

DRAFT 19 May 2015

MODIFICATION 0525

DRAFT LEGAL TEXT - ATTACHMENT C

Modification 0525 will modify EID Sections A (General), B (Capacity), C (Nominations) and D (Allocation) and Transition Document Part V. The draft text has been prepared as a mark-up of those Sections as they will appear following Modifications 0493 and 0500 (currently awaiting Ofgem approval) and 0510 and 0519 (currently in consultation) if those Modifications are approved.

EUROPEAN INTERCONNECTION DOCUMENT

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SECTION A - GENERAL

1 Scope

1.1 General

- 1.1.1 This Document applies in relation to Interconnection Points.
- 1.1.2 This Document sets out provisions relating to Interconnection Points which differ from, or are additional to, the provisions of the Transportation Principal Document.
- 1.1.3 Except as provided in this Document, the provisions of the Transportation Principal Document apply to Interconnection Points.
- 1.1.4 Unless otherwise provided, in this Document words and expressions which are defined in or for the purposes of the Transportation Principal Document have the meanings given to them in or for the purposes of the Transportation Principal Document.
- 1.1.5 In the case of any conflict between the provisions of this Document and of the Transportation Principal Document in relation to an Interconnection Point, the provisions of this Document shall prevail.
- 1.1.6 The provisions of this Document may be varied in respect of a particular Interconnection Point by an Ancillary Agreement.

1.2 Interconnection Agreement

- 1.2.1 An **Interconnection Agreement** is an agreement between National Grid NTS and the Adjacent TSO in relation to an Interconnection Point which takes effect (among other things) as Network Entry Agreement and Network Exit Agreement.
- 1.2.2 The Interconnection Agreement for each Interconnection Point will include provisions agreed between the TSOs which implement or support provisions of this Document.
- 1.2.3 In relation to an Interconnection Point, provisions of TPD Sections I and J which state what may or must be contained in a Network Entry Agreement or a Network Exit Agreement are to be construed consistent with the provisions of this Document as to the Interconnection Agreement.

1.3 Physical flows at Interconnection Points

- 1.3.1 At an Interconnection Point physical flows of gas may be permitted in both directions (ie as physical flows both out of and into the NTS) or in one direction only; and the Interconnection Agreement will specify which is the case for the time being.
- 1.3.2 Certain provisions of this Document apply in relation to an Interconnection Point by reference to whether physical flow is permitted in both directions or one direction only.
- 1.3.3 Where physical flow at an Interconnection Point is permitted in one direction only (the forward Direction):
- (a) Nominations may be made by, and quantities allocated (as UDQIs or UDQOs as the case may be) to, Users in the reverse Direction only as to rates and quantities which do not exceed the rates and quantities in which gas is nominated or allocated by or to Users in the forward Direction;
 - (b) references to the delivery or offtake (whichever is in the reverse Direction) of gas at the Interconnection Point, and to the Interconnection Point as a System Point in the reverse Direction, shall be construed in accordance with paragraph (a);
 - (c) (as provided in Section B1.2) Interconnection Point Capacity in the reverse Direction may be held only as Interruptible Daily Interconnection Point Capacity;
 - (d) for the purposes of the curtailment provisions of TPD Sections B2.9 and B3.10, circumstances in which the condition (in respect of Nominations) in paragraph (a) is not satisfied shall be treated as an Entry Capability Shortfall or (as the case may be) an NTS Exit Constraint (and as a Transportation Constraint for the purposes of Section C3);
 - (e) quantities will be allocated in the reverse (and forward) Directions in accordance with Section D;
 - (f) for the avoidance of doubt Users will be liable for Commodity Charges in respect of the Interconnection Point (in respect of UDQIs or UDQOs as the case may be) in the reverse Direction.

1.4 Moffat Designated Arrangements

1.4.1 For the purposes of this Document, the Moffat Designated Arrangements are arrangements (which differ from or are additional to those under the Code) applying in relation to the NTS Exit Point at Moffat and designated by National Grid NTS either pursuant to a Code Modification authorising such designation or with Condition A11(18) Approval for such designation.

1.4.2 The provisions contained in the Moffat Designated Arrangements shall be treated as incorporated into and forming part of the Code, and binding pursuant to National Grid's Shippers Framework Agreement, in relation to the Moffat NTS Exit Point; and may be modified by way of Code Modification.

