

PART F DAILY AND ANNUAL QUANTITIES AND SHRINKAGE

1 General

- 1.1 For the purposes of this Part F the LT Connection Point shall be treated as comprising separately;
- (a) a Connected System Exit Point in respect of all the NDM Supply Point Components (“**NDM CSEP**”);
 - (b) a Connected System Exit Point in respect of all the DM Supply Point Components (“**DM CSEP**”).

2 Demand Determination – DM Supply Point Components

- 2.1 It is acknowledged by Pipeline Users that the Large Transporter will require for the purposes of the UNC that DM Output Nominations be made to it in respect of each DM Supply Point Component by the relevant CSEP User and that accordingly, the Pipeline Operator shall not have any responsibility to make the same.
- 2.2 The quantity of gas offtaken at a DM Supply Point Component in respect of a Day (“**DM Demand**”) shall be determined as the aggregate of the quantities offtaken at each DM Supply Meter Point comprised in that DM Supply Point Component as determined by the Large Transporter by Daily Meter Readings or estimation. It is acknowledged that the DM Demand as so determined will be used by the Large Transporter or the purposes of the UNC and in particular for determining the UDQOs of CSEP Users in respect of the DM CSEP.

3 Demand Determination – NDM Supply Point Components

- 3.1 The UNC provides (in Section H) for the establishment of Demand Models and End User Categories for each Gas Year.
- 3.2 Pipeline Users acknowledge that it is aware of the consultation process provided for in the UNC in respect of such matters.
- 3.3 The Pipeline Operator will adopt and apply for each Gas Year the End User Categories (of NDM Supply Point Components) established by the Large Transporter pursuant to Section H1.9, and will allocate each NDM Supply Meter Point to one of such categories.

4 Determination of NDM Annual Quantities

- 4.1 Subject to Clauses 4.2, and 4.3, the Pipeline Operator will determine the Annual Quantity (“AQ”) for a Supply Meter Point for a Gas Year in accordance with Section H3.4 and Part CI 6.
- 4.2 In the circumstances in Clause 6.4 the Annual Quantity or the Provisional Annual Quantity of the NDM Supply Meter Point for a Gas Year shall be that applicable for the Preceding Year.

5 Records

- 5.1 The Pipeline Operator will maintain records for each NDM Supply Meter Point of the Annual Quantities and values of any other variable (“**a relevant variable**”) by reference to which End User Categories are (in any Gas Year) defined.

5.2 The Pipeline User will provide to the Pipeline Operator any information relating to any relevant variable to enable the Pipeline Operator to comply with Clause 5.1.

6 Relevant Metered Period

6.1 For the purposes of this Clause 6 the "**Relevant Metered Period**" in respect of a Gas Year is the period from the Day after the starting Meter Read (in accordance with Clause 6.3) to the ending Meter Read (in accordance with Clause 6.2).

6.2 The ending Meter Read is the latest Valid Meter Read (in accordance with Part E) before 12th May in the Preceding Year.

6.3 The starting Meter Read shall be:

- (i) the latest Valid Meter Read before the target opening date, or if there was no such Meter Read less than three years before the target opening date;
- (ii) subject to Clause 6.4, the first Valid Meter Read after the target opening date.

6.4 If there was no Valid Meter Read less than three years before the target opening date or more than 6 months before the ending Meter Read, Clause 4.2 shall apply.

6.5 For the purposes of this Clause 6 the "**target opening date**" is the date which is:

- (a) in the case of a Supply Meter which is a Monthly Read Meter, 50 weeks; or
- (b) in the case of a Supply Meter which is an Annual Read Meter, 42 weeks

before the ending Meter Read.

7 NDM Offtake Quantities

7.1 The quantities nominated for offtake by Pipeline Users each Day from the Large Transporter System at the NDM CSEP, and the quantities determined (after each Day) to have been so offtaken at the NDM CSEP, will be determined on the same basis as is provided for in Section H of the UNC, in accordance with this Part F and in particular in accordance with Clause 9.4(a).

7.2 For the purposes of determining such quantities, for each Pipeline User, the NDM CSEP shall be treated for the purposes of the UNC (in accordance with Section A3.3.5) as comprising a Connected System Exit Point ("**User EUC CSEP**") in respect of all the Registered NDM Supply Meters Point belonging to an End User Category. Each User EUC CSEP may be a Smaller User EUC CSEP or a Larger User EUC CSEP.

7.3 For the purposes of this Code:

"**Smaller EUC CSEP**" in respect of a Pipeline User all of the Registered NDM Supply Meter Points comprised in Supply Points which have an Annual Quantity of not more than 73,200 kWh (2,500 therms);

"**Larger EUC CSEP**" in respect of a Pipeline User all of the Registered NDM Supply Meter Points comprised in Supply Points which have an Annual Quantity of more than 73,200 kWh (2,500 therms);

"Relevant EUC Supply Meter Points": the Registered NDM Supply Meter Points belonging to an End User Category;

"Aggregate EUC CSAQ": the amount of the aggregate of the Annual Quantities of the Relevant EUC Supply Meter Points multiplied by the applicable Pipeline Shrinkage Factor.

8 Calculation by the Pipeline Operator in respect of NDM Supply Point Components

- 8.1 The Pipeline Operator will calculate and provide to the Large Transporter, separately in respect of each Pipeline User and each CSEP User associated with that Pipeline User (for each such Pipeline User and CSEP User) in respect of each Larger EUC CSEP and Smaller EUC CSEP:
- (a) the Aggregate EUC CSAQ;
 - (b) the aggregate number of the Relevant EUC Supply Meter Points.
- 8.2 The information under Clause 8.1 is to be provided to the Large Transporter:
- (a) initially, not later than the Effective Date;
 - (b) thereafter, on each Wednesday (or if Wednesday is not a Business Day on the next Business Day) of each week (or at such other intervals as the Large Transporter and the Pipeline Operator may agree at any time after a period of 12 months following the Effective Date).

9 NDM Supply Meter Point Demand

- 9.1 The Large Transporter will calculate NDM Supply Meter Point Demand in respect of each User EUC CSEP (as defined in Clause 7.1).
- 9.2 For each User EUC CSEP the amount determined as **"NDM Supply Meter Point Demand"** will be calculated (in accordance with Section H2) on the basis that for the value of AQ (in the formula in Section H2.2) the value of the Aggregate EUC CSAQ is substituted and that the User EUC CSEP is treated as belonging to the applicable End User Category.
- 9.3 For each CSEP User in respect of the NDM CSEP the Nomination Quantity under its NDM Output Nomination, or (as the case may be) the UDQO, shall be the sum for all End User Categories of the amounts determined for such CSEP User under Clause 9.2.
- 9.4 The Large Transporter will:
- (a) before and during the Gas Flow Day, calculate (in accordance with Clause 9.2) Nomination Quantities and make and submit on behalf of relevant CSEP Users NDM Output Nominations (including Renominations) in respect of the NDM CSEP and such NDM Output Nominations (and Renominations) shall be deemed to have been submitted by such relevant CSEP Users; and
 - (b) not later than the 6th Day after the Gas Flow Day provide to the Pipeline Operator and the relevant CSEP User the amount (for each End User Category) determined under Clause 9.2 and the CSEP User's UDQO in respect of the NDM CSEP.

10 Reconciliation – DM CSEP

10.1 It is acknowledged that reconciliation in respect of the DM CSEP for the purposes of the UNC will be carried out by the Large Transporter pursuant to the terms of the LDZ CSEP Ancillary Agreement.

11 Reconciliation – NDM CSEP

11.1 On each occasion on which a Valid Meter Reading is received by the Pipeline Operator in a respect of an NDM Supply Meter Point comprised in a Larger Supply Point, the Pipeline Operator shall within 30 Days of receiving the same provide the details set out in Clause 11.2 to the Large Transporter.

11.2 The details referred to in Clause 11.1 are:

- (a) the Meter Read Date and the date of the immediately preceding Meter Read Date;
- (b) the Metered Volume
- (c) the name of the Pipeline User and the Logical Meter number to which the volume relates;
- (d) the Meter Reading Frequency for each Larger NDM Supply Meter Point.

11.3 It is acknowledged that for the purposes of the UNC, the Large Transporter will use the information provided pursuant to Clause 11.1 to determine Individual CSEP Reconciliation Quantities. Reconciliation in respect of Smaller Supply Points will be determined by the Large Transporter pursuant to the terms of the UNC.

11.4 Notwithstanding the fact that the Large Transporter may require CSEP Reconciliation under the UNC, the Pipeline Operator shall not be required to make any adjustment to any Invoice Amount as a result thereof unless the Pipeline Operator agrees that without such adjustment, the Pipeline User would make or would have made a payment which is materially more or less than that which would be or have been required if CSEP Reconciliation were to be taken into account.

12 Pipeline shrinkage

12.1 For the purposes of this Code:

- (a) **"Pipeline Shrinkage"**: means gas offtaken from the Large Transporter System at the LT Connection Point which is lost from or unaccounted for as offtaken from the Pipeline, including gas lost or unaccounted for by reason of leakage, theft, meter error and meter correction.
- (b) **"Pipeline Shrinkage Factor"**: is a factor calculated (as an average for all Days in the Gas Year), for any quantity to be offtaken from the Large Transporter System at the LT Connection Point, as the sum of such quantity and the Pipeline Shrinkage attributable thereto divided by such quantity.

13 Calculation of Pipeline Shrinkage Factor

13.1 Not later than 1st August in each Gas Year the Pipeline Operator shall:

- (a) in good faith and as accurately as is reasonably practicable:

- (i) assess whether the Pipeline Shrinkage Factor will in the current Gas Year have accurately reflected Pipeline Shrinkage; and
 - (ii) estimate (in accordance with Clause 13.2) the value of the Pipeline Shrinkage Factor to apply in the following Gas Year;
 - (b) provide to the Large Transporter such estimated value and assessment and details (sufficient to enable the Large Transporter to verify the same) of the basis on which such value was estimated and assessment was made.
- 13.2 The value of the Pipeline Shrinkage Factor to apply in a particular Gas Year shall be established so as to take account of the extent by which (in accordance with Clause 13.1(a)(i)) it is assessed that Pipeline Shrinkage in the preceding year will be over or under-estimated.
- 13.3 Each Pipeline User shall provide to the Pipeline Operator in a timely manner all relevant information in order to help the Pipeline Operator to comply with its obligations under clause 13.1(a).
- 13.4 The Pipeline Operator shall negotiate in good faith with the Large Transporter in respect of the determination of the Pipeline Shrinkage Factor, and shall use (as far as is reasonably practicable) the information provided to the Pipeline Operator by Pipeline Users in accordance with Clause 13.3.

PART G PIPELINE TRANSPORTATION CHARGES, INVOICING, PAYMENT AND CODE CREDIT

1 Transportation Charges

1.1 For the purposes of the Code:

- (a) "**Transportation Charges**" are charges payable by a Pipeline User in respect of a transportation arrangement under the Code, and (subject to Clause 1.3) are those charges identifiable as such in the Transportation Statement; and
- (b) the "**Transportation Statement**" is the prevailing statement furnished by the Pipeline Operator to the Authority pursuant to the terms of the Pipeline Operator's Licence.

1.2 Where any element of a Transportation Charge is payable by a Pipeline User pursuant to a contract other than one made upon the terms of the Code, such element shall not in addition be payable under the Code.

1.3 The further provisions of the Code set out the basis on which Transportation Charges are payable by Pipeline Users; provided that (subject to Clause 2.2) where:

- (a) the prevailing Transportation Statement provides for any charge which is not provided for in the Code; and
- (b) the amount payable by way of such charge in any case is capable of being determined by reference to the provisions of the Code prevailing at the time

such charge shall be a Transportation Charge and shall be payable by Pipeline Users or Pipeline Users of such class in accordance with the relevant provisions of the Transportation Statement and further provided that for the avoidance of doubt, Transportation Charges are determined by

- (a) reference to the methodologies referred to in; or
- (b) as otherwise determined by

the Pipeline Operator's Licence.

1.4 For the avoidance of doubt Clause 1.3(b) shall not be taken as requiring that the Code should provide for the determination or (other than by virtue of Clause 7.8) payment of any such charge as is therein referred to.

1.5 The basis on which the Pipeline Operator will reduce any Transportation Charges pursuant to paragraph 5 of Standard Condition 7 of the Pipeline Operator's Licence is not contained in the Code; and nothing contained in the Code shall be taken to prevent the Pipeline Operator from reducing such charges in accordance with that Standard Condition.

2 Rates and amount of Transportation Charges

2.1 Subject to Clause 2.2 to 2.4, the amount or rate of any Transportation Charge payable at any time by a Pipeline User shall be determined in accordance with the Transportation Statement in force at the time such Transportation Charge accrues (irrespective of when it is due for payment); and accordingly the rate of the Transportation Charges payable by a

Pipeline User may vary during the period for which the Pipeline User holds any Capacity or is the Registered User of any Supply Point.

- 2.2 The Pipeline Operator agrees that except where any other provision of the Pipeline Operator's Licence requires notice of a shorter period to be given each notice given by it to the Authority pursuant to paragraph 2(b) of Standard Condition 4 of the Pipeline Operator's Licence will be given, and published in accordance with paragraph 2(a) of Standard Condition 4 thereof, not less than 60 Days before the date on which its proposals therein referred to are (pursuant to a revised Transportation Statement) to be implemented, except where any other provision of the Pipeline Operator's Licence requires notice of a shorter period to be given.
- 2.3 In accordance with paragraph 4 of Standard Condition 4 of the Pipeline Operator's Licence, the amount or rate of any Transportation Charge may with the approval of the Authority differ from what is provided for in the Transportation Statement.
- 2.4 In respect of any Transportation Charge in respect of a point on the Pipeline:
- (a) in the case of a Transportation Charge in respect of an amount of Capacity, the "**Applicable Daily Rate**" is the daily rate of such charge, in pence per kWh/Day of Capacity; and the "**Applicable Annual Rate**" is 365 times the Applicable Daily Rate;
 - (b) in the case of a Transportation Charge which is determined by reference to a quantity of gas flow or gas offtaken, the "**Applicable Commodity Rate**" is the rate of such charge, in pence per kWh of gas flow;
- in each case in accordance with Clause 2.1 to 2.3, and (where any such rate varies according to the time of year) as applicable from time to time.
- 2.5 Subject to Clause 2.3, where the prevailing Transportation Statement does not provide for the determination of any particular Transportation Charge in any particular case, the rate of such Transportation Charge shall be deemed to be zero.

3 Invoicing

- 3.1 The amounts payable by Pipeline Users to the Pipeline Operator and by the Pipeline Operator to Pipeline Users in accordance with the Code will be invoiced and payable in accordance with this Part G.
- 3.2 The Pipeline Operator will submit to each Pipeline User Invoice Documents in respect of each Billing Period in accordance with this Part G.
- 3.3 For the purposes of this Part G:
- (a) subject to Clause 3.4, a "**Billing Period**" is a calendar month;
 - (b) a "**Billing Day**" is a Day in a Billing Period;
 - (c) an "**Invoice Document**" is an invoice document submitted by the Pipeline Operator to a Pipeline User pursuant to this Part G;
 - (d) an "**Invoice Item**" is an item (in respect of all charges of a particular kind) shown as payable by the Pipeline Operator or by a Pipeline User in an Invoice Document;

- (e) the "**Invoice Amount**" in relation to an Invoice Item is the amount shown as payable by the Pipeline User or the Pipeline Operator in respect of that item under the relevant Invoice Document.

3.4 A reference to a Billing Period in the context of an Invoice Document containing an adjustment pursuant to Clause 8 or interest payable pursuant to the provisions of this Part G is to the period from the date of accrual of the first to that of the last accruing amount contained in such Invoice Document.

4 Invoice Document

4.1 Each Invoice Document will specify:

- (a) the identity of the Pipeline User;
- (b) the Billing Period to which the Invoice Document (other than as respects any Invoice Credit) relates;
- (c) in respect of each Invoice Item, the Invoice Amount;
- (d) a unique number by which the Invoice Document may be identified, and a reference number for each Invoice Item;
- (e) the amount of Value Added Tax (if any) payable in respect of each Invoice Item and any further details required pursuant to the Value Added Tax Regulations 1995;
- (f) the current date; and
- (g) the Invoice Due Date.

4.2 Adjustments by way of credit ("**Invoice Credit**") in respect of an Invoice Amount will unless the Pipeline Operator's Network Code provides otherwise be contained in separate Invoice Documents.

4.3 An Invoice Document which contains an Invoice Credit will also identify the Invoice Document and Invoice Item to which the Invoice Credit relates and the amount of Invoice Credit.

4.4 An Invoice Document shall take effect as a separate invoice in respect of each Invoice Item, but without prejudice to Clause 15.

4.5 Unless the Pipeline Operator's Network Code provides otherwise, (in which case the Invoice Remittance Advice will be provided and completed by the Pipeline User, each Invoice Document will be accompanied by a remittance advice ("**Invoice Remittance Advice**") to be completed by the Pipeline User.

4.6 Where the Pipeline Operator's Network Code so provides, the Pipeline Operator will submit Invoice Documents to Pipeline Users by System Communication in the form and the manner described in the Manual and subject to Clause 4.7 will be accompanied by the supporting data specified in respect of each item in the Manual (the supporting data in respect of any such System Communication comprising all data contained therein other than that described in Clause 4.1).

4.7 An Invoice Document submitted pursuant to Clause 4.6 will not be invalid solely by reason of its not being accompanied by any particular item of supporting data but (in accordance

with Clause 16(c)(i), the specificity of any Invoice Query will depend on the extent to which such data was provided.

- 4.8 Where Clause 4.6 does not apply, Invoice Documents will be submitted in the manner and format determined by the Pipeline Operator.

5 Invoice Timing

- 5.1 The Pipeline Operator shall render to the Pipeline User by no later than the 5th Business Day after each Billing Period an Invoice Document in respect of that Billing Period.
- 5.2 No delay by the Pipeline Operator in submitting an Invoice Document shall prejudice the liability (once such an Invoice Document has been submitted) of the Pipeline Operator or the Pipeline User for the amounts shown subject thereto.

6 Value Added Tax

All amounts expressed as payable by a Pipeline User or the Pipeline Operator pursuant to the Code, and whether the amount thereof is set out in the Code or determined by reference to the Transportation Statement or otherwise, are exclusive (unless expressly otherwise stated) of any applicable Value Added Tax (and accordingly Value Added Tax shall be paid by the paying party where payable in respect of any such amount).

7 Termination and Insolvency

- 7.1 The Pipeline Operator may at any time (whether before or after the User Discontinuance Date) after submitting to a Pipeline User a Termination Notice under Part K submit to that Pipeline User any Invoice Document in respect of any Billing Period or part of a Billing Period ending at or before the time at which the Pipeline Operator submits such Invoice Document.
- 7.2 Where the Pipeline Operator has submitted a Termination Notice to a Pipeline User, all amounts payable by that Pipeline User to the Pipeline Operator or by the Pipeline Operator to the Pipeline User (whether the Invoice Document in which such amounts are shown was submitted before or after the date of the Termination Notice) shall be immediately payable notwithstanding Clause 9.
- 7.3 Notwithstanding Clause 5, the Pipeline Operator may, at any time on or following the occurrence of any of the events set out in Part K7.1(c) in relation to any Pipeline User, submit to that Pipeline User any Invoice Document in respect of any Billing Period or part of a Billing Period ending at or before the time at which the Pipeline Operator submits such Invoice Document.
- 7.4 In relation to a Pipeline User, on the occurrence of any of the events set out in Part K7.1(c), all amounts payable to the Pipeline Operator (whether the Invoice Document in which such amounts are shown was submitted before or after the date of the occurrence of any of the events set out in Part K7.1(c)) shall be immediately payable notwithstanding Clause 9.

