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This DEED of AMENDMENT is made this

day of

~~2013~~ 2014

BETWEEN:

- (1) **BGE (UK) LIMITED**, an incorporated company registered in England and Wales under number 02827969 ("**BGE (UK)**") : and
- (2) **PREMIER TRANSMISSION LIMITED**, an incorporated company registered in Northern Ireland under number NI126421 ("**PTL**" and, together with BGE (UK), the "**Parties**").

WHEREAS

- (A) The Parties entered into a Transportation Agreement on 21 August 1996 (such Agreement, as amended prior to the Agreement Date, being the "**Transportation Agreement**").
- (B) The Parties have agreed to make certain amendments to the Transportation Agreement with effect from the Effective Date, as provided for in the following provisions of this Deed.

NOW IT IS HEREBY AGREED as follows:-

1 DEFINITIONS AND INTERPRETATION

1.1 In this Deed, unless the context requires otherwise:-

- (a) words and expressions defined in the Recitals above shall have the same meaning when used elsewhere in this Deed; and
- (b) "**Effective Date**" means the date of this Deed.

1.2 As used in this Deed:

- 1.2.1 except to the extent that the context requires otherwise, references to the singular shall include references to the plural and vice versa, and words denoting natural persons shall include corporations, partnerships, firms, companies, joint ventures, trusts, associations and organisations or other entities (whether or not having a separate legal personality) and vice versa;
- 1.2.2 references to any agreement or other document shall include any amendment, supplement, variation or novation thereof;
- 1.2.3 references to the word "include" and "including" are to be construed without limitation;
- 1.2.4 except to the extent that the context requires otherwise, a reference to any numbered Clause shall be a reference to a Clause of this Deed bearing that number;
- 1.2.5 references to Parties as parties to agreements include their successors and permitted assigns; and
- 1.2.6 the headings are inserted for convenience only and are to be ignored for the purposes of construction.

2 AMENDMENTS TO TRANSPORTATION AGREEMENT

2.1 The Parties agree that, on and with effect from the Effective Date, the Transportation Agreement shall be amended by the deletion of Clause 31 thereof and its replacement by the new Clause 31 which is reproduced in the Schedule to this Deed.

2.2 The Parties confirm that the Transportation Agreement, as amended in accordance with this Deed, shall remain in full force and effect in accordance with its terms.

2.3 The Transportation Agreement shall be amended by the insertion of the following Clause 1.7:

"Each Clause of this Agreement (including Clauses 6.2 and 6.4) which makes provision for any matter to be referred to an expert (or to an Expert) shall (if such would not otherwise be the case) be construed as making provision for the matter in question to be referred to an Expert in accordance with Clause 31"

3 MISCELLANEOUS

The provisions of Clauses 32, 35 and 37 of the Transportation Agreement shall apply to this Deed mutatis mutandis.

4 GOVERNING LAW

This Deed (and any dispute, controversy, proceedings or claim of whatever nature arising out of or in any way relating to this Deed or its formation) shall be governed by and construed in accordance with English law.

In witness whereof this Deed is duly executed by the Parties on the date first before written.

EXECUTED as a Deed by
BGE (UK) LIMITED
acting by:-

..... Director

..... Director / Secretary

EXECUTED as a Deed by
PREMIER TRANSMISSION LIMITED
acting by:-

..... Director

..... Director / Secretary

Approved by (name and position) ROBERT MILLS, INTERIM ASSOCIATE PARTNER
on behalf of the Gas and Electricity Markets Authority
in accordance with Standard Condition 3 of Premier Transmission
Limited's and BGE (UK) Limited's interconnector licences.

Signature RBML

Dated 28/10/14

SCHEDULE

Text of Clause 31 of Transportation Agreement

Expert Determination

- 31.1 Any matter which falls to be referred for determination by an Expert pursuant to an Expert Referral Provision shall be determined in accordance with the following provisions of this Clause 31. No other matter shall be referred for determination by an Expert.
- 31.2 As used in this Clause 31:
- (a) a "**Relevant Matter**" is a matter which falls to be referred for determination by an Expert pursuant to an Expert Referral Provision; and
 - (b) an "**Expert Referral Provision**" is a provision of this Agreement or of another written agreement between the Parties which (in each such case) expressly provides for the referral of a given matter which arises under or in connection with this Agreement for determination by an Expert pursuant to this Clause 31.
- 31.3 The procedure for the referral of a Relevant Matter to an Expert shall be as follows:
- (c) either Party may give notice (a "**Referral Notice**") to the other Party (the "**Other Party**") that it wishes to refer the Relevant Matter for determination by an Expert;
 - (d) the Parties shall seek to reach agreement on the identity of an individual to whom they would be content to refer the Relevant Matter in question for determination within 21 days after the receipt of the Referral Notice by the Other Party;
 - (e) if the Parties do not reach the agreement referred to in (b) above within the said period of 21 days, either Party may at any time thereafter give notice to the relevant President (as outlined below), following notification to the other Party, requesting: (i) the President for the time being of the Institution of Gas Engineers and Managers (the "**IGEM President**") to appoint an Expert to deal with Relevant Matters which are predominantly technical in nature; or (ii) the President for the time being of the Law Society of England and Wales (the "**Law Society President**") to appoint an Expert to deal with any other Relevant Matters (including any failure to agree whether the Relevant Matter is of a predominantly technical nature or otherwise), in each case setting out the nature and complexity of the Relevant Matter and requesting him to nominate an individual who:
 - (i) in the case of a Technical Expert (as defined in Clause 31.14) (and, in each case, in the opinion of the IGEM President), is a recognised expert with an appropriate professional qualification, demonstrated expertise and at least ten (10) years experience in a field relevant to the Relevant Matter to be resolved and is experienced in acting as an independent expert in relation to the determination of issues and disputes between contracting parties; or