1.4.3 The provisions contained in the Moffat Designated Arrangements shall (in relation to the Moffat NTS Exit Point) prevail over the provisions of the Code in the case of any conflict between such provisions.

1.4.4 The Moffat Designated Arrangements shall be published in the same manner as the Code.

1.5 Reference temperatures at Interconnection Points

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1.5.1 For the purposes of the Code:

- (a) any value for a volume of gas flowing at an Interconnection Point is expressed on the basis that, in the definition of Cubic Metre in GT Section C3.2.1, the reference temperature is 0°C rather than 15°C;
- (b) any value for the calorific value of gas flowing at an Interconnection Point is expressed on the basis that, in the definition of calorific value in GT Section C3.2.1, the reference temperature is 25°C rather than 15°C;

and in relation to Interconnection Points GT Section C3.2.1 is modified accordingly; and for the purposes of this paragraph 1.5 (in the relation to the definitions of Cubic Metre and calorific value) **Code Reference Conditions** means the reference temperatures in GT Section C3.2.1, and **Europe Reference Conditions** means the reference temperatures in paragraph (a) and (b) above.

1.5.2 For the purposes of the Code, in relation to any quantity at an Interconnection Point expressed in kWh, including:

- (a) an amount of Interconnection Point Capacity in kWh/Day;
- (b) a Nomination Quantity or Nominated Quantity, under an Interconnection Point Nomination, in kWh;
- (c) a quantity of gas flowing or treated as flowing in any period at an Interconnection Point, including a Measured Quantity (as referred to in Section D) at an Interconnection Point (but subject to paragraph 1.5.8), and an Entry Point Daily Quantity Delivered and a CSEP Daily Quantity Offtaken, in kWh;
- (d) a rate of flow at an Interconnection Point, in kWh/hour or kWh/Day;
- (e) a quantity allocated to a User at an Interconnection Point as UDQI or UDQO in kWh

the amount of gas which comprises 1 kWh is determined on the basis of the Europe Reference Conditions, but subject to paragraph 1.5.4.

1.5.3 It is acknowledged that for the purposes of the provisions of the Code in relation to energy balancing, quantities are expressed in kWh on the basis that the amount of gas comprising 1 kWh is determined on the basis of the Code Reference Conditions; and paragraph 1.5.4 applies for the purposes of ensuring that quantities allocated to Users (as UDQIs and UDQOs) at Interconnection Points are treated on a like-for-like basis with UDQIs and UDQOs in respect of all other NTS Entry Points and NTS Exit Points for the purposes of energy balancing.

1.5.4 For the purposes set out in paragraph 1.5.5 only, the UDQI or UDQO of a User in respect of an Interconnection Point for any Day, as determined in accordance with EID Section D and TPD Section E, shall be adjusted by the conversion factor specified in paragraph 1.5.6; and references in the provisions of the Code specified in paragraph 1.5.5 to an UDQI or UDQO in respect of an Interconnection Point is to the UDQI or UDQO as so adjusted.

1.5.5 Paragraph 1.5.4 applies in relation to:

- (a) the determination of a User's Daily Imbalance in accordance with TPD Section E5.1; and
 - (b) the determination of the Balancing Neutrality Charge and Unit Daily Neutrality Amount in accordance with TPD Section F4.
- 1.5.6 For the purposes of paragraph 1.5.4 the conversion factor is $\{1/F\}$, where F is 0.9990, which is assumed and agreed to represent the amount of gas comprised in 1 kWh determined on the basis of the Code Reference Conditions as a proportion of such amount determined on the basis of the Europe Reference Conditions.
- 1.5.7 Except as provided in paragraph 1.5.5 and subject to paragraph 1.5.8, no other adjustment shall be made (to any UDQI or UDQO or other quantity) and no other account shall be taken for the purposes of the Code in relation to an Interconnection Point in respect of the difference between the Europe Reference Conditions (applying at the Interconnection Point pursuant to paragraph 1.5.1 and 1.5.2) and the Code Reference Conditions; and in particular no such adjustment shall be made for the purposes of any provision of the Code relating to System Capacity at an Interconnection Point (including determining amounts of Technical Interconnection Point Capacity).
- 1.5.8 For the purposes of determining the Daily Shrinkage Quantity for a Day in respect of the NTS, National Grid NTS may determine the Total Daily System Quantity (referred to in TPD Section N1.4.2) either by adjusting the Measured Quantity at an Interconnection Point by the conversion factor in paragraph 1.5.6 or by using a measured quantity determined on the basis of the Code Reference Conditions.
- 1.5.9 This paragraph 1.5 shall not apply in relation to an Interconnection Point where pursuant to the Interconnection Agreement (and with the approval of the Authority) National Grid NTS agrees with the Adjacent TSO to use the Code Reference Conditions."