8 Invoice adjustment

- 8.1 Subject to Clause 8.3 where it appears to the Pipeline Operator that any Invoice Amount has been incorrectly stated in an Invoice Document, the Invoice Amount will be adjusted.

- 8.2 An adjustment (by way of debit) representing an increase in an Invoice Amount shall be a new Invoice Amount in respect of which the Invoice Due Date will be the Invoice Due Date of the relevant Invoice Document.
- 8.3 In the absence of fraud, after the expiry of 18 months (or any other period agreed between the Pipeline Operator and the Pipeline User) after the Invoice Due Date (in accordance with Clause 9.1) in respect of any Invoice Document:
- (a) no adjustment may be made to an Invoice Amount under that Invoice Document, other than:
 - (i) an adjustment of which the Pipeline Operator has given notice to the Pipeline User; or
 - (ii) an adjustment pursuant to an Invoice Query raised by a Pipeline User (in accordance with Clause 15)before the expiry of such period;
 - (b) no Invoice Query may be raised in respect of the Invoice Document; and
 - (c) the Invoice Document shall (subject to any adjustments already made and any permitted under paragraph (a)) be deemed to be final and conclusive as to the amounts shown as payable thereunder.

9 Invoice Due Date

- 9.1 Subject to Clauses 7.3, 7.4 and 16.2, the Invoice Amounts under each Invoice Document shall be paid (by the Pipeline User to the Pipeline Operator or by the Pipeline Operator to the Pipeline User, as the case may be) on or before the Invoice Due Date.
- 9.2 The "**Invoice Due Date**" in respect of an Invoice Document is the date ending at 24:00 hours on:
- (a) subject to paragraph (b), whichever is the later of:
 - (i) the 12th Day after the Day on which the Invoice Document was deemed to be received in accordance with the provisions of the Code; and
 - (ii) the 20th Day after the last Day of the Billing Period to which the Invoice Document relates;
 - (b) where the Day (the "**target due date**") determined under paragraph (a) is not a Business Day:
 - (i) subject to paragraph (ii), the Business Day (whether before or after the target due date) which is nearest to the target due date; or
 - (ii) if the nearest Business Days before and after the target date are equally near, the nearest Business Day after the target due date.

10 Payment Details

- 10.1 Payment of any amount payable under the Code shall be made in pounds sterling in same day funds to the account of the payee at the bank in the United Kingdom notified to the paying party in accordance with Clause 10.2.
- 10.2 The Pipeline Operator will notify each Pipeline User, and each Pipeline User shall notify the Pipeline Operator, of the account name and number, and the name, address and sort code of the account bank, to which payments to the Pipeline Operator by such Pipeline User or (as the case may be) to such Pipeline User by the Pipeline Operator are to be made, within 5 Business Days after the User Accession Date, and of any change in such details not less than 30 Days before such change occurs.
- 10.3 The payer shall instruct the bank remitting payment of any amount payable under the Code to quote the number (under Clause 4.1(d)) of the relevant Invoice Document to the payee's bank when remitting such payment.
- 10.4 Where a Pipeline User is an Affiliate of the Pipeline Operator, the Pipeline Operator may permit payment by internal accounting transfer or other mechanism.

11 Deductions, withholdings, taxes etc

- 11.1 Without prejudice to Clause 16.2, amounts payable under the Code shall be paid:
- (a) free and clear of any restriction, reservation or condition; and
 - (b) except to the extent (if any) required by law, without deduction or withholding in respect of tax or on account of any amount due or to become due to the paying party, whether by way of set off, counterclaim or otherwise.
- 11.2 If, in respect of payment to be made to the Pipeline Operator by a Pipeline User, any deduction or withholding is required to be made by the law of any country other than a country of the United Kingdom, the Pipeline User shall:
- (a) ensure that the amount of such withholding or deduction does not exceed the minimum so required;
 - (b) forthwith pay the Pipeline Operator such additional amounts as will ensure that the net amount received by the Pipeline Operator will be equal to that which would have been received had no deduction or withholding been made; and
 - (c) pay the amount withheld or deducted to the relevant authority in accordance with the relevant requirement of law, and provide to the payee a receipt issued by such authority or (if such receipt is not available) a certificate in respect of such payment.

12 Remittance Advice

- 12.1 Where payment of any amount is made pursuant to an Invoice Document, the Pipeline User shall complete and submit to the payee the Invoice Remittance Advice not later than the Day on which payment is made (but no inability of the Pipeline User to do so shall affect its obligation to make payment).
- 12.2 The completed Invoice Remittance Advice shall specify:
- (a) the date when payment is to be made;

- (b) the amounts, by reference to each Invoice Item (payable to the Pipeline Operator) specified in the Invoice Document, in respect of which the payment is to be made, and the total amount to be paid;
- (c) any amount or amounts, by reference to each Invoice Item, in respect of which payment is not being made pursuant to Clause 16.2.

- 12.3 Where the Pipeline Operator makes payment of any amount pursuant to an Invoice Document, the Pipeline Operator will not later than the date on which payment is made notify the Pipeline User of details equivalent to those to be specified in an Invoice Remittance Advice pursuant to Clause 12.2 (but no inability of the Pipeline Operator to do so shall affect its obligation to make payment).
- 12.4 Where the Pipeline Operator or a Pipeline User makes a payment under more than one Invoice Document on the same Day, it shall secure that a separate remittance is made in respect of each Invoice Document.
- 12.5 Where the Invoice Document number is not quoted (in accordance with Clause 3.4.4) with any remittance made by or on behalf of a Pipeline User, and no Invoice Remittance Advice corresponding to the remittance is submitted, the Pipeline Operator will endeavour to obtain the Pipeline User's instructions (by telephone or facsimile) as to the application thereof; but if it has not (by the Business Day following the Day of the remittance) obtained such instructions, the Pipeline Operator will apply the amount remitted to or towards Invoice Amount(s) in order of Invoice Due Date (the earliest first) and proportionately as between Invoice Amounts with the same Invoice Due Date, but applying such amount last to any Invoice Amounts which are subject to an Invoice Query

13 Late Payment

- 13.1 Without prejudice to Part K, where any amount payable under an Invoice is not paid on or before the Invoice Due Date, the paying party shall pay interest, after as well as before judgement at the Applicable Interest Rate, on the unpaid amount from the Invoice Due Date until the Day on which payment is made.
- 13.2 For the avoidance of doubt Clause 13.1 shall not be construed as permitting late payment of any Invoice Amount.
- 13.3 Without prejudice to any other rights of the Pipeline Operator under the Code, including without limitation those under Part K7, where in relation to any amount (or amounts in aggregate) of not less than £5,000 which has become due for payment by a Pipeline User under the Code (excluding for the avoidance of doubt amounts which are the subject of an Invoice Query which by virtue of Clause 16.2 have not become due for payment) and the relevant Pipeline User has not paid the amount in full by the due date for payment, the Pipeline Operator shall be entitled to reject or refuse to accept all or any of the following by the relevant Pipeline User:
- (a) an application for increased DM Capacity under Part CII;
 - (b) a Supply Point Nomination or Supply Point Confirmation under Part CI other than a Supply Point Renomination or Supply Point Reconfirmation (unless made in the context of an application under paragraph (a) above)

with effect from the day after the due date for payment until such time as the relevant Pipeline User has paid the amount due for payment in full.

14 Interest

- 14.1 Where pursuant to any provisions of this Part G interest is payable by the Pipeline Operator or a Pipeline User, such interest shall accrue on a daily basis and on the basis of a 365 day year.
- 14.2 Interest payable under this Part G will be compounded to the extent and by virtue of being invoiced (not more frequently than each calendar month) in an Invoice Document, late payment of which will itself be subject to interest under this Clause 14.
- 14.3 The "**Applicable Interest Rate**" is the rate of interest, expressed as a percentage rate per annum, payable in respect of amounts overdue for payment, or subject to repayment, under the Code.
- 14.4 The Applicable Interest Rate shall be the base rate for the time being of Lloyds Bank Plc plus:
- (a) except as provided in paragraph (b) three (3) percentage points per annum;
 - (b) for the purposes only of Clauses 16 and 17, one (1) percentage point per annum.

15 Invoice Queries

- 15.1 For the purpose of this Part G an "**Invoice Query**" is any question or dispute as to the proper calculation of any amount shown as payable by a Pipeline User or the Pipeline Operator under an Invoice Document or as to whether any such amount is or was properly payable and references to the amount of an Invoice Query are to the amount by which the Pipeline User submitting the Invoice Query considers the Invoice Amount to be incorrect.
- 15.2 A Pipeline User may notify an Invoice Query (subject to Clause 15.3) by telephone or by Conventional Notice.
- 15.3 Where a Pipeline User notifies an Invoice Query by telephone, the Pipeline Operator may (at the time of the telephone communication) require that the Invoice Query be notified by Conventional Notice, in which case the Invoice Query shall be deemed not to have been raised for the purposes of Clause 16.1 until so notified.
- 15.4 The Pipeline Operator and the relevant Pipeline User will endeavour to resolve Invoice Queries by agreement.
- 15.5 Any reference in this Part G:
- (a) to the resolution of an Invoice Query is a reference to the resolution thereof by agreement (at any time) between the Pipeline Operator and the relevant Pipeline User or by determination thereof (in accordance with paragraph (b));
 - (b) to the determination of an Invoice Query is a reference:
 - (i) to the resolution of a dispute in respect thereof under any provision of Part K where applicable;
 - (ii) except as provided in paragraph (i), to the outcome of any proceedings commenced by the Pipeline Operator or the relevant Pipeline User in respect thereof.

16 Invoice Queries before Payment

- 16.1 Where a Pipeline User wishes to raise any Invoice Query in respect of an amount shown as payable by the Pipeline User under an Invoice Document, the Pipeline User may, not later than the Day before the Invoice Due Date, notify (in accordance with Clause 15.2 and 15.3) such Invoice Query to the Pipeline Operator, specifying:
- (a) the date and number of the Invoice Document;
 - (b) the Invoice Item to which the Invoice Query relates;
 - (c) an explanation of the basis on which the Invoice Query arises, and the amount of the Invoice Amount which is subject to the Invoice Query:
 - (i) identified by reference to the particular item of supporting data in respect of which the Invoice Query arises, on the basis of the level of greatest detail of such supporting data provided to the extent that such data was provided by the Pipeline Operator; and
 - (ii) where the basis of the Invoice Query is that the value of any parameter by reference to which the Invoice Amount is determined is incorrectly stated in such supporting data, the amount (estimated accurately as is reasonably practicable) by which such value is incorrectly stated;
 - (d) the amount of the Invoice Amount which is not subject to the Invoice Query, determined on the basis that only so much of the Invoice Amount as is identified in paragraph (c) is subject to the Invoice Query.
- 16.2 Where a Pipeline User raises an Invoice Query in accordance with the requirements of Clause 16.1 (but not otherwise), the amount subject to the Invoice Query (in accordance with Clause 16.1(c)) shall not be payable on the Invoice Due Date, but without prejudice to Clause 16.4.
- 16.3 Except as provided in Clause 16.2, but without prejudice to Clause 17.1, the whole amount shown as payable by a Pipeline User in any Invoice Document shall be payable on the Invoice Due Date.
- 16.4 Where pursuant to Clause 16.2 any amount is not paid on the Invoice Due Date by a Pipeline User, the amount (if any) which is agreed or determined (following resolution of the Invoice Query) to be payable by the Pipeline User shall be payable upon such resolution, and interest from the Invoice Due Date shall be payable in accordance with Clause 13 (but subject to Clause 16.5) on such amount.
- 16.5 For the purposes of Clause 16.4, where it is agreed or determined that the question or dispute the subject of the Invoice Query pursuant to Clause 16.2 was a bona fide question or dispute, the Applicable Interest Rate shall be the rate under Clause 14.4(b) until the expiry of 2 Business Days after the date of resolution of the Invoice Query.

17 Other Invoice Queries

- 17.1 Subject to Clause 8.3, nothing in this Part G shall prevent a Pipeline User from raising any Invoice Query other than pursuant to Clause 16.1, including in respect of any amount after payment has been made in respect of such amount, or from paying any such amount at the same time as notifying an Invoice Query in respect thereof; provided that (without prejudice

to the resolution of the Invoice Query) no constructive trust or other implied term as to the receipt or application by the payee of the amount paid shall arise.

- 17.2 Where, upon the resolution of an Invoice Query or otherwise, it is agreed or determined that any amount or part of any amount paid should not have been paid, the payee shall repay such overpaid amount with interest at the Applicable Interest Rate from the date on which payment was made to it or if later the Invoice Due Date until the date of such repayment.

18 Invoicing of resolved Queries

- 18.1 As soon as reasonably practicable after any Invoice Query is resolved, and in any event by the end of the second following month, the Pipeline Operator will prepare and submit to the relevant Pipeline User an appropriate Invoice Document in respect of the amount (if any) agreed or determined to be payable to or repayable (including the amount (if any) of any interest payable) by the Pipeline Operator or the relevant Pipeline User.

19 Code Credit Rules

- 19.1 The Pipeline Operator may if its Network Code so provides operate Code Credit Rules pursuant to which it will determine and assign to each Pipeline User a Code Credit Limit and may require a Pipeline User to provide surety or security. The provisions detailing the operation of the Code Credit Rules and the consequences of Pipeline Users being assigned Code Credit Limits will be detailed in the Pipeline Operator's Network Code.
- 19.2 For the purposes of the Code;
- (a) **"Code Credit Rules"** are the rules so entitled and established and revised from time to time by the Pipeline Operator;
 - (b) **"Code Credit Limit"** is an amount representing a Pipeline User's limit of indebtedness to the Pipeline Operator as more particularly defined in the Pipeline Operator's Network Code.

PART H SYSTEM MAINTENANCE AND PLANNING

1 Programmed maintenance

1.1 For the purposes of this Part H:

- (a) **"Maintenance Programme"**: is a programme (or updated programme) of planned maintenance of the Pipeline;
- (b) references to maintenance of any part of the Pipeline include any inspection, repair, replacement, reinstatement and recommissioning thereof, and works preparatory to such maintenance and testing of the same and any works required for the return to service of such part of the Pipeline after such maintenance.

1.2 The Pipeline Operator may require Pipeline Users to provide information to the Pipeline Operator in accordance with this Part H for the purposes of enabling the Pipeline Operator:

- (a) to plan (on a weekly basis) the operation of the Pipeline;
- (b) to comply with its obligations pursuant to applicable Legal Requirements in relation to the maintenance of the Pipeline;
- (c) to prepare Maintenance Programmes.

2 Maintenance Programme

2.1 Each year the Pipeline Operator will establish and update a Maintenance Programme as it considers necessary.

2.2 The Pipeline Operator will use reasonable endeavours to co-ordinate its Maintenance Programme with the maintenance of the Large Transporter System in accordance with Section L4.

2.3 For the avoidance of doubt Force Majeure affecting the Pipeline Operator will include maintenance by the Upstream System Operators of the Upstream Systems affecting the Connection Point.

2.4 The Pipeline Operator will notify the Pipeline Users as soon as reasonably practicable of any maintenance affecting the Connection Point notified to it by any Upstream System Operator.

3 Programmed Maintenance

3.1 Subject to Clause 3.3 maintenance of any part of the Pipeline carried out by the Pipeline Operator on any Day is **"Programmed Maintenance"** as respects any Pipeline User in relation to a Supply Point where:

- (a) such Day was a Day on which maintenance was planned under the Maintenance Programme; or
- (b) in the case of a Day on which maintenance was not planned under the Maintenance Programme:

- (i) in the case of a Supply Point whose Annual Quantity does not exceed 73,200 kWh (2,500 therms) the Pipeline Operator gives to the Consumer not less than seven Days notice (or with the Consumer's consent less notice) of the carrying out of such maintenance on such Day and the Pipeline Operator is not required to give any notice thereof to the Registered User but shall endeavour to inform the Registered User of what has been agreed with the Consumer;
- (ii) in the case of a Supply Point whose Annual Quantity exceeds 732,000 kWh (25,000 therms), the Pipeline Operator gives to the Pipeline User the notification required under Clause 3.2 not less than 30 Days before the Day on which maintenance is carried out ("**maintenance day**"); or
- (iii) in the case of a Supply Point whose Annual Quantity exceeds 73,200 kWh (2,500 therms) but does not exceed 732,000 kWh (25,000 therms), the Pipeline Operator gives to the Pipeline User the notification required under Clause 3.2 not less than 7 Days before the maintenance day.
- (iv) in the case of the Connection Point the Pipeline Operator gives to the Pipeline User the notification required under Clause 3.2 not less than 30 Days before the maintenance day.

3.2 For the purposes of Clause 3.1(b):

- (a) the notification required is a notification that the availability of gas for offtake, or (in the case of the Connection Point) ability of the Pipeline Operator to accept delivery of gas will be affected by the carrying out of such maintenance;
- (b) in respect of a Supply Point, the notification is required to be given only where at the time the notification is required to be given, the Pipeline User is the Registered User of such Supply Point.

3.3 Where in respect of a Day maintenance by the Upstream System Operators of the Upstream Systems affects the Connection Point, Pipeline Users acknowledge that the Pipeline Operator may not be able to give the period of notice required pursuant to Clause 3.2. Accordingly, in such circumstances, the Pipeline Users agree that the Pipeline Operator shall be entitled to give such lesser period of notice in respect of maintenance on such Day as it is practicable for the Pipeline Operator to give and that maintenance in respect of such Day shall, notwithstanding such lesser period of notice, be Programmed Maintenance.

4 Offtake of gas during Programmed Maintenance

4.1 To the extent that on any Day by reason of Programmed Maintenance it is not feasible for the Pipeline Operator to make available gas for offtake from the Pipeline by a Pipeline User at a Supply Meter Point or to accept into the Pipeline at the Connection Point gas tendered for delivery by a Pipeline User or, in either case, its ability to do so is restricted:

- (a) such Supply Meter Point or Connection Point is a "**Maintenance Affected Point**"; and
- (b) subject to Clause 4.2, the Pipeline Operator will be relieved of its obligations to make gas available for offtake from the Pipeline at such Supply Meter Point.

