred to in the Transportation Principal Document);

(e) Emergency Procedures "**E3**" are internal Emergency Procedures (known at the date of this Document as T/PME/3) of a Party setting out in operational detail how it will comply with Emergency Procedures E1 and E2 in the event of a gas supply emergency.

2.3.2 Transco NTS shall:

(a) establish, maintain and from time to time modify Emergency Procedures E1; and

(b) ensure that each other Party at all times has an up-to-date version of such Emergency Procedures E1.

2.3.3 The DNOs collectively (or the Offtake Committee on behalf of the DNOs), consistently with the requirements of Emergency Procedures E1, shall:

(a) establish, maintain and from time to time modify:

(i) Emergency Procedures E2, and

(ii) the format of Emergency Procedures E3; and

(b) ensure that each DNO and Transco NTS has an up-to-date version of such Emergency Procedures E2 and format of Emergency Procedures E3.

2.3.4 Each Party shall:

(a) establish, maintain and from time to time modify Emergency Procedures E3 in relation to its System(s), in the format from time to time established pursuant to paragraph 2.3.3(a)(ii); and

(b) ensure that each other Party at all times has an up-to-date version of such Emergency Procedures E3.

2.3.5 Subject to paragraph 2.3.7, the Parties shall ensure that:

(a) their respective Emergency Procedures are consistent and coordinated with each other; and

(b) in particular, the Parties consult with each other before any change is made in any Emergency Procedures.

2.3.6 For the purposes of paragraph 2.3.5:

(a) Transco NTS shall from time to time determine and notify to each Party a process, comprising periodic meetings and other steps, for the review of the Emergency Procedures; and

(b) each Party shall participate in such review process.

2.3.7 In the establishment, maintenance and modification of the Emergency Procedures, the following priority shall apply:

(a) the Emergency Procedures E2 are to be consistent with Emergency Procedures E1; and

(b) each Party's Emergency Procedures E3 are to be consistent with (and each Party shall ensure the compliance of its Emergency Procedures E3 with):

(i) Emergency Procedures E1; and

(ii) subject thereto, Emergency Procedures E2;

and accordingly, subject to the requirements for consultation and review under paragraphs 2.3.5 and 2.3.6 (and without prejudice to any requirement of the NEC or other Legal

Requirement), nothing in this paragraph 2 shall restrict Transco NTS from modifying Emergency Procedures E1 from time to time as it thinks fit.

2.4 Compliance with Emergency Procedures

2.4.1 The Parties acknowledge that, pursuant to procedures and arrangements described in their respective Safety Cases, and (where relevant) as the NEC may from time to time require:

(a) each Party will comply with Emergency Procedures E1;

(b) each DNO will comply with Emergency Procedures E2; and

(c) each Party shall comply with its own Emergency Procedures E3.

2.4.2 The requirements of this Document shall not apply to the extent they are inconsistent with the procedures and arrangements referred to in paragraph 2.4.1; and a Party shall not be considered as failing to comply with any provision of this Document by reason of anything done by a Party as described in (and in compliance with the procedures and arrangements referred to in) paragraph 2.4.1.

2.5 Testing

2.5.1 The Parties acknowledge that the procedures and arrangements referred to in paragraph 2.4 include procedures and arrangements under which:

(a) Transco NTS will from time to time plan, determine and notify to each other Party, exercises, tests and other measures (in accordance with the Emergency Procedures) to be taken by the Parties (with or without the participation of Users or other persons) for the purposes of:

(i) testing the consistency and coordination of the Emergency Procedures;

(ii) testing the application and implementation of the Emergency Procedures or any part thereof;

(b) each Party will participate in, and comply with the instructions of Transco NTS in relation to, the exercises, tests and other measures from time to time planned by Transco NTS under paragraph (a)

and paragraph 2.4.2 shall apply accordingly.

2.6 Potential Gas Supply Emergencies

2.6.1 Without prejudice to any Emergency Procedures, if in relation to any Day a Party (the "**emergency Party**") considers that:

(a) there is a material risk of the occurrence of a relevant emergency on that Day; and

(b) its rights (having regard to its obligations) in relation to flows of gas into and out of its System under Section I and under the Transportation Principal Document are not adequate to enable it to prevent the occurrence of such relevant emergency;

then paragraph 2.6.2 shall apply.

2.6.2 In the circumstances provided in paragraph 2.6.1:

(a) the emergency Party may give notice of the relevant circumstances:

(i) to Transco NTS, where the emergency Party is a DNO; or

(ii) to each DNO whose cooperation it may require (as provided in paragraph (c)), where the emergency Party is Transco NTS;

(b) where the emergency Party is a DNO, Transco NTS will give notice of the relevant circumstances to each other DNO whose cooperation it may require to enable its cooperation with the emergency Party; and

(c) the emergency Party and each cooperation Party shall cooperate with a view to ensuring that the flows of gas at relevant NTS/LDZ Offtakes and LDZ/LDZ Offtakes are controlled with a view to seeking to avert the occurrence of the relevant emergency.

2.6.3 Nothing in this paragraph 2.6 shall:

(a) impose on a cooperation Party any liability to the emergency Party in relation to the occurrence of a relevant emergency; or

(b) require a cooperation Party to do anything which may compromise the safe operation of its System or give rise to a material risk of its incurring any liability to another Party under this Document or to any Shipper User or DNO User under the Transportation Principal Document.

2.6.4 For the purposes of this paragraph 2.6:

(a) a "**relevant emergency**" is:

(i) where the emergency Party is a DNO, a Local Gas Supply Emergency; and

(ii) where the emergency Party is Transco NTS, a Potential Network Gas Supply Emergency; and

(b) a "**cooperation Party**" is a Party which is given notice by the emergency Party (under paragraph 2.6.2(a)) or by Transco NTS (under paragraph 2.6.2(b)).

