

UNIFORM NETWORK CODE - TRANSITION DOCUMENT**PART IIC – TRANSITIONAL RULES****1. UNIFORM NETWORK CODE**

TPD Section B: System Use and Capacity

1.1.1 TPD Section B2.1.5 and Section B2.1.6

- (a) In respect of any invitation for Quarterly NTS Entry Capacity issued prior to 31 March 2007, then the Unsold NTS Entry Capacity which National Grid NTS shall be required to offer in such invitation shall be determined as follows:

In respect of an Aggregate System Entry Point and in relation to a Day in a calendar month in a Formula Year, "**Unsold NTS Entry Capacity**" is the amount of Firm NTS Entry Capacity that National Grid NTS has, in relation to each Day in a calendar quarter, an obligation to make available (in accordance with the procedures set out in UNC TPD Section B2) to Users pursuant to paragraph 14(5)(f) of Part 2 of Special Condition C8B of National Grid NTS's Transporter's Licence as, in the case of Quarterly NTS Entry Capacity to be made available under UNC TPD Section B2.2, set out in National Grid NTS's Transportation Statement; provided that where the Authority has so consented in writing:

- (i) such Unsold NTS Entry Capacity shall not include any NTS Entry Capacity which National Grid NTS assesses it may be unable to physically deliver for any reason if such NTS Entry Capacity were to be allocated at a given Aggregate System Entry Point, including for example, due to the length of time required to obtain consents or construction challenges; and
- (ii) such Unsold NTS Entry Capacity for a particular Aggregate System Entry Point shall be zero where National Grid NTS assesses there is an expectation that National Grid NTS would be required to accept daily capacity offers pursuant to UNC TPD Section B2.10 in respect of previously allocated NTS Entry Capacity at that Aggregate System Entry Point;

and (for the avoidance of doubt) the provisions of UNC TPD Section B2.1.5 shall not apply for the purposes of UNC TPD Section B2.2 in relation to any invitations for Quarterly NTS Entry Capacity issued prior to 31 March 2007.

- (b) In respect of any allocations of Quarterly NTS Entry Capacity pursuant to an invitation issued prior to 31 March 2007, then, for the purposes of the application of UNC TPD Section B2.6, the amount of Unsold NTS Entry Capacity in existence at a particular time will, unless expressly stated otherwise, be calculated by reference to a continuing obligation to make available Firm NTS Entry Capacity through the application of paragraph 14(5) of Part 2 of Special Condition C8B of National Grid NTS's Transporter's Licence prior to the time at which the amount of Unsold NTS Entry Capacity is to be ascertained; provided that where the Authority has so consented in writing:
- (i) the amount of Unsold NTS Entry Capacity in existence at a particular time shall not include any NTS Entry Capacity which National Grid NTS assesses it may be unable to physically deliver for any reason if such NTS Entry Capacity were to be allocated at a given Aggregate System Entry Point,

including for example, due to the length of time required to obtain consents or construction challenges; and

- (ii) the amount of Unsold NTS Entry Capacity in existence at a particular time for a particular Aggregate System Entry Point shall be zero where National Grid NTS assesses there is an expectation that National Grid NTS would be required to accept daily capacity offers pursuant to UNC TPD Section B2.10 in respect of previously allocated NTS Entry Capacity at that Aggregate System Entry Point;

and (for the avoidance of doubt) the provisions of UNC TPD Section B2.1.6 shall not apply in such circumstances.

- (c) Where (by virtue of the provisions of paragraph 1.1.1(a) or 1.1.1(b) above) the Unsold NTS Entry Capacity for a particular Aggregate System Entry Point is zero for a particular calendar quarter, then the Unsold NTS Entry Capacity for the purposes of paragraphs 2.2 (in relation to Monthly NTS Entry Capacity only), 2.3 or 2.4 of UNC TPD Section B shall also be deemed to be zero for each calendar month or Day within such calendar quarter, and (for the avoidance of doubt) the provisions of UNC TPD Section B2.1.5 shall not apply for the purposes of UNC TPD Section B2.2 (in relation to Monthly NTS Entry Capacity only), 2.3 or 2.4 in such circumstances.

1.1.2 TPD Section B2.2.1

- (a) Notwithstanding TPD Section B2.2.1(d) (which requires that National Grid NTS will invite, and Users may make, applications for Quarterly NTS System Entry Capacity during the month of September in each Capacity Year), for the Capacity Year commencing on 1 April 2005 National Grid NTS will invite, and Users may make, applications for Quarterly NTS Entry Capacity in respect of each Aggregate System Entry Point for the periods specified in TPD Section B2.2.2(b) no earlier than 1 September 2005 and no later than 30 November 2005.
- (b) Notwithstanding TPD Section B2.2.1(b) (which requires that National Grid NTS will invite, and Users may make, applications for Monthly NTS Entry Capacity during the month of February in each Capacity Year), National Grid NTS will not be required to invite applications pursuant to TPD Section B2.2.1(b) in the Capacity Year commencing on 1 April 2006 for Monthly NTS Entry Capacity in respect of each Aggregate System Entry Point for the periods specified in TPD Section B2.2.2(a). Instead, the provisions of paragraph (c) below shall apply.
- (c) National Grid NTS will invite, and Users may make, applications for Monthly NTS Entry Capacity in respect of each Aggregate System Entry Point for the Relevant Capacity Period. Such invitation shall be issued by National Grid NTS no later than 2 Business Days of the Authority next directing changes (after the date of implementation of the Modification giving effect to this paragraph) to the Transporter's Licence of National Grid NTS pursuant to Section 23 of the Gas Act in relation to the contents of Schedule A of the Transporter's Licence of National Grid NTS. Applications pursuant to such invitation may be made on the date(s) specified in the invitation, the first such date being no earlier than the later of:
 - (i) 1 April 2007; and
 - (ii) 28 days after the date on which the invitation is issued by National Grid NTS pursuant to this paragraph (c);

and shall be as soon as possible after the dates specified above.

References to TPD Section B2.2.1(b) in TPD Section B shall (where paragraph (b) above applies) be deemed to be references to this paragraph (c). References to the period in TPD Section B2.2.2(a) in TPD Section B shall (where paragraph (b) above applies) be deemed to be references to the Relevant Capacity Period.

For the avoidance of doubt, National Grid NTS shall be required to issue one invitation only pursuant to this paragraph (c), and nothing in this paragraph (c) shall affect National Grid NTS's obligations pursuant to TPD Section B2.2.1(b) for the Capacity Year commencing on 1 April 2007 (or any subsequent Capacity Year).

- (d) For the purposes of paragraph (c), the “**Relevant Capacity Period**” means:
- (i) where the final date on which applications may be made pursuant to paragraph (c) is more than 1 Business Day before the end of the month M, the period from M+1 to March 2009 (where “M” is the month in which the first date on which applications may be made pursuant to paragraph (c) falls); and
 - (ii) where the final date on which applications may be made pursuant to paragraph (c) is not more than 1 Business Day before the end of the month M, the period from M+2 to March 2009 (where “M” is the month in which the first date on which applications may be made pursuant to paragraph (c) falls).

1.1.3 TPD Section B6.3.2(b)

A DNO User may apply for an amount of NTS Offtake Capacity at an NTS/LDZ Offtake in relation to the relevant Gas Year ending 30 September 2009 by submitting an application to National Grid NTS no later than 6 February 2006 subject to and in accordance with TPD Section B6.

1.1.4 TPD Section B6.3.6

In the case of an application under paragraph 1.1.2, National Grid NTS will notify the DNO User by no later than 6 March 2006 whether such application has been accepted in whole or in part, or rejected, specifying (where the application is accepted in part) the amount of NTS (Flat) Capacity and /or NTS Offtake (Flexibility) Capacity for which the application is accepted.

1.1.5 TPD Section B6.2.1

National Grid NTS will issue to each of the DNO Users not later than 6 March 2006 a revised Offtake Capacity Statement specifying the amount of NTS Offtake (Flat) Capacity, NTS (Flexibility) Capacity and Assured Offtake Pressures for each of the DNO Users for each of the Gas Years up to and including the Gas Year ending 30 September 2009 in relation to each NTS/LDZ Offtake.

1.1.6 TPD Section B

Notwithstanding the provisions of Section B1.2.8, the provisions of TPD Section B2 shall not apply to any LDZ System Entry Point (a “**New LDZ System Entry Point**”) that is not listed in Table A2 of Schedule A to the National Grid NTS's Transporter's Licence. In respect of any New LDZ System Entry Point, the type and quantity of entry capacity that will be offered, the method by which such capacity will be offered and subsequently allocated, and the rules relating to the use of that capacity will be set out in a separate agreement (a “**Bilateral Agreement**”) between the relevant Transporter and the operator of the Delivery Facility

connected to the System at the New LDZ System Entry Point. The relevant Transporter may make it a condition of any User being allocated or holding capacity at a New LDZ System Entry Point that such User enter into or accede to an Ancillary Agreement setting out the terms of the use of the relevant System for the purposes of delivering gas at the New LDZ System Entry Point.

Any references in the Code to Section B2 shall, for the purposes of a New LDZ System Entry Point, be deemed to be references to this paragraph 1.1.6, the provisions of the relevant Bilateral Agreement and/or the relevant Ancillary Agreement as the case may be.

For the purposes of the Code, the Available Firm NTS Entry Capacity in respect of a New LDZ System Entry Point shall be zero (0).

The provisions of this paragraph 1.1.6 shall cease to apply at 06:00 hours on 1 October 2007.

1.1.7 TPD Section B2.2

(a) For the purposes of this paragraph 1.1.7:

- (i) in respect of an Available Month and an ASEP Zone the "**Available Monthly Capacity**" is an amount (where such amount is positive) of Monthly NTS Entry Capacity equal to:

$$(A - B) + C$$

where:

- A is the zonal allocation maximum for the ASEP Zone and the Available Month;
- B is the aggregate amount of Firm NTS Entry Capacity held by Users at Aggregate System Entry Points in the ASEP Zone for the Available Month (prior to the application of this paragraph 1.1.7);
- C is the aggregate amount of Monthly NTS Entry Capacity which Users are willing to surrender at Aggregate System Entry Points in the ASEP Zone for the Available Month (pursuant to a notice under paragraph (b)(iv));
- (ii) the "**effective date**" is the date on which the Modification giving effect to this paragraph 1.1.7 first has effect;
- (iii) in each case following the allocation of Monthly NTS Entry Capacity pursuant to the annual invitation for Monthly NTS Entry Capacity held in May 2007 in accordance with TPD Section B2.2:
- (1) "**Available Month**" is a month, in the period November 2007 to March 2008 (the "**relevant period**") in respect of which there is no Unsold NTS Entry Capacity at an Aggregate System Entry Point in an amount equal to or greater than 100,000 kWh/Day, unless allocations for the Available Month would not be completed and published prior to the rolling monthly invitation date for a Rolling Monthly NTS Entry Capacity Auction relating to such month;
- (2) "**Recipient ASEP**" is, in respect of an Available Month, an Aggregate System Entry Point where the NTS SO Baseline Entry Capacity for a

day in such month is greater than zero and the Unsold NTS Entry Capacity is less than 100,000 kWh/Day;

- (3) "**Non-Recipient ASEP**" is, in respect of an Available Month, an Aggregate System Entry Point which is not a Recipient ASEP but is an ASEP within a Relevant ASEP Zone or a related ASEP Zone;
- (iv) the "**nodal allocation maximum**" in respect of an Aggregate System Entry Point, and the "**zonal allocation maximum**" in respect of all the Aggregate System Entry Points in the same ASEP Zone, is in each case an amount of NTS Entry Capacity determined by National Grid NTS for the purposes of this paragraph 1.1.7 in accordance with the NTS Entry Capacity Transfer and Trade Methodology Statement;
- (v) the "**NTS Entry Capacity Transfer and Trade Methodology Statement**" is the NTS Entry Capacity Transfer and Trade methodology statement prepared and published by National Grid NTS in accordance with Special Condition C8D of National Grid NTS's Transporter's Licence;
- (vi) an "**ASEP Zone**" is in respect of an Aggregate System Entry Point, the zone in which the Aggregate System Entry Point is located, as more particularly described in National Grid NTS's Gas Transportation Ten Year Statement and a "**Relevant**" ASEP Zone is an ASEP Zone in which a Recipient ASEP is located;
- (vii) the "**ASEP merit order**" is the sequence in which National Grid NTS will consider and give effect to a reduction in the Unsold NTS Entry Capacity or the surrender of Monthly NTS Entry Capacity at Aggregate System Entry Points for the purposes of paragraphs (j)(iii)(1)(cc) and (l)(iii)(4) as set out in the NTS Entry Capacity Transfer and Trade Methodology Statement;
- (viii) the "**inter-zone exchange rate(s)**" are the rate(s), in respect of different pairs of ASEP Zones (as set out in the NTS Entry Capacity Transfer and Trade Methodology Statement, each such paired ASEP Zone a "**related**" ASEP Zone in respect of the other ASEP Zone), used by National Grid NTS to determine in respect of a relevant capacity trade bid:
- (1) the amount of Monthly NTS Entry Capacity which a User is treated as applying for; and
- (2) the translated bid price in respect of which the bid is made
- in each case for the purposes of paragraph (l)(ii) and accordingly the amount by which the Unsold NTS Entry Capacity will be reduced or the amount of surrendered Monthly NTS Entry Capacity surrendered at an Aggregate System Entry Point for the purposes of paragraph (l)(iii)(2) and (3) as set out in the NTS Entry Capacity Transfer and Trade Methodology Statement; and
- (ix) "**relevant bids**" comprise capacity trade bids in respect of a Non-Recipient ASEP located in an ASEP Zone in respect of which no allocation was undertaken in accordance with paragraph (j) or translated capacity trade bids created in accordance with paragraph (m).
- (b) By not later than:

- (i) ten (10) Business Days following the effective date National Grid NTS will notify Users of:
 - (1) each month in the relevant period which is an Available Month; and
 - (2) the Recipient ASEPs for each Available Month.
 - (ii) twelve (12) Business Days following the effective date a User may (acting in good faith) notify National Grid NTS of:
 - (1) an Available Month(s); and
 - (2) a Recipient ASEP(s)

in respect of which the User proposes to submit a capacity trade bid under paragraph (d);
 - (iii) fourteen (14) Business Days following the effective date National Grid NTS will notify Users of, in respect of each Available Month and Recipient ASEP in respect of which a User submitted a notice under paragraph (ii):
 - (1) the nodal allocation maximum for the Recipient ASEP;
 - (2) for each ASEP Zone in which there is a Recipient ASEP:
 - (aa) the zonal allocation maximum;
 - (bb) the ASEP merit order(s)
 - (3) the inter-zone exchange rate(s) between the ASEP Zone in which the Recipient ASEP is located and each other related ASEP Zone; and
 - (4) the amount of Unsold NTS Entry Capacity at each Non-Recipient ASEP;
 - (iv) sixteen (16) Business Days following the effective date a User ("**Surrender User**") may notify National Grid NTS of the maximum amount of Monthly NTS Entry Capacity at an Aggregate System Entry Point ("**Surrender ASEP**") which the User is willing to surrender for an Available Month for the purposes of this paragraph 1.1.7 ("**Surrender Amount**");
 - (v) twenty-one (21) Business Days following the effective date National Grid NTS will invite Users to make applications for Monthly NTS Entry Capacity in respect of each Recipient ASEP and each Non-Recipient ASEP located in the same ASEP Zone or in another related ASEP Zone (together the "**Relevant ASEPs**") for any month in the relevant period where it is an Available Month.
- (c) National Grid NTS's invitation under paragraph (b)(v) will specify:
- (i) the date(s) (each being a Business Day) on which an application for Monthly NTS Entry Capacity at Relevant ASEP's can be made, which for the purposes of paragraph (b)(v) shall be two dates, the first of which shall not be later than 2 Business Days after National Grid NTS has issued such an invitation, the second of which shall be no more than ten (10) Business Days after the first date on which applications for Monthly NTS Entry Capacity can be made (each an "**invitation date**");

- (ii) for each Available Month:
 - (1) the Relevant ASEPs;
 - (2) the nodal allocation maximum for each Recipient ASEP;
 - (3) the Available Monthly Capacity for each ASEP Zone;
 - (4) the inter-zone exchange rate(s) between the ASEP Zone in which the Recipient ASEP is located and each other related ASEP Zone;
 - (5) the aggregate amount of Monthly NTS Entry Capacity which Users are willing to surrender at a Relevant ASEP (pursuant to notices given in accordance with paragraph (b)(iv));
 - (6) the amount of Unsold NTS Entry Capacity at each Non-Recipient ASEP which is a Relevant ASEP;
 - (7) the ASEP merit order for each Relevant ASEP Zone and related ASEP Zone; and
 - (8) the applicable reserve price
- (d) Users may apply for Monthly NTS Entry Capacity at a Relevant ASEP for fifty percent (50%) of the Available Monthly Capacity for any Available Month on the first invitation date notified pursuant to paragraph (c)(i) and for the remaining Available Monthly Capacity for such Available Month on the second invitation date notified pursuant to paragraph (c)(i).
- (e) An application (a "**capacity trade bid**") for Monthly NTS Entry Capacity at a Relevant ASEP for an Available Month shall specify:
 - (i) the identity of the User;
 - (ii) the Relevant ASEP;
 - (iii) the Available Month;
 - (iv) the amount of Monthly NTS Entry Capacity (not less than the minimum eligible amount) applied for (in kWh/Day);
 - (v) the minimum amount (not less than the minimum eligible amount) of Monthly NTS Entry Capacity which the User is willing to be allocated for the purposes of paragraphs (j) and (l)); and
 - (vi) the price (the "**capacity trade bid price**") which shall not be less than the reserve price at the Relevant ASEP.
- (f) A User may have at any one time up to but no more than three (3) capacity trade bids in respect of a Relevant ASEP and Available Month.
- (g) A capacity trade bid:
 - (i) may not be submitted before 08:00 hours or after 17:00 hours on an invitation date;

- (ii) may be withdrawn or amended after 08:00 hours and until 17:00 hours on an invitation date.
- (h) National Grid NTS may reject a capacity trade bid submitted on the capacity trade invitation date:
- (i) where the requirements of paragraphs (e) and (f) are not complied with and National Grid NTS may reject a capacity trade bid;
 - (ii) where National Grid NTS has given a notice under TPD Section B2.2.14 or 2.2.16 and the User has not provided the required surety or security within (10) Business Days of such notice; or
 - (iii) in accordance with TPD Section V3.
- (i) Following the submission of capacity trade bids Monthly NTS Entry Capacity will be allocated for each Available Month in accordance with paragraph (j) and (l) for which purposes the "**relevant**" Available Monthly Capacity shall be:
- (i) for any Available Month, following submission of capacity trade bids on:
 - (1) the first invitation date, fifty percent (50%) of the Available Monthly Capacity for the Available Month;
 - (2) the second invitation date, the remaining Available Monthly Capacity.
- (j) For each Available Month, Monthly NTS Entry Capacity in respect of the Aggregate System Entry Points in a Relevant ASEP Zone will be allocated pursuant to capacity trade bids submitted in respect of the Available Month and Relevant ASEP Zone as follows:
- (i) all capacity trade bids in respect of an Available Month (excluding any rejected in accordance with paragraph (h)) will be ranked in order of capacity trade bid price (the highest ranking first);
 - (ii) Monthly NTS Entry Capacity for the Available Month will be allocated to capacity trade bids with the highest capacity trade bid price first until such time as all the capacity bids are satisfied or:
 - (1) in the case of all Aggregate System Entry Points in the ASEP Zone, the amount of Monthly NTS Entry Capacity allocated is equal to relevant Available Monthly Capacity;
 - (2) in the case of a particular Recipient ASEP, the aggregate amount of Users Registered NTS Entry Capacity allocated (pursuant to TPD Section B2.2 and this paragraph 1.1.7) is equal to the nodal allocation maximum;
 - (3) in the case of a Non-Recipient ASEP, the amount of Monthly NTS Entry Capacity allocated (pursuant to TPD Section B2.2 and this paragraph 1.1.7) is equal to the Unsold NTS Entry Capacity at the Non-Recipient ASEP (which for the purposes of this paragraph (3) shall be treated as including any Surrender Amounts in respect of the Non-Recipient ASEP)

in which case no further capacity trade bids in respect of any Relevant ASEP will be considered for the purposes of this paragraph (j) and no further capacity trade bids in respect of a Non-Recipient ASEP will be considered for the purposes of paragraph (l);

- (iii) for the purposes of paragraph (ii), where an allocation of Monthly NTS Entry Capacity is made following acceptance of a capacity trade bid:
- (1) at a Recipient ASEP:
- (aa) the amount of remaining Unsold NTS Entry Capacity at an Aggregate System Entry Point in the same ASEP Zone will be reduced by the remaining capacity trade bid amount or by the amount equal to the remaining Unsold NTS Entry Capacity;
- (bb) subject to paragraph (aa), the Monthly NTS Entry Capacity held by a Surrender User at a Surrender ASEP in the same ASEP Zone will be reduced by the remaining capacity trade bid amount or by the amount equal to the remaining aggregate Surrender Amount;
- (cc) for the purposes of paragraphs (aa) and (bb):
- National Grid NTS will first effect a reduction in the remaining Unsold NTS Entry Capacity and second accept a surrender of Monthly NTS Entry Capacity;
- National Grid NTS will give effect to the reduction or surrender at Aggregate System Entry Points in the sequence set out in the ASEP merit order;
- where there is more than one Surrender User at a Surrender ASEP the amount of Monthly NTS Entry Capacity treated as surrendered by the Surrender User shall be calculated pro rata to the Surrender Amounts;
- (2) at a Non-Recipient ASEP;
- (aa) the Unsold NTS Entry Capacity at the Non-Recipient ASEP will be reduced by an equal amount or an amount equal to the remaining unsold amount;
- (bb) subject to paragraph (aa), the Monthly NTS Entry Capacity held by a Surrender User at the Non-Recipient ASEP will be reduced by the remaining capacity trade bid amount or by the amount equal to the remaining aggregate Surrender Amount;
- (iv) subject to paragraphs (v), (vi) and (vii), where the amount of Monthly NTS Exit Capacity applied for under a capacity trade bid exceeds the amount of:
- (1) in the case of a Recipient ASEP, the lesser of the remaining relevant Available Monthly Capacity or remaining nodal allocation maximum;
- (2) in the case of a Non-Recipient ASEP, the lesser of the remaining Available Monthly Capacity, the remaining amount of Unsold NTS Entry Capacity (which for the purposes of this paragraph (2) shall be

treated as including any Surrender Amounts in respect of the Non-Recipient ASEP)

the “**remaining unallocated transfer amount**” the User will be allocated such an amount;

- (v) where the amount to be allocated in respect of a capacity trade bid pursuant to paragraphs (ii) and (iv) would be less than the minimum amount specified in the capacity trade bid, the capacity trade bid will (without prejudice to paragraph (l)) be disregarded for the purposes of this paragraph (j) and an allocation made in respect of the next ranked bid;
 - (vi) where the amount to be allocated in respect of any capacity trade bid would be less than the minimum eligible amount, no allocation shall be made to that bid (and no further allocation shall be made in respect of this paragraph j, without prejudice to paragraph (l)); and
 - (vii) where each of two or more capacity trade bids specify the same capacity trade bid price, National Grid NTS shall, for the purposes of this paragraph (j), consider each such capacity trade bid in the sequence the capacity trade bids were received by National Grid NTS (the earlier received capacity trade bid being considered first).
- (k) Where following the application of paragraph (j) in respect of a Recipient ASEP and an Available Month:
- (i) a User submitted a capacity trade bid in respect of the Recipient ASEP in respect of which
 - (1) no allocation was made under paragraph (j) or
 - (2) a partial allocation was made in accordance with paragraph (j) in respect of a capacity trade bid (such capacity trade bid shall still be considered for the purposes of an allocation in accordance with paragraph (l) for a bid quantity equal to the amount remaining unallocated following the partial allocation and with a minimum quantity of zero)

In each case a "**relevant capacity trade bid**";

- (ii) the aggregate amount of Monthly NTS Entry Capacity held by Users (pursuant to TPD Section B2.2 and paragraph (j)) is less than the nodal allocation maximum for the Recipient ASEP; and
- (iii) there remains Available Monthly Capacity for a Relevant ASEP Zone or a related ASEP Zone.

paragraph (l) shall apply.

- (l) Where this paragraph (l) applies, Monthly NTS Entry Capacity in respect of Recipient ASEPs, and Non-Recipient ASEPs, will be allocated pursuant to relevant bids as follows:
 - (i) subject to paragraph (m), all relevant bids in respect of an Available Month (excluding any rejected in accordance with paragraph (h)) will be ranked in

order of the capacity bid price (for Recipient ASEPs this shall equal the translated capacity trade bid price) the highest ranking first;

- (ii) Monthly NTS Entry Capacity for the Available Month will be allocated in respect of relevant bids with the highest translated capacity trade bid price or capacity trade bid price first until such time as all relevant bids are satisfied or:
- (1) in the case of all Relevant ASEPs in an ASEP Zone the amount of Monthly NTS Entry Capacity allocated is equal to the remaining relevant Available Monthly Capacity for all related ASEP Zone(s);
 - (2) in the case of a Recipient ASEP the aggregate amount of Users Registered NTS Entry Capacity at the Aggregate System Entry Point is equal to nodal allocation maximum;
 - (3) in the case of a Non-Recipient ASEP the aggregate amount of Users Registered NTS Entry Capacity at the Aggregate System Entry Point is equal to the Unsold NTS Entry Capacity at the Non-Recipient ASEP (which for the purposes of this paragraph (3) shall be treated as including any Surrender Amounts in respect of the Non-Recipient ASEP)

(in which case no further relevant capacity trade bids in respect of the Relevant ASEP(s) will be considered for the purposes of this paragraph (1));

- (iii) for the purposes of paragraph (ii), where an allocation of Monthly NTS Entry Capacity is made at a Recipient ASEP following acceptance of a translated capacity trade bid within a related ASEP Zone:
- (1) the amount of Monthly NTS Entry Capacity allocated at a Recipient ASEP will be an amount equal to the amount determined by reference to the inter-zone exchange rate(s) (the allocated translated capacity trade bid quantity multiplied by the applicable inter-zone exchange rate(s));
 - (2) the amount of Unsold NTS Entry Capacity held at Aggregate System Entry Points in the related ASEP Zone, in respect of the translated capacity trade bid that was accepted will be reduced by the remaining translated capacity trade bid amount or by the amount equal to the amount in respect of which the translated capacity trade bid was accepted up to an amount equal to the Unsold NTS Entry Capacity;
 - (3) subject to paragraph (2), the Monthly NTS Entry Capacity held by a Surrender User at a Surrender ASEP in the related ASEP Zone will be reduced the remaining translated capacity trade bid amount that was accepted up to an amount equal to the remaining aggregate Surrender Amount;
 - (4) for the purposes of paragraphs (1) and (2):
 - (aa) National Grid NTS will first effect a reduction in the remaining Unsold NTS Entry Capacity and second accept a surrender of Monthly NTS Entry Capacity;

- (bb) National Grid NTS will give effect to the reduction or surrender at Aggregate System Entry Points in the sequence set out in the ASEP merit order;
- (cc) where there is more than one Surrender User at a Surrender ASEP the amount of Monthly NTS Entry Capacity treated as surrendered by the Surrender User shall be calculated pro rata to the Surrender Amounts;
- (iv) for the purposes of paragraph (ii), where an allocation of Monthly NTS Entry Capacity is made at a Non-Recipient ASEP
 - (1) the amount of Unsold NTS Entry Capacity held at the Non-Recipient ASEP will be reduced by an equal amount; and
 - (2) subject to paragraph (1), the Monthly NTS Entry Capacity held by a Surrender User at the Non-Recipient ASEP will be reduced by the remaining capacity trade bid amount or by the amount equal to the remaining aggregate Surrender Amount;
- (v) paragraphs (j)(iv), (v), (vi) and (vii) shall apply.
- (m) For the purposes of paragraph (l) and in respect of a relevant capacity trade bid National Grid NTS will by applying inter-zonal exchange rate(s) create a “**translated capacity trade bid**” in respect of each Non-Recipient ASEP in a related ASEP Zone (for which purposes all translated capacity trade bids in respect of a particular relevant capacity trade bid are a “**translated bid set**” and all translated capacity trade bids in respect of a particular related ASEP Zone are a “**translated ASEP Zone bid set**”) and:
 - (i) the bid quantity for a translated capacity trade bid shall be determined by multiplying the bid quantity in respect of which the relevant capacity trade bid was made or is remaining by the applicable inter-zone exchange rate(s) applying between the ASEP Zone in which the Recipient ASEP is located and the ASEP Zone in which the Non-Recipient ASEP is located;
 - (ii) the bid price for a translated capacity trade bid shall also be determined by dividing the bid price in respect of which the relevant capacity trade bid was made by the applicable inter-zone exchange rate(s) applying between the ASEP Zone in which the Recipient ASEP is located and the ASEP Zone in which the Non-Recipient ASEP is located;
 - (iii) where:
 - (1) a translated capacity trade bid is accepted such that the bid amount under the corresponding relevant capacity trade bid is allocated in full all other translated capacity trade bids in the prevailing translated bid set shall be disregarded (and have no further effect);
 - (2) a translated capacity trade bid is accepted such that the bid amount under the corresponding relevant capacity trade bid is not allocated in full all translated capacity trade bids in the prevailing translated bid set shall be disregarded (and have no further effect) and a new translated bid set shall be calculated on the basis of the remaining unallocated amount in respect of which the corresponding relevant capacity trade bid was made;

- (3) a translated capacity trade bid or a capacity trade bid at a Non-Recipient ASEP is accepted such that:
- (aa) there is a reduction in the remaining Unsold NTS Entry Capacity or Surrender Amounts at the Non-Recipient ASEP; and
 - (bb) the applicable inter-zone exchange rate(s) would give rise to a new bid quantity and bid price (in accordance with paragraphs (i) and (ii)) for translated capacity trade bids which have not been accepted

all translated capacity trade bids in the prevailing translated ASEP Zone bid set shall be disregarded (and have no further effect) and a new translated ASEP Zone bid set shall be calculated on the basis of the Unsold NTS Entry Capacity and remaining Surrender Amounts at the Non-Recipient ASEP

for which purposes the "**prevailing**" translated bid set or translated ASEP Zone bid set shall be the translated bid set or translated ASEP Zone bid set last calculated in accordance with this paragraph (m);

- (iv) where a relevant capacity trade bid is accepted the corresponding translated capacity trade bid in the prevailing translated bid set treated as made in accordance with this paragraph (m) shall also be treated as accepted for which purposes:
 - (1) no actual allocation of Monthly NTS Entry Capacity at the relevant Non-Recipient ASEP will be made (such that no User is treated as holding the Monthly NTS Entry Capacity at the Non-Recipient ASEP by reason of the acceptance of the translated capacity trade bid); and
 - (2) the amount of remaining Unsold NTS Entry Capacity at the Non-Recipient ASEP shall for the purposes of the application of paragraph (l) be reduced by an amount equal to the amount in respect of which the translated capacity trade bid was made (and National Grid NTS shall be under no further obligation under TPD Section B2 or this paragraph 1.1.7 to make such Monthly NTS Entry Capacity available to Users).
- (n) Where Monthly NTS Entry Capacity is surrendered at an Aggregate System Entry Point for an Available Month by a Surrender User in accordance with this paragraph 1.1.7 for the purposes of TPD Section B2 and TPD Section I the Surrender User's Available Firm NTS Entry Capacity for each day in the relevant month shall be reduced by an amount equal to the amount surrendered under paragraphs (j)(iii)(1)(bb), (j)(iii)(2)(bb), (l)(iii)(3) and (l)(iv)(2).
- (o) Where a capacity trade bid is accepted under paragraph (j) or (l) the User agrees to pay NTS Entry Capacity Charges equal to the capacity trade bid price in respect of the Monthly NTS Entry Capacity allocated in respect of the capacity trade bid in accordance with this paragraph 1.1.7.
- (p) Where the amount of Monthly NTS Entry Capacity held by a Surrender User is reduced at a Surrender ASEP in accordance with paragraph (j)(iii)(1)(bb), (j)(iii)(2)(bb), (l)(iii)(3) or (l)(iv)(2) National Grid NTS shall pay to the Surrender User an amount equal to:

D * E

where:

D is the amount by which the Surrender User's Monthly NTS Entry Capacity was reduced;

E is the weighted average of the bid price for allocated translated capacity trade bids in respect of which a reduction of Monthly NTS Entry Capacity at the Surrender ASEP was made in accordance with paragraph (j)(iii)(1)(bb), (j)(iii)(2)(bb), (l)(iii)(3) or (l)(iv)(bb).

(q) By not later than fifteen (15) Business Days following the invitation date National Grid NTS will notify, in respect of each Aggregate System Entry Point and each Available Month, each User which submitted a notice under paragraph (b)(iv) or a capacity trade bid of the amount of Monthly NTS Entry Capacity surrendered or allocated in accordance with this paragraph 1.1.7.

(r) By not later than:

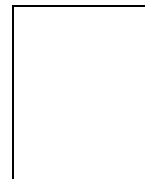
(i) seven (7) Business Days following each invitation date in respect of an Available Month National Grid NTS shall notify Users of their allocations and surrender allocations;

(ii) nine (9) Business Days following each invitation date in respect of an Available Month;

National Grid NTS will notify, in respect of each Aggregate System Entry Point and each Available Month, notify Users of:

(1) the highest and lowest capacity trade bid price;

(2) the weighted average price of successful capacity trade bids, calculated as follows:



where:

n is the number of successful capacity trade bids;

P is the capacity trade bid price for each successful capacity trade bid;

Q is the amount of Monthly NTS Entry Capacity allocated pursuant to each successful capacity trade bid;

(3) the aggregate amount of Monthly NTS Entry Capacity allocated pursuant to this paragraph 1.1.7;

(4) the aggregate amount of NTS Entry Capacity allocated pursuant to TPD Section B2.2 and this paragraph 1.1.7; and

- (5) the number of Users who submitted successful capacity trade bids and the number of Users who submitted unsuccessful capacity trade bids.

1.1.8 TPD Section B2.3

National Grid NTS will invite applications (and Users may make applications) for Monthly NTS Entry Capacity in accordance with the provisions of TPD Section B2.3 which applied immediately prior to the implementation of the Modification which gave effect to this paragraph 1.1.8 ("**old B2.3**") for each calendar month prior to the relevant month in respect of which National Grid NTS first issues a rolling monthly surrender invitation and rolling monthly invitation; and:

- (a) National Grid NTS may in the same calendar month issue an invitation pursuant to old B2.3 and (in respect of a different calendar month) TPD Section B2.3.3 and B2.3.10;
- (b) the first invitations to be issued by National Grid NTS pursuant to TPD Section B2.3.3 and B2.3.10 may be issued earlier than the month preceding the month to which the invitations relate.

1.1.9 TPD Section B3.3: NTS Exit ARCAs and Demonstration Dates

- (a) This paragraph 1.1.9 shall apply from the date on which the Modification giving effect to this paragraph 1.1.9 first has effect.
- (b) National Grid NTS may have, prior to the date specified in paragraph (a), entered into NTS Exit ARCAs.
- (c) For the purposes of the Code an "**NTS Exit ARCA**" is an agreement with a person who is not a User (the "**Reservation Party**"), under which the Reservation Party is entitled to nominate any User to be registered with effect from such date as is specified in the NTS Exit ARCA, as holding an amount of Enduring Annual NTS Exit (Flat) Capacity (the "**Reserved Capacity**") in respect of an NTS Exit Point.
- (d) Where National Grid NTS has entered into an NTS Exit ARCA:
 - (i) the amount of Reserved Capacity shall be treated (for the purposes of determining the Remaining Available NTS Exit (Flat) Capacity) as if it were registered as held by a User;
 - (ii) National Grid NTS will not be required to make Reserved Capacity available to Users in accordance with the other provisions of TPD Section B3;
 - (iii) the Reservation Party may by notice to National Grid NTS nominate a User to be registered as holding Reserved Capacity;
 - (iv) a notice under paragraph (iii) shall specify:
 - (1) the identity of the nominated User;
 - (2) an amount of Reserved Capacity to be registered in the name of the nominated User which shall not exceed the total amount of Reserved Capacity (taking into account any prior notice by the Reservation Party under this paragraph (d) in relation to the NTS Exit ARCA);

- (3) the date, consistent with the terms of the NTS Exit ARCA, from which the nominated User is to be registered as holding Reserved Capacity

and following such notice National Grid NTS will notify the nominated User of the contents of such notice;

- (v) the nominated User may within five (5) Business Days of National Grid NTS's notice under paragraph (iv) confirm to National Grid NTS its acceptance of the details in the Reservation Party's notice;
- (vi) National Grid NTS may reject the User's nomination:
 - (1) where any of the requirements of paragraph (iv) is not complied with;
 - (2) in accordance with TPD Section V3; and
- (vii) subject to paragraph (vi), a nominated User shall be deemed (including for the purposes of TPD Section B3.2.16) to have been allocated Reserved Capacity and accordingly be registered as holding Enduring Annual NTS Exit (Flat) Capacity from the date determined under the NTS Exit ARCA.

1.2 TPD Section J: Exit Requirements

1.2.1 TPD Section J3.11:

- (a) Unless the CSEP Network Exit Agreement provides otherwise, the CSEP Liability Sharing Proportion in respect of each LDZ Connected System Exit Point to which TPD Section J3.11 applies shall (notwithstanding TPD Section J3.11.7) be:
 - (i) until such time, not earlier than 1 May 1997, at which another proportion is determined under paragraph (c), one;
 - (ii) with effect from such time, the proportion (applicable to the relevant LDZ Connected System Exit Point) so determined.
- (b) All relevant CSEP Users and the Transporter agree to meet, commencing reasonably promptly after the date of the Code, and review together on a mutually agreeable basis (in consultation with relevant Connected System Operators and with the Authority) what principles are appropriate to determine CSEP Liability Sharing Proportions.
- (c) In respect of each LDZ Connected System Exit Point to which TPD Section J3.11 applies, the proportion referred to in paragraph (a) shall be such proportion, or the proportion determined by such mechanism, as following the review under paragraph (b) the Transporter shall with Condition A11(18) Approval of the Authority determine and notify to the relevant CSEP Users and Connected System Operator.

1.2.2 TPD Section J2.5.4(b)

A DNO User may, at the time at which it may apply for an amount of NTS Offtake Capacity (in accordance with paragraph 1.1.2) apply for Assured Offtake Pressures in relation to each NTS/LDZ Offtake for the Gas Year ending 30 September 2009.

1.2.3 TPD Section J2.5.7

Where an application has been made in accordance with paragraph 1.2.2 then where the

Assured Offtake Pressures specified in the Offtake Capacity Statement for the preceding year are:

- (a) greater than or equal to the Assured Offtake Pressures applied for, such application will be accepted;
- (b) less than the Assured Offtake Pressures applied for, the Assured Offtake Pressures accepted will be not less than the values specified in the Offtake Capacity Statement for such preceding year;

and in either case National Grid NTS will notify the DNO User accordingly by no later than 6 March 2006.

1.3 TPD Section M: Supply Point Metering

1.3.4 TPD Section M2.1

Until 12 July 2006 but not thereafter, for the purposes of Section M:

- (a) where:
 - (i) a Supply Meter Point does not relate to premises covered by Standard Condition 34(2) of the Supplier's Licence; and
 - (ii) any supplier or any User in relation to such Supply Meter Point has provided or requested, or is providing or requesting, another to provide a Supply Meter Installation (other than where the Supply Meter Installation belongs to a consumer, or is lent or hired to a consumer and is the responsibility of a person other than a Gas transporter or supplier) for such Supply Meter Point;

then the Registered User in respect of such Supply Meter Point shall secure that:

 - (1) where the Supply Meter Installation at such Supply Meter Point is installed after the 12 July 2004, appropriate approval, appraisal and authorisation will be obtained from the Transporter to the extent required by section 6 of the MAM CoP; and/or
 - (2) after 12 July 2004, such Supply Meter Installation at such Supply Meter Point is maintained by a Meter Asset Manager appointed by the supplier or the User; and
- (b) where the Transporter discovers after the 12 July 2004 that in respect of such Supply Meter Installation paragraphs (a)(1) and/or (2) have not been complied with then the Transporter shall notify the Registered User accordingly and the Registered User will:
 - (i) within fourteen (14) calendar days of receipt of the notice from the Transporter ensure that such Supply Meter Installation is re-installed and/or maintained by a Meter Asset Manager and notify the Transporter of the identity of such Meter Asset Manager; or
 - (ii) where it is not practicable to ensure the performance of such reinstallation and/or maintenance within such 14 calendar day period, within 7 calendar days of receipt of the notice from the Transporter notify the Transporter of the reasons for this and the date by which it will ensure such re-installation and/or

maintenance is performed by a Meter Asset Manager and promptly notify the Transporter when such work has occurred;

- (c) where the Registered User has failed to fully comply with paragraphs (a)(1) or (2) the Transporter, acting reasonably, shall be entitled to take whatever steps it deems necessary (including the inspection, repair, replacement or disconnection of the Supply Meter Installation) to ensure that the Transporter complies with any Legal Requirements imposed upon it, and the Registered User shall reimburse the Transporter in respect of any and all costs, expenses and charges reasonably incurred or expended by or on behalf of the Transporter in taking such steps;
- (d) the Transporter's entitlement in paragraph (c) is without prejudice to the Transporter's entitlement at any time to make safe any Supply Meter Installation (including disconnection) for this purpose;
- (e) for the purposes of paragraph (a) "**Meter Asset Manager**" means:
 - (i) a person approved by the Authority as possessing expertise satisfactorily to provide services in relation to Supply Meter Installations or a class or description of persons so approved; or
 - (ii) an undertaking approved by the Authority as having staff possessing the requisite expertise;

and, for the purposes of this definition, "**approved by the Authority**" means approved by it for the purposes of this paragraph generally and "**staff**" includes officers, servants and agents;

1.3.5 TPD Section M3.8.1

Where a User submits a Supply Point Confirmation with a Supply Point Registration Date which becomes effective up to and including 8 July 2004 and the Supply Point Confirmation records a change only to the supplier identity (but not a change to the User identity or the Supply Point configuration) then the requirement of the User to obtain and provide an Opening Meter Reading (in accordance with TPD Section M3.8.2) shall not apply and where, in the absence of any such Opening Meter Reading, any notional Meter Reading is used by the Transporter as an estimated Meter Reading (in accordance with TPD Section M3.8.5) it shall not be included in the calculation (in accordance with TPD Section M3.8.10(c)) of the number of estimated Meter Readings in respect of which the User is required to pay a charge and the Transporter shall not levy such charge (in accordance with TPD Section M3.8.10 (a)) in respect of such estimated Meter Readings.

1.4 TPD Section R: Storage

1.4.1 TPD Section R4.1.4

For the purposes of TPD Section R4.1.4, in relation to the Storage Year commencing 1 May 2003, where any Storage Facility is to be a Constrained Storage Facility for that Storage Year, National Grid will, not later than 1 April before the start of that Storage Year, publish a document (the "**Constrained Storage Statement**") containing the following details for each Constrained Storage Facility:

- (a) the "**Constrained Point(s)**", being a point or points on the NTS as identified by National Grid NTS as being relevant, for the purposes of TPD Section R4, to a Constrained Storage Facility;

- (b) the rate of flow ("**Constrained Threshold Demand Flow**") at a Constrained Storage Point at which National Grid may make Constrained Storage Renominations in respect of the relevant Constrained Storage Facility;
- (c) the System Entry Capacity Charges in respect of the relevant Storage Connection Point;
- (d) a percentage for each Week in the Winter Period for the purposes of TPD Section R4.4.3.

1.4.2 TPD Section R1.4

In respect of the LNG Facility which is from time to time operated by National Grid and is located at Isle of Grain (the "**National Grid LNG Isle of Grain Storage Facility**"), the Storage Year 2004/5 shall be the period from 1 May 2004 until the earlier of:

- (a) 30 April 2005; or
- (b) the effective date determined in accordance with paragraph 1.4.5 below.

1.4.3 TPD Section R1.7.1

For the duration of Storage Year 2004/5 relating to the National Grid LNG Isle of Grain Storage Facility, the National Grid LNG Isle of Grain Storage Facility shall be a 'National Grid LNG Storage Facility'.

The LNG Facility at Dynevor Arms shall be a 'National Grid LNG Storage Facility' until the date on which National Grid LNG Storage ceases to operate the facility on its own behalf.

1.4.4 TPD Section R4.1.1

For the duration of Storage Year 2004/5 relating to the National Grid LNG Isle of Grain Storage Facility, the National Grid LNG Isle of Grain Storage Facility shall be a 'Constrained Storage Facility'.

1.4.5 TPD Section R

For the purposes of paragraph 1.4.2, the effective date shall be a date not earlier than the date notified by National Grid LNG Storage for these purposes in the Annual Storage Invitation issued by National Grid LNG Storage pursuant to TPD Section Z in respect of Storage Year 2004/5, and shall be 0600 hours on a date falling between 1 January 2005 and 1 June 2005 (the "**First Window Period**") and established by National Grid LNG Storage in accordance with the following procedure:

- (a) National Grid LNG Storage shall give at least 180 days notice, before the commencement of the First Window Period, of a 100 day period falling within the First Window Period (the "**Second Window Period**") during which the effective date shall fall; and
- (b) National Grid LNG Storage shall give at least 90 days notice, before the commencement of the Second Window Period, of a 45 day period falling within the Second Window Period (the "**Third Window Period**") during which the effective date shall fall; and
- (c) National Grid LNG Storage shall give at least 30 days notice, before the commencement of the Third Window Period, of the day falling within the Third

Window Period, which shall be the effective date,

and if National Grid LNG Storage does not so notify any such period or day, the relevant period or day shall be the latest day or period possible in accordance with the foregoing.

- 1.4.6 For the purposes of the Code, there shall be deemed to be no 'Isle of Grain LNG Importation Facility' until the effective date established in accordance with paragraph 1.4.3.

1.5 TPD Section S: Invoicing and Payment

- 1.5.1 TPD Section S2.1

From the Reconciliation by Difference Date the Invoice Items to be comprised in a Reconciliation Invoice for the purposes of Aggregate NDM Reconciliation may be contained in an Ad-hoc Invoice.

1.6 OAD Section H: NTS Long Term Demand Forecasting

- 1.6.1 OAD Section H paragraph 2.7

By 15 September 2005 the DNO shall provide to National Grid NTS the forecast rate of volume flow (MCM per day) and Offtake Flexibility Quantity (MCM per day) in relation to a 1 in 20 peak day in respect of each of its NTS/LDZ Offtakes for each of the five Gas Years commencing with the Gas Year ending 30 September 2006 and ending with the Gas Year ending 30 September 2010;

- 1.6.2 OAD Section H paragraph 2.8

By 15 October 2005 National Grid NTS shall provide to the DNO the forecast of the availability of NTS Offtake (Flat) Capacity, NTS Offtake (Flexibility) Capacity and Assured Offtake Pressures in respect of each of its NTS/LDZ Offtakes for each of the two Gas Years commencing with the Gas Year ending 30 September 2009 and ending with the Gas Year ending 30 September 2010.

1.7 TPD Section G: Supply Points

- 1.7.1 Where, due to the implementation date of Modification Proposal 0081, the Transporter is unable to publish the report by the dates specified in paragraph 1.6.20 then the Transporter shall publish such reports(s) as soon as practicable after such implementation date.
- 1.7.2 The implementation of Modification Proposal 0224 will be phased over a 3 phase period as follows (a Supply Point Nomination for any given phase can only be made after the relevant implementation date of such phase):
- (a) Phase 1 will commence on the date of implementation of Modification 0224 for a 12 month duration, to expire upon the date of commencement of Phase 2 (set out below). During Phase 1, any Supply Meter Point comprised in any Supply Point which has an Annual Quantity which exceeds 5,860,000kWh (200,000 therms) may make a Supply Point Nomination to have User Daily Read Equipment installed in accordance with M4.1.6(b);
 - (b) Phase 2 will commence 12 months following the date of implementation of Modification Proposal 0224 or, if later, when determined by the Transporter and expire on the date of commencement of Phase 3 (set out below). During Phase 2, any Supply Meter Point comprised in any Supply Point which has an Annual Quantity

which exceeds 2,196,000 kWh (75,000 therms) may make a Supply Point Nomination to have User Daily Read Equipment installed in accordance with M4.1.6(b); and

- (c) Phase 3 will commence 18 months following the date of implementation of Modification Proposal 0224 or, if later, when determined by the Transporter and will be enduring. During Phase 3, any Supply Meter Point comprised in any Supply Point which has;
- (i) an Annual Quantity which exceeds 732,000 kWh (25,000 therms); or
 - (ii) an Annual Quantity which exceeds 73,200 kWh but is less than 732,001 kWh and the Daily Read Requirement applied on 30 September 2013,

may make a Supply Point Nomination to have User Daily Read Equipment installed in accordance with M4.1.6(b)

Subject to the transitional “**Ceiling Limit**” (being a maximum of 25,000 Supply Meter Points installed with User Daily Read Equipment, such limit to include eligible outstanding offers and confirmation) not being exceeded, in which case a Supply Point Nomination shall be rejected in accordance with G2.3.6.

- 1.7.3 In order to ascertain whether the User may install User Daily Read Equipment in any of the phases in paragraph 1.7.2, a validation of Meter Readings shall be undertaken by the Transporter.
- 1.7.4 If, following the installation of User Daily Read Equipment at a DM Supply Meter Point in accordance with paragraph 1.7.2(a) or 1.7.2(b), the Annual Quantity in respect of such DM Supply Meter Point shall fall below the relevant phase threshold, then the User Daily Read Equipment may remain installed or the DM Supply Meter Point may be Renominated as an NDM Supply Meter Point or as a DM Supply Meter Point with Transporter Daily Read Equipment installed. Where the Supply Meter Point is Renominated as an NDM Supply Meter Point or as a DM Supply Meter Point with Transporter Daily Read Equipment installed, the Supply Meter Point may not have User Daily Read Equipment installed until the Annual Quantity exceeds the relevant threshold for the phase indicated in paragraph 1.7.2.
- 1.7.5 Without prejudice to the generality of Sections G1.9.8(a) and (b) and 1.9.9, within the six month period commencing on 01 November 2011 (the “**MSC Review Period**”) each User shall review the Market Sector Codes in relation to each of its Registered Supply Points and where the Market Sector Code in relation to a Registered Supply Point is inaccurate or unspecified notify the Transporter as to whether the Supply Point Premises are Domestic Premises or Non-domestic Premises, and the Transporter shall as soon as reasonably practicable amend the Supply Point Register accordingly.
- 1.7.6 On or before the expiry of the MSC Review Period each User shall:
- (a) confirm to the Transporters that (subject to paragraph (b) below) in relation to each of its Registered Supply Points in respect of which a Market Sector Code is not (as at the expiry of the MSC Review Period) specified in the Supply Point Register:
 - (i) which is a Smaller Supply Point, the Transporter may assign a Market Sector Code indicating that the Supply Point Premises are Domestic Premises;
 - (ii) which is a Larger Supply Point, the Transporter may assign a Market Sector Code indicating that the Supply Point Premises are Non-domestic Premises; or

- (b) notify the Transporters of any such Registered Supply Point:
 - (i) which is a Smaller Supply Point in relation to which the Supply Point Premises are Non-domestic Premises;
 - (ii) which is a Larger Supply Point in relation to which the Supply Point Premises are Domestic Premises,

and the Transporters shall as soon as reasonably practicable after expiry of the MSC Review Period amend the Supply Point Register accordingly.

1.7.7 Where a User has complied with paragraph 1.7.6 it shall be deemed to have complied with paragraph 1.7.5.

1.7.8 The Transporters shall provide each User with a report identifying each Registered Supply Point in relation to which the Market Sector Code is not specified in the Supply Point Register:

- (a) as soon as reasonably practicable after commencement of the MSC Review Period;
- (b) three months after commencement of the MSC Review Period;
- (c) one month prior to the end of the MSC Review Period;
- (d) as soon as reasonably practicable after the end of the MSC Review Period (and for such purposes the Supply Point Register shall be deemed to have been amended as provided by paragraph 1.7.6 above, whether or not it has been so amended at the time of such report).

1.7.9 For the purposes of this Paragraph 1.7.9, in relation to the report to be published by Transporters for Gas Year 2011/2012 pursuant to TPD Section G1.6.18 the following provisions shall apply:

- (a) The Transporters shall publish, by the dates specified in paragraph 1.7.9(c), a report containing the following information in respect of each User (on a non attributable basis):
 - (i) in aggregate across all End User Categories:
 - (1) the number of applications made by the User during the User AQ Review Period (in accordance with TPD Section G paragraph 1.6.4) for an increase in the Provisional Annual Quantity and for a decrease in the Provisional Annual Quantity;
 - (2) the number of such successful applications made by the User during the User AQ Review Period (in accordance with TPD Section G paragraph 1.6.7) that resulted in a User Provisional Annual Quantity shown by the resulting increase and decrease in comparison to the Provisional Annual Quantity;
 - (3) the number of Speculative Calculation enquiries made by the User during the preceding Gas Year;
 - (ii) by each End User Category:

- (1) the number of Supply Meter Points where the Annual Quantity has increased or decreased as a result of the successful applications referred to in paragraph 1.7.9(a)(i)(2) shown as a percentage of the total number of Supply Meter Points in that End User Category;
 - (2) the change to the Annual Quantity in aggregate (expressed in kWh) that has occurred due to the increases or decreases as a result of the successful applications referred to in paragraph 1.7.9(a)(i)(2);
 - (3) the number of Supply Points that have moved from one End User Category to another End User Category as result of the successful applications referred to in paragraph 1.7.9(a)(i)(2);
- (iii) by each LDZ, the number of such successful applications made by the User during the User AQ Review Period (in accordance with TPD Section G paragraph 1.6.7) that resulted in a User Provisional Annual Quantity shown by the resulting increase and decrease in comparison to the Provisional Annual Quantity.
- (b) For the purposes of paragraph 1.7.9(a):
- (i) **"User AQ Review Period"** is the period during which the User may apply for a User Provisional Annual Quantity in accordance with TPD Section G paragraph 1.6.4(a), commencing on the AQ Review Date and ending on the 13 August in the preceding Gas Year;
 - (ii) **"Speculative Calculation"** means an estimate of the Annual Quantity of a Supply Point derived by the User, using relevant Meter Reads for the Supply Point and the speculative calculator tool which is available for use within UK Link.
- (c) The dates for the publication of the information to be contained in the report in accordance with paragraph 1.7.9(a) shall be in the case of:
- (i) Paragraph 1.7.9(a)(i) and (ii), by no later than:
 - (1) 1 July in the relevant Gas Year, in respect of Smaller Supply Meter Points on an interim basis;
 - (2) 1 August in the relevant Gas Year, in respect of Larger Supply Meter Points on an interim basis; and
 - (3) 1 November in the Gas Year immediately following the relevant Gas Year, respect of all Supply Meter Points on a final basis;
 - (ii) Paragraph 1.7.9(a)(iii), by no later than 1 November in the Gas Year immediately following the relevant Gas Year, in respect of all Supply Meter Points on a final basis.
- (d) Reporting by Transporters pursuant to TPD Section G paragraph 1.6.26 shall not commence until Gas Year 2012/2013.

1.7.10 Sections G1.5.6(a) and (b) shall not apply in respect of a Supply Meter Point where the Daily Read Requirement applied, and Transporter Daily Read Equipment was operational, on 30 September 2013, until 1 October 2015.

- 1.7.11 The Registered User of a Supply Meter Point to which the Daily Read Requirement does not apply shall (where such Supply Meter Point has been classified as a DM Supply Meter Point with Transporter Daily Read Equipment installed) be required to reclassify the Supply Meter Point as an NDM Supply Meter Point, notwithstanding Section G1.11.2, by 1 October 2015.
- 1.7.12 For the purposes of Section M5 a User's **Performance Relevant Supply Meters** shall include Relevant Supply Meters in relation to Supply Meter Points to which paragraph 1.7.11 applies until such time as the User reclassifies such Supply Meter Point as an NDM Supply Meter Point pursuant to paragraph 1.7.11 or, if earlier, until the date by which the User was required by paragraph 1.7.11 so to reclassify the Supply Meter Point.
- 1.7.13 Where a single item of Daily Read Equipment is installed and has become operational (in accordance with Section M4.1.6) in connection with more than Relevant Supply Meter which is a Performance Relevant Supply Meter pursuant to paragraph 1.7.12, for the purposes of Sections M5.2.1, M5.2.2 and M5.2.3 the Transporter will be treated as providing Valid Meter Readings in respect of all such Performance Relevant Supply Meters only where it provides a Valid Meter Reading in respect of each such Supply Meter.¹²

1.8 TPD Section Z: National Grid LNG Storage Facilities

1.8.1 TPD Section Z2.1.6

For the purposes of TPD Section Z2.1.6, in respect of Storage Year 2009/10 and each subsequent Storage Year until the time at which the LNG Facility at Dynevor Arms ceases to be a National Grid LNG Storage Facility pursuant to paragraph 1.4.3, the Maximum Storage Space, Maximum Storage Deliverability and Maximum Storage Injectability for the National Grid LNG Storage Facility at Dynevor Arms shall each be zero.

1.9 TPD Section G: Supply Points

1.9.1 TPD Section G5.2

Until 0600 on the "**Project Nexus Go Live Date**" but not thereafter, for the purposes of TPD Section G5.2:

- (a) Notwithstanding TPD Section G5.2.1, in relation to an LDZ DM Supply Point Component, a Registered User may apply at any time, in accordance with this paragraph 1.9, to reduce the Registered DM Supply Point Capacity held to an amount below the Bottom-Stop Supply Point Capacity (the "**Capacity Reduction Application**").
- (b) The Registered DM Supply Point Capacity may only be reduced using a Capacity Reduction Application to take effect once within each the Capacity Reduction Period from the Gas Year commencing 1 October 2014.
- (c) A Capacity Reduction Application shall:
 - (i) be accompanied by a signed letter from the relevant consumer at the LDZ DM Supply Point stating the following information:

¹ Implementation of modification 0514 effective 05:00hrs on the Project Nexus Implementation Date, will delete paragraph 1.7.11 & renumber existing paragraphs 1.7.12 & 1.7.13 as 1.7.11 and 1.7.12 respectively, and thereafter add new paragraphs 1.7.13 & 1.7.14.

² Implementation of modification 0473 effective 05:00hrs on the Project Nexus Implementation Date, will add new paragraph 1.7.14.