- 4.2 Subject to Clause 4.3 and Part K, the Pipeline Operator will not be relieved by virtue of Clause 4.1(b) of its obligations therein referred to in respect of a Maintenance Affected Point:
- (a) in the case of the Connection Point (where the maintenance is on the Pipeline and not on the Upstream System) on more than the number of Days identified in the Maintenance Programme
 - (b) in the case of a Supply Point whose Annual Quantity exceeds 732,000 kWh (25,000 *therms*), on more than 8 Days in any Gas Year or on more than 20 Days in any three consecutive Gas Years;
 - (c) in the case of a Supply Point whose Annual Quantity exceeds 73,200 kWh (2,500 *therms*) but does not exceed 732,000 kWh (25,000 *therms*) on more than 5 Days in any Gas Year or on more than 10 Days in any 5 consecutive Gas Years; or
 - (d) in the case of a Supply Point whose Annual Quantity does not exceed 73,200 (2,500 *therms*) for a period exceeding twenty-four (24) hours (or any longer period requested by the Consumer) on any one occasion.
- 4.3 Where for reasons of Force Majeure, including any failure of a Consumer after being so requested to provide any required access to Supply Point Premises, the Pipeline Operator is unable to commence or to complete any Programmed Maintenance in respect of any Supply Meter Point:
- (a) the relevant number of Days or period specified in or pursuant to Clause 4.2 shall be increased by such period for which the completion of the Programmed Maintenance was delayed by reasons of Force Majeure;
 - (b) if the Pipeline Operator has commenced such Programmed Maintenance, for so long as the Pipeline Operator is unable to carry out or to continue to carry out the Programmed Maintenance, such point shall nevertheless continue to be a Maintenance Affected Point.
- 4.4 For the avoidance of doubt a Pipeline User will remain liable to pay Transportation Charges in respect of Capacity notwithstanding that the Pipeline Operator is unable to accept delivery of gas or make gas available for offtake at such point by reason of the carrying out of maintenance of the Pipeline.
- 4.5 If requested by the Pipeline Operator the Registered User will co-operate with the Pipeline Operator with a view to ensuring that the offtake of gas is discontinued at any Supply Point which is (and for so long as it continues to be) a Maintenance Affected Point.

5 Co-operation

- 5.1 Where the operation of any Pipeline inspection or maintenance equipment in either any Upstream System or the Pipeline requires for a period a specific even rate of offtake of gas from the Upstream System at the Connection Point, the Pipeline User will (and will procure that any Upstream System User from whom it acquires gas at the Connection Point will) co-operate as far as reasonably practicable with the Upstream System Operator and the Pipeline Operator with a view to ensuring that such rate of offtake is maintained for such period.

6 System Planning

- 6.1 Each year the Pipeline Operator will make assumptions in respect of the demand for gas (including shrinkage) and in respect of the Pipeline and its use.
- 6.2 Each Pipeline User will co-operate with the Pipeline Operator in the provision of information reasonably available to such Pipeline User to enable the Pipeline Operator to comply with its obligations pursuant to the Act and the Pipeline Operator's Licence in relation to the development of the Pipeline and to make assumptions pursuant to Clause 6.1.

PART I EMERGENCIES

1 Emergency

- 1.1 The provisions of this Part I shall apply for the purposes of a Local Emergency and/or an Emergency.
- 1.2 A "**Local Emergency**" is a local gas supply emergency as referred to in the NEC Safety Case affecting the Pipeline which is not an Emergency for the purposes of the UNC.
- 1.3 A "**Large Firm Supply Point**" is a Firm Supply Point whose Annual Quantity is greater than 732,000 kWh (25,000 therms)
- 1.4 The "**NEC**" means the person from time to time who is the network emergency co-ordinator in accordance with the Regulations.
- 1.5 The "**NEC Safety Case**" means the safety case (in accordance with Regulation 2(5)) of the NEC.
- 1.6 "**Regulations**" means the Gas Safety (Management) Regulations 1996 and reference to particular Regulations shall be construed accordingly.
- 1.7 Reference to an "**Emergency**" shall mean a "Gas Supply Emergency" as defined in the UNC.
- 1.8 "**Network Gas Supply Emergency**" shall have the same meaning as in the UNC.
- 1.9 The Pipeline Operator confirms that in its opinion any Local Emergency will constitute a pipeline system emergency (in accordance with paragraph 1(b) of standard condition 5 of the Shipper's Licence) affecting the Pipeline.
- 1.10 Pipeline Users acknowledge that in respect of any Emergency for the purposes of the UNC instructions from the Large Transporter will be complied with pursuant to the UNC.
- 1.11 Pipeline Users agree that in the circumstances of an Emergency which also affects the Pipeline, the Large Transporter may give instructions to Consumers in relation to the reduction or discontinuance of offtake at Supply Points. Pipeline Users shall secure in contract with Consumers at Larger Supply Points that the Consumer shall use best endeavours to reduce or discontinue from using gas immediately upon being instructed to do so by the Large Transporter.
- 1.12 In the circumstances described in Clause 1.11, Registered Users of Large Firm Supply Points further agree that the Pipeline Operator may provide to the Large Transporter such details in respect of such Large Firm Supply Points as the Large Transporter may require to enable them to secure reduction or discontinuance of offtake at such Large Firm Supply Points.
- 1.13 The Pipeline Operator may agree pursuant to a NExA or otherwise with an Upstream System Operator or a Downstream System Operator upon a procedure or steps to be taken in a Local Emergency and/or an Emergency and may give effect to such procedure or steps in addition to or in lieu of any Emergency Steps pursuant to this Part I.
- 1.14 The provisions of the Manual (if any) as to the giving of Code Communications are without prejudice to the provisions of the Local Emergency Procedures and such other

requirements as the Pipeline Operator may specify for communicating in an Emergency, Network Gas Supply Emergency or Local Emergency.

2 Local Emergency Procedures

- 2.1 "Local Emergency Procedures" are procedures issued to Pipeline Users by the Pipeline Operator from time to time relating to information flows and steps to be taken in the event of a Local Emergency.
- 2.2 Nothing in the Local Emergency Procedures or the Code shall limit the ability of the Pipeline Operator to take any action or step necessary in its judgement in the interests of safety to the public or property in the event of a Local Emergency.
- 2.3 The existence of a Local Emergency shall be determined by the Pipeline Operator in its sole judgment and irrespective of the cause of and of whether the Pipeline Operator or any other person may have caused or contributed to the Local Emergency.
- 2.4 A Local Emergency will continue until such time as the Pipeline Operator determines that the circumstances which resulted in or might result in a supply emergency (as defined in the Regulations) no longer apply, that no further Emergency Steps are required and that normal operation of the Pipeline and implementation of the Code may be resumed.

3 Emergency Steps

- 3.1 For the purposes of the Code "**Emergency Steps**" are steps to be taken by the Pipeline Operator or a Pipeline User:
 - (a) to avert and/or to reduce the probability of or the probable scale of a Local Emergency and/or an Emergency and/or to prepare for the occurrence of a Local Emergency and/or an Emergency; or
 - (b) to overcome or contain a Local Emergency and/or an Emergency and/or to avert or reduce the hazard presented by it and/or restore gas supply and normal operation of the Pipeline and facilitate appropriate reinstatement of the provisions of the Code following the taking of any such steps.
- 3.2 No Emergency Step taken or other thing done or not done by the Pipeline Operator or any Pipeline User pursuant to (and in compliance with any requirements under) this Part I or paragraph 2 of Condition 5 of the Shipper's Licence shall be a breach of any provision of the Code; and in particular the Pipeline Operator will not be required to accept gas tendered for delivery to the Pipeline or to make gas available for offtake from the Pipeline 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 specification requirements referred to in Part J.

4 Priority Consumers

- 4.1 For the purposes of this Part I:
 - (a) a "**Priority Consumer**" is a Consumer whose name appears on the list established (and from time to time amended) by the Pipeline Operator in accordance with the Pipeline Operator's Licence; and the relevant Supply Point is a "**Priority Supply Point**".

- (b) **“Priority Criteria”** means the criteria designated by the Secretary of State 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 Pipeline Operator may from time to time notify to Pipeline Users for the purposes of assisting the Pipeline Operator to determine which Consumers should be given priority in accordance with the Pipeline Operator’s Licence.

5 Pipeline User emergency contacts

- 5.1 Each Pipeline User shall provide to the Pipeline Operator:
 - (a) a single telephone number and a single facsimile number by means of each of which the Pipeline Operator may contact, 24 hours a Day, a representative of the Pipeline User in an Emergency or Local Emergency for any purpose pursuant to this Part I;
 - (b) the name(s) or title(s) of the Pipeline User’s representatives who may be contacted at such numbers.
- 5.2 Each such representative shall be a person having appropriate authority and responsibilities within the Pipeline User’s organisation to act as the primary contact for the Pipeline Operator in the event of a Local Emergency.
- 5.3 The details required under Clause 5.1 shall be provided by an Applicant User before becoming a Pipeline User and shall at all times be maintained up to date; and for these purposes the Pipeline User shall notify to the Pipeline Operator any change to such details promptly and where possible in advance.
- 5.4 Pipeline Users are required to comply with the requirements in Clauses 5 to 10 with a view to ensuring an adequate level of preparedness for the occurrence of a Local Emergency.

6 User compliance with Local Emergency Procedures

- 6.1 Each Pipeline User shall secure that all of its relevant personnel are familiar with the Local Emergency Procedures.
- 6.2 For the purposes of Clause 6.1 a Pipeline User’s relevant personnel are personnel employed or engaged by the Pipeline User whose functions or areas of responsibility are such that (in order to enable the Pipeline User to comply with any requirement of this Part I) they are likely to be required to take any decision or action in a Local Emergency.

7 User procedures

- 7.1 Each Pipeline User shall establish and maintain such procedures as may be necessary:
 - (a) to facilitate compliance by the Pipeline User with the requirements of this Part I;
 - (b) to enable the Pipeline User to comply with the requirements of the Pipeline Operator in the event of a Local Emergency.
- 7.2 Each Pipeline 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 Part I and the Local Emergency Procedures, the procedures established by it under Clause 7.1 are co-ordinated:

- (a) with the Local Emergency Procedures; and
- (b) with any procedures established by the Large Transporter relating to Emergencies pursuant to the UNC; and
- (c) with any procedures established by the NEC in relation to a Network Gas Supply Emergency;
- (d) if the Pipeline Operator shall so notify the Pipeline User identifying the other person(s) and specifying the co-ordination required, with the procedures established by other Pipeline Users, Upstream System Operators and Downstream System Operators under this Clause 7; and shall consult with such other parties accordingly.

7.3 The Pipeline User shall if requested by the Pipeline Operator provide to the Pipeline Operator a copy of the procedures from time to time established by it under Clause 7.1; and the Pipeline Operator shall be at liberty to disclose to and discuss with any Competent Authority any such procedures provided to it.

7.4 Each Pipeline User shall ensure that Suppliers supplying gas at Supply Points of which the Pipeline User is the Registered User are aware of the terms of this Part I in so far as they may be affected thereby.

8 Large Firm Supply Points

8.1 A Pipeline User shall in respect of each Large Firm Supply Point of which it is the Registered User provide to the Pipeline Operator:

- (a) the name and (in the case of a corporation) registered office of the Consumer;
- (b) in accordance with Clause 8.2, the names and 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 four) telephone numbers for each emergency contact by means of which the Pipeline Operator may contact, 24 hours a day, at least one emergency contact; and
- (d) 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 Part I which is able to receive transmissions 24 hours a day.

8.2 For the purposes of Clause 8.1(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 Pipeline Operator the name(s) and job title(s) of at least 1 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 Pipeline Operator the name(s) and job title(s) of at least 3 but not more than 5 emergency contacts.

8.3 A Pipeline User shall comply with the requirements of Clause 8.1:

- (a) where the Pipeline 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 Pipeline User is 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 30th September in that Gas Year.

8.4 The details required under Clause 8.1 shall at all times be maintained up to date; and for these purposes the Pipeline User shall notify to the Pipeline Operator any change in such details as soon as reasonably practicable and where possible in advance of such change.

9 Interruptible Supply Points

9.1 A Pipeline User shall in respect of each Interruptible Supply Point of which it is the Registered User provide to the Pipeline Operator:

- (a) the name and (in the case of a corporation) registered office of the Consumer;
- (b) in accordance with Clause 9.2, the names and 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 four) telephone numbers for each emergency contact by means of which the Pipeline Operator may contact, 24 hours a day, at least one emergency contact; and
- (d) one facsimile number, for the purposes of receiving communications pursuant to Parts C and I, which is able to receive transmissions 24 hours a day.

9.2 For the purposes of Clause 9.1(b):

- (a) in the case of any Interruptible Supply Point in respect of any site which is manned 24 hours a day Registered User will provide to the Pipeline Operator the name(s) and/or job title(s) of at least 1 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 Pipeline Operator the name(s) and/or job title(s) of at least 3 but not more than 4 emergency contacts.

9.3 A Pipeline User shall comply with the requirements of Clause 9.1 where the Pipeline User becomes the Registered User in respect of a Interruptible Supply Point, when submitting the Supply Point Confirmation.

9.4 The details required under Clause 9.1 shall at all times be maintained up to date; and for these purposes the Pipeline User shall notify to the Pipeline Operator any change in such details as soon as reasonably practicable and where possible in advance of such change.

10 Priority Supply Points

10.1 Each Pipeline User shall:

- (a) take all reasonable steps to ascertain, in relation to any Supply Point in respect of which the Pipeline 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 Pipeline Operator stating the identity of the Consumer and the basis for its belief; and
- (c) where:
 - (i) a Pipeline User becomes the Registered User at a Supply Point in relation to which the Consumer is a Priority Consumer; or
 - (ii) the Pipeline Operator confirms pursuant to Clause 10.2 that a Consumer in relation to which that Pipeline User is Registered User is a Priority Consumer;

notify that Consumer (in terms reasonably specified by the Pipeline Operator having regard to the terms of the Pipeline Operator'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 Local Emergency.

- 10.2 Where the Pipeline Operator adds the name of a Consumer to the list described in Clause 4.1(a), it shall inform the Registered User in relation to that Consumer of such addition.
- 10.3 The Registered User shall promptly inform the Pipeline Operator 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.
- 10.4 Where the Pipeline Operator removes the name of a Consumer from the list described in Clause 4.1(a), it shall inform the Pipeline User that is the Registered User in relation to that Consumer of such removal.
- 10.5 Where the Pipeline Operator informs a Pipeline User that a Consumer in relation to which that Pipeline User is the Registered User has been removed from the list described in Clause 4.1(a), that Pipeline 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 Local Emergency.
- 10.6 Each Pipeline User shall (subject to the other requirements of this Part I), in respect of each Priority Supply Point of which it is the Registered User, provide to the Pipeline Operator the name and/or title of one representative of the Consumer, together with a telephone number by means of which the Pipeline Operator may contact such representative during normal working hours on a Business Day.
- 10.7 A Pipeline User may not designate a Priority Supply Point as Interruptible except as otherwise set out in the Priority Criteria.

11 Obligations in a Local Emergency

- 11.1 Where a Local Emergency arises the Pipeline Operator will:
 - (a) inform Pipeline Users, in accordance with the Local Emergency Procedures as soon as reasonably practicable, of the commencement of the Local Emergency and (in so far as reasonably practicable) of the nature, extent and expected duration thereof;

- (b) thereafter keep Pipeline Users reasonably informed as to material changes to the information provided under paragraph (a) and material developments in respect of the Local Emergency;
 - (c) inform Pipeline Users as soon as reasonably practicable when the Pipeline Operator has determined that the Local Emergency is no longer continuing.
- 11.2 Upon being informed of a Local Emergency, a Pipeline User shall brief all relevant personnel (as defined in Clause 6.2) as to the existence and nature of the Local Emergency.
- 11.3 During a Local Emergency each Pipeline User is required:
 - (a) to comply with the Local Emergency Procedures in so far as applicable to the Pipeline User in the circumstances;
 - (b) to comply (in so far as applicable) with the requirement to take Emergency Steps in relation to the delivery and offtake of gas to and from the Pipeline;
 - (c) to cooperate with the Pipeline Operator, to the extent within the Pipeline User's power (and without thereby rendering the Pipeline User unable to comply with any requirement to take Emergency Steps itself) so as to enable the Pipeline Operator to take Emergency Steps in accordance with the Local Emergency Procedures; and
 - (d) in so doing to comply with the Pipeline Operator's instructions and requests (made for the purposes of paragraphs (a) (b) and (c)) as soon as reasonably practicable.
- 11.4 Where there is any conflict between any requirements under this Part I or the Local Emergency Procedures as to anything to be done by a Pipeline User, the Pipeline Operator may decide which requirement is to prevail and will inform the relevant Pipeline User of its decision, which decision will relieve the Pipeline User of any obligation under the Code to comply with the conflicting requirement.
- 11.5 Where Emergency Steps include the reduction or discontinuance of offtake of gas at Firm as well as Interruptible Supply Points such steps will (in so far as is practicable and as may be required by the Pipeline Operator's Licence) be applied in the following order:
 - (a) first, at Interruptible Supply Points (in so far as offtake has not already been interrupted at such points);
 - (b) secondly, at Large Firm Supply Points other than Priority Supply Points;
 - (c) thirdly, at all other Supply Points including Priority Supply Points.
- 11.6 In a Local Emergency, unless the Pipeline Operator instructs a Pipeline User otherwise, instructions to Consumers in relation to the reduction or discontinuance of offtake at Supply Points will be given by the Pipeline Operator except in the case of Interruptible Supply Points where instructions will be given by Pipeline Users.
- 11.7 Without prejudice to the Pipeline Operator's ability to take any Emergency Step, the Pipeline Operator may take steps physically to isolate any Large Firm Supply Point where the Consumer does not comply with any instruction given under Clause 11.6.
- 11.8 Pipeline Users acknowledge that in a Local Emergency their business interests will be subordinate to the need to take appropriate steps in accordance with this Part I.

12 Return to normal operation

- 12.1 The order in which during a Local 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 Clause 11.5.

13 Consequences of a Local Emergency

- 13.1 In respect of each Day or part of a Day during a Local Emergency or an Emergency the Pipeline Operator may by notice to Pipeline Users suspend the implementation (as respects all Pipeline Users) of any provisions of the Code.
- 13.2 The Pipeline Operator and Pipeline Users acknowledge that during a Local Emergency or 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 Part K.

PART J DELIVERY AND OFFTAKE OF GAS

1 Delivery of gas into Pipeline

- 1.1 Title and risk in gas delivered to the Pipeline at the Connection Point shall pass to the Pipeline Operator at the Connection Point.
- 1.2 Each Pipeline User warrants to the Pipeline Operator:
- (a) that such Pipeline User will have title (at the point of delivery) to all gas delivered or tendered for delivery to the Pipeline at the Connection Point by that Pipeline User; and
 - (b) that all such gas will (at such point) be free of any lien, charge, encumbrance or adverse claim (as to title or otherwise), including any claim for any tax, royalty or other charge in respect of the production, gathering, processing and tendering of gas arising on or before delivery thereof to the Pipeline.
- 1.3 Each Pipeline User shall indemnify the Pipeline Operator and hold it harmless against any loss, liability, damage, claim, action, proceeding, cost and expense suffered or incurred by or made or brought against the Pipeline Operator in consequence of any breach of the warranties in Clause 1.2.

2 Offtake from Pipeline

- 2.1 The point of offtake in respect of each Supply Meter Point shall be the outlet of the customer control valve on the service pipe and in respect of a Downstream System Exit Point shall be the point agreed as such by the Pipeline Operator and the Downstream System Operator.
- 2.2 Title and (without prejudice to Clause 2.3) risk in gas offtaken from the Pipeline shall pass to the Pipeline User at the relevant point of offtake in accordance with Clause 2.1.
- 2.3 The Pipeline Operator warrants to each Pipeline User that the Pipeline Operator will have title (at the point of offtake) to all gas made available for offtake from the Pipeline by that Pipeline User, and that all such gas will (at such point) be free of any lien, charge, encumbrance or adverse claim (as to title or otherwise), including any claim for any tax, royalty or other charge in respect of the production, gathering, processing and tendering of gas arising on or before offtake thereof from the Pipeline.
- 2.4 The Pipeline Operator shall indemnify each Pipeline User and hold it harmless against any loss, liability, damage, claim, action, proceeding, cost and expense suffered or incurred by or made or brought against such Pipeline User in consequence of any breach of the warranty in Clause 2.3.