1.6 Relevant CSEP

1.6.1 An Interconnection Point is a relevant Connected System Exit Point or relevant System Exit Point for the purposes of the following provisions of the Transportation Principal Document:

- (a) TPD Section C2.2.3(b):**
- (b) TPD Section J4.5, J4.6, J4.7 (as those Sections apply on the basis of the Interconnection Agreement), J6.7.1.**

2 Interpretation

2.1 Interconnection Point, etc

2.1.1 For the purposes of this Document, subject to paragraph 2.1.3:

- (a) **interconnector** means an interconnector pipeline which connects the National Transmission System to a gas transmission system of an EU Member state (or to more than one such system);
- (b) an **Interconnection Point** is the point or points at which an interconnector is connected to the NTS;

- (c) an Interconnection Point comprises for the purposes of the Code a NTS System Entry Point and/or a NTS Connected System Exit Point (each of which may comprise one or more Individual System Points), as specified for the time being in the Interconnection Agreement;
- (d) an Interconnection Point comprises for the purposes of the Adjacent TSO Rulebook a point at which gas can flow into or out of the Interconnector.

2.1.2 In relation to an Interconnection Point, subject to paragraph 2.1.3:

- (a) the **Interconnected System** is the interconnector which is connected to the NTS at that Interconnection Point;
- (b) the **Adjacent TSO** is the operator of the Interconnected System (and for the purposes of TPD Sections I and J is a Delivery Facility Operator and Connected System Operator respectively);
- (c) **Transmission System Operator** or **TSO** means National Grid NTS or the Adjacent TSO;
- (d) **IS User** means a user of the Interconnected System (whether or not a User);
- (e) references to an IS User are to the IS User in that capacity;
- (f) references to a User include the User in the capacity of IS User, where applicable; and
- (g) **Adjacent TSO Rulebook** means the terms and conditions in force between the Adjacent TSO and IS Users for use of the Interconnected System at the Interconnection Point.

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2.1.3 Where so provided in the Moffat Designated Arrangements in relation to the Interconnection Point at Moffat, for the purposes specified in this Document and any other purposes specified in those Designated Arrangements:

- (a) the Interconnection Point (**Primary Interconnection Point**) is to be treated as comprising two separate Interconnection Points (each a **Subsidiary Interconnection Point**);
- (b) in relation to each Subsidiary Interconnection Point:
 - (i) the gas transmission system specified in the Designated Arrangements is to be treated as the Interconnected System; and
 - (ii) the operator of such gas transmission system is to be treated as the Adjacent TSO;

and (for such purposes) references in this Document to TSO, IS User, Adjacent TSO Rulebook, Interconnected System Capacity and Equivalent Interconnected System Capacity shall be construed accordingly.

2.2 IP ASEP

- 2.2.1 An **IP ASEP** is an Aggregate System Entry Point (designated pursuant to TPD Section I1.5) which comprises one or more Interconnection Points.
- 2.2.2 No Aggregate System Entry Point shall comprise both an Interconnection Point and a System Entry Point which is not an Interconnection Point.
- 2.2.3 A reference to the IP ASEP in relation to an Interconnection Point is to the IP ASEP in which the Interconnection Point is comprised; and where the context requires, a reference to an Interconnection Point includes the IP ASEP in which it is comprised.
- 2.2.4 A **Binary IP ASEP** is an IP ASEP which comprises two Interconnection Points (and it is acknowledged that at the EID Implementation Date there is no case where an IP ASEP comprises more than two Interconnection Points and that a modification of this Document would be necessary to address such a case).