- (1) a best estimate of the highest User SPDQ for any Day in the relevant Gas Year;
 - (2) the reasons for the requested change to reduce the Supply Point Capacity and the corresponding change in the Bottom-Stop Supply Point Capacity to equal the revised Supply Point Capacity; and
 - (3) a statement that Gas will continue to be offtaken at the relevant LDZ DM Supply Point.
- (ii) and shall specify:
- (1) the Supply Meter Point Reference Number;
 - (2) the Supply Point Registration Number;
 - (3) the revised DM Supply Point Capacity;
 - (4) the revised Supply Point Offtake Rate.
- (d) The Transporter may reject a Capacity Reduction Application which is not made strictly in accordance with this paragraph 1.9.
- (e) By making a Capacity Reduction Application, the Registered User warrants to the Transporter in writing that the information contained in such Capacity Reduction Application is accurate and reflects a bona fide estimate of the future consumption up to the Project Nexus Go Live Date.
- (f) Where the Transporter does not reject a Capacity Reduction Application and Renomination by the Registered User in accordance with TPD Section G2.3 in respect of the relevant LDZ DM Supply Point Component on the basis of the revised Supply Point Capacity, the Transporter will submit to the Registered User a Supply Point Offer in accordance with TPD Section G2.4 and upon receipt of which, the Registered User may submit a Supply Point Reconfirmation in accordance with TPD Section G2.5.
- (g) With effect from the Supply Point Registration Date in respect of such Supply Point Reconfirmation, the LDZ Capacity Charges shall be determined by reference to the revised DM Supply Point Capacity, or the revised Bottom Stop Supply Point Capacity as appropriate, and notwithstanding TPD Section G paragraph 5.2.3(a), the revised Bottom Stop Supply Point Capacity shall be set to equal to the revised Supply Point Capacity.
- (h) In order to take effect, all Supply Point Confirmations made in accordance with this paragraph 1.9 must have a Supply Point Registration Date within the Capacity Reduction Period for the relevant Gas Year.
- 1.9.2 Where following revision of the Registered DM Supply Point Capacity for an Interruptible LDZ DM Supply Point Component in accordance with this paragraph 1.9 until the earlier of:
- (a) 06:00 on 1 October 2011; or
 - (b) the date that an increase of the Registered DM Supply Point Capacity above the Bottom Stop Supply Point Capacity prevailing prior to revision of the Registered DM Supply Point Capacity takes effect;

the quantity of gas offtaken for any Day exceeds the User's Registered DM Supply Point Capacity then the User shall pay the difference between the LDZ Capacity Charges applicable prior to the first successful Capacity Reduction Application made effective pursuant to paragraph 1.9.1 and the actual charges paid or payable subsequent to such successful Capacity Reduction Application.

1.10 Transitional Period: TPD Section F: System Clearing, Balancing Charges and Neutrality

1.10.1 For the purposes of this paragraph 1.10:

- (a) "system clearing transition date" is the 1 October 2012; and
- (b) "**system clearing transition period**" is the period commencing on the date on which the Modification giving effect to this paragraph 1.10 is made and ending on (and including) the Day before the system clearing transition date.

1.10.2 During the system clearing transition period:

- (a) TPD Section F, paragraphs 1.1.2(f), (g) and (h), and associated definitions and explanations shall not apply; and
- (b) TPD Section F, paragraph 1.2.1(a)(i) shall read "the System Average Price plus 0.0263 pence/kWh" and not "System Average Price plus the Default System Marginal Price";
- (c) TPD Section F, paragraph 1.2.1(b)(i) shall read "the System Average Price less 0.0263 pence/kWh" and not "System Average Price less the Default System Marginal Price".

1.11 TPD Section U: Monitoring of the Implementation of the UK-Link Programme

1.11.1 TPD Section U, paragraph 9 shall not apply after 1 December 2014.

2. TRANSPORTATION CONSTRAINTS

- 2.1 The provisions of paragraphs 2.2 to 2.5 (inclusive) shall not apply until such time as by way of Code Modification this paragraph 2.1 no longer applies.
- 2.2 Where after 24:00 hours on the Preceding Day it appears to National Grid NTS that a Transportation Constraint is likely to arise or has arisen at a System Entry Point, National Grid NTS may take (at such time as it judges operationally appropriate), but shall not be required to, Market Balancing Sell Actions at the relevant System Entry Point with a view to gas flow rates at such point being reduced so as to avoid such Transportation Constraint.
- 2.3 Nothing in paragraph 2.2 shall prejudice TPD Section I3.7.
- 2.4 In TPD Section D1.3 references to Operational Balancing shall be construed as including steps taken by National Grid NTS under paragraph 2.2 in respect of a Transportation Constraint or anticipated Transportation Constraint, and references to Operational Balancing Steps and Operational Balancing Requirements shall be construed accordingly.
- 2.5 Where National Grid NTS takes a Market Balancing Sell Action pursuant to this paragraph 2 the relevant User's Available System Entry Capacity (determined as Adjusted pursuant to TPD Sections B2.7.10, 2.8.3 and 2.8.5) at the relevant System Entry Point on the Day in respect of which such Market Balancing Sell Action was taken shall for the purposes of TPD Section B2.10 be reduced by an amount equivalent to the Market Balancing Action Quantity in relation thereto.

3. IMPLEMENTATION OF NON-EFFECTIVE DAYS TO ENABLE ANNUAL AQ REVIEW

3.1 In order to enable the annual AQ review 29 and 30 September 2015 shall be deemed not to be Supply Point System Business Days for the purposes of:

- (a) paragraph 1.8.4 of TPD Section G;
- (b) paragraph 2.3.4 of TPD Section G;
- (c) paragraph 2.4.6 of TPD Section G;
- (d) paragraph 2.5.8 of TPD Section G;
- (e) paragraph 2.5.11 of TPD Section G;
- (f) paragraph 2.6.3 of TPD Section G;
- (g) paragraph 2.7.5 of TPD Section G;
- (h) paragraph 2.8.1 of TPD Section G;
- (i) paragraph 2.8.3 of TPD Section G;
- (j) paragraph 2.8.5 of TPD Section G;
- (k) paragraph 3.1.5 of TPD Section G;
- (l) paragraph 3.2.4 of TPD Section G;
- (m) paragraph 3.3.1 of TPD Section G;
- (n) paragraph 3.3.2 of TPD Section G;
- (o) paragraph 4.1 of TPD Section G;
- (p) paragraph 5.1.5 of TPD Section G;
- (q) paragraph 5.1.6 of TPD Section G;
- (r) paragraph 5.1.10 of TPD Section G;
- (s) paragraph 5.6.5 of TPD Section G;
- (t) paragraph 3.2.3 of TPD Section M;
- (u) paragraph 3.2.6 of TPD Section M;
- (v) paragraph 3.2.7 of TPD Section M;
- (w) paragraph 3.2.9 of TPD Section M;
- (x) paragraph 3.2.11 of TPD Section M;
- (y) paragraph 3.2.15 of TPD Section M;
- (z) paragraph 3.2.16 of TPD Section M;

- (aa) paragraph 3.3.4 of TPD Section M;
- (bb) paragraph 3.3.7 of TPD Section M;
- (cc) paragraph 3.8.2 of TPD Section M;
- (dd) paragraph 3.8.3 of TPD Section M;
- (ee) paragraph 3.8.4 of TPD Section M; and
- (ff) paragraph 3.8.5 of TPD Section M;

4. TRANSITIONAL INTERRUPTION REGIME

4.1 Interruption transitional period

4.1.1 For the purposes of paragraphs 4, 5, 6 and 7 of this Part IIC:

- (a) the "**interruption transition date**" is 1 October 2011;
- (b) the "**interruption transitional period**" is the period commencing on 1 April 2008 and ending on (and including) the Day before the interruption transition date.

4.1.2 During the interruption transitional period:

- (a) except as provided for in paragraph 4.3 of this Part IIC, TPD Section G6 shall not apply;
- (b) TPD Sections G1 to G5 (inclusive) and Section G7 and Annexes G1 and G2 shall apply subject to the provisions of paragraph 6; and
- (c) this paragraph 4 and paragraphs 5, 6 and 7 of this Part IIC shall apply.

4.1.3 For the period commencing on the interruption transition date and ending on (and including) 30 September 2012, paragraph 5 of this Part IIC shall apply in respect of NTS Supply Points only.

4.2 Transit rule

4.2.1 With effect from the interruption transition date:

- (a) a Supply Point which on the Day preceding the interruption transition date was Interruptible in accordance with the rules set out in paragraph 5 shall cease to be Interruptible;
- (b) an LDZ Supply Point shall be an Interruptible LDZ Supply Point in respect of an Interruption Period commencing on or after the interruption transition date where the Registered User holds Interruptible Supply Point Capacity at the LDZ Supply Point following an Interruption Invitation under paragraph 4.3.

4.3 Initialisation: Interruption

4.3.1 A DN Operator:

- (a) shall, in June of each Gas Year (Y) in the interruption transitional period, issue annual Interruption Invitations, in respect of each of Gas Years Y+4 to Y+8 which does not end before the interruption transitional period;
- (b) may, at any other time and in respect of any other Interruptible Period commencing on or after the interruption transition date, issue an ad hoc Interruption Invitation

for which purposes TPD Section G6.2 shall be deemed to apply.

- 4.3.2 The Registered User of an LDZ Supply Point in a relevant Interruption Zone may submit interruption offers on the invitation dates specified in an Interruption Invitation under paragraph 4.3.1 for which purposes TPD Section G6.3 shall be deemed to apply.
- 4.3.3 A CSEP User at an LDZ CSEP in a relevant Interruption Zone may submit interruption offers on the invitation dates specified in an Interruption Invitation under paragraph 4.3.1 for which purposes paragraphs of TPD Section G6.12 shall be deemed to apply.
- 4.3.4 In relation to an Interruption Invitation the DN Operator shall select or reject interruption offers and publish certain details in respect of such interruption offers, for which purposes TPD Section G6.4 shall be deemed to apply.
- 4.3.5 The Registered User of a Supply Point which (pursuant to the foregoing provisions) is to be designated as Interruptible in respect of the Interruptible Period commencing on the interruption transition date, shall comply with the requirements in TPD Section G6 on the basis that such provisions are deemed to apply in the interruption transitional period.

4.4 Interruptible to Firm – Supply Point Transition

- 4.4.1 By no earlier than 18 August 2011 and by no later than 7 September 2011, a User of an Interruptible Supply Point by submitting a Supply Point Reconfirmation shall apply to change its status to a Firm Supply Point on 1 October 2011.
- 4.4.2 A User of an Interruptible Supply Point may not apply to change its status to a Firm Supply Point with a Supply Point Registration Date on a date between 8 September and 19 October 2011 (inclusive) other than on 1 October 2011.
- 4.4.3 Where any application by a User of an Interruptible Supply Point to change its status to a Firm Supply Point does not comply with paragraph 4.4.2 it shall be rejected by the Transporter.
- 4.4.4 Where any User of an Interruptible Supply Point does not apply to change its status to a Firm Supply Point in accordance with paragraph 4.4.1, or where its application is rejected in accordance with paragraph 4.4.3, the User shall be deemed have granted the Transporter the authority to do so on 7 September and the Transporter, by creating a Supply Point Offer and submitting a Supply Point Reconfirmation, shall change the status of an Interruptible Supply Point to a Firm Supply Point on 1 October 2011.
- 4.4.5 Where the Transporter creates a Supply Point Offer and submits a Supply Point Reconfirmation pursuant to paragraph 4.4.4 it will include within it all existing details relating to the existing Supply Point to generate the Supply Point Offer and Supply Point Reconfirmation.
- 4.4.6 Where a Proposing User that is not an Existing Registered User submits a Supply Point Confirmation in accordance with TPD Section G2.5.3, with a Proposed Supply Point Registration Date occurring between 8 September and 19 October 2011 (inclusive), in contravention of paragraph 4.4.2, then notwithstanding rejection of such submission in

accordance with paragraph 4.4.3, the Proposing User and the Existing Registered User shall each:

- (a) notify the Transporter that it believes that an energy reconciliation and adjustment of Transportation Charges is due between the Proposing User and the Existing Registered User, referencing the Proposed Supply Point Registration Date stated above;
- (b) as soon as reasonably practicable after 19 October 2011, the Proposing User shall submit a Supply Point Confirmation with a new Proposed Supply Point Registration Date.

4.4.7 In the event of a conflict between the provisions of paragraph 5 and this paragraph 4.4, this paragraph 4.4 shall apply.

5. TRANSITIONAL INTERRUPTION REGIME: INTERRUPTIBLE SUPPLY POINTS

5.1 General

- 5.1.1 (a) Subject to the further provisions of this paragraph 5, where at any time a Supply Point is eligible to be an Interruptible Supply Point in accordance with paragraph 5.2, the Registered User may by giving notice to the Transporter not later than the Change Request Deadline designate the Supply Point as being Interruptible with effect from an Eligible Status Change Date.
- (b) Subject to the further provisions of this paragraph 5, where at any time a Firm Supply Point, other than a Firm Supply Point in which any Shared Supply Meter Point is comprised, is eligible to be an Interruptible Supply Point in accordance with paragraph 5.2, the Registered User of that Firm Supply Point and the Registered User of an Interruptible Supply Point, other than an Interruptible Supply Point in which any Shared Supply Meter Point is comprised, may, by giving written notice to the Transporter and on payment by the Registered User of the Interruptible Supply Point of the Administration Charges (if any) set out in the Transportation Statement, designate the Firm Supply Point and the Interruptible Supply Point to be Partner Supply Points with effect from the notification by the Transporter being no more than 20 Business Days from the date of the notice to the Transporter, the Transporter may, from time to time issue guidelines to Registered Users to ensure that Partner Supply Points create an equivalent effect on the relevant System.
- (c) A Supply Point which has been designated by the Registered User and confirmed by the Transporter to be a Partner Supply Point will remain so designated until and unless its designation is cancelled by the Registered User by giving at least 10 Business Days' written notice to the Transporter, or in accordance with paragraph (d).
- (d) Where another User is to become the Registered User of a Partner Supply Point, the Proposing User shall, at least 2 but not more than 7 Business Days prior to the proposed Supply Point Registration Date notify the Transporter of such change. The Partner Supply Point shall transfer to the new Registered User from the Supply Point Registration Date as a Partner Supply Point.
- (e) Where the Partner Interruptible Supply Point has a Firm Allowance in place in accordance with paragraph 6.4, such Firm Allowance may not be transferred to the Partner's Firm Supply Point, unless in the Transporter's reasonable opinion the Transportation Requirement is satisfied.

- 5.1.2 A Supply Point which has been designated as Interruptible will continue to be so designated until and unless it is redesignated as Firm under paragraph 5.3 or paragraph 5.9.
- 5.1.3 For the purposes of paragraphs 5 and 6:
- (a) a Supply Point is "**Interruptible**" where the offtake of gas from the Total System at the Supply Point is subject to Interruption in accordance with paragraph 5.7, and otherwise is "**Firm**";
 - (b) an "**Interruptible Supply Point**" is a Supply Point which is for the time being designated as Interruptible;
 - (c) a "**Firm Supply Point**" is a Supply Point which is not for the time being designated as Interruptible (including one which has been redesignated as Firm);
 - (d) a "**Partner Supply Point**" is a Partner Interruptible Supply Point or a Partner Firm Supply Point;
 - (e) a "**Partner Interruptible Supply Point**" is an Interruptible Supply Point which has, for the time being, in accordance with paragraph 5.1.1(b) nominated a Firm Supply Point to be its Partner Supply Point;
 - (f) a "**Partner Firm Supply Point**" is a Firm Supply Point which has, for the time being, in accordance with paragraph 5.1.1(b) been nominated to be a Partner Supply Point to an Interruptible Supply Point;
 - (g) a Network Sensitive Load ("**NSL**") is an Interruptible Supply Point where its specific interruption may be required by the Transporter for the purpose of maintaining the offtake of gas at the Firm Supply Points which are located in the local area of, and are connected to the same local pipeline system as such Interruptible Supply Point. As a consequence, such Interruptible Supply Point is therefore likely to have a higher probability of interruption than an Interruptible Supply Point which is not an NSL.
- 5.1.4 For the purposes of paragraphs 5 and 6:
- (a) a reference to a Supply Meter Point changing status is a reference to the Supply Point in which it is comprised becoming a Firm Supply Point where it was Interruptible or becoming an Interruptible Supply Point where it was Firm; and where a Supply Meter Point has changed status it will (but without prejudice to the provisions of this paragraph 5.1 pursuant to which it may change status) continue to be treated as having done so irrespective of the Registered User of any Supply Point in which it may subsequently be comprised;
 - (b) an "**Eligible Status Change Date**" is a date with effect from which a Firm Supply Point may become Interruptible or an Interruptible Supply Point may become Firm;
 - (c) in relation to a Supply Point at any time an Eligible Status Change Date is:
 - (i) if no Supply Meter Point comprised in the Supply Point has at any time changed status, any date;
 - (ii) except as provided in paragraph (i) or (iii), the date is not less than 12 months after the most recent date on which any such Supply Meter Point changed status (for the purposes of which the date of a change in status of a Supply Meter Point pursuant to paragraph 5.3.7 shall not be counted); and

- (iii) if the Interruptible status of a Supply Point is being transferred to one or more Firm Supply Points which create an equivalent effect on the Network, any date;
 - (d) in relation to an Eligible Status Change Date the "**Change Request Deadline**" is the Day two months before such Eligible Status Change Date; and
 - (e) where a User submits a Supply Point Confirmation which becomes effective in respect of a Supply Point, the Transporter will if requested by the User provide to the User as soon as reasonably practicable after the Supply Point Registration Date such information as may be necessary to enable the User to ascertain the Eligible Status Change Date or Dates.
- 5.1.5 Where a User submits a Supply Point Confirmation in respect of a Proposed Supply Point which includes any Supply Meter Point comprised in an Existing Supply Point which (at the Proposed Supply Point Registration Date) is Interruptible:
- (a) if each Existing Supply Point is Interruptible, the Proposed Supply Point will (if the Supply Point Confirmation becomes effective) be an Interruptible Supply Point, except that if the Supply Point Confirmation was submitted before the Change Request Deadline and the Proposed Supply Point Registration Date is not later than an Eligible Status Change Date, the Proposing User may (subject to and in accordance with paragraph 5.3) redesignate the Supply Point as Firm with effect from the Eligible Status Change Date; and
 - (b) (in accordance with paragraph 6.6) if there is another Existing Supply Point which (at the Proposed Supply Point Registration Date) is not Interruptible:
 - (i) the Proposed Supply Point Registration Date must be an Eligible Status Change Date; and
 - (ii) the Proposing User may designate (provided the Proposed Supply Point is eligible in accordance with paragraph 5.2.1, and subject to paragraph 5.3) the Proposed Supply Point as Interruptible or Firm.
- 5.1.6 Where a User has submitted a Supply Point Confirmation which will (in accordance with TPD Section G2.8.7 or TPD Section G2.9.1) become effective, no Existing Registered User may submit a notice designating an Existing Supply Point as Interruptible or redesignating it as Firm.
- 5.1.7 A notice designating a Supply Point as Interruptible or redesignating a Supply Point as Firm with effect from an Eligible Status Change Date may be revoked by the Registered User before but not after the Change Request Deadline; and accordingly a User who submits a Supply Point Confirmation after the Change Request Deadline may not alter the designation (as Interruptible or Firm) of the Supply Point until the next following Eligible Status Change Date.
- 5.1.8 Without prejudice to the generality thereof, the indemnity provided for in TPD Section V11.1.1 shall apply in respect of the taking of any steps or the exercise by the Transporter of any entitlement provided for in this paragraph 5.
- 5.1.9 In respect of an Interruptible Supply Point the Registered User (or Sharing Registered Users) shall:
- (a) not be required to pay NTS Exit Capacity Charges;

- (b) be required (where the Interruptible Supply Point is an LDZ Interruptible Supply Point) to pay LDZ Capacity Charges with such discount applied as may be provided in the Transportation Statement; and
- (c) be entitled to a payment, where in respect of an Interruptible Supply Point the Transporter requires Interruption on more than 15 Days in any Formula Year, calculated in the manner provided in the Transportation Statement.

5.2 Conditions for designation as Interruptible

- 5.2.1 A Supply Point is eligible to be designated an Interruptible Supply Point in any Gas Year for which its Annual Quantity is greater than 5,860,000 kWh (200,000 therms).
- 5.2.2 In accordance with TPD Section G1.7 and paragraphs 6.3 and 6.4, a Supply Point includes a Shared Supply Meter, the Shared Supply Meter Point Notification shall provide (pursuant to TPD Section G1.7.6(a)) for allocation in tranches:
- 5.2.3 By designating a Supply Point as Interruptible with effect from an Eligible Status Change Date, or submitting a Supply Point Confirmation in respect of an Interruptible Supply Point, and by not redesignating an Interruptible Supply Point as Firm with effect from an Eligible Status Change Date, the Registered User represents to the Transporter that, or where the User is not the supplier that the supplier has represented to the User that, the requirement in paragraph 5.2.4 will be complied with.
- 5.2.4 The requirement referred to in paragraph 5.2.3 is that the contract or contracts of supply to the consumer, in force at the Eligible Status Change Date or (as the case may be) the Supply Point Registration Date, oblige the consumer to give effect to Interruption (including in the case where the requirement for Interruption is notified by the Transporter under paragraph 5.8.4).
- 5.2.5 Without prejudice to paragraph 5.2.4, a Supply Point which includes an NDM Supply Point Component may (subject to this paragraph 5.2) be designated as Interruptible.

5.3 Redesignation as Firm

- 5.3.1 Where a Supply Point is for the time being an Interruptible Supply Point.,
 - (a) subject to paragraph 5.3.2 and except where the Supply Point is or is to be a TNI Supply Point, the Registered User may shall redesignate the Supply Point as Firm with effect from an Eligible Status Change Date, by giving notice to the Transporter not later than the Change Request Deadline and in any event by no later than 31 August 2012;
 - (b) where the Supply Point ceases to be eligible in accordance with paragraph 5.2.1 in respect of any Gas Year, the Supply Point shall unless the Transporter otherwise determines be redesignated as Firm with effect from the first Eligible Status Change Date in that Gas Year.
- 5.3.2 Where:
 - (a) pursuant to any provision of this paragraph 5 a Supply Point is to be redesignated or (pursuant to paragraph 5.1.5(b)(ii)) designated as Firm with effect from an Eligible Status Change Date; and
 - (b) the Transporter determines and notifies the User that the Firm Transportation Requirement is not satisfied

the designation or redesignation as Firm will not be effective and (subject to paragraph 5.3.5) the Supply Point will continue to be an Interruptible Supply Point.

- 5.3.3 In the case of a redesignation as Firm pursuant to paragraph 5.3.1(a), any notification by the Transporter under paragraph 5.3.2(b) will be given not later than one month after the relevant Change Request Deadline.
- 5.3.4 For the purposes of the Code the "**Firm Transportation Requirement**" in respect of an Interruptible Supply Point is the requirement that (after taking into account the Transporter's ability to Interrupt at other Interruptible Supply Points) it would be feasible to make gas available for offtake at the Supply Point (if the Supply Point were Firm) at a rate not less than the Supply Point Offtake Rate (and as respects any NDM Supply Point Component, an appropriate estimated rate of offtake) and in quantities (in a 24 hour period) in the amount of the Supply Point Capacity which the User would (pursuant to paragraph 5.3.9) hold upon its redesignation as Firm.
- 5.3.5 Subject to paragraph 5.3.6, the Registered User may after an Eligible Status Change Date redesignate a Siteworks Specified Interruptible Supply Point as Firm in accordance with paragraph 6.9.3.
- 5.3.6 Subject to paragraph 5.3.7, a User may not redesignate a Supply Point as Firm pursuant to paragraph 6.9.3 unless the User had not later than the Change Request Deadline given notice under paragraph 5.3.1(a) of such redesignation which pursuant to paragraph 5.3.2 was not effective.
- 5.3.7 Where at any time:
- (a) a Supply Point is Interruptible; and
 - (b) the Registered User demonstrates to the reasonable satisfaction of the Transporter that, by reason of a substantial change, which has occurred since and was not reasonably foreseeable at the most recent Change Request Deadline, in the physical nature of the consumer's requirements for the supply of gas, the consumer requires the Supply Point to be Firm;
- the User may (subject to paragraph 5.3.2) redesignate the Supply Point as Firm with effect from any later Day.
- 5.3.8 Where in any Gas Year a Supply Point is redesignated as Firm pursuant to paragraph 5.3.7, until the first Eligible Status Change Date which is more than 12 months after the date of such redesignation, no Supply Meter Point comprised in the Supply Point may be comprised in any Interruptible Supply Point (irrespective of the Registered User).
- 5.3.9 Where an Interruptible Supply Point is redesignated as Firm, or for the purposes of calculating charges where there has been a failure to Interrupt, the Registered Supply Point Capacity held by the Registered User at the DM Supply Point Component or the Supply Point respectively shall be whichever is the greater of the Prevailing Supply Point Capacity and the Bottom-Stop Supply Point Capacity (and the Supply Point Offtake Rate shall be unchanged).
- 5.3.10 Where a Supply Point is for the time being an Interruptible Supply Point:
- (a) by no later than 31 August 2012, a User of an Interruptible Supply Point shall by submitting a Supply Point Reconfirmation apply to change its status to a Firm Supply Point with effect from 1 October 2012.

- (b) a User of an Interruptible Supply Point may not apply to change its status to a Firm Supply Point with a Supply Point Registration Date on a date between 1 September and 12 October 2012 (inclusive) other than on 1 October 2012.
- (c) where any application by a User of an Interruptible Supply Point to change its status to a Firm Supply Point does not comply with paragraph 5.3.10(b) it shall be rejected by the Transporter.
- (d) where any User of an Interruptible Supply Point does not apply to change its status to a Firm Supply Point in accordance with paragraph 5.3.10(a), or where its application is rejected in accordance with paragraph 5.3.10(c), the User shall be deemed to have granted National Grid NTS the authority to do so from 1 September 2012 and National Grid NTS, by creating a Supply Point Offer and submitting a Supply Point Reconfirmation, shall change the status of an Interruptible Supply Point to a Firm Supply Point on 1 October 2012.
- (e) where National Grid NTS creates a Supply Point Offer and submits a Supply Point Reconfirmation pursuant to paragraph 5.3.10(d) it will include within it all existing details relating to the existing Supply Point to generate the Supply Point Offer and Supply Point Reconfirmation.
- (f) in the event of a conflict between the provisions of paragraph 5.3.10 and any other provisions of paragraph 5, paragraph 5.3.10 shall apply.

5.4 SDMC(I) Supply Points

5.4.1 Where the Transporter reasonably determines, in relation to an Interruptible Supply Point with a DM Supply Point Component whose Annual Quantity does not exceed 58,600,000 kWh (2,000,000 therms), that (by reason of the location or other characteristics of the part of the System in which the Supply Point is located, or the nature of the consumer's plant) the operational benefits of the Transporter's ability to Interrupt the Supply Point would be materially diminished unless individual Output Nominations are made in respect of the Supply Point, the Transporter may designate the Supply Point as requiring individual Output Nominations for the purposes of TPD Section A4.5.3.

5.4.2 Any designation under paragraph 5.4.1 shall be:

- (a) in the case of an existing Supply Point Registration, by notice to the Registered User not later than the 5th Business Day in September in the Gas Year preceding the first Gas Year in which such designation is to be effective; or
- (b) in the case of a Proposed Supply Point Registration, in the Supply Point Offer.

5.5 TNI Supply Points

5.5.1 Where the Transporter determines that the relevant number of Days (in accordance with paragraph 5.5.2) would exceed 45 in any Gas Year, the Transporter may with effect from 1 October (or any other Day agreed with the Registered User) designate an Interruptible Supply Point as being a "**TNI Supply Point**" by giving notice of not less than 12 months (or such lesser period as the Registered User may agree) to the Registered User.

5.5.2 For the purposes of paragraph 5.5.1 the relevant number of Days is the number of Days on which, after taking into account the Transporter's ability to Interrupt at other Interruptible Supply Points, the Transporter estimates that, in a year of 1-in-50 Severe Annual Demand, Interruption would be required at the Supply Point.

- 5.5.3 Where the Transporter designates an Interruptible Supply Point as a TNI Supply Point, the Transporter's notice to the Registered User will specify the number of Days (exceeding 45) on which the Transporter may Interrupt the Supply Point or Tranche (in accordance with paragraph 5.10.1(b)) at the Supply Point in accordance with paragraph 5.7.
- 5.5.4 The Transporter may from time to time by a further notice (of not less than 12 months) under paragraph 5.5.1 or by agreement with the Registered User alter the Interruption Allowance of a TNI Supply Point.
- 5.5.5 Subject to paragraph 5.3.6, the Registered User may (whether on or after an Eligible Status Change Date) redesignate a Siteworks Specified TNI Supply Point as Firm in accordance with paragraph 6.9.3 or apply to redesignate the Interruption Allowance in respect of a TNI Supply Point to a Siteworks Specified number of Days.
- 5.5.6 The Transporter may withdraw the designation of a Supply Point as a TNI Supply Point by giving notice of not less than 12 months (or such lesser period as the Registered User may agree) to the Registered User.
- 5.5.7 Where a User submits a Supply Point Confirmation which becomes effective in respect of an Interruptible Supply Point:
- (a) if any Existing Supply Point is, or pursuant to a notice given by the Transporter to the Existing Registered User pursuant to paragraph 5.5.1 would have become, a TNI Supply Point, the Proposed Supply Point shall be, or as the case may be shall (with effect from the date when the Existing Supply Point would have become a TNI Supply Point) become, a TNI Supply Point;
 - (b) any Existing Supply Point is, but pursuant to a notice given by the Transporter pursuant to paragraph 5.5.6 would have ceased to be, a TNI Supply Point, the Proposed Supply Point shall (with effect from the date when the Existing Supply Point would have ceased to be a TNI Supply Point) cease to be a TNI Supply Point.
- 5.5.8 The Transporter will, within 10 Business Days after the date of any Supply Point Nomination in respect of an Interruptible Supply Point (or if later as soon as practicable thereafter), notify the Proposing User of whether (and where applicable the date from which) the Proposed Supply Point is or is to become, and/or is to cease to be, a TNI Supply Point pursuant to paragraphs 5.5.7.

5.6 Requirements as to Interruptible Supply Points

- 5.6.1 Where a User is or is to become the Registered User of one or more Interruptible Supply Points the User shall:
- (a) not later than the relevant date (in accordance with paragraph 5.6.4) in respect of the first Interruptible Supply Point of which it becomes Registered User, provide to the Transporter at least one telephone number and at least one facsimile number (but not more than 4 numbers in total) by means of which the Transporter may contact, 24 hours a Day, a representative of the User, and the name(s) or title(s) of not more than 3 representatives of the User who may be contacted at such numbers;
 - (b) maintain the details provided under paragraph (a) up to date, and notify the Transporter of any change in such details before such change takes effect; and
 - (c) secure that at all times on each Day one of such representatives is available and capable of being so contacted by telephone (with access to facsimile) or by facsimile.

- 5.6.2 A User shall, in relation to each Interruptible Supply Point of which it is or is to become the Registered User:
- (a) not later than the relevant date (in accordance with paragraph 5.6.4), provide to the Transporter:
 - (i) in accordance with paragraph 5.6.2(e), the names and/or job titles of representatives of the consumer ("**interruption contacts**") (who, for the avoidance of doubt, may be the same contacts as those referred to in TPD Section Q as "emergency contacts"), provided that the total number of interruption contacts provided for under this paragraph (and emergency contacts provided for under TPD Section Q) shall not exceed 5 in relation to any Supply Point;
 - (ii) at least 1 (but not more than 4) telephone numbers for each interruption contact by means of which the Transporter may contact, 24 hours a day, at least one interruption contact; and
 - (iii) one facsimile number, for the purposes of receiving communications pursuant to TPD Sections G and TPD Q, which is able to receive transmissions 24 hours a day;
 - (b) take all reasonable steps to secure that the details provided under paragraph (a) are maintained up to date and to notify the Transporter of any change in such details before such change takes effect;
 - (c) take all reasonable steps to secure that at all times on each Day one of such representatives is available and capable of being so contacted by telephone (with access to facsimile) and by facsimile;
 - (d) secure that the consumer acknowledges the right of the Transporter to contact the consumer in the circumstances in paragraph 5.8.4 and undertakes to comply with any notification by the Transporter thereunder; and
 - (e) for the purposes of paragraph 5.6.2(a):
 - (i) in the case of an Interruptible Supply Point in respect of any site which is manned 24 hours a day, provide to the Transporter the name(s) and/or job title(s) of at least 1 but not more than 4 interruption contacts; and
 - (ii) in the case of an Interruptible Supply Point in respect of any site which is not manned 24 hours a day, provide to the Transporter the name(s) and/or job title(s) of at least 1 but not more than 2 interruption contacts.
- 5.6.3 For the purposes of enabling the Transporter to plan the exercise of its rights as to Interruption of Interruptible Supply Points, in relation to each Gas Year the Registered User of an Interruptible Supply Point or a Partner Supply Point will, if so required by the Transporter, not later than the relevant date (in accordance with paragraph 5.6.4) and thereafter from time to time upon any significant change in such details, obtain from the consumer or supplier and provide to the Transporter the consumer's best estimate of the following details:
- (a) whether or not gas is likely in normal circumstances to be offtaken at or between particular times of Day specified by the Transporter for the purposes of this paragraph 5.6.3;

- (b) the maximum quantity of gas to be offtaken on any Saturday and on any Sunday; and
- (c) holiday periods in each year during which gas will not be offtaken from the Total System at the Supply Point (or the DM Supply Point Component thereof).

5.6.4 For the purposes of this paragraph 5.6 the relevant date in respect of an Interruptible Supply Point or a Partner Supply Point is:

- (a) where the Registered User designates the Supply Point as Interruptible or as a Partner Supply Point from the date set in accordance with paragraph 5.6.1(b); or
- (b) the date on which the User submits a Supply Point Confirmation in respect of the Supply Point.

5.6.5 Where, in relation to any Interruptible Supply Point (but without prejudice to TPD Section C in relation to Renominations), the Registered User or supplier:

- (a) exercises (other than pursuant to an Interruption Notice under paragraph 5.8.1) any entitlement to require the consumer to discontinue consuming gas offtaken from the Total System on a Day; or
- (b) having exercised such an entitlement, authorises the consumer to resume such consumption

the Registered User will as soon as reasonably practicable, and in accordance with paragraph 5.6.7, inform the Transporter of the matters set out in paragraph 5.6.6, provided that the Registered User shall use reasonable endeavours to inform the Transporter not more than one hour after such discontinuance and/or not less than one hour before such resumption.

5.6.6 The matters to be informed by the Registered User to the Transporter pursuant to paragraph 5.6.5 are:

- (a) the identity of the Interruptible Supply Point;
- (b) the time with effect from which the consumer will be required to discontinue, or authorised to resume, consumption; and
- (c) an estimate of the amount by which the quantity of gas offtaken will increase or decrease as a result of such discontinuance or resumption.

5.6.7 For the purposes of paragraph 5.6.5 the User will give the relevant information to the Transporter by means of telephone or facsimile, unless it has given to the Transporter not less than one month's notice of its intention to give such information by Batch Transfer Communication, in which case such User will give information to the Transporter for the purposes of paragraph 5.6.5 only by Batch Transfer Communication, and will promptly inform the Transporter by telephone or facsimile of the transmission of each such Batch Transfer Communication.

5.6.8 Where the Transporter notifies a User that it is unable satisfactorily to access a Batch Transfer Communication transmitted pursuant to paragraph 5.6.7, that User will promptly send to the Transporter by facsimile the information contained in that Batch Transfer Communication.

5.7 Interruption

5.7.1 For the purposes of the Code "**Interruption**" at a Supply Point means interruption on the Transporter's instruction (for one or more Days or parts of a Day) of the offtake of gas from

the Total System at each Supply Meter Point comprised in the Supply Point, and references to a Supply Point being Interrupted and to the Transporter's right to Interrupt a Supply Point shall be construed accordingly. Interruption at a Partner Firm Supply Point shall be treated as if the Interruption took place at the Partner Interruptible Supply Point.

5.7.2 Where (in accordance with this paragraph 5) the Transporter requires Interruption at a Supply Point:

- (a) the Registered User shall secure that (subject to paragraph 5.7.7) the requirement in paragraph (b) is complied with;
- (b) subject to paragraph 5.10.4, the requirement is that no gas (beyond the Shutdown Tolerance) shall be offtaken from the Total System at the Supply Point, with effect from the Interruption Start Time (in accordance with paragraph 5.8.1) and until such time as the Transporter shall specify in accordance with paragraph 5.8.5; and
- (c) the Registered User has a Firm Allowance greater than 3,000 kWh/Day (100 therms/Day) granted in accordance with paragraph 6.4 then no Shutdown Tolerance shall be available in accordance with paragraph (b). Where the Firm Allowance is less than 3,000 kWh/Day (100 therms/Day) a residual Shutdown Tolerance of 3,000 kWh/Day (100 therms/Day) less the Firm Allowance shall be available.

5.7.3 Subject to paragraph 5.7.5, the Transporter may require Interruption at an Interruptible Supply Point:

- (a) on any Day on which there is or the Transporter anticipates that there would otherwise be a relevant Transportation Constraint (in accordance with paragraph 5.7.4);
- (b) on not more than 3 Days in any Gas Year, where the Transporter has any reasonable doubt as to whether the requirements in paragraph 5.2.4 are satisfied or the provisions of this paragraph 5 in relation to Interruption are or are capable of being complied with in respect of the Supply Point, for the purposes of verifying such matters; and

the Transporter may, where it has issued an Interruption Notice pursuant to one of the above sub-paragraphs, issue a replacement Interruption Notice pursuant to a different sub-paragraph. From the time at which such replacement notice takes effect all rights, obligations or restrictions applicable to such replacement notice shall apply accordingly and shall supersede those applicable to the replaced notice.

5.7.4 A relevant Transportation Constraint is a Transportation Constraint which would be relieved (in whole or in part) by the discontinuance or suspension of offtake at the Interruptible Supply Point (provided that the Transporter will not be required to exercise its entitlement to require Interruption in respect of an Interruptible Supply Point which is a Maintenance Affected Point pursuant to TPD Section L4.3).

5.7.5 The number of Days (including parts of a Day) in respect of which the Transporter requires Interruption in respect of an Interruptible Supply Point in any Gas Year shall not exceed the following (the "**Interruption Allowance**"):

- (a) except in the case of a TNI Supply Point, 45 Days;
- (b) in the case of a TNI Supply Point, the number of Days for the time being specified pursuant to paragraph 5.5.3

provided that a Day in respect of which the Transporter gives more than one Interruption Notice shall be counted only as one Day of Interruption at the Supply Point provided further that the Transporter may continue to require Interruption at certain Tranches at a Supply Point (up to the Interruption Allowance of such Tranches) where the Interruption Allowance of such Tranches is greater than that of other Tranches at the same Supply Point whose Interruption Allowances have been fully utilised.

- 5.7.6 Where a Supply Point Confirmation in respect of an Interruptible Supply Point becomes effective on a Day other than 1 October:
- (a) Days (in the Gas Year in which the Supply Point Registration Date falls) in respect of which the Transporter required Interruption of the Existing Supply Point, up to but not including the Supply Point Registration Date, shall be counted towards the use of the Interruption Allowance; provided that where the Proposed Supply Point is a New Supply Point the number of Days so counted shall be the average, weighted by reference to the Annual Quantity of each Supply Meter Point comprised in the New Supply Point, of the number of Days of Interruption in the relevant Gas Year in respect of each Interruptible Existing Supply Point;
 - (b) upon request of the Proposing User made after the Supply Point Registration Date, the Transporter will inform the Registered User of the number of Days counted towards the use of the Interruption Allowance pursuant to paragraph (a); and
 - (c) where the Proposed Supply Point comprises only New Supply Meter Points:
 - (i) if the Supply Point Registration Date is before 1 April in the relevant Gas Year, the Interruption Allowance shall be in accordance with paragraph 5.7.5;
 - (ii) if the Supply Point Registration Date is on or after 1 April in the relevant Gas Year, the Interruption Allowance shall be reduced from that determined in accordance with paragraph 5.7.5 by 1/6th for each completed month in such Gas Year after 1 April and before the Supply Point Registration Date.
- 5.7.7 In the case of an Interruptible Supply Point which is not comprised in a Partner Supply Point or a Shared Supply Meter Point, other than as provided in TPD Section G1.7.5, the Transporter may, at its discretion on application by the Registered User, allow the Registered User to satisfy the requirement for Interruption by a reduction in offtake rather than a total discontinuance in offtake at the Supply Point, in accordance with paragraph 5.10 ("**Partial Interruption**").
- 5.7.8 The exercise by the Transporter of any right (other than pursuant to this paragraph 5) to require or secure the discontinuance or reduction of offtake at any Supply Meter Point shall not count towards the use of the Interruption Allowance or otherwise count as Interruption for the purposes of this paragraph 5.
- 5.7.9 Without prejudice to the requirement under paragraph 5.7.2(b), it is acknowledged that pursuant to TPD Section H a User will be treated as having offtaken gas from the Total System at an Interruptible NDM Supply Point Component on a Day on which the Transporter required Interruption, and that such treatment will not constitute failure to Interrupt for the purposes of paragraph 5.9.
- 5.7.10 The Transporter will notify the Registered User when the Transporter requires an Interruptible Supply Point to be designated as an NSL (for the time being). Such notice will be sent no less than 20 Business Days in advance of the date of the required status change.

- 5.7.11 Where the Transporter has designated an Interruptible Supply Point as an NSL and its interruption has been required in accordance with paragraph 5.1.3(g), then the provisions of paragraph 5.8.2 shall cease to apply to such Interruptible Supply Point for the period it is designated as an NSL.
- 5.7.12 When the Transporter no longer requires the Interruptible Supply Point to be designated as an NSL it shall notify the Registered User accordingly and from the date of such notification such Interruptible Supply Point shall cease to be so designated.
- 5.7.13 Any Interruptible Supply Point which has been designated as an NSL will not be treated as a TNI Supply Point unless such Interruptible Supply Point has been designated as a TNI Supply Point in accordance with paragraph 5.5.

5.8 Notification requirements

- 5.8.1 Where the Transporter requires or has a revised requirement for Interruption in respect of one or more Supply Points, the Transporter will give to the Registered User, not less than 5 hours before the time ("**Interruption Start Time**") with effect from which Interruption is required, notice ("**Interruption Notice**") specifying:
- (a) the Supply Points (and Tranches where applicable) to be Interrupted;
 - (b) the Gas Flow Day;
 - (c) the Interruption Start Time; and
 - (d) the Transporter's estimate (which shall not bind the Transporter) of the time at which the requirement for Interruption will cease to apply.
- 5.8.2 The User may request by telephone or facsimile an alteration to the Supply Points specified in the Interruption Notice; and where not less than 5 hours before the Interruption Start Time the Transporter and the User have agreed (but so that the Transporter shall not be required to agree) upon such an alteration, the Interruption Notice will be revised accordingly and resubmitted by the Transporter to the User as soon as reasonably practicable.
- 5.8.3 The User shall, by telephone or facsimile (or otherwise in accordance with this paragraph 5.8):
- (a) not later than 30 minutes after Interruption Notice was given, acknowledge receipt of that notice;
 - (b) not later than 5 hours after Interruption Notice was given, confirm to the Transporter that Interruption (in accordance with such notice) has taken place or shall take place;
 - (c) as soon as reasonably practicable, notify the Transporter of any facts or circumstances known to the User that might prevent Interruption from taking place or cause Interruption to take place after the Interruption Start Time; and
 - (d) in the case of a Partner Interruptible Supply Point confirm to the Transporter, at which Partner Supply Point the Interruption has taken place or will take place.
- 5.8.4 Where the User has not acknowledged receipt of an Interruption Notice within 30 minutes after such notice was given, the Transporter may not less than 4 hours before the Interruption Start Time notify the requirement for Interruption at each relevant Supply Point directly to the consumer, specifying the Gas Flow Day and Interruption Start Time.

- 5.8.5 Where the Transporter has given an Interruption Notice in respect of any Supply Point, as soon as reasonably practicable after the Transporter determines that the requirement for Interruption no longer applies or will at a certain time cease to apply (having regard to the circumstances in accordance with paragraph 5.7.3 in which such notice was given), the Transporter will so notify the User specifying the time (where later than the time of such notification) at which the requirement for Interruption will no longer apply.
- 5.8.6 As soon as reasonably practicable after the Transporter has given one or more Interruption Notices, it will send to all relevant Registered Users an Active Notification Communication stating that, in relation to all Users who have made an election under paragraph 5.8.7, such Batch Transfer Communications have been sent by the Transporter.
- 5.8.7 A User may elect, by giving not less than one month's notice to the Transporter:
- (a) to receive all Interruption Notices in respect of Supply Points in relation to which it is Registered User; and
 - (b) to give all confirmations pursuant to paragraph 5.8.3(b)
- by means of Batch Transfer Communication.
- 5.8.8 Subject to paragraphs 5.8.9 and 5.8.10, where a User makes an election under paragraph 5.8.7, on expiry of the relevant period of notice Code Communications for the purposes of paragraphs 5.8.1 and 5.8.3(b) shall be given by Batch Transfer Communication, and where the User gives any Code Communication to the Transporter under this paragraph 5.8 by Batch Transfer Communication, the User must promptly inform the Transporter, by telephone or facsimile, of the transmission of such Batch Transfer Communication.
- 5.8.9 Where:
- (a) the Transporter has given to a User an Interruption Notice by Batch Transfer Communication;
 - (b) the User is unable, in accordance with TPD Section U4.5, to access such Batch Transfer Communication; and
 - (c) the User notifies the Transporter of such inability, by telephone or facsimile, not later than 30 minutes after the Interruption Notice was given
- the Transporter will give to the User Interruption Notice by facsimile, and this facsimile shall constitute an Interruption Notice for the purpose of establishing the Interruption Start Time.
- 5.8.10 Where any User has made an election pursuant to paragraph 5.8.7, that User may elect by notice to the Transporter:
- (a) to receive all Interruption Notices in respect of Supply Points in relation to which it is Registered User; and
 - (b) to give all confirmations under paragraph 5.8.3(b)
- by facsimile, provided that no election may be made under this paragraph 5.8.10 less than one month after the date of an election by that User under paragraph 5.8.7.
- 5.8.11 Where a User makes an election under paragraph 5.8.10, on expiry of one month from the date of the relevant notice, or from such other date as the Transporter and the User may agree,

Code Communications for the purposes of paragraph 5.8.1 and 5.8.3(b) shall be given by telephone or facsimile.

5.8.12 Where an Interruptible Supply Point comprises Shared Supply Meter Point(s):

- (a) paragraph 5.8.2 shall not apply in respect of such Supply Point;
- (b) where there is more than one Interruptible Supply Point which comprises such Shared Supply Meter Point(s), any requirement for Interruption will apply in respect of all (and not some only) of such Interruptible Supply Points; and
- (c) where a Sharing Registered User Agent is appointed, any Interruption Notice will be submitted (notwithstanding any requirement for submission to any User) to such Agent as well as to the Sharing Registered Users of the Interruptible Supply Points.

5.9 Failure to Interrupt

5.9.1 For the purposes of the Code:

- (a) subject to paragraph (b), there is a **"failure to Interrupt"** at an Interruptible Supply Point where, on any occasion on which the Transporter requires Interruption in respect of the Supply Point, the requirement in paragraph 5.7.2(b) is not complied with in respect of each Supply Meter Point at any time on any Day (the **"failure Day"**) during the period referred to in that paragraph;
- (b) a failure to comply with a requirement for Interruption pursuant to paragraph 5.7.3(b):
 - (i) will not be counted as a failure to Interrupt for the purposes of paragraph 5.9.6;
 - (ii) subject to paragraph (i), will be counted as a failure to Interrupt if:
 - (1) the User does not demonstrate to the reasonable satisfaction of the Transporter that all appropriate steps are being taken to ensure that such a failure does not recur at the relevant Supply Point; or
 - (2) the failure is the third failure occurring at the relevant Supply Point during the same Gas Year to comply with a requirement for Interruption pursuant to paragraph 5.7.3(b);but not otherwise;
- (c) for the purposes of this paragraph 5.9 a Supply Point the subject of a Supply Point Reconfirmation shall be treated as being the same Supply Point as the Existing Supply Point;
- (d) the **"Period of Interruption"** is the period between the Interruption Start Time and the time specified in accordance with paragraph 5.8.5;
- (e) **"Shutdown"** means that in the event of interruption all of the gas consuming plant at the Supply Point has been turned off so that it is not consuming gas; and
- (f) **"Shutdown Tolerance"** means the amount of gas not exceeding 3,000kWh/Day (100 therms/Day) which may be offtaken, in the event of a Shutdown, at an Interruptible Supply Point, or in the case of a Shared Supply Meter Point that comprises more than one Interruptible Supply Point, in total at such Supply Points.

5.9.2 Where there is a failure to Interrupt at a Supply Point:

- (a) irrespective of whether the failure to Interrupt resulted from Force Majeure, where the Transporter determines that the failure to Interrupt results in a significant risk to the security of the relevant System the Transporter may take any steps available to it to isolate or disconnect any or all Supply Meter Points (irrespective of whether any is a Shared Supply Meter Point) comprised in the Supply Point; and
- (b) subject to paragraph 5.10.5, save where the failure to Interrupt resulted from Force Majeure or, in exceptional circumstances, where the Registered User can demonstrate to the Transporter's reasonable satisfaction that it made all reasonable efforts to Shutdown (including but not limited to ensuring that appropriate action is taken at the Supply Point but despite such efforts gas in excess of the Shutdown Tolerance flowed):
 - (i) the Registered User shall on the first Day of the first failure to Interrupt in any Gas Year, pay a charge determined as:
 - (1) in respect of an NTS Supply Point, 2 times the Applicable Annual Rate of the NTS Exit Capacity Charge
 - (2) in respect of a Supply Point which is not an NTS Supply Point, 2 times the difference between the Applicable Annual Rate of the LDZ Capacity Charge that would be payable (in respect of Supply Point Capacity in accordance with paragraph 5.3.9) if the Supply Point was designated as Firm the Applicable Annual Rate of the LDZ Capacity Charge (as discounted) payable in respect of the Interruptible Supply Point pursuant to paragraph 5.1.9(b); and
 - (ii) the Registered User shall pay, on all days other than the first Day of the first Period of Interruption in each Gas Year, a charge determined as:

$$X = 2 * Y * Z$$

where:

- X is the amount payable in respect of each Day;
- Y is the quantity of gas offtaken at the Supply Point (in kWh) on the Day;
- Z in any Gas Year is the price difference (in pence/kWh) taken from the figures published in Table 26 of the DTI Energy Trends (or superseding publication), for the 1st Quarter of the calendar year in which the current Gas Year commenced, between the all consumer average for Gas Oil (shown in £/tonne and converted to pence/kWh using the estimated average calorific value for Gas Oil set out in Annex B of the Digest of United Kingdom Energy Statistics) and the price of gas, all consumers, Interruptible.

5.9.3 The charges payable under paragraphs 5.9.2(b)(i), 5.9.2(b)(ii), 5.9.4 and 5.10.3 will be invoiced and are payable in accordance with TPD Section S.

5.9.4 Where the Transporter takes any such steps as are referred to in paragraph 5.9.2(a) the Registered User will be liable to reimburse to the Transporter the costs and expenses incurred by the Transporter in taking such steps and in any subsequent reconnection or restoration of the connection of the Supply Point.

- 5.9.5 The Registered User shall secure that there is made available to the Transporter such access to the Supply Point and all Supply Meter Points comprised in the Supply Point as shall be required for the purposes of paragraph 5.9.2(a).
- 5.9.6 In addition to the provisions of paragraphs 5.9.2 and 5.9.5, where (disregarding any failure to Interrupt which resulted from Force Majeure):
- (a) in any Gas Year in which there has on any Day been a failure to Interrupt at any Registered Interruptible Supply Point(s) of a User, there is on a later Day a failure to Interrupt (at the same or any other Registered Interruptible Supply Point(s)); and
 - (b) the number of occasions (including the failure(s) on such later Day) on which there have been failures to Interrupt at the User's Registered Interruptible Supply Points is equal to or greater than:
 - (i) 5; or
 - (ii) if more, the number (rounded up to the nearest whole number) equal to 5% of the mean of the numbers of Interruptible Supply Points of which the User is the Registered User at the time of each such failure to Interrupt
- in determining which each failure at any Supply Point shall count separately, paragraph 5.9.7 shall apply.
- 5.9.7 In the circumstances in paragraph 5.9.6, subject to paragraph 5.9.8:
- (a) all of the Interruptible Supply Points of which the User is Registered User, other than those within paragraph (b), shall automatically be redesignated as Firm with effect from the failure Day;
 - (b) in relation to each such Supply Point in respect of which the Transporter determines that the Firm Transportation Requirement would not (without adjustment of the Supply Point Capacity or Supply Point Offtake Rate) be satisfied and in relation to such Supply Points as are specified in paragraph 5.9.8:
 - (i) the Supply Point shall be treated as being a Firm Supply Point for the purposes of determining the Supply Point Transportation Charges and any Supply Point Ratchet Charges or NTS Exit Overrun Charges payable by the User, but shall be treated (subject to paragraph (ii)) as being an Interruptible Supply Point for other purposes of the Code;
 - (ii) the Transporter will be at liberty to inform the supplier and consumer of the occurrence and consequences of the circumstances in paragraph 5.9.6;
 - (iii) the Transporter may elect that (in relation to any or all requirements for Interruption) paragraphs 5.8.1, 5.8.2 and 5.8.3 shall not apply and may notify the consumer in accordance with paragraph 5.8.4 but without first communicating with the User;
 - (c) until the expiry of the Gas Year following that in which the failure to Interrupt occurred, the User may not designate any Supply Point (including any which was redesignated as Firm under paragraph (a) or is treated as Firm under paragraph (b)) as Interruptible and may not submit a Supply Point Confirmation in respect of any Proposed Supply Point which is Interruptible.

- 5.9.8 Paragraph 5.9.7 shall not apply where the User demonstrates to the Transporter's reasonable satisfaction that the User had taken all reasonable steps to comply with the requirement to Interrupt and that the failure to Interrupt occurred despite the taking of such steps.
- 5.9.9 Where an Interruptible Supply Point, other than one which was the subject of a failure to Interrupt referred to in paragraph 5.9.2, was redesignated as Firm pursuant to paragraph 5.9.7(a), any User who:
- (a) is the first User to have become the Registered User of a Firm Supply Point which includes a Supply Meter Point which was comprised in the Interruptible Supply Point; and
 - (b) is not the User which was the Registered User of such Interruptible Supply Point
- may designate such Firm Supply Point as Interruptible with effect from the Supply Point Registration Date.
- 5.9.10 No Day on which there is a failure to Interrupt at a Supply Point shall count towards use of the Interruption Allowance in respect of that Supply Point.
- 5.9.11 The following shall not be Force Majeure affecting a User for the purposes of this paragraph 5.9:
- (a) the unavailability of any such representative as is referred to in paragraph 5.6.1 or 5.6.2 of the User or the consumer to be contacted by the Transporter, other than for wholly unforeseeable and unavoidable reasons (which must also satisfy the conditions for being Force Majeure); and
 - (b) the fact that there is no facility for the consumer's plant to operate with a supply of fuel or energy alternative to or in substitution for gas.

5.10 Partial Interruption

- 5.10.1 For the purposes of this paragraph 5.10:
- (a) **"Tranche"** means one of two or more increments by which the User of an Interruptible Supply Point may reduce its offtake (or by which Sharing Registered Users may reduce their offtake in aggregate) from the relevant System during a Period of Interruption;
 - (b) **"Tranche Annual Quantity"** means in respect of each Tranche, the Tranche percentage multiplied by the Supply Point Annual Quantity;
 - (c) **"Tranche Quantity"** means the quantity of gas, measured in kWh, that shall be allowed to be offtaken from the Total System at each Tranche in any period of 60 minutes in any Day in respect of which an Interruption Notice has been served; and
 - (d) **"Tranche Percentage"** means in respect of each Tranche, the Tranche Quantity expressed as a percentage of the sum of all the Tranche Quantities at the Supply Point.
- 5.10.2 The Transporter may allow Partial Interruption at an Interruptible Supply Point provided that the following rules are satisfied:
- (a) the User (or Sharing Registered Users) shall specify the number of Tranches which it requires at the Supply Point, such number shall not exceed 9;

- (b) each Tranche Annual Quantity shall not be less than 5,860,000kWh (200,000 therms);
- (c) an application may be made by the User (or Sharing Registered Users) to the Transporter for a Partial Interruption status at a Supply Point at any time, for a period not exceeding 12 months, commencing on or after the operational date requested by the User (or Sharing Registered Users) and ending on the next 30 September;
- (d) the Transporter shall accept or reject all applications for Partial Interruption within 10 Business Days of their receipt by the Transporter from a Registered User or the Sharing Registered Users Agent as appropriate; and
- (e) Daily Read Equipment has been installed by the Transporter at the Supply Point prior to the commencement of Partial Interruption status.

5.10.3 Where Partial Interruption is in force at a Supply Point under paragraph 5.10, the Registered User (or Sharing Registered Users) in accordance with paragraph 6.4 shall pay to the Transporter the Administration Charge (if any) set out in the Transportation Statement. The Transporter shall (where applicable) issue an Ad-hoc Invoice in relation to the Administration Charge which will be invoiced and payable in accordance with TPD Section S.

5.10.4 Where the Transporter requires Interruption at the Supply Point:

- (a) in any period of 60 minutes in the Day, and subject always to TPD Section G5.3.1 and to the provisions of any relevant Network Exit Provisions, the Registered User will be allowed to offtake a quantity of gas;
- (b) for the purposes of paragraph 5.9.1(a), the requirement of paragraph 5.7.2(b) shall not be satisfied where the hourly offtake in paragraph (a) has been exceeded; and
- (c) the provisions of paragraphs 5.9.2(a) and 5.10.5 shall apply.

5.10.5 Where there is a failure to Interrupt at a Supply Point with Partial Interruption status:

- (a) where this is the first failure to Interrupt at the Supply Point in the Gas Year, the Registered User (or Sharing Registered Users) shall pay the charge determined under paragraph 5.9.2(b)(i), multiplied by the sum of the Tranche Percentages of the Tranches in respect of which an Interruption Notice was served;
- (b) for the remainder of the Gas Year any Tranche which has paid a failure to Interrupt charge in accordance with paragraph (a) above or paragraph (d) shall be termed a "**failed Tranche**"; and
- (c) where on any subsequent day in the Gas Year there is a failure to Interrupt at the Supply Point and the failure to Interrupt occurs only at failed Tranches, (determined in accordance with paragraph 5.10.5(b));
 - (i) for each period of 60 minutes in the Day, the quantity offtaken in excess of the Tranche Quantity of all Tranches in respect of which the Interruption Notice was not served shall be termed the "excess failure quantity";
 - (ii) the Registered User (or Sharing Registered Users) shall pay the charge calculated in accordance with paragraph 5.9.2(b)(ii), provided that Y shall be the total excess failure quantities in the Day; and
- (d) where on any subsequent day in the Gas Year there is a failure to Interrupt at the Supply Point and the failure to Interrupt occurs at one or more Tranches which are not

failed Tranches (determined in accordance with paragraph 5.10.5(b)), the Registered User (or Sharing Registered Users) shall pay the charge determined under paragraph 5.9.2(b)(i), multiplied by the sum of the Tranche Percentages of the Tranches in respect of which an Interruption Notice was served, less the sum of the Tranche Percentages of the failed Tranches (determined in accordance with paragraph 5.10.5(b)) in respect of which the Interruption Notice was served.