3 Obligation of Pipeline Operator in relation to the availability of gas for offtake

- 3.1 Subject to the provisions of the Code, the Pipeline Operator will make gas available for offtake by Pipeline Users from the Pipeline at the point of offtake (in accordance with Clause 2) in accordance with the requirements of Clause 4.1.
- 3.2 The Pipeline Operator shall not be in breach of its obligations pursuant to Clause 3.1 in the circumstances set out in Clause 3.3.

3.3 The circumstances referred to in Clause 3.2 are:

- (a) Force Majeure as defined in Part K;
- (b) where the Pipeline is affected by maintenance in accordance with Part H;
- (c) in the event, of any steps taken in the context of an Emergency or Local Emergency, in accordance with Part I;
- (d) in the event of failure of or defect in the Supply Meter Installation;
- (e) where the Pipeline Operator is acting under any entitlement or obligation pursuant to the Act (including the Gas Code) or other Legal Requirement;
- (f) in the event of a Registered User's Registered DM Capacity or DM Offtake Rate being exceeded or the occurrence of a threshold rate increase as referred to in Part CII;
- (g) in the event of Siteworks pursuant to Part CV; and
- (h) any other case provided in the Code in respect of which the Pipeline Operator is relieved from its obligations.

4 Off-spec gas

4.1 The gas made available for offtake will (subject to Clause 4.2) conform to the specification requirements set out in the UNC.

4.2 Where gas delivered to the Pipeline at the Connection Point does not comply with such specification requirements ("**off-spec gas**") the Pipeline Operator shall not be liable to Pipeline Users for any such lack of compliance.

4.3 Pipeline Users acknowledge that the Pipeline Operator does not operate a compensation scheme in respect of off-spec gas, and that any compensation is to be sought from the Large Transporter pursuant to the UNC or from CSEP Users.

5 Delivery of off-spec gas

5.1 The UNC provides for certain payments to be made by the Large Transporter to CSEP Users where off-spec gas offtaken by CSEP Users at the LT Connection Point causes the incurring of expenses, including by the Pipeline Operator in cleaning up the Pipeline.

5.2 Pipeline Users agree that they shall procure that such compensation shall (as provided in Clause 6) be passed on to the Pipeline Operator to the extent required to hold harmless the Pipeline Operator against any expenses incurred by the Pipeline Operator in cleaning up the Pipeline.

6 Compensation for delivery of off-spec gas

6.1 This Clause 6 applies where off-spec gas is offtaken from the Large Transporter System by the Pipeline User or by a CSEP User which is passed to the Pipeline User at the LT Connection Point and delivered into the Pipeline.

6.2 The Pipeline User will (or will procure that the CSEP User(s) from whom it is acquiring gas at the LT Connection Point will):

- (a) comply with the provisions of Section J3.4.5;
- (b) pay over to the Pipeline Operator forthwith such proportion of all amounts payable by the Large Transporter to the Pipeline User (or to the relevant CSEP User) under Section J3.3.4 as relates to the Pipeline.

6.3 The Pipeline User agrees to indemnify the Pipeline Operator for all reasonable costs and expenses incurred by the Pipeline Operator:

- (a) in clearing or cleaning any part of the Pipeline;
- (b) in taking reasonable measures to secure that the Pipeline can be operated in accordance with applicable Legal Requirements notwithstanding the offtake or continued offtake of such off-spec gas.

7 Failure to make gas available for offtake

7.1 Clauses 7 and 8 apply where the Pipeline Operator is or has been in breach of its obligation to make gas available for off-take from the Pipeline at a Supply Point.

7.2 For the avoidance of doubt, in accordance with Part K 31.4, the Pipeline Operator shall not be in breach of its obligation to make gas available for off-take from the Pipeline where gas is not delivered to the Connection Point for any reason beyond the Pipeline Operator's reasonable control.

8 Compensation for failure to make gas available

8.1 Pipeline Users acknowledge that the Pipeline Operator is required to make payments to certain Consumers (which payments may be made to the relevant Pipeline User for onward transmission to Consumers via the relevant Supplier) as set out in the Gas (Standards of Performance) Regulations 2001 (as amended) and that accordingly such payments are not set out in this Code.

9 Pipeline User offtake obligations: DM Supply Point Components

9.1 A Pipeline User is not entitled to offtake gas from the Pipeline at a DM Supply Point Component at a rate which exceeds the DM Offtake Rate, and shall take all reasonable steps to ensure that gas is not offtaken at such a rate.

9.2 Where:

- (a) the Pipeline Operator believes on reasonable grounds that gas is being or will be offtaken from the Pipeline at a DM Supply Point Component at a rate which exceeds the DM Offtake Rate; and
- (b) in the Pipeline Operator's reasonable judgment the security of the Pipeline may be prejudiced as a result,

the Pipeline Operator may take any steps available to it to secure the required reduction in the rate of or the discontinuance of the offtake of gas from the Pipeline at the Supply Point Component.

9.3 The steps referred to in Clause 9.2 include the disconnection of the relevant premises; but (without prejudice to any provisions of the Gas Code) the Pipeline Operator will endeavour

not to take this step where alternative steps are available and adequate in the circumstances.

- 9.4 The Pipeline Operator will not be obliged under any provision of the Code to make gas available for offtake from the Pipeline by a Pipeline User at a DM Supply Point Component:
- (a) at any time, at a rate which exceeds the DM Offtake Rate for that Supply Point Component;
 - (b) on any Day, in a quantity which exceeds the Pipeline User's Registered DM Capacity.

10 Antifluctuators, etc

- 10.1 Each Pipeline User shall as soon as reasonably practicable notify the Pipeline Operator if such Pipeline User becomes aware in relation to any Supply Meter Point of which it is the Registered User:
- (a) that any requirement applying to the relevant Consumer under paragraph 17 of the Gas Code has not been or is not being complied with, or
 - (b) of circumstances in which the Pipeline Operator would be entitled to exercise its rights under paragraph 18 of the Gas Code.
- 10.2 Where pursuant to paragraph 17 of the Gas Code the Pipeline Operator seeks to give any notice to or exercise any other entitlement in relation to any Consumer the Registered User in respect of the relevant Supply Point agrees to extend reasonable co-operation to the Pipeline Operator so as to facilitate the exercise of such entitlements (and in particular but without limitation agrees if so requested to secure that there is conveyed on behalf of the Pipeline Operator to the relevant Consumer any communication to be given by the Pipeline Operator pursuant to such paragraph 17).
- 10.3 The Pipeline Operator will inform the Registered User before or as soon as reasonably practicable after giving any notice to or exercising any other entitlement in relation to any Consumer pursuant to paragraph 17 or 18 of the Gas Code.
- 10.4 Pipeline Users acknowledge that where there is an agreement in force between the Pipeline Operator and the Consumer or the Pipeline Operator and the Registered User in respect of a Supply Point that such agreement may provide for additional terms in respect of the matters subject to paragraphs 17 and 18 of the Gas Code.
- 10.5 If so requested on reasonable grounds by the Pipeline Operator, the Registered User in respect of any Supply Point shall (within a reasonable period specified by the Pipeline Operator) make reasonable enquiries of the Consumer or Supplier with a view to ascertaining and obtaining reasonable evidence as to whether the requirements of paragraph 17 of the Gas Code are applicable or (where applicable) are being complied with, and inform the Pipeline Operator of the outcome of such enquiries; and where the Registered User fails so to make reasonable enquiries or inform the Pipeline Operator of such outcome within such period the Pipeline User shall reimburse to the Pipeline Operator any expenses reasonably incurred by the Pipeline Operator in ascertaining any such matter itself (including without limitation any expenses paid by the Pipeline Operator pursuant to paragraph 17(6) of the Gas Code).

PART K GENERAL

1 Pipeline User Admission requirements

- 1.1 In order to become a Pipeline User a person (the "**Applicant User**") must:
- (a) satisfy or secure satisfaction of the requirements in Clause 1.2; and
 - (b) accede to the Framework Agreement and thereby agree to be bound by the Code.
- 1.2 The requirements referred to in Clause 1.1(a) are as follows:
- (a) the Applicant User shall have applied to the Pipeline Operator in such form as the Pipeline Operator may from time to time prescribe, giving the following details:
 - (i) the name of the Applicant User;
 - (ii) the legal nature of the Applicant User, and where the Applicant User is not a company incorporated under the Companies Act 1985 (as amended), such further information concerning the constitution of the Applicant User as the Pipeline Operator may reasonably require;
 - (iii) the address and telephone and facsimile numbers of the Applicant User, and the individual for whose attention notice is to be marked, for the purposes of notices under Part K;
 - (iv) where the Applicant User is not a company incorporated under the Companies Act 1985 (as amended), an address for service in accordance with Part K39;
 - (b) either:
 - (i) a Shipper's Licence shall have been granted to the Applicant User which is in force and in respect of which no notice of revocation has been given, and the Applicant User shall have provided a copy of such licence to the Pipeline Operator; or
 - (ii) a Shipper's Licence shall be treated as having been granted to the Applicant User pursuant to a scheme made under paragraph 15 or 16 of Schedule 5 to the Gas Act 1995;
 - (c) the Applicant User shall have provided the emergency contact details required under Part I.
 - (d) the Applicant User shall have obtained from the Pipeline Operator one or more copies of the Code and such other documents referred to in the Code or the Framework Agreement as the Pipeline Operator shall from time to time prescribe for the purposes of this paragraph (d);
 - (e) the Applicant User shall have warranted to the Pipeline Operator that either:
 - (i) there is in force a transportation arrangement between it and the Upstream System Operator pursuant to the Upstream System Operator's Network Code;

- (ii) there is in force an arrangement with one or more Upstream System Users for the delivery of gas to the Pipeline User at the Connection Point and that the Pipeline User warrants that it will ensure that an arrangement with at least one Upstream System User will remain in force while it is a Pipeline User.

2 Admission of User

- 2.1 The Applicant User will become a Pipeline User with effect from the Day ("**User Accession Date**") which is 3 Business Days after satisfaction of the last of the requirements under Clauses 1.1 and 1.2 to be satisfied.
- 2.2 Upon the Applicant User's becoming a Pipeline User pursuant to Clause 2.1 the Pipeline Operator will so notify:
 - (a) the Applicant User, specifying:
 - (i) the Pipeline Operator's notice details for the purposes of Part K; and
 - (ii) the names of all other Pipeline Users and their prevailing notice details in accordance with Part K;
 - (b) all other Pipeline Users as soon as reasonably practicable thereafter, specifying the name of the Applicant User, its notice details provided under Clause 1.2(a)(iii) and the User Accession Date.

3 Restricted authorisation of Pipeline User

- 3.1 Where the Shipper's Licence held by a Pipeline User limits or restricts the premises to which the Pipeline User may arrange for the conveyance of gas by the Pipeline or in any other way limits or restricts the activities which the Pipeline User is authorised to carry on:
 - (a) the Pipeline User shall be solely responsible for compliance with such limit or restrictions and (subject to paragraph (b)) the Pipeline Operator shall not in the implementation of the Code as respects such Pipeline User be concerned with such limit or restriction; but
 - (b) the Pipeline Operator shall be at liberty in its discretion to (but shall not be required to) withhold from the Pipeline User any right or entitlement pursuant to the Code so as to give effect to such limit or restriction.

4 Single User admission

- 4.1 Unless expressly otherwise provided in the Code or agreed by the Pipeline Operator, a person may only be one Pipeline User, and accordingly a person who is for the time being a Pipeline User may not make a further application to be admitted as a Pipeline User.

5 Discontinuing Users

- 5.1 A Pipeline User may cease to be a Pipeline User pursuant to Clauses 6 or 7; and for the purposes of the Code a "**Discontinuing User**" is a Pipeline User who so ceases to be a Pipeline User and the "**User Discontinuance Date**" is the date with effect from which (in accordance with Clause 6 or 7) a Discontinuing User ceases to be a Pipeline User.

- 5.2 Upon a Pipeline User's ceasing to be a Pipeline User (save as provided in the Code), the Framework Agreement shall cease to bind the Discontinuing User and (as respects the Discontinuing User) the Pipeline Operator.
- 5.3 The Pipeline Operator will as soon as reasonably practicable after the User Discontinuance Date notify all other Pipeline Users of a Pipeline User's ceasing to be a Pipeline User.

6 Voluntary discontinuance

- 6.1 A Pipeline User may at any time by giving notice ("**Discontinuance Notice**") to the Pipeline Operator apply to cease to be a Pipeline User.
- 6.2 A Pipeline User may not cease to be a Pipeline User under this Clause 6 until such time as:
- (a) all amounts payable or (other than in respect of any recurrent charge becoming payable by reason only of the lapse of time after the date on which the last of the other requirements of this Clause 6.2 is satisfied) which may become payable by the Pipeline User to the Pipeline Operator pursuant to any provision of the Code or the Framework Agreement have been paid in full;
 - (b) the Pipeline User is not the Registered User in respect of any Supply Point;
 - (c) any outstanding breach, capable of remedy and of which the Pipeline Operator has given notice to the Pipeline User, by the Pipeline User of any provision of the Code or the Framework Agreement shall have been remedied.
- 6.3 Where a Pipeline User has given notice under Clause 6.1:
- (a) the Pipeline User and the Pipeline Operator shall remain bound by the Code and the Framework Agreement to which the Pipeline User is party until the requirements of Clause 6.2 are satisfied;
 - (b) the Capacity which the Pipeline User is registered as holding shall not be reduced or cancelled other than in accordance with the relevant provisions of the Code (and the Pipeline User will remain liable for payment of Transportation Charges in respect thereof but may elect to make prepayment thereof).
- 6.4 Where a Pipeline User has given notice under Clause 6.1, after the satisfaction of the last of the requirements of Clause 6.2 to be satisfied:
- (a) with effect from the 5th Business Day following such satisfaction, the Pipeline User will cease to be a Pipeline User;
 - (b) without prejudice to Clause 6.5, the Pipeline Operator will as soon as reasonably practicable (and where possible before such date) inform the Pipeline User of the date on which it ceases to be a Pipeline User under paragraph (a).
- 6.5 Notwithstanding Clause 6.4, without prejudice to Clause 6.3(a), the Pipeline Operator or (as the case may be) the Discontinuing User shall remain liable, subject to and in accordance with the Code, to the other and (in the case of the Discontinuing User, subject to Clause 26.1) to each other Pipeline User, after the User Discontinuance Date:
- (a) for any amount which was or becomes payable under the Code in respect of any period before the User Discontinuance Date; and

- (b) in respect of any outstanding breach of any provision of the Code, or the Framework Agreement where such breach was not (for the purposes of Clause 6.2(c)) capable of remedy or (notwithstanding that Clause) was capable of remedy but was not remedied.

7 Termination

7.1 For the purposes of this Clause 7 there shall have occurred a "**User Default**" in relation to a User (the "**Defaulting User**") in any of the following events or circumstances:

- (a) where in relation to any payment which has become due for payment by the Defaulting User under the Code (excluding for the avoidance of doubt amounts the subject of an Invoice Query which have not become due for payment) the Defaulting User has not paid the amount in full by the fifteenth (15th) Business Day after the due date for payment; or
- (b) where the Defaulting User is in material breach of a material provision of the Code which (if capable of remedy) has not been remedied within 14 Days of notice from the Pipeline Operator to do so;
- (c) where:
 - (i) the Defaulting User is unable to pay its debts (within the meaning of Section 123(1) or (2) of the Insolvency Act 1986, but subject to Clause 7.2), or any voluntary arrangement is proposed in relation to it under Section 1 of that Act or it enters into any composition or scheme of arrangement (other than for the purpose of a bona fide solvency reconstruction or amalgamation); or
 - (ii) the Defaulting User has a receiver (which expression shall include an administrative receiver within the meaning of Section 29 of the Insolvency Act 1986) of the whole or any material part of its assets or undertaking appointed; or
 - (iii) the Defaulting User has an administration order under Section 8 of the Insolvency Act 1986 made in relation to it; or
 - (iv) the Defaulting User passes any resolution for winding-up (other than for the purpose of a bona fide solvent reconstruction or amalgamation); or
 - (v) the Defaulting User becomes subject to an order by the High Court for winding-up; or
 - (vi) the Defaulting User becomes subject to a bankruptcy order; or
 - (vii) the Defaulting User becomes subject to an event made in a jurisdiction outside of England and Wales equivalent or analogous to any one or more of those events listed in paragraphs (i) to (vi) above;
- (d) where the Shipper's Licence granted to the Defaulting User is determined or revoked or otherwise ceases to be in force for any reason whatsoever, or such licence is assigned unless such assignment is contemporaneous with an assignment by the Pipeline User of all its rights and obligations under the Code and the Framework Agreement in accordance with Clause 19;

(e) where the Pipeline Operator becomes aware that there is not in force in respect of the Pipeline User either a transportation arrangement with the Upstream System Operator pursuant to the Upstream System Operator's Network Code or an arrangement with an Upstream System User for the delivery of gas at the Connection Point.

7.2 For the purposes of Clause 7.1(c)(i), the Defaulting User shall not be deemed to be unable to pay its debts for the purposes of that paragraph if any such demand as is mentioned in Section 123(1)(a) of the Insolvency Act 1986 is being contested in good faith by the Defaulting User with recourse to all appropriate measures and procedures.

7.3 Upon the occurrence of a User Default, and at any time after such occurrence at which the User Default is continuing, the Pipeline Operator may give notice ("**Termination Notice**") to the Defaulting User to the effect that the Pipeline User shall cease to be a Pipeline User with effect from the date (which may be any date on or after the date on which the notice is given) specified in the notice.

7.4 Where the Pipeline Operator gives Termination Notice to a Defaulting User, with effect from the date specified in the notice, the Pipeline User will cease to be a Pipeline User and Clause 5.2 shall apply.

7.5 The giving of a Termination Notice and the application of Clause 7.4 shall not affect the rights and obligations of the Pipeline Operator and the Defaulting User under the Code, the Framework Agreement and any Ancillary Agreement (including rights and obligations in respect of the User Default, and in respect of amounts including interest payable by either Party, and rights and obligations arising pursuant to any provision of the Code in respect of the Pipeline User's ceasing to be a Pipeline User) accrued up to the date referred to in Clause 7.4, which shall continue to be enforceable notwithstanding that Clause.

7.6 Where the Pipeline Operator has given a Termination Notice it shall be entitled to inform such persons as it thinks fit that it has done so, including the Upstream System Operator and the Supplier and Consumer in relation to any Supply Point of which the Defaulting User was Registered User.

8 Expert determination

8.1 A dispute which is to be referred to or resolved by an expert ("**Expert Determination**") shall be determined by a person appointed as expert in accordance with Clauses 8 to 17.

8.2 No person shall be nominated as a proposed expert under Clauses 9.2 or 9.3 unless that person has the requisite qualifications to resolve a dispute referable under the Code to Expert Determination by virtue of his education, experience and training.

8.3 For the purposes of this Part K:

(a) a "**dispute**" is any dispute or difference arising between the Pipeline Operator and any Pipeline User or Pipeline Users under or in connection with the Code or the Framework Agreement or any Ancillary Agreement;

(b) in respect of any dispute "**parties**" means the Pipeline Operator and the Pipeline User or Pipeline Users party to such dispute, and "party" shall be construed accordingly.