- (ii) in the case of a Non-Technical Expert (as defined in Clause 31.14) (and, in each case, in the opinion of the Law Society President), is a recognised Queens Counsel of at least ten (10) years specialist experience in a field relevant to the Relevant Matter to be resolved and is experienced in acting as an independent expert in relation to the determination of issues and disputes between contracting parties,

for the determination of the Relevant Matter within a period of 30 days of the giving of such notice, and in doing so he may take such independent advice as he thinks fit:

- (f) if the Institution of Gas Engineers and Managers does not exist at the time of such request or if its President refuses to make such an appointment or fails to do so within the said period of 30 days, either Party may then apply to have the Relevant Matter determined by an Expert appointed by the President for the time being of the Law Society of England and Wales in accordance with (c) above; and
- (g) when an individual is agreed upon or nominated in accordance with this Clause 31.3, the Parties shall forthwith notify him of that fact and request him to confirm within 7 days whether or not he is willing and able to act as Expert to determine the Relevant Matter and, if he is so willing and able, to confirm his independence.

31.4 The Expert may:

- (a) seek such independent professional and/or technical advice; and
- (b) obtain such secretarial assistance,
- (c) as he may reasonably consider necessary.

31.5 The Expert and his assistant(s) (if any) shall, as a prerequisite to the Expert's appointment, enter into a confidentiality undertaking with the Parties in or substantially in the same terms, mutatis mutandis, as those which are set out in Clause 32 and pursuant to which the Expert and his assistant(s) (if any) shall keep the fact that the Expert Determination is taking place and its outcome confidential.

31.6 The following provisions shall also apply:

- (a) the Expert shall confirm to the Parties before his appointment that he does not hold or have any interest or duty which would or potentially would conflict with the performance of his duties as an Expert;
- (b) if the Expert becomes aware after his appointment of any interest or duty which does so conflict or potentially conflict, the Expert shall inform the Parties forthwith of such conflict or potential conflict giving full details of it; and
- (c) either Party may within 7 days of the disclosure of any such conflict or potential conflict object to the appointment or continued appointment of the 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 this Clause 31.

- 31.7 All communications between the Parties and the Expert shall be made or confirmed in writing and a copy of any communication (including any data, information or submissions such as are referred to in Clause 31.8(c)) by a Party to the Expert shall be provided simultaneously to the other Party. No meeting between the Expert and either of the Parties shall take place unless the other Party has been given a reasonable opportunity to attend.
- 31.8 The terms of reference of the Expert shall include the following:
- (a) that the Expert shall, as soon as practicable after the confirmation of his appointment, call the Parties to a meeting at which he shall clarify, and, if necessary, define the Relevant Matter and give directions as to the future conduct of the process for the determination of the Relevant Matter;
 - (b) that the Expert may from time to time give such directions as he sees fit;
 - (c) that the Parties may provide data and information and make submissions to the Expert and that the Expert shall make his determination as soon as reasonably practicable and in any event within 120 days of his appointment or such other time as is agreed in writing by the Parties;
 - (d) that the Expert shall give written reasons for his determination and shall furnish the Parties with a draft of his proposed determination; and
 - (e) that the Parties may make representations to the Expert within 10 days after the receipt of the draft of the Expert's proposed determination.
- 31.9 If an Expert becomes unwilling or unable to act, or does not act, in the matter in respect of which he is appointed, then another Expert shall be appointed in accordance with the procedure set out in this Clause 31.
- 31.10 If the Expert has not made his determination within 150 days after the acceptance of his appointment, then, at the request of either of the Parties, another Expert shall be appointed in accordance with Clause 31.3 and, on acceptance of such appointment, the appointment of the previous Expert shall cease unless (prior to the date when the new Expert accepts his appointment) the Expert has made his determination, in which case such determination shall be binding and the instructions of the new Expert shall be withdrawn.
- 31.11 The costs and expenses of the Expert, any independent advisers to the Expert and any costs of his or their appointment (if the Expert is appointed pursuant to Clauses 31.3(c) or (d)) shall be borne equally by the Parties, but each Party shall bear its own costs.
- 31.12 An Expert appointed under this Clause 31 shall act as an expert and not as an arbitrator and neither the provisions of the Arbitration Act 1996 (nor of any of any enactment relating to arbitration) shall apply to his determination.
- 31.13 Subject to Clause 31.14, the Expert's final determination shall 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 this Clause 31.
- 31.14 If the final determination of an Expert requires a Party to do (or to refrain from doing) any act or thing which would cause that Party to be in contravention of any relevant requirement, the

Party shall not be obliged to do (or to refrain from doing) the act or thing in question, and the failure to do (or to refrain from doing) such act or thing shall not constitute a breach of this Agreement by the relevant Party. As used above, "relevant requirement" means a requirements of (a) any law (including any law of the European Union) which has effect in the United Kingdom or in any part of it or (b) any condition of any gas conveyance or gas interconnector licence held by the relevant Party.

31.15 As used in this Clause 31:-

"Technical Expert" means an individual who is to be appointed pursuant to Clause 31.3 to deal with a Relevant Matter which is predominantly technical in nature;

"Non-Technical Expert" means an individual who is to be appointed pursuant to Clause 31.3 to deal with a Relevant Matter which is not predominantly technical in nature.

Final Draft : dated 29 August 2014

Dated 2014

DEED OF AMENDMENT

between

- (1) BGE (UK) LIMITED; and**
- (2) PREMIER TRANSMISSION LIMITED**

**Transportation Agreement
dated 21 August 1996 –
Transportation of Gas from Moffat to Twynholm**