5.10.6 The Transporter shall revoke the Partial Interruptible status at a Supply Point if:

- (a) the Supply Point ceases to be an Interruptible Supply Point;
- (b) subject to paragraph 5.10.7, the User ceases to be the Registered User of the Supply Point; or
- (c) in the case of a Supply Point which comprises a Shared Supply Meter Point there is a Shared Supply Meter Point Notification which proposes to change the number or identity of any sharing Registered Users, or a Supply Point Withdrawal unless a re-application in accordance with paragraph 5.10.14 has been accepted.

5.10.7 Except in the case of a Shared Supply Meter Point, where another User is to become the Registered User of relevant Supply Point, the Proposing User shall, at least 2 but not more than 7 Business Days prior to the proposed Supply Point Registration Date, notify the Transporter of such change. The Partial Interruption status of the Supply Point shall transfer to the new Registered User provided that the requirements of paragraph 5.10.2 remain satisfied.

5.10.8 If the Registered User (or Sharing Registered Users) wishes to change the number of Tranches or any of the Tranche Quantities, the Transporter shall, subject to paragraph 5.10.2, allow such change provided that the Interruption Allowance in relation to any Tranches shall not be changed.

5.10.9 Subject to paragraph 5.10.2(a), if the Registered User (or Sharing Registered Users) wishes to increase the Supply Point Capacity of the Interruptible Supply Point, the Transporter may grant such additional Supply Point Capacity as an additional Tranche with an Interruption Allowance which may be greater than the Interruption Allowance of any of the existing Tranches at the Supply Point.

5.10.10 If the Supply Point ceases to have Partial Interruption status, but continues to be an Interruptible Supply Point, the Interruption Allowance of the Supply Point shall be the greatest Interruption Allowance of any of the Tranches previously at the Supply Point.

5.10.11 Where any of the Tranches at the Interruptible Supply Point has an Interruption Allowance greater than 45 days, for the purposes of paragraph 5.5.4, the Interruption Allowance shall be determined by the sum of the products of the Tranche Percentage and the Interruption Allowance of each Tranche at the Interruptible Supply Point.

5.10.12 Nothing in this paragraph 5.10 shall prevent the Transporter from requiring Interruption at all Tranches at the Supply Point on the same Day.

5.10.13 In the case of a Partial Interruption at a Shared Supply Meter Point:

- (a) the Sharing Registered Users shall ensure that all actions which are required to be undertaken by the Sharing Registered Users in accordance with this paragraph 5.10 (including compliance with paragraph 5.10.2) shall be undertaken on behalf of all the Sharing Registered Users by the Sharing Registered Users Agent and for the purposes

of this paragraph 5.10 all Code Communications shall be in accordance with TPD Section G1.7.9(d); and

- (b) all references to Supply Point in this paragraph 5.10 shall be deemed to include references to the relevant Supply Point for the purposes of TPD Section G1.7 and paragraphs 6.3 and 6.4.

5.10.14 The Sharing Registered User Agent may re-apply for Partial Interruption at the relevant Supply Point in accordance with 5.10.2(c) and, pursuant to such re-application the Partial Interruption Status of the Supply Point shall transfer to the Sharing Registered Users identified in the re-application provided the requirements of paragraph 5.10.2 remain satisfied.

5.11 Partial Interruption at CSEPs

5.11.1 For the purposes of this paragraph 5.11:

- (a) **"Tranche"** means one of two or more increments by which the CSEP User of an Interruptible CSEP may reduce its offtake (or by which CSEP Users may reduce their offtake in aggregate) from the relevant System during a Period of Interruption;
- (b) **"Tranche Annual Quantity"** means in respect of each Tranche, the Tranche Percentage multiplied by the Interruptible CSEP Annual Quantity;
- (c) **"Tranche Quantity"** means the quantity of gas, measured in kWh, that shall be allowed to be offtaken from the Total System at each Tranche in any period of 60 minutes in any Day in respect of which a CSEP Interruption Notice has been served;
- (d) **"Tranche Percentage"** means in respect of each Tranche, the Tranche Quantity expressed as a percentage of the sum of all the Tranche Quantities at the Interruptible CSEP; and
- (e) **"CSEP Interruption Notice"** shall have the same meaning as that ascribed thereto by the term Interruption Notice except that it shall apply in respect of a CSEP rather than a Supply Point.

5.11.2 The Transporter may allow Partial Interruption at an Interruptible CSEP provided that the following rules are satisfied:

- (a) the CSEP User (or CSEP Users) shall specify the number of Tranches which it requires at the Interruptible CSEP, such number shall not exceed 9;
- (b) each Tranche Annual Quantity shall not be less than 5,860,000kWh (200,000 therms);
- (c) an application may be made by the CSEP User (or CSEP Users) to the Transporter for a Partial Interruption status at an Interruptible CSEP at any time, for a period not exceeding 12 months, commencing on or after the operational date requested by the CSEP User (or CSEP Users) and ending on the next 30 September;
- (d) the Transporter shall accept or reject all applications for Partial Interruption within 10 Business Days of their receipt by the Transporter from a CSEP User or the CSEP User Agent as appropriate; and
- (e) where requested by the Transporter, equipment (as set out in the relevant CSEP NExA) to provide information to the Transporter in aggregate to allow the Transporter to monitor the requirements in paragraph 5.11.4 shall be installed by the CSEP User

(the identity of which has been notified by the CSEP User Agent where there is more than one CSEP User) prior to the commencement of Partial Interruption status.

- 5.11.3 Where Partial Interruption is in force at an Interruptible CSEP under this paragraph 5.11, the CSEP User (or CSEP Users) shall pay to the Transporter the relevant Administration Charge (if any) set out in the Transportation Statement. The Transporter shall (where applicable) issue an Ad-hoc Invoice in relation to the Administration Charge which will be invoiced and payable in accordance with TPD Section S.
- 5.11.4 Where the Transporter requires Interruption at an Interruptible CSEP:
- (a) in any period of 60 minutes in the Day, and subject always to TPD Section G5.3.1 and to the provisions of any relevant Network Exit Provisions, the CSEP User will be allowed to offtake a quantity of gas, (and CSEP Users will be allowed to offtake a quantity in aggregate), measured in kWh, not exceeding the sum of the Tranche Quantities of the Tranches at the Interruptible CSEP in respect of which an Interruption Notice has not been served;
 - (b) for the purposes of paragraph 5.9.1(a), the requirement of paragraph 5.7.2(b) shall not be satisfied where the hourly offtake in paragraph (a) has been exceeded; and
 - (c) the provisions of paragraph 5.9.2(a) and 5.11.5 shall apply.
- 5.11.5 Where there is a failure to Interrupt at an Interruptible CSEP with Partial Interruption status:
- (a) where this is the first failure to Interrupt at the Interruptible CSEP in the Gas Year, the CSEP User (or CSEP Users) shall pay the charge determined under paragraph 5.9.2(b)(i), multiplied by the sum of the Tranche Percentages of the Tranches in respect of which an Interruption Notice was served;
 - (b) for the remainder of the Gas Year any Tranche which has paid a failure to Interrupt charge in accordance with paragraph (a) above or paragraph (d) shall be termed a **"failed Tranche"**;
 - (c) where on any subsequent day in the Gas Year there is a failure to Interrupt at the Interruptible CSEP and the failure to Interrupt occurs only at failed Tranches (determined in accordance with paragraph 5.11.5(b));
 - (i) for each period of 60 minutes in the Day, the quantity offtaken in excess of the Tranche Quantity of all Tranches in respect of which the Interruption Notice was not served shall be termed the "excess failure quantity";
 - (ii) the CSEP User (or CSEP Users) shall pay the charge calculated in accordance with paragraph 5.9.2(b)(ii), provided that Y shall be the total excess failure quantities in the Day; and
 - (d) where on any subsequent day in the Gas Year there is a failure to Interrupt at the Interruptible CSEP and the failure to Interrupt occurs at one or more Tranches which are not failed Tranches (determined in accordance with paragraph 5.11.5(b)), the CSEP User (or CSEP Users) shall pay the charge determined under paragraph 5.9.2(b)(i), multiplied by the sum of the Tranche Percentages of the Tranches in respect of which an Interruption Notice was served, less the sum of the Tranche Percentages of the failed Tranches (determined in accordance with paragraph 5.11.5(b)) in respect of which the Interruption Notice was served.

- 5.11.6 The Transporter shall revoke the Partial Interruptible status at an Interruptible CSEP if:
- (a) the CSEP ceases to be an Interruptible CSEP; or
 - (b) subject to paragraph 5.11.7, any CSEP User ceases to be a CSEP User for any reason, or where a User becomes a CSEP User.
- 5.11.7 Where at an Interruptible CSEP there is only one CSEP User and an alternative CSEP User is to become the CSEP User of relevant CSEP, the Proposing CSEP User shall, at least 2 but not more than 7 Business Days prior to the proposed Supply Point Registration Date, notify the Transporter of such change. The Partial Interruption status of the Interruptible CSEP shall transfer to the new CSEP User provided that the requirements of paragraph 5.11.2 remain satisfied.
- 5.11.8 Where, at an Interruptible CSEP, any CSEP User ceases to be a CSEP User for any reason or where a User becomes a CSEP User, then the CSEP User Agent may re-apply for Partial Interruption in accordance with paragraph 5.11.2 and pursuant to such re-application the Partial Interruption Status of the CSEP shall transfer to the CSEP User (or CSEP Users) identified in the re-application provided the requirements of paragraph 5.11.2 remain satisfied.
- 5.11.9 If the CSEP User (or CSEP Users) wishes to change the number of Tranches or any of the Tranche Quantities, the Transporter shall, subject to paragraph 5.11.2, allow such change provided that the Interruption Allowance in relation to any Tranches shall not be changed.
- 5.11.10 Subject to paragraph 5.11.2(a), if the CSEP User (or CSEP Users) wishes to increase the NTS Exit Capacity and LDZ capacity (as applicable) of the Interruptible CSEP, the Transporter may grant such additional NTS Exit Capacity and LDZ Capacity (as applicable) as an additional Tranche with an Interruption Allowance which may be greater than the Interruption Allowance of any of the existing Tranches at the Interruptible CSEP.
- 5.11.11 If the Interruptible CSEP ceases to have Partial Interruption status, but continues to be an Interruptible CSEP, the Interruption Allowance of the Interruptible CSEP shall be the greatest Interruption Allowance of any of the Tranches previously at the Interruptible CSEP.
- 5.11.12 Where any of the Tranches at the Interruptible CSEP has an Interruption Allowance greater than 45 days, for the purposes of paragraph 5.5.4, the Interruption Allowance shall be determined by the sum of the products of the Tranche Percentage and the Interruption Allowance of each Tranche at the Interruptible CSEP.
- 5.11.13 Nothing in this paragraph 5.11 shall prevent the Transporter from requiring Interruption at all Tranches at the Interruptible CSEP on the same Day.
- 5.11.14 In the case of Partial Interruption at an Interruptible CSEP:
- (a) the CSEP Users shall ensure that all actions which are required to be undertaken by the CSEP Users in accordance with this paragraph 5.11 (including compliance with paragraph 5.11.2) shall be undertaken on behalf of all the CSEP Users by the CSEP User Agent; and
 - (b) for the purpose of this paragraph 5.11 all Code Communications:
 - (i) if to be given by the Transporter may be given to the CSEP Users Agent;
 - (ii) if to be given by CSEP Users may only be given by the CSEP User Agent.

5.11.15 The CSEP User Agent may re-apply for Partial Interruption in accordance with 5.11.2(c) and, pursuant to such re-application, the Partial Interruption Status of the Interruptible CSEP shall transfer to the CSEP Users identified in the re-application provided the requirements of paragraph 5.11.2 remain satisfied.

5.11.16 All references within this paragraph 5.11 to sub-paragraphs of paragraph 5 shall be construed in accordance with the relevant CSEP Ancillary Agreement or the relevant CSEP NExA.

6. TRANSITIONAL INTERRUPTION REGIME: OTHER TPD CHANGES

6.1 TPD Section B: System Use and Capacity

6.1.1 Notwithstanding the provisions of TPD Section B1.3.2, the entitlement of a Registered User to offtake gas from the Total System at an Interruptible Supply Point is subject to the provisions (as to Interruption) of paragraph 5.

6.1.2 For the purposes of TPD Section B1.10(a)(ii), the Transporter may agree that it will not designate a particular Interruptible Supply Point as being TNI.

6.1.3 Insofar as (pursuant to the Transportation Statement) the rate of any Transportation Charge in respect of any Supply Point is a function of Supply Point Capacity, in the case of the DM Supply Point Component of an Interruptible Supply Point such rate shall be determined (in accordance with the Transportation Statement) by reference to the Bottom-Stop Supply Point Capacity and not the Registered Supply Point Capacity.

6.1.4 In TPD Section B4.7.1 and 4.7.8(a) the reference to a DM Supply Point Component shall be treated as a reference to a Firm DM Supply Point Component.

6.2 TPD Section G1.5: Daily Read Metering

6.2.1 For the purposes of TPD Section G1.5.2(b), the Daily Read Requirement shall apply in respect of each Supply Meter Point comprised in an Interruptible Supply Point.

6.2.2 TPD Section G1.5.11 shall only apply where the Daily Read Requirement applies by reason of an increase in the Annual Quantity of a Supply Point or a Supply Meter Point at the start of a Gas Year or upon a Supply Point being designated an Interruptible Supply Point.

6.3 TPD Section G1.7: Shared Supply Meter Points

6.3.1 For the purposes of TPD Section G1.7.5, a Shared Meter Supply Point may be comprised in a Firm Supply Point and an Interruptible Supply Point; and a User may elect (by giving a Shared Supply Meter Point Notification subject to and in accordance with TPD Section G1.7) that a Supply Meter Point of which the User is the Registered User shall be comprised in both Supply Point and an Interruptible Supply Point of each of which the User is the Registered User (and accordingly be treated as two Sharing Registered Users).

6.3.2 In the case of a Shared Supply Meter Point which is comprised in relevant Supply Points of which at least one is Firm and one Interruptible (whether the Registered Users are the same or different Users), where an Interruption Notice was given:

- (a) in relation to any Day for which the requirement for Interruption applied for the whole of such Day:
 - (i) the requirement in paragraph 5.7.2(b) shall be treated as not complied with if and only if, in the case of Partial Interruption the requirement referred to in paragraph 5.10.4(b) is not satisfied and in any other case, the aggregate

quantity of gas offtaken from the Total System on such Day by all Sharing Registered Users at the Shared Supply Meter Point exceeds the Supply Point Capacity (or aggregate such capacity), held by the Registered User(s) at relevant Firm DM Supply Point Components;

- (ii) accordingly, the allocation of the gas offtaken at the Shared Supply Meter Point shall not be such that the UDQO (or sum of the UDQOs) in respect of the Firm Supply Point Component(s) exceeds the Supply Point Capacity (or aggregate such capacity), other than capacity which is so excluded, held by the Registered User(s) at such Firm Supply Point Component(s), and any gas which would otherwise be allocated to the Registered User of a relevant Firm Supply Point shall be (and shall be deemed to be) allocated to the Registered User(s) of the relevant Interruptible Supply Point(s);
 - (iii) if there is more than one relevant Interruptible Supply Point and the basis of allocation pursuant to TPD Section G1.7.6 does not result in compliance with paragraphs (i) and (ii) and the allocation of the whole of the Supply Meter Point Daily Quantity:
 - (1) the gas which falls (pursuant to paragraph (ii)) to be allocated to the Registered Users of the relevant Interruptible Supply Points shall be allocated to them in proportion to the Nominated Quantities under such Users' Output Nominations for the relevant DM Supply Point Components for the Day or (if such Nominated Quantity is zero for each such User) in proportion to the Registered Supply Point Capacities at each such DM Supply Point Component;
 - (2) the identity of the User(s) who failed to secure compliance with the requirement in paragraph 5.7.2(b) shall be established in accordance with paragraph (1);
 - (iv) any conflicting allocation determined under TPD Section G1.7.7 or notified under paragraph TPD Section G1.7.8 shall be disregarded to the extent of the conflict;
- (b) in relation to any Day for which the requirement for Interruption applied for a part only of such Day:
- (i) the requirement in paragraph 5.7.2(b) shall be treated as not complied with if the aggregate rate of offtake at any time (while such requirement applied) exceeds the aggregate of the Supply Point Offtake Rates in respect of relevant Firm DM Supply Point Components; and
 - (ii) where there is more than one relevant Interruptible Supply Point, each of the Sharing Registered Users of the Interruptible Supply Points shall be treated as having failed to secure compliance with such requirement;
- (c) in relation to any Day for which the requirement for Interruption applied (whether for the whole or any part of such Day) and the requirement in paragraph 5.7.2(b) was not complied with, each of the Sharing Registered Users of the Interruptible Supply Points shall be responsible for payment of the aggregate of the charges, in respect of all the Interruptible Supply Points in which such Shared Supply Meter Point is comprised (irrespective of the Supply Point at which the failure occurred), arising as a result of such failure, in the same proportion as its allocation pursuant to TPD Section G1.7.9(c).

- 6.3.3 TPD Section G1.7.14 shall not apply and where the rate of any Supply Point Transportation Charge is a function of Supply Point Capacity, the rate of such charge payable by a Sharing Registered User shall be determined on the basis of:
- (a) the aggregate of the Supply Point Capacities held by each Sharing Registered User at the relevant Firm DM Supply Point Components; and
 - (b) the aggregate of the Supply Point Capacities held by each Sharing Registered User at the relevant Interruptible DM Supply Point Components or the aggregate of the Bottom-Stop Supply Point Capacities held by each Sharing Registered User at the relevant Interruptible DM Supply Point Components, whichever is the lesser.

6.4 TPD Section G1.15: Interruptible Supply Point Firm Allowance (IFA)

6.4.1 The Registered User of an Interruptible Supply Point (the “**relevant Supply Point**”) which term shall include the Supply Point Component comprised in it) that is not comprised in a Shared Supply Meter Point which also includes Firm Supply Points, may apply (subject to paragraph 6.4.2) in accordance with paragraphs 6.4.3 and 6.4.4 for a firm allowance up to (or subject to paragraph 6.4.3, above) 14,650 kWh/Day (500 therms/Day) (“**the Firm Allowance**”).

6.4.2 Where a Firm Allowance is in force under paragraph 6.4.3:

- (a) the Firm Allowance shall be treated as an exception to paragraph 5.7.2(b) such that the requirement that no gas shall be offtaken be read as no gas, other than the Firm Allowance shall be offtaken, and at an hourly rate not exceeding 12.5% of the Firm Allowance unless otherwise agreed with the Transporter in advance;
- (b) the Registered User shall pay to the Transporter the Administration Charges (if any) set out in the Transporter's Transportation Statement;
- (c) the rate of any Supply Point Transportation Charge shall be determined by reference to the Supply Point Capacity held by the Registered User at the relevant Supply Point at the time that the offer of Firm Allowance has been offered by the Transporter in accordance with paragraphs 6.4.3 and 6.4.4;
- (d) the Registered User shall pay a charge (“**the IFA Charge**”) to:
 - (i) National Grid NTS, calculated as the NTS Exit Capacity Charge set out in National Grid NTS'S Transportation Statement;
 - (ii) the relevant DN Operator, calculated as the difference between the LDZ Capacity Charge set out in the relevant DN Operator's Transportation Statement and the discounted LDZ Capacity Charge payable pursuant to Clause 9.1.9(b) determined in respect of an amount of Supply Point Capacity equal to the amount of the Firm Allowance;
- (e) for the purposes of determining the IFA Charges payable by the Registered User in respect of the provision of a Firm Allowance at an NTS Supply Point, the Firm Allowance shall be regarded as the Supply Point Capacity of a Firm Supply Point;
- (f) all amounts payable under this paragraph 6.4 shall be payable in a single payment, may be invoiced by way of an Ad-hoc Invoice, at any time after the Registered User's election and shall be paid in accordance with TPD Section S. The charges shall be fixed in accordance with paragraph 6.4.2(h) having regard to the date on which the

period of the Firm Allowance commences in accordance with paragraph 6.4.3(c) or 6.4.4 and are not refundable;

- (g) where the Transporter requires Interruption at the relevant Supply Point the provisions of paragraph 5.7 shall apply;
- (h) the IFA Charge shall be determined for the period of the Firm Allowance commencing on 1 October in accordance with paragraph 6.4.3(c) or 6.4.4, or (if later in the Gas Year) on a pro rata basis for the period commencing on the date of receipt by the Transporter of the confirmation in accordance with paragraph 6.4.3(c) and ending on 30 September; and
- (i) where a change to the IFA Charge takes place at anytime during a Gas Year no adjustments will be made to the IFA Charge paid before such change.

6.4.3 Applications under paragraph 6.4.1 in respect of a relevant Supply Point in which there is no current Firm Allowance in force, or in respect of which an increase is required to a current Firm Allowance, the increase:

- (a) shall be for a period commencing 1 October or (if later in the Gas Year) the date of receipt by the Transporter of the confirmation in accordance with paragraph (c) and ending on 30 September;
- (b) shall be offered, or rejected by the Transporter within 10 Business Days;
- (c) if offered by the Transporter, are open for confirmation by the Registered User for 5 Business Days from the date of offer;
- (d) for a Firm Allowance of 14,650 kWh (500 therms/Day) or less shall be considered in the order in which they were received by the Transporter;
- (e) for a Firm Allowance in excess of 14,650 kWh/Day (500 therms/Day), received by the Transporter prior to 1 October in respect of the next Gas Year shall, unless otherwise indicated on the application, be treated initially as an application for a Firm Allowance of 14,650 kWh/Day (500 therms/Day) the balance being processed on or after 1 October, in the order in which they were received by the Transporter;
- (f) for a Firm Allowance in excess of 14,650 kWh/Day (500 therms/Day), received by the Transporter on or after 1 October in respect of the year commencing 1 October, shall be treated in the order in which they were received by the Transporter;
- (g) for a Firm Allowance greater than 30% of the Supply Point Capacity which exceeds 14,650 kWh/Day (500 therms/Day) shall be treated as if it were an application for 30 % of the Supply Point Capacity in accordance with paragraph (e) or (f); and
- (h) may be refused by the Transporter where the hourly rate of offtake is greater than 12.5% of the Firm Allowance or where in the Transporter's opinion the Firm Transportation Requirement is not satisfied in respect of such Supply Point.

6.4.4 Applications under paragraph 6.4.1 in respect of a relevant Supply Point for which a Firm Allowance is currently in force ("**a current Firm Allowance**"):

- (a) may be made by the Registered User in accordance with the following process;

- (i) on or before 1 September, the Transporter shall issue to the Registered User of a relevant Supply Point with a current Firm Allowance a renewal notice, offering the Firm Allowance for the following year commencing 1 October;
 - (ii) the Registered User may accept all or part of such renewal offer at any time before 15 September; and
- (b) shall be for a period of 12 months commencing on 1 October.
- 6.4.5 Where another User is to become the Registered User of a relevant Supply Point, the Proposing User shall, at least 2 but not more than 7 Business Days prior to the proposed Supply Point Registration Date, notify the Transporter of such change. The Firm Allowance shall transfer to the new Registered User from the Supply Point Registration Date provided that the DM Supply Point Component of the Proposing User is the same as the DM Supply Point Component of the Registered User.
- 6.4.6 Where a Registered User changes the configuration of a relevant Supply Point, the Registered User shall, at least 2 but not more than 7 Business Days prior to the proposed Supply Point Registration Date, notify the Transporter of such change. The Firm Allowance shall transfer to the new Supply Point from the Supply Point Registration Date provided that there is an equivalent effect on the System and that the Registered User has paid to the Transporter the Administration Charge (if any) set out in the Transportation Statement.
- 6.4.7 All Code Communications under this paragraph 6.5 shall be made by the Transporter and the Registered User by Conventional Notice.
- 6.4.8 An application under paragraph 6.4.1 shall not re-designate an Interruptible Supply Point as Firm for the purposes of the Network Code, and no Firm Allowance may be or remain in force in respect of a Shared Supply Meter Point which is comprised in a Firm Supply Point.

6.5 TPD Section G2.4: Supply Point Offers

- 6.5.1 For the purposes of TPD Section G2.4.2(e)(ii) where the Supply Point Offer specifies the Proposed Supply Point is Interruptible the Supply Point Offer will also specify whether the Proposed Supply Point is TNI.
- 6.5.2 For the purposes of TPD G2.4.10 the matters referred to in TPD Section G2.4.9 shall be treated as including whether at the date of the Supply Point Offer and Existing Supply Point (if Interruptible) is TNI, and (if so) the number of days of the Interruption Allowance.

6.6 TPD Section G2.7: Supply Point Confirmations

Where a Proposed Supply Point is a New Supply Point and the Existing Supply Points include both a Firm Supply Point and an Interruptible Supply Point a Supply Point Confirmation may only be submitted before a Change Request Deadline and for a Proposed Supply Point Registration Date which is the Eligible Status Change Date.

6.7 TPD Section G5: DM Supply Point Capacity and Offtake Rate

- 6.7.1 TPD Section G5.2.3(a)(ii) and (d) shall only apply in the case of a Firm DM Supply Point Component.
- 6.7.2 In TPD Section G5.2.10(a) and (b), 5.3.7, 5.4.4, 5.5.5 and 5.5.6 the reference to a DM Supply Point Component shall be treated as a reference to a Firm DM Supply Point Component.

6.8 TPD Section G7.1: General

For the purposes of TPD Section G7 the definition of "**Siteworks**" includes those works undertaken for the purposes of a securing a reduction in the Interruption Allowance in respect of a TNI Supply Point.

6.9 TPD Section G7.4: Siteworks Specified Capacity, etc

- 6.9.1 For the purposes of TPD Section G7 the Siteworks Terms and Procedures shall allow for the Siteworks Contract to specify (at the request of the Siteworks Applicant) in relation to a Supply Point or Supply Point Component a request that the Firm Transportation Requirement be satisfied or (in the case of a TNI Supply Point) the Interruption Allowance be reduced following such Siteworks.
- 6.9.2 For the purposes of TPD Section G a reduced Interruption Allowance is Siteworks Specified where specified in a Siteworks Contract under paragraph 6.9.1 and TPD Section G7.
- 6.9.3 Where a User requests (in accordance with paragraph 5.3) by not later than the time referred to in TPD Section G7.4.6 that a Siteworks Specified Interruptible Supply Point be redesignated Firm in accordance with the Siteworks Specified Firm Transportation Requirement, or in respect of a TNI Supply Point a reduced Interruption Allowance, the Transporter will accept such request.

6.10 TPD Section J: Exit Requirements

For the purposes of paragraph 3.5.3(a), 'C' shall be the amount of Supply Point Capacity held by the User at the Supply Point Component on the relevant Day, or in relation to an Interruptible Supply Point Component only, if less, the Bottom-stop Supply Point Capacity.

7. TRANSITIONAL INTERRUPTION REGIME: OAD CHANGES

7.1 Introduction

- 7.1.1 In this paragraph 7 "**Interruption Instruction**" means an instruction given by National Grid NTS in relation to Interruption in accordance with paragraph 7.2.
- 7.1.2 The Parties acknowledge that under paragraph 5:
- (a) the ability to require Interruption at an LDZ Interruptible Supply Point by giving an Interruption Notice is held by the DNO; but
 - (b) Interruption may be required at an LDZ Interruptible Supply Point where (inter alia):
 - (i) there is or it is anticipated that there would otherwise be a Transportation Constraint on or affecting the NTS; or
 - (ii) forecast demand in relation to the NTS or the Total System on any Day exceeds certain levels (as determined in accordance with paragraph 5)

and accordingly the Parties agree that National Grid NTS shall be entitled to require Interruption of LDZ Interruptible Supply Points in accordance with this paragraph 7.

- 7.1.3 Each DNO shall keep National Grid NTS informed of the DNO's Interruption rights from time to time in respect of each Exit Zone in each Gas Year as follows:
- (a) the DNO shall, in September of the preceding Gas Year, provide to National Grid NTS a statement containing the following information (as at the start of the Gas Year):

- (i) the aggregate amount of the Supply Point Capacity held by Users at Interruptible LDZ Supply Points in that Exit Zone;
 - (ii) the aggregate amount (in GWh) of Interruption available to the DNO in that Exit Zone (that is, the sum, for all Interruptible LDZ Supply Points, of the Supply Point Capacity multiplied by the number Days of the Interruption Allowance in accordance with paragraph 5.7.5); and
 - (iii) the number of Interruptible LDZ Supply Points in that Exit Zone;
- (b) the DNO shall, as soon as practicable after any material change in the information referred to in paragraph (a), and in any event upon the reasonable request of National Grid NTS, provide to National Grid NTS an updated statement of such information;
 - (c) the DNO shall, at such intervals as National Grid NTS may reasonably require, and in any event as soon as practicable after any material change in such information, provide to National Grid NTS a statement of the cumulative aggregate amount (in GWh) of Interruption used in that Exit Zone to date in the Gas Year (that is, the sum, for all Interruptible LDZ Supply Points, of the Supply Point Capacity multiplied by the number of Days for which an Interruption Notice has been given, whether or not pursuant to Interruption Instructions of National Grid NTS); and
 - (d) the DNO shall inform National Grid NTS at any time if (in the Gas Year to date) the DNO has Interrupted some Interruptible Supply Points in an Exit Zone on a materially greater number of Days than other Interruptible Supply Points.
- 7.1.4 Each DNO shall, in respect of each Day, provide to National Grid NTS, by 18:00 hours on the Preceding Day, a statement of its best estimate of the aggregate daily gas flows at Interruptible LDZ Supply Points in each of its LDZs that will be available for Interruption on that Day.
- 7.1.5 In this paragraph 7, a reference to Interruption in respect of an Exit Zone is to Interruption of LDZ Interruptible Supply Points which will reduce the flow of gas at Offtakes in that Exit Zone.

7.2 Requirement for Interruption

7.2.1 Where (as described in paragraph 7.1.2) National Grid NTS requires Interruption of LDZ Interruptible Supply Points, National Grid NTS will so instruct the DNO by giving an Interruption Instruction to the DNO, specifying:

- (a) the Exit Zone in respect of which such Interruption is required;
- (b) the aggregate amount (expressed in MW or MWh per hour), of the Interruption required; and
- (c) the time (consistent with the requirements of paragraph 5.8.1, on the assumption that the DNO acts on the Interruption Instruction within 30 minutes after receiving it) with effect from which such Interruption is required.

7.2.2 Upon receipt of an Interruption Instruction under paragraph 7.2.1, the DNO shall:

- (a) as soon as practicable (and in any event within 30 minutes) after receipt of the instruction:

- (i) select (in relation to the Exit Zone specified, and so as to secure the amount of Interruption specified, in the Interruption Instruction, but otherwise in its discretion) the LDZ Interruptible Supply Points which are to be Interrupted;
 - (ii) give Interruption Notices (for the Interruption Start Time specified in the Interruption Instruction) in relation to the selected LDZ Interruptible Supply Points; and
 - (iii) confirm to National Grid NTS that such Interruption Notices have been given; and
- (b) revise its Offtake Profile Notices for the relevant Offtake(s) so as to reflect the Interruption (on the assumption that the Interruption continues for the remainder of the Day).

7.2.3 When National Grid NTS' requirement for LDZ Interruption ceases or will cease, or the amount of Interruption required is or will be reduced, National Grid NTS will so instruct the DNO by giving an Interruption Instruction to the DNO, specifying:

- (a) the Exit Zone in respect of which the cessation or reduction of such Interruption is required;
- (b) whether the Interruption is to cease entirely or the amount thereof to be reduced;
- (c) in the case of a reduction, the aggregate amount (expressed in MW or MWh per hour) of the reduction in the required Interruption; and
- (d) the time (where later than the time at which the Interruption Instruction is given) with effect from which the cessation or reduction is required.

7.2.4 Upon receipt of an Interruption Instruction under paragraph 7.2.3, the DNO shall:

- (a) as soon as practicable (and in any event within 60 minutes) after receipt of the instruction:
 - (i) (in the case of a reduction in Interruption) select (in relation to the Exit Zone specified, and so as to secure the reduction of Interruption specified, in the Interruption Instruction, but otherwise in its discretion) the LDZ Interruptible Supply Points at which Interruption is to cease;
 - (ii) give notification (in accordance with paragraph 5.8.5) of the cessation of Interruption (with effect from the time, if any, specified in the Interruption Instruction) in relation to the selected LDZ Interruptible Supply Points; and
 - (iii) confirm to National Grid NTS that such notification has been given; and
- (b) revise its Offtake Profile Notices for the relevant Offtake(s) so as to reflect the reduction or cessation of Interruption.

7.2.5 Interruption Instructions and DNO's confirmations of receipt of Interruption Instructions shall be given by the means and in the format specified in or pursuant to TPD Section M.

7.3 Financial aspects

7.3.1 The Parties acknowledge that:

- (a) pursuant to paragraph 5.1.9(b), if any LDZ Interruptible Supply Point is Interrupted on more than 15 Days in a Formula Year, the Registered User(s) is entitled to a payment calculated in the manner provided for in the DNO's Transportation Statement; and
- (b) such compensation is effected by way of Invoice Credit in respect of Transportation Charges payable by Users to National Grid NTS, and accordingly is borne by National Grid NTS;

and accordingly each DNO agrees to repay to National Grid NTS a part or all of the amount of such compensation borne by National Grid NTS, in accordance with this paragraph 7.3.

7.3.2 Following each Formula Year, in respect of each LDZ Interruptible Supply Point in an LDZ which was Interrupted on more than 15 Days in the Formula Year, the DNO shall pay to National Grid NTS an amount calculated as:

$$C * (AI - NI) / AI$$

where:

C is the amount of compensation payable by National Grid NTS in respect of the Interruptible Supply Point as referred to in paragraph 7.3.1;

AI is the aggregate number of Days on which the Interruptible Supply Point was Interrupted in the Formula Year;

NI is the number of Days on which the Interruptible Supply Point was Interrupted in the Formula Year pursuant to an Interruption Instruction given by National Grid NTS.

7.3.3 The DNO shall:

- (a) keep accurate records (in accordance with OAD Section M2.3) of the Days on which each LDZ Interruptible Supply Point is Interrupted, and on which of those Days such Interruption was pursuant to an Interruption Instruction; and
- (b) as soon as practicable after (and upon National Grid NTS's request, from time to time during) the Formula Year, provide to National Grid the information recorded pursuant to paragraph (a).

7.3.4 The amount (if any) payable by the DNO under paragraph 7.3.2 shall be calculated by National Grid NTS as soon as practicable after receipt from the DNO of the information required under paragraph 7.3.3(b), and shall be invoiced and payable in accordance with OAD Section L.

8 NTS EXIT CAPACITY REGIME: INITIALISATION

8.1 Transitional period

8.1.1 For the purposes of paragraphs 8, 9, 10, 11 and 12 the:

- (a) **"exit capacity transition date"** is the date on which the Modification giving effect to this paragraph 8 is effective; and
- (b) **"exit capacity transitional period"** is the period commencing on the date on which such Modification is made and ending on and including the Day before the exit capacity transition date.

- 8.1.2 For the purposes of giving effect to TPD Section B3 with effect from the exit capacity transition date:
- (a) Users will be registered as holding Enduring Annual NTS Exit (Flat) Capacity in accordance with paragraph 8.2; and
 - (b) National Grid NTS will invite Users to make capacity bids, capacity offers and capacity applications for NTS Exit (Flat) Capacity in accordance with paragraph 8.3.

8.1.3 For the purposes of paragraphs 8, 9, 10, 11 and 12 a reference to a paragraph is, unless the context otherwise requires, a reference to a paragraph of this Part IIC.

8.2 Initialisation: Enduring Annual NTS Exit (Flat) Capacity

8.2.1 Subject to paragraphs 8.2.8 and 8.2.11, with effect from 1 October 2012 a User will be registered as holding Enduring Annual NTS Exit (Flat) Capacity at an NTS Exit Point in an amount equal to:

- (a) in the case of an NTS Supply Point Component or NTS Connected System Exit Point, the maximum amount of NTS Exit Capacity which the User may utilise in offtaking gas at the NTS Supply Point Component or NTS Connected System Exit Point on any Day in the Gas Year 2007/2008;
- (b) in the case of an NTS/LDZ Offtake, the amount of NTS Offtake (Flat) Capacity which the User is registered as holding at the NTS/LDZ Offtake for the Gas Year 2011/2012 as specified in the Offtake Capacity Statement issued in September 2008

(the "**enduring amount**").

8.2.2 Where in relation to an NTS Exit Point the aggregate amount of NTS Exit Capacity held by Users at an NTS Supply Point Component or NTS Connected System Exit Point on any Day in the Gas Year 2007/2008 exceeds the Baseline NTS Exit (Flat) Capacity for the NTS Exit Point for the Gas Year 2012/2013 (such excess the "**excess amount**") each relevant User will be registered as holding an amount of NTS Exit (Flat) Capacity equal to the enduring amount, less an amount equal to:

- (a) where the excess amount is less than the amount of interruptible NTS Exit Capacity held at the NTS Exit Point, the User's pro rata share of the excess amount determined by reference to amounts of interruptible capacity held by Users at the NTS Exit Point;
- (b) where the excess amount is greater than the amount of interruptible NTS Exit Capacity held at the NTS Exit Point, the sum of the User's interruptible capacity and the User's pro rata share of the remaining excess amount determined by reference to the amounts of Firm NTS Exit Capacity held by Users at the NTS Exit Point.

8.2.3 Where pursuant to the terms of an advanced capacity reservation agreement entered into with a User, or person other than a User, as contemplated by the exit capacity release methodology statement prepared and published by National Grid NTS in accordance with Special Condition C18 of National Grid NTS's Transporter's Licence, NTS Exit Capacity has been reserved at an NTS Exit Point where on the last day of the exit capacity transitional period a User is registered as holding such NTS Exit Capacity, then the User will be registered as holding (in addition to any enduring amount (if any) and without prejudice to paragraph 8.2.2) such NTS Exit Capacity as Enduring Annual NTS Exit (Flat) Capacity at the NTS Exit Point with effect from 1 October 2012.

8.2.4 In respect of each NTS Exit Point National Grid NTS shall notify the Registered User of:

- (a) the prevailing Maximum Supply Point Offtake Rate or (as the case may be) the Maximum CSEP Offtake Rate referred to in the relevant CSEP Network Provisions by not later than 1 May 2009; and with effect from the exit capacity transition date the Maximum NTS Exit Point Offtake Rate shall be equal to the Maximum Supply Point Offtake Rate or (as the case may be) the Maximum CSEP Offtake Rate prevailing at the NTS Exit Point on the last day of the exit capacity transitional period;
- (b) the amount of its Registered Enduring Annual NTS Exit (Flat) Capacity in accordance with paragraphs 8.2.1 and 8.2.2 by not later than 1 May 2009;
- (c) the amount of any additional Registered Enduring Annual NTS Exit (Flat) Capacity which the User is deemed to hold in accordance with paragraph 8.2.3 within ten (10) Business Days of the registration of the Reserved Capacity in the name of the User;
- (d) the amount of any additional Registered Enduring Annual NTS Exit (Flat) Capacity which the User is deemed to hold in accordance with paragraph 8.2.7 by the later of 1 May 2009 or the day falling ten (10) Business Day after first registration of the Enduring Annual NTS Exit (Flat) Capacity in the name of the User.

8.2.5 Users may apply for further Enduring Annual NTS Exit (Flat) Capacity:

- (a) during:
 - (i) the Annual Application Window in 2009 for Gas Years 2012/2013 to 2014/2015 (inclusive);
 - (ii) the Annual Application Window in 2010 for Gas Years 2013/2014 to 2015/2016 (inclusive);
 - (iii) the Annual Application Window in 2011 for Gas Years 2014/2015 to 2016/2017 (inclusive); and
 - (iv) the Annual Application Window in 2012 for Gas Years 2015/2016 to 2017/2018 (inclusive);

in each case to be registered as held with effect from the start of any Gas Year in respect of which an application may be made;

- (b) at any time between 1 October and 30 June in a Gas Year (other than the Gas Year commencing 1 October 2008) where the application satisfies the criteria referred to in TPD Section B3.2.3(b)(i) or (ii) for Enduring Annual NTS Exit (Flat) Capacity to be registered as held with effect from a date no earlier than the exit capacity transition date;

for which purposes TPD Sections B3.2.3 to 3.2.13 (inclusive), B3.3.4 to 3.3.9 (inclusive) and the applicable provisions of TPD Section B Annex B-1 shall apply (and the references in TPD Section B3.2.4(a) and 3.2.8 to Gas Year Y+4, Y+5 and Y+6 shall be treated, in respect of an application under paragraph (a), as being a reference to the Gas Years for which an application may be made in accordance with paragraph (a)).

8.2.6 TPD Section B3.2.14 to 3.2.24 (inclusive) shall apply with effect from 1 July 2009 to enable a User to reduce the amount of Enduring Annual NTS Exit (Flat) Capacity which it holds at an NTS Exit Point pursuant to the application of this paragraph 8.2; provided that in relation to a notice of reduction submitted in July 2012 National Grid NTS may reject the notice in the event it is unable to re-allocate the amount of NTS Exit (Flat) Capacity in respect of which the

notice is made to another User pursuant to an application under paragraph 8.2.5 or through the application of paragraph 8.2.7.

- 8.2.7 In relation to a new NTS Firm Supply Point Component or NTS Firm Connected System Exit Point in respect of which NTS Exit Capacity is first made available to Users from a date falling after 1 October 2008 and before 1 October 2012, the Registered User will be registered as holding Enduring NTS Exit (Flat) Capacity with effect from 1 October 2012 in an amount equal to the amount of NTS Exit Capacity held by the Registered User on 30 September 2012.
- 8.2.8 Where a User's Value at Risk exceeds 100% of the User's Code Credit Limit on the last Day of the exit capacity transitional period the User will cease to be registered as holding Enduring Annual NTS Exit (Flat) Capacity which it was previously registered as holding in accordance with paragraph 8.2.1 and 8.2.2.
- 8.2.9 For the purposes of paragraph 8.2.10:
- (a) TPD Section B3.13.8 shall have effect such that a relevant User may be appointed an Overrun User in relation to which paragraph (b) may apply;
 - (b) an Overrun User or User Agent may be appointed as **"Exit Capacity Booking Agent"** in relation to an NTS Supply Point in which is comprised a Shared Supply Meter Point or an NTS Connected System Exit Point (**"relevant exit point"**) if:
 - (i) all relevant Users (being any User who is a Registered User at such point on 31 March 2009) jointly have given notice of such appointment to National Grid NTS by not later than the fifth (5th) Business Day in April 2009;
 - (ii) the notice of appointment states the agreement of the Overrun User or User Agent to be appointed.
- 8.2.10 Where an Exit Capacity Booking Agent is appointed in relation to a relevant exit point National Grid NTS shall notify the Exit Capacity Booking Agent of the aggregate quantity of Enduring NTS Exit (Flat) Capacity that Users at the relevant exit point will be registered as holding with effect from 1 October 2012 consistent with the application of paragraphs 8.2.1 and 8.2.2 by not later than the tenth (10th) Business Day of April 2009 (**"relevant aggregate quantity"**).
- 8.2.11 Where the Exit Capacity Booking Agent submits to National Grid NTS, by not later than the fifteenth (15th) Business Day of April 2009, a statement specifying:
- (a) the identity of the relevant exit point;
 - (b) the identity of each relevant User; and
 - (c) for each relevant User, an allocation of Enduring Annual NTS Exit (Flat) Capacity (which may be zero), which in total is equal to the relevant aggregate quantity

each relevant User will be registered as holding, with effect from 1 October 2012, Enduring Annual NTS Exit (Flat) Capacity at the relevant exit point in an amount equal to the amount specified in the statement submitted by the Exit Capacity Booking Agent pursuant to this paragraph 8.2.11 (failing which the amount shall be determined in accordance with paragraphs 8.2.1 and 8.2.2).

8.3 Annual and Daily NTS Exit Capacity and Pressures

- 8.3.1 Users may apply for Annual NTS Exit (Flat) Capacity in:

- (a) July 2010 for Gas Year 2012/2013;
- (b) July 2011 for Gas Years 2012/2013 and 2013/2014; and
- (c) July 2012 for Gas Years 2012/2013 to 2014/2015 (inclusive)

for which purposes TPD Section B3.4 and the applicable provisions of TPD Section B Annex B-1 shall apply.

8.3.2 TPD Sections 3.5, 3.6 and 3.11 and TPD Section B Annex B-1 shall apply for the purposes of Users making capacity bids and capacity offers for Daily NTS Exit (Flat) Capacity and Off-peak Daily NTS Exit (Flat) Capacity in respect of a Day following the end of the exit capacity transitional period.

8.3.3 TPD Section B Annex B-2 shall apply for the purposes of Users making offtake reduction offers in respect of a Day following the end of the exit capacity transitional period.

8.3.4 The provisions of TPD Sections B5 and B6 shall apply as follows:

- (a) Section B6 shall apply with effect from 1 June 2011 for the purposes of allowing a User to make System Capacity Assignments; and
- (b) Section B5 shall apply with effect from 1 August 2011 for the purposes of allowing a User to make System Capacity Transfers,

in each case in respect of NTS Exit (Flat) Capacity for periods following the end of the exit capacity transitional period.

8.3.5 The Assured Offtake Pressures at an NTS/LDZ Offtake for each of Gas Years 2012/2013, 2013/2014 and 2014/2015 in the Offtake Pressure Statement prevailing at the exit capacity transition date, shall be the same as the Assured Offtake Pressures for 2011/2012 in the Offtake Capacity Statement issued in September 2008.

8.3.6 National Grid NTS shall issue to DNO Users an Offtake Pressure Statement in:

- (a) September 2009, in respect of Gas Years 2012/2013 to 2014/2015 (inclusive);
- (b) September 2010, in respect of Gas Years 2012/2013 to 2015/2016 (inclusive);
- (c) September 2011, in respect of Gas Years 2012/2013 to 2016/2017 (inclusive); and
- (d) September 2012, in respect of Gas Years 2012/2013 to 2017/2018 (inclusive).

8.3.7 National Grid NTS may apply for a permanent decrease in the Assured Offtake Pressures at an NTS/LDZ Offtake in:

- (a) April 2009 in respect of Gas Years 2012/2013 to 2014/2015 (inclusive);
- (b) April 2010 in respect of Gas Years 2012/2013 to 2015/2016 (inclusive);
- (c) April 2011 in respect of Gas Years 2012/2013 to 2016/2017 (inclusive); and
- (d) April 2012 in respect of Gas Years 2012/2013 to 2017/2018 (inclusive)

for which purposes the relevant provisions of TPD Section J2.5 shall be deemed to apply.

- 8.3.8 A DNO User may apply for a permanent increase in the Assured Offtake Pressures at an NTS/LDZ Offtake from:
- (a) 1 July to 31 July 2009 in respect of Gas Years 2012/2013 to 2014/2015 (inclusive);
 - (b) 1 July to 31 July 2010 in respect of Gas Years 2012/2013 to 2015/2016 (inclusive);
 - (c) 1 July to 31 July 2011 in respect of Gas Years 2012/2013 to 2016/2017 (inclusive); and
 - (d) 1 July to 31 July 2012 in respect of Gas Years 2012/2013 to 2017/2018 (inclusive)
- for which purposes the relevant provisions of TPD Section J2.5 shall be deemed to apply.
- 8.3.9 National Grid NTS shall issue to DNO Users an Offtake Capacity Statement for NTS Exit (Flexibility) Capacity in:
- (a) September 2009, in respect of Gas Years 2012/2013 and 2013/2014;
 - (b) September 2010, in respect of Gas Years 2012/2013 to 2014/2015 (inclusive);
 - (c) September 2011, in respect of Gas Years 2012/2013 to 2015/2016 (inclusive); and
 - (d) September 2012, in respect of Gas Years 2012/2013 to 2016/2017 (inclusive).

8.4 Early Application of TPD Section B3

- 8.4.1 TPD Section B3.3.1 to 3.3.3 (inclusive) shall apply provided that a Reservation Party shall not be entitled (pursuant to the terms of any NTS Exit ARCA entered into during the exit capacity transitional period) to nominate a User to be registered as holding an amount of Enduring Annual NTS Exit (Flat) Capacity at an NTS Exit Point from a date any earlier than the exit capacity transition date.
- 8.4.2 TPD Sections B3.5 and 3.6 shall apply such as to have first effect in relation to 1 October 2012.
- 8.4.3 TPD Section B3.13.11, 3.13.12 and 3.13.13 shall apply during the exit capacity transitional period, for which purposes the first Day in respect of which National Grid NTS is required to publish the information under:
- (a) TPD Section B3.13.11, shall be the later of the second day of the exit capacity transitional period and 2 October 2009;
 - (b) TPD Section B3.13.12, shall be the later of the second day of the exit capacity transitional period and 2 October 2010; and
 - (c) TPD Section B3.13.13, shall be such day on which more accurate information first becomes available.

8.5 DNO User

In paragraphs 8.1, 8.2, 8.3 and 8.4 references to Users include a DNO User.

8.6 Trader User

In paragraphs 8.1, 8.2, 8.3 and 8.4 references to Users exclude Trader Users.

9 TRANSITIONAL NTS EXIT CAPACITY REGIME: GENERAL

9.1 Introduction

9.1.1 During the exit capacity transitional period:

- (a) except as provided for in paragraph 8, TPD Section B3 and Annexes B-1 and B-2 shall not apply;
- (b) TPD Sections B4 and G5 shall apply in respect of NTS Supply Points.

9.1.2 During the exit capacity transitional period paragraph 8, this paragraph 9, and paragraphs 10, 11 and 12 shall apply.

9.1.3 In paragraphs 9, 10, 11 and 12 a reference to a paragraph in the TPD and OAD shall be treated as a reference to that paragraph subject to any specific provision made in respect of the paragraph in accordance with this Part IIC.

9.1.4 For the purposes of paragraphs 9, 10, 11 and 12:

- (a) the classes of System Capacity shall include NTS Offtake Capacity;
- (b) subject to paragraph (f), "**NTS Exit Capacity**" at an NTS Exit Point is capacity in the NTS which in the case of a NTS Supply Point Component or NTS Connected System Exit Point, a Shipper User is treated as utilising in offtaking gas from the NTS (and the Total System) at that NTS System Exit Point;
- (c) "**NTS Offtake Capacity**" at an NTS/LDZ Offtake is capacity in the NTS which a DNO User is treated as utilising in causing or permitting the flow of gas from the NTS to an LDZ at a relevant NTS/LDZ Offtake;
- (d) NTS Offtake Capacity comprises:
 - (i) "**NTS Offtake (Flat) Capacity**", which is capacity which a DNO User is treated as utilising in causing or permitting gas to flow from the NTS at a rate which (for a given Daily Quantity) is even over the course of a Day; and
 - (ii) "**NTS Offtake (Flexibility) Capacity**", which is capacity which a DNO User is treated as utilising or releasing from utilisation, in causing or permitting gas to flow from the NTS to the extent that (for a given Daily Quantity) the rate of offtake or flow is not even over the course of a Day;
- (e) a DNO User may hold NTS Offtake Capacity only at an NTS/LDZ Offtake, and a Shipper User may not hold NTS Offtake Capacity at an NTS/LDZ Offtake;
- (f) in relation to NTS/LDZ Offtakes:
 - (i) Shipper Users are not entitled or required to hold capacity in the NTS, and NTS Exit Capacity does not represent capacity in the NTS;
 - (ii) capacity in the NTS is held as NTS Offtake Capacity by DNO Users;
 - (iii) NTS Exit Capacity is allocated to Shipper Users for the purposes of determining the amounts payable by them (in accordance with paragraph 9.5) by way of NTS Exit Capacity Charges (which amounts remunerate National Grid NTS for allocating NTS Offtake Capacity without charge to DNO Users).

- 9.1.5 Subject to the provisions of the Code, a Shipper User may:
- (a) by offtaking gas from the Total System at an NTS Supply Point Component, require a gas flow out of the NTS at that NTS Supply Point Component; or
 - (b) offtake gas from the Total System at a NTS Connected System Exit Point.
- 9.1.6 No provision of the Code in relation to gas flows at NTS Exit Points confers on any Shipper User any rights or obligations in respect of the offtake of gas from the Total System other than at System Exit Points.
- 9.1.7 In any case where there is more than one NTS Exit Point (including NTS/LDZ Offtakes) in respect of one Exit Zone, any reference in this paragraph 9 to an NTS Exit Point is a reference to all such NTS Exit Points.
- 9.1.8 References in this paragraph 9.2 to 9.8 (inclusive) to Users are to Shipper Users (and not to Trader Users or DNO Users).
- 9.2 Registration: NTS CSEPS**
- 9.2.1 A User may at any time apply for NTS Exit Capacity ("**DM NTS Exit Capacity**") (subject to paragraph 9.4) at any NTS Connected System Exit Point, subject to and in accordance with this paragraph 9.2.
- 9.2.2 An application for DM CSEP Exit Capacity at an NTS Connected System Exit Point:
- (a) shall specify:
 - (i) the identity of the User;
 - (ii) the Exit Zone;
 - (iii) the amount of DM NTS Exit Capacity applied for; and
 - (iv) the proposed date of registration (in accordance with paragraph 9.2.3);
 - (b) shall be submitted not earlier than 6 months nor later (other than in accordance with paragraph 9.2.12) than 4 Days before the proposed date of registration.
- 9.2.3 Subject to TPD Section B5.4.2(b), a User may only be registered as holding DM NTS Exit Capacity in respect of an NTS Connected System Exit Point with effect from an Eligible Capacity Registration Date.
- 9.2.4 National Grid NTS may reject an application for DM NTS Exit Capacity in respect of an NTS Connected System Exit Point:
- (a) where the requirements of paragraph 9.2.2 are not complied with;
 - (b) in accordance with TPD Section V3; or
 - (c) in accordance with paragraph 11.10.2.
- 9.2.5 A User may withdraw an application for NTS Exit Capacity at an NTS Connected System Exit Point by so notifying National Grid NTS by no later than 17.00 hours on the Day preceding the proposed date of registration (provided that where the User proposes a System Capacity Transfer for which the Transferred System Capacity comprises all or part of the NTS Exit

Capacity in any application the User shall not be permitted to withdraw such application after notifying National Grid NTS of such proposed System Capacity Transfer).

- 9.2.6 The application will be approved unless withdrawn under paragraph 9.2.5 or rejected in accordance with paragraph 9.2.4 within 3 Days after the application was made.
- 9.2.7 The User (if its application is approved) will be registered as holding DM NTS Exit Capacity at the relevant NTS Connected System Exit Point with effect from the date of registration for the period (the "**capacity period**") established in accordance with paragraph 9.2.9.
- 9.2.8 A User may apply at any time (in accordance with paragraph 9.2.1) to increase its Registered DM NTS Exit Capacity at a NTS Connected System Exit Point in which case (if its application is approved) paragraph 9.2.7 shall apply in respect of the increased or new DM NTS Exit Capacity.
- 9.2.9 The capacity period, in respect of an NTS Connected System Exit Point, shall be:
- (a) 12 months after the date of the registration; or
 - (b) where the User has increased its Registered DM NTS Exit Capacity at the NTS Connected System Exit Point (in accordance with paragraph 9.2.8) 12 months after the date of the latest such registration.
- 9.2.10 During the capacity period a User's Registered DM NTS Exit Capacity at an NTS Connected System Exit Point shall not be reduced, and (subject to TPD Section V4.3) the registration shall not be terminated.
- 9.2.11 On expiry of the capacity period the User shall cease to be registered as holding DM NTS Exit Capacity at the relevant NTS Connected System Exit Point, but without prejudice to any new registration pursuant to a further application under paragraph 9.2.1.
- 9.2.12 Until the expiry of a period of 3 months from the Day on which gas was first offtaken (by any User) from the System at an NTS Supply Meter Point, the Registered User may submit, by facsimile but otherwise in accordance with paragraph 9.2.2(a), an application for NTS Exit Capacity at a Firm NTS Supply Point Component which includes such Supply Meter Point by no later than 17:00 hours on the Day preceding the proposed date of registration; provided that the User may not withdraw (pursuant to paragraph 9.2.5) such an application.

9.3 Registration: NDM Supply Points

- 9.3.1 A User will be registered as holding NTS Exit Capacity ("**NDM NTS Exit Capacity**") in accordance with paragraph 9.3.3 at the relevant NTS/LDZ Offtake in respect of each Registered Firm NDM Supply Point Component in an Exit Zone with effect from the Supply Point Registration Date.
- 9.3.2 The User shall be deemed to have applied for NDM NTS Exit Capacity when submitting a Supply Point Confirmation for a Proposed Supply Point which includes a Firm NDM Supply Point Component, and shall not make a separate application for such capacity.
- 9.3.3 The NDM NTS Exit Capacity which the User is from time to time registered as holding in respect of each Firm NDM Supply Point Component will be determined in accordance with TPD Section H4.1.
- 9.3.4 The User will cease to be registered as holding NDM NTS Exit Capacity at the NTS/LDZ Offtake in respect of a Firm NDM Supply Point Component in the relevant Exit Zone where

the User submits a Supply Point Withdrawal which becomes effective in respect of the relevant Supply Point in accordance with TPD Section G3.2.

9.4 Registration: CSEPs

The CSEP Network Exit Provisions in relation to an NTS Connected System Exit Point may set out the rules for the allocation of NTS Exit Capacity subject to and in accordance with paragraph 11.10 and TPD Section J6.7 and where the CSEP Network Exit Provisions do not so provide, the provisions of paragraph 9.2 shall apply.

9.5 NTS Exit Charges

9.5.1 A User shall pay:

- (a) Capacity Charges ("**NTS Exit Capacity Charges**") in respect of its Registered NTS Exit Capacity at NTS Exit Points; and
- (b) Commodity Charges ("**NTS Exit Commodity Charges**") in respect of its use of the NTS on any Day, or a charge payable by reference to the arrangements in Special Condition C8B and C8C of National Grid NTS's Transporter's Licence.

9.5.2 The NTS Exit Capacity Charge payable by a User in respect of each Day will be determined for each NTS Exit Point as the amount of its Registered NTS Exit Capacity multiplied by the Applicable Daily Rate.

9.5.3 The NTS Exit Commodity Charge payable (for any Day) by a User will be determined (for each NTS Exit Point) as:

- (a) in the case of an NTS/LDZ Offtake, the amount of its User Daily NTS Offtake Quantity at the relevant NTS Exit Point multiplied by the Applicable Commodity Rate(s); and
- (b) in the case of an NTS Supply Point or an NTS Connected System Exit Point:
 - (i) the amount of its UDQO at the relevant NTS Exit Point multiplied by the Applicable Commodity Rate(s); and
 - (ii) where a Storage Facility is connected to the Total System at the NTS Connected System Exit Point and in relation to which such facility the User is storage use gas provider, an amount equal to:

$$(SUG / n) * CR$$

where:

SUG is the quantity of storage use gas attributed to the User and is notified to National Grid NTS pursuant to the terms of the Storage Connection Agreement in respect of the NTS Storage Facility;

n is the number of days in the calendar month in which such Day falls; and

CR is the Applicable Commodity Rate(s) that would apply in relation to an NTS Connected System Exit Point in the event the gas flowing out of the Total System at such System Point was not being delivered into a Storage Facility.