8.4 Where the Code or any Ancillary Agreement provides or the parties have agreed that a dispute is to be referred to or resolved by Expert Determination subject to Clause 8.5 no

party shall commence proceedings in any court in respect of or otherwise in connection with such dispute.

8.5 Nothing in this Clause shall prevent any party from seeking interim or interlocutory relief in any court.

9 Initial notice and selection of expert

9.1 Any party to a dispute which is to be resolved by or referred to Expert Determination may give notice of the dispute in accordance with Clause 9.2.

9.2 The notice shall be given to each other party and shall:

- (a) provide brief details of the issues to be resolved; and
- (b) nominate four persons as proposed experts.

9.3 Within 5 Business Days after any notice under Clause 9.2 was given, each party (other than the party giving such notice) shall by notice to each other party nominate four persons as proposed experts.

9.4 The parties shall endeavour within 10 Business Days after the notice under Clause 9.1 was given to agree upon the selection of an expert, and may meet for this purpose.

9.5 If within 10 Business Days after the notice under Clause 9.1 was given the parties shall not have agreed upon the selection of an expert, any of the parties may request the President for the time being of the Law Society to select an expert.

10 Appointment of the Expert

10.1 Upon the selection under Clause 9 or 10 of an expert, the parties shall forthwith notify the expert selected of his selection and request him to confirm within 5 Business Days whether or not he is willing and able to accept the appointment.

10.2 The notification to the expert shall include the following:

- (a) the names of the parties and a summary of the dispute;
- (b) a request that the expert provide the confirmation required under Clause 13;
- (c) a request for confirmation of the expert's scale of fees;
- (d) a statement that the expert's fee and expenses will be paid as provided in Clause 15;
- (e) a statement that the information disclosed in the notification is confidential and that it should not be disclosed, copied or revealed whether the appointment is accepted or not;
- (f) a copy of Clauses 8 to 17, and
- (g) a request for confirmation that the expert is able and willing to act in accordance with the procedure set out herein.

- 10.3 If the selected expert is unwilling or unable to accept the appointment, or shall not have confirmed his willingness and ability to accept such appointment within the period required under Clause 10.1, or the amount of his remuneration or terms of his appointment are not agreed within the period required under Clause 10.4, the parties shall endeavour to agree upon the selection of another expert within 3 Business Days, failing which another expert shall be selected in accordance with Clause 9.5.
- 10.4 The parties shall use their best endeavours to ensure that the terms of the contract of appointment of the expert are agreed with him within 10 Business Days following his confirmation of ability and willingness to act, and agree that if the parties are unable to agree with the expert the amount of his remuneration or any other terms of his appointment then:
- (a) if one or more of the parties is willing to agree what the expert proposes, such amount or terms shall be determined by the President for the time being of the Law Society whose decision shall be final and binding on the parties to the dispute and whose costs of such reference shall be borne by the parties to the dispute equally;
 - (b) if none of the parties is willing to agree what the expert proposes, or the expert is not willing to agree what is determined pursuant to paragraph (a), another expert shall be selected in accordance with Clause 10.3.
- 10.5 The expert shall be an independent contractor and the relationship of the parties and the expert shall in no event be construed to be that of principal and agent or master and servant.
- 10.6 The expert shall not act as an arbitrator (and accordingly the provisions of the Arbitration Act 1996 shall not apply) nor as mediator.

11 Timetable and Procedure

- 11.1 No later than 5 Business Days following his appointment, the expert shall by giving reasonable notice to each party convene a meeting with the parties at which he shall raise any matters upon which he requires clarification and discuss with the parties any additional procedural requirements he or they may have.
- 11.2 The parties shall, not later than 10 Business Days after the appointment of the expert, submit to the expert and to each other party written submissions of not more than 10 pages in length together with all supporting documentation, information and data which they wish to submit in respect of the dispute; and the parties may also submit a statement of facts which they have agreed between themselves to the expert.
- 11.3 Each party may, not later than 20 Business Days after the appointment of the expert, submit to the expert and each other party written submissions of not more than 10 pages in length, together with any additional supporting documentation, information and data, in reply to the submissions made under Clause 11.2.
- 11.4 The expert shall disregard any documentation, information, data or submissions supplied or made (other than pursuant to Clause 11.9) by any party later than 20 Business Days after his appointment unless the same are provided in response to a request from the expert.
- 11.5 If the expert shall wish to obtain independent professional and/or technical advice in connection with the dispute:

- (a) he shall first provide the parties with details of the name, organisation and estimated fees of the professional or technical adviser; and
 - (b) he may engage such adviser with the consent of the parties which consent shall not be unreasonably withheld for the purposes of obtaining such professional and/or technical advice as he may reasonably require.
- 11.6 The expert may at his discretion and at any time request information from any of the parties orally but shall only do so in the presence of the other parties.
- 11.7 At any time after the period referred to in Clause 11.3 expires, with the written consent of the parties, the expert may (but shall not be required to) convene a hearing upon giving the parties reasonable notice.
- 11.8 The expert shall provide a draft of his determination, which shall be a report in writing giving reasons for the determination, to the parties not later than 35 Business Days following his appointment.
- 11.9 Each party may, within 10 Business Days following delivery of the draft determination, submit to the expert any documentation, information, data, submissions or comments on or in respect of the draft determination.
- 11.10 The expert shall submit his final determination, which shall be a report in writing giving reasons for his determination of the dispute, to the parties not later than 50 Business Days following his appointment.
- 11.11 If the expert fails to submit the final determination by the time required under Clause 11.10, at the request of any party another expert may be appointed in accordance with the provisions of Clauses 8 to 17 and the appointment of the previous expert shall cease unless before the appointment of the new expert, the previous expert shall have submitted his final determination hereunder, in which case the new expert shall be forthwith informed that his services will not be required.

12 Effect of determination

- 12.1 The expert's final determination shall (unless given after the appointment of another expert under Clause 11.11) be final and binding on the parties except in the event of fraud or where it is so clearly erroneous on its face that it would be unconscionable for it to stand, in which case another expert may be appointed in accordance with the provisions of Clauses 8 to 17.
- 12.2 Except as provided in Clause 12.1, no party shall commence proceedings in respect of or refer to any court any finding by the expert, whether made at any time after his appointment or in his determination, as to the dispute or the construction of or otherwise in respect of the Code or any Ancillary Agreement.

13 Conflict of interest

- 13.1 The expert shall confirm to the parties before his appointment that he does not hold any interest or duty which would or potentially would conflict with the performance of his duties under his contract with the parties.
- 13.2 If after his appointment the expert becomes aware of any interest or duty which conflicts or potentially conflicts with the performance of his duties under his contract with the parties, the expert shall inform the parties forthwith of such conflict giving full details thereof.

- 13.3 Any party may within 5 Business Days of the disclosure of any such conflict or potential conflict object to the appointment or continued appointment of an expert, in which case the expert shall not be or shall cease to be appointed and a new expert shall be selected and appointed in accordance with Clauses 8 to 17 (and the rejected expert shall not be nominated for such selection).

14 Confidentiality

- 14.1 The parties and the expert shall keep the fact that the Expert Determination is taking place and its outcome confidential.
- 14.2 All documentation, information, data, submissions and comments disclosed or delivered whether in writing or otherwise by any party to the expert or to any other party either in connection with or in consequence of the appointment of the expert shall be regarded and treated as confidential; and the expert and the parties shall not disclose any or all of the documentation, information, data, submissions and comments including the contents and copies thereof in any form except in connection with any proceedings in any court which a party is not prohibited under this Part K from commencing.

15 Costs

- 15.1 Each party shall bear its own costs including costs of providing documentation, information, data, submissions or comments under Clauses 8 to 17 and all costs and expenses of all witnesses and other persons retained by it.
- 15.2 The expert shall provide the parties with a breakdown of:
- (a) his fees;
 - (b) his reasonable expenses, including the fees of and reasonable expenses incurred by any technical or professional advisers.
- 15.3 The expert's fees and expenses under Clause 15.2 shall be payable by the parties in equal amounts, unless the expert (having regard to the conduct of the parties with respect to the dispute in question) shall direct in his final determination that such costs and expenses should be borne by one or some only of the parties, in which case the parties shall pay such fees and expenses in accordance with such direction.
- 15.4 If the terms of the expert's appointment provide for the payment of his fees and expenses before the delivery of the final determination, the parties shall pay such fees and expenses in equal amounts, and shall make adjustment payments inter se following any such direction as is referred to in Clause 15.3.

16 Miscellaneous

- 16.1 The expert shall not be held liable for any act or omission unless it shall be shown that the expert has acted fraudulently or in bad faith.

17 Communications

- 17.1 Except where otherwise provided in Clauses 8 to 17 any notice, submission, statement or other communication relating to any dispute to be given pursuant to Clauses 8 to 17 by or to any party an expert or a Pipeline User shall be in writing and may not be given as a System Communication.

- 17.2 Where two or more Pipeline Users are parties to a dispute any such notice, submission, statement or communication to be given by them may be given by them jointly (and any reference to the party or parties by whom and to whom it is to be given shall be construed accordingly).
- 17.3 For the purposes of any limit under Clauses 8 to 17 on the length of any submission or statement or any attachments thereto a "**page**" is a single-sided A4 sheet which may contain single spaced type in a normal font size.

18 Suppliers and Consumers

18.1 Where:

- (a) the Code provides for the Pipeline Operator to do anything at or affecting any Supply Point Premises or the offtake of gas from the Pipeline at any Supply Point;
- (b) in doing that thing the Pipeline Operator complies with the requirements of the Code and any other agreement with the Pipeline User, Supplier or Consumer in relation thereto, does not act unlawfully and is not negligent; and
- (c) by reason of the Pipeline Operator's doing that thing the Consumer or Supplier suffers loss or damage or claims to have done so or otherwise makes any claim or complaint or brings any action or proceeding against the Pipeline Operator (other than pursuant to a contract between the Pipeline Operator and such Consumer or Supplier)

the Pipeline User or each Pipeline User which is (at the time at which the Pipeline Operator does such thing) the Registered User in respect of the relevant Supply Point shall indemnify the Pipeline Operator and hold it harmless against any liability to such Consumer or Supplier in respect of any such loss damage, claim, complaint, action or proceeding, and all costs and expenses incurred in connection therewith.

- 18.2 Nothing in the Code or the Framework Agreement or (except as may be expressly provided therein) an Ancillary Agreement shall be construed as imposing upon the Pipeline Operator any obligation or duty to or enforceable by a Consumer or a Supplier; and no Pipeline User shall make any commitment to any Supplier or Consumer binding on or purporting to bind the Pipeline Operator.
- 18.3 Nothing in the Code the Framework Agreement or any Ancillary Agreement shall prevent the Pipeline Operator from exercising any right or remedy which it may have against a Consumer or Supplier at law or pursuant to the Act or otherwise.

19 Assignment

19.1 Subject to Clause 19.4 a Party may assign its rights under the Code, the Framework Agreement and any Ancillary Agreement:

- (a) to a 33 $\frac{1}{3}$ % Affiliate of such Party, provided that the assigning Party shall continue to be bound by and liable under the Code, the Framework Agreement and any such Ancillary Agreement;
- (b) subject to Clause 19.5, with the prior agreement in writing of each relevant other Party, which shall not unreasonably be withheld, to any person.

- 19.2 For the purpose of this Clause 19.2 a relevant other Party is:
- (a) where the assigning Party is the Pipeline Operator, each other Pipeline User
 - (b) where the assigning Party is a Pipeline User, the Pipeline Operator.
- 19.3 Except as provided in Clause 19.1, a Party shall not assign or transfer and shall not purport to assign or transfer any of its rights or obligations under the Code the Framework Agreement or (except as may be expressly permitted thereby) any Ancillary Agreement.
- 19.4 No assignment shall be made to a person unless:
- (a) where the assigning Party is the Pipeline Operator, that person holds a Gas Transporter's Licence;
 - (b) where the assigning Party is a Pipeline User, that person holds a Shipper's Licence and has complied with the other requirements with which (if the person were an Applicant User) it would be required under Clause 1 to comply.
- 19.5 Where a Party assigns its rights under the Code the Framework Agreement and any Ancillary Agreement to a person (including a 33 $\frac{1}{3}$ % Affiliate) pursuant to Clause 19.1(b);
- (a) it shall be a condition precedent to such assignment that such person shall enter into an agreement with each relevant other Party consenting to be bound by the Code, the Framework Agreement and any such Ancillary Agreement;
 - (b) the assigning Party shall be released from obligations under the Code, the Framework Agreement and any such Ancillary Agreement arising after the time at which the assignment is effective, but shall remain liable for any obligations accruing up to such time.
- 19.6 A reference in the Code the Framework Agreement or any Ancillary Agreement to any Party shall include a reference to that Party's successors and assigns.

20 Waiver

- 20.1 No delay by or omission of any Party in exercising any right, power, privilege or remedy under the Code, the Framework Agreement or any Ancillary Agreement shall operate to impair such right, power, privilege or remedy or be construed as a waiver thereof.
- 20.2 Any single or partial exercise of any such right, privilege or remedy shall not preclude any other or future exercise thereof or the exercise of any other right, power, privilege or remedy.

21 Severance

- 21.1 If any provision of the Code, the Framework Agreement or any Ancillary Agreement is or becomes invalid, unenforceable or illegal, or is declared to be invalid, unenforceable or illegal by any court of competent jurisdiction or by order of any other Competent Authority, such invalidity, unenforceability or illegality shall not prejudice or affect the remaining provisions of the Code the Framework Agreement or any Ancillary Agreement, which shall continue in full force and effect notwithstanding the same.

22 Entire agreement

- 22.1 The Code, the Framework Agreement and (as respects the Parties thereto) each Ancillary Agreement contain or expressly refer to the entire agreement between the Parties with respect to the subject matter thereof, and supersede all previous agreements or understandings between the Parties with respect thereto; and any warranty, condition or other term implied at law or by custom is (to the fullest extent permitted by law) expressly excluded therefrom.
- 22.2 Each Party acknowledges that in entering into the Framework Agreement and any Ancillary Agreement it does not rely on any representation, warranty, or other understanding not expressly contained in the Code, the Framework Agreement or such Ancillary Agreement.
- 22.3 Nothing contained in a document (other than the Framework Agreement or an Ancillary Agreement) referred to in the Code, beyond what is expressly contemplated by the Code as being contained in such document or is necessary for the purposes of giving effect to a provision of the Code, shall modify or have any effect for the purposes of the Code or be construed as relevant to the interpretation of the Code.

23 Information and confidentiality

- 23.1 Each party shall secure that Protected Information is not:
- (a) disclosed to any person other than (strictly in accordance with Clause 24) the Permitted Categories;
 - (b) used by it for any purpose other than the Permitted Purpose.
- 23.2 For the purposes of the Pipeline Operator's obligations under Clause 23.1:
- (a) **"Protected Information"** means any information relating to the affairs of a Pipeline User which is obtained by the Pipeline Operator pursuant to or in the course of the negotiation, implementation or performance of the Code, the Framework Agreement or any Ancillary Agreement to which that Pipeline User is party;
 - (b) **"Permitted Categories"** means an officer or employee of the Pipeline Operator or any Party on whose behalf the Pipeline Operator acts as an agent who is engaged in the Permitted Purposes or a professional adviser of or consultant to the Pipeline Operator or (but without prejudice to any requirement under the Pipeline Operator's Licence) any Affiliate (other than an Affiliate which is the holder of a Shipper's Licence or a gas Suppliers licence) of the Pipeline Operator ;
 - (c) **"Permitted Purposes"** means the carrying on of the transportation business (as defined in the Pipeline Operator 's Licence) the operation administration, maintenance and development of the Pipeline facilitation of connections to the Pipeline and the implementation and performance of the Code, the Framework Agreement, any Ancillary Agreement and any Siteworks Contract;
- 23.3 For the purposes of the Pipeline User's obligations under Clause 23.1:
- (a) **"Protected Information"** means any information relating to the affairs of the Pipeline Operator or of another Pipeline User which is obtained by the Pipeline User pursuant to or in the course of the negotiation, implementation or performance of the Code, the Framework Agreement or any Ancillary Agreement to which that Pipeline User is party;

- (b) **"Permitted Categories"** means an officer or employee of the Pipeline User whose province it is to know the same in the proper execution of their duties and responsibilities, or a professional adviser of or consultant to or any Affiliate of that Pipeline User (provided that such persons are not the holder of a Gas Transporter's Licence) or (subject to Clause 23.4) a Consumer or a Supplier;
- (c) **"Permitted Purposes"** means any purpose expressly contemplated by the Code or any Ancillary Agreement or Siteworks Contract to which such Pipeline User is party

23.4 Protected Information relating to a Supply Point may be disclosed to the Supplier or Consumer to the extent reasonably necessary to enable the conclusion and implementation of a contract of sale to the Supplier (where relevant) and a contract of supply to the Consumer.

23.5 For the purposes of Clause 23.2 and 23.3:

- (a) information obtained by a Party in the course of the negotiation of the Code or the Framework Agreement shall be Protected Information only insofar as such information was obtained in writing;
- (b) the following information shall be treated as information relating to the affairs of a Pipeline User:
 - (i) the identity, address and any other details of a Supplier or Consumer, or any representative thereof, insofar as disclosed by the Pipeline User to the Pipeline Operator pursuant to or for the purposes of the Code;
 - (ii) information provided by the Pipeline User to the Pipeline Operator pursuant to Parts C and H, the Pipeline User's Code Credit Limit (if any) and record of payment of charges under the Code;
- (c) the terms of the Code and the Framework Agreement are not Protected Information.

24 Terms of permitted disclosure

24.1 For the purposes of this Clause 24 **"Disclosing Party"** and **"Protected Party"** shall be construed as follows;

- (a) for the purposes of the Pipeline Operator's obligations under Clause 23.1, the Disclosing Party is the Pipeline Operator and the Protected Party is the Pipeline User to whose affairs any Protected Information directly relates;
- (b) for the purposes of a Pipeline User's obligations under Clauses 23 to 25 the Disclosing Party is such Pipeline User and the Protected Party is the Party (either the Pipeline Operator or another Pipeline User) to whose affairs any Protected Information directly relates.

24.2 Where Protected Information is disclosed as permitted under Clause 23.1 the Disclosing Party shall (without prejudice to its obligations under Clause 23.1) take all reasonable steps to secure that the person to whom the information is disclosed:

- (a) is aware of the Disclosing Party's obligations under Clause 23.1 in relation thereto, and

- (b) does not use or disclose the information other than as is permitted of such party in accordance with Clause 23.1.

