

NETWORK CODE OF ESP PIPELINES LIMITED

VERSION 1.00

[DATE]

1. Network Code

This document (including the Schedule and its Appendices) is the network code of ESP Pipelines Limited prepared pursuant to [standard condition 9] of the Operator's Licence.

2. Interpretation

2.1 In this document (other than the Appendices):

"iGT UNC" means the document entitled the "Independent Gas Transporters' Uniform Network Code" which has been prepared by the Operator and the Other iGTs as from time to time modified;

"Network Code" means this document as from time to time modified in accordance with the network code modification procedures set out in the iGT UNC or the Operator's Licence;

"Operator" means ESP Pipelines Limited a company registered in England and Wales with company number 3405272 whose registered office is at Carmelite, 50 Victoria Embankment, Blackfriars, London, EC4Y 0DX;

"Operator's Licence" means the Transporter's Licence granted or treated as granted to the Operator;

"Other iGTs" those persons (other than the Operator) holding a Transporter's Licence and who have agreed to incorporate the iGT UNC (with or without amendment) into their respective Transporter Codes;

"Transporter Code" the network code of a person (other than the Operator) holding a Transporter's Licence prepared pursuant to [standard condition 9] of that Transporter's Licence;

"Transporter's Licence" means in respect of a person, a gas transporters licence granted or treated as granted under Section 7(2) of the Gas Act 1986 to such person as from time to time in force;

2.2 Terms used in the Schedule and which are not defined in this document shall have the meaning in the iGT UNC.

2.3 Terms used in the Appendices and which are not defined therein shall have the meaning in the iGT UNC.

3. Provisions of Network Code

3.1 Subject to Clause 3.2, the Network Code comprises the provisions set out in the iGT UNC which are (subject to Clause 3.2) hereby incorporated into this document.

3.2 Schedule 1 to this document and its Appendices set out provisions:

- (a) which are to be applied in addition to those set out in the iGT UNC;
- (b) of the iGT UNC which are to be disapplied;
- (c) of the iGT UNC which are to be modified;
- (d) of the iGT UNC which are further defined, detailed or explained;
- (e) of the iGT UNC which are to be delayed in their implementation.

SCHEDULE 1

1. References in this Schedule and the Appendices hereto to a "Part" are unless provided otherwise to a Part of the iGT UNC
2. For the purposes of the Code "Capacity Variable Component" shall mean in respect of a Customer Charge, the component (if any) thereof the amount of which is determined by reference to the amount of Offtake Capacity allocated to a Pipeline User pursuant to Part B.
3. Part D 7.3 to 7.6 shall until 0600 hours on 1st June 2007 be read as set out in Appendix 1 and not as set out in the iGT UNC.
4. The provisions set out in Appendix 2 apply in addition to the terms set out in Part J8

APPENDIX 1

Part D

- 7.3 The details referred to in Clause 7.1(b) shall be provided by the Pipeline Operator to the Registered User:
- (a) in the case where the Meter Installation Works were carried out at a New Supply Meter Point within 5 Business Days after the first Supply Point Registration Date following completion of the Meter Installation Works;
 - (b) in any other case within 5 Business Days after completion of the Meter Installation Works.

- 7.4 If in relation to any Registered User, the Pipeline Operator has not complied with the requirements in Clause 7.3 within 31 Days after in the case of the Clause 7.3(a) the first Supply Point Registration Date following completion of the Meter Installation Works and in the case of Clause 7.3(b) completion of the Meter Installation Works in respect of a Supply Meter Point, the Pipeline Operator will be liable to pay to the Registered User in respect of such Supply Meter Point an amount calculated as:

in the case of a Supply Meter Point with an AQ of more than 293,000kWh (10,000 therms)

$$\min\left(D \times C, C_{large\ max}\right)$$

in the case of a Supply Meter Point with an AQ of 293,000kWh (10,000 therms) or less

$$\min\left(D \times C, C_{small\ max}\right)$$

where:

D is the number of days in the period between the date in the case of the Clause 7.3(a) the first Supply Point Registration Date following completion of the Meter Installation Works and in the case of Clause 7.3(b) completion of the Meter Installation Works and ending on the date on which the Pipeline Operator provides to the Registered User in respect of the relevant Supply Meter Point the relevant Meter Information

C is the daily sum payable in Transportation Charges for the use of the Pipeline for a flow of gas calculated as offtaken at the relevant Supply Meter Point

C_{large max} is the sum of £10 × $\frac{D}{30}$

C_{small max} is the sum of £2 × $\frac{D}{30}$

- 7.5 The amount payable by the Pipeline Operator in respect of a Supply Meter Point pursuant to Clause 7.4 shall be paid by the Pipeline Operator to the Registered User within 15 Days after the date on which the Pipeline Operator has provided the relevant Meter Information to the Registered User.
- 7.6 If the relevant Meter Information provided to a Registered User pursuant to this Clause 7 includes a Meter Reading then such Meter Reading shall be treated as the Opening Meter Reading for the Supply Meter Point and any Opening Meter Reading subsequently provided by the Registered User shall be disregarded. If for any reason following the completion of Meter Installation Works undertaken by the Pipeline Operator, the Pipeline Operator does not have an actual Meter Reading in respect of a Supply Meter Point, the Pipeline Operator may provide the Registered User (at no cost to the Registered User) with an estimated Meter Reading which estimate shall be regarded as having satisfied the requirement in Clause 7.2(b)(vi). This estimated Meter Reading may be based on an actual Meter Reading carried out at the cost of and on behalf of the Pipeline Operator in which case details of such Meter Reading shall also be provided to the Registered User and shall be treated as a Valid Meter Reading for the purposes of Section E. The estimated Meter Reading shall be regarded as the Opening Meter Reading for the relevant Supply Meter Point unless the Registered User is able to provide a more accurate estimate of the Meter Reading in which case the Registered User may substitute such estimate as the Opening Meter Reading for the estimate provided by the Pipeline Operator. The provisions of Part E6 shall be read in accordance with the provisions of this Clause 7.6.

APPENDIX 2

ADDITIONAL PROVISION (REF PART J8)

1. In respect of a Supply Point in respect of which the Pipeline Operator does not have any obligation to make payment pursuant to the Gas (Standards of Performance) Regulations 2001, where the Pipeline Operator is in breach of its obligation under Part J 3.1, the Pipeline Operator will in respect of each Day of failure pay to the Registered User an amount determined as:

$$C * P$$

where:

C is the amount of Capacity held by the Pipeline User on the relevant Day;

P is the sum of the Applicable Daily Rates of the Capacity Variable Component of the Customer Charge and the Capacity Charge.

2. A "**Capacity Charge**" is a charge in respect of, and determined either by reference to the aggregate amount of Pipeline Capacity registered in the names of all Pipeline Users or by reference to the Pipeline Capacity registered in respect of a Supply Point or Supply Meter Point.