- 9.5.4 NTS Exit Capacity Charges and NTS Exit Commodity Charges will be invoiced and are payable in accordance with TPD Section S.
- 9.5.5 Pursuant to the prevailing National Grid NTS Transportation Statement, a User may elect that, for the purposes of paragraph 9.5.3, the Applicable Commodity Rate of NTS Exit Commodity Charge in respect of a Specified Exit Point shall be the NTS Optional Commodity Rate, determined in accordance with the following provisions:
- (a) for the purposes of Code:
 - (i) an "**Eligible Entry Point**" is an Aggregate System Entry Point which is not a Storage Connection Point;
 - (i) an "**Eligible Exit Point**" is a System Exit Point which is not a Storage Connection Point;
 - (iii) a "**Specified Entry Point**" is, in the case of a Supply Point, the Eligible Entry Point identified in the User's Nomination in accordance with TPD Section G2.3.2 or, in the case of a CSEP, the Eligible Entry Point identified in the Conventional Notice in accordance with paragraph (f);
 - (iv) a "**Specified Exit Point**" is, in the case of a Supply Point, the Eligible Exit Point notified to National Grid NTS as the Proposed Supply Point in the User's Nomination in accordance with TPD Section G2.3.2 or, in the case of a CSEP, the System Exit Point identified as the CSEP in the Conventional Notice in accordance with paragraph (f);
 - (b) the NTS Exit Commodity Charge payable (for an Day) by a Registered User or CSEP User will be determined (for each Specified Exit Point) as:
 - (i) the UDQO multiplied by the NTS Optional Commodity Rate applicable for the capacity (calculated in accordance with paragraph (c)) and the distance (calculated in accordance with paragraph (d)); and
 - (ii) where the UDQI is less than the UDQO, the UDQO minus the UDQI multiplied by the difference between such NTS Commodity Rate as would apply if this paragraph 9.5.5 were not applied and the NTS Optional Commodity Rate;
 - (iii) provided that, where a User has nominated or identified more than one Specified Exit Point at Specified Entry Point, the UDQI shall be prorated in relation to the UDQOs at the relevant Specified Exit Pointsand shall be invoiced in accordance with TPD Section S;
 - (c) for the purposes of this paragraph 9.5.5, the capacity of the Specified Exit Point shall be the Exit Point Capacity, determined in accordance with TPD Section G5.4.1 except:
 - (i) for an LDZ Firm Supply Point the capacity shall be the sum of the DM Supply Point Capacity and the NDM Supply Point Capacity that the User is registered as holding from time to time in accordance with TPD Sections B4.2 and 4.3 respectively;
 - (ii) for an LDZ Interruptible Supply Point the capacity shall be the Supply Point Capacity determined in accordance with paragraph 6.1.3;

- (iii) for a Shared Supply Point the capacity shall be determined in accordance with TPD Section G1.7.14;
 - (iv) for an NTS CSEP the capacity shall be the maximum aggregate amount of gas which it is feasible for National Grid NTS to make available for offtake at the Connected System Exit Point in a period of 24 hours; or
 - (v) for an LDZ CSEP the capacity shall be determined in accordance with TPD Section B4.5.2;
- (d) the distance (to the nearest 0.1km) from the Specified Entry Point to the curtilage of the Specified Exit Point or the offtake from the Total System at the Specified Exit Point (whichever is the lesser) shall be calculated on a straight line basis as the minimum of each of the distances between each System Entry Point within the Specified Entry Point and the Specified Exit Point using six figure grid references. National Grid NTS shall determine a six figure grid reference for each Specified Entry Point and each Specified Exit Point (which may be revised in accordance with paragraph (f) or TPD Section G2.4.12);
- (e) an application for the NTS Optional Commodity Rate for a Supply Point shall be made in accordance with the provisions of TPD Section G2.3.2 or G2.3.9 (as the case may be) and, for a CSEP, shall be made in accordance with the provisions of paragraph (f);
- (f) a CSEP User, or a proposing CSEP User, may apply for the NTS Optional Commodity Rate in the following manner:
- (i) by Conventional Notice to National Grid NTS stating the CSEP User, the Specified Exit Point and the Specified Entry Point; and
 - (ii) National Grid NTS shall offer the NTS Optional Commodity Rate and shall provide the distance between the Specified Exit Point and the Specified Entry Point, the capacity of the CSEP determined in accordance with paragraph (c) and the six figure grid references used; and
 - (iii) where the CSEP User disputes the distance specified by National Grid NTS under paragraph (ii), the CSEP User may resubmit an application in accordance with paragraph (i) stating an alternative six figure grid reference for the Specified Exit Point with supporting evidence of calculation; and
 - (iv) the CSEP User shall confirm acceptance of the offer made in accordance with paragraph (ii) not earlier than 15 days after the submission of the confirmation (or such lesser period as National Grid NTS may specify) and not later than six months from the date of the offer;
- (g) the provisions of this paragraph 9.5.5 shall be without prejudice to the operation of paragraph 5.5.4.

9.6 Overrun Charges

- 9.6.1 Subject to paragraphs 9.6.6 and 9.6.7, if for any reason in any calendar month (an "**overrun month**") the quantity of gas offtaken by a User from the Total System at a Firm NTS Supply Point Component or an NTS Connected System Exit Point, on any Day or Days (each an "**overrun day**") exceeds the User's Available DM NTS Exit Capacity at the relevant NTS Exit Point, the User shall pay a charge ("**NTS Exit Overrun Charge**") in respect of NTS Exit Capacity at that NTS Exit Point in that month.

9.6.2 For the purposes of this paragraph 9.6, in respect of a User at a NTS Exit Point:

- (a) the "**overrun quantity**" in respect of an overrun day is the amount by which in the case of a Firm NTS Supply Point or relevant NTS Connected System Exit Point, the User's UDQO in respect of that point exceeds the User's Available DM NTS Exit Capacity at that NTS Exit Point on that Day;
- (b) the "**chargeable overrun quantity**" in respect of an overrun month is the largest overrun quantity on any overrun day in that month.

9.6.3 The NTS Exit Overrun Charge shall be calculated by multiplying the chargeable overrun quantity by the relevant multiplier (determined as set out in the table below (subject to paragraph 9.6.4) by reference to the month in which the overrun occurred) of the Applicable Annual Rate of the NTS Exit Capacity Charge in respect of the relevant NTS Exit Point.

Month	Relevant multiplier
December to March	2.0
October, November, April, May	0.5
June to September	0.2

9.6.4 Where a month from December to March (inclusive) is an overrun month ("**second overrun month**") and the preceding month was an overrun month ("**first overrun month**") in relation to the amount of the chargeable overrun quantity in the second overrun month which is less than or equal to the chargeable overrun quantity in the first overrun month for which the multiplier was determined in accordance with paragraph 9.6.3 the multiplier shall instead be 0.5.

9.6.5 The NTS Exit Overrun Charge shall be invoiced and payable in accordance with TPD Section S.

9.6.6 Where an NTS Supply Point Component comprises Shared Supply Meter Points:

- (a) paragraph 9.6.1 shall apply only if and to the extent that the aggregate quantity offtaken from the Total System by all Sharing Registered Users at Firm DM Supply Point Components which include such Shared Supply Meter Point(s) exceeds the aggregate of such Users' Available NTS Exit Capacity at the relevant NTS Exit Point (the amount of such excess, the "**aggregate overrun excess**");
- (b) for each such Sharing Registered User:
 - (i) the overrun quantity shall be determined as the amount (the "**individual overrun excess**") by which that User's UDQO exceeds its Available NTS Exit Capacity, divided by the sum of the individual overrun excesses for all such Sharing Registered Users, multiplied by the aggregate overrun excess;
 - (ii) the chargeable overrun quantity shall be determined by reference to the largest aggregate overrun excess of any overrun day in an overrun month (or if there is more than one such overrun day, the first such overrun day).

9.6.7 Where a User has made an application to increase the NTS Exit Capacity at a Firm NTS Supply Point Component which is subsequently accepted by National Grid NTS or a

Proposing User has made a Supply Point Confirmation for an increase in NTS Exit Capacity, on any Day or Days where the gas offtaken by the User from the Total System at the Firm NTS Supply Point Component exceeds the User's Available DM NTS Exit Capacity at such Supply Point, but does not exceed the User's Available DM Exit Capacity following the effective date of such application or confirmation, then no NTS Overrun Charge shall be payable in respect of such Day or Days.

9.7 Registration: DM Supply Points and non NTS CSEPs

9.7.1 A User will at any time be deemed to apply for DM NTS Exit Capacity ("**DM NTS Exit Capacity**") for each Exit Zone in its capacity as:

- (a) the Registered User of any Firm DM LDZ Supply Point Components;
- (b) the CSEP User of any LDZ Connected System Exit Points; or
- (c) the Registered User of a Firm NTS Supply Point Component;

subject to and in accordance with this paragraph 9.7.

9.7.2 The DM NTS Exit Capacity for each Exit Zone shall be calculated as:

- (a) the sum of the Supply Point Capacities for all Supply Points in paragraph 9.7.1(a) determined in accordance with TPD Section G2.3.2(e); and
- (b) the sum of the Firm DM LDZ Capacities for all CSEPs in paragraph 9.7.1(b), determined in accordance with TPD Section H2.2 and the relevant CSEP Network Exit Provisions; or
- (c) the Supply Point Capacity of the Supply Point Component in paragraph 9.7.1(c), determined in accordance with TPD Section G5.

9.7.3 A User shall only be registered as holding DM NTS Exit Capacity, in accordance with this paragraph 9.7 in respect of such capacity held by the User as at the 10th of the calendar month, with effect from the 15th of each calendar month and for the period of one calendar month from such date (the "**capacity period**").

9.7.4 During the capacity period, a User's Registered DM NTS Exit Capacity shall not be reduced, and (subject to TPD Section V4.3) the registration shall not be terminated.

9.8 Surrender of NTS Exit Capacity

9.8.1 National Grid NTS may, in its discretion, agree to accept the surrender by a User of an amount (the "**surrendered amount**") of NTS Exit Capacity at an NTS Exit Point (other than an NTS/LDZ Offtake) for a period ("**surrender period**") of one or more Days.

9.8.2 Where National Grid NTS accepts the surrender of NTS Exit Capacity:

- (a) the amount of the User's Registered NTS Exit Capacity at the NTS Exit Point on any Day during the surrender period shall be determined as:
 - (i) the amount of such capacity on such Day determined pursuant to applicable provisions of the Code (including where applicable paragraph 9.7.2 and accordingly provisions of TPD Section G5.2, or provisions of any CSEP Network Exit Provisions); less

- (ii) the surrendered amount;
 - (b) the amount of the User's Available NTS Exit Capacity at the NTS System Exit Point on any Day during the surrender period shall be determined accordingly.
- 9.8.3 The amount payable (during a surrender period) by the User in respect of NTS Exit Capacity pursuant to paragraph 9.5 shall be determined in accordance with paragraph 9.8.2(a).
- 9.8.4 National Grid NTS will prepare (in consultation with Users) and publish (or include in the statement prepared pursuant to Special Condition C5(5) of National Grid NTS's Transporter's Licence) a statement setting out the principles on which (where it decides to do so) it will invite offers from Users to surrender NTS Exit Capacity.
- 9.8.5 Where National Grid NTS decides to invite offers from Users to surrender NTS Exit Capacity, it will do so in accordance with the principles in the prevailing statement published pursuant to paragraph 9.8.4, but nothing in the Code or such statement shall have the effect of requiring National Grid NTS to accept any offer to surrender NTS Exit Capacity.

9.9 Firm Capacity Application

- 9.9.1 In this paragraph 9.9, "**Firm Capacity Application**" means an application by a User:
- (a) for an amount (or increased amount) of its NTS Offtake Capacity at an NTS/LDZ Offtake pursuant to paragraph 10.3;
 - (b) for an amount (or increased amount) of NTS Exit Capacity at an NTS Connected System Exit Point pursuant to paragraph 9.2;
 - (c) for an amount or for an increase in the amount of its NTS Supply Point Capacity at an NTS DM Supply Point Component pursuant to TPD Section G5;
 - (d) to redesignate an Interruptible NTS Supply Point as Firm pursuant to paragraph 5.
- 9.9.2 In determining in connection with a Firm Capacity Application whether it is feasible to make gas available for offtake at such NTS Exit Point at an increased rate or in an increased amount in any period, National Grid NTS will take into account the effects of any surrender of NTS Exit Capacity pursuant to paragraph 9.8.
- 9.9.3 Where in connection with a Firm Capacity Application National Grid NTS determines that it is not feasible to make gas available for offtake in the absence of a surrender of NTS Exit Capacity:
- (a) National Grid NTS will so inform the User;
 - (b) the User shall give notice to National Grid NTS specifying:
 - (i) the date from which its application is made (not being less than 2 months after such notice is given); and
 - (ii) the period (commencing on the date specified under paragraph (i) and ending not later than 30 September 2012) for which it applies for the relevant amount or increased amount of System Capacity or (as the case may be) redesignation of the Interruptible Supply Point as Firm;

- (c) notwithstanding any other provision of the Code or any CSEP Network Exit Provisions, National Grid NTS shall not be required to respond to the User's request until the expiry of a period of 2 months after the User's notice under paragraph (b);
- (d) National Grid NTS will (in accordance with paragraph 9.8) seek offers for the surrender of NTS Exit Capacity, but for the avoidance of doubt it shall be for National Grid NTS to determine in its discretion whether to accept any such offer (and accordingly whether to accept the Firm Capacity Application on the basis of the notice given under paragraph (b)).

9.9.4 Where (following a surrender of NTS Exit Capacity) National Grid NTS accepts a Firm Capacity Application then, notwithstanding any other provision of TPD Section B or the Code or any CSEP Network Exit Provisions:

- (a) for the period specified under paragraph 9.9.3(b)(ii):
 - (i) in the case of an application for (or for an increase in) System Capacity, the absolute amount of the User's NTS Exit Capacity, NTS Offtake Capacity or (as the case may be) NTS Supply Point Capacity shall not be reduced (other than pursuant to an acceptance by National Grid NTS of a subsequent offer to surrender NTS Exit Capacity pursuant to paragraph 9.8) below the level held by the User pursuant to acceptance of its Firm Capacity Application;
 - (ii) in the case of an application to redesignate an Interruptible Supply Point as Firm, the Supply Point shall not be redesignated as Interruptible;
- (b) following the expiry of such period (subject to the result of any other Firm Capacity Application by the User):
 - (i) in the case of an application for (or for an increase in) System Capacity, the amount of the User's NTS Exit Capacity, NTS Offtake Capacity or (as the case may be) NTS Supply Point Capacity shall be reduced to the level prevailing prior to the User's Firm Capacity Application under paragraph 9.9.2;
 - (ii) in the case of an application to redesignate an Interruptible Supply Point as Firm, the Supply Point shall be redesignated as Interruptible.

9.10 Publication of NTS Exit Capacity Information

9.10.1 On the first Business Day following the 15th Day of each month in the exit capacity transitional period (the first such month being the publication month and the last such month being September 2012) National Grid NTS will publish in kWh, the:

- (a) prevailing:
 - (i) Baseline NTS Exit Capacity and NTS Offtake (Flat) Capacity at each NTS Exit Point;
 - (ii) Remaining Available NTS Exit Capacity and NTS Offtake (Flat) Capacity at each NTS Exit Point;
 - (iii) Registered NTS Exit Capacity held at each NTS Firm Supply Point;
 - (iv) Registered NTS Exit Capacity held at each NTS Firm CSEP;
 - (v) Registered NTS Offtake (Flat) Capacity held at each NTS/LDZ Offtake;

- (vi) Maximum Supply Point Offtake Rate at each NTS DM Supply Point Component;
 - (vii) Maximum CSEP Offtake Rate (referred to in the relevant CSEP Network Exit Provisions) at each NTS CSEP.
- (b) aggregate amount of gas in respect of which Interruption has occurred (for the month preceding the date of publication) pursuant to the Interruption Notice(s) and/or the CSEP Interruption Notice(s) issued by National Grid NTS for all NTS Exit Points within an NTS Exit Zone.

9.10.2 For the purposes of this paragraph 9.10:

- (a) the “**publication month**” is the month following the month in which the Modification giving rise to this paragraph 9.10 is effective;
- (b) the “**Baseline NTS Exit Capacity and NTS Offtake (Flat) Capacity**” is the amount of NTS Exit Capacity and NTS Offtake (Flat) Capacity as set out in National Grid NTS’s Exit Capacity Baseline Statement;
- (c) at any time the “**Remaining Available NTS Exit Capacity and NTS Offtake (Flat) Capacity**” in relation to that Gas Year or (as the case may be) a Day in that Gas Year is the amount (if any) by which the Baseline NTS Exit Capacity and NTS Offtake (Flat) Capacity for that Gas Year exceeds the aggregate amount of NTS Exit Capacity and NTS Offtake (Flat) Capacity registered, at that time, as held by Users in relation to that Gas Year or Day.

10 TRANSITIONAL NTS EXIT CAPACITY REGIME: NTS OFFTAKE CAPACITY

10.1 Introduction

10.1.1 Subject to and in accordance with the Code, a User may cause or permit the flow of gas from the NTS to an LDZ at a NTS/LDZ Offtake.

10.1.2 References in this paragraph 10 to Users are to DNO Users (and not to Shipper Users or Trader Users).

10.2 Offtake Capacity Statement

10.2.1 National Grid NTS will issue to each DNO User, not later than 30 September in each Gas Year, a statement (“**Offtake Capacity Statement**”) specifying, for each DNO User, for each of the Gas Years (each a “**relevant**” Gas Year) up to and including the Gas Year ending 30 September 2012, in relation to each NTS/LDZ Offtake:

- (a) an amount of NTS Offtake (Flat) Capacity;
- (b) an amount of NTS Offtake (Flexibility) Capacity;
- (c) Assured Offtake Pressures in accordance with paragraph 11.6.

10.2.2 The Offtake Capacity Statement prevailing at the UNC Implementation Date has been issued to DNO Users.

10.2.3 The Offtake Capacity Statement may be revised (as to any relevant Gas Year) in accordance with paragraph 10.3.

10.2.4 The Offtake Capacity Statement issued in any Gas Year will, as respects each relevant Gas Year, contain the same details as were specified in the preceding year's statement for that Gas Year, subject to any revision pursuant to paragraph 10.3 or, in the case of Assured Offtake Pressures, paragraph 11.6.

10.3 Registration

10.3.1 Subject to the further provisions of this paragraph 10.3, for each relevant Gas Year (or part thereof) a DNO User shall be registered as holding in respect of each relevant NTS/LDZ Offtake the amount of:

- (a) NTS Offtake (Flat) Capacity;
- (b) NTS Offtake (Flexibility) Capacity

specified in respect of such Gas Year (or part thereof) in the prevailing Offtake Capacity Statement.

10.3.2 A DNO User may apply:

- (a) to increase the amount of its NTS Offtake Capacity at a NTS/LDZ Offtake:
 - (i) in relation to any relevant Gas Year (year Y) or any relevant Gas Year after Year Y by submitting an application to National Grid NTS during the period 1 June to 24 July in Gas Year Y-1 (the "**Application Window**");
 - (ii) in relation to any relevant Gas Year(s) or the remaining part thereof, out with the Application Window, as a result of a request for new or additional capacity at a Supply Point, where the DNO User might otherwise be unable to comply with the relevant conditions of its Transporter's Licence, by submitting an application to National Grid NTS;
- (b) for an amount of NTS Offtake Capacity at an NTS/LDZ Offtake in relation to any relevant Gas Year (year Y) by submitting an application to National Grid NTS during the Application Window 1 June to 24 July in Gas Year Y-4

subject to and in accordance with this paragraph 10.

10.3.3 An application for an amount of NTS Offtake Capacity or for an increase in NTS Offtake Capacity at an NTS/LDZ Offtake shall specify:

- (a) the identity of the User;
- (b) the relevant NTS/LDZ Offtake;
- (c) the relevant Gas Year or Gas Years (or parts thereof) in respect of which the application is made;
- (d) the amount or increased amount of NTS Offtake (Flat) Capacity and/or the increased amount of NTS Offtake (Flexibility) Capacity applied for.

10.3.4 National Grid NTS may reject, or accept in part only, an application for an amount of or an increase in the NTS Offtake Capacity in respect of an NTS/LDZ Offtake where, or (as the case may be) to the extent that, National Grid NTS determines that it would not be feasible to make gas available for offtake at the NTS/LDZ Offtake on the basis of such amount or increased amount of NTS Offtake Capacity throughout the period for which the application is made.

- 10.3.5 In making any determination under paragraph 10.3.4 in relation to applications made within an Application Window, National Grid NTS will take into account all applications received by National Grid NTS within the Application Window from DNO Users for an amount of or an increase in NTS Offtake Capacity and from any Shipper User for an amount of or an increase in NTS Exit Capacity at an NTS Exit Point other than an NTS/LDZ Offtake (and where relevant the provisions of paragraph 9.9).
- 10.3.6 National Grid NTS will in the case of an application under paragraph 10.3.2:
- (a) as soon as reasonably practicable thereafter notify DNO Users where they believe they are unlikely to be able to meet the application in full, providing details of;
 - (i) the circumstances surrounding any restrictions; and
 - (ii) the maximum available capacity;
 - (b) in the case of an application made under paragraph 10.3.2(a)(i), or 10.3.2(b), within 15 Business Days following the last Day of July in which the application is made provide an indicative statement notifying the DNO User whether its application is accepted in whole or in part, or rejected, specifying the indicative amount of NTS Offtake (Flat) Capacity and/or NTS Offtake (Flexibility) Capacity and Assured Offtake Pressure for each NTS/LDZ Offtake and each Gas Year and maximum available NTS Offtake (Flat) Capacity and/or NTS Offtake (Flexibility) Capacity and associated Assured Offtake Pressures;
 - (c) a DNO User will then have an opportunity to seek clarification, reconsider and resubmit its application within ten (10) Business Days following notification from National Grid NTS under paragraph 10.3.6(b) above;
 - (d) National Grid NTS will use reasonable endeavours to consider and where necessary discuss an application made under paragraph 10.3.6(c) with a DNO User with a view to agreeing an Offtake Capacity Statement in relation to an application made under paragraph 10.3.2(a)(i) or (b) by 30 September in accordance with paragraph 10.3.1. Such statement will confirm whether the User's application is accepted in whole or in part, or rejected; and
 - (e) in the case of an application made under paragraph 10.3.2(a)(ii) National Grid NTS must within 15 Business Days of such application provide a statement to the DNO User in accordance with paragraph 10.2 (except with regard to the date of 30 September). Such statement will for the purpose of paragraph 10.2.3 be deemed to be an Offtake Capacity Statement revision. It is understood that in determining whether capacity is available, National Grid NTS will take into account whether it would be likely to trigger the declaration of a Potential Network Gas Supply Emergency or actual Network Gas Supply Emergency. If this is likely to be the case it is understood that capacity would not be deemed available.
- 10.3.7 A DNO User may decrease the amount of its NTS Offtake Capacity at a NTS/LDZ Offtake in relation to any relevant Gas Year (year Y) or any relevant Gas Year after Year Y by notifying such decrease to National Grid NTS during the Application Window in Gas Year Y-1, specifying:
- (a) the identity of the User;
 - (b) the relevant NTS/LDZ Offtake;

- (c) the relevant Gas Year or Gas Years (or parts thereof) in respect of which notification is made;
- (d) the decreased amount of NTS Offtake (Flat) Capacity and/or the decreased amount of NTS Offtake (Flexibility) Capacity.

10.3.8 Where National Grid NTS accepts an application (in whole or part) for an amount of, or an increase in, NTS Offtake Capacity, or where a DNO User decreases the amount of its NTS Offtake Capacity, National Grid NTS will issue a revised Offtake Capacity Statement reflecting such amount, or such increase or decrease.

10.3.9 The NTS Offtake (Flexibility) Capacity held by a DNO User at an NTS/LDZ Offtake on a Day may also be increased as provided in TPD Section J7.3 (for which purposes the reference to NTS Exit (Flexibility) Capacity shall be treated as a reference to NTS Offtake (Flexibility) Capacity), but the Offtake Capacity Statement will not be revised to reflect such increase.

10.3.10 The Ten Year Statement to be prepared and published by National Grid NTS in accordance with TPD Section O4 may include details of the amount of NTS Offtake Capacity held by Users at NTS/LDZ Offtakes.

10.3.11 The provisions set out in paragraph 10.2 and this 10.3 should not be confused with the provisions set out in the OAD Section H relating to NTS Long Term Demand Forecasting. Information provided by DNO Users under OAD Section H2 should not be construed as an application for the purposes of this paragraph 10.3. Similarly information provided by National Grid NTS under OAD Section H to DNO Users should not be construed as an allocation for the purposes of paragraph 10.2 and this paragraph 10.3.

10.4 Charges

10.4.1 No charges are payable by Users in respect of NTS Offtake Capacity.

10.5 Overruns

10.5.1 If for any reason the quantity of gas offtaken by a User at an NTS/LDZ Offtake on any Day exceeds the User's NTS Offtake (Flat) Capacity, there is an overrun ("**NTS Offtake (Flat) Overrun**").

10.5.2 The amount of the NTS Offtake (Flat) Overrun at an NTS/LDZ Offtake on any Day is the amount (if any) by which the quantity of gas offtaken by a User at an NTS/LDZ Offtake on any Day exceeds the User's NTS Offtake (Flat) Capacity.

10.5.3 If for any reason a User's Offtake Flexibility Quantity at an NTS/LDZ Offtake on any Day exceeds the User's NTS Offtake (Flexibility) Capacity, there is an overrun ("**NTS Offtake (Flexibility) Overrun**").

10.5.4 The amount of the NTS Offtake (Flexibility) Overrun ('NOFO') at an NTS/LDZ Offtake on any Day is the quantity determined as follows:

$$\text{NOFO} = \max \{(\text{OFQ} - \text{NOFC}), 0\}$$

where:

OFQ is the User's Offtake Flexibility Quantity determined in accordance with paragraph 10.5.5;

NOFC is the User's NTS Offtake (Flexibility) Capacity (which may be positive or negative).

10.5.5 A User's Offtake Flexibility Quantity ('OFQ') for a Day at an NTS/LDZ Offtake is the quantity determined as follows:

$$\text{OFQ} = (\text{Q}_{2200} * (1 - \text{FT})) - (\text{Q}_D * 16/24)$$

where:

Q_{2200} is the quantity of gas offtaken by the User at the NTS/LDZ Offtake between 06:00 hours and 22:00 hours on the Day;

FT is 0.015(a 1.5% flexibility tolerance);

Q_D is the quantity of gas offtaken by the User at the NTS/LDZ Offtake in the whole of the Day.

10.5.6 No charge is payable by a User in respect of a NTS Offtake (Flat) Overrun or a NTS Offtake (Flexibility) Overrun.

11 TRANSITIONAL NTS EXIT CAPACITY REGIME: TPD MISCELLANEOUS

11.1 Introduction

11.1.1 During the exit capacity transitional period the provisions of this paragraph 11 shall apply.

11.2 TPD Section A: System Classification

11.2.1 An NTS Supply Point may be an Interruptible Supply Point or a Firm Supply Point.

11.3 TPD Section B: System Use and Capacity

11.3.1 Supply Point Capacity is capacity which the User is treated as utilising in offtaking gas from the Total System at any Supply Point Component.

11.3.2 Where a System Point is both an NTS Exit Point and a Supply Point Component, the provisions of both paragraph 9 as to the holding of NTS Exit Capacity and TPD Section B4 as to the holding of Supply Point Capacity are applicable (and a gas flow at such point shall be treated both as a gas flow out of the NTS and an offtake from the Total System).

11.3.3 In TPD Section B1.8.5(d) and B1.8.6 the references to paragraph 3.12.5 and 3.12.8 shall be treated as a references to paragraph 9.5.3 and 9.5.5(a) respectively.

11.3.4 For the purposes of TPD Section B1.9.3 the relevant DN Operator will hold NTS Offtake Capacity at the Scottish Independent Network NTS Exit Point.

11.3.5 In TPD Section B1.9.3(d) the reference to paragraph 3.13 shall be treated as a reference to paragraph 10.5.

11.3.6 In the circumstances in TPD Section B1.11(a) the Transporter will in addition redetermine the Supply Point Ratchet Charge for a NTS Supply Point.

11.3.7 References to Users in TPD Section B4 exclude DNO Users.

11.3.8 Subject to the provisions of the Code a Shipper User may offtake gas from the Total System at a Registered NTS Supply Point Component.

11.3.9 A User shall pay Customer Charges in respect of its Registered NTS Supply Points.

11.3.10 In TPD Sections B4.7.4 and 4.7.6 the references to LDZ Capacity Charges apply only in the case of LDZ Supply Point Components.

11.3.11 TPD Section B4.7.5 is only relevant in the context of an LDZ Supply Point Component.

11.3.12 In the context of a System Capacity Transfer (except as provided for under paragraph 8.3.4):

- (a) for the purposes of paragraph 9 and TPD Section B5 a User may only transfer all or part of its Available NTS Exit Capacity in respect of an NTS CSEP booked in accordance with the relevant CSEP Ancillary Agreement or in accordance with paragraph 9.2 to another User in accordance with TPD Section B5 (and accordingly a NTS CSEP may be a Transfer System Point);
- (b) TPD Sections B5.1.4(b), 5.2.5, 5.4.1(a)(ii), 5.4.2(d), 5.5.1(b)(ii) and B6 shall not apply.

11.3.13 In TPD Section B5.5.2(b) the reference to paragraph 3.13.1(a) shall be treated as a reference to paragraph 9.6.2(a).

11.3.14 If:

- (a) National Grid NTS purports to reject a System Capacity Transfer other than in accordance with TPD Section B5.2.3(a), (b) and (c); and
- (b) reasonably promptly thereafter the Transferor User and the Transferee User so notify National Grid NTS, stating that they wish the transfer to be implemented

the Transferee User shall not be liable for any Overrun Charge which it would not have incurred had the System Capacity Transfer been approved (and where any such Overrun Charge has been invoiced and/or paid, appropriate invoice adjustments will be made in accordance with TPD Section S).

11.3.15 TPD Section B5.6.2(c) shall be deemed to include a reference to paragraph 11.3.13.

11.4 TPD Section G: Supply Points

11.4.1 In TPD Section G1.7.7(a), 1.7.14, 2.3.1(a), 2.3.1(c)(i)(1), 2.3.1(c)(ii)(1), 2.3.2(e), 2.4.2(e), 2.4.3, 2.4.5, 2.4.10(b), 2.5.4, 2.7.3, 2.7.4, 7.4.3 and 7.4.4 a reference to an LDZ Supply Point shall be treated as including a reference to an NTS Supply Point.

11.4.2 In TPD Section G2.2.6 the reference to TPD Section B3.5.5 shall be treated as a reference to paragraph 9.5.5.

11.4.3 For the purposes of TPD Section G2.4.2(d)(ii) where the Proposed Supply Point is an NTS Supply Point the Supply Point Offer will specify the NTS Exit Capacity.

11.4.4 For the purposes of TPD Section G2.5.3(b)(ii) where the Proposed Supply Point is an NTS Supply Point the User also agrees to be registered as holding NTS Exit Capacity determined in accordance with TPD Section H4.

11.4.5 For the purposes of TPD Section G3.2.2 where the Supply Point Withdrawal relates to an NTS Supply Point the Supply Point Transportation Charges payable shall in addition be determined by reference to the NTS Exit Capacity held by the User immediately before submission of the Supply Point Withdrawal.

- 11.4.6 TPD Section G5 (other than TPD Section G5.6 and G5.7 in their entirety and G5.3.2(c) G5.3.4 to the extent that it relates to decreases to the maximum offtake rate) shall apply in respect of an NTS Supply Point Component.
- 11.4.7 In TPD Section G7.3.6(a)(ii) and 7.4.1(b)(i) a reference to a DM Supply Point Component shall be treated as including a DM Supply Point Component comprised in an NTS Supply Point.

11.5 TPD Section H: Demand Estimation and Demand Forecasting

- 11.5.1 For the purposes of TPD Section H1.1.1 demand will also be estimated to determine NTS Exit Capacity under paragraph 9.
- 11.5.2 The NTS Exit Capacity which a User is registered as holding at or (as the case may be) in respect of an NDM Supply Point Component on any Day in a Gas Year will be equal to the Supply Point Capacity determined in accordance with TPD Section H4.1.
- 11.5.3 Subject to paragraph 11.5.7(a), the Transporters shall, acting as a Reasonable and Prudent Operator, procure the development by a reputable meteorological services company of a methodology suitable for the adjustment, for the purposes of Composite Weather Variables, of historical data in relation to wind speeds and temperatures at weather stations which cease operation and are replaced by other weather stations (in suitable locations) for the purposes of such formula (“the **Weather Station Substitution Methodology**”).
- 11.5.4 Section H1.4.4 shall not come into effect until such time (if any) as the Weather Station Substitution Methodology has been approved by the Demand Estimation Sub-Committee as referred to in paragraph 11.5.7(b) and shall apply only in relation to weather stations which cease operation after 1 November 2011.
- 11.5.5 Subject to paragraph 11.5.7(a) following the approval of the Weather Station Substitution Methodology by the Demand Estimation Sub-Committee as referred to in paragraph 11.5.7(b), the Transporters shall, acting as a Reasonable and Prudent Operator, procure the development, by a reputable meteorological services company, of a methodology suitable for use in adjusting historical data in relation to wind speeds and temperatures at weather stations so that Composite Weather Variables (assuming the Composite Weather Variables were determined taking into account the Weather Station Substitution Methodology) take into account climate change trends (the “**Climate Change Methodology**”).
- 11.5.6 Section H1.4.5 shall not come into effect until such time (if any) as the Weather Station Substitution Methodology and Climate Change Methodology have been approved by the Demand Estimation Sub-Committee as referred to in paragraph 11.5.7(b).
- 11.5.7 The Transporters shall not:
- (a) invite tenders for the development of the Weather Station Substitution Methodology or the Climate Change Methodology without the prior approval by the Demand Estimation Sub-Committee (on a simple majority vote of the members of such Sub-Committee present at the relevant meeting of the Sub-Committee) of the scope of work specified in the relevant invitation to tender; or
 - (b) revise the formula by which the Composite Weather Variable for any LDZ is determined so as to incorporate either the Weather Station Substitution Methodology or the Climate Change Methodology without the approval of the relevant methodology by the Demand Estimation Sub-Committee (on a simple majority vote of the members of such Sub-Committee present at the relevant meeting of the Sub-Committee).

11.5.8 Nothing in paragraphs 11.5.3 and 11.5.5 shall oblige the Transporters to apply the Weather Station Substitution Methodology or Climate Change Methodology so as to revise any Composite Weather Variable.

11.6 TPD Section J: Assured Offtake Pressure

11.6.1 The reference to the Offtake Pressure Statement in TPD Section J2.5.1(b) shall be treated for each Gas Year up to and including the Gas Year ending 30 September 2012 as a reference to the Offtake Capacity Statement issued in accordance with paragraph 10.2.1.

11.6.2 TPD Sections J2.5.2 to 2.5.13 (inclusive) shall not apply.

11.6.3 In accordance with paragraph 10.2.4, the 0600 and 2200 pressures specified (in relation to any NTS/LDZ Offtake) for any Gas Year in the Offtake Capacity Statement issued in any Gas Year will be the same as those specified in the preceding year's statement for such Gas Year, subject to any revision pursuant to paragraph 11.6.6.

11.6.4 For the purposes of paragraph 10.3, in connection with an application for an amount or an increase in NTS Offtake Capacity, National Grid NTS will not determine that it is feasible to make gas available for offtake on the basis of such increase to the extent that the 0600 and 2200 pressures at which it expects that, under normal NTS operating conditions, gas would (if such application were accepted) be available for offtake at the NTS/LDZ Offtake on any Day during any relevant Gas Year would be reduced below the prevailing Assured Offtake Pressures.

11.6.5 A DNO User may, at the times at which it may apply (in accordance with paragraph 10.3.2) for:

- (a) an increase in NTS Offtake Capacity, apply to increase the Assured Offtake Pressures in relation to an NTS/LDZ Offtake for a relevant Gas Year;
- (b) an amount of NTS Offtake Capacity, apply for the Assured Offtake Pressures in relation to an NTS/LDZ Offtake for a relevant Gas Year.

11.6.6 Subject to paragraph 11.6.8, National Grid NTS may reject, or accept in part only, any application for, or an increase in, Assured Offtake Pressures in respect of an NTS/LDZ Offtake in a Gas Year where, or (as the case may be) to the extent that, National Grid NTS determines (having regard, inter alia, to the amounts of NTS Offtake Capacity and NTS Exit Capacity held by Users) it would not be possible (under all credible NTS operating conditions) to make gas available for offtake at the NTS/LDZ Offtake on any Day during that Gas Year at the increased Assured Offtake Pressures applied for.

11.6.7 For the purposes of paragraph 11.6.6, the reference to all credible NTS operating conditions is to all conditions other than a condition the existence of which would amount to Force Majeure affecting National Grid NTS.

11.6.8 For the purposes of paragraph 11.6.6, where a DNO User has applied for Assured Offtake Pressures at an NTS/LDZ Offtake for a relevant Gas Year in accordance with paragraph 11.6.5(b), then where the Assured Offtake Pressures specified in the Offtake Capacity Statement for the preceding year are:

- (a) greater than or equal to the Assured Offtake Pressures applied for, such application will be accepted; or

- (b) less than the Assured Offtake Pressures applied for, the Assured Offtake Pressures accepted will be not less than the values specified in the Offtake Capacity Statement for such preceding year.

11.7 TPD Section J: Gas not made available for offtake

- 11.7.1 TPD Section J3.5.1(a) shall apply in respect of both an LDZ System Exit Point and an NTS System Exit Point.
- 11.7.2 TPD Section J3.5.3 shall apply to a Supply Point Component in both an NTS Supply Point and an LDZ Supply Point.
- 11.7.3 In TPD Section J3.5.3(a) the value 'P' is the sum of the Applicable Daily Rates of:
 - (a) the Capacity Variable Component of the Customer Charge;
 - (b) in the case of an LDZ Supply Point, the LDZ Capacity Charge; and
 - (c) the applicable NTS Exit Capacity Charge.
- 11.7.4 TPD Section J3.5.5 shall apply in respect of both an LDZ Connected System Exit Point and an NTS Connected System Exit Point.
- 11.7.5 For the purposes of TPD Section J3.5.6 in respect of an NTS Connected System Exit Point a CSEP User's "**Relevant Exit Capacity**" shall be its Available NTS Capacity at the Connected System Exit Point.
- 11.7.6 TPD Section J3.5.7 shall not apply.
- 11.7.7 TPD Section J3.5.11 shall not apply to a dispute in relation to an NTS Exit Point.

11.8 TPD Section J: User offtake obligations: DM Supply Point Components

- 11.8.1 TPD Section J3.8 shall apply in respect of a DM Supply Point Component comprised in an NTS Supply Point and in an LDZ Supply Point.

11.9 TPD Section J: User offtake obligations: CSEPs, NTS Exit Points and Inter-System Offtakes

- 11.9.1 TPD Section J3.9 shall apply in respect of an NTS Connected System Exit Point and an LDZ Connected System Exit Point.
- 11.9.2 The Transporter will not be obliged under any provision of the Code to make gas available for offtake from the Total System at an NTS Connected System Exit Point by a CSEP User, on any Day, in a quantity which exceeds the User's Available NTS Exit Capacity.
- 11.9.3 TPD Sections J3.10.1(a) and 3.10.2(b) shall not apply and in TPD Section J3.10.2(a) the reference to NTS Exit (Flat) Capacity and to NTS Exit (Flexibility) Capacity shall be treated as a reference to NTS Offtake (Flat) Capacity and to NTS Offtake (Flexibility) Capacity.
- 11.9.4 TPD Sections J3.10.5 and 3.10.6 shall not apply and the upstream Transporter will not be obliged under any provision of the Code to make gas available for offtake from the upstream System by a User:
 - (a) at an NTS/LDZ Offtake:

- (i) at any time, at a rate which exceeds the maximum permitted rate (in accordance with TPD Section J3.10.2(a);
 - (ii) on any Day, in a quantity which exceeds the User's NTS Offtake (Flat) Capacity; or
 - (iii) in the period between 06:00 hours and 22:00 hours on any Day, in a quantity which exceeds $(\text{NOFC} + 16/24 * \text{QD})$ (as those terms are defined in paragraph 10.5);
- (b) at an LDZ/LDZ Offtake:
- (i) at any time, at a rate which exceeds the maximum permitted rate (in accordance with TPD Section J3.10.3);
 - (ii) on any Day, in a quantity which exceeds the maximum permitted quantity in accordance with the Network Exit Provisions.

11.10 TPD Section J: NTS Exit Capacity at relevant NTS Connected System Exit Points

11.10.1 TPD Section J6.7.1 is subject to paragraph 11.10.5.

11.10.2 Without prejudice to any provisions for allocation of NTS Exit Capacity contained in the CSEP Network Exit Agreement or any CSEP Ancillary Agreement, or the further provisions of this paragraph 11.10 and TPD Section J6.7, National Grid NTS shall be entitled to reject any application for (or for an increase in) NTS Exit Capacity at a relevant NTS Connected System Exit Point where the requirement in TPD Section J6.7.1 would be infringed if it accepted such application.

11.10.3 National Grid NTS may agree, pursuant to the CSEP Network Exit Agreement or CSEP Ancillary Agreement, and subject to any conditions contained in such Agreement, that, with effect from the expiry of the capacity period (as defined in such Agreement) in respect of any prevailing registration in the name of any User of NTS Exit Capacity at an NTS Connected System Exit Point, the User shall be entitled to apply for and may be registered (in priority to any other User) as holding NTS Exit Capacity in an amount subject to such prevailing registration.

11.10.4 Unless National Grid NTS shall otherwise agree, any application by a User for NTS Exit Capacity at a relevant NTS Connected System Exit Point shall be made by way of Conventional Notice; and any registration of NTS Exit Capacity at a relevant NTS Connected System Exit Point in respect of which this paragraph 11.10.4 is not complied with shall be invalid and ineffective notwithstanding such registration may be recorded in UK Link and notwithstanding National Grid NTS may have invoiced NTS Exit Capacity Charges pursuant to such registration.

11.10.5 National Grid NTS may agree pursuant to a CSEP Network Exit Agreement or a CSEP Ancillary Agreement, upon such terms and subject to such conditions as may be provided in such Agreement, that:

- (a) a relevant NTS Connected System Exit Point may be treated, pursuant to TPD Section A3.5.5, as comprising two separate Connected System Exit Points (respectively a "**Firm CSEP**" and an "**Interruptible CSEP**") for the purposes described in this paragraph 11.10.5 and such other purposes as may be specified in such Agreement;
- (b) a CSEP User may apply for and hold NTS Exit Capacity at the Interruptible CSEP the basis that National Grid NTS shall be entitled to require the User to reduce or

discontinue the offtake of gas from the Total System at the Connected System Exit Point:

- (i) where it would not otherwise be feasible for National Grid NTS to make available gas for offtake from the Total System by CSEP Users at the Firm CSEP pursuant to the exercise of their entitlements so to offtake gas;
- (ii) in any such other circumstances as may be provided in such Agreement; and
- (c) a CSEP User will not be liable to pay NTS Exit Capacity Charges, or will be liable to pay such charges only at a reduced rate, in respect of NTS Exit Capacity held (in accordance with paragraph (b)) at the Interruptible CSEP

and in such a case the Firm CSEP, but not the Interruptible CSEP, shall be a relevant Connected System Exit Point for the purposes of TPD Section J6.7.1.

11.11 TPD Section J: Inter-System Offtakes: Special Provisions

11.11.1 In addition to the requirements in TPD Section J4.5, an Offtake Profile Notice submitted in relation to an NTS/LDZ Offtake must satisfy the requirement in paragraph 11.11.2.

11.11.2 The requirement is that the offtake of gas (at the NTS/LDZ Offtake) from the NTS at the rates of offtake specified in the Offtake Profile Notice would not result in an NTS Offtake (Flat) Overrun or an NTS Offtake (Flexibility) Overrun.

11.11.3 In TPD Section J7.3 and 7.4 references to NTS Exit (Flat) Capacity and NTS Exit (Flexibility) Capacity shall be treated as a reference to NTS Offtake (Flat) Capacity and NTS Offtake (Flexibility) Capacity and in TPD Section J7.3.1(c) the reference to TPD Section B3.13.4 shall have no effect.

11.11.4 TPD Section J7.4 shall only apply in respect of a DNO Operator in relation to an NTS/LDZ Offtake (after taking account of any request under TPD Section J7.3.1) and for which purposes the DNO Operator shall be liable to National Grid NTS for all amounts National Grid NTS was liable to any Shipper User or other DNO User as a consequence of the upstream Transporter's failure to make gas available for offtake.

11.11.5 In TPD Section J7.4 references to a Chargeable NTS Exit (Flat) Overrun shall be treated as a reference to an NTS Offtake (Flat) Overrun and references to an NTS Exit (Flex) Overrun shall be treated as a reference to an NTS Offtake (Flex) Overrun.

11.11.6 TPD Section J7.4.3 shall have no effect.

11.12 TPD Section J: NTS CSEPs

11.12.1 TPD Section J8 shall not apply.

11.13 TPD Section Q: Emergencies

11.13.1 TPD Section Q4.1(a)(iii) shall not apply.

11.14 TPD Section R: NTS Exit Capacity

11.14.1 If, upon the application of a User, National Grid NTS has informed the User that a Storage Connection Point is 'eligible for firm transportation' for the purposes of this paragraph 11.14, the User may elect to hold (and pay NTS Exit Capacity Charges in respect of) NTS Exit Capacity at the Storage Connection Point.

11.14.2 For the purposes of paragraphs 11.14 to 11.18 (inclusive), in relation to a Storage Connection Point:

- (a) a **"Firm User"** is a User who holds Available NTS Exit Capacity at that point (pursuant to an election by that or another User under paragraph 11.14.1);
- (b) the **"Aggregate Firm Offtake Rate"** is the rate of offtake determined as 1/24 of the aggregate amount (if any) of the NTS Exit Capacity for the time being held by Firm Users at that point;
- (c) a User's **"Interruptible UDQO"** for a Day in relation to that point is:
 - (i) subject to paragraph (ii), that User's UDQO;
 - (ii) in the case of a Firm User, the amount (if any) by which its UDQO exceeds the amount of its Available NTS Exit Capacity at the point.

11.15 TPD Section R: Interruption

11.15.1 The Transporter shall be entitled to require interruption (including a reduction in the rate) of the offtake (in aggregate by all Users) of gas from the Total System at a Storage Connection Point, by giving notice (**"SCP Interruption Notice"**) to the Storage Operator and each Storage CSEP User, specifying:

- (a) the time (**"interruption time"**), not being less than 5 hours after such notice was given, with effect from which such offtake of gas is to be interrupted; and
- (b) the reduced aggregate rate (or discontinuance) of offtake required by such interruption; provided that such rate shall not be less than the Aggregate Firm Offtake Rate.

11.15.2 Paragraphs 5.6.3 (other than 5.6.3(b)) and 5.7.4 shall apply in respect of interruption under paragraph 11.15.1 at a Storage Connection Point.

11.15.3 Storage CSEP Users shall secure compliance with any SCP Interruption Notice and shall be responsible for submitting Output Renominations accordingly.

11.15.4 The Transporter may (but shall not be required to) agree pursuant to the Storage Connection Agreement that the Storage Operator will take such steps as are necessary to interrupt or reduce the rate of offtake of gas at the Storage Connection Point so as to comply with an SCP Interruption Notice.

11.15.5 Where the Transporter has given an SCP Interruption Notice, as soon as reasonably possible after the Transporter determines that the requirement for interruption no longer applies or will at a certain time cease to apply, the Transporter will so notify the Storage Operator and Storage CSEP Users specifying the time at which the requirement for such interruption will no longer apply.

11.16 TPD Section R: Days of Interruption

11.16.1 The number of Days on which the Transporter requires interruption at a Storage Connection Point shall be determined in accordance with paragraph 5.7.5.

11.16.2 For the purposes of paragraphs 11.14 to 11.18 (inclusive), paragraph 5.5 (other than paragraphs 5.5.6 and 5.5.8) shall apply.

11.16.3 The Transporter will not require interruption at a Storage Connection Point on more than 15 Days outside the Winter Period in any Gas Year.

11.17 TPD Section R: Failure to Interrupt

11.17.1 Paragraph 5.5 (other than paragraph 5.5.6) shall apply for the purposes of this paragraph 11.17, subject as follows.

11.17.2 For the purposes of paragraph 5.9.2(b)(i), in the context of interruption required at a Storage Connection Point, the amount payable by Storage CSEP Users in aggregate shall be calculated:

- (a) by reference to the basis of the Applicable Annual Rate of NTS Exit Capacity Charge for the Exit Zone in which the Storage Connection Point is located; and
- (b) on the basis of a notional Supply Point Capacity calculated as the difference between the rate (in MW) of offtake of gas at the Storage Connection Point immediately before the interruption time, and the reduced rate (including zero, subject to the proviso to paragraph 11.15.1(b)) of offtake (in MW) required by such interruption, multiplied by the period (in hours, divided by 24) from the interruption time until the end of the Gas Flow Day.

11.17.3 For the purposes of paragraph 5.9.2(b)(ii), in the context of interruption required at a Storage Connection Point, the term 'Y' shall be the aggregate quantity of gas offtaken, at times when the SCP Interruption Notice was in force, at a rate in excess of the reduced rate (including zero, subject to the proviso to paragraph 11.15.1(b)) of offtake (in MW) required by such interruption.

11.17.4 Paragraph 5.9.8 shall not apply, but the Storage Connection Point shall be counted as a Registered Interruptible Supply Point for the purposes of the further application of paragraph 5.9.7.

11.17.5 Subject to paragraph 11.17.6, in relation to a Storage Connection Point, Storage CSEP Users (including the Storage Operator) shall be liable for the aggregate amounts payable pursuant to paragraph 11.17.1 in respect of a Day in the proportions of their respective Interruptible UDQOs in respect of the Storage Connection Point.

11.17.6 Where Storage CSEP Users have appointed a User Agent for the purposes of determining the allocation of such amounts:

- (a) the Transporter will notify to such agent the aggregate amounts payable pursuant to paragraph 11.17.1 not later than 6 Days after the Gas Flow Day;
- (b) where the agent notifies the Transporter, not later than the Exit Close-out Date, an allocation of such amounts (in aggregate equal to the aggregate amount notified by the Transporter under paragraph (a)) between particular Storage CSEP Users specified by the agent, paragraph 11.17.5 shall not apply, and Storage CSEP Users will be liable for such amounts in accordance with the agent's notification to the Transporter.

11.18 TPD Section R: Interpretation

11.18.1 In paragraphs 11.14 to 11.18 (inclusive) "**Storage CSEP User**" means a CSEP User in respect of a Storage Connection Point.

11.18.2 Where any provision of paragraph 5 is to apply for the purposes of paragraphs 11.14 to 11.18 (inclusive), such references in paragraph 5 to the terms in the first column in the table below

shall be construed as references to the terms (as used in relation to a particular Storage Connection Point in paragraphs 11.14 to 11.18 (inclusive)) in the second such column:

TD Part IIC, paragraph 5	Paragraphs 11.14 to 11.18 (inclusive)
Interruption	Interruption under paragraph 11.15
Interruption Notice	SCP Interruption Notice
Supply Point or Interruptible Supply Point	Storage Connection Point
Supply Meter Point	Any Individual System Exit Point comprised in the Storage Connection Point
User or Registered User	All of the Storage CSEP Users, or where the context admits, a particular Storage CSEP User
The requirement in paragraph 5.7.2(b)	The requirement for interruption under paragraph 11.15
TNI Supply Point	A Storage Connection Point subject to a designation by the Transporter pursuant to paragraph 5.5.1

11.19 TPD Section S: Invoicing and Payment

11.19.1 The Invoice Items appearing on an NTS Exit Capacity Invoice shall include (and be limited to) NTS Exit Capacity Charges – DM NTS Exit Capacity, NTS Exit Capacity Charges – NDM NTS Exit Capacity and NTS Exit Overrun Charges.

11.20 TPD Section U: UK Link

11.20.1 In TPD Section U references to Users shall exclude DNO Users other than a DNO User in the capacity of an LDZ Shrinkage Provider.

11.21 TPD Section V: General

11.21.1 In TPD Section V3 and V4 references to Users exclude DNO Users.

11.21.2 TPD Sections V3.3.2(c)(ii) and 3.3.4 shall not apply.

11.22 National Grid NTS Interruption of Injection

11.22.1 In respect of a National Grid LNG Storage Facility, where National Grid NTS notified National Grid LNG Storage that it requires the interruption of the offtake of gas at a Storage Connection Point pursuant to Section R3.2, National Grid LNG Storage may in respect of the Day in relation to which National Grid NTS so notified National Grid LNG Storage cancel injection or reduce the quantities injected by Users to such facility for the purposes of avoiding or limiting a Transportation Constraint which National Grid NTS anticipates would otherwise arise.

11.22.2 Where National Grid LNG Storage cancels injection or reduces injection quantities under paragraph 5.8.1, National Grid LNG Storage will revise on behalf of Users their Storage Injection Nominations and notify such revised Storage Nomination Quantities as soon as reasonably practicable after the requirement for interruption was known.

11.22.3 Where in respect of a National Grid LNG Storage Facility, National Grid LNG Storage is in receipt of a notice from National Grid NTS pursuant to Section R3.2 in respect of the interruption of the offtake of gas at the Storage Connection Point, National Grid LNG Storage will indemnify the User and hold it harmless against any charges payable by the User to National Grid NTS pursuant to Section G6 in respect of the failure by the User to interrupt the offtake of gas at the relevant Storage Connection Point.

12 INTERIM NTS EXIT CAPACITY REGIME: OAD MISCELLANEOUS

12.1 OAD Section I: Revisions requested by National Grid NTS

12.1.1 In OAD Section I2.4.4:

- (a) the reference to paragraph 2 and TPD Section J4.5.2 shall include a reference to paragraph 11.11.1 and 11.11.2;
- (b) where compliance with National Grid NTS' request would infringe the requirement in paragraph 11.11.2 National Grid NTS shall be deemed to have accepted the request pursuant to TPD Section J7.3.1 (for which purposes the User's NTS Offtake (Flexibility) Capacity shall be increased in the same manner as is therein provided in respect of NTS Exit (Flexibility) Capacity) or waived such other requirements in accordance with OAD I2.4.4.

12.2 OAD Section I: Revisions requested by DNO

12.2.1 OAD Section I2.5 shall not apply.

12.3 OAD Section I: Variation of restrictions

12.3.1 OAD Section I2.7.1 shall not apply.

12.3.2 The requirements and restrictions in OAD Section I2, TPD Sections J7.3 and paragraph 11.11 in relation to Offtake Profile Notices (and revisions thereof) shall not apply to the extent that (subject to and in accordance with TPD Section J4.5.5 where applicable) National Grid NTS waives or agrees to vary any such requirement or restriction in a particular case, and in particular shall not apply to the extent inconsistent with any Interruption Instruction given by National Grid NTS under paragraphs 7.1 and 7.2.

12.3.3 A DNO may request a waiver or variation (as referred to in paragraph 12.3.2) by submitting a proposed Offtake Profile Notice which does not comply with any such requirement or restriction, and such proposed Offtake Profile Notice shall take effect as an Offtake Profile Notice if and (if so) with effect from the time at which National Grid NTS agrees such waiver or variation.

13 TRANSITION TO SINGLE SUPPLY METER POINT REGIME

13.1 Initial period and transitional period

13.1.1 For the purposes of paragraph 13, 14 and 15 the:

- (a) the “**SSMP transition phase 1**” is the period commencing on the implementation date for Modification 428 and ending on (and including) 31 March 2014;
- (b) the “**Project Nexus Go Live Date**” is [the date of implementation of Modifications 432, 434 and 440];³
- (c) the “**SSMP transition period**” is the period commencing on the implementation date being for Modification 428 and ending on (and including) the date being three (3) months prior to the Project Nexus Go Live Date;
- (d) the “**SSMP transition date**” is the date of expiry of the SSMP transition period;
- (d) the “**SSMP transition phase 2**” is the period commencing on 1 April 2014 and ending on (and including) the Day before the Project Nexus Go Live Date and comprising *inter alia* the SSMP transition period;
- (e) an “**Affected Supply Meter Point**” is a Supply Meter Point which at the SSMP transition date is comprised in a Supply Point containing more than one Supply Meter Point.

13.1.2 During the SSMP transition phase 1:

- (a) TPD Sections A, B, C, D, E, F, G, H, J, L, M, N, Q and S and Transition Document Part IID paragraph 2 shall apply subject to the provisions of paragraph 14; and
- (b) this paragraph 13 and paragraph 14 of this Part IIC shall apply.

13.1.3 During the SSMP transition phase 2:

- (a) TPD Sections A, B, C, D, E, F, G, H, J, L, M, N, Q and S and Transition Document Part IID paragraph 2 shall apply subject to the provisions of paragraphs 14 and 15; and
- (b) this paragraph 13 and paragraphs 14 and 15 of this Part IIC shall apply.

13.2 Transit rule

13.2.1 By no later than the SSMP transition date a Supply Point which on the Day preceding such date comprised more than one Supply Meter Point shall, in accordance with the rules in paragraph 13.4 cease to comprise more than one Supply Meter Point.

13.4 Supply Point Transition

13.4.1 On any Day during the SSMP transition period the Registered User of a Supply Point comprising Affected Supply Meter Points shall:

- (a) apply to reduce the number of Affected Supply Meter Points comprised in such Supply Point to one:
 - (i) in respect of a Larger Supply Point, by submitting a Supply Point Renomination and Supply Point Reconfirmation; and

³ Implementation of modification 0432 effective 05:00hrs on 01/10/2016, will amend paragraph 3.1.1(b).

- (ii) in respect of a Smaller Supply Point, by submitting a Supply Point Reconfirmation; and
- (b) in respect of any Affected Supply Meter Point that is no longer comprised within the relevant Supply Point as a result of a Reconfirmation submitted pursuant to (a) above becoming effective, apply to register a Supply Point in respect of each such Affected Supply Meter Point:
 - (i) in respect of a Larger Supply Point, by submitting a Supply Point Nomination and Supply Point Confirmation; and
 - (ii) in respect of a Smaller Supply Point, by submitting a Supply Point Confirmation,

and any such Supply Point so registered shall comprise only one (1) Affected Supply Meter Point.

Each such Supply Point Renomination, Supply Point Reconfirmation, Supply Point Nomination and/or Supply Point Confirmation (as the case may be) submitted by a User pursuant to this paragraph 13.4.1 shall:

- (c) include within it all existing details recorded in the Supply Point Register in respect of the relevant Affected Supply Meter Point; and
- (d) insofar as they relate to Affected Supply Meter Points that were previously comprised within the same Supply Point, take effect on the same Day during the SSMP transition period.