2.7 Network Gas Supply Emergency

2.7.1 The Parties acknowledge that (as provided in, and without prejudice to the generality of, paragraph 2.4.1) upon the declaration of, and from time to time during the continuance of, a Network Gas Supply Emergency, DNOs will secure that gas flows at NTS/LDZ Offtakes are in accordance with the instructions of Transco NTS (as directed by the NEC).

2.7.2 DNOs will submit and revise Offtake Profile Notices in relation to NTS/LDZ Offtakes consistent with the instructions referred to in paragraph 2.7.1 (and for the avoidance of doubt, in accordance with paragraph 2.4.2, the Parties shall not be bound by the provisions of Section I2 to the extent to which any such instruction conflicts with such provisions).

2.7.3 Without prejudice to the generality of paragraph 2.4.2, TPD Sections Q1.3.4 and Q1.3.5 shall apply as if references in those Sections to a System Exit Point, the Total System and a User respectively included an Offtake, any System and a DNO User.

2.7.4 Where (in a Network Gas Supply Emergency) the NEC directs Transco NTS to operate the block valves (forming part of its Connection Facilities) at any NTS/LDZ Offtake:

(a) without prejudice to any other directions of the NEC, Transco NTS will notify the DNO of such operation wherever practicable in advance of and in any event as soon as practicable following such operation;

(b) the DNO shall not do anything (including without limitation installing, operating or modifying any telemetry facilities) which may interfere with or prevent such operation by Transco NTS of block valves.

2.8 Closed LDZ/LDZ Offtakes

2.8.1 Emergency Procedures E2 (or subsidiary procedures established in accordance therewith) will specify the basis on which a Closed LDZ/LDZ Offtake may be opened during or in anticipation of a Local Gas Supply Emergency.

3 Procedures for controlling work at Offtakes

3.1 Introduction

3.1.1 The "**SCO Interface Procedures**" (or Safe Control of Operations – Interface Procedures) are procedures established by the Parties for the safe conduct of works or operations by one Party at an Offtake Site or in relation to its System in cases where such works or operations may affect another Party at that Offtake Site or in relation to its System.

3.2 Adoption and implementation of SCO Interface Procedure

3.2.1 Each Party agrees to adopt and implement the SCO Interface Procedures as from time to time revised by the Parties in accordance with paragraph 3.3.1.

3.2.2 In particular, each Party shall ensure that its own working procedures (including safe control of operations procedures) are consistent with the SCO Interface Procedure.

3.3 Review and revision of SCO Interface Procedure

3.3.1 The SCO Interface Procedure shall be subject to review and revision by the Offtake Committee pursuant to Section N1.2.

4 Site Emergency Procedures

4.1 Introduction

4.1.1 Site Emergency Procedures are on-site and off-site plans and procedures, relating to emergencies or other incidents at an Offtake Site, which a Party may be required to establish and implement pursuant to any Legal Requirement, including:

(a) the Control of Major Accident Hazards Regulations 1999;

(b) the Pipelines Safety Regulations 1996;

(c) the Environmental Protection Act 1990; and

(d) the Pollution Prevention and Control Act 1999.

4.1.2 In establishing, and revising from time to time, its Site Emergency Procedures for any Offtake Site, each Party shall:

(a) consult with each other Party at that Offtake Site, including providing drafts of such procedures or revisions to the other Party for comment before adopting them; and

(b) ensure that each other Party has an up-to-date copy of the Site Emergency Procedures from time to time adopted by the first Party.

4.2 Cooperation between Parties

4.2.1 Without prejudice to any applicable Legal Requirement, each Party (the "**first**" Party) at an Offtake Site shall extend reasonable cooperation to each other Party (the "**other**" Party) at that Offtake Site in connection with the Site Emergency Procedures established by such other Party.

4.2.2 In particular, the first Party shall:

(a) cooperate in the testing of such procedures (and in the testing of both Parties' procedures together);

(b) provide to the other Party from time to time such information as may reasonably be required by the other Party's procedures; and

(c) refrain from doing anything which (if the other Party acts and has acted as a Reasonable and Prudent Operator in establishing and implementing its procedures) would prevent the other Party from complying with its procedures.

5 General Site Safety and Environmental Requirements

5.1 Establishment of General Site Safety and Environmental Requirements

5.1.1 In relation to each Offtake, each Party (as Site Party, as provided in Section B6.1.2) shall prepare and implement, and keep under review and from time to time revise, rules and procedures ("**General Site Safety and Environmental Requirements**" or "**GSSERs**") for the safety and environmental controls to be applied and observed, by its own personnel and the personnel of the Parties, to and at that part of the Offtake Site owned or occupied by such Party.

5.1.2 The GSSERs established by a Site Party:

(a) shall be no more onerous as respects the personnel of the other Party(ies) (as Access Party(ies)) than in respect of the Site Party's own personnel; and

(b) shall take account of the Site Party's Safety Case, the Access Party(ies)'s Safety Case(s), the SCO Interface Procedure and the Site Party's Site Emergency Procedures.

5.1.3 The Site Party shall make the GSSERs available to each Access Party.

5.2 Consultation, etc

5.2.1 In preparing and from time to time reviewing and revising its GSSERs in relation to its Offtakes, each Party shall consult:

(a) with the other Party(ies) (as Access Party(ies)) at that Site, in respect of matters specifically relating to that Site; and

(b) with all other Parties generally, having regard to the desirability of maintaining as far as practicable uniformity in the GSSERs established by each of the Parties.