2.3 Direction

- 2.3.1 For the purposes of this Document, **Direction** refers to the direction of commercial flow of gas at an Interconnection Point.
- 2.3.2 In the context of Interconnection Point Capacity and/or Interconnected System Capacity, Direction denotes whether such capacity is:
- (a) NTS Entry Capacity and/or Interconnected System Capacity for exit from the Interconnected System, or
 - (b) NTS Exit (Flat) Capacity and/or Interconnected System Capacity for entry to the Interconnected System.
- 2.3.3 In the context of an Interconnection Point Nomination and/or Interconnected System Nomination, Direction denotes whether such nomination is:
- (a) an Input Nomination and/or Interconnected System Nomination for exit from the Interconnected System, or
 - (b) an Output Nomination and/or Interconnected System Nomination for entry to the Interconnected System.
- 2.3.4 In the context of the allocation of gas to a User or IS User as offtaken from or delivered to the System and/or Interconnected System at an Interconnection Point, Direction denotes whether such allocation is:
- (a) an UDQI and/or exit quantity from the Interconnected System, or
 - (b) an UDQO and/or entry quantity to the Interconnected System.
- 2.3.5 Except in relation to a Day on which (where permitted as referred to in paragraph 1.3.1) physical flows of gas occur at an Interconnection Point in both Directions (at different times on the Day):
- (a) the Direction in which physical flow occurs is the **forward** Direction;
 - (b) the other Direction is the **reverse** Direction.

2.4 Users

- 2.4.1 Before a User can hold Interconnection Point Capacity or nominate gas for offtake or delivery at a particular Interconnection Point, the User must notify National Grid NTS (as required by the UK Link Manual) of its intention to do so.
- 2.4.2 A reference in this Document to a User:
- (a) subject to paragraph (b), is to a User which has given notification as provided in paragraph 2.4.1 in relation to any Interconnection Point and not withdrawn such notice;
 - (b) in relation to a particular Interconnection Point, is to a User which has given such notification in relation to that Interconnection Point and not withdrawn such notice.

2.5 Other interpretation

- 2.5.1 In this Document:
- (a) **ENTSO** means the European Network of Transmission System Operators for Gas, an 'Association Internationale Sans But Lucratif' established under Belgian law;
 - (b) the **EID Implementation Date** is the Implementation Date of the Modification pursuant to which this Document was inserted in the Code;
 - (c) a reference to a Party is to National Grid NTS or a User as provided in paragraph 2.4.1(a) or in relation to a particular Interconnection Point a User as provided in paragraph 2.4.1(b).
- 2.5.2 A reference in this Document to a provision of the Transportation Principal Document is to that provision as modified (in relation to Interconnection Points) by this Document.
- 2.5.3 For the purposes of this Document information or any document is **published** if it is provided or made available to Users including by posting on a website accessible to Users.

3 Further provisions

3.1 Relationships

- 3.1.1 Except as expressly provided in the Code, neither TSO in relation to an Interconnection Point acts as agent for the other TSO in any relationship with Users or IS Users.
- 3.1.2 Nothing in the Code purports to or has effect to confer any rights or obligations on a User, or any rights or obligations as between National Grid NTS and a User, in respect of an Interconnected System.
- 3.1.3 Nothing in any Adjacent TSO Rulebook creates any rights or obligations as between National Grid NTS and any User or IS User or otherwise binds National Grid NTS.

3.2 Adjacent TSO Rulebook

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3.2.1 Where a provision (**relevant provision**) of this Document refers to or operates by reference to the Adjacent TSO Rulebook in relation to an Interconnection Point:

- (a) the Parties confirm that they consider that the provisions of the Adjacent TSO Rulebook are compatible with the relevant provision;
- (b) if (and for so long as) there is any incompatibility between the provisions of the Adjacent TSO Rulebook and the relevant provision, to the extent to which such incompatibility affects the implementation of the relevant provision:
 - (i) National Grid NTS shall be entitled to implement the relevant provision in any way which (in its reasonable discretion) it determines to be practicable and appropriate in the circumstances (and the Code shall take effect in accordance with such determination);
 - (ii) National Grid NTS will to the extent practicable consult with Users, and will in any event notify Users, as to how it implements such provision;
 - (iii) for the avoidance of doubt, any Party may propose a Code Modification which would remove such incompatibility;
- (c) if a Code Modification is proposed which (in the opinion of any Party) would result in the relevant provision becoming incompatible with the provisions of the Adjacent TSO Rulebook, that Party may require that the Modification Report contains a statement to that effect;
- (d) for the avoidance of doubt, if an amendment or proposed amendment of the Adjacent TSO Rulebook would (in the opinion of any Party) result in the provisions of the Adjacent TSO Rulebook becoming incompatible with the relevant provision, that Party may propose a Code Modification which would remove such incompatibility.

3.2.2 Where any provision of this Document refers to or operates by reference to the Adjacent TSO Rulebook or any act of or circumstance relating to an IS User or the Adjacent TSO in relation to the Interconnected System:

- (a) the information provided by or other determination of the Adjacent TSO shall be taken to be correct and definitive as to the operation, effect or interpretation of the Adjacent TSO Rulebook or such act or circumstance;
- (b) nothing shall require National Grid NTS to question or validate such information or determination;
- (c) accordingly no User may question or dispute the application of any provision of this Document on the basis of any question or dispute in relation to the Adjacent TSO Rulebook or such act or circumstance.

3.3 Information

3.3.1 Nothing in TPD Section V5.1 shall apply to the disclosure of Protected Information by National Grid NTS to an Adjacent TSO where such disclosure is provided for or contemplated by this Document or an Interconnection Agreement.

3.3.2 Where this Document contemplates that a Party will receive information from an Adjacent TSO, such information shall be treated as being obtained by such Party pursuant to the implementation of the Code for the purposes of TPD Section V5.3.1(a)(i) and (b)(i).

3.4 Code Communications

3.4.1 Unless otherwise provided in this Document, any communication to be made by National Grid NTS or a User under this Document is a Code Communication (and accordingly in the definition of Code Communication in GT Section C1 the reference to the Transportation Principal Document shall be deemed to include this Document).

3.4.2 Unless otherwise provided in this Document, Code Communications under this Document are to be given as UK Link Communications in accordance with TPD Section U (and it is acknowledged that for certain purposes the UK Link Manual makes separate provision in relation to certain Code Communications under this Document).

3.5 Other provisions of TPD

3.5.1 References to the Transportation Principal Document in the following provisions of the Code shall be deemed to include this Document:

- (a) GT Section B3.1.3(b);
- (b) GT Section C2.5.

3.6 Correction of Errors

3.6.1 For the purposes of this paragraph 3.6, Nomination or Allocation Error (or Error) means (in relation to an Interconnection Point and a Day, and a User and Counterparty IS User) an error made by National Grid NTS or the Adjacent TSO in implementing the provisions of the Code or the Adjacent TSO Rulebook or the Interconnection Agreement (including the provisions of EID Sections C and D, and the Matching Procedures and Rules) in respect of:

- (a) the determination of the Processed Nomination Quantity or Confirmed Nomination Quantity in respect of the User's Interconnection Point Nomination or IS User's Interconnected System Nomination; or
- (b) the determination of the quantities to be allocated (pursuant to an Interconnection Point Nomination or Interconnected System Nomination) to the User or IS User;

as a result of which the quantity allocated to the User (as UDQI or UDQO) and/or to the IS User is incorrectly determined.

3.6.2 Where, in relation to an Interconnection Point and a Day:

- (a) a Nomination or Allocation Error occurs; and
- (b) not later than the end of the Business Day before the Exit Close-out Date:
 - (i) if the Error was made by National Grid NTS, the User notifies National Grid NTS of the Error, or
 - (ii) if the Adjacent TSO Rulebook so provides, if the Error was made by the Adjacent TSO, the IS User notifies the Adjacent TSO, of the Error; and

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- (iii) (in either case) the User and IS User confirm to National Grid NTS and the Adjacent TSO respectively that they agree to the correction by each TSO of the Error

then the Error will be so corrected (and where the Error was notified within the Day and it is practicable to do so, the Error will be corrected within the Day); and the quantity allocated as UDQI or UDQO to the User (or in the case of a Non-OBA Day) the quantities so allocated to all Users, and where applicable the User's Confirmed Nomination Quantity and Nominated Quantity, will be redetermined accordingly no later than the Exit Close-out Date (and the corresponding matters redetermined under the Adjacent Rulebook).