13.4.2 Where any Registered User of a Supply Point which comprises Affected Supply Meter Points does not submit the necessary Supply Point Renomination, Supply Point Reconfirmation, Supply Point Nomination and/or Supply Point Confirmation (as the case may be) as required under paragraph 13.4.1 the Registered User shall be deemed have granted the Transporter the authority to do so on any date during the period between the expiry of the SSMP transition period and the Project Nexus Go Live Date, and the Transporter:

- (a) shall reduce the number of Affected Supply Meter Points comprised in any such Supply Point to one:
 - (i) in respect of a Larger Supply Point, by submitting a Supply Point Renomination, creating a Supply Point Offer and submitting a Supply Point Reconfirmation; and
 - (ii) in respect of a Smaller Supply Point, by submitting a Supply Point Reconfirmation; and
- (b) shall register a Supply Point in the name of the relevant Registered User in respect of each Affected Supply Meter Point that is no longer comprised within the relevant Supply Point as a result of a Reconfirmation submitted pursuant to (a) above becoming effective:
 - (i) in respect of a Larger Supply Point, by submitting a Supply Point Nomination, creating a Supply Point Offer and submitting a Supply Point Confirmation; and
 - (ii) in respect of a Smaller Supply Point, by submitting a Supply Point Confirmation,

and any such Supply Point so registered shall comprise only one (1) Affected Supply Meter Point.

- 13.4.3 Where the Transporter creates a Supply Point Offer and submits a Supply Point Renomination, Supply Point Reconfirmation, Supply Point Nomination and/or Supply Point Confirmation (as the case may be) pursuant to paragraph 13.4.2 it will include within it all existing details recorded in the Supply Point Register in respect of the relevant Affected Supply Meter Point and such information shall similarly be used to generate the relevant Supply Point Offer.
- 13.4.4 Where a Supply Point comprising an Affected Supply Meter Point is registered or reconfirmed pursuant to paragraph 13.4.1 or 13.4.2 then where:
- (a) the Affected Supply Meter Point is comprised in a DM Supply Point, such registration or Reconfirmation shall specify an hourly and daily Supply Point Capacity that is equal to the peak hourly and daily consumption in respect of such Supply Meter Point for the period 1 October to 31 March (inclusive) preceding the SSMP transition date;
 - (b) none of the requirements of TPD Section 1.5.1 are satisfied in respect of an Affected Supply Meter Point that was previously registered as a DM Supply Meter Point, such Affected Supply Meter Point shall be comprised in an NDM Supply Point
- 13.4.5 In the event of a conflict between the provisions of paragraph 14 and 15 and this paragraph 13.4, this paragraph 13.4 shall apply.

14 SSMP TRANSITION PHASE 1

14.1 Introduction

14.1.1 During the SSMP transition phase 1 the provisions of this paragraph 14 shall apply.

14.2 TPD Section A: System Classification

14.2.1 TPD Section A4.1 shall be treated as including the following Section A4.1.4:

4.1.4 A Supply Meter Point shall be classified as a "**DM Supply Meter Point**" where paragraph G1.5.1 applies and otherwise shall be classified as an "**NDM Supply Meter Point**".

14.2.2 TPD Section A4.2.1 shall be read as including multiple Supply Meter Points as well as a singular Supply Meter Point.

14.2.3 TPD Section A4.3 shall be read as the following:

4.3 Supply Point Components

4.3.1 A Supply Point may comprise a DM Supply Point Component or an NDM Supply Point Component or both.

4.3.2 A "Supply Point Component" is either:

- (a) all (if any) of the Supply Meter Points comprised in one Supply Point which are DM Supply Meter Points (a "**DM Supply Point Component**");
- (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**").

14.2.4 TPD Section A4.4.2 shall be read as follows and the existing TPD Section A4.4.2 shall be renumbered as A4.4.3:

4.4.2 An "**Interruptible**" Supply Point Component is a Supply Point Component of an Interruptible Supply Point, and a "**Firm**" Supply Point Component is a Supply Point Component of a Firm Supply Point.

14.2.5 All references to Supply Points within TPD Section A4.5 shall be read as references to Supply Point Components.

14.3 TPD Section B: System Use and Capacity

14.3.1 The references to Scottish Independent Network Supply Points within TPD Section B1.9.2 and 1.9.3(d) shall be read as references to Scottish Independent Network Supply Point Components.

14.3.2 The references to DM Supply Point within TPD Section B4.2.1 and 4.2.2 shall be read as reference to a DM Supply Point Component included within a Proposed Supply Point and within TPD Section B4.2.3 as reference to a DM Supply Point Component within a Registered Supply Point.

14.3.3 The reference to DM Supply Point within TPD Section B4.2.4 shall be read as reference to a DM Supply Point Component.

14.3.4 All references to NDM Supply Points and LDZ Supply Points within TPD Section B4.3 and 4.4 shall be read as references to NDM Supply Point Components and LDZ Supply Point Components.

14.3.5 All references to DM Supply Points comprising Shared Supply Meter Point(s) within TPOD Section B4.7.8 shall be read as references to DM Supply Point Components including Shared Supply Meter Point(s).

14.3.6 All references to DM Supply Points within TPD B4.7.12 shall be read as references to DM Supply Meter Points.

14.4 TPD Section C: Nominations

14.4.1 The references to Supply Points within TPD Section C1.4.1 shall be read as references to Supply Point Components.

14.4.2 The references to NDM Supply Point Demand and NDM Supply Points within TPD C1.5.2 shall be read as references to NDM Supply Meter Point Demand and NDM Supply Point Components respectively.

14.4.3 TPD Section C2.2.5 shall be read as referring to DMC Supply Point Components comprising Shared Supply Meter Point(s).

14.5 TPD Section D: Operational Balancing and Trading Arrangements

14.5.1 D1.3.1(b) reference to Interruptible Supply Point shall be read as Interruptible Supply Point Component.

14.6 TPD Section E: Daily Quantities, Imbalances and Reconciliation

14.6.1 TPD Sections E3.1.1 and 3.1.2 shall be read as follows:

- 3.1.1 For a nominating User the UDQO in respect of a Registered Supply Point Component for the Gas Flow Day shall be:
- (a) in the case of a NDM Supply Point Component, the sum of the NDM Supply Meter Point Demands (in accordance with Section H2) for each NDM Supply Meter Point comprised in that NDM Supply Point Component;
 - (b) in the case of a DM Supply Point Component, the User SPDQ in accordance with paragraph 3.1.2.
- 3.1.2 The "**User SPDQ**" for a User in respect of a Registered DM Supply Point Component shall be the sum for each of the DM Supply Meter Points comprised in the Supply Point Component of:
- (a) subject to paragraph (b), the Supply Meter Point Daily Quantity;
 - (b) in the case of a Shared Supply Meter Point, the portion of the Supply Meter Point Daily Quantity determined in respect of that User in accordance with the Shared Supply Meter Notification pursuant to Section G1.7.

14.6.2 References in TPD Section E10.1.1(a) to DM Supply Points shall be read as references to DM Supply Point Components.

14.6.3 References in TPD Section E10.1.1(b) to Larger DM SPs and Larger NDM SPs shall be read as references to Larger DM SPCs and Larger NDM SPCs.

14.6.4 TPD Section E10.1.2(a) shall be read as follows:

"Smaller SPCs", **"Larger NDM SPCs"** and **"Larger DM SPCs"** mean respectively the following classes of Supply Point Component and (in each case) CSEP Equivalent Points:

- (i) Supply Point Components comprised in Smaller Supply Points;
 - (ii) NDM Supply Point Components comprised in Larger Supply Points; and
 - (iii) DM Supply Point Components comprised in Larger Supply Points;
- (each a "**SPC Class**")

14.6.5 The reference to Supply Points in TPD Section E10.1.2(b) shall be read as a reference to Supply Point Components.

14.6.6 TPD Sections E10.5.1 and 10.5.2 shall be read as follows:

10.5.1 For the purposes of this paragraph 10, for each AUG Year, for each User, Reconciliation Billing Period and SPC Class:

- (a) the "**User SPC Aggregate AQ**" ($USAAQ_{SPC}$) is the amount calculated as follows:

$$USAAQ_{SPC} = \sum_d \sum_r AQ_{rd}$$

where

Σ_d is the sum over Days in the Reconciliation Billing Period;

Σ_r is the sum over the User's Registered Supply Point Components and CSEP Equivalent Points of the relevant SPC Class in all LDZs on Day d;

and where for each such Supply Point Component or CSEP Equivalent Point and Day, AQ_{rd} is the Annual Quantity of such Supply Point Component or the equivalent quantity determined pursuant to the relevant CSEP Network Exit Provisions;

- (b) the **"User SPC Aggregate AQ Proportion"** ($USAAQP_{SPC}$) is the decimal factor calculated as follows:

$$USAAQP_{SPC} = \frac{USAAQ_{SPC}}{\Sigma_U USAAQ_{SPC}}$$

where Σ_U is the sum over all Users.

10.5.2 For the purposes of this paragraph 10, for each AUG Year, for each User and Reconciliation Billing Period:

- (a) the **"User Unidentified Gas Quantity"** (UUGQ) is the amount in kWh calculated as follows:

$$UUGQ = \frac{\Sigma_{SPC} (\Sigma_{UGS} UGQ_{SPC} * USAAQP_{SPC})}{12}$$

where

Σ_{SPC} is the sum over SPC Classes

Σ_{UGS} is the sum over Unidentified Gas Sources set out in the AUG Table

and where for each Unidentified Gas Source and SPC Class

UGQ_{SPC} is the Unidentified Gas Quantity set out in the AUG Table

and where for each SPC Class

$USAAQP_{SPC}$ is User SPC Aggregate AQ Proportion

- (b) the **"User Unidentified Gas Amount"** (UUGA) is the amount calculated as follows:

$$UUGA = UUGQ * TDSAP$$

where

TDSAP is the arithmetic average of the values of System Average Price for each of the Days in the Reconciliation Billing Period.

14.6.7 The references to Larger DM SPs (A), Larger NDM SPs (B) and Smaller SPs (C) within Table E1 shall be read as references to Larger DM SPCs (A), Larger NDM SPCs (B) and Smaller SPCs (C) respectively.

14.7 TPD Section F: System Clearing, Balancing Charges and Neutrality

14.7.1 In TPD Section F3.3.1, 3.3.2 and 3.3.4 references to Registered DMC Supply Points, VLDMC Supply Points, DMA Supply Points and SDMC(I) Supply Points shall be read as references to DMC Supply Point Components, VLDMC Supply Point Components, DMA Supply Point Components and SDMC(I) Supply Point Components.

14.7.2 TPD Section F3.3.4(a) shall be read as including reference to more than one Supply Meter Point comprised in a DMC Supply Point Component (other than a SDMC(I) Supply Point Component).

14.8 TPD Section G: Supply Points

14.8.1 TPD Section G shall not apply and instead the form of TPD Section G set out in Annex 1 hereto shall apply.

14.9 TPD Section H: Demand Estimation and Demand Forecasting

14.9.1 In TPD Section H all references to NDM Supply Points and Supply Point Demand shall be read as references to NDM Supply Point Components and Supply Meter Point Demand respectively.

14.9.2 TPD Section H1.2.3 shall be read as follows:

1.2.3 The "**Applicable End User Category**" in respect of an NDM Supply Point Component or NDM Supply Meter Point at any time is the End User Category to which the NDM Supply Point Component (or that in which that Supply Meter Point is comprised) belongs at that time.

14.9.3 TPD Section H2.2.1 and 2.2.2 shall be read as follows:

2.2.1 NDM Supply Meter Point Demand ('SPD') for a Day (Day 't') shall be determined according to the following formula:

$$SPD = \frac{AQ}{365} \times ALP_t \times (1 + DAF_t \times WCF_t) \times SF_t$$

where AQ is the Annual Quantity (in kWh) in respect of the relevant NDM Supply Meter Point (in accordance with paragraph 3.1.5(a) in the case of a Shared Supply Meter Point);

and where for Day 't':

ALP_t is the value of the Annual Load Profile for the Applicable End User Category;

DAF_t is the value of the Daily Adjustment Factor for the Applicable End User

Category;

WCF_t is the Weather Correction Factor for the relevant LDZ in accordance with paragraph 2.5;

SF_t is the Scaling Factor for the relevant LDZ in accordance with paragraph 2.5.

2.2.2 For the purposes of paragraph 2.1.3 NDM Supply Meter Point Demand ('SPD') for a Day (Day 't') shall be determined according to the following formula:

$$SPD = \frac{AQ}{365} \times ALP_t$$

Where AQ is the Annual Quantity (in kWh) in respect of the relevant NDM Supply Meter Point (in accordance with Paragraph 3.1.5(a) in the case of a Shared Supply Meter Point);

and where for Day 't'

ALP_t is the value of the Annual Load Profile for the Applicable End User Category.

14.9.4 TPD Section H3.1.3 shall be read as follows:

3.1.3 For the Gas Year in which a New Supply Meter Point is established its Provisional Annual Quantity shall be the quantity specified by the relevant User in accordance with Section G7.3.6.

14.9.5 TPD Section H3.1.5 shall be read as if references to a Shared Supply Meter Point comprised in an NDM Supply Point are references to a Shared Supply Meter Point that is also an NDM Supply Meter Point.

14.10 TPD Section J: Exit Requirements

14.10.1 In TPD Section J all references to Supply Points and Supply Point Daily Quantity shall be read as references to Supply Point Components and Supply Meter Point Daily Quantity respectively.

14.10.2 TPD Section J1.2.1 shall be read as including a reference to a Supply Point Component.

14.10.3 TPD Section J3.5.3 shall be read as if the references to LDZ Supply Points are references to Supply Point Components comprised in LDZ Supply Points and all references to Supply Points in such section shall be read as references to Supply Point Components.

14.10.4 TPD Section J3.8.5 shall be read as if the references to DM Supply Points are to DM Supply Point Components and as if any such DM Supply Point Component may contain one or more Shared Supply Meter Points.

14.10.5 TPD Section J5.1.1 shall be read as follows:

5.1.1 Subject to paragraph 5.6, nothing in paragraph 4 or this paragraph 5 affects the application of any provision of the Code to any other Supply Meter Point comprised in the same Supply Point as a NEXA Supply Meter Point.

14.11 TPD Section L: Maintenance and Operational Planning

14.11.1 TPD Section L4.2.3 shall be read as if referring to LDZ Supply Points that do not contain DM Supply Point Components.

14.12 TPD Section M: Supply Point Metering

14.12.1 In TPD Section M all references to DM Supply Points and NDM Supply Points shall be read as references to DM Supply Meter Points and NDM Supply Meter Points respectively.

14.12.2 TPD Section M1.9.2 shall be read as if referring to gas being offtaken at the relevant Supply Meter Point rather than the Supply Point.

14.12.3 TPD Section M2.4.4(a)(iii) shall be read as if referring to the type of Supply Meter Point (which may be either an NDM Supply Meter Point or a DM Supply Meter Point) rather than the Supply Point.

14.12.4 TPD Section M2.7.2(a) shall be read as follows:

- (a) an **"applicable"** Supply Meter Point is a Supply Meter Point, other than an NTS Supply Meter Point or Supply Meter Point comprised in a VLDMC Supply Meter Point Component, in relation to which the Transporter provides the Special Metering Supply Meter Installation.

14.12.5 TPD Section M2.8 shall not apply.

14.12.6 TPD Section M2.7.3, 2.7.5 and 2.7.6 shall be read as if referring to the Annual Quantity of the Supply Meter Point rather than the Supply Point.

14.12.7 TPD Section M3.1.7(b)(i) shall be read as if referring to a Supply Meter Point comprised in a Supply Point Component.

14.12.8 TPD Section M3.1.7(d) shall be read as follows:

- (d) all Non-Daily Read Supply Meters at the Supply Meter Points comprised in a Supply Point must have the same Meter Reading Frequency;

14.12.9 TPD Section M3.1.7(f) and (g) shall be read as if referring to the Annual Quantity of the Supply Meter Point rather than the Supply Point.

14.12.10 TPD Section M3.2.7 shall be read if including reference to a Proposed Supply Point that may also be a New Supply Point or Current Supply Point.

14.12.11 In TPD Section M3.2.8 the reference to Existing Supply Point shall be read as a reference to a Current Supply Point.

14.12.12 TPD Section M3.8.1 shall be read as follows:

- 3.8.1 Where a User submits a Supply Point Confirmation which becomes effective for a Proposed Supply Point which includes one or more NDM Supply Meter Points, this paragraph 3.8 applies in respect of the Non-Daily Read Meter installed at each such Supply Meter Point provided that this paragraph 3.8 shall only apply where the Supply Point Confirmation submitted by a User records a change to one or more of the User identity or the Supply Meter Point configuration.

14.12.13 TPD Section M4.1.5 and 5.1.1(a)(ii) shall be read as if referring to the date upon which a Supply Meter Point becomes a DM Supply Meter Point.

14.13 TPD Section N: Shrinkage

14.13.1 TPD Section N2.3.1 shall be read as if referring to the Supply Meter Point Daily Quantities for each NTS Supply Meter Point.

14.13.2 TPD Section N4.3.3 shall be read as if referring to NDM Supply Point Components rather than NDM Supply Points.

14.13.3 TPD Section N4.5 shall be read if referring to an NTS Supply Meter Point rather than an NTS Supply Point.

14.14 TPD Section Q: Emergencies

14.14.1 In TPD Section Q3.5.1(b) the reference to VLDMC Supply Points shall be read as a reference to VLDMC Supply Point Components.

14.14.2 In TPD Section Q6.1.1(a)(ii) the reference to an NDM Supply Point shall be read as a reference to an NDM Supply Point Component.

14.14 TPD Section S: Invoicing and Payment

14.14.1 In TPD Section S2.1.5(a) the reference to a VLDMC Supply Point shall be read a reference to a VLDMC Supply Point Component.

14.15 Transition Document Part IID – Flexibility Bidding

14.15.1 In Transition Document Part IID the references to NDM Supply Points, DMA Supply Points, SDMC(I) Supply Points and VLDMC Supply Points shall be read as reference to NDM Supply Point Components, DMA Supply Point Components, SDMC(I) Supply Point Components and VLDMC Supply Point Components.

15 SSMP TRANSITION PHASE 2

15.1 Introduction

15.1.1 During the SSMP transition phase 2 the provisions of paragraph 14 as amended by this paragraph 15 shall apply.

15.2 TPD Section G: Supply Points

15.2.1 Notwithstanding the provisions of paragraph 14 and TPD Section G, with effect from 1 April 2014 no Proposing User or Registered User may submit a Supply Point Nomination and/or Supply Point Confirmation in respect of a Supply Point where the effect of such Supply Point Nomination and/or Supply Point Confirmation if accepted by the Transporter would be to:

- (a) register a Supply Point comprising more than one Supply Meter Point; or
- (b) increase the number of Supply Meter Points comprised in an Existing Supply Point.

16 TRANSITIONAL SMALLER SUPPLY METER POINT AQ APPEALS

16.1 In respect of the first SSMP AQ Appeal Submission Cap notified by the Transporter to each User:

- 16.1.1 TPD Section G1.6.13(e)(iii) shall not apply;
- 16.1.2 the provisions of this paragraph 16 shall apply; and
- 16.1.3 any reference to TPD Section G1.6.13(e)(iii) shall be read as a reference to paragraph 16.2.
- 16.2 A notification shall be issued by the Transporter to each User by no later than the 11th Business Day of the month preceding that in which Modification Proposal 0450B is implemented setting out the monthly SSMP AQ Appeal Submission Cap which shall apply in respect of Smaller Supply Meter Point AQ Appeals submitted by the User during the period from and including either:
- 16.2.1 1 October in the relevant Gas Year up to and including 31 January in the relevant Gas Year; or
- 16.2.2 1 February in the relevant Gas Year up to and including 31 May in the relevant Gas Year, whichever of the above periods occurs first after the implementation date of Modification Proposal 0450B.

17 PRE-PAYMENT AND SMART METER RECONCILIATION

- 17.1 Until 1 October 2014 the following shall have effect:
- 17.1.1 The following provisions shall not apply:
- (a) UNC TPD Section E1.3.2(b);
 - (b) UNC TPD Section E6.1.1(b);
 - (c) UNC TPD Section E6.9; and
 - (d) UNC TPD Section M1.2.2(d)
- 17.1.2 UNC TPD Section E1.3.6(c)(i) shall be read excluding the words “or (as the case may be) Individual Eligible SSP Reconciliation Quantities”;
- 17.1.3 UNC TPD Section E7.2.1(b) shall be read excluding the words “and Individual Eligible SSP Reconciliation”.

18 RESOLUTION OF OUTSTANDING SRVs AND USRVs AT PROJECT NEXUS IMPLEMENTATION DATE

18.1 General

- 18.1.1 For the purposes of this paragraph 18:
- (a) **"DM Reconciliation", "Individual NDM Reconciliation", "Investigate", "Meter Reading", "Network Code Reconciliation Suppression Guidelines", "relevant Reconciliation Billing Period", "Reconciliation Values", "Suppressed", "Suppressed Reconciliation Value", "User Suppressed Reconciliation Value" and "USRV User"** shall each have the meaning given to such term in the version of the Code in effect on the day preceding the Project Nexus Implementation Date;
 - (b) a **"Relevant Suppressed Reconciliation Value"** and a **"Relevant User Suppressed Reconciliation Value"** mean respectively, a Suppressed Reconciliation Value and a User Suppressed Reconciliation Value which remain Suppressed on the day preceding the Project Nexus Implementation Date;
 - (c) **"User Resolution Deadline"** and **"Transporter Resolution Deadline"** mean respectively, the date falling six (6) and twelve (12) months after the Project Nexus Implementation Date.

18.1.2 With effect from the Project Nexus Implementation Date:

- (a) the Transporter shall continue to investigate Relevant Suppressed Reconciliation Values;
- (b) the User shall continue to investigate Relevant User Suppressed Reconciliation Values.

18.1.3 Where a Termination Notice has been submitted to a User pursuant to TPD Section V4.3, all Relevant User Suppressed Reconciliation Values for such User which are outstanding at the User Discontinuance Date shall be cancelled and deemed to be void ab initio and no further Reconciliation Values for the Meter Reading Periods to which the User Suppressed Reconciliation Values related shall be invoiced and payable.

18.2 Resolution of Relevant User Suppressed Reconciliation Values

18.2.1 Where a Relevant User Suppressed Reconciliation Value remains Suppressed on the User Resolution Deadline the Transporter will commence an investigation of the Relevant User Suppressed Reconciliation Value and:

- (a) the Transporter shall use its reasonable endeavours to resolve the Relevant User Suppressed Reconciliation Value such that it will cease to be Suppressed before the Transporter Resolution Deadline; and
- (b) such investigation shall be performed by the Transporter as a User Pays Service.

18.2.2 The USRV User will, irrespective of whether it continues to investigate the Relevant User Suppressed Reconciliation Value pursuant to paragraph 18.1.2(b) pay (in accordance with TPD Section S) to the Transporter a User Pays Charge in respect of such User Pays Service.

18.2.3 Where requested by the Transporter for the purposes of assisting it with its investigation:

- (a) the User will provide to the Transporter such additional information which is in its possession and may be reasonably obtained by it;
- (b) the User, which at the time of the request is the Registered User of the Supply Point in respect of the Relevant User Suppressed Reconciliation Value that is the subject of an investigation by the Transporter pursuant to this paragraph 18, will facilitate access to the Supply Point Premises at which the Supply Meter Installation is located for the purposes of enabling the Transporter to obtain a Meter Reading and Meter Information;

and the provisions of TPD Section M4.1 shall apply in respect of any changes identified.

18.2.4 Where the investigation by the Transporter pursuant to paragraph 18.2.1 concludes that:

- (a) there is sufficient information to determine that the Reconciliation User Suppressed Reconciliation Value will cease to be Suppressed, the Transporter will notify the USRV User and use the Relevant User Suppressed Reconciliation Value for the purpose of calculating the relevant Invoice Items in a Reconciliation for the relevant Reconciliation Billing Period (which Invoice Items shall be included in a Reconciliation Invoice submitted by the Transporter within two (2) months of the Transporter Resolution Deadline);
- (b) there is insufficient information to determine that the Relevant Suppressed Reconciliation Value should cease to be Suppressed, the Transporter may, in its

discretion, determine that such Relevant User Suppressed Reconciliation Value will not be used for the purpose of calculating the relevant Invoice Items in a Reconciliation for the relevant Reconciliation Billing Period;

and such determination will be final and binding (and the Transporter shall make a determination under paragraph (b) in respect of any Relevant Suppressed Reconciliation Value which remains Suppressed on the Transporter Resolution Deadline).

18.2.5 Where a Reconciliation User Suppressed Reconciliation Value which is the subject of an investigation by a User pursuant to paragraph 18.1.2(b), relates to the same relevant Reconciliation Billing Period as applies to a User Suppressed Reconciliation Value which is the subject of an investigation by the Transporter pursuant to paragraph 18.2.1, paragraph 18.2.3 shall apply in respect of the User Suppressed Reconciliation Value which is the subject of the paragraph 18.1.2(b) investigation.

19 NOT USED⁴

20 PROJECT NEXUS IMPLEMENTATION DATE

20.1 For the purposes of this paragraph 20 “**PwC Implementation Plan**” is the plan of that name prepared by PwC relating to the implementation of the Transporter Agency’s UK Link replacement programme.

20.2 Each Party acknowledges the following system trials (each more particularly described in the PwC Implementation Plan), to support implementation of Modifications 0432, 0434 and 0440, need to be undertaken and completed in accordance with the following timetable:

- (a) Solution Readiness:
 - (i) L2 entry readiness criteria to be completed by 1 October 2015;
 - (ii) L3 entry readiness criteria to be completed by 31 December 2015;
- (b) Level 2 File Structure Trials to be undertaken and completed in the period between 2 November and 18 December 2015;
- (c) Level 3 Functional Market Trials:
 - (i) in respect of the changes needed to support implementation of Modifications 0432 and 0440, to be undertaken and completed in the period between 1 February and 27 May 2016;
 - (ii) in respect of the changes needed to support implementation of Modifications 0434, to be undertaken and completed in the period between 2 June and 29 July 2016;
- (d) Level 4 Multi-Party Market Trials:
 - (i) in respect of the changes needed to support implementation of Modifications 0432 and 0440, to be undertaken and completed in the period between 1 February and 27 May 2016;

⁴ Implementation of modification 0534 effective 05:00hrs on a date to be confirmed, will add new paragraph 19.

- (ii) in respect of the changes needed to support implementation of Modifications 0434, to be undertaken and completed in the period between 2 June and 29 July 2016.

- 20.3 Each Party agrees to use best endeavours in supporting completion of the system trials in accordance with the dates and timetable in paragraph 20.2.
- 20.4 The dates and timetable in paragraph 20.2 will be subject to on-going review in accordance with the procedures set out in the PwC Implementation Plan, however the dates and timetable in paragraph 20.2 may only be changed with the approval of the Authority.

21 CESSATION OF OPERATIONAL ACTIVITY AT AVONMOUTH STORAGE FACILITY

- 21.1 Following Avonmouth Storage Facility ceasing operational activity on Gas Flow Day commencing on 30 April 2016, once National Grid LNG is satisfied that the decommissioning process at Avonmouth Storage Facility is sufficiently progressed that references to National Grid LNG Storage Facilities are no longer required in the UNC TPD, it may serve a notice on the Code Administrator requesting it to:
 - 21.1.1 delete UNC TPD Section Z in its entirety and replace it with the words “Not Used.”; and
 - 21.1.2 make the changes to the other Sections of the UNC TPD as set out in the table annexed to modification 0553.
- 21.2 Following the deletion of UNC TPD Section Z in accordance with paragraph 21.1, to the extent there is any outstanding matter relating to National Grid LNG Storage Facilities, such matter shall be resolved in accordance with the terms of UNC TPD in force as at 30 April 2016.

ANNEX 1

UNIFORM NETWORK CODE – TRANSPORTATION PRINCIPAL DOCUMENT

SECTION G – SUPPLY POINTS

1 INTRODUCTION AND STRUCTURAL RULES¹

1.1 Supply Point and Registered User

1.1.1 For the purposes of the Code:

- (a) a "**Supply Point**" is a System Exit Point comprising the Supply Meter Point or Supply Meter Points for the time being registered in the name of a User pursuant to a Supply Point Registration, or (for the purposes of this Section G only) the subject of a Proposed Supply Point Registration;
- (b) the "**Registered User**" of a Supply Point is the User in whose name such Supply Meter Points are so registered;
- (c) a "**Supply Point Registration**" is the registration of one or more Supply Meter Points in the name of a User pursuant to paragraph 2.8.7(a) or 2.9.1 or (where applicable) to paragraph 2.1.6.

1.1.2 Without prejudice to paragraph 1.7, only one User may be the Registered User in respect of a Supply Point.

1.1.3 A User may apply for a Supply Point Registration ("**Proposed Supply Point Registration**") subject to and in accordance with paragraph 2, and may withdraw from a Supply Point Registration subject to and in accordance with paragraph 3.

1.1.4 A Supply Point Registration may be modified only as respects those details of the Supply Point Registration specified as capable of being amended in Annex G-1; and a Supply Point Reconfirmation (in accordance with paragraph 2.2.5) will be required in respect of any change in any other details.

1.1.5 The "**Supply Point Registration Date**" in respect of a Supply Point is the date of the Supply Point Registration in accordance with paragraph 2.

1.1.6 A reference in the Code in the context of a User to a "**Registered**" Supply Point, Supply Point Component or Supply Meter Point is to a Supply Point, or (as the case may be) a Supply Point Component or Supply Meter Point comprised in a Supply Point, of which the User is the Registered User.

1.1.7 A reference in the Code to the Registered User of a Supply Point Component or Supply Meter Point is to the Registered User of the Supply Point (or in the case of a Shared Supply Meter Point any of the Supply Points) in which such Supply Point Component or Supply Meter Point is comprised.

1.1.8 In this Section G "**Supply Point Transportation Charges**" means Customer Charges, LDZ Capacity Charges, LDZ Commodity Charges, NTS Commodity Charges and NTS Exit

¹ Implementation of modification 0420 effective 06:00hrs on a date to be determined, will amend this Section, in whole or in part.

Capacity Charges; and in the context of a Supply Point or Proposed Supply Point a reference to details of Supply Point Transportation Charges is to the applicable rate or amount thereof in accordance with Section B1.8.

1.2 Offtake responsibility for Supply Points

Subject to paragraph 3.4.2 the gas offtaken from the Total System at a Supply Point will (in accordance with Section E3 and where applicable paragraph 1.7) be attributed for the purposes of the Code to the Registered User; and the Registered User accepts (for the purposes of the Code) responsibility for such offtake of gas by itself or any other person whether or not authorised by the Registered User.

1.3 Supply Meter Points

- 1.3.1 In accordance with Section A4.1 a Supply Meter Point is an Individual System Exit Point at which gas may (in accordance with the Code) be offtaken from the Total System for the purposes of supply directly to particular premises.
- 1.3.2 A Supply Meter Point may (subject to and in accordance with paragraph 1.7) be included in more than one Supply Point.
- 1.3.3 In accordance with Section M2 a Supply Meter Installation is required to be installed at each Supply Meter Point; but a point may be a Supply Meter Point in accordance with paragraph 1.3.1 notwithstanding that no such installation is installed at such point.
- 1.3.4 Pursuant to this Section G, a Supply Meter Point which has not been Isolated will at all times be included in at least one Supply Point.
- 1.3.5 Paragraph 7.3 sets out the basis on which a New Supply Meter Point may be established.

1.4 Single Premises Requirement

- 1.4.1 A Supply Point must comply with the Single Premises Requirement.
- 1.4.2 The "**Single Premises Requirement**" is the requirement that where more than one Supply Meter Point is comprised in a Supply Point, gas offtaken from the Total System at all of such Supply Meter Points is to be supplied to premises:
 - (a) owned or occupied by one person;
 - (b) in close geographical proximity to each other;
 - (c) comprised within a common curtilage; and
 - (d) which serve each other in some necessary or reasonably useful way.
- 1.4.3 The Registered User shall:
 - (a) take all reasonable steps to ensure that the Single Premises Requirement does not cease to be satisfied in respect of a Supply Point without the Registered User's becoming aware of that fact; and
 - (b) if the Single Premises Requirement shall cease to be satisfied in respect of a Supply Point, as soon as it becomes aware of that fact:
 - (i) promptly so inform the Transporter; and

- (ii) apply (in accordance with paragraph 2) for two or more Supply Point Registrations (in respect of each of which such requirement is satisfied) in respect of the relevant Supply Meter Points.
- 1.4.4 If the Transporter becomes aware that the Single Premises Requirement has ceased to be satisfied in respect of a Supply Point the Transporter will promptly so inform the Registered User.
- 1.4.5 For the purposes of the Code the premises to which gas offtaken from the Total System at a Supply Point is or is to be supplied are the "**Supply Point Premises**".
- 1.4.6 Following the rejection of a Supply Point Nomination pursuant to paragraph 2.3.6(a):
- (a) the Proposing User may notify the Transporter that the User considers that the Single Premises Requirement is satisfied in respect of the Proposed Supply Point; and
 - (b) where the User so notifies the Transporter:
 - (i) the User shall at the same time provide its reasons for so considering and supporting evidence; and
 - (ii) the Transporter will consider the reasons and evidence provided by the User and where the Transporter is reasonably satisfied that the Single Premises Requirement is satisfied the Transporter will so inform the User and will not reject (on the grounds in paragraph 2.3.6(a)) a further Supply Point Nomination in respect of the Proposed Supply Point.

1.5 Daily Read Metering

- 1.5.1 Subject to paragraphs 1.5.5, 1.5.6(c) and 1.5.12(c) a Supply Meter Point shall be classified as a DM Supply Meter Point where:
- (a) the Supply Meter Point is Daily Read in accordance with M1.3.1, or paragraph 1.5.13 applies; and
 - (b) either:
 - (i) the Daily Read Requirement applies; or
 - (ii) an election pursuant to paragraph 1.5.6(c) is in force in relation to such Supply Meter Point; or
 - (iii) where User Daily Read Equipment is installed in accordance with M4.1.6(b) and the Supply Meter Point comprised in any Supply Point has an Annual Quantity which exceeds 732,000 kWh (25,000 therms) but is less than 58,600,000 kWh (2,000,000 therms) and cannot be an Interruptible Supply Point.⁵
- 1.5.2 Subject to paragraph 1.5.4, the Daily Read Requirement shall apply in respect of:
- (a) each relevant Supply Meter Point comprised in any Supply Point whose Annual Quantity is greater than 58,600,000 kWh (2,000,000 therms);

⁵ Implementation of modification 0345 effective 06:00hrs on 01/10/2013, will amend paragraph 1.5.1.

- (b) a relevant Supply Meter Point which the Registered User requires (in accordance with paragraph 6.1.9) to be comprised in the DM Supply Point Component of an Interruptible Supply Point; and
- (c) each Supply Meter Point which is an NTS Supply Point.

1.5.3 For the purposes of paragraph 1.5.2:

- (a) the "**Daily Read Requirement**" is the requirement that the Supply Meter at a Supply Meter Point shall be Daily Read; and
- (b) a relevant Supply Meter Point is a Supply Meter Point in respect of which the Annual Quantity is greater than 2,196,000 kWh (75,000 therms).

1.5.4 If the Transporter determines and notifies the Registered User that it would not be practicable or economic for Supply Meters at a particular Supply Point to be Daily Read, unless upon application (made within 10 Business Days after such notification by the User) the Authority shall give Condition 9(3) Disapproval to the Transporter not installing Daily Read Equipment, the Daily Read Requirement pursuant to paragraph 1.5.3(a) shall not apply, and the Registered User may not make a request under paragraph 1.5.9, in respect of that Supply Point (and for the avoidance of doubt the relevant Supply Meter Points shall be NDM Supply Meter Points).⁶

1.5.5 Where:

- (a) a Supply Meter Point is a DM Supply Meter Point; and
- (b) upon a change in the Annual Quantity of the Supply Meter Point or the Supply Point in which it is comprised, or the Supply Point's ceasing to be an Interruptible Supply Point, the Daily Read Requirement ceases to apply,

the Supply Meter Point shall not be required to be classified as an NDM Supply Meter Point, and in the absence of any Supply Point Confirmation or Reconfirmation, the Supply Meter Point shall continue to be a DM Supply Meter Point, but without prejudice to the entitlement of the Registered User to make a Supply Point Reconfirmation as an NDM Supply Point (to which paragraph 1.5.6 shall apply).

1.5.6 Where a User is, or following a Supply Point Confirmation (including a Reconfirmation) a User becomes, the Registered User of a Supply Meter Point in relation to which the Supply Meter is Daily Read (including pursuant to a request under paragraph 1.5.9), but the Daily Read Requirement does not apply:

- (a) subject to paragraph (c), the Supply Meter Point shall be classified as an NDM Supply Meter Point;
- (b) except where Daily Read Equipment was installed pursuant to a request under paragraph 1.5.9, the Transporter may at any time (unless at such time the User has made an election under paragraph (c)) inform the User that it wishes to remove the Daily Read Equipment and having given the User reasonable notice, thereof, remove the Daily Read Equipment at its own expense;
- (c) where the Annual Quantity exceeds 73,200 kWh (2,500 therms) the User may elect in accordance with paragraph 1.5.7 that the Supply Meter Point shall be classified as a DM Supply Meter Point with Transporter Daily Read Equipment installed;

⁶ Implementation of modification 0345 effective 06:00hrs on 01/10/2013, will amend paragraphs 1.5.4, 1.5.5, 1.5.6, 1.5.7, 1.5.8 & 1.5.9.

- (d) where the Annual Quantity exceeds 732,000 kWh (25,000 therms) but is less than 58,600,000 kWh (2,000,000 therms) the User may elect in accordance with paragraph 1.5.7 that the Supply Meter Point shall be classified as a DM Supply Meter Point with User Daily Read Equipment installed.

1.5.7 An election for the purposes of paragraph 1.5.6(c) and 1.5.6(d):

- (a) shall be made by Nominating the Supply Meter Point as a DM Supply Meter Point:
 - (i) at the time of the Supply Point Confirmation or Reconfirmation referred to in paragraph 1.5.6; or
 - (ii) in the case in paragraph 1.5.6(c) only, at any time thereafter, by way of Supply Point Reconfirmation;
- (b) shall lapse with effect from the Supply Point Registration Date, where the Registered User or any other User submits a Supply Point Confirmation (including a Reconfirmation) which becomes effective in respect of a Supply Point including the relevant Supply Meter Point (and may be revoked accordingly).

1.5.8 Upon a change in the Annual Quantity of the Supply Meter Point such that the Annual Quantity becomes:

- (a) less than 73,200 kWh (2,500 therms) the Registered User shall be required to reclassify the Supply Meter Point as an NDM Supply Meter Point within 2 months of the change in Annual Quantity; or
- (b) (subject to paragraph 1.5.6(c)), less than 732,000 kWh (25,000 therms) and where the Supply Meter Point shall be classified as a DM Supply Meter Point with User Daily Read Equipment installed, the Registered User shall be required to reclassify the Supply Meter Point as an NDM Supply Meter Point within 2 months of the change in Annual Quantity; or
- (c) more than 58,600,000 kWh (2,000,000 therms) the Registered User shall be required to reclassify the Supply Meter Point as a Supply Meter Point with Transporter Daily Read Equipment installed within 2 months of the change in Annual Quantity.

1.5.9 The Registered User may:

- (a) at any time request (subject to and pursuant to Siteworks Terms and Procedures as described in paragraph 7) that Transporter Daily Read Equipment be installed at any Supply Meter Point (other than one whose Annual Quantity does not exceed 73,200 kWh (2,500 therms)); or
- (b) install User Daily Read Equipment at any Supply Meter Point where the Annual Quantity exceeds 732,000 kWh (25,000 therms) but is not more than 58,600,000 kWh (2,000,000 therms).

1.5.10 Where a User submits a Supply Point Nomination in respect of a Proposed Supply Point, with a Supply Meter Point, in relation to which the Supply Meter is not Daily Read, as a DM Supply Meter Point, the Transporter shall reject such Supply Point Nomination, unless the User has submitted such Supply Point Nomination in accordance with paragraph 7.3.5 and the New Supply Meter Point has been classified as a DM Supply Meter Point in accordance with paragraph 1.5.13. The User warrants that where it submits a Supply Point Nomination in accordance with this paragraph and there is no requirement on the Transporter to install

Transporter Daily Read Equipment, then the User shall install User Daily Read Equipment instead.

1.5.11 Subject to paragraph 1.5.4, where (by reason of an increase in the Annual Quantity of a Supply Point or a Supply Meter Point at the start of the Gas Year, or a proposal that a Supply Meter Point be comprised in an Interruptible Supply Point) the Daily Read Requirement applies in respect of a Supply Meter Point pursuant to paragraph 1.5.2(a) or 1.5.2(b), but is not satisfied:

- (a) the Transporter will arrange for the satisfaction of such requirement (by installation of Transporter Daily Read Equipment at the relevant Supply Meter), as soon as reasonably practicable, and will inform the Registered User when the Daily Read Requirement is satisfied; and the installation for the purposes of this paragraph 1.5.9 of Daily Read Equipment will not be Siteworks; and
- (b) the relevant date for the purposes of paragraph 1.11.2 shall be the date on which the Supply Meter becomes Daily Read and the period referred to in that paragraph shall be 2 and not 3 months.

1.5.12 Where a User submits (pursuant to the provisions of this paragraph 1.5) a Supply Point Nomination (including a Renomination) pursuant to which an NDM Supply Meter Point is to become a DM Supply Meter Point:

- (a) where in relation to any Supply Meter Point to be comprised in the DM Supply Point Component:
 - (i) the Supply Meter was Daily Read during the period of 12 months preceding the date of submission of the Supply Point Nomination; and
 - (ii) the Transporter and the User have not agreed that insufficient Valid Meter Readings (in accordance with Section M4) were obtained in the months of October to May in such period of 12 months

the Nominated Supply Point Capacity shall be not less than the Preceding Year Maximum Quantity in accordance with paragraphs 5.2.3 and 5.2.4, but paragraph 5.2.3(b) shall be read as though references to a Supply Meter Point being DM were to the relevant Supply Meter being Daily Read;

- (b) where paragraph (i) does not apply, the Nominated Supply Point Capacity shall not be less than the User's estimate (made in good faith and after all appropriate enquiries of the consumer and on the basis of reasonable skill and care) of the maximum quantity of gas to be offtaken from the Total System at the DM Supply Point Component on any Day in the next 12 months, on the basis of reasonable assumptions as to weather conditions;
- (c) the Supply Meter Point will become a DM Supply Point with effect from the Supply Point Registration Date; and
- (d) in relation to a DM Supply Meter Point with User Daily Read Equipment installed and irrespective of the Registered User:
 - (i) where the Prevailing Supply Point Capacity is equal to or greater than the previous NDM Supply Point Capacity, Supply Point Ratchet Charges will not be levied until the first anniversary from the date of registration of the Registered User Supply Point Capacity; or

- (ii) where the Registered User Supply Point Capacity is lower than the previous NDM Supply Point Capacity, Supply Point Ratchet Charges will be levied.

1.5.13 Without prejudice to the other provisions of paragraph 1.5, a New Supply Meter Point which (pursuant to paragraph 7.3.5) is included in a Supply Point shall be classified as a DM Supply Meter Point, even though the Supply Meter is not Daily Read, where there is a Daily Read Requirement in accordance with paragraph 1.5.2 in respect of the Supply Meter at the Supply Meter Point but for any reason (other than due to an act or omission of the Registered User) Daily Read Equipment is not installed at the Supply Meter, or if installed is not operational in accordance with Section M4.1.7.

1.6 Annual Quantity

1.6.1 For the purposes of this paragraph 1.6:

- (a) the "**relevant Gas Year**" is the Gas Year in which the Annual Quantity of a Supply Meter Point is to apply;
- (b) the "**preceding Gas Year**" is the Gas Year ending at the start of the relevant Gas Year;
- (c) the "**AQ Review Date**" is a date which the Transporters determine but shall in any event be no later than 31 May in the preceding Gas Year; and
- (d) the "**User Provisional Annual Quantity**" is the Registered User's determination of what the Provisional Annual Quantity in respect of a Supply Meter Point should be.

1.6.2 For each relevant Gas Year no later than the AQ Review Date the Transporter shall determine the Provisional Annual Quantity in respect of each Supply Meter Point. The "**Provisional Annual Quantity**" shall be either:

- (a) in respect of an NDM Supply Meter Point which has been Isolated at any time during the Relevant Metered Period or for a DM Supply Meter Point which has been Isolated at any time during the period of 12 months ending on the AQ Review Date the Annual Quantity applicable for the preceding Gas Year;
- (b) in respect of a DM Supply Meter Point, where paragraph (a) does not apply, where there are Supply Meter Point Daily Quantities for each Day in the period of 12 months ending on the AQ Review Date, the sum of such Supply Meter Point Daily Quantities;
- (c) in respect of an NDM Supply Meter Point where paragraph (a) does not apply or where Section H3.2.4 does not apply, the quantity assumed to be offtaken in a period of 12 months, determined in accordance with Section H3; or
- (d) in respect of a Supply Meter Point where paragraphs (a), (b) and (c) do not apply, the Annual Quantity applicable for the Preceding Year unless the Supply Meter Point is a New Supply Meter Point in which case the Provisional Annual Quantity shall be the estimated quantity provided by the first Registered User in accordance with paragraph 7.3.6.

1.6.3 The Transporter shall no later than 31 May in the preceding Gas Year for Smaller Supply Meter Points and 30 June in the preceding Gas Year for Larger Supply Meter Points in respect of each Supply Meter Point notify to the Registered User the Provisional Annual Quantity in respect of the relevant Gas Year and supporting details including:

- (a) the Supply Meter Point Reference Number; and

- (b) where available, the Meter Readings used by the Transporter to determine the Provisional Annual Quantity.
- 1.6.4 (a) Subject to paragraph 1.6.4(f), following the notification of the Provisional Annual Quantity the Registered User may, subject to paragraph 1.6.4(c) and where the provisions of paragraph 1.6.4(b) apply:
- (i) in the case of a Smaller Supply Point where it considers that the Provisional Annual Quantity should be greater or lesser than the Provisional Annual Quantity notified by the Transporter by not less than 5%; or
 - (ii) in respect of any Larger Supply Point

not later than 13 August in the preceding Gas Year notify the Transporter that it considers that the Provisional Annual Quantity does not satisfy the requirement in paragraph 1.6.6 ("**User Provisional Annual Quantity**").

- (b) The provisions referred to in paragraph 1.6.4(a) are:
 - (i) that the Registered User reasonably considers that the Transporter's calculation of the Provisional Annual Quantity is derived from:
 - (1) Meter Readings that are incorrect or were taken prior to Meter Readings available to the Registered User; or
 - (2) materially incorrect details of the Supply Meter Installation for the relevant Supply Meter Point;
 - (ii) where the Transporter has determined the Provisional Annual Quantity in accordance with paragraph G1.6.2(a) or G1.6.2(d).
- (c) Where, in respect of any Supply Point, the Registered User notifies the Transporter of a User Provisional Annual Quantity in accordance with paragraph 1.6.4(a) the Registered User shall warrant that:
 - (i) in reviewing the Provisional Annual Quantity it has applied a methodology that:
 - (1) is consistent to all Supply Points for which it is the Registered User; and
 - (2) does not materially differentiate in its treatment of Supply Points where the User Provisional Annual Quantity may be greater than the Provisional Annual Quantity notified by the Transporter and Supply Points where the User Provisional Annual Quantity may be less than the Provisional Annual Quantity notified by the Transporter; and
 - (ii) it has notified the Transporter of all User Provisional Annual Quantities resulting from the application of the methodology referred to in sub-paragraph (i) above that satisfy the requirements set out in paragraph 1.6.4.
- (d) The Transporter will be entitled to reject without consideration, notice or liability any notification by a User which does not comply with the requirement in paragraph 1.6.4.

- (e) The limitations upon notification contained in paragraph 1.6.4(a)(i) shall not apply where the User Provisional Annual Quantity will result in a Smaller Supply Point being re-classified as a Larger Supply Point.
- (f)
 - (i) For the purposes of this paragraph 1.6.4(f)
 - (ii) The AQ Amendment Submission Profile Cap is the maximum number of notifications (“**AQ Amendments**”) that a User may submit per Business Day no earlier than 31 May and no later than 13th August in any Gas Year in accordance with paragraph 1.6.4(a) following notification of the Provisional Annual Quantity
 - (iii) The “Guidelines to optimise the use of AQ Amendment system capacity” document is a document prepared by the Transporter Agent, following consultation with Users which provides guidance on and establishes the methodology by which AQ Amendment Submission Profile Cap for each User shall be determined by the Transporters;
 - (iv) Prior to the notification of the Provisional Annual Quantity pursuant to paragraph 1.6.3 the Transporter shall issue to all Users a notification setting out the maximum number of AQ Amendments, that a User may submit per Business Day, which shall be not less than 500 together with the aggregate number of AQ amendments that may be submitted by all Users per Business Day up to the 13th August in any Gas Year
 - (v) The AQ Amendment Submission Profile Cap shall be a number per User notified to each User by the Transporter in accordance with the “Guidelines to optimise the use of AQ Amendment system capacity” which shall be based upon the aggregate number of a Users Registered Supply Meter Points as at 1 April in any Gas Year as a proportion of all registered Supply Meter Points held by all Users at the same date
 - (vi) The Transporters will not be obliged to process any AQ Amendment per User in excess of the AQ Amendment Submission Profile Cap or in respect of the aggregate number of AQ Amendments Submission Profile Caps for all Users per Business Day.

1.6.5 When submitting a notification pursuant to paragraph 1.6.4, the Registered User:

- (a) shall specify, evidence as required by the Transporter including:
 - (i) the Supply Meter Point Reference Number;
 - (ii) two Meter Readings in accordance with Section H3;
 - (iii) where there has been one or more meter exchanges at the Supply Meter Point, two Meter Readings for each meter exchange which falls within the period between the Meter Read Dates of the two Meter Readings in paragraph (a) (ii); and
 - (iv) the User Provisional Annual Quantity.

- (b) where the Supply Meter Point has a Provisional Annual Quantity of greater than 293,000 kWh (10,000 therms), may specify (but shall not be required to specify) in addition to the Meter Readings in paragraph (a)(ii):
 - (i) two Meter Readings, for which one of the Meter Read Dates falls within a period from 1 November to 31 December of the preceding Gas Year and the other Meter Read Date falls within a period from 1 March to 30 April of the preceding Gas Year;
 - (ii) where there has been one or more meter exchanges at the Supply Meter Point, two Meter Readings for each meter exchange which falls within the period between the Meter Read Dates of the two Meter Readings in paragraph (b)(i); and
 - (iii) an estimate of the quantity offtaken derived from the two Meter Readings in paragraph (b)(i); and
 - (c) shall record evidence (and shall make such evidence available for inspection where reasonably requested) to support the applicable provision of paragraph 1.6.4(b) and the warranty given pursuant to paragraph 1.6.4(c) and if the Registered User fails to comply with this paragraph then the notification pursuant to paragraph 1.6.4 will be rejected and the Registered User shall be notified of such rejection.
- 1.6.6 The requirement referred to in paragraph 1.6.4 is that the Provisional Annual Quantity, User Provisional Annual Quantity or Annual Quantity of a Supply Meter Point should represent reasonable assumption(s) as to the quantity offtaken (or, in the case of a New Supply Meter Point or a Supply Meter Point notified to the Transporter under paragraph 1.6.13(a)(ii), which would have been offtaken) from the Total System in the period of 12 months by reference to which the Provisional Annual Quantity, User Provisional Annual Quantity and the Annual Quantity is determined. The variable that determines the End User Category of the Supply Point should reflect reasonable assumptions as to the quantity offtaken from the Total System during the period from 1 December to 31st March in the preceding Gas Year.
- 1.6.7 The "**Annual Quantity**" of a Supply Meter Point shall be either:
- (a) where following a notification under paragraph 1.6.4 the Transporter considers that the requirement in paragraph 1.6.6 is satisfied the User Provisional Annual Quantity; or
 - (b) where paragraph (a) does not apply, the Provisional Annual Quantity.
- 1.6.8 The "**Annual Quantity**" of a Supply Point or a Supply Point Component is the sum of the Annual Quantities for each Supply Meter Point comprised in that Supply Point or Supply Point Component.
- 1.6.9 Subject to paragraph 1.6.2, where a DM Supply Meter Point becomes an NDM Supply Meter Point or an NDM Supply Meter Point becomes a DM Supply Meter Point the Annual Quantity of the Supply Meter Point shall not be affected by a change in its status to NDM or DM.
- 1.6.10 Subject to paragraph 1.6.2, where a Supply Meter Point is Isolated the Annual Quantity for that Supply Meter Point shall remain unchanged.
- 1.6.11 For the purposes of this paragraph 1.6.11, the "**Effective Period**" shall mean the Gas Year excluding the period of time commencing from and including 1 August until and including 14 September. Where a Supply Point Confirmation made in respect of a Larger Supply Point becomes or will become effective during the Effective Period the Proposing User may during the Effective Period but not later than 23 Business Days after the Supply Point Registration

Date nor more than 7 Business Days earlier, notify the Transporter that the Proposing User considers the Annual Quantity of a Supply Meter Point or (as the case may be) variable that determines the End User Category of the Supply Point (pursuant to Section H 1.2), comprised in the Proposed Supply Point fails to satisfy the requirement in paragraph 1.6.6 and shall have the right to appeal the Annual Quantity under paragraph 1.6.13(a)(i).

- 1.6.12 The Transporter shall not later than 14 September in the preceding Gas Year notify to the Registered User the Annual Quantity for each Supply Meter Point for the relevant Gas Year and the applicable End User Category (where appropriate) in respect of each Supply Point.
- 1.6.13 Where following the notification of the Annual Quantity further to paragraph 1.6.12:
- (a) in respect of any Larger Supply Meter Point, the Registered User may not later than 31 July of the relevant Gas Year (or in the case of Larger Supply Meter Points under paragraph 1.6.11, 23 Business Days after the Supply Point Registration Date during the Effective Period) notify the Transporter that the Registered User considers that the Annual Quantity of that Supply Meter Point fails to satisfy the requirement in paragraph 1.6.6 either:
 - (i) on the basis of substantial evidence as to the actual consumption of gas; or
 - (ii) because of a change in the Consumer's Plant which results in a change in the basis on which gas is consumed;
 - (b) notwithstanding the Registered User's right to appeal in paragraph (a), in respect of any Larger Supply Meter Point, the Registered User may not later than 31 July in the relevant Gas Year notify the Transporter that the Registered User considers that the Annual Quantity of a Supply Meter Point fails to satisfy the requirement in paragraph 1.6.6 provided that the Registered User may only so notify the Transporter in the case of:
 - (i) a Larger Supply Meter Point where the Registered User's reasonable estimate of the Annual Quantity, is equal to or less than 50% of the Annual Quantity or is equal to or greater than 200% of the Annual Quantity; and
 - (ii) a Smaller Supply Meter Point, where the User considers that it should be a Larger Supply Meter Point;
 - (c) where a Registered User so notifies the Transporter:
 - (i) pursuant to paragraph (a)(i) or paragraph (b) and the Registered User shall with such notice provide to the Transporter details as set out in paragraph 1.6.5 together with the Registered User's reasons or evidence for its view and a reasonable estimate of the quantity or (as the case may be) value which the Registered User considers should be the Annual Quantity or such variable of such Supply Meter Point; and in the case of paragraph (a)(i) in respect of a Larger Supply Point with an Annual Quantity greater than 293,000 kWh (10,000 therms) where a change of gas supplier has occurred, such details may be provided to the Transporter by use of the table in the format specified in Annex G3;
 - (ii) pursuant to paragraph (a)(ii) the Registered User shall with such notice provide to the Transporter in a format specified by the Transporter details of the Registered User's reasons or evidence for its view and a reasonable estimate of the quantity or (as the case may be) value which the Registered

User considers should be the Annual Quantity or such variable of such Supply Meter Point;

- (d) the Transporter will consider the details provided by the Registered User under paragraph (c), and where it is satisfied that the Annual Quantity or such variable notified to the Registered User pursuant to paragraph 1.6.12 fails to satisfy the requirement in paragraph 1.6.6 and that estimate of the Annual Quantity provided by the Registered User satisfies the requirement in paragraph 1.6.6, then the Transporter shall substitute the Annual Quantity with that estimate of the Annual Quantity (subject to paragraph 1.6.15 or (as the case may be) variable for the relevant Gas Year).

1.6.14 Where the Transporter agrees to revise the Annual Quantity or End User Category under paragraph 1.6.13(d) or paragraph 1.6.17:

- (a) the Registered User may submit a Supply Point Reconfirmation (in accordance with paragraph 2.2.5) in respect of the relevant Supply Point on the basis of the revised Annual Quantity or End User Category;
- (b) with effect from the Supply Point Registration Date in respect of such Supply Point Reconfirmation, Supply Point Transportation Charges, UDQOs and Energy Balancing Charges (so far as to be determined by reference to or directly or indirectly a function of Annual Quantity or End User Category) shall be determined by reference to the revised Annual Quantity or End User Category;
- (c) no adjustment, revision or redetermination in respect of any such Supply Point Transportation Charge, UDQO and Energy Balancing Charge in respect of or accruing in respect of any Day before the Supply Point Registration Date will be made, it being agreed that such amounts and charges will be determined (and, in the case of charges, payable) by reference to the Annual Quantity and End User Category notified by the Transporter pursuant to the foregoing provisions of this paragraph 1.6 unless and until any revision is made pursuant to paragraph (a).

1.6.15 Where the Transporter notifies any Registered User of that Supply Meter Point in the relevant Gas Year that a material error has been made in the calculation of any such Annual Quantities or any variables, the Transporter and the User concerned will discuss in good faith the manner in which and time at which such error may be corrected, having regard in particular to the need to ensure that the Registered User continues to enjoy the benefit (in relation to the corrected Annual Quantity) of this paragraph 1.6.

1.6.16 A User which is the Registered User of a Smaller Supply Meter Point, in relation to which the Supply Point Premises are premises in respect of which the conditions of Condition 22 of the Supplier's Licence are satisfied, may make an election for the purposes of this paragraph by submitting to the Transporter at any time a notice of such election.

1.6.17 Where a Registered User makes an election pursuant to paragraph 1.6.16, the Supply Meter Point shall be a Larger Supply Meter Point and the Transporter shall agree to revise the Annual Quantity pursuant to paragraph 1.6.14.

1.6.18 The Transporters shall publish, by the dates specified in paragraph 1.6.20, a report containing the following information in respect of each User (on a non attributable basis):

- (a) in aggregate across all End User Categories:
 - (i) the number of applications made by the User during the User AQ Review Period (in accordance with paragraph 1.6.4) for an increase in the Provisional Annual Quantity and for a decrease in the Provisional Annual Quantity;

- (ii) the number of such successful applications made by the User during the User AQ Review Period (in accordance with paragraph 1.6.7) that resulted in a User Provisional Annual Quantity shown by the resulting increase and decrease in comparison to the Provisional Annual Quantity;
 - (iii) the number of Speculative Calculation enquiries made by the User during the preceding Gas Year;
- (b) by each End User Category:
- (i) the number of Supply Meter Points where the Annual Quantity has increased or decreased as a result of the successful applications referred to in (a)(ii) shown as a percentage of the total number of Supply Meter Points in that End User Category;
 - (ii) the change to the Annual Quantity in aggregate (expressed in kWh) that has occurred due to the increases or decreases as a result of the successful applications referred to in (a)(ii);
 - (iii) the number of Supply Points that have moved from one End User Category to another End User Category as result of the successful applications referred to in (a)(ii);
- (c) by each LDZ, the number of such successful applications made by the User during the User AQ Review Period (in accordance with paragraph 1.6.7) that resulted in a User Provisional Annual Quantity shown by the resulting increase and decrease in comparison to the Provisional Annual Quantity.