24.3 Nothing in Clause 23.1 shall apply:

- (a) to the disclosure or use by the Disclosing Party of Protected Information to which the Protected Party has consented in writing;
- (b) to any Protected Information which;
 - (i) before it is obtained by the Disclosing Party is in the public domain; or
 - (ii) after it is obtained by the Disclosing Party enters the public domain,in either case otherwise than as a result of a breach by the Disclosing Party of its obligations under Clause 23.1;
- (c) to the disclosure of any Protected Information to any person if and to the extent that the Disclosing Party is required to make such disclosure to such person;
 - (i) in compliance with the duties of the Disclosing Party under the Act or any other requirement of a Competent Authority; or
 - (ii) in compliance with the conditions of the Pipeline Operator 's Licence or (as the case may be) Shipper's Licence held by the Disclosing Party or any document referred to in such licence with which the Disclosing Party is required by virtue of the Act or such licence to comply; or
 - (iii) in compliance with any other Legal Requirement; or
 - (iv) in response to a requirement of any stock exchange or regulatory authority or the Panel on Take-overs and Mergers; or
 - (v) pursuant to any provision of Clauses 8 to 17 or pursuant to any judicial or other arbitral process or tribunal having jurisdiction in relation to the Disclosing Party; or
- (d) to any Protected Information to the extent that the Disclosing Party is expressly permitted or required to disclose that information under the terms of any agreement or arrangement made with the Protected Party or to which it is party (including the Code, the Framework Agreement and any Ancillary Agreement to which the Protected Party is party);
- (e) to the disclosure of Protected Information to any lending or other financial institution proposing to provide or arrange the provision of finance to the Disclosing Party, where and to the extent that the disclosure of such information is reasonably required for the purposes of the provision or arrangement of such finance, and provided that the person to whom the information is disclosed undertakes in writing to and in terms reasonably satisfactory to the Protected Party to maintain the confidentiality of such information;
- (f) to the disclosure of any Protected Information to the Authority, where the Disclosing Party considers in good faith that the Protected Party may be in breach of a condition of the Pipeline Operator's Licence or (as the case may be) the Shipper's

Licence, to the extent reasonably necessary to draw such possible breach to the attention of the Authority;

- (g) to any person pursuant to the Modification Rules;
- (h) to the disclosure of any Protected Information to any person proposing to make a connection directly or indirectly to the Pipeline where and to the extent that the disclosure of such information is reasonably required for the purposes of supporting the Pipeline Operator's charges or requirement to allow such proposed connection to the Pipeline to be made and provided that the person to whom the information is to be disclosed is informed in writing of the confidentiality of such information and that prior to disclosure such person has entered into a confidentiality agreement with the Pipeline Operator which prohibits use or disclosure of such Protected Information in terms no less onerous than those contained in Clauses 23 and 24;
- (i) to an Upstream System Operator or Downstream System Operator to the extent required to enable such Operator to fulfil its Gas Transporter Licence requirements, the requirements of its Network Code or its duties under any Legal Requirement .

24.4 The provisions of Clauses 23 to 24.3 shall continue, for a period of 3 years after the User Discontinuance Date, to bind a Discontinuing User and (as respects the Discontinuing User) the Pipeline Operator and each other Pipeline User, notwithstanding that the Discontinuing User has ceased to be a Pipeline User and irrespective of the reason for such cessation.

24.5 Nothing in the Code, the Framework Agreement or any Ancillary Agreement shall be construed as requiring the Pipeline Operator to disclose or use any information in breach of any requirement of the Pipeline Operator Licence.

25 Data ownership

25.1 Subject to Clause 25.2(a) the data, including metering data, which is processed by or recorded or maintained on the Computer System or any other computer system of the Pipeline Operator (including all intellectual property rights in such data) shall belong to the Pipeline Operator; and subject to Clause 25.2(b) the Pipeline Operator may, but without prejudice to Clause 23 or any other requirement of the Code, use and deal with such data as it thinks fit.

25.2 Where pursuant to the Code a Pipeline User provides or arranges for the provision of data to the Pipeline Operator:

- (a) such data (as provided to the Pipeline Operator by the Pipeline User) shall belong to the Pipeline User:
- (b) the Pipeline User hereby grants to the Pipeline Operator a perpetual, non-exclusive, royalty-free licence (which shall survive the User Discontinuance Date) in respect of such data and all intellectual rights therein to use, copy, adapt and deal with such data for the purposes of performance and implementation of the Code and for other purposes contemplated by the Code, but not otherwise:
- (c) Clause 25.1 shall apply in respect of data derived (pursuant to any process) by the Pipeline Operator from such data and in all compilations created by or on behalf of the Pipeline Operator of such data.

25.3 Where pursuant to the Code the Pipeline Operator provides data to a Pipeline User or data which is recorded or maintained on the Computer System is available to a Pipeline User, the Pipeline User shall (but without prejudice to Clause 25.2) be entitled without charge to use such data for the purposes of performance and implementation of the Code, and for other purposes contemplated by the Code, but not otherwise.

26 Liability

26.1 Except where the Code expressly provides otherwise or disapplies this Clause 26.1 or as may be provided in an Ancillary Agreement, neither the Code nor the Framework Agreement nor any Ancillary Agreement creates contractual rights or liabilities between Pipeline Users inter se.

26.2 Subject to the further provisions of Clauses 26 to 30, each Party agrees and acknowledges that:

- (a) no Party shall be liable to any other Party for loss arising from any breach of the Code the Framework Agreement or an Ancillary Agreement other than (but without prejudice to any other provision of the Code or an Ancillary Agreement which excludes or limits liability in respect of any breach) for loss directly resulting from such breach and which at the relevant date was reasonably foreseeable as not unlikely to occur in the ordinary course of events from such breach in respect of:
 - (i) physical damage to the property of any other Party, and/or
 - (ii) the liability (in law) of any other such Party to any other person for loss in respect of physical damage to the property of such person;
- (b) no Party shall in any circumstances be liable in respect of any breach of the Code the Framework Agreement or any Ancillary Agreement to any other Party for:
 - (i) any loss of profit, loss of revenue, loss of use, loss of contract, loss of goodwill, loss arising from business interruption of any person or increased cost of working;
 - (ii) any indirect or consequential loss; or
 - (iii) except as provided in Clauses 26.2(a)(ii) and 26.6, loss resulting from the liability of any other Party to any other person howsoever and whenever arising.

26.3 For the purpose of Clause 26.2(a) the "**relevant date**" is the date of accession by the Pipeline User except that where the breach in question would not have been a breach of the Code but for a modification (pursuant to the Modification Rules or the Pipeline Operator's Licence) of the Code, the relevant date shall be the date of such modification.

26.4 The amount or amounts for which a Party may be liable to any other Party or Parties pursuant to Clause 26.2(a) in respect of any one event or circumstance constituting or resulting in the first Party's breach of a provision of the Code, the Framework Agreement and/or any Ancillary Agreement shall not exceed:

- (a) as respect the liability of the Pipeline Operator to any one Pipeline User or of any one Pipeline User to the Pipeline Operator £250,000;

(b) as respects the liability in aggregate of the Pipeline Operator to Pipeline Users collectively or of Pipeline Users collectively to the Pipeline Operator £1,000,000.

26.5 Clause 26.2 is without prejudice to any provision of the Code or any Ancillary Agreement which provides for any indemnity or which provides for any Party to make a payment to another.

26.6 Nothing in the Code or any Ancillary Agreement shall exclude or limit the liability of any Party for death or personal injury resulting from the negligence or such Party.

27 Exclusion of Certain Rights and Remedies

27.1 The rights and remedies of the Parties pursuant to the Code, the Framework Agreement and any Ancillary Agreement exclude and are in place of any rights or remedies of any Party in tort (including negligence and nuisance) or misrepresentation (save for those made fraudulently) in respect of the subject matter of the Code, the Framework Agreement and Ancillary Agreement and accordingly but without prejudice to Clauses 26.6 and 27.4 each Party (to the fullest extent permitted by law)

(a) waives any rights or remedies; and

(b) releases each other Party from any duties or liabilities

arising in tort or misrepresentation in respect of the subject matter of the Code, the Framework Agreement or such Ancillary Agreement.

27.2 Without prejudice to Clause 26.2 where any provision of the Code or any Ancillary Agreement provides for any amount to be payable by a Party upon or in respect of that Party's breach of any provision of the Code, each Party agrees and acknowledges that the remedy conferred by such provision is exclusive of and is in substitution for any remedy in damages in respect of such breach or the event or circumstance giving rise thereto.

27.3 For the avoidance of doubt, nothing in Clauses 26 to 30 shall prevent any Party from or restrict it in enforcing any obligation (including suing for a debt) owed to it under or pursuant to the Code, the Framework Agreement or any Ancillary Agreement.

27.4 Nothing in Clauses 26 to 30 shall constitute a waiver by any Party of any right or remedy it may have (other than pursuant to the Code) in respect of a breach by any other Party of any Legal Requirement.

28 Effect of Clauses 26 to 30

28.1 Each provision of Clauses 26 to 30 shall be construed as a separate and severable contract term and shall as respects any Discontinuing User survive that Pipeline User's ceasing to be a Pipeline User.

28.2 Each Party acknowledges and agrees that the provisions of Clauses 26 to 30 have been the subject of discussion and negotiation and are fair and reasonable having regard to the circumstances as at the date of the Framework Agreement.

29 Liquidated damages

29.1 Where any provision of the Code provides for any amount to be payable by a Party upon or in respect of that Party's breach of any provision of the Code, each Party agrees and acknowledges that such provision has been the subject of discussion and negotiation, and

that the amount provided to be payable represents no more than a genuine pre-estimate of the loss of the Party to which such amount is payable.

30 Indemnities

- 30.1 The amount or amounts for which a Party may be liable to any other Party or Parties pursuant to any indemnity provided for in the Code in respect of any one event or circumstance giving rise to liability under such indemnity shall not exceed:
- (a) as respects the liability of the Pipeline Operator to any one Pipeline User or of any one Pipeline User to the Pipeline Operator £250,000;
 - (b) as respects the liability in aggregate of the Pipeline Operator to Pipeline Users collectively or of Pipeline Users collectively to the Pipeline Operator £1,000,000.
- 30.2 For the avoidance of doubt nothing in this Code shall make or be construed as making the Pipeline Operator liable for any loss of any nature (including any indirect or consequential loss) which occurs downstream of the Connection Point but which arises as a result of or is caused by the act or omission of any person in relation to any obligation owed by or to that person upstream of the Connection Point and which loss would but for that act or omission not have also been caused by a breach of the Code by the Pipeline Operator .

31 Meaning of Force Majeure

- 31.1 For the purposes of the Code, subject to Clause 31.2, "**Force Majeure**" means any event or circumstance or any combination of events and/or circumstances, the occurrence of which is beyond the reasonable control of and could not have been avoided by steps which might reasonably be expected to have been taken by a Party (the "**Affected Party**") and which causes or results in the failure of the Affected Party to perform or its delay in performing any of its obligations owed to any other Party or Parties (each an "**Other Party**") under the Code, including:
- (a) war declared or undeclared, threat of war, act of public enemy, terrorist act, blockade, revolution, riot, insurrection, civil commotion, public demonstration, sabotage, act of vandalism;
 - (b) act of God;
 - (c) strike, lockout or other industrial disturbance;
 - (d) explosion, fault or failure of plant, equipment or other installations which the Affected Party could not prevent or overcome by the exercise of the degree of skill, diligence, prudence and foresight which would reasonably and ordinarily be expected from a skilled and experienced Pipeline Operator engaged in the same kind of undertaking under the same or similar circumstances;
 - (e) governmental restraint or the coming into force of any Legal Requirement.
- 31.2 Inability (however caused) of a Party to pay shall not be Force Majeure.
- 31.3 The act or omission of:
- (a) any agent or contractor of a Party; or

- (b) in relation to a Pipeline User, the Upstream System Operator or any Supplier or Consumer

shall not be Force Majeure unless such act or omission is caused by or results from events and/or circumstances which would be Force Majeure within the meaning of Clause 31.1 if such person were the Affected Party.

- 31.4 For the avoidance of doubt, in respect of the Pipeline Operator, "**Force Majeure**" shall include the failure of delivery of gas to the Connection Point for any reason beyond the Pipeline Operator's control (including any Excluded Offtake Circumstances).

32 Effect of Force Majeure

- 32.1 Subject to Clause 32.2 the Affected Party shall be relieved from liability (including any requirement under the Code to make payment of any sum or to take any other action) for any delay or failure in the performance of any obligation under the Code or any Ancillary Agreement which is caused by or results from Force Majeure.

- 32.2 The Affected Party shall be relieved from liability under Clause 32.1 only for so long as and to the extent that the occurrence of Force Majeure and/or the effects of such occurrence could not be overcome by measures which the Affected Party might reasonably be expected to take with a view to resuming performance of its obligations.

33 Information provision following a Force Majeure event

- 33.1 Following any occurrence of Force Majeure the Affected Party shall:

- (a) as soon as reasonably practicable notify each Other Party of the occurrence and nature of the Force Majeure, the expected duration thereof (insofar as the same can reasonably be assessed) and the obligations of the Affected Party performance of which is affected thereby; and
- (b) from time to time thereafter provide to each Other Party reasonable details of:
- (i) developments in the matters notified under paragraph (a), and
- (ii) the steps being taken by the Affected Party to overcome the Force Majeure occurrence or its effects and to resume performance of its relevant obligations.

34 Notices and communications

- 34.1 References in Clauses 34.1 and 34.3 to 34.5 to a notice are to any Code Communication or other notice or communication to be given by one Party to another under the Framework Agreement or an Ancillary Agreement, other than one which is given as a System Communication or by telephone.
- 34.2 Where the Pipeline Operator has in place a Manual, the particular means by which each Code Communication is to be given is set out in the Manual (subject to the provisions of the Pipeline Operator's Network Code) and except where the means by which a Code Communication is to be given is specified in the Code provided that where in any such case such means is not so specified, such Communication shall be given as a Conventional Notice.

- 34.3 Any notice shall be in writing and shall be addressed to the recipient Party and sent to the recipient Party's address or facsimile number referred to in Clause 34.4 and marked for the attention of the representative (identified by name or title) referred to in that paragraph or to such other address or facsimile number and/or marked for such other attention as the recipient Party may from time to time specify by notice given in accordance with this Clause 34.1 to the Party giving the notice.
- 34.4 The initial address or facsimile number of a Party and representative for whose attention notices are to be marked shall be as specified by a Pipeline User pursuant to Clause 1 or by the Pipeline Operator pursuant to Clause 2.
- 34.5 Any notice shall be given by letter delivered by hand or sent by first class prepaid post (airmail if overseas) or by facsimile and shall be deemed to have been received:
- (a) in the case of delivery by hand, when delivered; or
 - (b) in the case of first class prepaid post, on the second Day following the Day of posting or (if sent airmail overseas or from overseas) on the fifth Day following the Day of posting; or
 - (c) in the case of facsimile, on acknowledgement by the recipient Party's facsimile receiving equipment.
- 34.6 Subject to Clause 34.7, a Code Communication which is given after 24:00 hours, or such other time as may be specified in the Manual (if any) in respect of such Code Communication, on a Day may be deemed to have been received on the following Business Day.
- 34.7 Clause 34.6 does not apply in respect of:
- (a) a communication to be made (in accordance with Section I) during an Emergency; or
 - (b) any other communication to be made by System Communication or by telephone or by facsimile where the context requires that such communication be treated as received within the Day on which it is given.
- 34.8 Where any provision of the Code specifies any requirement to be complied with by any Party in respect of any specific Code Communication, such requirement shall be in addition to and (to the extent inconsistent) in substitution for the provisions of Clauses 34 to 36.
- 34.9 Where under any provision of the Code, a Code Communication may be given in the form of a computer disk, it shall be given by delivering or sending by post, such disk in accordance with Clauses 34.3 to 34.5 (and shall be treated for the purposes of Clause 34.3 as being in writing) but without prejudice to any procedure which the relevant Parties may agree for the purposes of ensuring that it is received in appropriately readable form.

35 Communication by telephone

- 35.1 For the purpose of enabling Code Communications to be given (where required or permitted to be so given) by telephone:
- (a) the Pipeline Operator shall provide to each Pipeline User and each Pipeline User shall provide to the Pipeline Operator not more than 3 telephone numbers (or such

other number as they may agree) and details (by name or title) of the representative to whom the Party giving such a communication should speak;

- (b) each Party shall use reasonable endeavours to ensure that a Party seeking to give such communication will at any time be able to contact a representative (of the first Party) by means of one of such telephone numbers;
- (c) the Pipeline Operator and each Pipeline User shall, if either of them shall so request, establish such further procedures as may be reasonable and appropriate for the purposes of ensuring:
 - (i) that a Code Communication being given by telephone may be identified by the recipient as such; and/or
 - (ii) that such communications may be given securely without delay and effectively.

35.2 Where a Party seeking to give a Code Communication by telephone is unable to contact a representative of the receiving Party, such Party must give the communication by facsimile and the communication will not be deemed to have been given except in accordance with Clause 34.5(c).

35.3 Unless otherwise agreed between the relevant Parties a telephone notice may not be given as a message recorded on a telephone answering device.

35.4 Where a Code Communication is given by telephone:

- (a) the Pipeline Operator will promptly after the telephone communication is completed make and keep a record in which the time and content of the telephone notice is logged but may do so by recording the telephone communication where it has notified the Pipeline User (on the occasion or on a standing basis) of its intention to do so;
- (b) the Code Communication shall be treated as given at the time at which the telephone communication is completed.

36 Communication by other means

36.1 Subject to Clause 36.2 the Pipeline Operator and any Pipeline User may agree to send and receive notices by means other than those specified in Clauses 34 and 35.

36.2 Any such means of communication must be capable of being audited, and the Pipeline Operator and the relevant Pipeline User shall agree on such auditing procedures as may be reasonable and appropriate.

36.3 The means by which Pipeline Users may obtain information pursuant to the Incident Procedure shall be as set out therein.

37 Language

37.1 Every Code Communication, and every notice or other communication to be given by one Party to another under the Framework Agreement, shall be in the English language.

38 Governing law

- 38.1 The Code and the Framework Agreement shall be governed by, and construed in all respects in accordance with, English law.

39 Jurisdiction

- 39.1 Subject and without prejudice to the provisions of Clauses 8 to 17 as to Expert Determination, all the Parties irrevocably agree that the courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Code, the Framework Agreement and any Ancillary Agreement and that accordingly any suit, action, proceeding (collectively "proceedings") arising out of or in connection with the Code and the Framework Agreement and any Ancillary Agreement may be brought in such courts.
- 39.2 Each Party irrevocably waives any objection which it may have now or hereafter to the laying of the venue of any proceedings in any such court as is referred to in Clause 39.1 and any claim that any such proceedings have been brought in an inconvenient forum and further irrevocably agrees that a judgement in any proceedings brought in the English courts shall be conclusive and binding upon such Party and may be enforced in the courts of any other jurisdiction.
- 39.3 Any Party which is not a company incorporated under the Companies Act 1985 shall provide to the Pipeline Operator an address in England or Wales for service of process on its behalf in any proceedings.

40 Disclosure of Supplier Identity

- 40.1 Where in respect of any Supply Point the Pipeline Operator is requested by a Registered Metering Applicant to disclose to such Registered Metering Applicant the identity of a Supplier then the Registered User of such Supply Point agrees that any such request will be regarded as being on behalf of such Registered User and accordingly the Pipeline Operator is authorised by such Registered User to disclose such Supplier identity to the Registered Metering Applicant in accordance with such request.
- 40.2 For the purposes of Clause 40.1 the "Registered Metering Applicant" is any person who has been registered to request and receive Supplier identity from the Pipeline Operator pursuant to an appropriate registration scheme administered by the Pipeline Operator.