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4 Interconnection Agreement and Adjacent TSO

4.1 Interconnection Provisions

4.1.1 For the purposes of this Document:

- (a) Interconnection Provisions are the following provisions contained in an Interconnection Agreement:
- (i) Network Entry Provisions;
 - (ii) Network Exit Provisions;
 - (iii) provisions (Capacity Bundling Provisions) as to the arrangements between the TSOs for the designation of Interconnection Point Capacity and Interconnected System Capacity as Bundled, and for holding Auctions of and taking other steps in relation to such Bundled Interconnection Point Capacity and Interconnected System Capacity;
 - (iv) provisions (Matching Provisions) as to Matching Procedures and Rules (as provided in Section C1.5);
 - (v) provisions (Allocation Provisions) as to the arrangements between the TSOs for an Operational Balancing Account and the basis of allocation to Users and IS Users of quantities of gas flowing at an Interconnection Point;
 - (vi) provisions for communications between the TSOs in case of an exceptional event;
- (b) Relevant Interconnection Provisions are the following Interconnection Provisions:
- (i) Network Entry Provisions which fall within TPD Section I2.3.1;
 - (ii) Network Exit Provisions which govern or are directly relevant to the arrangements between National Grid NTS and Users pursuant to the Code (as provided in TPD Section J6.4.1);
 - (iii) Capacity Bundling Provisions so far as they provide for or directly affect how the provisions of Section B are to operate as between National Grid NTS and Users;

(iv) Matching Provisions so far as they provide for or directly affect how the provisions of Section C are to operate as between National Grid NTS and Users;

(v) Allocation Provisions so far as they provide for or directly affect how the provisions of Section D are to operate as between National Grid NTS and Users;

(vi) provisions for communications between the TSOs in case of an exceptional event, so far as they affect Users.

4.1.2 National Grid NTS will, in relation to each Interconnection Point:

(a) publish the Relevant Interconnection Provisions and any amendment of such provisions;

(b) provide to any User upon request the Interconnection Provisions which are not Relevant Interconnection Provisions, other than provisions which National Grid NTS considers to be commercially sensitive or which it is restricted from providing under the relevant Interconnection Agreement.

4.1.3 National Grid NTS will not agree with the Adjacent TSO to amend the Relevant Interconnection Provisions in relation to an Interconnection Point except:

(a) with the approval of each User which for the time being holds Available Interconnection Point Capacity at the Interconnection Point, or

(b) pursuant to a Code Modification which authorises such agreement; or

(c) as may (in the reasonable opinion of National Grid NTS) be required to enable National Grid NTS or the Adjacent TSO to comply with any Legal Requirement.

4.1.4 This paragraph 4.1 applies in place of TPD Sections I2.1.1, I2.2, J6.1.1 and J6.4, which do not apply in relation to Network Entry Provisions or Network Exit Provisions in an Interconnection Agreement.

4.1.5 Where a Code Modification is required (under paragraph 4.1.3) to authorise an amendment of Relevant Interconnection Provisions in an Interconnection Agreement (an IA Amendment), the Modification Rules shall apply on the following basis:

(a) in a case where the Interconnection Agreement provides that alternate IA Amendments may be proposed by National Grid NTS and by the Adjacent TSO, then National Grid NTS may make a Modification Proposal in respect of one of the alternate proposed IA Amendments and (in respect of such Modification Proposal) the Adjacent TSO may make an alternative Modification Proposal under MR Section 6.4.1(a) in respect of the other alternate proposed IA Amendment; and MR Section 6.1.1 shall be deemed to allow the Adjacent TSO to do so and the Modification Rules shall apply on the basis that the Adjacent TSO is Proposer accordingly;

(b) where (under the Interconnection Agreement) the Adjacent TSO is required to consult with IS Users in respect of the proposed IA Amendment, National Grid NTS will ensure that the Modification Proposal sets out a timetable and basis for coordination with the Adjacent TSO in respect of the procedures under the Modification Rules and

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the consultation procedures adopted by the Adjacent TSO, with a view to achieving coordinated consultation.