1.6.19 For the purposes of paragraph 1.6.18:

- (a) **“User AQ Review Period”** is the period during which the User may apply for a User Provisional Annual Quantity in accordance with 1.6.4(a), commencing on the AQ Review Date and ending on the 13 August in the preceding Gas Year;
- (b) **“Speculative Calculation”** means an estimate of the Annual Quantity of a Supply Point derived by the User, using relevant Meter Reads for the Supply Point and the speculative calculator tool which is available for use within UK Link.

1.6.20 The dates for the publication of the information to be contained in the report in accordance with paragraph 1.6.18 shall be in the case of:

- (a) paragraph 1.6.18(a) and (b), by no later than:
 - (i) 1 July, in respect of Smaller Supply Meter Points on an interim basis;
 - (ii) 1 August, in respect of Larger Supply Meter Points on an interim basis; and
 - (iii) 1 November in respect of all Supply Meter Points on a final basis;

in each case in the relevant Gas Year.

- (b) paragraph 1.6.18(c), by no later than 1 November in the relevant Gas Year, in respect of all Supply Meter Points on a final basis.⁷⁸

1.7 Shared Supply Meter Points

1.7.1 Subject to and in accordance with this paragraph 1.7, a DM Supply Meter Point may be comprised in more than one Supply Point if the Registered Users in respect of such Supply Meter Point have submitted to the Transporter a notification confirming that they wish to be sharing Registered Users and specifying (in accordance with paragraph 1.7.6) the basis on which the quantity of gas offtaken each Day from the Supply Meter Point(s) comprised in such Supply Points is to be apportioned between such Users.

1.7.2 For the purposes of the Code:

- (a) a **"Shared Supply Meter Point"** is a Supply Meter Point which is pursuant to this paragraph 1.7 comprised in more than one Supply Point;
- (b) **"Sharing Registered Users"** are the Users which are the Registered Users of a Shared Supply Meter Point;
- (c) a **"Shared Supply Meter Point Notification"** is a notification given for the purposes of paragraph 1.7.1;
- (d) **"Shared Supply Meter Point Procedures"** are procedures established by the Transporter pursuant to paragraph 1.7.16

and for the purposes of this paragraph 1.7 a "relevant" Supply Point or DM Supply Point Component is a Supply Point or DM Supply Point Component which includes a Shared Supply Meter Point.

1.7.3 Paragraph 1.7.1 applies only in respect of:

- (a) a Supply Meter Point which at 1 March 1996 was comprised in more than one Supply Point; or
- (b) a Supply Meter Point in relation to which the following conditions are satisfied:
 - (i) the Supply Meter Point is not part of a Sub-deduct Arrangement;
 - (ii) the aggregate of the Annual Quantities of the Supply Meter Point and each other Supply Meter Point comprised in each relevant Supply Point exceeds 58,600,000 kWh (2,000,000 therms);
 - (iii) there is no NDM Supply Point Component of any relevant Supply Point; and
 - (iv) every other Supply Meter Point comprised in any relevant Supply Point is also a Shared Supply Meter Point subject to the same basis of apportionment.

1.7.4 Where there is a Shared Supply Meter Point the Single Premises Requirement shall apply to each of the relevant Supply Points (and accordingly the Supply Point Premises shall be the same for each such Supply Point).

⁷ Implementation of modification 0378 effective 06:00hrs on a date to be determined, will amend paragraphs 1.6.18, 1.6.19 & 1.6.20.

⁸ Implementation of modification 0378 effective 06:00hrs on a date to be determined, will add new paragraph 1.6.26.

- 1.7.5 A Shared Supply Meter Point may be comprised in a Firm Supply Point and in an Interruptible Supply Point.
- 1.7.6 A Shared Supply Meter Point Notification may provide for the allocation of gas offtaken at the Shared Supply Meter Point(s) to be determined each Day:
- (a) by the Transporter, under standing instructions notified to the Transporter in advance by the Sharing Registered Users, in accordance with paragraph 1.7.7;
 - (b) by a person appointed as User Agent on behalf of each Sharing Registered User, in accordance with paragraph 1.7.8.
- 1.7.7 A Shared Supply Meter Point Notification under paragraph 1.7.6(a) shall provide for allocation between the Sharing Registered Users either;
- (a) in the case of an LDZ Supply Point in tranches, in other words on the basis that the quantity of gas offtaken each Day which:
 - (i) does not exceed an amount;
 - (ii) exceeds an amount but does not exceed a higher amount; or
 - (iii) exceeds an amountin each case specified in the Shared Supply Meter Point Notification, is to be allocated to one of such Users, provided that such amounts shall be specified so that the whole quantity of gas offtaken each Day shall be allocated to one or more of such Users; or
 - (b) in the case of an NTS Supply Point, or LDZ Supply Point where none of the Supply Points in which the Shared Supply Meter Point is comprised is Interruptible, in percentages (aggregating 100%) specified in such notification.
- 1.7.8 A Shared Supply Meter Point Notification under paragraph 1.7.6(b) shall provide for the appointment (with effect from a single date) of one person (a "**Sharing Registered User Agent**") as User Agent by all Sharing Registered Users for the purposes of:
- (a) informing the Transporter of the portions of the Supply Meter Point Daily Quantity to be allocated to each of them in respect of each Day and for the purpose of paragraph 1.7.9; and
 - (b) complying with all Partial Interruption Rules and other provisions of paragraph 6 on behalf of all of the Sharing Registered Users.
- 1.7.9 Where a Shared Supply Meter Point Notification provides for the appointment of a Sharing Registered User Agent:
- (a) the Transporter will notify the Supply Meter Point Daily Quantity to the User Agent not later than the specified time on the Day following the Gas Flow Day and (where such quantity is pursuant to any provision of the Code to be revised) may notify a revision of the quantity so notified to the User Agent not later than the specified time on the Exit Close Out Date;
 - (b) if, by the specified time on the Day following the Gas Flow Day, and (where the Transporter notifies a revision of the Supply Meter Point Daily Quantity to the User Agent) by the specified time on the Day on which the Transporter notifies such revision, the User Agent has notified to the Transporter amounts, aggregating the

Supply Meter Point Daily Quantity (as revised at the relevant time), to be allocated to the Sharing Registered Users:

- (i) the amounts so notified may be revised (provided they continue to aggregate the Supply Meter Point Daily Quantity, as revised at the relevant time) by the User Agent at any time before the specified time on the Exit Close Out Day;
 - (ii) the Supply Meter Point Daily Quantity shall be allocated between the Sharing Registered Users in the amounts so notified or such revised amounts so notified not later than the specified time on the Exit Close Out Day;
- (c) if, by the specified time on the Day following the Gas Flow Day, or by the specified time on any Day on which the Transporter notifies to the User Agent any revision of the Supply Meter Point Daily Quantity, the User Agent has not so notified to the Transporter such amounts, the Supply Meter Point Daily Quantity shall be allocated between the Sharing Registered Users:
- (i) in proportion to the Nominated Quantities under the Users' Output Nominations for the relevant DM Supply Point Components for the Day or (if such Nominated Quantity is zero for each such User) in proportion to the Registered Supply Point Capacities at each such DM Supply Point Component; or
 - (ii) if the User Agent shall have notified the Transporter (not less than 15 Days before the Gas Flow Day) of proportions aggregating unity for the purposes of allocation in the circumstances contemplated in this paragraph (c) , in such proportions

provided that if the Transporter is reasonably satisfied that such omission of the User Agent resulted from an administrative error (by the agent) of an infrequent nature, the Transporter may permit the User Agent to submit (by such time, not later than the specified time, on the Exit Close Out Day as the Transporter may require) a late notification or revised notification for the purposes of paragraph (b);

- (d) such of the Code Communications which may be given under paragraphs 2, 3 and 4 as are specified in the Shared Supply Meter Point Procedures:
 - (i) if to be given by the Transporter may be given to the User Agent;
 - (ii) if to be given by a User (other than a User who is not for the time being a Sharing Registered User) may only be given by the User Agent; and
- (e) if the Supply Meter Point Daily Quantity is allocated pursuant to paragraph (c) in respect of more than 12 Days in any Gas Year, the charges payable pursuant to paragraph 1.7.18 in respect of that Gas Year by the Sharing Registered Users shall be determined (in accordance with the Transportation Statement) as though the Shared Supply Meter Point Notification were under paragraph 1.7.6(a).

1.7.10 A Shared Supply Meter Point Notification:

- (a) shall be submitted and signed by each of the Users proposed to be Sharing Registered Users (but may be submitted in separate but identical counterparts provided such counterparts are submitted simultaneously);
- (b) shall specify:

- (i) the identity of each of such Users and relevant Supply Meter Point Reference Numbers(s);
 - (ii) the date, not earlier than 2 months (or such lesser period as the Transporter may specify in the Shared Supply Meter Point Procedures) after the notification is submitted, with effect from which such notification is to take effect;
 - (iii) (but without prejudice to the terms on which Users may apply for or increase or reduce Supply Point Capacity) the Supply Point Capacity which is intended that (following such notification) each Sharing Registered User should hold at the DM Supply Point Components which include Shared Supply Meter Points;
 - (iv) where a Shared Supply Meter Point Notification provides for the appointment of a Sharing Registered User Agent a default allocation methodology for the apportionment of Reconciliation Quantity among Existing Shared Registered Users in percentages (aggregating 100%) ("**Default Allocation Methodology**"); and
 - (v) if an application for Partial Interruption status in accordance with paragraph 6 is being made;
- (c) shall be conditional upon a Supply Point Confirmation, for a Proposed Supply Point Registration Date which is the same as the proposed effective date of such notification, being submitted at least 20 Business Days prior to the Proposed Supply Point Registration Date:
- (i) by any User proposed in such notification to be a Sharing Registered User who is not already a Registered User of the relevant Supply Meter Point;
 - (ii) by at least one of the Users proposed in such notification to be a Sharing Registered User, if any Existing Registered User is not proposed (in such notification) to be a Sharing Registered User
- and becoming effective (an Existing Registered User accordingly being taken to have consented to such notification if no Supply Point Objection is submitted by it);
- (d) may not be withdrawn unless another such notification is submitted by all the Sharing Registered Users to take effect from such withdrawal;
- (e) may not be modified other than by notification:
- (i) signed by each of the Sharing Registered Users and any new Sharing Registered User;
 - (ii) specifying the modification;
 - (iii) given not later than 2 months (or such lesser period as the Transporter may specify in the Shared Supply Meter Point Procedures) before the modification is required to take effect provided that no such modification shall be made with effect from a date less than 30 days after the preceding such modification; and
 - (iv) specifying (but without prejudice to the terms on which Users may apply for or increase or reduce Supply Point Capacity) the Supply Point Capacity which it is intended that (following such modification) each Sharing Registered User

should hold at the DM Supply Point Components which include the Shared Supply Meter Point; and

- (f) shall take effect, where the Shared Supply Meter Point Procedures require it to take effect, as a Supply Point Nomination made by each of the Sharing Registered Users.
- 1.7.11 A Supply Point Confirmation (other than a Supply Point Reconfirmation) in respect of a Proposed Supply Point which includes a Shared Supply Meter Point will be rejected unless the requirements of this paragraph 1.7 are complied with.
- 1.7.12 Paragraph 6.11 applies in the case where an Interruptible Supply Point includes a Shared Supply Meter Point.
- 1.7.13 Subject to Section M1.7.2, the liability of the Sharing Registered Users in respect of a Shared Supply Meter Point for obligations under the Code shall be several:
- (a) in the proportions in which they hold Supply Point Capacity at the DM Supply Point Components which include such Supply Meter Point; or
 - (b) if a Sharing Registered User Agent has notified (but so that paragraph (b)(ii) and (e)(iii) shall be deemed to apply to such notification) to the Transporter proportions (aggregating unity) for the purposes of this paragraph 1.7.13, in such proportions
- except in the case of any such obligation which is not capable of being so divided, in which case the liability of the Sharing Registered Users shall be joint.
- 1.7.14 In respect of LDZ Supply Points where the rate of any Supply Point Transportation Charge is a function of Supply Point Capacity, the rate of such charge payable by a Sharing Registered User shall be determined on the basis of the aggregate of the Supply Point Capacities held by each Sharing Registered User at the relevant Firm DM Supply Point Components.
- 1.7.15 The whole of the Annual Quantity of a Shared Supply Meter Point shall be counted (without any apportionment) in determining the Annual Quantity of each relevant Supply Point and relevant DM Supply Point Component.
- 1.7.16 For the purposes of this paragraph 1.7:
- (a) the Transporter will, after consultation with Users, prepare and from time to time revise (subject to prior approval by Panel Majority of the Uniform Network Code Committee) and publish reasonable procedures to apply in respect of Shared Supply Meter Points;
 - (b) Sharing Registered Users shall comply and (in the case of a Sharing Registered User Agent) procure that such User Agent complies with such procedures;
 - (c) the procedures may specify the form of Shared Supply Meter Point Notifications;
 - (d) the procedures may provide that, where a person appointed as User Agent by all of the Sharing Registered Users submits on their behalf all of the Code Communications required to notify and give effect to a modification to a Shared Supply Meter Point Notification, the period of notice required under paragraph (iii) shall be less than would otherwise be required;
 - (e) in relation to any provision of paragraph 1.7.9, the specified time is the time specified (in relation to such provision) in such procedures; and

- (f) the procedures shall specify that the Sharing Registered User Agent may vary the Default Allocation Methodology in accordance with paragraph 1.7.10(e).
- 1.7.17 All Code Communications made pursuant to paragraphs 1 to 3 of this Section G relating to a Supply Meter Point which is a Shared Supply Meter Point, or (with effect from such time as is specified in the Shared Supply Meter Point Procedures) is subject to a Shared Supply Meter Point Notification which has not yet become effective, shall be given as Conventional Notices.
- 1.7.18 Sharing Registered Users shall pay charges in respect of Shared Supply Meter Point Notifications in accordance with the prevailing Transportation Statement.
- 1.7.19 Where a Sharing Registered User submits a Supply Point Withdrawal which becomes effective pursuant to paragraph 3.2.4:
- (a) where only one of the Sharing Registered Users remains the Registered User of the Shared Supply Meter Point:
- (i) it shall cease to be a Shared Supply Meter Point with effect from the effective date of the withdrawal (and with effect therefrom all gas offtaken at such point shall be allocated to the remaining Registered User);
- (ii) partial interruption status at such Supply Point shall transfer to such remaining Registered User;
- (b) where more than one of the Sharing Registered Users remain Registered Users of the Shared Supply Meter Point:
- (i) in the case of a Shared Supply Meter Point Notification under paragraph 1.7.6(a), such notification shall be deemed to have been modified (with effect from the effective date of the withdrawal, but subject to any intervening modification made by the remaining Sharing Registered Users) as follows:
- (1) where the notification provides for allocation under paragraph 1.7.7(a), the upper and lower limits of any higher tranche of any remaining Sharing Registered Users shall be reduced by the amount of the tranche associated with the Withdrawing User, or where the tranche of the Withdrawing User was the tranche within paragraph 1.7.7(a)(iii), the highest tranche of any remaining Sharing Registered User shall cease to have an upper limit and shall become the tranche within paragraph 1.7.7(a)(iii) (a higher tranche being a tranche having a lower limit not less than the upper limit of the Withdrawing User, and the highest tranche being the tranche having the highest upper limit);
- (2) where the notification provides for allocation under paragraph 1.7.7(b), the percentages of the remaining Sharing Registered Users shall be increased pro rata so as to aggregate 100%;
- (ii) in the case of a Shared Supply Meter Point Notification under paragraph 1.7.6(b), no quantity may be allocated by the Sharing Registered User Agent to the Withdrawing User on or after the effective date of the withdrawal;
- 1.7.20 Where the Transporter has given Termination Notice (under Section V4) to a User which was a Sharing Registered User, such User shall be deemed to have submitted a Supply Point Withdrawal for the purposes of paragraphs 1.7.19(a) and (b).

1.7.21 Where there is Partial Interruption status at a Supply Point which comprises a Shared Supply Meter Point and where there is Shared Supply Meter Point Notification which proposes to change the number or identity of any Sharing Registered Users, or a Supply Point Withdrawal, such Partial Interruption status shall be revoked upon the date such Shared Supply Meter Point Notification or Supply Point Withdrawal is approved but the Sharing Registered User Agent may re-apply for Partial Interruption in accordance with paragraph 1.7.8(b).

1.8 Sub-deduct Arrangements

1.8.1 For the purposes of the Code:

- (a) a "**Sub-deduct Arrangement**" is an arrangement of pipes and meters, installed before 1 March 1996, which National Grid recognised on such date as being such an arrangement, by which a part of the gas which is conveyed by a System to premises for the purposes of supply to those premises, is further conveyed to other premises for the purposes of supply to those other premises;
- (b) the System Point at which a meter comprised in the Sub-deduct Arrangement is installed, and upstream of which no other meter comprised in such arrangement is installed, shall be a Supply Meter Point (the "**Primary Supply Meter Point**");
- (c) the Primary Supply Meter Point is not a Connected System Exit Point;
- (d) the gas conveyed in a Sub-deduct Arrangement may be conveyed:
 - (i) by a person (other than the Transporter) exempted pursuant to but subject to the conditions of any order under Section 6A of the Act granting exemption from paragraph (a) of Section 5(1) of the Act, in which case (irrespective of whether such conditions are complied with) the Sub-deduct Arrangement does not form part of a System;
 - (ii) by the Transporter, in which case the Sub-deduct Arrangement forms a part of a System; and
- (e) in a Sub-deduct Arrangement:
 - (i) each of the meters referred to in paragraph (a) (other than a check meter in accordance with paragraph (iii)) and the Supply Meter installed at the Primary Supply Meter Point, is a "**relevant meter**";
 - (ii) a relevant meter (meter 'B') is "**dependent**" on another (meter 'A') where meter B is downstream of meter A and there is no relevant meter between meter A and meter B;
 - (iii) a meter is a check meter where all gas which flows through the meter also flows through one or more meters (in such arrangement) downstream of that meter.

1.8.2 Where a Sub-deduct Arrangement forms part of a System:

- (a) each of the points in the Sub-deduct Arrangement at which gas is offtaken from the Total System for the purposes of supply to premises is a Supply Meter Point; and
- (b) the point of offtake for each such Supply Meter Point shall be the point determined as the point of offtake in accordance with Section J3.7.1, and title and risk in gas offtaken from the Total System shall pass accordingly.

1.8.3 Where a Sub-deduct Arrangement does not form part of a System:

- (a) for the further purposes of this paragraph 1.8, the Primary Supply Meter Point shall be treated (for the purposes of the Code, but subject to paragraphs (b) and (d)) as being a number of Supply Meter Points each of which shall be associated with one relevant meter and so identified (by a unique reference) in the Supply Point Register;
- (b) the point of offtake in respect of each such Supply Meter Point shall be the point of offtake in accordance with Section J3.7.1 in respect of the Primary Supply Meter Point, and title and risk in gas offtaken from the Total System shall pass accordingly; and (for the purposes of Section J) the provisions of paragraph 1.8.5 and of Section G shall have effect for the purposes of determining which Users are offtaking gas from the Total System at that point, and in what proportions;
- (c) none of such Supply Meter Points shall be treated as being a Shared Supply Meter Point; and
- (d) no provision of this paragraph 1.8, nor the fact that the Supply Point Register records details in respect of the Supply Meter Points which are (pursuant to paragraph (a)) treated as existing at the Primary Supply Meter Point, shall be taken to imply that any User has arranged with the Transporter for the conveyance of gas beyond the Primary Supply Meter Point.

1.8.4 Where there is a Sub-deduct Arrangement:

- (a) each of the Supply Meter Points (including the Primary Supply Meter Point) referred to in paragraph 1.8.2(a), or (as the case may be) treated as existing in accordance with paragraph 1.8.3(a), is a "**Sub-deduct Supply Meter Point**";
- (b) each relevant meter shall for the purposes of Section M2 be treated as a Supply Meter (a "**Sub-deduct Supply Meter**") provided by the Transporter; provided that:
 - (i) the same person must be appointed as Meter Reader in respect of all Non-Daily Read Sub-deduct Supply Meters in a particular Sub-deduct Arrangement;
 - (ii) the Meter Reading Frequency in respect of each Non-Daily Read Sub-deduct Supply Meter shall be the Meter Reading Frequency of the primary Non-Daily Read NDM Sub-deduct Supply Meter;
 - (iii) where reasonably practicable, the Meter Reads for all Non-Daily Read Sub-deduct Supply Meters shall be undertaken on the same Day as a Meter Read in relation to the primary Non-Daily Read Sub-deduct Supply Meter; and a Meter Reading in respect of any Non-Daily Read Sub-deduct Supply Meter shall not be a Valid Meter Reading unless Meter Reads were undertaken for all Non-Daily Read Sub-deduct Supply Meters within a period of 5 Business Days commencing on the Day 2 Business Days before the Day of a Meter Read in relation to the primary Non-Daily Read Sub-deduct Supply Meter;
 - (iv) where the Transporter is the person appointed (pursuant to paragraph (i)) as Meter Reader, the Transporter agrees that its charges to Registered Users for Meter Reads at Non-Daily Read Sub-deduct Supply Meters (other than the primary such meter) will not be increased if the Meter Reading Frequency under paragraph (ii) is greater than that which would otherwise be required under Section M.3;

- (c) for the purposes of paragraph (b) the primary Non-Daily Read Sub-deduct Supply Meter is the Non-daily Read Sub-deduct Supply Meter which is furthest upstream in the Sub-deduct Arrangement (and for the avoidance of doubt may be the relevant meter at the Primary Supply Meter Point);
- (d) each Sub-deduct Supply Meter Point shall have a separate Annual Quantity, and may be the subject of separate Supply Point Nominations and/or Supply Point Confirmations and may be comprised in a separate Supply Point;
- (e) the details in the Supply Point Register will reflect the premises at which each Sub-deduct Supply Meter is actually located, and (in the case of a Sub-deduct Arrangement which forms part of a System) the Single Premises Requirement will apply accordingly; and
- (f) the Registered User of a Supply Point which includes a Sub-deduct Supply Meter Point is a "**Sub-deduct Registered User**".

1.8.5 Upon any Meter Reads in respect of the relevant meters in a Sub-deduct Arrangement:

- (a) in respect of each Sub-deduct Supply Meter there shall be attributed to the Sub-deduct Registered User a volume (the "**Sub-deduct Volume**") determined as the Metered Volume in respect of the associated relevant meter less the sum of the Metered Volumes for all dependent relevant meters;
- (b) the Metered Quantity determined in respect of each Sub-deduct Supply Meter in accordance with Section M1.4.4 will be determined on the basis of the Sub-deduct Volume.

1.8.6 In the case of a Sub-deduct Arrangement which forms part of a System, the Transporter reserves the right at its cost to undertake works to extend the relevant System by laying additional pipes so as to cause any Sub-deduct Supply Meter Point to cease to be comprised in the relevant Sub-deduct Arrangement; provided that the Transporter will not undertake such works without first obtaining the consent (not to be unreasonably withheld) of the Registered User of each Supply Point affected thereby and in undertaking such works will endeavour to minimise the disruption to the offtake of gas from the relevant System at such Supply Points (but subject thereto will not be in breach of its obligation to make gas available for offtake from the Total System by reason of the carrying out of such works).

1.8.7 Where, in relation to any relevant meter which is Daily Read, there is any dependent meter which is not Daily Read, the Supply Meter Point shall (notwithstanding that such meter is Daily Read and notwithstanding any other provision of the Code), unless otherwise agreed between the Transporter and the Registered User, be an NDM Supply Meter Point.

1.9 Supply Point Register

1.9.1 Each Transporter has established and (without prejudice to paragraph 1.9.8) will maintain a register ("**Supply Point Register**") of all Supply Meter Points, Supply Points and Supply Point Premises located on a System(s) operated by the Transporter.

1.9.2 In the Supply Point Register:

- (a) each Supply Meter Point will be identified by a unique number (the "**Supply Meter Point Reference Number**") assigned with effect from 1 March 1996 or in the case of a new Supply Meter Point the date on which the Supply Meter Point is entered in the register in accordance with paragraph 7.3.1;

- (b) for each Supply Meter Point:
 - (i) the post code ("**Meter Post Code**") of the address at which the Supply Meter is located will be recorded;
 - (ii) a code ("**Meter Link Code**") will be assigned to indicate whether the Supply Meter Point is a Sub-deduct Supply Meter Point, and if so whether it is the Primary Supply Meter Point;
 - (iii) a code ("**Market Sector Code**") will be assigned to indicate whether the Supply Point Premises are Domestic Premises or Non-domestic Premises;
 - (c) each Supply Point will be identified by a unique number (the "**Supply Point Registration Number**") assigned with effect from the Supply Point Registration Date; and
 - (d) the details specified in the UK Link Manual will be recorded in respect of each Supply Meter Point, Supply Point and Supply Point Premises.
- 1.9.3 The Supply Meter Point Reference Number will continue to be assigned to a Supply Meter Point which has been Isolated.
- 1.9.4 The Supply Point Registration Number of a Supply Point and the Supply Meter Point Reference Number of any Supply Meter Point comprised therein will not be changed during the relevant Supply Point Registration.
- 1.9.5 A User shall not be entitled to have access to the information contained in the Supply Point Register except to the extent the Code provides for such information to be made available to such User.
- 1.9.6 Upon a request by any User identifying a Supply Meter Point by quoting the Supply Meter Point Reference Number and Meter Post Code, the Transporter will provide to the User certain of the details (such details being specified in the UK Link Manual for the purposes of this provision) recorded in the Supply Point Register of the Supply Point(s) in which the Supply Meter Point is comprised.
- 1.9.7 Following the rejection of a Supply Point Nomination pursuant to paragraph 2.3.6(c) or a Supply Point Confirmation pursuant to paragraph 2.6.2(b) or (c):
- (a) the Proposing User may within 10 Business Days after such rejection notify the Transporter that the User considers that any details recorded in respect of the Proposed Supply Point in the Supply Point Register are incorrect, or that details which should be so recorded are absent from the Supply Point Register; and
 - (b) where the User so notifies the Transporter:
 - (i) the User shall at the same time provide details of what it considers the relevant details should be and its reasons for so considering; and
 - (ii) the Transporter will, as soon as reasonably practicable after the User's notification, consider the details and reasons provided by the User, and where it is reasonably satisfied that any of the relevant details in the Supply Point Register are incorrect, or that details which should be so recorded are absent from the Supply Point Register, the Transporter will (within 5 Days after being so satisfied) amend the Supply Point Register in respect of such details

and will not reject (on the same grounds) a further Supply Point Nomination or Supply Point Confirmation in respect of the Proposed Supply Point.

1.9.8 Without prejudice to any other provision of the Code, Users and the Transporter agree:

- (a) to cooperate with a view to ensuring that the information contained in the Supply Point Register is at all times as accurate as is possible; and
- (b) each to use reasonable endeavours to secure that it becomes aware, insofar as it might reasonably be expected to become aware, of any inaccuracy in the information contained in the Supply Point Register, and to inform (in the case of a User) the Transporter or (in the case of the Transporter) the Registered User of such inaccuracy,

but nothing in this paragraph 1.9.8 shall imply that the Supply Point Register is capable of being amended other than as provided in this Section G or Section M.

- (c) where at any time prior to the Supply Point Registration Date the User considers that any Annual Quantity of a New Supply Meter Point comprised in the New Supply Point which has been recorded on the Supply Point Register does not reflect the User's estimate of the correct quantity then the User shall promptly (and in any event before Supply Point Registration Date) notify the Transporter of the same together with its estimate of the correct Annual Quantity.

1.9.9 Where, by reason of a change in any detail of a kind by reference to which an Exit Zone is designated, the details recorded in the Supply Point Register in respect of a Supply Meter Point cease to be accurate:

- (a) the Registered User shall, within 12 months after becoming aware of such inaccuracy (and unless it earlier ceases to be such Registered User):
 - (i) subject to paragraph (ii), submit a Supply Point Reconfirmation for the purposes of amending the relevant details;
 - (ii) where as a result of such change the requirement in Section A1.6.3 ceases to be satisfied in respect of the relevant Supply Point, apply for two or more Supply Point Registrations (in respect of each of which the requirement in Section A1.6.3 is satisfied) or submit a Supply Point Withdrawal in respect of the Supply Point;
- (b) no Supply Point Nomination or Supply Point Confirmation (including a Supply Point Renomination) may be submitted other than on the basis of the correct details, and any Supply Point Offer (outstanding at the time of such change) in respect of a Proposed Supply Point which includes the relevant Supply Meter Point shall lapse.

1.9.10 Where:

- (a) as a result of a change in Supply Point Premises from Domestic Premises to Non-domestic Premises or visa versa, the Market Sector Code recorded in the Supply Point Register in relation to a Supply Point ceases to be accurate; or
- (b) the Registered User identifies an error in the Market Sector Code in relation to a Registered Supply Point,

the Registered User shall, as soon as reasonably practicable, notify the Transporter of such change or error and the Transporter shall as soon as reasonably practicable amend the Supply Point Register accordingly.

1.10 Business Day

1.10.1 In this Section G any reference to a "**Business Day**" is a reference to a Day other than:

- (a) a Saturday, a Sunday or a bank holiday in England and Wales; and
- (b) the Day which would (but for this paragraph (b)) be the first Business Day after 1 January.

1.10.2 The Transporters will maintain and not later than 30 September in each year provide to each User a list of Days in the following calendar year (other than Saturdays and Sundays) which are not Business Days.

1.11 Supply Point Classification

1.11.1 Any change in the relevant classification of a Supply Meter Point Component shall be given effect only upon and by way of Supply Point Confirmation or (as the case may be) Supply Point Reconfirmation; and the requirements of Section A4 as the relevant classification shall be construed accordingly.

1.11.2 Where, by virtue of a change in Annual Quantity or otherwise, a Supply Meter Point or Supply Point Component is required (in accordance with any provision of the Code) to be classified differently from the prevailing relevant classification, the Registered User shall make a Supply Point Reconfirmation to give effect to such revised classification for a Supply Point Registration Date, subject to paragraph 1.5.11, not more than 3 months after the relevant date.

1.11.3 For the purposes of this paragraph 1.11:

- (a) "**relevant classification**" means the classification of a Supply Meter Point as a DM or NDM Supply Meter Point, or of a Supply Point Component as DMC or DMA or as VLDMC or not;
- (b) the relevant date is 1 October or other date with effect from the Annual Quantity of the Supply Meter Point or Supply Point Component in question changed, or other date with effect from which the requirement for reclassification first arises.

1.12 Contingencies

In the event of a Class A Contingency the times by which before the start of each Gas Year details of Annual Quantities and other information in respect of Supply Points are (pursuant to this Section G) to be provided to Users will be deferred by a period commensurate with the duration of the relevant Code Contingency.

1.13 Code Communications

1.13.1 For a period of 3 months after the User Accession Date, or if sooner until such time as the aggregate Transportation Charges payable by the User in aggregate to all Transporters in respect of any month exceed £20,000, a User may elect to make and receive all Code Communications under paragraphs 1 to 3 of this Section G as Conventional Notices.

1.13.2 Code Communications made under paragraph 1.13.1 must be made in the same format (as described in the UK Link Manual) as that in which such communications would have been made if made as UK Link Communications.

1.14 Failure to revise Supply Point Register

1.14.1 If on any Day, as a result of a failure by the Transporter to revise the Supply Point Register in accordance with the provisions of the Code:

- (a) a Supply Meter Point, in respect of which the User has submitted a Supply Point Withdrawal which has become effective in accordance with paragraph 3.2, remains registered in the name of the User in the Supply Point Register; or
- (b) a Supply Meter Point, in respect of which the User has submitted a Supply Point Confirmation which has become effective in accordance with paragraph 2.8.7(a) or 2.9.1, has not become registered in the name of the User in the Supply Point Register

then, in view of (and without prejudice to) Section E1.8.2, where the effect on the determination of the Energy Balancing Charges payable by the User is material, National Grid NTS may make a payment to or require a payment from the User of an amount reasonably estimated by National Grid NTS as required (having regard to the User's Daily Imbalance for the Day, whether such imbalance was positive or negative) to compensate the User or National Grid NTS for the inclusion or (as the case may be) exclusion (in the determination of such Energy Balancing Charges) of the quantity of gas offtaken from the Total System on the Day in the calculation of the User's Daily Imbalance.

1.14.2 Amounts paid by or to National Grid NTS pursuant to paragraph 1.14.1 will be additional Monthly Adjustment Neutrality Costs or (as the case may be) additional Monthly Adjustment Neutrality Revenues for the purposes of Section F4.5.3 in the month in which they are paid.

1.14.3 For the avoidance of doubt, the Supply Meter Points which are to be taken into account in determining the Transportation Charges, Scheduling Charges and other charges (other than Energy Balancing Charges other than Scheduling Charges (but without prejudice to paragraph 1.14.1)) payable by a User shall be those which (but for any such failure as is referred to in paragraph 1.14.1) would be registered in the name of the User.

1.15 Not Used

1.16 Mandatory Allocation Agencies

1.16.1 All Users agree that (subject to and in accordance with this paragraph 1.16) if the conditions in paragraph 1.16.2 are satisfied and any User (the "**applicant User**") shall so require, a Supply Meter Point (the "**relevant Supply Meter Point**") shall become a Shared Supply Meter Point, in relation to which the applicant User and each Existing Registered User shall be Sharing Registered Users and shall appoint the consumer as Sharing Registered User Agent pursuant to an Agreement (the parties to which shall be each such User and the consumer, but for the avoidance of doubt not the Transporter) in the terms ("**Mandatory Allocation Agency Terms**"), subject to paragraph 1.16.2(e), in Annex G-2.

1.16.2 The conditions referred to in paragraph 1.16.1 are that:

- (a) the relevant Supply Meter Point is eligible (in accordance with paragraph 1.7.3) to be a Shared Supply Meter Point;
- (b) the requirement in paragraph 1.7.6 would be (or will continue to be) satisfied;
- (c) the applicant User is willing to appoint the consumer as Sharing Registered User Agent upon the Mandatory Allocation Agency Terms;
- (d) the consumer is willing to act as Sharing Registered User Agent upon the Mandatory Allocation Agency Terms; and

- (e) no existing Registered User would be obliged by virtue of Standard Condition 30 of the Shipper's Licence, by reason of a request made pursuant to Standard Condition 13(4)(a) of the Supplier's Licence, to submit a Supply Point Objection in respect of the Applicant User's Supply Point Confirmation.

1.16.3 Where the applicant User wishes to become a Sharing Registered User pursuant to paragraph 1.16.1:

- (a) the User shall submit to the Transporter a notification to that effect, identifying the consumer and the relevant Supply Meter Point, together with:
 - (i) an Agreement in the Mandatory Allocation Agency Terms, completed with details of the relevant Supply Meter Point, the effective date (consistent with paragraph 1.7.10(b)(ii) on the basis of paragraph (e) below) of the Agreement and the names of the applicant User and Existing Registered User(s) and the consumer (in the capacity of agent), in a number of originals equal to the number of proposed parties thereto, each executed by the applicant User and consumer but undated;
 - (ii) a signed irrevocable authority by the consumer in favour of the Transporter to date and deliver the Agreement in accordance with paragraph (d);
- (b) the Transporter will notify each Existing Registered User thereof enclosing a copy of the applicant User's notification and a copy of the Agreement;
- (c) pursuant to paragraph 1.16.1, each Existing Registered User shall, provided the conditions in paragraph 1.16.2 are satisfied, arrange for the execution of each original of the Agreement not later than the 10th Business Day after the Transporter's notification under paragraph (b);
- (d) when each Existing Registered User has complied with paragraph (c), the Transporter will (and each relevant User hereby authorises the Transporter to) date and deliver the Agreement on behalf of each such User and the consumer, and provide two originals to the applicant User and one each to each other such User; and
- (e) the Agreement once executed by each Existing Registered User shall take effect as a Shared Supply Meter Point Notification for the effective date specified in the Agreement, subject to paragraph 1.7.10(c), and no Supply Point Objection may be submitted by any Existing Registered User nor (if submitted) shall be effective.

1.16.4 Subject to paragraph 1.16.5, if any Existing Registered User fails to execute an Agreement pursuant to paragraph 1.16.3(c) by the date therein specified:

- (a) such User shall be deemed to have submitted a Supply Point Withdrawal in respect of the relevant Supply Point, which shall be effective on the effective date specified in the Agreement, pursuant to paragraph 3.2.3; and
- (b) the Agreement shall take effect (unless there was no other Existing Registered User), subject to paragraph 1.7.19, and the Supply Point Confirmation submitted by the applicant User shall become effective, and the applicant User shall not be entitled to submit a Supply Point Withdrawal within the period referred to in 3.2.4.

1.16.7 Paragraph 1.16.4 shall not apply if any Existing User submits to the Transporter by the date specified in paragraph 1.16.3(c) written confirmation to the effect that the condition in paragraph 1.16.2(e) is not satisfied.

1.17 Supply Point Enquiries

- 1.17.1 Subject to paragraph 1.17.10, a User (an "**Enquiring User**") contemplating submitting a Supply Point Nomination (the "**prospective**" Supply Point Nomination) may first submit an enquiry (a "**Supply Point Enquiry**") as to the matters referred to in paragraph 1.17.6.
- 1.17.2 For the purposes of this paragraph 1.17, references to the 'Proposed Supply Point' are to what would be the Proposed Supply Point if the Enquiring User were to submit the prospective Supply Point Nomination.
- 1.17.3 A Supply Point Enquiry shall specify the details which would be required to be specified pursuant to paragraphs 2.3.2(a) to (d) in the prospective Supply Point Nomination.
- 1.17.4 The Transporter will reject, or may reject, the Supply Point Enquiry in any case in which (if the Supply Point Enquiry were a Supply Point Nomination) the Transporter would be required, or (as the case may be) entitled, to reject such Supply Point Nomination pursuant to paragraph 2.3.6.
- 1.17.5 Where the Transporter rejects a Supply Point Enquiry the Transporter will notify the Enquiring User of the reason for such rejection.
- 1.17.6 Where the Transporter does not reject the Supply Point Enquiry, the Transporter will submit a response to the enquiry specifying (in relation to the Proposed Supply Point) the details which the Transporter would be required to specify in a Supply Point Offer (in response to the prospective Supply Point Nomination) pursuant to paragraphs 2.4.2(b), (c), (d)(i), (f) and (g). Where the Supply Point Enquiry is for a non-domestic Supply Point, such response may be provided by the Transporter via an online portal where this facility is available to the Transporter.
- 1.17.7 For the purposes of assessing whether to submit a Supply Point Confirmation in respect of a Smaller Supply Point a User may submit an enquiry to the Transporters in respect of a Smaller Supply Point (a "**Smaller Supply Point Enquiry**") requesting:
- (a) the Supply Meter Point Reference Number;
 - (b) the Applicable End User Category in accordance with H1.7;
 - (c) details of the Supply Point Capacity;
 - (d) the Annual Quantity for each Supply Meter Point; and
 - (e) the Exit Zone in which the Smaller Supply Point is located;
- 1.17.8 The Transporters will submit a response to such Smaller Supply Point Enquiry specifying the information requested in paragraph 1.17.8 and such response shall be made in respect of a Smaller Supply Point Enquiry requesting:
- (a) less than 50 Supply Meter Point Reference Number reports, within the one Business Day following the date of receipt of such Smaller Supply Point Enquiry;
 - (b) between 50 and 100 Supply Meter Point Reference Number reports, within the two Business Days following the date of receipt of such Smaller Supply Point Enquiry;
 - (c) between 101 and 1000 Supply Meter Point Reference Number reports, within the five Business Days following the date of receipt of such Smaller Supply Point Enquiry;

- (d) for more than 1000 Supply Meter Point Reference Number reports, on a reasonable endeavours basis.

1.17.9 A User submitting a Smaller Supply Point Enquiry shall:

- (a) ensure that prior to such submission it will obtain the written consent of the consumer of the Smaller Supply Point (whether directly or indirectly through the Supplier of the Smaller Supply Point);
- (b) retain evidence of such consent;
- (c) promptly provide such evidence to the Transporters following a request to do so which is made at any time after the Smaller Supply Point Enquiry.

1.17.10 For the purposes of paragraph 1.17.1, an Enquiring User shall be taken to be contemplating submitting a Supply Point Nomination where:

- (a) prior to submitting a Supply Point Enquiry, it has obtained written or verbal consent of the consumer of the Larger Supply Point or the New Smaller Supply Point (whether directly or indirectly through the Supplier of the Larger Supply Point or the New Smaller Supply Point as the case may be);
- (b) retained evidence of such consent; and
- (c) where applicable, promptly provided such evidence to the Transporters following a request to do so which may be made at any time after the Supply Point Enquiry.

1.17.11 For the purposes of paragraph 1.17.6, a **“non-domestic”** Supply Point shall mean a Supply Point where the supply of gas is not taken wholly or mainly for domestic purposes.

1.17.12 For the purposes of paragraph 1.17.6, an **“online portal”** shall mean an internet site which functions as a point of access to information held on the UK Link System.

1.18 Site visit Appointments

1.18.1 This paragraph 1.18 applies where:

- (a) the User believes that the information set out in the Supply Point Register that:
 - (i) has been provided by the Transporter pursuant to the Code; or
 - (ii) subject to paragraph (e) below, relates to Meter assets

is incorrect;

- (b) the User has so notified the Transporter, providing details of the information which the User believes to be incorrect, what the User believes to be the correct information and the contact details for the consumer at the Supply Point Premises (the **“relevant consumer”**);
- (c) following such notification, the Transporter has been unable (after examining the details contained in the Supply Point Register) to resolve the matter notified by the User (the **“relevant matter”**);
- (d) subject to paragraph (e) below, the User has accordingly requested the Transporter and the Transporter has agreed to endeavour to contact the relevant consumer and has consequently arranged with such consumer a time and date when the Transporter may

visit the Supply Point Premises to investigate the relevant matter (a "**Site Visit Appointment**");

- (e) a Site Visit Appointment shall not include any visit (whether undertaken or not) to the consumer's premises which:
 - (i) is subject to the standards of performance set out in the Gas (Standards of Performance) Regulations 2002;
 - (ii) after the Metering Separation Date, relates to Meter assets.

1.18.2 Where a Site Visit Appointment has been arranged as set out in paragraph 1.18.1, subject to paragraph 1.18.3, the Transporter will during normal business hours (08:30 hours to 17:00 hours), or on such date and time as the Transporter and the consumer may agree, visit the Supply Point Premises and (subject to being given the required access) investigate the relevant matter.

1.18.3 Where a Site Visit Appointment has been arranged, the Transporter may require that the User attend at the Supply Point Premises at such time and date, and where the Transporter so requires, the Transporter will not be required to investigate the relevant matter if the User does not so attend and such Site Visit Appointment shall be deemed to be a completed Site Visit Appointment for the purposes of paragraph 4.3.1.

1.18.4 If the Transporter is unable (upon such a visit) to obtain the access required to investigate the relevant matter, the Transporter shall not be required to revisit the Supply Point Premises; and

- (a) if the Transporter did not require (pursuant to paragraph 1.18.3) the User to attend, the Transporter will so inform the User as soon as reasonably practicable after making such visit; and
- (b) such Site Visit Appointment shall be deemed to be a completed Site Visit Appointment for the purposes of paragraph 4.3.1.

1.19 DNO Users

In this Section G references to Users exclude DNO Users.

1.20 Reduction of Offtake at Firm Supply Points

1.20.1 Where, in relation to any Firm Supply Point (but without prejudice to Section C in relation to Renominations), the Registered User or supplier:

- (a) exercises (other than pursuant to an instruction from a Transporter pursuant to Section Q) any entitlement to require the consumer to discontinue consuming gas offtaken from the Total System on a Day; or
- (b) having exercised such an entitlement, authorises the consumer to resume such consumption

the Registered User will as soon as reasonably practicable, and in accordance with paragraph 1.20.3, inform the Transporter of the matters set out in paragraph 1.20.2, provided that the Registered User shall use reasonable endeavours to inform the Transporter not more than one hour after such discontinuance and/or not less than one hour before such resumption.

1.20.2 The matters to be informed by the Registered User to the Transporter pursuant to paragraph 1.20.1 are:

- (a) the identity of the Firm Supply Point;
- (b) the time with effect from which the consumer will be required to discontinue, or authorised to resume, consumption; and

an estimate of the amount by which the quantity of gas offtaken will increase or decrease as a result of such discontinuance or resumption.

- 1.20.3 For the purposes of paragraph 1.20.1 the User will give the relevant information to the Transporter by means of telephone or facsimile, unless it has given to the Transporter not less than one month's notice of its intention to give such information by Batch Transfer Communication, in which case such User will give information to the Transporter for the purposes of paragraph 1.20.1 only by Batch Transfer Communication, and will promptly inform the Transporter by telephone or facsimile of the transmission of each such Batch Transfer Communication.
- 1.20.4 Where the Transporter notifies a User that it is unable satisfactorily to access a Batch Transfer Communication transmitted pursuant to paragraph 1.20.3, that User will promptly send to the Transporter by facsimile the information contained in that Batch Transfer Communication.⁹

2 SUPPLY POINT REGISTRATION

2.1 Introduction

- 2.1.1 A User may apply to become the Registered User in respect of a Supply Point in accordance with this paragraph 2.
- 2.1.2 In order for a User (the "**Proposing User**") to become the Registered User in respect of a Supply Point:
- (a) where the Proposed Supply Point is a Larger Supply Point or a New Smaller Supply Point and there is more than one Supply Meter Point comprised in the Proposed New Smaller Supply Point, then the User must make a Supply Point Nomination in accordance with paragraph 2.3, in response to which the Transporter will (subject as provided in this Section G) submit to the Proposing User a Supply Point Offer in accordance with paragraph 2.4; and
 - (b) the Proposing User must make a Supply Point Confirmation in accordance with paragraphs 2.5 to 2.7 which become effective in accordance with paragraphs 2.8 to 2.11.
- 2.1.3 For the purposes of this paragraph 2 a "**Proposed**" Supply Point is the Supply Point which is the subject of a Proposed Supply Point Registration.
- 2.1.4 In respect of a Proposed Supply Point Registration:
- (a) a "**Supply Point Nomination**" is a communication by a Proposing User in respect of a Larger Supply Point or, where required, a New Smaller Supply Point requesting a Supply Point Offer from the Transporter;

⁹ Implementation of modifications 0338V effective 06:00hrs on 01/01/2013 will add new paragraph 1.21.

- (b) a **"Supply Point Offer"** is a communication by the Transporter to a Proposing User providing information in respect of a Larger Supply Point or, where required, a New Smaller Supply Point; and
 - (c) a **"Supply Point Confirmation"** is a communication by a Proposing User to the Transporter requesting Supply Point Registration in respect of a Proposed Supply Point.
- 2.1.5 The Code provides that the Transporter will or may reject in certain cases a Supply Point Nomination or Supply Point Confirmation; and any reference in this Section G to such a rejection by the Transporter is to a rejection in accordance with any such provision of the Code.
- 2.1.6 Where the Transporter has given a Termination Notice (under Section V4) to a User, the Transporter may decide:
- (a) to reduce any of the periods and/or curtail any of the procedures provided for in this Section G in relation to any Supply Point Nomination or Supply Point Confirmation by any other User in respect of; or
 - (b) to implement any other procedure for the registration in the name of any other User (who wishes to become the Registered User) of
- any Supply Meter Points of which the Discontinuing User was the Registered User.
- 2.1.7 For the purposes of paragraphs 2.1.8, 2.1.9, 2.1.10, 2.1.11, 2.1.12 and 2.1.13:
- (a) where a User has been given a Termination Notice by National Grid NTS (under Section V4), all Supply Meter Points in respect of which the Discontinuing User was the Registered User immediately prior to the User Discontinuance Date shall be known as the **"Terminated Supply Meter Points"**;
 - (b) a **"Supplier of Last Resort"** is a supplier whom by virtue of Standard Condition 29 of the Supplier's Licence has been directed by the Authority to supply gas in accordance with that condition in respect of any or all of the Terminated Supply Meter Points;
 - (c) **"the Last Resort User"** is a User who is the first User, following the appointment of the Supplier(s) of Last Resort, to become the Registered User of all of the Terminated Supply Meter Points;
 - (d) **"day of issue"** is the Day following the day of notification;
 - (e) **"day of notification"** is the Day on which the Transporter receives written notice from the Authority of the appointment and identity of the Last Resort User; and
 - (f) **"TSMP Information"** is relevant information (including, but not limited to, Protected Information) relating to the Terminated Supply Meter Points to which the Discontinuing User would have had access through UK Link, immediately prior to the User Discontinuance Date.
- 2.1.8 Where National Grid NTS has given a Termination Notice (under Section V4) to a User and the Authority directs a Supplier of Last Resort in respect of a Terminated Supply Meter Point, then notwithstanding any other provision of Code, the Last Resort User shall become the Registered User of the Terminated Supply Meter Points, thereby accepting the benefit of the rights and the burden of obligations under Code, the Framework Agreement and any relevant

Ancillary Agreement, in respect of the Terminated Supply Meter Points (including without limitation the payment of Transportation Charges and Energy Balancing Charges in respect thereof) with effect from and including the date of the appointment of the Supplier of Last Resort.

2.1.9 To assist the Last Resort User in exercising its rights and discharging its obligations in respect of the Terminated Supply Meter Points the Transporter shall use reasonable endeavours, subject to paragraphs 2.1.11, 2.1.12 and 2.1.13, to provide to the Last Resort User on the day of issue a copy of the TSMP Information which can be accessed by the Last Resort User through UK Link.

2.1.10

- (a) The Transporter shall undertake a review of the Last Resort User's Code Credit Limit and (in the case of National Grid NTS) Secured Credit Limit as soon as reasonably practicable following the day of notification, and shall advise the Last Resort User, as soon as reasonably practicable thereafter but in any event not later than 3 Days after the day of notification, of any further security that will be required to be provided by the Last Resort User in accordance with paragraph 2.1.10(b).
- (b) In the event that following the review referred to in paragraph 2.1.10 the Transporter notifies the Last Resort User that additional security is required, then the Last Resort User shall be obliged to provide the requisite security in accordance with the Code or Energy Balancing Credit Rules (as appropriate) in favour of the Transporter (or National Grid NTS) as soon as reasonably practicable thereafter but in any event no later than 14 Days of the day of notification and upon receipt of that security the Transporter shall revise the Last Resort User's Code Credit Limit (and/or in the case of National Grid NTS) Secured Credit Limit (as appropriate) as soon as reasonably practicable thereafter but in any event no later than 14 Days after the date of notification to take effect from the date of that revision.
- (c) In the event that security is required to be provided by the Last Resort User pursuant to paragraph 2.1.10 but the Last Resort User fails to provide the security in accordance with paragraph 2.1.10(b), then the Code Credit Limit and/or Secured Credit Limit (as appropriate) shall not be revised pursuant to this paragraph 2.1.10 and the Transporter shall be entitled to exercise those rights and remedies available to it pursuant to V3.3 or Section X, as appropriate.

2.1.11 By virtue of this paragraph 2.1.11 the Discontinuing User hereby is deemed to have given its written consent for the purposes of both paragraph V5.5.2(a) and Section 105 of the Utilities Act 2000 (as amended from time to time) to the Transporter to disclose to the Last Resort User the TSMP Information pursuant to paragraph 2.1.9 above.

2.1.12 It is acknowledged that the TSMP Information contains information which has been provided to the Transporter by the Discontinuing User and accordingly the Last Resort User hereby acknowledges and agrees that:

- (a) the TSMP Information disclosed to it pursuant to paragraph 2.1.9 above shall not have been independently verified;
- (b) it shall be solely responsible for making its own judgement and decision on the TSMP Information disclosed to it;
- (c) neither the Transporter, nor any of its employees, agents, consultants, advisers or directors, accept responsibility for, or make any representation or warranty (express or

implied) regarding, the accuracy or completeness of the content of the TSMP Information; and

- (d) the Transporter shall have no liability to the Last Resort User, in respect of any of the contents of the TSMP Information.

2.1.13 For the purposes only of enabling the Transporter to comply with the provisions of paragraph 2.1.9, the Last Resort User shall execute all such documents, deeds and assignments and perform such acts as the Transporter may reasonably require, including, without limitation, executing any relevant documents, deeds and assignments, or perform such acts, necessary to ensure compliance with the provisions of the Data Protection Act 1998 (as may be amended from time to time).

2.1.14 Unless the context otherwise requires, references in this Section G to details to be included in a Supply Point Nomination, Supply Point Offer or Supply Point Confirmation are to details which would (if the Proposing User submits a Supply Point Confirmation and/or if the Supply Point Confirmation becomes effective) apply in respect of the Proposed Supply Point Registration.

2.2 Current, New and Existing Supply Points

2.2.1 Subject to paragraph 1.4, a Proposed Supply Point may be a Current Supply Point or a New Supply Point.

2.2.2 For the purposes of Section G:

- (a) A "**Current Supply Point**" is a Proposed Supply Point all of the Supply Meter Points comprised in which are (at the relevant time) all of the Supply Meter Points comprised in one Existing Supply Point;
- (b) a "**New Supply Point**" is any other Proposed Supply Point (including for the avoidance of doubt a Proposed Supply Point which includes a New Supply Meter Point) and
- (c) a "**New Smaller Supply Point**" is where, in relation to a New Supply Point, the relevant Proposed Supply Point is a Smaller Supply Point.

2.2.3 In relation to a Proposed Supply Point Registration:

- (a) an "**Existing Supply Point**" is a Supply Point which (at the relevant time):
 - (i) is the subject of an existing Supply Point Registration (which may be a registration in the name of the Proposing User); and
 - (ii) includes one or more Supply Meter Points which are comprised in the Proposed Supply Point; and
- (b) an "**Existing Registered User**" is a User (who may be the Proposing User) who is the Registered User in respect of an Existing Supply Point.

2.2.4 Subject to paragraph 2.8.3, the Proposing User will not be entitled to have access to the identity of the Existing Registered User(s).

2.2.5 A "**Supply Point Reconfirmation**" or a "**Supply Point Renomination**" is a Supply Point Confirmation or (as the case may be) Supply Point Nomination submitted by the Existing Registered User of the Current Supply Point; and where the Code provides for a Supply Point

Reconfirmation to be made in respect of a Larger Supply Point, the Code shall be deemed also to provide for an appropriate Supply Point Renomination to be made.

2.2.6 A **"Supply Point Commodity Rate Renomination"** is, where the Existing Registered User had previously confirmed in accordance with Section B3.12.7 that the Applicable Commodity Rate in respect of the Current Supply Point was to be the NTS Optional Commodity Rate, a Supply Point Nomination submitted by the Existing Registered User of the Current Supply Point where:

- (a) the Existing Registered User nominates that the Applicable Commodity Rate at the Current Supply Point is not to be the NTS Optional Commodity Rate; or
- (b) the NTS Optional Commodity Rate having previously been de-applied in accordance with sub-paragraph (a) above, the Existing Registered User wishes to re-apply for the NTS Optional Commodity Rate at the Current Supply Point.

2.3 Supply Point Nomination

2.3.1 A User may make a Supply Point Nomination in respect of a Larger Supply Point or may, where required, make a Supply Point Nomination in respect of a New Smaller Supply Point in accordance with paragraph 2.1.2 and this paragraph 2.3. Where a Proposing User wishes to make a Supply Point Nomination in respect of a Larger Supply Point for the purpose of:

- (a) in the case of an LDZ Supply Point increasing Supply Point Capacity for such Supply Point;
- (b) changing the Supply Point Component of any Supply Meter Point;
- (c) specifying a New Supply Point

then the Proposing User may use the following process:

(i) (provided that the Proposed Supply Point will be a Current Supply Point) the User may submit, as appropriate, one or more Supply Point Nominations in accordance with paragraph 2.3 to nominate:

- (1) in the case of an LDZ Supply Point the prevailing Supply Point Capacity;
- (2) the existing Supply Point Component of each Supply Meter Point; or
- (3) the Current Supply Point

(any such Supply Point Nomination shall be referred to as a **"Supply Point First Nomination"**); and

(ii) at any time up to the date of the Supply Point Offer in respect of the Supply Point First Nomination the User may also submit, as appropriate, in accordance with paragraph 2.3, one or more Supply Point Nominations to:

- (1) in the case of an LDZ Supply Point increase the Supply Point Capacity;
- (2) change the Supply Point Component of any Supply Meter Point; or
- (3) specify a New Supply Point

(and any such Supply Point nomination shall be referred to as "**Supply Point Second Nomination**").