41 Communication of Incidents

- 41.1 The Pipeline Operator shall as soon as reasonably practicable after the occurrence of an incident resulting in a failure to supply more than 50 Supply Points at any one time (subject always to any obligations of confidentiality and to any obligations (whether pursuant to any Legal Requirement or otherwise) which the Pipeline Operator may reasonably determine have a higher priority in the event of an incident) provide to relevant Pipeline Users such information regarding the incident as is set out in the document "Shipper Incident Communication Procedure" as such document may be amended from time to time by the Pipeline Operator upon notice to Pipeline Users (the "**Incident Procedure**")

42 Rights of Third Parties

- 42.1 Unless expressly otherwise provided, the Parties do not intend that any term of the Code, or the Framework Agreement or any Ancillary Agreement shall be enforceable solely by virtue of the Contracts (Rights of Third Parties) Act 1999 by any person who is not a Party.
- 42.2 Notwithstanding any express provision of the Code pursuant to which Clause 42.1 is disapplied, in relation to a term of the Code, or the Framework Agreement or any Ancillary Agreement, the Parties may rescind, vary, waive, release, assign, novate or otherwise dispose of all or any of their respective rights or obligations.

PART L DEFINITIONS

The following definitions shall apply:

“the Act” the Gas Act 1986 as amended;

“Affiliate” shall have the meaning ascribed thereto in the UNC;

“Agreed Opening Meter Reading” shall have the meaning in Part E6.5;

“Aggregate EUC CSAQ” shall have the meaning in Part F7.3;

“Aggregate CSEP Capacity” shall have the meaning in Part B4.4;

“Aggregate Pipeline Capacity” shall have the meaning in Part CV4.3;

“Ancillary Agreement” an agreement between the Pipeline Operator and one or more Pipeline Users setting out any terms of a transportation arrangement (as defined in Standard Condition 1 of the Pipeline Operator’s Licence in relation to the Pipeline:

- (a) entered into pursuant to any provision of the Code which contemplates that such an agreement may be entered into; or
- (b) which expressly provides that it is to be a Network Code Ancillary Agreement.

For the avoidance of doubt the LDZ CSEP Ancillary Agreement is not an Ancillary Agreement for the purposes of the Code.

“Annual Quantity” or **“AQ”** shall have the meaning ascribed thereto in Part CI6;

“Annual Read Meter” shall have the meaning in Part E1.2(r);

“Applicable Daily Rate” shall have the meaning in Part G2.4(a);

“Applicable Annual Rate” shall have the meaning in Part G2.4(a);

“Applicable Commodity Rate” shall have the meaning in Part G2.4(b);

“Applicable Interest Rate” shall have the meaning in Part G14.3;

“Applicant User” shall have the meaning in Part K1.1;

“AQ Procedures Document” shall have the meaning in Part CI 6.1(d);

“Authority” the Gas and Electricity Markets Authority established under Section 1 of the Utilities Act 2000 or any successor thereof;

“Billing Day” shall have the meaning in Part G3.3(b);

“Billing Period” shall have the meaning in Part G3.3(a);

“Bottom Stop” shall have the meaning in Part CII2.3;

"Bulk Confirmation" shall have the meaning in Part CI 13.11;

“Business Day” means (except for the purposes of Parts C, D and E a Day other than a Saturday or a Sunday or a Day which begins at 06:00 hours on a bank holiday in England and Wales;

“C&D Information”: shall have the meaning in Part E2.20;

“C&D Notification”: shall have the meaning in Part E2.20;

"Calculated Gas Card Reading" shall have the meaning in Part E1.2;

“Capacity” shall have the meaning in Part B2.1;

“Capacity Ratchet Amount” shall have the meaning in Part CII5.5;

“Capacity Reduction Period” shall have the meaning in Part CII2.2;

“Capacity Revision Application” shall have the meaning in Part CII1.3;

“Capacity Variable Component” shall have the meaning (if any) in the Pipeline Operator's Network Code;

“Code Communication”: any communication to be given by the Pipeline Operator or any Pipeline User under the Code including where so provided by and in accordance with the Pipeline Operator's Network Code, any System Communication;

"Code Credit Limit" shall have the meaning in Part G19.2;

"Code Credit Rules" shall have the meaning in Part G19.2;

“Competent Authority” the Authority, or any local, national or supra-national agency, authority, department, inspectorate, minister, official, court, tribunal or public or statutory person (whether autonomous or not) of the United Kingdom (or the government thereof) or the European Communities which has jurisdiction over the Pipeline Operator or a Pipeline User or the subject matter of the Code;

“Completion Date” shall have the meaning in Part CV1.2(c);

"Computer System" the computer systems (if any) described in the Manual as from time to time modified in accordance with the Pipeline Operator's Network Code, operated by the Pipeline Operator to support implementation of certain provisions of the Code and the giving of certain communications.

“Confirmed DM Capacity” shall have the meaning in Part CI12.4;

“Connected Offtake System” shall have the meaning ascribed thereto in the UNC;

"Connection Point": the LT Connection Point or the US Connection Point;

"Connections Work" shall have the meaning in Part CV 1.2(e);

“Consumer” is a reference to:

- (a) A consumer (as defined in the Gas Code) who is supplied with gas conveyed to particular premises by means of the Pipeline;
- (b) In the context of a particular Supply Point, Supply Meter Point or Supply Point Component, the consumer who is supplied with gas offtaken from the Pipeline at the relevant point; or
- (c) In the context of Pipeline User, the consumer in respect of a Supply Point of which the Pipeline User is Registered User;

“Consumer’s Plant” in respect of any Supply Meter, the plant and/or equipment in which gas offtaken from the Pipeline at that point is to be used (including any plant or equipment in which gas is compressed or otherwise treated before being consumed);

“Conventional Notice” a notice or communication which is or may be given by any of the means in Part K34.2;

“Current” shall have the meaning in Part CI9.2;

“Customer Charge” is a charge (if any) payable by reason of being the Registered User of a Supply Point;

“Customer Read” shall have the meaning in Part E1.2(d);

“Daily Meter Readings” shall have the meaning in Part E10.1;

“Daily Read” shall have the meaning in Part D1.4;

“Daily Read Equipment” shall have the meaning in Part CI 3.4(b)

“Daily Read Requirement” shall have the meaning in Part CI 3.3;

“Day” shall have the meaning ascribed thereto in the UNC;

"day of issue" shall have the meaning in Part CI 20.1;

"day of notification" shall have the meaning in Part CI 20.1;

“Defaulting User” shall have the meaning in Part K7.1;

"Developer" shall have the meaning in Part CI 13.7(a);

“Directive” shall have the meaning ascribed thereto in the UNC;

“Discontinuance Notice” shall have the meaning in Part K6.1;

“Discontinuing User” shall have the meaning in Part K5.1;

“DM Capacity” shall have the meaning in Part B 2.3(c)

“DM Demand” shall have the meaning in Part F2.2;

“DM Offtake Rate” shall have the meaning in Part CII3.1;

“DM Output Nomination” shall have the meaning ascribed thereto in the UNC;

“DM Supply Meter Point” is a Supply Meter Point in respect of which Daily Read Equipment has been installed;

"DN Operator" shall have the meaning ascribed thereto in the UNC;

"domestic premises" premises at which a supply is taken or to be taken wholly or mainly for domestic purposes;

"Downstream System" is a pipeline or pipeline system operated by a person other than the Pipeline Operator which is or is to be connected downstream of the Pipeline whether connected directly or indirectly to it via another pipeline or pipeline system and where gas flow from the Pipeline into that pipeline or pipeline system is not metered;

"Downstream System Operator" is in respect of a Downstream System, the person which owns or operates that Downstream System;

"Effective Period" shall have the meaning in Part CI 6.16;

“Emergency” shall have the meaning in Part I1.7;

“emergency contacts” shall have the meaning in Part I8.1(b);

“Emergency Steps” shall have the meaning in Part I3.1;

“Estimated Meter Reading Charge” shall have the meaning in Part G1.6;

“Existing Registered User” shall have the meaning in Part CI9.3(b);

“Existing Supply Point” shall have the meaning in Part CI9.3(a);

“Expert Determination” shall have the meaning in Part K8.1;

“Firm Supply Point” shall have the meaning in Part CIII3.2(c);

“First Supply Point Registration Date” shall have the meaning in Part CV2.4;

"Framework Agreement" the agreement between the Pipeline Operator and Pipeline Users, pursuant to which such Pipeline Users become bound by the Pipeline Operator's Network Code;

“gas” shall have the meaning ascribed thereto in the UNC;

“Gas Act Owner” shall have the meaning in Part CI 11.12(a);

“Gas Card” shall have the meaning in Part E1.2;

“Gas Card Reading” shall have the meaning in Part E1.2;

“Gas Code” the Gas Code in Schedule 2B to the Act;

“Gas Flow Day” shall have the meaning ascribed thereto in the UNC;

"Gas Transporter" a person who holds a Gas Transporter's Licence;

"Gas Transporter's Licence" a gas transporters licence as from time to time in force granted or treated as granted pursuant to the Act;

“Gas Year” shall have the meaning ascribed thereto in the UNC;

“hour” shall have the meaning ascribed thereto in the UNC;

“IGE Meter Recommendation” shall have the meaning in Part D1.3(b);

"Incident Procedure" shall have the meaning in Part K41.1;

“Interruptible” shall have the meaning in Part CIII3.2(a);

“Interruptible Supply Point” shall have the meaning in Part CIII3.2(b);

“interruption” shall have the meaning in Part CIII3.2(e);

“Interruption Allowance” shall have the meaning ascribed thereto in the UNC;

“Invoice Amount” shall have the meaning in Part G3.3(e);

“Invoice Credit” shall have the meaning in Part G4.2;

“Invoice Document” shall have the meaning in Part G3.3(c);

“Invoice Due Date” shall have the meaning in Part G9.2;

“Invoice Item” shall have the meaning in Part G3.3(d);

“Invoice Query” shall have the meaning in Part G15.1;

“Invoice Remittance Advice” shall have the meaning in Part G4.5;

“Isolation” shall have the meaning in Part CIV4.1;

“kWh” shall have the meaning ascribed thereto in the UNC;

“Large Firm Supply Point” shall have the meaning in Part I1.3;

"Large Transporter" National Grid Gas plc and/or as the context permits the DN Operator which operates the pipeline system immediately upstream of the LT Connection Point;

"Large Transporter System" the main pipeline systems operated by National Grid Gas plc and the DN Operators the conveyance of gas through which is authorised by one or more gas Transporter Licences;

“Larger EUC CSEP” shall have the meaning in Part F7.3;

“Larger Supply Point” shall have the meaning in Part CI 1.1;

"Last Resort User" shall have the meaning in Part CI 20.1;

"Legal Requirement" shall have the meaning ascribed thereto in the UNC;

"LDZ Capacity" shall have the meaning ascribed thereto in the UNC;

"LDZ CSEP Ancillary Agreement" the agreement made between the Large Transporter and certain Pipeline Users in respect of DM Supply Point Components and Interruptible Supply Points on the Pipeline;

"Local Emergency" shall have the meaning in Part I1.2;

"Local Emergency Procedures" shall have the meaning in Part I2.1;

"LT Connection Point" the Connected System Exit Point agreed as such between the Large Transporter and the Pipeline Operator being the point(s) on the Pipeline at which gas can flow into the Pipeline from the Large Transporter System;

"Maintenance Affected Point" shall have the meaning in Part H4.1(a);

"maintenance day" shall have the meaning in Part H3.1(b)(ii);

"Maintenance Programme" shall have the meaning in Part H1.1(a);

"Manual" the document (if any) so entitled and issued by the Pipeline Operator, as from time to time revised in accordance with the Pipeline Operator's Network Code;

"Maximum DM Capacity" shall have the meaning in Part CII5.1(a);

"Maximum DM Offtake Rate" shall have the meaning in Part CII5.1(b);

"maximum offtake rate" shall have the meaning in Part CII3.6;

"Meter Asset Manager" shall have the meaning in Part CI 11.12(b);

"Meter By Pass" shall have the meaning in Part D2.10(b);

"Meter Fit Report" shall have the meaning in Part D7.3;

"Meter Information": shall have the meaning in Part E2.20;

"Meter Information Notification": shall have the meaning in Part E2.20;

"Meter Information Update Notification": shall have the meaning in Part E2.20;

"Metered Quantity" shall have the meaning in Part E1.2(m);

"Metered Volume" shall have the meaning in Part E1.2(l);

"Meter Fix Date" shall have the meaning in Part CV 1.2(f);

"Meter Fix Reading" shall have the meaning in Part E6.12;

"Meter Installation Works" shall have the meaning in Part D1.2(c);

“Meter Post Code” shall have the meaning in Part CI2.2(a);

“Meter Read” shall have the meaning in Part E1.2(b);

“Meter Read Date” shall have the meaning in Part E1.2(n);

“Monthly Read Meter” shall have the meaning in Part E1.2(q);

“Meter Reader” shall have the meaning in Part E1.2(k);

“Meter Reading” shall have the meaning in Part E1.2(a);

“Meter Reading Frequency” shall have the meaning in Part E1.2(p);

“Meter Reading Period” shall have the meaning in Part E1.2(o);

“Meter Reading Validation Rules” shall have the meaning in Part E9.3;

“Meter Work”: shall have the meaning in Part E2.20;

“Meter Worker”: shall have the meaning in Part E2.20;

“Minimum Aggregate Capacity” shall have the meaning in Part B4.1;

“Modification Rules” the modification rules set out in Part M;

“NDM Supply Meter Point” is a Supply Meter Point which is not a DM Supply Meter Point;

“NDM Supply Meter Point Demand” shall have the meaning in Part F9.2;

“NEC” shall have the meaning in Part I1.4;

“NEC Safety Case” shall have the meaning in Part I1.5;

“Network Gas Supply Emergency” shall have the meaning in Part I1.8;

“New” shall have the meaning in Part CI9.2;

“New Supply Meter” shall have the meaning in Part CV1.1(a);

“NExA”: the Network Exit Agreement entered into between the Large Transporter and the Pipeline Operator in respect of the application of the UNC Code and other matters in relation to the off-take of gas from the Large Transporter System by Pipeline Users at the LT Connection Point;

“Nominated” shall have the meaning in Part CI10.3;

“Non-Daily Read” shall have the meaning in Part D1.6;

“non domestic premises” premises which are not domestic premises;

“Objecting User” shall have the meaning in Part CI15.3;

“Objection Deadline” shall have the meaning in Part CI15.1(b) and (c);

“off-spec gas” shall have the meaning in Part J4.2

“Offtake Capacity” shall have the meaning in Part B2.3(b);

“On-site Meter Read” shall have the meaning in Part E1.2(c);

“Opening Meter Reading” shall have the meaning in Part E6.2;

“Operational” shall have the meaning in Part CI3.4(c);

"Pipeline" the gas pipeline or pipeline system which is not owned or operated by a Large Transporter and which is connected to an Upstream System, the conveyance of gas through which is authorised by the Pipeline Operator's Licence and the flow of gas into which is not metered;

“Pipeline Design Maximum Volume” shall have the meaning in Part CV4.1

“Pipeline Capacity” shall have the meaning in Part B 2.3(a);

"Pipeline Operator ": shall have the meaning in Part A 2.4;

"Pipeline Operator's Licence": the Gas Transporter's Licence granted to the Pipeline Operator, as from time to time in force;

“Pipeline Shrinkage” shall have the meaning in Part F12.1(a);

“Pipeline Shrinkage Factor” shall have the meaning in Part F12.1(b);

"Pipeline User": a person other than the Pipeline Operator who is for the time being bound by the Code pursuant to the Framework Agreement;

“Preceding Year” in relation to any Gas Year is the Gas Year ending at the start of such Gas Year;

“Preceding Year Maximum Capacity” shall have the meaning in Part CII2.3(a)(i);

“Prevailing” shall have the meaning in Part CII2.3(c);

“Priority Consumer” shall have the meaning in Part I4.1(a);

“Priority Criteria” shall have the meaning in Part I4.1(b);

“Priority Supply Point” shall have the meaning in Part I4.1(a);

“Programmed Maintenance” shall have the meaning in Part H3.1;

“Proposed Supply Point” shall have the meaning in Part CI8.3;

“Proposed Supply Point Registration” shall have the meaning in Part CI 1.3

“Proposed Supply Point Registration Date” shall have the meaning in Part CI12.6;

“Proposing User” shall have the meaning in Part CI8.2;

"Proposing User Read" shall have the meaning in Part E1.2(v);

"Proposing User's Estimate" shall have the meaning in Part E1.2(u);

“Provisional Maximum DM Capacity” shall have the meaning in Part CII5.2;

“quantity” shall have the meaning ascribed thereto in the UNC;

“Re-establish” shall have the meaning in Part CIV4.1;

“Registered DM Capacity” shall have the meaning in Part B5.2;

"Registered Metering Applicant" shall have the meaning in part K 40.2

“Registered User” shall have the meaning in Part CI 1.1

“Regulations” shall have the meaning in Part I1.6;

“Relevant EUC Supply Meter Points” shall have the meaning in Part F7.3;

“Relevant Metered Period” shall have the meaning in Part F6.1;

“relevant variable” shall have the meaning in Part F5.1;

"Remote Meter Reading Equipment" shall have the meaning in Part E1.2;

"Remote Read" shall have the meaning in Part E1.2;

“Revised Meter Reading” shall have the meaning in Part E4.5;

"Shipper" shall have the meaning in Part CI 13.7(b);

“Shipper’s Licence” a licence granted or treated as granted under Section 7A(1) of the Act, or in the context of any Pipeline User the licence so granted or treated as granted to that Pipeline User;

“Single Premises Requirement” shall have the meaning in Part CI4.2;

“Siteworks” shall have the meaning in Part CV1.1(b);

“Siteworks Applicant” shall have the meaning in Part CV1.2(a);

“Siteworks Contract” shall have the meaning in Part CV1.2(b);

“Smaller EUC CSEP” shall have the meaning in Part F7.3;

“Smaller Supply Point” shall have the meaning in Part CI 1.1

“Sub Deduct Arrangement” shall have the meaning in Part D2.10(a)

“Supplier” is a reference to:

- (a) a person who supplies to premises gas offtaken from the Pipeline (including a person supplying gas to itself);
- (b) in the context of a particular Supply Point, Supply Meter Point or Supply Point Component, the supplier who supplies the Consumer with gas; or
- (c) in the context of a Pipeline User, the supplier in respect of a Supply Point of which the Pipeline User is the Registered User;

"Supplier of Last Resort" shall have the meaning in Part CI 20.1;

"Supply Meter" shall have the meaning in Part D1.2(b);

"Supply Meter Installation" shall have the meaning in Part D1.2(a);

"Supply Meter Point" shall have the meaning in Part CI1.1

"Supply Meter Point Reference Number" shall have the meaning in Part CI2.2(a);

"Supply Point" shall have the meaning in Part CI1.1

"Supply Point Component" is either:

- (a) all (if any) of the Supply Meter Points comprised in one Supply Point which are DM Supply Meters Points (a **"DM"** Supply Point Component); or
- (b) all (if any) of the Supply Meter Points comprised in one Supply Point which are NDM Supply Meter Points (an **"NDM"** Supply Point Component)

"Supply Point Confirmation" shall have the meaning in Part CI8.4(a);

"Supply Point Confirmation Cancellation" shall have the meaning in Part CI15.1(c);

"Supply Point FirstNomination" shall have the meaning in Part CI10.1(c)(i)

"Supply Point Nomination" shall have the meaning in Part CI8.4(b);

"Supply Point Objection" shall have the meaning in Part CI15.1(b);

"Supply Point Offer" shall have the meaning in Part CI8.4(c);

"Supply Point Premises" shall have the meaning in Part CI1.1;

"Supply Point Ratchet Charge" shall have the meaning in Part CI15.7;

"Supply Point Reconfirmation" shall have the meaning in Part CI9.5;

"Supply Point Register" shall have the meaning in Part CI 2.1;

"Supply Point Registration" shall have the meaning in Part CI 1.1;

"Supply Point Registration Date" shall have the meaning in Part CI 1.1;

“Supply Point Registration Number” shall have the meaning in Part CI2.2(d);

“Supply Point Renomination” shall have the meaning in Part CI9.5;

“Supply Point Second Nomination” shall have the meaning in Part CI10.1(c)(ii);

“Supply Point Withdrawal” shall have the meaning in Part CIV1.1(a);

"System Communication" is a message transmitted by means of the Computer System;

“Target Completion Date” shall have the meaning in Part CV1.2(d);

“target due date” shall have the meaning in Part G9.2(b);

“target opening date” shall have the meaning in Part F6.5;

"Terminated Supply Meter Points" shall have the meaning in Part CI 20.1;

“Termination Notice” shall have the meaning in Part K7.3;

“threshold rate increase” shall have the meaning in Part CII6.3;

“TNI” shall have the meaning in Part CIII3.2(d);

"Transition Document" shall have the meaning in Part A2.11

“Transportation Charges” shall have the meaning in Part G1.1(a);

“Transportation Statement” shall have the meaning in Part G1.1(b);

"TSMP Information" shall have the meaning in Part CI 20.1;

“UDQO” shall have the meaning ascribed thereto in the UNC;

"UNC" the uniform network code prepared by the Large Transporter pursuant to Standard Special Condition A11(6) of the Large Transporter's Gas Transporters Licence;

"Upstream System" is a pipeline or pipeline system operated by a person other than the Pipeline Operator which is located upstream of the Pipeline whether connected directly or indirectly to it via another pipeline or pipeline system;

"Upstream System Operator" is in respect of an Upstream System the person which owns or operates that Upstream System;

"Upstream System Users" in respect of an Upstream System, the persons who are holders of licences granted or treated as granted under Section 7A(1) of the Act and who make arrangements for the conveyance of gas in that Upstream System;

"US Connection Point" the point(s) at which the Pipeline connects to an Upstream System which is not operated by the Large Transporter;

“User Accession Date” shall have the meaning in Part K2.1;

“User Default” shall have the meaning in Part K7.1;

“User Discontinuance Date” shall have the meaning in Part K5.1;

“User EUC”: in respect of any Pipeline User, each End User Category into which any Registered Supply Meter Points fall.