4.1.6 If, in relation to an Interconnection Point, a User considers that a Relevant Interconnection Provision (as defined in paragraph 4.1.1(b)) in the Interconnection Agreement is adverse to the interests of Users pursuant to the Code:

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(a) the User may so notify National Grid NTS, explaining the User's view and describing how the User considers the Interconnection Agreement could be amended to remedy such adverse effect;

(b) National Grid NTS will within 30 business days after receiving the User's notification:

(i) propose to the Adjacent TSO an amendment of the Interconnection Agreement which would remedy the adverse effect identified by the User, or

(ii) reply to the User setting out the reasons for which National Grid NTS does not consider it appropriate to propose an amendment of the Interconnection Agreement in respect of the matter raised by the User, or

(iii) invite the User to discuss the matter, and within 30 business days after such discussion do either (i) or (ii).

4.2 Indemnity of Adjacent TSO

4.2.1 In relation to each Interconnection Point, each User irrevocably and unconditionally:

(a) agrees and acknowledges that National Grid NTS may agree to indemnify any Adjacent TSO in respect of any costs, losses or damages incurred by the Adjacent TSO as a result of a relevant claim by any User arising out of any relevant failure by the Adjacent TSO; and

(b) where (in the Interconnection Agreement) National Grid NTS has so agreed to indemnify the Adjacent TSO:

(i) undertakes that it will not make and will waive any relevant claim in relation to any Adjacent TSO;

(ii) agrees to indemnify National Grid NTS in respect of any liability (pursuant to an indemnity within paragraph (a)) to an Adjacent TSO resulting from any relevant claim by the User.

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4.2.2 For the purposes of paragraph 4.2.1:

(a) a relevant claim is a claim (in tort or otherwise) in respect of costs, losses or damages of a User arising under any provision of the Code, but excluding a claim arising under a contract between the User and the Adjacent TSO;

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(b) a relevant failure is a failure by the Adjacent TSO:

(i) to comply with the Capacity Bundling Provisions, Matching Provisions or Allocation Provisions of the Interconnection Agreement; or

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(ii) to accept delivery of gas, or to make available for offtake gas, or gas complying with specification, at the Interconnection Point.

4.3 Effect of flow rate limits and other terms of Interconnection Agreement

4.3.1 In accordance with TPD Sections J4 and J6 an Interconnection Agreement may contain provisions (Flow Rate Rules) under which, in relation to the gas flows from the NTS to the Interconnected System:

- (a) there may be limits or other restrictions on the magnitude of flow rates or changes in flow rates, or the rate of change of such flow rates, or the times at or within which a change in such flow rates may occur;
- (b) National Grid NTS may agree (in any circumstances or at any time) to provide flexibility (including suspension or relaxation) in relation to the limits or restrictions referred to in paragraph (a), and (where it has done so) may curtail or withdraw such flexibility;
- (c) the Adjacent TSO is responsible for the preparation and revision of an exit flow profile (as an Offtake Profile Notice for the purposes of TPD Section J4.5) consistent with the provisions referred to in paragraph (a) and (b).

4.3.2 It is acknowledged and agreed that:

- (a) the quantities (in net aggregate) in which IS Users may nominate gas for delivery to or offtake from the Interconnected System at an Interconnection Point are limited by reference to the applicable Flow Rate Rules (and, in the case of renominations, may also be limited by any flexibility requested by the Adjacent TSO as referred to in paragraph 4.3.1(b);
- (b) it is the responsibility of the Adjacent TSO to determine or redetermine Processed Nomination Quantities (in respect of Interconnected System Nominations) accordingly (and National Grid NTS will not validate or process Users' Nomination Quantities by reference to the Flow Rate Rules);
- (c) National Grid NTS is entitled to plan the operation of the NTS (and determine the existence or otherwise of any Transportation Constraint) on the basis that the Flow Rate Rules are complied with; and
- (d) (in accordance with TPD Section J4) National Grid NTS is not obliged to make gas available for offtake from the NTS at an Interconnection Point at a rate or rates and/or at a time or times in respect of which the Flow Rate Rules are not complied with, and National Grid NTS will not be liable for any failure to so to make gas available for offtake.