- 2.3.2 A Supply Point Nomination which is a Supply Point Commodity Rate Renomination shall comply with the provisions of paragraph 2.3.9 and any other Supply Point Nomination shall specify:
- (a) the identity of the Proposing User;
 - (b) whether the Proposed Supply Point is a Current Supply Point or a New Supply Point, and in the case of a New Supply Point a description of the basis on which the Single Premises Requirement is satisfied;
 - (c) the Supply Meter Point Reference Number in respect of:
 - (i) in the case of a Current Larger Supply Point, either one or all of the Supply Meter Points comprised in the Proposed Supply Point; or
 - (ii) in the case of a New Supply Point, all of the Supply Meter Points comprised in the Proposed Supply Point;
 - (d) the Meter Post Code in respect of each Supply Meter Point for which the Supply Meter Point Reference Number is specified under paragraph (c);
 - (e) in the case of an LDZ Supply Point where the Proposed Supply Point includes one or more DM Supply Meter Points, the proposed Supply Point Capacity and proposed Supply Point Offtake Rate in respect of the DM Supply Point Component, in compliance with the requirements of paragraph 5;
 - (f) where the Proposed Supply Point includes an NDM Supply Meter Point and where the Annual Quantity of the NDM Supply Point Component is less than 293,000 kWh (10,000 therms) but in excess of 73,200 kWh (2,500 therms), whether the relevant Supply Meters are proposed to be a Monthly Read Meter;
 - (g) the Supply Meter Point Reference Number of any Supply Meter Point comprised in the Proposed Supply Point which is to become or (as the case may be) ceased to be a DM Supply Meter Point; and
 - (h) any other details which are required to be specified in any particular case pursuant to any provision of this Section G; or
 - (i) where a User wishes to apply for the NTS Optional Commodity Rate at an Eligible Exit Point, the Specified Exit Point and the Specified Entry Point; or
 - (j) where a User wishes to apply for the LDZ Optional Capacity Rate, the LDZ Specified Exit Point.
- 2.3.3 In this Section G "**Nominated**" means proposed in a Supply Point Nomination.
- 2.3.4 Where a User makes a Supply Point Nomination:
- (a) the Transporter will submit a Supply Point Offer (in accordance with paragraph 2.4), or reject the Supply Point Nomination (in accordance with paragraph 2.3.6), or submit a referral notice (in accordance with paragraph 2.3.8), within 2 Business Days after the Supply Point Nomination was submitted;

- (b) where (in accordance with paragraph 2.3.8) the Transporter submitted a referral notice, the Transporter will submit a Supply Point Offer within 12 Business Days after the Supply Point Nomination was submitted.
- 2.3.5 If the Transporter does not comply with paragraph 2.3.4 it will in any event reject the Supply Point Nomination or make a Supply Point Offer or submit a referral notice as soon as reasonably practicable.
- 2.3.6 The Transporter will reject the Supply Point Nomination where:
- (a) the Transporter is not reasonably satisfied that the Single Premises Requirement is complied with in respect of the Proposed Supply Point; or
 - (b) the Supply Point Nomination is not made strictly in accordance with the requirements of paragraph 2.3.2 and /or 2.3.9 (as the case may be); or
 - (c) any of the Supply Meter Point Reference Number(s) specified pursuant to paragraph 2.3.2(c) is not identified in the Supply Point Register with the Meter Post Code(s) specified pursuant to paragraph 2.3.2(d);
 - (d) in relation to User Daily Read Equipment:
 - (i) the Proposed Supply Point has an Annual Quantity less than 732,000 kWh (25,000 therms); and/or
 - (ii) the Ceiling Limit in relation to User Daily Read Equipment has already been attained; and/or
 - (iii) a User attempts to make a Supply Point Nomination for a DM Supply Meter Point where User Daily Read Equipment is to be installed where the Daily Read Requirement applies in relation to such Supply Meter Point.
- and the Transporter may reject the Supply Point Nomination where the Supply Point Nomination does not comply with any other requirement provided for in this Section G or in accordance with Section V3 or in any other case where such rejection is provided for in the Code.
- 2.3.7 Where the Transporter rejects the Supply Point Nomination the Transporter will inform the Proposing User of the reason (under paragraph 2.3.6) for such rejection (and where such rejection was pursuant to paragraph 2.3.6(b), the requirement of paragraph 2.3.2 and /or 2.3.9 (as the case may be) which was not complied with)).
- 2.3.8 Where the Proposed Supply Point is a New Supply Point, or includes a New Supply Meter Point, or (in accordance with the further provisions of this Section G) it is necessary for the Transporter to assess the feasibility of making gas available for offtake from the Total System at the Proposed Supply Point, the Transporter may (unless it rejects the Supply Point Nomination) give notice (a "**referral notice**") to that effect to the Proposing User.
- 2.3.9 A Supply Point Nomination which is a Supply Point Commodity Rate Renomination shall specify:
- (a) the identity of the Proposing User;
 - (b) the Supply Meter Point Reference Number in respect of the Supply Meter Points comprised in the Proposed Supply Point;

- (c) the Applicable Commodity Rate that the User wishes to be applied being either:
 - (i) the NTS Optional Commodity Rate; or
 - (ii) the Applicable Commodity Rate other than the NTS Optional Commodity Rate determined pursuant to B1.8.1;
- (d) the Proposed Supply Point Registration Date; and
- (e) any other details which are required to be specified in any particular case pursuant to any provision of this Section G.

2.4 Supply Point Offers

2.4.1 Where the Transporter does not reject (in accordance with paragraph 2.3.4) a Supply Point Nomination, the Transporter will submit to the Proposing User a Supply Point Offer in accordance with this paragraph 2.4.

2.4.2 A Supply Point Offer will specify in relation to the Proposed Supply Point:

- (a) the identity of the Proposing User;
- (b) the address(es) of the Supply Point Premises;
- (c) the Supply Meter Point Reference Number, manufacturer's serial number, and (where the Proposed Supply Point comprises a Sub-deduct Supply Meter Point) Meter Link Code of each Supply Meter Point comprised in the Proposed Supply Point Registration;
- (d) where the Proposed Supply Point includes one or more NDM Supply Meter Points:
 - (i) the Applicable End User Category in accordance with Section H1.7;
 - (ii) in the case of an LDZ Supply Point, Supply Point Capacity (in accordance with Section H4.1); and
 - (iii) the Nominated Meter Reading Frequency or (where more frequent) the minimum Meter Reading Frequency required under Section M3 in respect of each relevant Supply Meter;
- (e) in the case of an LDZ Supply Point where the Proposed Supply Point includes one or more DM Supply Meter Points:
 - (i) details in respect of Supply Point Capacity and Supply Point Offtake Rate in accordance with paragraph 2.4.3;
 - (ii) whether the Proposed Supply Point is a Firm Supply Point or an Interruptible Supply Point, and (if Interruptible) whether (as respects the DM Supply Point Component) SDMC(I) provided that no details of the Interruptible Tranches will be specified;
 - (iii) details of the Daily Read Equipment installed and the Supply Meter Point Reference Number of each Supply Meter Point at which any such Daily Read Equipment is installed;
- (f) the Exit Zone and (where applicable) LDZ in which the Proposed Supply Point is located;

- (g) the Annual Quantity for each Supply Meter Point;
- (h) the relevant Supply Point Transportation Charges;
- (i) the Supply Meter Point Reference Number of any Supply Meter Point comprised in the Proposed Supply Point which has been Isolated;
- (j) a number by which the Supply Point Offer may uniquely be identified; or
- (k) where a User has made a Supply Point Nomination in accordance with paragraph 2.3.2(h) or 2.3.9(c)(i), the distance between the Specified Entry Point and the Proposed Supply Point, the six figure grid references, the capacity of the Proposed Supply Point and the NTS Optional Commodity Rate; or
- (l) where a User has made a Supply Point Nomination in accordance with paragraph 2.3.2(h) the Notional NTS Connection Point, the distance between the Notional NTS Connection Point and the Proposed Supply Point, the eight figure grid references, the capacity of the Proposal Supply Point and the LDZ Optional Capacity Rate;
- (m) the identity of the Gas Act Owner;
- (n) the identity of the Meter Asset Manager.

2.4.3 In the case of an LDZ Supply Point where the Proposed Supply Point includes a DM Supply Point Component:

- (a) the Supply Point Capacity ("**Offered Supply Point Capacity**") specified in the Supply Point Offer shall be:
 - (i) where the Nominated Supply Point Capacity is less than the Bottom-Stop Supply Point Capacity, the Bottom-Stop Supply Point Capacity;
 - (ii) otherwise, but subject to paragraph 5.5, the Nominated Supply Point Capacity (provided that where the Nominated Supply Point Capacity is not less than the Bottom-Stop Supply Point Capacity but less than the Prevailing Supply Point Capacity, paragraph 2.7.3 shall apply);
- (b) subject to paragraph 5.5, the Supply Point Offtake Rate specified in the Supply Point Offer shall be the Nominated Supply Point Offtake Rate; and
- (c) the Supply Point Offer will also specify (for information purposes, where not specified under paragraph (a)(i)) the Bottom-Stop Supply Point Capacity.

2.4.4 Subject to paragraphs 1.9.9(b), 2.4.5 and 2.7.3, and unless and until a Supply Point Confirmation is made which becomes effective, a Supply Point Offer will remain valid for a period of six (6) months after it was made.

2.4.5 In the case of an LDZ Supply Point where the Proposed Supply Point includes a DM Supply Point Component, at any time at which the Proposing User has not submitted a Supply Point Confirmation:

- (a) if:
 - (i) the Prevailing Supply Point Capacity becomes greater than the Offered Supply Point Capacity, as a result of the occurrence in any month of a Supply Point Ratchet (pursuant to Section B4.7) in respect of any Existing Supply Point; or

- (ii) at the start of a Gas Year, the Bottom-Stop Supply Point Capacity becomes (pursuant to paragraph 5.2) greater than the Offered Supply Point Capacity

the Transporter will so notify the Proposing User whereupon the Supply Point Offer will lapse (but without prejudice to any Supply Point Confirmation submitted before such notification was given, in respect of which paragraph 2.7.4 will apply);

- (b) save for the circumstances specified in paragraph 1.5.12, if the Prevailing Supply Point Capacity becomes greater than the Offered Supply Point Capacity, as a result of a Capacity Revision Application (in accordance with paragraph 5.1.4) made by the Registered User for an increase in Supply Point Capacity in respect of any Existing Supply Point, paragraph 2.7.3 shall apply.

2.4.6 The Transporter will inform the Proposing User of the application of paragraph 2.7.3 pursuant to paragraph 2.4.5(b) within 5 Business Days after the occurrence of the event giving rise to the application of paragraph 2.7.3.

2.4.7 Where during the period for which a Supply Point Offer remains valid:

- (a) the Annual Quantity of the NDM Supply Point Component (if any) of the Proposed Supply Point is revised (including a revision to the Annual Quantity pursuant to a notice by an Existing Registered User under paragraph 1.6.8(a)), or such NDM Supply Point Component belongs to a different End User Category, from the Annual Quantity or End User Category specified in the Supply Point Offer:

- (i) the Transporter will notify the Proposing User of the revised Annual Quantity or End User Category;
- (ii) the Supply Point Offer shall be deemed to be modified accordingly (and shall remain valid);

- (b) the details of the Supply Point Transportation Charges are (upon a change in Annual Quantity or End User Category of any Supply Meter Point or the coming into force of a new Transportation Statement or otherwise) revised, the Transporter will not and is not required to notify the Proposing User of such change, and the Proposing User will be informed of the revised details only if it makes a Supply Point Confirmation which becomes effective.

2.4.8 There may be any number of Supply Point Offers outstanding, to different Proposing Users, in respect of a Proposed Supply Point or Proposed Supply Points comprising some or all of the same Supply Meter Points.

2.4.9 The details contained in a Supply Point Offer of the matters set out in paragraph 2.4.10 shall be binding upon the Transporter and the Proposing User where the User submits a Supply Point Confirmation in respect of such Supply Point Offer, notwithstanding any error in the details so stated (but without prejudice to the ability of the Transporter to withdraw a Supply Point Offer containing such erroneous details before a Supply Point Confirmation has been submitted).

2.4.10 The matters referred to in paragraph 2.4.9 are:

- (a) the Supply Meter Points comprised in the Proposed Supply Point;
- (b) the Annual Quantity, End User Category and, in the case of an LDZ Supply Point, the Supply Point Capacity of the Proposed Supply Point.

- 2.4.11 Except as provided in paragraph 2.4.9, where any detail contained in a Supply Point Offer is incorrectly stated:
- (a) such error shall not bind the Transporter or the Proposing User and shall not prejudice the proper determination of such detail; and
 - (b) a Supply Point Confirmation made on the basis of such Supply Point Offer shall be valid notwithstanding such error.
- 2.4.12 Where the User disputes the distance specified by the Transporter under paragraph 2.4.2(k) or paragraph 2.4.2(l), the User may resubmit a Supply Point Nomination for the Proposed Supply Point stating alternative eight figure grid references for the Proposed Supply Point and the Notional NTS Connection Point as appropriate with supporting evidence of calculation.
- 2.4.13 For the purposes of the Code:
- (a) **"Gas Act Owner"** is the consumer, holder of a Gas Transporter's Licence or relevant supplier that owns the meter (and for the purposes of this definition owner includes a lessee) and which in accordance with the Gas Code is responsible for keeping it in proper order for correctly registering the quantity of gas supplied;
 - (b) **"Meter Asset Manager"** is an organisation that works on behalf of another to install, replace, repair and maintain a Supply Meter Installation.

2.5 Supply Point Confirmations: General

- 2.5.1 A User may submit a Supply Point Confirmation to the Transporter:
- (a) in respect of a Current Smaller Supply Point or a New Smaller Supply Point comprising of one Supply Meter Point (pursuant to the establishment of a New Supply Meter Point in accordance with G7.1.1(b)(i)), in accordance with paragraph 2.6, at any time;
 - (b) in respect of a Larger Supply Point or New Smaller Supply Point comprising of more than one Supply Meter Point, in accordance with paragraph 2.7, after making a Supply Point Nomination, at any time where the condition in paragraph 2.5.2 is satisfied; or
 - (c) in respect of a Supply Point where information has been specified in accordance with paragraph 2.4.2(k) or paragraph 2.4.2(l) provided that a Supply Point Offer made in respect of paragraphs 2.4.2(a) to 2.4.2(j) and has been or, is simultaneously being confirmed by the User under this paragraph 2.5.1.
- 2.5.2 The condition referred to in paragraph 2.5.1(b) is that:
- (a) the Supply Point Confirmation is made at a time at which the Supply Point Offer remains (in accordance with paragraph 2.4.4) valid; and
 - (b) in the circumstances in paragraph 2.7.3, the Proposed Supply Point Registration Date is within the Capacity Reduction Period.
- 2.5.3 By making a Supply Point Confirmation in respect of a Proposed Supply Point the Proposing User:
- (a) warrants to the Transporter:
 - (i) that; or

- (ii) where the User will not be the supplier, that the supplier (or if there is more than one supplier, the suppliers between them) has (or have) warranted to the User that

as at the Proposed Supply Point Registration Date there will be in force a contract or contracts (including a deemed contract pursuant to paragraph 8(1) or 8(2) of the Gas Code) for the supply to the consumer of the gas offtaken by such User from the Total System at the Proposed Supply Point; and

- (b) agrees (if the confirmation becomes effective):
 - (i) to be the Registered User in respect of the Proposed Supply Point; and
 - (ii) to be registered as holding at an LDZ Supply Point:
 - (1) as to the NDM Supply Point Component (if any), Supply Point Capacity (and accordingly LDZ Capacity) determined in accordance with Section H4;
 - (2) as to the DM Supply Point Component (if any), the Confirmed Supply Point Capacity (and accordingly LDZ Capacity);
 - (iii) that it consents to the disclosure of the information by the Transporter in accordance with paragraph 2.8.8(b).

2.5.4 In the case of an LDZ Supply Point subject to paragraph 2.7.4(a), the "**Confirmed Supply Point Capacity**" in respect of the DM Supply Point Component of a Proposed Supply Point (for which the Supply Point Confirmation becomes effective) is the Offered Supply Point Capacity.

2.5.5 A Supply Point Confirmation may not be made, and the Transporter will reject any Supply Point Confirmation submitted:

- (a) (except in respect of a Shared Supply Meter Point), in respect of a Proposed Supply Point comprising any Supply Meter Point comprised in a Proposed Supply Point in respect of which any other Supply Point Confirmation has been made and is (in accordance with paragraph 2.5.9) outstanding; and
- (b) in respect of a Proposed Supply Point comprising any Supply Meter Point (other than a New Supply Meter Point) in respect of which there is any request for Siteworks outstanding or any Siteworks Contract which has not been completed, and for which the Siteworks Applicant is a gas shipper other than the Proposing User.

2.5.6 The Transporter may reject a Supply Point Confirmation in accordance with Section V3.

2.5.7 The "**Proposed Supply Point Registration Date**" in respect of a Supply Point Confirmation is the date with effect from which the Proposing User wishes to become the Registered User in respect of the Proposed Supply Point.

2.5.8 The Proposed Supply Point Registration Date shall be:

- (a) not more than 30 Business Days after the Supply Point Confirmation is submitted; and

- (b) not less than 15 Business Days after the Supply Point Confirmation is submitted unless:¹⁰
- (i) at the time that the Supply Point Confirmation is submitted a Supply Point Withdrawal has been submitted by the Existing Registered User in respect of each Existing Supply Point in which case the Proposed Supply Point Registration Date shall not be less than 8 Business Days;
 - (ii) there is no change in the identity of the Registered User in respect of the Supply Point, in which case the Proposed Supply Point Registration Date shall not be less than 8 Business Days; or
 - (iii) where the Supply Point Confirmation is resulting from a Supply Point Commodity Rate Renomination (a "**Supply Point Commodity Rate Confirmation**") in which case the Proposed Supply Point Registration Date shall not be less than 4 Business Days; and
- (c) not earlier than 2 months (or such lesser period as the Transporter may specify) after the Supply Point Confirmation is submitted, where such Supply Point ceases to be, or becomes, a category of Special Metering Supply Point described in paragraph 7.1.1(d)(ii)(2), 7.1.1(d)(ii)(3), or 7.1.1(d)(iv).

- 2.5.9 A Supply Point Confirmation shall be outstanding until it is rejected by the Transporter in accordance with this paragraph 2 or lapses in accordance with paragraph 2.8.6, or (where it becomes effective) until the Supply Point Registration Date.
- 2.5.10 Every Supply Point Confirmation shall specify (in addition to what is required in paragraphs 2.6 and 2.7) the identity of the proposed supplier; and in any case where upon a change of the identity of the supplier a User continues to be a Registered User in respect of a Supply Point, such User shall either submit a Supply Point Confirmation or notify the Transporter, by such method as the Transporter shall require, (such method to be notified to Users from time to time) the identity of the new supplier as soon as reasonably practicable after such change of identity. By notifying the Transporter of the identity of the new supplier, such User warrants to the Transporter that such new supplier (or if there is more than one supplier, the suppliers between them) has (or have) warranted to the User that there will be in force a contract or contracts (including a deemed contract pursuant to paragraph 8(1) or 8(2) of the Gas Code) for the supply to the consumer of the gas offtaken by such User from the Total System at the Proposed Supply Point.
- 2.5.11 Where the Transporter does not reject the Supply Point Confirmation it will within 2 Business Days after the Supply Point Confirmation was communicated, give notice to the Proposing User acknowledging the Supply Point Confirmation.¹¹
- 2.5.12 By making a Supply Point Confirmation in respect of a New Smaller Supply Point comprising one Supply Meter Point then the Proposing User shall be deemed to have included within the Supply Point Confirmation such relevant information as described under paragraph 2.4.2 as may be contained in the Supply Point Register in relation to the Proposed Supply Point.

2.6 Supply Point Confirmations: Smaller Supply Points

- 2.6.1 A Supply Point Confirmation in respect of a Smaller Supply Point shall specify:

¹⁰ Implementation of modification 0403 effective 06:00hrs on 04/11/2013, will amend paragraph 2.5.8(b).

¹¹ Implementation of modification 0403 effective 06:00hrs on 04/11/2013, will amend paragraph 2.5.11.

- (a) the identity of the Proposing User;
- (b) the Supply Meter Point Reference Number in respect of one Supply Meter Point comprised in the Proposed Supply Point, and the Meter Post Code of such Supply Meter Point;
- (c) the Proposed Supply Point Registration Date; and
- (d) the proposed Meter Reading Frequency.

2.6.2 the Transporter will reject the Supply Point Confirmation where:

- (a) the Supply Point Confirmation is not made strictly in accordance with the requirements of paragraph 2.6.1; or
- (b) in the case of paragraph 2.6.1(b), the Supply Meter Point Reference Number specified is not identified in the Supply Point Register with the specified Meter Post Code

and the Transporter may reject the Supply Point Confirmation where the Supply Point Confirmation does not comply with any other requirement provided for in this Section G or in any other case where such rejection is provided for in the Code.

2.6.3 Where the Transporter rejects the Supply Point Confirmation the Transporter will within 2 Business Days after the Supply Point Confirmation was communicated, inform the Proposing User of the provision of the Code pursuant to which the Supply Point Confirmation was rejected (and where such rejection was pursuant to paragraph 2.6.2(a), the requirement of paragraph 2.6.1 which was not complied with).

2.6.4 The Proposing User may in respect of a Smaller Supply Point cancel its Supply Point Confirmation in accordance with paragraph 2.8.1(c), where:

- (a) a Consumer has cancelled the contract, or contracts, for the supply to the Consumer of the gas offtaken by such User from the Total System at the Proposed Supply Point, or where the Proposing User will not be the supplier, the supplier has informed the Proposing User that a cancellation of such contract or contracts has occurred; or
- (b) the Proposing User has submitted a Supply Point Confirmation which is made in error.

2.6.5 The Proposing User will not submit a Confirmation in accordance with this paragraph 2.6 (in respect of a New Smaller Supply Point comprising one Supply Meter Point) where such Proposing User is aware that the Annual Quantity in respect of such Supply Point is greater than 73,200 kWh (2,5000 therms) and in such case any application in respect of the same shall be made in accordance with paragraph 2.3.

2.7 Supply Point Confirmations: Larger Supply Points and Smaller Supply Points subject to nomination

2.7.1 A Supply Point Confirmation in respect of a Larger Supply Point or Smaller Supply Point subject pursuant to paragraph 2.1.2(a) to the requirement to be Nominated shall specify:

- (a) the Supply Point Offer in respect of which it is made;
- (b) the Proposed Supply Point Registration Date; and

- (c) where the Annual Quantity in respect of the Supply Point is greater than 732,000 kWh (25,000 therms), the details (for making contact in an Emergency) required under Section Q2.3.

2.7.2 Subject to paragraphs 2.4.7(b) and 2.4.10, the details (other than any expressly required in this Section to be included) which are the subject of the Supply Point Confirmation are those specified in the Supply Point Offer, and no other detail may be specified in the Supply Point Confirmation which would conflict with or qualify any such details.

2.7.3 In the case of an LDZ Supply Point where:

- (a) the Proposed Supply Point includes a DM Supply Point Component; and
- (b) the Prevailing Supply Point Capacity is, or (in accordance with paragraph 2.4.5(b)) at any time before a Supply Point Confirmation is submitted becomes, greater than the Offered Supply Point Capacity

a Supply Point Confirmation may be submitted only for a Proposed Supply Point Registration Date falling within the Capacity Reduction Period.

2.7.4 In the case of an LDZ Supply Point where the Proposed Supply Point includes a DM Supply Point Component, at any time after a Supply Point Confirmation is submitted but before the Supply Point Registration Date:

- (a) if:
 - (i) the Prevailing Supply Point Capacity becomes greater than the Offered Supply Point Capacity, as a result of the occurrence of a Supply Point Ratchet (pursuant to Section B4.7.1) in respect of any Existing Supply Point; or
 - (ii) at the start of a Gas Year, the Bottom-Stop Supply Point Capacity becomes (pursuant to paragraph 5.2.3(a)(i)) greater than the Offered Supply Point Capacity

the Confirmed Supply Point Capacity will be the increased Prevailing Supply Point Capacity or (as the case may be) Bottom-Stop Supply Point Capacity;

- (b) if the Prevailing Supply Point Capacity becomes greater than the Offered Supply Point Capacity, as a result of the Registered User in respect of any Existing Supply Point applying for an increase in its Registered Supply Point Capacity, the Confirmed Supply Point Capacity will be the Offered Supply Point Capacity.

2.7.5 In the circumstances in paragraph 2.7.4(a) the Transporter may, but is not required to, notify the Proposing User of the increased Confirmed Supply Point Capacity before the Supply Point Registration Date, but will not later than the 5th Business Day after the Supply Point Registration Date notify to the Proposing User the revised Confirmed Supply Point Capacity and revised details of Supply Point Transportation Charges (and the Transporter's notification under paragraph 2.8.8 or 2.9.2 shall to that extent be provisional).

2.7.6 Without prejudice to paragraph 2.7.1 a Supply Point Commodity Rate Confirmation shall specify:

- (a) the Supply Point Offer in respect of which it is made;
- (b) the Supply Meter Point Reference Number in respect of the Supply Meter Points comprised in the Proposed Supply Point; and

- (c) the Proposed Supply Point Registration Date.

2.8 Effect of Confirmation: Existing Supply Points not already withdrawn

2.8.1 Where, at the time a User submits a Supply Point Confirmation which is not rejected by the Transporter, there is any Existing Supply Point in respect of which a Supply Point Withdrawal has not been submitted:

- (a) the Transporter will, within 2 Business Days after the Supply Point Confirmation was submitted, notify the Existing Registered User of the submission of the Supply Point Confirmation and the Proposed Supply Point Registration Date, but not the identity of the Proposing User;
- (b) the Existing Registered User may, up to but not after the 7th Business Day after the date of notification to the Existing Registered User of the submission of the Supply Point Confirmation ("**Objection Deadline**"), submit to the Transporter an objection ("**Supply Point Objection**") in respect of such Existing Supply Point provided that the Existing Registered User shall not submit such Supply Point Objection where a domestic consumer supplied with gas at the Existing Supply Point has ceased or is to cease to own or occupy the relevant premises; and
- (c) the Proposing User may, subject to paragraph 2.8.8 (in the case of a Smaller Point) up to but not after the 8th Business Day before the Proposed Supply Point Registration Date (the Objection Deadline) submit to the Transporter a cancellation ("**Supply Point Confirmation Cancellation**") in respect of such Supply Point Confirmation.¹²

2.8.2 No Supply Point Objection may be submitted, nor (if purportedly submitted) shall be effective:

- (a) by an Existing Registered User, after the Objection Deadline; nor
- (b) (for the avoidance of doubt) in respect of an Existing Supply Point in respect of which the Existing Registered User has submitted a Supply Point Withdrawal.

2.8.3 Where a User submits a Supply Point Objection to the Transporter:

- (a) the objecting User is required to declare its identity in the objection;
- (b) the Transporter will, within 2 Business Days after the Supply Point Objection was submitted, notify such objection, including (where declared in the objection) the identity of the objecting User, to the Proposing User;
- (c) where the objecting User did not comply with the requirement in paragraph (a):
 - (i) the Transporter will not reject the Supply Point Objection (which will accordingly be effective for the purposes of paragraph 2.8.6);
 - (ii) the Transporter will, if requested by the Proposing User, provide to the Proposing User the identity of the objecting User as soon as is reasonably practicable but (as is acknowledged by each User) does not undertake to do so before the Objection Deadline; and
- (d) the objecting User will declare in the objection the reason for its objection and if the objecting User fails to do so the Transporter may reject such Supply Point Objection which accordingly will not be effective for the purposes of paragraph 2.8.6;

¹² Implementation of modification 0403 effective 06:00hrs on 04/11/2013, will amend paragraphs 2.8.1(a), (b) & (c).

- (e) and that Supply Point Objection was raised at the request (whether directly or indirectly) of the Consumer in respect of the affected Existing Supply Point, the Transporter will, where the reasons for the objection have been provided to the Transporter by the objecting User, within 2 Business Days after the Supply Point Objection was submitted, notify such reasons to the Proposing User.¹³

2.8.4 The Transporter:

- (a) will not be concerned with the reason for any Supply Point Objection nor with any question as to whether such an objection is well founded;
- (b) shall, for the purposes of paragraph 2.8.1(b), notify the Existing Registered User of any notification received by the Transporter from the Proposing User that a domestic consumer supplied with gas at the Existing Supply Point has ceased or is to cease to own or occupy the relevant premises and the Transporter will not be concerned with the reason for such notification nor with any question as to whether such notification is well founded.

2.8.5 A User may withdraw a Supply Point Objection up to but not after:

- (a) the 7th Business Day after the Supply Point Objection was made; or
- (b) if earlier, the Objection Deadline.

2.8.6 Where a Supply Point Objection is made and is not withdrawn in accordance with paragraph 2.8.5, the Supply Point Confirmation shall lapse and be of no effect, and the Transporter will so inform each Existing Registered User not later than the fifth Day before the Proposed Supply Point Registration Date.

2.8.7 Where no Supply Point Objection is made, or all (if any) Supply Point Objections made are withdrawn, or where the Supply Point Objection has been rejected by the Transporter in accordance with paragraph 2.8.3(d):

- (a) subject to paragraph 2.11, the Supply Point Confirmation shall be effective and the Supply Meter Points comprised in the Proposed Supply Point shall be registered in the name of the Proposing User with effect from the Proposed Supply Point Registration Date; and
- (b) each Existing Registered User shall be deemed to have submitted a Supply Point Withdrawal in accordance with paragraph 3 in respect of the relevant Existing Supply Point.

2.8.8 In the case of a Supply Point Confirmation within paragraph 2.8.1, after the Objection Deadline and not later than the fifth Day before the Proposed Supply Point Registration Date:

- (a) the Transporter will notify the Proposing User whether the Supply Point Confirmation has become effective, setting out (where it has become effective, and without prejudice to paragraph 2.7.5) the details of the Supply Point to be recorded in the Supply Point Register;
- (b) (where the Supply Point Confirmation has become effective) the Transporter will notify the User (which was the Existing Registered User immediately preceding the effective date of the Supply Point Confirmation) of the identity of the Proposing User

¹³ Implementation of modification 0403 effective 06:00hrs on 04/11/2013, will amend paragraph 2.8.3(b) & (e).

(that has become the Registered User) and the identity of the supplier (that has become the supplier) in respect of the Supply Point recorded in the Supply Point Register and which is the subject of such Supply Point Confirmation.

2.9 Effect of Confirmation: Existing Supply Points already withdrawn

- 2.9.1 Where at the time a User submits a Supply Point Confirmation which is not rejected by the Transporter, a Supply Point Withdrawal has been submitted by the Existing Registered User in respect of each Existing Supply Point, subject to paragraph 2.11 the Supply Point Confirmation shall be effective and the Supply Meter Points comprised in the Proposed Supply Point shall be registered in the name of the Proposing User with effect from the Proposed Supply Point Registration Date.
- 2.9.2 In the case of a Supply Point Confirmation within paragraph 2.9.1, the Transporter will notify the Proposing User, as soon as reasonably practicable and not later than the fifth Day before the Proposed Supply Point Registration Date, that the Supply Point Confirmation has become effective, setting out (without prejudice to paragraph 2.7.5) the details of the Supply Point to be recorded in the Supply Point Register.

2.10 Supply Point Confirmation: Effect of Isolation

- 2.10.1 A Supply Meter Point comprised in a Proposed Supply Point for which a Supply Point Confirmation has been submitted may, at the request of the Existing Registered User, be Isolated on any Day before (but not on or after) the Proposed Supply Point Registration Date.
- 2.10.2 Where a Supply Meter Point comprised in a Proposed Supply Point (for which a Supply Point Confirmation has been submitted) has been Isolated the Supply Point Confirmation may (in accordance with paragraph 2.8.7(a) or 2.9.1) become effective and the Proposing User will be the Registered User of a Supply Point which includes the Isolated Supply Meter Point.

2.11 Effect of Confirmation: New Supply Point

- 2.11.1 A Supply Point Confirmation in respect of a New Supply Point (other than one which comprises only New Supply Meter Points) shall not become effective and shall lapse (whether or not any Existing Registered User submitted or withdrew a Supply Point Objection) unless the requirement in paragraph 2.11.2 is satisfied.
- 2.11.2 The requirement referred to in paragraph 2.11.1 is that Supply Point Confirmations (whether submitted by the Existing Registered User or another User as Proposing User), for Proposed Supply Point Registration Date(s) the same as that for such New Supply Point, become effective for Proposed Supply Points which comprise all (if any) and only the Supply Meter Points (including any which are or are to be Isolated) which are comprised in each Existing Supply Point, other than that or those comprised in such New Supply Point.
- 2.11.3 the Transporter will not be concerned with the fact that, or the reason for which, any Existing Registered User may not submit a Supply Point Confirmation for the purposes of paragraph 2.11.1.
- 2.11.4 For the avoidance of doubt, it will be necessary for the Existing Registered User(s) to have submitted a Supply Point Nomination in sufficient time to have received a Supply Point Offer to allow any Supply Point Confirmation required under paragraph 2.11.1 to be submitted.

3 SUPPLY POINT WITHDRAWAL AND ISOLATION

3.1 Supply Point Withdrawal

- 3.1.1 In order for a User to cease to be the Registered User in respect of a Supply Point:
- (a) a User must submit, or be deemed in accordance with paragraph 2.8.7(b) to submit, a request ("**Supply Point Withdrawal**") for withdrawal; and
 - (b) the Supply Point Withdrawal must become effective
- in accordance with this paragraph 3.
- 3.1.2 The Registered User in respect of a Supply Point (the "**Withdrawing Supply Point**") may at any time submit to the Transporter a Supply Point Withdrawal specifying:
- (a) the identity of the User (the "**Withdrawing User**"); and
 - (b) the Supply Point Registration Number of, and the Supply Meter Point Reference Number of one of the Supply Meter Points (the "**Withdrawing Supply Meter Points**") comprised in, the Withdrawing Supply Point.
- 3.1.3 Where a User submits or is deemed to submit a Supply Point Withdrawal, subject to paragraph 2.10.1, the User may but is not obliged to secure Isolation of any of the Withdrawing Supply Meter Points.
- 3.1.4 The Transporter will make available to all Users details of those Withdrawing Supply Meter Points which at any time have not become comprised in a Proposed Supply Point in respect of which a Supply Point Confirmation has become effective, identifying each Supply Meter Point (if any) which is or is to be Isolated.
- 3.1.5 Where a Withdrawing Supply Meter Point is comprised in a Proposed Supply Point for which the Supply Point Confirmation becomes effective, the Transporter will so notify the Withdrawing User not later than 2 Business Days after the date on which it is known that the Supply Point Confirmation will become effective.
- 3.1.6 Where a User submits a Supply Point Withdrawal in respect of a Supply Point which comprises Shared Supply Meter Point(s) the Transporter will inform each other Sharing Registered User of the submission of such withdrawal.

3.2 Effect of withdrawal

- 3.2.1 A Supply Point Withdrawal shall become effective ("**Effective Supply Point Withdrawal**") only where each of the Withdrawing Supply Meter Points:
- (a) is comprised in another Supply Point (of which the Registered User may be the Withdrawing User); and/or
 - (b) has been Isolated in accordance with paragraph 3.4
- and the date of the Effective Supply Point Withdrawal shall be:
- (i) in the case of paragraph (a), the Supply Point Registration Date (of such other Supply Point); and
 - (ii) in the case of paragraph (b), the later of the date of such Isolation and the date of the Supply Point Withdrawal, or in the case of (a) and (b) the latest of any such date.

- 3.2.2 For so long as a Supply Point Withdrawal has not become effective in accordance with paragraph 3.2.1, the Withdrawing User shall remain liable for Supply Point Transportation Charges in respect of the Withdrawing Supply Point determined on the basis of the Supply Point Capacity and LDZ Capacity held immediately before the submission of the Supply Point Withdrawal (or in the case of an NDM Supply Point Component such capacities as revised with effect from 1 October in any Gas Year in accordance with Section H4 by reference to the new Annual Quantities and End User Categories) and for the purposes of Aggregate NDM Reconciliation the Annual Quantity of the Withdrawing Supply Point will continue to be included for the purposes of Section E7.2.2.
- 3.2.3 When a Supply Point Withdrawal has become effective in accordance with paragraph 3.2.1, the User shall cease to be the Registered User and the Supply Point (and the Supply Point Registration) shall be cancelled.
- 3.2.4 A Supply Point Withdrawal in respect of a Supply Point which comprises a Shared Supply Meter Point(s) shall be effective on the 15th Business Day after submission thereof, irrespective of whether any Shared Supply Meter Point has been Isolated, except where all of the Sharing Registered Users submit Supply Point Withdrawals on the same Day, in which case such withdrawals shall become effective only in accordance with paragraph 3.2.1.

3.3 Withdrawal: Closing Meter Read

- 3.3.1 Where a Supply Point Withdrawal becomes effective (under paragraph 3.2.1) in respect of an NDM Supply Meter Point and the Proposing User provides an Opening Meter Reading in accordance with Section M3.8, the Transporter will, within 5 Business Days after such Meter Reading was provided to it, notify such Meter Reading to the Withdrawing User and inform the Withdrawing User whether it passed the validation referred to in Section M3.3.8.
- 3.3.2 In accordance with Section M3.8.2 an Opening Meter Reading for an NDM Supply Meter Point obtained within a period of 5 Business Days commencing on the Day 2 Business Days before the Supply Point Registration Date will be deemed for all purposes of the Code to have been obtained on the Supply Point Registration Date (and the Reconciliation Values determined accordingly).

3.4 Isolation: General

- 3.4.1 For the purposes of the Code and subject to paragraph 3.8:
- (a) **"Isolation"** of a Supply Meter Point shall mean the amendment of the Supply Point Register in accordance with paragraph 3.5.4 for the purposes of securing that gas cannot be offtaken from the Total System at such point and "Isolate" shall be construed accordingly;
 - (b) **"Re-establish"** shall mean the re-setting by the Transporter of the previously recorded Isolation status of a Supply Meter Point to indicate that gas can be offtaken from the Total System at such Point and "Re-established" and "Re-establishment" shall each be construed accordingly; and
 - (c) **"T/PR/GT4"** is the document relating to the cessation of the flow of gas entitled Transporters Sealing of Equipment to Protect against Theft of Gas and Tampering, as published by the Transporters from time to time.
- 3.4.2 For the avoidance of doubt and subject to paragraph 3.4.3, where a Supply Meter Point has been Isolated (and unless and until an Effective Supply Point Withdrawal) the Registered User of the Supply Point in which it is comprised shall continue to be responsible for gas offtaken from the Total System at the Supply Meter Point.

3.4.3 In the case of a NDM Supply Meter Point which has been Isolated (and unless and until it is Re-established in accordance with paragraph 3.7) NDM Supply Meter Point Demand will cease to be determined in respect of that NDM Supply Meter Point in accordance with Section H2.

3.5 Isolation request

3.5.1 A Registered Supply Meter Point may be Isolated subject to and in accordance with this paragraph 3.5.

3.5.2 For the purposes of paragraph 3.5.1 the User shall:

- (a) provide to the Transporter a notification complying with the following:
 - (i) specify the identity of the User;
 - (ii) specify the relevant Supply Point Registration Number, and the Supply Meter Point Reference Number of the Supply Meter Point;
 - (iii) specify the date on which gas ceased to flow;
 - (iv) contain a Valid Meter Reading obtained on the date set out in sub-paragraph (iii) above;
 - (v) specify whether the Supply Meter Installation remains connected at the Supply Meter Point;
- (b) have complied with paragraph 3.5.5.

3.5.3 Subject to paragraph 3.5.4, within one Day of receipt of a notice complying with paragraph 3.5.2 the Transporter will amend the Supply Point Register to set the status of the Supply Meter Point to "**Isolated**".

3.5.4 Where the Supply Meter Point is a Shared Supply Meter Point the Transporter will not amend the Supply Point Register pursuant to paragraph 3.5.3 unless all Sharing Registered Users warrant that gas flow at all Supply Meter Points has ceased.

3.5.5 Where a User provides a notification in accordance with paragraph 3.5.2 such User shall have taken all reasonable steps to ensure that all work to cease the flow of gas has been carried out by suitably competent personnel using that degree of skill, diligence, prudence and foresight which would reasonably and ordinarily be expected from a skilled and experienced person complying with applicable law, recognised industry standards and T/PR/GT4, engaged in the same type of undertaking and the Transporter will be entitled to assume that the User has complied with such obligation.

3.5.6 The Transporter will not amend the Supply Point Register pursuant to paragraph 3.5.3 in the event that:

- (a) the notification submitted pursuant to paragraph 3.5.2 does not comply with the requirements set out in such paragraph; or
- (b) the User submitting the notification is not the Registered User for the relevant Supply Meter Point on the Day that the notice is received by the Transporter.

- 3.5.7 A Supply Meter Point will be treated as Isolated for the purposes of the Code (until and unless Re-established in accordance with paragraph 3.7) with effect from the Day on which the Supply Point Register was amended pursuant to paragraph 3.5.3.

3.6 Urgent Cessation of Flow of Gas

- 3.6.1 Nothing in the Code shall prevent the Transporter from ceasing the flow of gas at any Supply Meter Point where it appears to the Transporter that it is necessary to do so for the purposes of ensuring safety; and, for the avoidance of doubt, where it does so the Transporter shall not be in breach of its obligation to make gas available for offtake.
- 3.6.2 Where pursuant to paragraph 3.6.1 the Transporter undertakes work to cease the flow of gas at a Supply Meter Point other than at the request of the Registered User:
- (a) the Transporter will inform the Registered User as soon as reasonably practicable after undertaking work to cease the flow of gas;
 - (b) nothing in the Code shall make the Registered User liable to make any payment to the Transporter in respect of the undertaking work to cease the flow of gas.

3.7 Re-establishment

- 3.7.1 Where a Supply Meter Point has been Isolated in accordance with paragraph 3.5.4 and the Transporter becomes aware that gas is capable of being offtaken at that time (without further action being taken) from the Total System at such point then the Transporter shall notify the Registered User of such fact.
- 3.7.2 Where a Supply Meter Point has been Isolated and the Registered User becomes aware (whether pursuant to paragraph 3.7.1 or otherwise) that gas is capable of being offtaken at that time (without further action being taken) from the Total System at such point it shall forthwith notify the Transporter of such fact and the Transporter shall Re-establish such Supply Meter Point.
- 3.7.3 For the avoidance of doubt, in the case of an NDM Supply Meter Point which has been Re-established, NDM Supply Meter Point Demand will be determined in respect of that NDM Supply Meter Point in accordance with Section H2 from the date of such Re-establishment.
- 3.7.4 Where a Supply Meter Point has been Isolated and is Re-established, and an Effective Supply Point Withdrawal has not occurred and the Supply Meter continues to remain physically connected to a System during the period from the date of Isolation to the date of Re-establishment then where gas was or is being offtaken from the Total System during such period, each Registered User in respect of the period for which it is or was the Registered User shall be liable for all charges (including without limitation Transportation Charges) associated with such Supply Meter Point as if it had not been so Isolated.
- 3.7.5 Without prejudice to the generality of paragraph 3.7.4 where a Supply Meter Point has been Isolated and an Effective Supply Point Withdrawal has occurred and the Supply Meter continues to remain physically connected to a System then:
- (a) where gas was or is being offtaken at such Supply Meter Point during such period the Relevant Registered User at the time of Isolation shall be liable for all charges (including without limitation Transportation Charges) associated with such Supply Meter Point, as if an Isolation or Effective Supply Point Withdrawal had not occurred;
 - (b) where gas has not been offtaken (but is capable of being offtaken without further action being taken) at such Supply Meter Point during such period then the Relevant

Registered User shall be liable for Capacity Charges and Customer Charges associated with such Supply Meter Point, as if an Isolation or Effective Supply Point Withdrawal had not occurred.

3.7.6 **"Relevant Registered User"** is the Registered User for the period commencing on the date of Isolation and ending on the next Supply Point Registration Date.

3.7.7 Charges payable in accordance with paragraph 3.7.5 shall cease to accrue on the date when a notice has been received by the Transporter that suitable works have been undertaken to ensure that the Supply Meter Point is no longer capable of offtaking gas (without further action being taken) or until Re-establishment, provided that the Transporter will be entitled to levy such charges where the Transporter discovers that suitable works have not been undertaken.

3.8 **Disablement of Supply**

3.8.1 In the event that a Supply Meter Point is Isolated and:

- (a) the Supply Meter Installation remains physically connected to a System, the User who is the Registered User at the time of such Isolation shall ensure that upon Effective Supply Point Withdrawal such Supply Meter Installation is physically disconnected from the System within 12 months from the date of such Effective Supply Point Withdrawal; and
- (b) in the event that the Supply Meter Installation is not physically disconnected within the period specified in sub-paragraph (a) above the Transporter will (where no supply of gas is required at the Supply Meter Point) take such actions to disable the flow of gas and the User who was the Registered User at the time of Effective Supply Point Withdrawal shall pay the Transporter's costs (as contained in the Transporter's Transportation Statement) in respect thereof.

4 **Compensation Rules**

4.1 **Responding to Supply Point Nominations**

4.1.1 For the purposes of this paragraph 4.1:

- (a) the Transporter **"responds"** to a Supply Point Nomination by rejecting such nomination (in accordance with paragraph 2.3.6) or submitting a Supply Point Offer (in accordance with paragraph 2.4.1) or submitting a referral notice (in accordance with paragraph 2.3.8); and the Transporter **"further"** responds to a referred Supply Point Nomination by submitting a Supply Point Offer (in accordance with paragraph 2.4.1);
- (b) periods within which the Transporter is to respond to a Supply Point Nomination run from the Business Day after the Supply Point Nomination was submitted; and
- (c) a Supply Point Nomination is **"referred"** where paragraph 2.3.8 applies in relation thereto.

4.1.2 The Transporters will respond within 12 Business Days to not less than 97% of the referred Supply Point Nominations submitted by each User in any calendar month.

4.1.3 If, in respect of the referred Supply Point Nominations submitted by a User in any calendar month, the Transporters do not comply with the requirement in paragraph 4.1.2, the

Transporters will (subject to the further provisions of the Code) pay to the User an amount calculated as:

$$((0.97 * A) - B - C) * £30$$

where for the relevant month:

- A is the number of referred Supply Point Nominations submitted by the User in that month;
- B is the number of referred Supply Point Nominations submitted by the User in that month to which the Transporters did respond within 12 Business Days; and
- C is the number of referred Supply Point Nominations where:
 - (a) the Transporter reasonably considered that a site visit was necessary (in accordance with the further provisions of this Section G); and
 - (b) the Transporter was unable to perform such site visit within 12 Business Days as a result of failure, acting reasonably, to obtain any consents necessary to undertake such site visit (and the Transporter shall not be required to seek any such consent after the 10th Business Day).

4.1.4 The Transporter will (subject to the further provisions of this paragraph 4) pay to the User £50 in respect of each referred Supply Point Nomination submitted by a User, if the Transporter does not respond within 17 Business Days provided that the Transporter will not be liable to pay such amounts where:

- (a) the Transporter reasonably considered that a site visit was necessary (in accordance with the further provisions of this Section G); and
- (b) the Transporter was unable to perform such site visit within 17 Business Days as a result of failure, acting reasonably, to obtain any consents necessary to undertake such site visit (and the Transporter shall not be required to seek any such consent after the 15th Business Day).

4.1.5 Amounts payable under paragraph 4.1.4 are in addition to and irrespective of any amounts which may become payable in respect of any month under paragraph 4.1.3.

4.1.6 For the purposes of Section V10 the rules in paragraphs 4.1.3 and 4.1.4, are Compensation Rules within Compensation Group G; and in relation thereto the 'payment month' is the second month following that in which the relevant Supply Point Nomination was submitted.

4.2 Rejected Supply Point Confirmations

4.2.1 Where:

- (a) a Supply Point Offer submitted by the Transporter does not comply with the applicable requirements of Section G2.4 and the UK Link Manual;
- (b) the Proposing User submitted a Supply Point Confirmation (on the basis of such Supply Point Offer) in accordance with the requirements of this Section G; and

- (c) as a result of the Supply Point Offer's non-compliance (referred to in paragraph (a)) such Supply Point Confirmation was rejected

then paragraph 4.2.2 shall apply.

- 4.2.2 Where this paragraph 4.2.2 applies, the Transporter will (subject to the further provisions of the Code) pay to the Proposing User an amount of £50 for each Supply Point Confirmation rejected as described in paragraph 4.2.1(c).
- 4.2.3 For the purposes of Section V10, the rule in paragraph 4.2.2 is a Compensation Rule within Compensation Group E, and in relation thereto and subject to paragraph 4.2.4 the 'payment month' is the second month following that in which the Supply Point Confirmation was submitted.
- 4.2.4 The Transporter will not and is not required to monitor its performance in relation to the Compensation Rules under this paragraph 4.2, and will not be required to make any payment under this paragraph 4.2 unless the User in question notifies to the Transporter the circumstances in which such payment is due not later than the expiry of the second month following that in which the Supply Point Confirmation was submitted, in which case the payment month becomes the second month after the month of such notification.

4.3 Site visits

- 4.3.1 The Transporter shall be taken to have completed a Site Visit Appointment where the Transporter attends at the Supply Point Premises on a date which complies with paragraph 1.18; and
 - (a) the Transporter investigates the relevant matter (as described in paragraph 1.18); or
 - (b) the User did not attend if required to do so in accordance with paragraph 1.18.3; or
 - (c) the Transporter was unable (after reasonable attempts to do so at the time of its visit) to obtain access to the Supply Point Premises.
- 4.3.2 If the Transporter does not complete all Site Visit Appointments in a calendar month, the Transporter will (subject to the further provisions of the Code) pay to the User an amount calculated as:

$$(A) - B) * £20$$

where for the relevant month:

- A is the number of Site Visit Appointments due to be carried out in that month;
- B is the number of Site Visit Appointments completed in accordance with paragraph 4.3.1.

- 4.3.3 For the purposes of Section V10, the rule in paragraph 4.3.2 is a Compensation Rule within Compensation Group H; and in relation thereto the 'payment month' is the second month following that in which the relevant Site Visit Appointment was due to be carried out.

4.4 Conventional Notices

This paragraph 4 shall not apply in respect of a User who has elected under paragraph 1.13.1 to give Code Communications as Conventional Notices.

5 DM SUPPLY POINT CAPACITY AND OFFTAKE RATE

5.1 Introduction

- 5.1.1 Except for paragraph 5.6, this paragraph 5 applies only in respect of DM Supply Point Components comprised in an LDZ Supply Point and nothing in this paragraph 5 shall apply in respect of an NTS Supply Point Component.
- 5.1.2 The Supply Point Capacity which a User is registered as holding at a DM Supply Point Component shall be subject to minimum and maximum requirements in accordance with this paragraph 5.
- 5.1.3 Subject to the provisions of this paragraph 5, the Registered User of a DM Supply Point Component may apply to reduce or increase its Registered DM Supply Point Capacity by making a Capacity Revision Application.
- 5.1.4 An application ("**Capacity Revision Application**") to revise (by increasing or decreasing) Registered DM Supply Point Capacity shall specify:
- (a) the Supply Point Registration Number;
 - (b) the Supply Meter Point Reference Number of the DM Supply Meter Point, or (where there is more than one DM Supply Meter Point) the relevant DM Supply Meter Point, comprised in the Supply Point Component;
 - (c) the revised Supply Point Capacity and (in accordance with paragraph 5.3.2) Supply Point Offtake Rate;
 - (d) the date in accordance with paragraph 5.1.5 with effect from which the revision is to take effect;
 - (e) the proposed Annual Quantity for the DM Supply Meter Point, or (where there is more than one DM Supply Meter Point) the relevant DM Supply Meter Point, comprised in such Supply Point Component;
 - (f) whether a Compressor or Booster will be installed in respect of such Supply Point Component; and
 - (g) the identity of the relevant Registered User making the Capacity Revision Application and the telephone number and email address of its contact representative.
- 5.1.5 The date under paragraph 5.1.4(d) shall be:
- (a) except in paragraph (b), 5 Business Days; or
 - (b) where it will (in accordance with paragraph 5.5) be necessary for the Transporter to assess the feasibility of making gas available for offtake, 21 Business Days,
- after the date upon which the application is submitted.
- 5.1.6 A User may withdraw a Capacity Revision Application by notice to the Transporter not less than 2 Business Days before the date specified pursuant to paragraph 5.1.4(d).
- 5.1.7 The Transporter may reject a Capacity Revision Application or an application (in accordance with paragraph 5.3.2) for a revised Supply Point Offtake Rate:

- (a) in the case of a Capacity Revision Application, where the requirements of paragraph 5.1.4 are not complied with, or (in the case of an application for an increase in Supply Point Capacity) in accordance with Section V3; and
 - (b) where any other requirement of this paragraph 5 is not complied with, or in accordance with any provision of this paragraph 5 which provides for such rejection.
- 5.1.8 Subject to paragraph 5.1.7, the Transporter will approve a Capacity Revision Application or (pursuant to paragraph 5.3.2) an application for a revised Supply Point Offtake Rate, and will inform the Registered User where such application is approved.
- 5.1.9 For the purposes of assessing the feasibility of making gas available for offtake, the Transporter may request the Registered User to provide any of the following information:
- (a) the amount, resulting from such increase, of any reduction in the Supply Point Capacity relating to any other DM Supply Meter Point(s) comprised in the DM Supply Point Component and the MPRN Number of such affected DM Supply Meter Point(s);
 - (b) the proposed Annual Load Profile and Daily Load Profile;
 - (c) the date from which the load profile is required;
- and following such request the Registered User shall promptly provide the same to the Transporter.
- 5.1.10 Where it is necessary for the Transporter to assess the feasibility of making gas available for offtake in accordance with paragraph 5.1.5(b), the Transporter will provide a response in accordance with paragraph 5.1.7 or 5.1.8 no later than the 18th Business Day following the date of receipt of the Capacity Revision Application.
- 5.1.11 Where requested by the Transporter, for the purpose of enabling the Transporter to assess the Capacity Revision Application, the Registered User will promptly procure permission for the Transporter to visit the premises at which the DM Supply Meter Point is situated and access thereto.
- 5.1.12 Requests for information by the Transporter in accordance with paragraph 5.1.9 and provision of information by the Registered User in accordance with paragraph 5.1.4(e), (f) and (g) and paragraph 5.1.9(a), (b) and (c) shall be communicated by facsimile or email.
- 5.1.13 For the purposes of paragraph 5.1:
- (a) **“Annual Load Profile”** is the quantity (in MWh) of gas which it is anticipated will be offtaken at the DM Supply Point Component for each month of the Gas Year so as to show the within year variation of demand on a monthly basis.
 - (b) **“Booster”** is a device (typically a centrifugal fan arrangement), located downstream of the outlet of the customer control valve, used to raise the pressure of gas by up to 200 mbar across the device.
 - (c) **“Compressor”** is a device (typically a reciprocating or screw type arrangement), located downstream of the outlet of the customer control valve on the service pipe, used to raise the pressure of gas by up to 40 mbar across the device.
 - (d) **“Daily Load Profile”** is the rate (in kWh/hour) at which it is anticipated that gas will be offtaken at the DM Supply Point Component for each hour within the Day so as to show the within day variation of demand on an hourly basis.

- (e) **“relevant DM Supply Meter Point”** is:
- (i) in the case of an application to increase capacity, the DM Supply Meter Point through which gas will be offtaken in respect of such increase,
 - (ii) where a decrease only is required (other than as a result of an increase at another DM Supply Meter Point comprised in the DM Supply Point Component) the DM Supply Meter Point through which gas will be offtaken in respect of such decrease.

5.2 Minimum capacity requirements

5.2.1 Subject to paragraph 5.2.10 a Registered User's Supply Point Capacity at a DM Supply Point Component:

- (a) shall not at any time be less than the Bottom-Stop Supply Point Capacity; and
- (b) except within the Capacity Reduction Period or in accordance with paragraph 2.7.4(b), shall not upon the Supply Point Registration Date be less than, or thereafter be reduced below, the Prevailing Supply Point Capacity.

5.2.2 For the purposes of the Code **"Capacity Reduction Period"** means the months of October, November, December and January in any Gas Year.

5.2.3 Subject to paragraph 5.2.4, at any time in the Gas Year:

- (a) subject to paragraph (d), the **"Bottom-Stop"** Supply Point Capacity in respect of a DM Supply Point Component is:
 - (i) the amount (the **"Preceding Year Maximum Capacity"**) which is the highest User SPDQ for any Day (other than a Day in the months of June to September inclusive) in the Preceding Year, but not exceeding the Maximum Supply Point Capacity; or
 - (ii) if higher, where there has been a Supply Point Ratchet (in accordance with Section B4.7) in the Gas Year, the amount of the Prevailing Supply Point Capacity (subject to and in accordance with paragraph 5.5.5) following such (or if more than one, the most recent) Supply Point Ratchet;
- (b) any New Supply Meter Point, and any Supply Meter Point which has become a DM Supply Meter Point, shall be disregarded in determining the Preceding Year Maximum Capacity of a DM Supply Point Component until the Gas Year which commences next after the first month of June which falls after the First Supply Point Registration Date or (as the case may be) the date on which the Supply Meter Point became DM;
- (c) subject to paragraphs 5.2.5 and 5.2.6, the **"Prevailing"** Supply Point Capacity in respect of the DM Supply Point Component of a Supply Point is the Supply Point Capacity for the time being held by the Registered User; and
- (d) in the case of a DM Supply Point Component which comprises Shared Supply Meter Point(s):
 - (i) the **"Aggregate Bottom-Stop Capacity"** shall be the amount determined (irrespective of whether there were, or which Users were, Sharing Registered Users at any relevant time) as the aggregate of the Bottom-Stop Supply Point

Capacities in accordance with paragraphs (a)(i) and (ii) for all DM Supply Point Component(s) which comprised such Supply Meter Point(s);

- (ii) for the purposes of paragraph (a)(i) the Day by reference to which the Preceding Year Maximum Capacities are determined shall be the Day of the highest aggregate User SPDQs in respect of all relevant DM Supply Point Component(s);
- (iii) the Sharing Registered Users jointly, or a User Agent on their behalf, may from time to time notify to the Transporter the amounts, and changes in the amounts, which are to be the Bottom-Stop Supply Point Capacities in respect of their respective DM Supply Point Components, provided that in aggregate such amounts are equal to the Aggregate Bottom-Stop Capacity; and
- (iv) upon any change in the Users who are Sharing Registered Users, unless Bottom-Stop Supply Point Capacities are notified to the Transporter in accordance with paragraph (iii) not later than such change, the Bottom-Stop Supply Point Capacity in respect of each DM Supply Point Component shall be the Aggregate Bottom-Stop Capacity divided by the number of Firm DM Supply Point Components.

5.2.4 In respect of the DM Supply Point Component of a Proposed Supply Point which is a New Supply Point:

- (a) the Preceding Year Maximum Capacity shall be determined as the highest relevant daily quantity (in accordance with paragraph 5.2.5(a)) in respect of any Day (other than a Day in the months of June to September inclusive) in the Preceding Year, but shall not exceed the Maximum Supply Point Capacity; and
- (b) the Prevailing Supply Point Capacity shall be determined as the sum of the scaled relevant daily quantities (in accordance with paragraph 5.2.5(b)) for each DM Supply Meter Point comprised in the Proposed Supply Point.

5.2.5 For the purposes of paragraph 5.2.4:

- (a) the relevant daily quantity in respect of a Day is the sum of the Supply Meter Point Daily Quantities (or, in the case of a Shared Supply Meter Point, the relevant proportion thereof) for each DM Supply Meter Point comprised in the Proposed Supply Point in respect of that Day;
- (b) the scaled relevant daily quantity in respect of a DM Supply Meter Point comprised in an Existing Supply Point is the selected daily quantity (under paragraph (c)), multiplied by the Prevailing Supply Point Capacity, divided by the Preceding Year Maximum Capacity, in respect of the Existing Supply Point;
- (c) for the purposes of paragraph (b), the selected daily quantity is the Supply Meter Point Daily Quantity (or, in the case of a Shared Supply Meter Point, the relevant proportion thereof) for the Supply Meter Point in respect of the Day by reference to which the Preceding Year Maximum Capacity was determined under paragraph 5.2.4(a);
- (d) a New Supply Meter Point comprised in the Proposed Supply Point shall be disregarded; and
- (e) for the purposes of paragraphs (a) and (c), the relevant proportion is such proportion as the Sharing Registered Users jointly or a User Agent on their behalf may notify to the Transporter before the Proposed Supply Point Registration Date, provided that such

proportions aggregate unity, failing which such proportion shall be one divided by the number of DM Supply Point Components which comprise the Shared Supply Meter Point.