“User EUC CSEP” shall have the meaning in Part F7.2;

“Validation” shall have the meaning in Part E9.2;

“Valid Meter Read” shall have the meaning in Part E1.4;

“Valid Meter Reading” shall have the meaning in Part E1.4;

“volume” shall have the meaning ascribed thereto in the UNC;

“Withdrawing Supply Meter Points” shall have the meaning in Part CIV1.2(b);

“Withdrawing Supply Point” shall have the meaning in Part CIV1.2;

“Withdrawing User” shall have the meaning in Part CIV1.2(a);

“1-in-20 peak day demand” shall have the meaning ascribed thereto in the UNC.

PART M MODIFICATION RULES

[drafting to be reviewed in context of licence changes]

Introduction

The Pipeline Operator has agreed with each other Gas Transporter which has incorporated the iGT UNC into its Network Code (the "**Other iGTs**") to establish, develop and operate arrangements pursuant to which the Modification Rules of the Pipeline Operator and the Other iGTs are administered on a common, joint or co-ordinated basis so that inter alia a Modification Proposal made in respect of the Code of one iGT UNC Operator is to be treated as a Modification Proposal in respect of the Codes of all iGT UNC Operators (unless the Modification Proposal has been raised in respect of an Individual Network Code).

1 Status of Modification Rules and Application

- 1.1 Standard Condition 9(5) of the Pipeline Operator's Licence requires the establishment and operation by the Pipeline Operator of certain procedures for the modification of the Code so as to better facilitate the code relevant objectives (as defined in Standard Condition 9(1) of the Pipeline Operator's Licence).
- 1.2 The Modification Rules set out in this Part M constitute such procedures and the code modification rules (as defined in Standard Condition 9(6)(a) of the Pipeline Operator's Licence).
- 1.3 The Modification Rules do not apply to any modification which the Pipeline Operator may from time to time be required to make pursuant to Standard Condition 9(10) of the Pipeline Operator's Licence.

2 Interpretation

- 2.1 In the Modification Rules the following expressions have the following meanings:
 - "**Affected Person**": in relation to a Modification Proposal, a person (other than a Pipeline User) likely to be materially affected were such a Proposal to be implemented in so far as the Pipeline Operator is aware of the same;
 - "**Alternative Modification Proposal**": the meaning set out in Clause 8.1;
 - "**Close out Date**": the meaning set out in Clause 4.2;
 - "**Consultation Meeting**": the meaning set out in Clause 6.5;
 - "**Draft Modification Report**"; the meaning set out in Clause 9.1;
 - "**iGT UNC**" Parts A to M of this document [and including the Transition Document];
 - "**iGT UNC Operators**" the Pipeline Operator and the Other iGTs and "iGT UNC Operator" means any of them;
 - "**Individual Network Code**" an iGT UNC Operator's Network Code excluding the terms of the iGT UNC;

"Modification Proposal": a proposal for the modification of the iGT UNC or an Individual Network Code pursuant to the Modification Rules;

"Proposer": in relation to a Modification Proposal, the person initiating such Proposal;

"Relevant iGT UNC Operator" for the purpose of the Modification Rules only, in relation to an Individual Network Code Modification Proposal means the iGT UNC Operator which is the owner or operator of the Pipeline to which the Individual Network Code relates.

"Relevant Objectives": the objectives defined in Standard Condition 9(1) of the Pipeline Operator's Licence;

"relevant parties": the meaning set out in Clause 6.2;

"Urgent Modification Proposal": the meaning set out in Clause 5.1;

2.2 Pipeline User in the context of:

(a) a Modification Proposal for the iGT UNC is a Pipeline User in respect of the Network Code of an iGT UNC Operator;

(b) a Modification Proposal for an Individual Network Code is a Pipeline User in respect of the Network Code of the Relevant iGT UNC Operator;

2.3 References in the Modification Rules to the Pipeline Operator, the iGT UNC Operators or any of them doing certain things within certain time periods shall be construed as the Pipeline Operator, the iGT UNC Operators or such iGT UNC Operator agreeing to endeavour to do such things within such time limits.

2.4 Where for the purpose of the Modification Rules the iGT UNC Operators are required to undertake any obligation, such obligation shall be construed as an obligation on the Pipeline Operator to endeavour to undertake such obligation on a common joint or co-ordinated basis with the Other iGTs.

2.5 The iGT UNC Operators will appoint from time to time a person or persons (the "Representative") to administer the Modification Rules on behalf of the iGT UNC Operators. The identity and contact details of the Representative will be notified as soon as reasonably practicable after appointment, to Pipeline Users and the Authority.

2.6 Where for the purpose of the Modification Rules the Pipeline Operator is or the iGT UNC Operators are required to undertake any obligation, it is acknowledged that it or they may discharge the performance of that obligation through the Representative.

3 Modification Proposals

3.1 A Modification Proposal in respect of the iGT UNC may be initiated by a Pipeline User or by an iGT UNC Operator.

3.2 A Modification Proposal in respect of an Individual Network Code may be initiated by a Pipeline User or iGT UNC Operator party to the relevant Framework Agreement by which such Pipeline User or iGT UNC Operator become bound by the Individual Network Code.

3.3 A Modification Proposal initiated by a Pipeline User must be notified in writing (pursuant to Part K of the Code) to the Representative.

3.4 A Modification Proposal must set out a general description of the problem which the Modification Proposal is intended to address.

3.5 The iGT UNC Operators may from time to time issue or adopt guidance in respect of the best practice to be used in relation to Modification Proposals.

4 Publicity

4.1 The Representative will publicise a Modification Proposal by sending it to:

- (a) each Pipeline User;
- (b) each iGT UNC Operator;
- (c) each Affected Person; and
- (d) the Authority

a copy of such Proposal by no later than the 5th Business Day after the Pipeline Operator receives the same.

4.2 The copy of the Modification Proposal referred to in Clause 4.1 shall be accompanied by an invitation to provide written comments which shall be received by the Representative (save in the case of an Urgent Modification Proposal and subject to Clause 6.1) within 15 Business Days after the date on which the Representative sends out the copies of the Modification Proposal pursuant to Clause 4.1. The final date for receiving written comments shall be referred to as the (the "Close Out Date")

4.3 The Representative will provide a copy of such Proposal to any person upon request.

4.4 The iGT UNC Operators and Pipeline Users shall, when submitting Modification Proposals, Draft Modification Reports and Final Modification Reports, endeavour, if it is practical to do so, to use the relevant templates attached as Appendix M-1.

5 Urgent Modification Proposals

5.1 Where the Proposer indicates that the relevant Modification Proposal relates to a modification of the iGT UNC or an Individual Network Code which may be required as a matter of urgency, such Proposal is an "Urgent Modification Proposal".

5.2 The Representative will notify the Authority of an Urgent Modification Proposal within one Business Day of its receipt.

6 Consultation

- 6.1 The iGT UNC Operators or as appropriate the Relevant iGT UNC Operator may at any time, by notice to the persons who have been sent a copy of the Modification Proposal pursuant to Clause 4.1, extend the period for the making of representations to it in respect of a Modification Proposal.
- 6.2 The iGT UNC Operators or as appropriate the Relevant iGT UNC Operator will give due consideration to all representations received (and not withdrawn) from Pipeline Users and from any Affected Person (together "the relevant parties").
- 6.3 The iGT UNC Operators or as appropriate the Relevant iGT UNC Operator will discuss with the relevant parties and the Authority possible timetables for implementation of such Proposal.
- 6.4 Where the Authority notifies the iGT UNC Operators or as appropriate the Relevant iGT UNC Operator (in respect of an Urgent Modification Proposal) that it accepts that the iGT UNC or an Individual Network Code may require modification as a matter of urgency, the iGT UNC Operators or as appropriate the Relevant iGT UNC Operator will consult with the Authority to agree upon a timetable for the period of consultation and implementation and shall notify those persons referred to in Clause 4.1 accordingly .
- 6.5 The iGT UNC Operators or as appropriate the Relevant iGT UNC Operator may convene a meeting ("a Consultation Meeting") of Pipeline Users and any other Affected Persons to discuss Modification Proposals.
- 6.6 Representations must be made in writing or orally at a Consultation Meeting.
- 6.7 A person making a representation may withdraw it at any time thereafter in writing or at a Consultation Meeting.

7 Delegation

- 7.1 The iGT UNC Operators or as appropriate the Relevant iGT UNC Operator may where it or they consider(s) it appropriate, appoint, within 5 Business Days following the date on which the Representative received the Modification Proposal, a committee (a "Modification Committee") to discuss in further detail any Modification Proposal.
- 7.2 A Modification Committee shall include such persons as would (in the view of the iGT UNC Operators or as appropriate the Relevant iGT UNC Operator) be appropriately representative of relevant positions in respect of the Modification Proposal, and shall be given such terms of reference as the iGT UNC Operators or as appropriate the Relevant iGT UNC Operator considers appropriate.
- 7.3 The Modification Committee may be asked to produce proposed drafting for the implementation of the Modification Proposal.

8 Alternative Proposals

- 8.1 In respect of a Modification Proposal initiated by a Pipeline User:
 - (a) any of the iGT UNC Operators may in respect of a Modification Proposal in respect of the iGT UNC; or

- (b) the Relevant iGT UNC Operator in respect of a Modification Proposal in respect of an Individual Network Code;

within 5 Business Days following the date on which the Representative sent out the Modification Proposal pursuant to Clause 4.1 initiate and ensure that the Representative sends out to those persons who received a copy of the Modification Proposal pursuant to Clause 4.1 an alternative Modification Proposal which in its view would better facilitate the Relevant Objectives, and such Proposal is an "Alternative Modification Proposal".

9 Modification Reports

- 9.1 The iGT UNC Operators or as appropriate the Relevant iGT UNC Operator will procure that a draft report ("**Draft Modification Report**") is circulated within 15 Business Days after the Close Out Date to Pipeline Users, attaching copies of all representations received in respect of the relevant Modification Proposal pursuant to Clause 4.2.
- 9.2 If a Pipeline User wishes to make any representations in respect of a Draft Modification Report it shall do so within 15 Business Days after the date on which the Draft Modification Report was first circulated.
- 9.3 The iGT UNC Operators or as appropriate the Relevant iGT UNC Operator will procure that a report ("Modification Report") is produced and sent to Pipeline Users, any Affected Parties who were sent a copy of the Modification Proposal and the Authority within 15 Business Days after the final date for responses pursuant to Clause 9.2.
- 9.4 Such Modification Report shall:
 - (a) give particulars of the Modification Proposal;
 - (b) where the Modification Proposal is initiated by a Pipeline User, draw attention to any Alternative Modification Proposal;
 - (c) give particulars of any representations by a Pipeline User or Affected Person with respect to such Proposals;
 - (d) state whether, in the opinion of the iGT UNC Operators or as appropriate the Relevant iGT UNC Operator any of such Proposals should or should not be implemented;
 - (e) state the factors which, in the opinion of the iGT UNC Operators or as appropriate the Relevant iGT UNC Operator, justify the implementation or non-implementation of such Proposals; and
 - (f) give such further information as the iGT UNC Operators or as appropriate the Relevant iGT UNC Operator considers appropriate.

10 Modification

- 10.1 The iGT UNC Operators shall in respect of the iGT UNC and the Relevant iGT UNC Operator shall in respect of an Individual Network Code , where so directed by the Authority pursuant to the notice in Clause 9.1, implement subject to Clause 10.2 a Modification Proposal (or Alternative Modification Proposal), and will within 5

Business Days after receipt of such direction from the Authority notify all Pipeline Users of such implementation including details of the implementation date and a copy of the changes to be made.

- 10.2 Unless otherwise determined by the Representative, having consulted the iGT UNC Operators and Pipeline Users, the iGT UNC Operators shall only be entitled in each year to implement Modification Proposals pursuant to Clause 10.1 on three occasions, such occasions to occur on dates to be specified by the Representative in the months of February, June and November. A Modification Proposal shall not be implemented earlier than:
- (a) two months after the date of direction or consent by the Authority, for changes to documentation only;
 - (b) four months after the date of direction or consent by the Authority, for changes that involve operational changes;
 - (c) six months after the date of direction or consent by the Authority, in all other cases.
- 10.3 The Representative will provide to each Pipeline User in the months of January, May and October, a copy of the plan for the next implementation of the Modification Proposals to be implemented pursuant to Clause 10.2.
- 10.4 The iGT UNC Operators will endeavour to publish or release revised Codes within 30 Business Days after the date of each implementation of Modification Proposals in February, June and November.
- 10.5 The Pipeline Operator shall not modify the Code except pursuant to a direction or otherwise with the consent or at the direction of the Authority.

11 General

- 11.1 No accidental omission or neglect in sending any document or notice or other communication to or (other than in the case of any document or notice or communication submitted by the iGT UNC Operators or any of them to the Authority) non-receipt of any document or notice or other communication by, any person shall be capable of invalidating any act or thing done pursuant to these Rules.
- 11.2 All representations (and any withdrawal of the same) made by each Pipeline User pursuant to these Rules shall be readily identifiable as representations (or, as the case may be, a withdrawal thereof) shall identify the unique reference designation on the Modification Proposal to which they relate.

Appendix M-1

Non Urgent Modification Proposal Template

Reference <i>e A unique reference number to each modification proposal should be allocated on receipt.</i>	
Title <i>The proposer should give each modification proposal a title which clearly reflects the intent/content of the modification proposal it self.</i>	
Proposer <i>Insert the Name/Company/iGT Registered Shipper details of party raising the modification proposal.</i>	
Pipeline Operator/iGT UNC <i>Insert the Pipeline Operator's Company name whose Individual network code is to be modified or whether the iGT UNC is to be modified</i>	
Modification Proposal Dates <i>To be filled in by the Representative Circulation: dd/mm/yyyy Response: dd/mm/yyyy Circulation of Draft: dd/mm/yyyy Response to draft: dd/mm/yyyy Final Modification sent to authority: dd/mm/yyyy Circulate authority's determination: dd/mm/yyyy Suggested Implementation date: dd/mm/yyyy</i>	
Background <i>This section should explain the context within which the proposal sits and some background information.</i>	
The Proposal <i>Purpose of the proposal – what problem is it addressing.</i>	
How will the proposal operate? <i>This section should explain, specifically, how the proposal will change the operation of the Individual Network Code or the iGT UNC.</i>	
Facilitation of the relevant objectives <i>How this proposal will, if implemented, better facilitate the "code relevant objectives", as defined in Condition 9 of the Gas Transporters Licence.</i>	

Legal Text

Wherever possible, a proposal should contain proposed draft legal text to reflect how the Individual Network Code or IGT UNC would change if the proposal were implemented.

Draft Modification Report template (Non Urgent)

<p>Reference Refer to original proposal.</p>	
<p>Title Refer to original proposal.</p>	
<p>Proposer Refer to original proposal.</p>	
<p>Pipeline Operator/iGT UNC <i>Insert the Pipeline Operator's Company name whose Individual network code is to be modified or state that the iGT UNC is to be modified.</i></p>	
<p>Modification Proposal Dates <i>Circulation: dd/mm/yyyy Response: dd/mm/yyyy Circulation of Draft: dd/mm/yyyy Response to draft: dd/mm/yyyy Final Modification sent to authority: dd/mm/yyyy Circulate authority's determination: dd/mm/yyyy Suggested Implementation date: dd/mm/yyyy</i></p>	
<p>The Proposal Refer to original proposal for details of the nature of the proposal.</p>	
<p>GT views The GT should provide a summary of its views on the proposal.</p>	
<p>Respondents views A summary of the views expressed by respondents in their representations.</p>	
<p>Facilitation of the relevant objectives Refer to original proposal.</p>	
<p>Implementation issues Are there any system changes or other issues that may affect the timing of or the way in which the proposal could be implemented?</p>	
<p>Legal text Refer to original proposal.</p>	

Final Modification report template (Non Urgent)

<p>Reference Refer to original proposal.</p>	
<p>Title Refer to original proposal.</p>	
<p>Proposer Refer to original proposal.</p>	
<p>Pipeline Operator/iGT UNC <i>Insert the Pipeline Operator's Company name whose Individual network code is to be modified or state that the iGT UNC is to be modified.</i></p>	
<p>Modification Proposal Dates <i>Circulation: dd/mm/yyyy Response: dd/mm/yyyy Circulation of Draft: dd/mm/yyyy Response to draft: dd/mm/yyyy Final Modification sent to authority: dd/mm/yyyy Circulate authority's determination: dd/mm/yyyy Suggested Implementation date: dd/mm/yyyy</i></p>	
<p>The Proposal Refer to original proposal for details of the nature of the proposal.</p>	
<p>GT views The GT should provide a summary of its views on the proposal.</p>	
<p>Respondents views A summary of the views expressed by respondents in their representations.</p>	
<p>Facilitation of the relevant objectives Refer to original proposal.</p>	
<p>Implementation issues Are there any system changes or other issues that may affect the timing of or the way in which the proposal could be implemented?</p>	
<p>Legal text Refer to original proposal.</p>	