- 5.2.6 At any time at which a Supply Point Offer is outstanding in respect of a Proposed Supply Point which includes a DM Supply Point Component:
- (a) the Proposing User may before submitting a Supply Point Confirmation notify the Transporter that the User considers that the circumstances in paragraph 5.2.7 apply;
 - (b) where a User so notifies the Transporter:
 - (i) the User shall at the same time provide to the Transporter details of the User's reasons for its view and of the Supply Point Capacity which the User considers should be the Prevailing Supply Point Capacity, and evidence therefor;
 - (ii) the Transporter will consider the details and evidence provided by the User, and where it is reasonably satisfied that the circumstances in paragraph 5.2.7 do apply, will (after consultation with the User) notify the User of a reduced Supply Point Capacity; and
 - (iii) if the User submits a further Nomination (for the purpose of this paragraph 5.2.6) in respect of the Proposed Supply Point, the reduced Supply Point Capacity under paragraph (ii) will be the Prevailing Supply Point Capacity for the purposes of the application of paragraph 2.7.3 in respect of any Supply Point Confirmation submitted by the User; and
 - (c) where in the meantime the User has submitted a Supply Point Confirmation which has become effective, the User may by submitting a Supply Point Reconfirmation revise (consistently with such reduced Prevailing Supply Point Capacity) the Supply Point Capacity which it holds at the DM Supply Point Component, and (where the User does so) any Transportation Charges already invoiced and/or paid will be redetermined (but subject to paragraph 5.2.9) on the basis that the revised Supply Point Capacity was held with effect from the Supply Point Registration Date and appropriate invoicing adjustments made in accordance with Section S.
- 5.2.7 The circumstances referred to in paragraph 5.2.6 are that:
- (a) in applying for, or for an increase in, Supply Point Capacity, or in failing (in the Capacity Reduction Period) to apply for a reduction in Supply Point Capacity, an Existing Registered User acted either:
 - (i) in bad faith, in anticipation of or in consequence of the Proposing User's (or any other User's) Proposed Supply Point Registration; or
 - (ii) in good faith but in a manner which cannot reasonably be considered to have been commercially prudent for the Existing Registered User in the circumstances applicable to the Existing Registered User at the time; and
 - (b) as a result, the Prevailing Supply Point Capacity is substantially higher than necessary.
- 5.2.8 For the purposes of paragraph 5.2.7:
- (a) the circumstances therein described do not include a change, since the application by the Existing Registered User for Supply Point Capacity or (as the case may be) an

increase therein or the Capacity Reduction Period, in the nature or extent of the consumer's requirements for the supply of gas;

- (b) where the consumer's consumption of gas is weather-dependent, it shall not be considered commercially imprudent for the Existing Registered User to have held Supply Point Capacity equal to 1-in-20 peak day demand.

5.2.9 For the purposes of paragraph 5.2.6(c), no adjustment will be made in respect of any change in the Applicable Commodity Rate (where a function of Supply Point Capacity) in relation to any relevant Transportation Charge already invoiced or paid.

5.2.10 Where:

- (a) one of the Sharing Registered Users of a Supply Meter Point applies to increase its Registered Supply Point Capacity at a DM Supply Point Component which includes such Supply Meter Point; and
- (b) another of such Sharing Registered Users applies to reduce its Registered Supply Point Capacity at such a DM Supply Point Component with effect from the same date as, and by an amount which does not exceed the amount of, the increase applied for under paragraph (a)

then paragraph 5.2.1 shall not apply in respect of the application under paragraph (b).

5.3 Supply Point Offtake Rate

5.3.1 The "**Supply Point Offtake Rate**" in respect of a DM Supply Point Component is the maximum instantaneous rate (in kWh/hour) at which a User is permitted to offtake gas from the Total System at that Supply Point Component.

5.3.2 A User shall apply for a Supply Point Offtake Rate or revised Supply Point Offtake Rate:

- (a) when submitting a Supply Point Nomination (as a Proposing User) in respect of a Proposed Supply Point which includes a DM Supply Point Component;
- (b) when submitting a Capacity Revision Application (whether to increase or in the Capacity Reduction Period to reduce its Supply Point Capacity) in respect of a Registered DM Supply Point Component; and
- (c) whenever the User becomes aware that the maximum offtake rate at a Registered DM Supply Point Component may be or has been subject to any increase or decrease;

5.3.3 Wherever a User applies for a Supply Point Offtake Rate or a revised Supply Point Offtake Rate:

- (a) the User shall estimate the maximum offtake rate, in good faith and after all appropriate enquiries of the consumer and on the basis of reasonable skill and care; and
- (b) the Supply Point Offtake Rate for which the User applies shall be not less than, nor substantially more than, such estimate.

5.3.4 A User shall take all reasonable steps to secure that it becomes aware of any increase or decrease (whether by reason of a change in the size or nature of, or the nature of the use of, the Consumer's Plant or otherwise) in the maximum offtake rate before and (in any event) as soon

as reasonably practicable after such increase or decrease occurs (without prejudice to paragraph 5.5.4(c) or Section J3.8).

- 5.3.5 The Supply Point Offtake Rate prevailing at any time in respect of any DM Supply Point Component will be the Supply Point Offtake Rate specified in the Supply Point Offer, subject to any increase or decrease in such Supply Point Offtake Rate which has (at such time) been approved pursuant to paragraph 5.5.4.
- 5.3.6 In this paragraph 5.3, the "**maximum offtake rate**" is the maximum instantaneous rate (in kWh/hour) at which gas is or is likely to be offtaken from the Total System at a Registered DM Supply Point Component.
- 5.3.7 In relation to a DM Supply Point Component which comprises Shared Supply Meter Point(s), the maximum offtake rate is to be determined as at the time of the expected greatest instantaneous rate of offtake in aggregate at all of the DM Supply Point Components which comprise such Shared Supply Meter Point(s).

5.4 Absolute requirement

- 5.4.1 A User's Supply Point Capacity in respect of a DM Supply Point Component shall not be greater than 24 times, or less than 4 times, the Supply Point Offtake Rate; provided that in the case of an NTS Supply Point Component the User's Supply Point Capacity shall be equal to 24 times the Supply Point Offtake Rate.
- 5.4.2 The Transporter will reject any Supply Point Nomination in respect of a Proposed Supply Point which includes a DM Supply Point Component where the Nominated Supply Point Capacity and Supply Point Offtake Rate are not in compliance with paragraph 5.4.1.
- 5.4.3 the Transporter will reject any Capacity Revision Application by the Registered User of a DM Supply Point Component where the Supply Point Offtake Rate (prevailing or applied for under paragraph 5.3.2(b)) and the increased or reduced Supply Point Capacity are not in compliance with paragraph 5.4.1.
- 5.4.4 In relation to a DM Supply Point Component which comprises Shared Supply Meter Point(s), the requirements in paragraph 5.4.1 shall apply by reference to the aggregate Supply Point Capacity held and the aggregate of the Supply Point Offtake Rates in respect of all the DM Supply Point Components which comprise such Shared Supply Meter Point(s).

5.5 Other requirements

- 5.5.1 For the purposes of this Section G, in respect of a DM Supply Point Component:
- (a) the "**Maximum Supply Point Capacity**" is the quantity which (where it is necessary to do so under this Section G) the Transporter determines to be the maximum quantity which it is feasible to make available for offtake in a 24 hour period at the DM Supply Point Component; and
 - (b) the "**Maximum Supply Point Offtake Rate**" is the instantaneous rate of offtake (in kWh/hour) which (where it is necessary to do so under this Section G) the Transporter determines to be the maximum instantaneous rate at which it is feasible to make gas available for offtake at the DM Supply Point Component

in each case consistently with the requirements of paragraph 5.4.

- 5.5.2 The "**Provisional Maximum Supply Point Capacity**" in respect of the DM Supply Point Component of a Supply Point (other than a Proposed Supply Point which is a New Supply Point and other than an NTS Supply Point) is whichever is the lesser of:
- (a) 2 times the Prevailing Supply Point Capacity; and
 - (b) 16 times the Supply Point Offtake Rate or (in the case of a Proposed Supply Point) Nominated Supply Point Offtake Rate.
- 5.5.3 Where a Proposing User submits a Supply Point Nomination (i) for a Current Supply Point, in which the Nominated Supply Point Capacity exceeds the Provisional Maximum Supply Point Capacity, or the Nominated Supply Point Offtake Rate exceeds the Supply Point Offtake Rate for the Existing Supply Point, or (ii) for a New Supply Point:
- (a) a Supply Point Offer will not be made until the Transporter has assessed whether it is feasible to make available gas for offtake at the Nominated Supply Point Offtake Rate or (in a 24 hour period) in the amount of the Nominated Supply Point Capacity;
 - (b) where the Transporter determines that the Nominated Supply Point Capacity exceeds the Maximum Supply Point Capacity, the Supply Point Capacity specified in the Supply Point Offer will be the Maximum Supply Point Capacity; and
 - (c) where the Transporter determines that the Nominated Supply Point Offtake Rate exceeds the Maximum Supply Point Offtake Rate, the Supply Point Offtake Rate specified in the Supply Point Offer will be the Maximum Supply Point Offtake Rate.
- 5.5.4 Where the Registered User of a DM Supply Point Component (i) submits a Capacity Revision Application (for an increase) in which the increased Supply Point Capacity exceeds the Provisional Maximum Supply Point Capacity, or the Supply Point Offtake Rate (applied for under paragraph 5.3.2(b)) exceeds the prevailing Supply Point Offtake Rate, or (ii) applies for an increased Supply Point Offtake Rate pursuant to paragraph 5.3.2(c):
- (a) the application will not be approved until the Transporter has assessed whether it is feasible to make available gas for offtake at the proposed Supply Point Offtake Rate or (in a 24 hour period) in the amount of the proposed Supply Point Capacity;
 - (b) where the Transporter determines that the increased Supply Point Capacity applied for exceeds the Maximum Supply Point Capacity, the application will be approved (if otherwise approved under this paragraph 5) for the Maximum Supply Point Capacity;
 - (c) where the Transporter determines that the proposed Supply Point Offtake Rate exceeds the Maximum Supply Point Offtake Rate, the application will be approved (if otherwise approved under this paragraph 5, where relevant) for the Maximum Supply Point Offtake Rate.
- 5.5.5 Where, following the occurrence of a Supply Point Ratchet in relation to a DM Supply Point Component, the sum of the Capacity Ratchet Amount and the User's Registered Supply Point Capacity would exceed the Provisional Maximum Supply Point Capacity:
- (a) with effect from the following Day, and until the Transporter has assessed whether it is feasible to make available gas for offtake (in a 24 hour period) in the amount of such sum, the Ratcheted Supply Point Capacity shall be equal to the Provisional Maximum Supply Point Capacity;
 - (b) with effect from the time at which the Transporter has assessed such feasibility, the Ratcheted Supply Point Capacity shall be equal to the lesser of:

- (i) the Maximum Supply Point Capacity; and
 - (ii) the sum of the User's Registered Supply Point Capacity (immediately before the Supply Point Ratchet) and the Capacity Ratchet Amount; and
- (c) the Transporter will inform the Registered User of the Ratcheted Supply Point Capacity determined under paragraph (b) as soon as reasonably practicable after assessing such feasibility.

5.5.6 In relation to a DM Supply Point Component which comprises Shared Supply Meter Point(s), this paragraph 5.5 and paragraph 6.5.3 shall apply by reference to the aggregate of the Supply Point Capacities and Supply Point Offtake Rates, and the rates and quantities at and in which it is feasible to make gas available for offtake in aggregate, at or in respect of all the DM Supply Point Components which comprise such Shared Supply Meter Point(s); and accordingly any determination pursuant to this paragraph 5.5 or paragraph 6.5.3 will be made by reference to the expected increment in the aggregate offtake of gas from the Total System at the relevant Shared Supply Meter Point(s).

5.6 Maximum NDM offtake rate

5.6.1 This paragraph 5.6 applies in respect of NDM Supply Point Components.

5.6.2 Where the Registered User becomes aware that (as a result in any change in the extent or nature of the consumer's requirements for consumption of gas) there will be or there has been a threshold rate increase in respect of an NDM Supply Point Component whose Annual Quantity exceeds 732,000 kWh (25,000 therms) paragraph 5.6.5 shall apply.

5.6.3 For the purposes of this paragraph 5.6, a "**threshold rate increase**" is an increase in the maximum rate at which gas is from time to time offtaken from the Total System at the NDM Supply Point Component of more than:

- (a) where the Annual Quantity does not exceed 2,196,000 kWh (75,000 therms), 100 kW;
- (b) where the Annual Quantity exceeds 2,196,000 kWh (75,000 therms), 300 kW.

5.6.4 The Registered User shall take all reasonable steps to secure that it is made aware of any threshold rate increase before such increase occurs.

5.6.5 In the circumstances in paragraph 5.6.2, the Registered User shall:

- (a) notify the Transporter not less than 21 Business Days before the first time at which the threshold rate increase will occur, or if later as soon as possible after becoming aware of such increase, providing reasonable details of the amount of or reason for the increase;
- (b) take reasonable steps to secure that no threshold rate increase, or no further offtake at the rate of the threshold rate increase, occurs until such time as the Transporter has either:
 - (i) provided to the User the notice referred to in paragraph (c); or
 - (ii) notified the User that it is feasible to make gas available for offtake at the Supply Point Component at the increased rate notified under paragraph (a); and

- (c) where the Transporter notifies to the User a rate which the Transporter determines as being the maximum instantaneous rate at which it is feasible to make gas available for offtake at the Supply Point Component, secure that the rate of offtake of gas does not exceed such rate.

5.6.6 The Transporter will not be obliged under any provision of the Code to make gas available for offtake at an NDM Supply Point Component at any rate in excess of a rate in respect of which the requirements of this paragraph 5.6 have been complied with.

5.7 Supply Point Offtake Rate Review Process

5.7.1 In accordance with this paragraph 5.7, Transporters and Users undertake, in relation to DM Supply Point Components, to annually review the Supply Point Offtake Rate at a DM Supply Point (the “**SPOR Review Process**”).

5.7.2 The relevant Transporter, in respect of a DM Supply Point Component comprised in a LDZ Supply Point, shall provide to the Registered User of the DM Supply Point Component, prior to the last Business Day in April of each Gas Year, an annual report, detailing the information specified in paragraph 5.7.3 (the “**Transporter SPOR Report**”).

5.7.3 The Transporter SPOR Report shall be compiled in April of each Gas Year and shall specify (where the data is available and where the Transporter considers appropriate) for each DM Supply Point Component:

- (a) the existing Supply Point Offtake Rate for the time being held by the Registered User (the “**Existing Supply Point Offtake Rate**”);
- (b) the single highest hourly offtake rate (in kWh/hour) recorded at the DM Supply Point during a period covering the months from October to March (inclusive) during the current Gas Year;
- (c) the Meter Point Reference Number;
- (d) the Supply Point Reference Number;
- (e) the address details; and
- (f) any further information relating to the DM Supply Point Component that the Transporter considers would assist the Registered User during the SPOR Review Process.

5.7.4 On receipt of the Transporter SPOR Report, the Registered User will enter into discussions with the relevant consumer or consumer’s representative at each DM Supply Point and will endeavour to discuss the information detailed within the Transporter SPOR with a view to propose an appropriate Supply Offtake Rate (“**Proposed Supply Offtake Rate**”) which is reflective of consumer requirements at the DM Supply Point.

5.7.5 For each DM Supply Point Component specified on the Transporter SPOR Report the Registered User shall provide to the relevant Transporter, prior to the last Business Day in July of each Gas Year, a report specifying:

- (a) the Proposed Supply Point Offtake Rate; and
- (b) where the Proposed revised Supply Point Offtake Rate is:

- (i) less than or greater than the single highest hourly offtake rate provided to the Registered User in accordance with paragraph 5.7.3(b); or
- (ii) is the same as the Existing Supply Point Offtake Rate provided to the Registered User in accordance with paragraph 5.7.3(a);

the reason or reasons (communicated to the User by the consumer) for this difference (the **“Registered User SPOR Report”**).

- 5.7.6 Where the Proposed Supply Point Offtake Rate specified under paragraph 5.7.5(a) is different to the Existing Supply Point Offtake Rate, the Registered User shall amend the Existing Supply Point Offtake Rate by applying for a revised Supply Point Offtake Rate in accordance with paragraph 5.3.2(b), prior to the last Business Day in August in the Gas Year, save for where a reduction in the Supply Point Capacity is also required at the DM Supply Point, then the Registered User shall apply for a revised Supply Point Offtake Rate in accordance with paragraph 5.3.2(b) during the period from 1 October to 31 January (inclusive) of the following Gas Year)
- 5.7.7 The Transporter will reject any Proposed Supply Point Offtake Rate by the Registered User of a DM Supply Point Component where the Supply Point Offtake Rate applied for under paragraph 5.3.2(b) and the increased or reduced Supply Point Capacity are not in compliance with paragraph 5.4.1. For these purposes the Supply Point Offtake Rate shall remain unchanged, however shall be subject to the SPOR Review Process in the following Gas Year.

6 INTERRUPTION

6.1 Introduction

6.1.1 This paragraph 6 contains provisions in relation to:

- (a) the designation of Supply Point Capacity at eligible Supply Points as Interruptible, pursuant to invitation to submit, submission and acceptance of Interruption Offers;
- (b) requirements to be satisfied by Users in respect of Interruptible Supply Points;
- (c) the Interruption by a DN Operator of the offtake of gas from an LDZ at Interruptible Supply Points; and
- (d) the consequences of a failure to Interrupt.

6.1.2 For the purposes of the Code:

- (a) Supply Point Capacity at an LDZ Supply Point is **“Interruptible”** in relation to an Interruptible Period where it is subject to Interruption in accordance with this paragraph 6 and is **“Firm”** where it is not subject to Interruption;
- (b) Supply Point Capacity at an eligible Supply Point may be designated as Interruptible:
 - (i) pursuant to the acceptance of an Interruption Offer under paragraph 6.4; or
 - (ii) (upon a Supply Point Confirmation becoming effective) in accordance with paragraph 6.1.5(a) or a designation under paragraph 6.1.5(c);
- (c) an **“Interruptible Tranche”** of Supply Point Capacity at an LDZ Supply Point is a tranche (in kWh/Day) of DM Supply Point Capacity, designated as Interruptible, defined by the Registered User consistent with the requirements in paragraph 6.1.3,

with an associated Interruption Allowance, Interruption Option Price and Interruption Exercise Price; and a **"proposed"** Interruptible Tranche is such a tranche which is the subject of an Interruption Offer;

- (d) **"Interruption"** in respect of a tranche of Supply Point Capacity at an LDZ Supply Point means interruption on the DN Operator's instruction (for one or more Days or parts of a Day) of the offtake of gas from the LDZ at each Supply Meter Point comprised in the LDZ Supply Point to the extent required under paragraph 6.7, and references to an Interruptible Tranche being Interrupted and to the DN Operator's right to Interrupt an Interruptible Tranche shall be construed accordingly;
- (e) an **"Interruptible Period"** is a Gas Year or other period in which Supply Point Capacity at a Supply Point is designated as Interruptible;
- (f) an LDZ Supply Point is an **"Interruptible"** Supply Point in an Interruptible Period where the Registered User holds Interruptible Supply Point Capacity at the LDZ Supply Point in that period;
- (g) in relation to an Interruptible Tranche of Supply Point Capacity at a Supply Point and an Interruptible Period:
 - (i) the **"Interruption Option Price"** is the amount (if any) that the DN Operator is required (irrespective of Interruption) to pay to the User, in respect of each Day of the Interruptible Period, in respect of the designation of such Supply Point Capacity as Interruptible;
 - (ii) the **"Interruption Exercise Price"** is the amount (if any) that the DN Operator is required to pay to the User in respect of each Day upon which the DN Operator Interrupts such Interruptible Tranche;
 - (iii) the **"Overall Interruption Price"** is the amount (if any) that the DN Operator would pay in total by way of Interruption Exercise Price (on the assumption of Interruption on every Day of the Interruption Allowance) and Interruption Option Price

each expressed in pence per kWh/Day of Supply Point Capacity;

- (h) the **"Interruption Allowance"** is the number of Days in an Interruptible Period on which an Interruptible Tranche of Supply Point Capacity may be Interrupted;
- (i) the **"Minimum Interruptible Amount"** is the minimum amount of Supply Point Capacity which may be comprised in an Interruptible Tranche, determined (in relation to an Interruption Zone) in accordance with the Interruptible Capacity Methodology and specified in an Interruption Invitation, subject to paragraph 6.2.5;
- (j) an **"eligible"** Supply Point is an LDZ Supply Point for which the Annual Quantity is greater than 5,860,000 kWh (200,000 therms).

6.1.3 References in this paragraph 6 to Supply Point Capacity are to DM Supply Point Capacity; and NDM Supply Point Capacity and quantities of gas offtaken at an NDM Supply Point Component of an Interruptible Supply Point shall be disregarded for the purposes of this paragraph 6.

6.1.4 The designation of Interruptible Tranches of Supply Point Capacity in respect of any Interruptible Period at an LDZ Supply Point must satisfy the following requirements:

- (a) the number of Interruptible Tranches shall not exceed nine (9);
- (b) the aggregate amount of the Interruptible Tranches shall not exceed (but need not be equal to) the amount of the Registered Supply Point Capacity;
- (c) the amount of each Interruptible Tranche shall not be less than the Minimum Interruptible Amount.

6.1.5 Where a User submits a Supply Point Confirmation in respect of a Proposed Supply Point which includes any Supply Meter Point comprised in an Existing Supply Point which is Interruptible in any Interruptible Period (an "**existing**" Interruptible Supply Point):

- (a) the DN Operator will provide details of the Interruptible Tranches of the existing Interruptible Supply Point to the User within two (2) days after submission of the Supply Point Confirmation (and such details will not have been provided earlier in the Supply Point Offer);
- (b) if the Proposed Supply Point is a Current Supply Point, the Proposed Supply Point shall be an Interruptible Supply Point in relation to such Interruptible Period, having the same Interruptible Tranches of Supply Point Capacity (with the same Interruption Allowances, Interruption Option Prices and Interruption Exercise Prices) as the existing Interruptible Supply Point, subject to paragraph 6.1.6;
- (c) if the Proposed Supply Point is a New Supply Point, the DN Operator may reject the Supply Point Confirmation unless:
 - (i) not less than seven (7) days before the Proposed Supply Point Registration Date, the relevant Users collectively notify to the DN Operator a designation (complying with the requirements in this paragraph 6) of tranches of Supply Point Capacity at the relevant Proposed Supply Points as Interruptible in the Interruptible Period such that there are (at the relevant Proposed Supply Points) Interruptible Tranches having in aggregate the same amounts, and with the same Interruption Allowances, Interruption Option Prices and Interruption Exercise Prices, as those at the Current Supply Point, subject to paragraph 6.1.6(b)(v); and
 - (ii) the Supply Point Confirmations in respect of all relevant Proposed Supply Points become effective;

(where a relevant Proposed Supply Point is any Proposed Supply Point which includes any Supply Meter Point comprised in the Interruptible Existing Supply Point, and a relevant User is the Proposing User of any relevant Proposed Supply Point).

6.1.6 Where in relation to an Interruptible Supply Point:

- (a) the amount of Supply Point Capacity held by the Registered User is subject to an increase pursuant to any provision of the Code, or in relation to a Supply Point Confirmation the Confirmed Supply Point Capacity is greater than the Prevailing Supply Point Capacity, the increased amount of Supply Point Capacity shall be Firm and there shall be no effect on the Interruptible Tranches of Supply Point Capacity in any Interruptible Period;
- (b) the amount of Supply Point Capacity held by the Registered User is subject to a decrease pursuant to any provision of the Code, or in relation to a Supply Point Confirmation the Confirmed Supply Point Capacity is less than the Prevailing Supply Point Capacity, the amount of the decrease shall be applied in relation to each

Interruptible Period so as to reduce or extinguish the Interruptible Tranches and/or reduce the Firm Supply Point Capacity in such manner as may be agreed between the DN Operator and the Registered User (or, in the case of a Supply Point Confirmation, the Proposing User) or, in the absence of such agreement, in accordance with the following provisions:

- (i) the Interruptible Tranches in relation to such Interruptible Period shall be ranked in order of Overall Interruption Price, highest priced first;
- (ii) the amount of the decrease in Supply Point Capacity shall be applied (so as to reduce or extinguish each such tranche) against the Interruptible Tranches in the order ranked, until the amount of the decrease has been fully applied or all Interruptible Tranches have been extinguished;
- (iii) the remaining amount (if any) of the decrease in Supply Point Capacity shall be applied so as to reduce the amount of the Firm Supply Point Capacity;
- (iv) if (pursuant to paragraph (ii)) the residual amount of any Interruptible Tranche is less than the Minimum Interruptible Amount, such amount shall be redesignated as Firm;
- (v) in the case of a Supply Point Confirmation for a New Supply Point:
 - (1) the provisions of paragraphs (i) to (iv) shall be applied in relation to the existing Interruptible Supply Point(s) (in aggregate, if more than one); and
 - (2) paragraph 6.1.5(c) shall apply after, and on the basis of the Interruptible Tranches as determined pursuant to, paragraph (1).

6.1.7 If at any time an Interruptible Supply Point ceases to be an eligible Supply Point, the DN Operator may elect, by giving not less than two (2) months' notice to the Registered User, that the Supply Point shall cease to be Interruptible, in which case all Interruptible Tranches of Supply Point Capacity (in respect of any Interruptible Period) shall be redesignated as Firm with effect from the date of such election.

6.1.8 The Interruption Option Price in respect of any Interruptible Tranche:

- (a) shall be determined Daily in respect of the amount of the Interruptible Tranche on each Day of the Interruptible Period to which it relates, after taking account of any decrease in such amount pursuant to paragraph 6.1.6(b) and any redesignation of Supply Point Capacity as Firm in accordance with paragraph 6.5 or 6.6.7(b)(i);
- (b) shall be invoiced and is payable (irrespective of whether the DN Operator exercises its right of Interruption) monthly in arrears, in accordance with Section S.

6.1.9 Subject to paragraph 1.5.4 (and without prejudice to the requirement for a Supply Point Reconfirmation), the Registered User of an Interruptible Supply Point may require that any Supply Meter Point whose Annual Quantity is not less than 2,196,000 kWh (75,000 therms) be comprised in the DM Supply Point Component of such Interruptible Supply Point with effect from the start of an Interruptible Period.

6.1.10 Without prejudice to the generality thereof, the indemnity provided for in Section V11.1.1 shall apply in respect of the taking of any steps or the exercise by the Transporter of any entitlement provided for in this paragraph 6.

6.2 Interruption Invitations

6.2.1 For the purposes of this paragraph 6:

- (a) an **"Interruption Offer"** is an offer by a User to designate one or more tranches of DM Supply Point Capacity at an eligible Supply Point as Interruptible in any Interruptible Period;
- (b) an **"Interruption Invitation"** is an invitation by a DN Operator to Users to submit Interruption Offers in relation to Supply Points in an LDZ or part of an LDZ;
- (c) an **"invitation date"** is a date on which Users may submit Interruption Offers pursuant to an Interruption Invitation;
- (d) the **"Interruptible Capacity Methodology"** is the methodology established by each DN Operator and approved by the Authority setting out:
 - (i) the financial terms (including terms as to Interruption Option Price and Interruption Exercise Price) on which Interruption Offers may be made;
 - (ii) the basis on which Interruption Offers will be ranked for selection;
 - (iii) the basis on which Interruption Zones within an LDZ may be defined;
 - (iv) different numbers of Days in an Interruptible Period which may comprise an Interruption Allowance;
 - (v) the basis on which Minimum Interruptible Amounts will be determined;
 - (vi) such further matters as may be contemplated by this paragraph 6 or otherwise which the DN Operator may (with the approval of the Authority) decide to include;
- (e) an **"Interruption Zone"** is the LDZ or part of an LDZ (determined in accordance with the Interruptible Capacity Methodology) in respect of which an Interruption Invitation is issued.

6.2.2 In each Gas Year (Y) a DN Operator shall invite Interruption Offers by Users in respect of each of Gas Years Y+4 to Y+8 inclusive, and may invite Interruption Offers in respect of Gas Years Y+1 to Y+3 inclusive (each a separate Interruptible Period) by an **"annual"** Interruption Invitation, in relation to which:

- (a) the invitation dates shall be ten (10) consecutive Business Days in June of Gas Year Y;
- (b) the first such invitation date shall be not less than twenty eight (28) Days after the Interruption Invitation is issued.

6.2.3 A DN Operator may invite Interruption Offers at any other time and in respect of any other Interruptible Period (whether comprising all of part of any Gas Year), by an **"ad-hoc"** Interruption Invitation, in relation to which the invitation date(s) shall be such date or dates as the DN Operator may decide.

6.2.4 An Interruption Invitation shall specify:

- (a) the identity of the DN Operator;

- (b) the Interruptible Period(s) in respect of which the invitation is issued;
- (c) the Interruption Zone(s) in respect of which the invitation is issued;
- (d) the invitation date(s);
- (e) the Minimum Interruptible Amount in respect of each Interruption Zone, subject to paragraph 6.2.5;
- (f) the available Interruption Allowances (in accordance with the Interruptible Capacity Methodology);
- (g) in respect of each of the available Interruption Allowances, the amount (if any), as estimated by the DN Operator at the time the Interruption Invitation is issued, of Supply Point Capacity (in excess of the amount which, at the time of the Interruption Invitation, is already Interruptible) in the Interruption Zone required to be Interruptible in each Interruptible Period;
- (h) the maximum number (if greater than one) of alternative Interruption Offers which may be submitted in respect of any Supply Point, tranche of Supply Point Capacity and Interruptible Period;
- (i) such further terms and conditions of the invitation as may be required or permitted by the Interruptible Capacity Methodology.

6.2.5 The Minimum Interruptible Amount specified in respect of an Interruption Zone in an Interruption Invitation relating to any Interruptible Period may not be greater than the Minimum Interruptible Amount in respect of that Interruption Zone (or any other Interruption Zone which falls wholly or partially in that Interruption Zone) in any earlier Interruption Invitation relating to that Interruptible Period.

6.3 Interruption offers

6.3.1 The Registered User of an eligible Supply Point in the relevant Interruption Zone may submit Interruption Offers pursuant to an Interruption Invitation in accordance with this paragraph 6.3.

6.3.2 An Interruption Offer shall specify:

- (a) the identity of the User;
- (b) the Interruption Invitation in respect of which the Interruption Offer is made;
- (c) the Supply Point (within the relevant Interruption Zone) in respect of which the Interruption Offer is made;
- (d) the Interruptible Period(s) in respect of which the Interruption Offer is made;
- (e) the following details (consistent with the requirements in paragraphs 6.1.4 and 6.3.3) of each proposed Interruptible Tranche:
 - (i) the amount (in kWh/Day of Supply Point Capacity) of the proposed Interruptible Tranche;
 - (ii) the Interruption Allowance (being one of the available allowances in the Interruption Invitation);

- (iii) the Interruption Option Price (in pence per kWh/Day of Interruptible Supply Point Capacity);
 - (iv) the Interruption Exercise Price (in pence per kWh/Day of Supply Point Capacity per Day of Interruption); and
 - (f) such further details as may be permitted or required by the Interruptible Capacity Methodology.
- 6.3.3 Where (pursuant to an earlier Interruption Invitation) a Supply Point is already an Interruptible Supply Point in an Interruptible Period, an Interruption Offer in relation to that Interruptible Period (or in the case of an ad-hoc Interruption Invitation, an Interruptible Period falling within that period):
- (a) may specify additional proposed Interruptible Tranches, provided that the requirements in paragraph 6.1.4(a) and (b) shall apply in respect of the existing and proposed Interruptible Tranches in aggregate;
 - (b) subject to any requirements in the Interruptible Capacity Methodology, may specify an increase in the Interruption Allowance in respect of any existing Interruptible Tranche.
- 6.3.4 A User may submit an Interruption Offer, and may withdraw or modify an Interruption Offer already submitted in respect of the Interruption Invitation, at any time between 08:00 hours and 17:00 hours on an invitation date.
- 6.3.5 In relation to an Interruption Invitation, Supply Point, proposed Interruptible Tranche and Interruptible Period, a User may have, at any one time, up to but no more than the number prescribed in the Interruption Invitation of Interruption Offers capable of acceptance by a DN Operator.
- 6.3.6 A DN Operator may reject an Interruption Offer where:
- (a) the Interruption Offer is made in respect of an Supply Point which is not an eligible Supply Point;
 - (b) the User submitting the Interruption Offer is not the Registered User of the Supply Point in respect of which the Interruption Offer is made;
 - (c) the Interruption Offer does not comply with any of the requirements in paragraphs 6.1.4, 6.3.2 and (if applicable) 6.3.3;
 - (d) the Interruption Offer does not comply with any other requirement specified (consistent with the Interruptible Capacity Methodology) in the Interruption Invitation.
- 6.3.7 The DN Operator will inform the User of the rejection of an Interruption Offer pursuant to paragraph 6.3.6 within two (2) Business Days after the invitation date on which the offer was submitted.

6.4 Acceptance of Interruptible Offers

- 6.4.1 In relation to each Interruption Invitation, the DN Operator shall:
- (a) select Interruption Offers (from those prevailing at the end of the last invitation date) for acceptance in accordance with the Interruptible Capacity Methodology;

- (b) in the case of an ad-hoc Interruption Invitation, not more than twenty eight (28) days after the last invitation date in respect of such ad-hoc Interruption Invitation, inform each User of which of its Interruption Offers have, and which have not, been accepted; and
- (c) in the case of an annual Interruption Invitation, not later than 31 July in the year of such annual Interruption Invitation, inform each User of which of its Interruption Offers have, and which have not, been accepted.

6.4.2 Where the DN Operator accepts an Interruption Offer:

- (a) the proposed Interruptible Tranche subject to the Interruption Offer shall be designated as Interruptible;
- (b) the DN Operator shall be liable to pay the User the Interruption Option Price in accordance with paragraph 6.1.8.

6.4.3 In relation to each Interruption Invitation, the DN Operator will publish the details set out in paragraph 6.4.4, in respect of the LDZ as a whole, and separately in respect of each Interruption Zone in respect of which Interruption Offers submitted by at least three (3) Users were accepted:

- (a) in the case of an ad-hoc Interruption Invitation, not more than twenty eight (28) days after the last invitation date in respect of such ad-hoc Interruption Invitation; and
- (b) in the case of an annual Interruption Invitation, not later than 31 July in the year of such annual Interruption Invitation.

6.4.4 The details referred to in paragraph 6.4.3 are:

- (a) the number of Interruption Offers received;
- (b) the number of Interruption Offers accepted by the DN Operator;
- (c) the aggregate amount of Supply Point Capacity in respect of which Interruption Offers were received;
- (d) the aggregate amount of Supply Point Capacity which was designated as Interruptible pursuant to Interruption Offers accepted by the DN Operator;
- (e) the highest and lowest Overall Interruption Prices submitted by Users; and
- (f) the highest and lowest Overall Interruption Prices submitted by Users under Interruption Offers which were accepted.

6.5 Redesignation of Supply Point Capacity as Firm

6.5.1 The Registered User of an Interruptible Supply Point may at any time (other than in a period between the issue of an Interruption Invitation and the last of the invitation dates under such invitation) apply to the DN Operator to redesignate Interruptible Supply Point Capacity as Firm, by notice specifying:

- (a) the identity of the Supply Point;
- (b) the date ("**redesignation date**"), not less than two months after the application is made, with effect from which the redesignation is requested to take effect;

- (c) the quantity of Supply Point Capacity to be redesignated as Firm.
- 6.5.2 The DN Operator shall accept an application to redesignate Interruptible Supply Point Capacity as Firm with effect from the redesignation date unless the DN Operator determines and notifies the User that the Firm Transportation Requirement will not (at such date or at any time thereafter) be satisfied, in which case the application shall lapse.
- 6.5.3 For the purposes of the Code the "**Firm Transportation Requirement**" in respect of an Interruptible Tranche of Supply Point Capacity is the requirement that (after taking into account the Transporter's ability to Interrupt at other Interruptible Supply Points) it would be feasible, without the right of Interruption of such Interruptible Tranche, to make gas available for offtake at the Supply Point at a rate not less than the Supply Point Offtake Rate and in quantities (in a twenty-four (24) hour period) in the amount of the Supply Point Capacity.
- 6.5.4 Where an application to redesignate Interruptible Supply Point Capacity as Firm is accepted, in relation to each relevant Interruptible Period:
- (a) the Interruptible Tranches of Supply Point Capacity shall be ranked in order of Overall Interruption Price, highest-priced first;
- (b) the Supply Point Capacity in each such tranche, in the order ranked, shall be redesignated as Firm, until the requested amount of Supply Point Capacity has been redesignated or (as the case may be) all of the Interruptible Supply Point Capacity has been redesignated;
- (c) if (pursuant to paragraph (b) the residual amount of any Interruptible Tranche is less than the Minimum Interruptible Amount, such amount shall be redesignated as Firm.
- 6.5.5 For the purposes of paragraph 6.5.3:
- (a) a relevant Interruptible Period is any Interruptible Period, commencing from the Interruptible Period in which the redesignation date falls, for which there is Interruptible Supply Point Capacity at the Supply Point;
- (b) the redesignation shall take effect with effect from the redesignation date.

6.6 Requirements as to Interruptible Supply Points

- 6.6.1 By submitting an Interruption Offer in respect of an LDZ Supply Point in relation to any Interruptible Period, or submitting a Supply Point Confirmation in respect of an Interruptible Supply Point, and by not applying to redesignate Supply Point Capacity as Firm at any time, the Registered User represents to the DN Operator that, or where the User is not the supplier that the supplier has represented to the User that, the requirement in paragraph 6.6.2 will be complied with.
- 6.6.2 The requirement referred to in paragraph 6.6.1 is that the contract or contracts of supply to the consumer, in force at the time of the User's action or omission under paragraph 6.6.1, oblige the consumer to give effect to Interruption (including in the case where the requirement for Interruption is notified by the DN Operator under paragraph 6.8.4) to the extent required on the basis of the Interruptible Tranches of Supply Point Capacity which will exist as a result of such action or omission.
- 6.6.3 Where a User is or is to become the Registered User of one or more Interruptible Supply Points the User shall:

- (a) not later than the relevant date (in accordance with paragraph 6.6.6) in respect of the first Interruptible Supply Point of which it becomes Registered User, provide to the DN Operator at least one telephone number and at least one (1) facsimile number (but not more than four (4) numbers in total) by means of which the DN Operator may contact, twenty-four (24) hours a Day, a representative of the User, and the name(s) or title(s) of not more than three (3) representatives of the User who may be contacted at such numbers;
- (b) maintain the details provided under paragraph (a) up to date, and notify the DN Operator of any change in such details before such change takes effect; and
- (c) secure that at all times on each Day one of such representatives is available and capable of being so contacted by telephone (with access to facsimile) or by facsimile.

6.6.4 A User shall, in relation to each Interruptible Supply Point of which it is or is to become the Registered User:

- (a) not later than the relevant date (in accordance with paragraph 6.6.6), provide to the DN Operator:
 - (i) in accordance with paragraph (e), the names and/or job titles of representatives of the consumer ("**interruption contacts**") (who, for the avoidance of doubt, may be the same contacts as those referred to in Section Q as "emergency contacts"), provided that the total number of interruption contacts provided for under this paragraph (and emergency contacts provided for under Section Q) shall not exceed five (5) in relation to any Supply Point;
 - (ii) at least one (1) (but not more than four (4)) telephone numbers for each interruption contact by means of which the DN Operator may contact, twenty-four (24) hours a day, at least one interruption contact; and
 - (iii) one (1) facsimile number, for the purposes of receiving communications pursuant to Section G and Section Q, which is able to receive transmissions twenty-four (24) hours a day;
- (b) take all reasonable steps to secure that the details provided under paragraph (a) are maintained up to date and to notify the DN Operator of any change in such details before such change takes effect;
- (c) take all reasonable steps to secure that at all times on each Day one of such representatives is available and capable of being so contacted by telephone (with access to facsimile) and by facsimile;
- (d) secure that the consumer acknowledges the right of the DN Operator to contact the consumer in the circumstances in paragraph 6.8.4 and undertakes to comply with any notification by the DN Operator thereunder; and
- (e) for the purposes of paragraph (a):
 - (i) in the case of an Interruptible Supply Point in respect of any site which is manned twenty-four (24) hours a day, provide to the DN Operator the name(s) and/or job title(s) of at least one (1) but not more than four (4) interruption contacts; and
 - (ii) in the case of an Interruptible Supply Point in respect of any site which is not manned twenty-four (24) hours a day, provide to the DN Operator the name(s)

and/or job title(s) of at least one (1) but not more than two (2) interruption contacts.

- 6.6.5 For the purposes of enabling the DN Operator to plan the exercise of its rights as to Interruption of Interruptible Supply Points, in relation to each Gas Year the Registered User of an Interruptible Supply Point will, if so required by the DN Operator, not later than the relevant date (in accordance with paragraph 6.6.6) and thereafter from time to time upon any significant change in such details, obtain from the consumer or supplier and provide to the DN Operator the consumer's best estimate of the following details:
- (a) whether or not gas is likely in normal circumstances to be offtaken at or between particular times of Day specified by the DN Operator for the purposes of this paragraph 6.6.5;
 - (b) the maximum quantity of gas to be offtaken on any Saturday and on any Sunday; and
 - (c) holiday periods in each year during which gas will not be offtaken from the LDZ at the Supply Point (or the DM Supply Point Component thereof).
- 6.6.6 For the purposes of paragraphs 6.6.3, 6.6.4 and 6.6.5, the relevant date in respect of an Interruptible Supply Point in relation to a User is:
- (a) the day which is twenty eight (28) days before the start of the first Interruptible Period in respect of which the User submitted any Interruption Offer in relation to that Supply Point; or
 - (b) (as the case may be) the date on which the User submits a Supply Point Confirmation as provided in paragraph 6.1.5.
- 6.6.7 If the User fails to comply with any of the requirements in paragraphs 6.6.3, 6.6.4 and 6.6.5, then (without prejudice to the User's continuing obligation to comply):
- (a) the DN Operator may notify the User of such failure;
 - (b) if within five (5) Business Days after the DN Operator's notification under paragraph (a) the User has not remedied such failure to comply:
 - (i) the DN Operator may give notice to the User to the effect that the Supply Point Capacity comprised in all or any of the Interruptible Tranches in relation to any Interruptible Period is redesignated as Firm;
 - (ii) in any event, the DN Operator shall not be liable to pay the Interruption Option Price in respect of any Interruptible Tranche in respect of any month until the failure to comply is remedied.
- 6.6.8 Where in relation to any Interruptible Supply Point (but without prejudice to Section C in relation to Renominations), the Registered User or supplier:
- (a) exercises (other than pursuant to an Interruption Notice under paragraph 6.8.1) any entitlement to require the consumer to discontinue consuming gas offtaken from the LDZ on a Day; or
 - (b) having exercised such an entitlement, authorises the consumer to resume such consumption

the Registered User will as soon as reasonably practicable, and in accordance with paragraph 6.6.10, inform the DN Operator of the matters set out in paragraph 6.6.9, provided that the Registered User shall use reasonable endeavours to inform the DN Operator not more than one (1) hour after such discontinuance and/or not less than one (1) hour before such resumption.

- 6.6.9 The matters to be informed by the Registered User to the DN Operator pursuant to paragraph 6.6.8 are:
- (a) the identity of the Interruptible Supply Point;
 - (b) the time with effect from which the consumer will be required to discontinue, or authorised to resume, consumption; and
 - (c) an estimate of the amount by which the quantity of gas offtaken will increase or decrease as a result of such discontinuance or resumption.
- 6.6.10 For the purposes of paragraph 6.6.8 the User will give the relevant information to the DN Operator by means of telephone or facsimile, unless it has given to the DN Operator not less than one month's notice of its intention to give such information by Batch Transfer Communication, in which case such User will give information to the DN Operator for the purposes of paragraph 6.6.8 only by Batch Transfer Communication, and will promptly inform the DN Operator by telephone or facsimile of the transmission of each such Batch Transfer Communication.
- 6.6.11 Where the DN Operator notifies a User that it is unable satisfactorily to access a Batch Transfer Communication transmitted pursuant to paragraph 6.6.10, that User will promptly send to the DN Operator by facsimile the information contained in that Batch Transfer Communication.
- 6.6.12 Where the Transporter reasonably determines, in relation to an Interruptible Supply Point with a DM Supply Point Component whose Annual Quantity does not exceed 58,600,000 kWh (2,000,000 therms), that (by reason of the location or other characteristics of the part of the System in which the Supply Point is located, or the nature of the Consumer's Plant) the operational benefits of the Transporter's ability to Interrupt the Supply Point would be materially diminished unless individual Output Nominations are made in respect of the Supply Point, the Transporter may designate the Supply Point as requiring individual Output Nominations for the purposes of Section A4.5.3.
- 6.6.13 Any designation under paragraph 6.6.12 shall be:
- (a) in the case of an existing Supply Point Registration, by notice to the Registered User not later than the fifth (5th) Business Day in September in the Gas Year preceding the first Gas Year in which such designation is to be effective; or
 - (b) in the case of a Proposed Supply Point Registration, in the Supply Point Offer.

6.7 Interruption

- 6.7.1 The DN Operator shall be entitled, in accordance with the further provisions of this paragraph 6, to require Interruption on a number of Days in an Interruptible Period not exceeding the Interruption Allowance, in respect of any Interruptible Tranche of Supply Point Capacity at a Supply Point.
- 6.7.2 Where (in accordance with this paragraph 6) the DN Operator requires Interruption at a Supply Point, the Registered User shall secure that the requirements in paragraph 6.7.3 are complied with.

6.7.3 The requirements are that:

- (a) at all times at which the requirement for Interruption is in force, the rate of offtake of gas, in kWh/hour, at the Supply Point does not exceed a rate of offtake determined as follows:

$$\text{SPOR} * (\text{SPC} - \text{IT}) / \text{SPC}$$

and

- (b) on each Day or part Day of Interruption the quantity of gas offtaken, in kWh, during the period in which the requirement for interruption is in force, does not exceed a quantity determined as follows:

$$(\text{SPC} - \text{IT}) * \text{H} / 24$$

where

SPOR is the Supply Point Offtake Rate;

SPC is the Registered Supply Point Capacity;

IT is the amount or aggregate amount (in kWh/Day) of the Interruptible Tranche or Interruptible Tranches which were subject to Interruption pursuant to the relevant requirement;

H is the period in hours on the Day during which the requirement for Interruption was in force.

6.7.4 Subject to paragraph 6.7.5, the DN Operator may require Interruption at an Interruptible Supply Point:

- (a) for operational purposes in connection with the management of its System, or
- (b) on not more than three (3) Days in any Gas Year, where the DN Operator has any reasonable doubt as to whether the requirements in paragraph 6.6.2 are satisfied or the provisions of this paragraph 6.7 in relation to Interruption are or are capable of being complied with in respect of the Supply Point, for the purposes of verifying such matters

and the DN Operator may, where it has issued an Interruption Notice pursuant to paragraph (a) or (b), issue a replacement Interruption Notice pursuant to the other sub-paragraph and from the time at which such replacement notice takes effect all rights, obligations or restrictions applicable to such replacement notice shall apply accordingly and shall supersede those applicable to the replaced notice.

6.7.5 The number of Days (including parts of a Day) in respect of which the DN Operator requires Interruption in respect of an Interruptible Tranche of Supply Point Capacity in any Interruptible Period shall not exceed the Interruption Allowance.

6.7.6 Where the DN Operator requires Interruption in respect of an Interruptible Tranche of Supply Point Capacity, the DN Operator shall pay to the Registered User the Interruption Exercise Price invoiced and payable in accordance with Section S in respect of such Interruptible Tranche, for each Day (including part of a Day) of such Interruption.

- 6.7.7 For the purposes of paragraphs 6.7.6 and 6.7.7, a Day in respect of which the DN Operator gives more than one Interruption Notice in respect of an Interruptible Tranche shall be counted only as one (1) Day of Interruption of the Interruptible Tranche.
- 6.7.8 The exercise by the DN Operator of any right (other than pursuant to this paragraph 6.7) to require or secure the discontinuance or reduction of offtake at any Supply Meter Point shall not count towards the use of any Interruption Allowance or otherwise count as Interruption for the purposes of this paragraph 6.7.
- 6.7.9 For the purposes of this paragraph 6, where an Interruption Notice is given in relation to an Interruptible Supply Point, the requirement for Interruption pursuant to that notice is **"in force"** with effect from the Interruption Start Time specified in the notice until:
- (a) the time specified in the DN Operator's notification under paragraph 6.8.5 or (if no time is specified) the time that such notification is given, or
 - (b) if earlier, the Interruption Start Time under another Interruption Notice relating to the same Interruptible Supply Point.

6.8 Interruption Notification Requirements

- 6.8.1 Where the DN Operator requires or has a revised requirement for Interruption in respect of one or more Interruptible Tranches at one or more Supply Points, the DN Operator will give to the Registered User, not less than five (5) hours before the time ("**Interruption Start Time**") with effect from which Interruption is required, notice ("**Interruption Notice**") specifying:
- (a) the Supply Points and (for each Supply Point) the Interruptible Tranche(s), to be Interrupted;
 - (b) the Gas Flow Day;
 - (c) the Interruption Start Time; and
 - (d) the DN Operator's estimate (which shall not bind the DN Operator) of the time at which the requirement for Interruption will cease to apply.
- 6.8.2 The User may request by telephone or facsimile an alteration to the Supply Points and Interruptible Tranches specified in the Interruption Notice; and where not less than five (5) hours before the Interruption Start Time the DN Operator and the User have agreed (but so that the DN Operator shall not be required to agree) upon such an alteration, the Interruption Notice will be revised accordingly and resubmitted by the DN Operator to the User as soon as reasonably practicable.
- 6.8.3 The User shall, by telephone or facsimile (or otherwise in accordance with this paragraph 6.8):
- (a) not later than thirty (30) minutes after Interruption Notice was given, acknowledge receipt of that notice;
 - (b) not later than five (5) hours after Interruption Notice was given, confirm to the DN Operator that Interruption (in accordance with such notice) has taken place or shall take place; and
 - (c) as soon as reasonably practicable, notify the DN Operator of any facts or circumstances known to the User that might prevent Interruption from taking place or cause Interruption to take place after the Interruption Start Time;

6.8.4 Where the User has not acknowledged receipt of an Interruption Notice within thirty (30) minutes after such notice was given, the DN Operator may not less than four (4) hours before the Interruption Start Time notify the requirement for Interruption at each relevant Supply Point directly to the consumer, specifying the Gas Flow Day, Interruptible Tranches subject to Interruption and Interruption Start Time.

6.8.5 Where the DN Operator has given an Interruption Notice (which has not been superseded by another such notice) in respect of any Interruptible Tranche(s) of Supply Point Capacity, as soon as reasonably practicable after the DN Operator determines that the requirement for Interruption at that Interruptible Tranche no longer applies or will at a certain time cease to apply (having regard to the circumstances in accordance with paragraph 6.7.4 in which such notice was given), the DN Operator will so notify the User specifying the time (where later than the time of such notification) at which the requirement for Interruption will no longer apply.

6.9 Not Used

6.10 Failure to Interrupt

6.10.1 For the purposes of the Code:

- (a) subject to paragraph (b), there is a **"failure to Interrupt"** in relation to an Interruptible Tranche of Supply Point Capacity where, on any occasion on which the DN Operator requires Interruption in respect of the Supply Point, either of the requirements in paragraph 6.7.3 is not complied with on any Day (the **"failure Day"**) during which the requirement for Interruption was in force;
- (b) a failure to comply with a requirement for Interruption pursuant to paragraph 6.7.4(b) will be counted as a failure to Interrupt for the purposes of paragraph 6.10.2 if:
 - (i) the User does not demonstrate to the reasonable satisfaction of the DN Operator that all appropriate steps are being taken to ensure that such a failure does not recur at the relevant Supply Point; or
 - (ii) the failure is the third failure occurring at the relevant Supply Point during the same Gas Year to comply with a requirement for Interruption pursuant to paragraph 6.7.4(b)

but not otherwise; provided that any such failure shall be counted as a failure to interrupt for the purposes of paragraph 6.10.6;

- (c) for the purposes of paragraph 6.10.1(b), a Supply Point the subject of a Supply Point Reconfirmation shall be treated as being the same Supply Point as the Existing Supply Point.

6.10.2 Where there is a failure to Interrupt at a Supply Point:

- (a) irrespective of whether the failure to Interrupt resulted from Force Majeure, and irrespective of the size and number of the Interruptible Tranches which were subject to Interruption, where the DN Operator determines that the failure to Interrupt results in a significant risk to the security of the relevant System the DN Operator may take any steps available to it to isolate or disconnect any or all Supply Meter Points (irrespective of whether any is a Shared Supply Meter Point) comprised in the Supply Point; and

- (b) save to the extent the failure to Interrupt resulted from Force Majeure, and subject to paragraph 6.10.8, the Registered User shall pay, in respect of each failure Day, a charge determined as the aggregate, for all Interruption Notices under which the requirement for Interruption was in force on that Day, of the following:

$$X = 2 * Y * Z$$

where:

- X is the amount payable in respect of each Interruption Notice in respect of the failure Day;
- Y is the greater of:
- Y1 the aggregate quantity (in kWh) of gas offtaken at the Supply Point, at any time or times on the Day at which the requirement for Interruption was in force, at a rate in excess of the rate permitted in paragraph 6.7.3(a); and
- Y2 the quantity (in kWh) offtaken, during the period in the Day in which the requirement for Interruption was in force, in excess of the quantity permitted in paragraph 6.7.3(b);
- Z is the greater of:
- Z1 the Applicable Annual Rate of the LDZ Capacity Charge in respect of the Supply Point; and
- Z2 the weighted average Overall Interruption Price applicable in respect of the Interruptible Tranches which the User is treated as having failed to Interrupt, determined in accordance with paragraph (c);

- (c) for the purposes of determining 'Z2':

- (i) the Interruptible Tranches which were subject to Interruption shall be ranked in order of Overall Interruption Price, highest-priced first;
- (ii) the quantity 'Y' shall be allocated to such Interruptible Tranches in the order ranked, until such quantity has been allocated in full;
- (iii) the Interruptible Tranches which the User is treated as having failed to Interrupt shall be the tranches to which the quantity 'Y' was so allocated (and where the amount or remaining unallocated amount of the quantity 'Y' is less than the amount of the relevant Interruptible Tranche, such amount or remaining unallocated amount is the "**failed portion**" of such tranche);
- (iv) the weighted average Overall Interruption Price is determined as follows:

$$\frac{\sum_T (QTF_T * OIP_T)}{\sum_T QTF_T}$$

where

- \sum_T is summation by the Interruptible Tranches which the User was treated as failing to Interrupt

and where for each such Interruptible Tranche

QTF_T is the amount (or as the case may be the failed portion) of the Interruptible Tranche

OIP_T is the Overall Interruption Price of such Interruptible Tranche.

- 6.10.3 The amounts payable under paragraphs 6.10.2(b) and 6.10.4 will be invoiced and are payable in accordance with Section S.
- 6.10.4 Where the DN Operator takes any such steps as are referred to in paragraph 6.10.2(a) the Registered User will be liable to reimburse to the DN Operator the costs and expenses incurred by the DN Operator in taking such steps and in any subsequent reconnection or restoration of the connection of the Supply Point.
- 6.10.5 The Registered User shall secure that there is made available to the DN Operator such access to the Supply Point and all Supply Meter Points comprised in the Supply Point as shall be required for the purposes of paragraph 6.10.2(a).
- 6.10.6 No Day on which there is a failure to Interrupt in respect of an Interruptible Tranche of Supply Point Capacity shall count:
- (a) towards use of the Interruption Allowance in respect of that Interruptible Tranche under paragraph 6.7.6, or
 - (b) as a Day in respect of which the DN Operator is required to pay the Interruption Exercise Price under paragraph 6.7.7.
- 6.10.7 The following shall not be Force Majeure affecting a User for the purposes of this paragraph 6.10:
- (a) the unavailability of any such representative as is referred to in paragraph 6.6.3 or 6.6.4 of the User or the consumer to be contacted by the DN Operator, other than for wholly unforeseeable and unavoidable reasons (which must also satisfy the conditions for being Force Majeure); and
 - (b) the fact that there is no facility for the Consumer's Plant to operate with a supply of fuel or energy alternative to or in substitution for gas.
- 6.10.8 Where the Registered User has requested (in compliance with the applicable requirements of paragraph 3) the Isolation of each Supply Meter Point comprised in an Interruptible Supply Point, subject to paragraph 3.7, the User shall not be liable under paragraph 6.10.2(b) in respect of any subsequent failure to Interrupt at such Supply Point (unless and until any such Supply Meter Point is re-established).

6.11 Shared Supply Meter Points

- 6.11.1 This paragraph 6.11 applies in respect of any Interruptible Supply Point(s) in which a Shared Supply Meter Point is comprised.
- 6.11.2 Paragraph 6.7.3 shall apply on an aggregated basis, in respect of all DM Supply Point Components ("relevant" DM Supply Point Components) comprised in all the relevant Supply Points in which the Shared Supply Meter Point is comprised, and in accordance with the further provisions of this paragraph 6.11.
- 6.11.3 Where an Interruption Notice is given in respect of any such Interruptible Supply Point:

- (a) for the purposes of paragraph 6.7.3(a), the maximum permitted rate of offtake (in aggregate at all relevant DM Supply Point Components) shall be:

$$\Sigma_F \text{ SPOR} + \Sigma_I \text{ SPOR} * (\text{SPC} - \text{IT}) / \text{SPC}$$

- (b) for the purposes of paragraph 6.7.3(b), the maximum permitted quantity (in aggregate at all relevant DM Supply Point Components) shall be:

$$\Sigma_F \text{ SPC} + \Sigma_I (\text{SPC} - \text{IT}) * \text{H} / 24$$

where

Σ_F is summation over all (if any) relevant DM Supply Point Components comprised in Firm Supply Points

Σ_I is summation over all (if any) relevant DM Supply Point Components comprised in Interruptible Supply Points

and where SPOR, SPC, IT and H have the meanings in paragraph 6.7.3.

6.11.4 The provisions of paragraph 6.10.2(b) shall apply, irrespective of the allocation (including pursuant to paragraphs 1.7.7 or 1.7.8) among Users of the quantity of gas offtaken on any Day at the relevant DM Supply Point Components, on the following basis:

- (a) the quantity 'Y' shall be determined on the basis of the aggregate quantities offtaken at all relevant DM Supply Point Components in excess of the permitted rate or amount in accordance with paragraph 6.11.3;
- (b) all Interruptible Tranches subject to Interruption at all relevant DM Supply Point Components in aggregate shall be ranked as provided in paragraph 6.10.2(c)(i), and the aggregate quantity 'Y' allocated to them as provided in paragraph 6.10.2(c)(ii), to determine (under paragraph 6.10.2(c)(iii)) the Interruptible Tranches which the Registered Users are treated in aggregate as having failed to Interrupt;
- (c) the Registered Users of the Interruptible Supply Points shall be liable for the aggregate amount payable in respect of a Day pursuant to paragraph 6.10.2(b) (as determined in accordance with this paragraph 6.11.4):
- (i) in the prevailing proportions (if any) notified under paragraph 1.7.13(b);
- (ii) in the absence of any such notified proportions, in proportion to the Nominated Quantities for the Day in respect of the relevant DM Supply Point Components comprised in the Interruptible Supply Points.

6.12 Interruptible LDZ Capacity at LDZ CSEPs

6.12.1 Subject to the applicable CSEP Network Exit Provisions and the provisions of any Ancillary Agreement relating to the CSEP, a CSEP User or CSEP Users may designate a tranche or tranches of LDZ Capacity in relation to an LDZ CSEP as interruptible, subject to and in accordance with this paragraph 6.12.

6.12.2 In this paragraph 6.12 references to an LDZ CSEP are to an LDZ System Point as referred to in Section A3.3.1 and not to any separate System Exit Point deemed (pursuant to CSEP Network Exit Provisions) to be comprised in such a System Point as provided in Section A3.3.5.

- 6.12.3 For the purposes of this paragraph 6.12, paragraphs 6.1 to 6.10 shall apply, subject to the further provisions of this paragraph 6.12, as if references in those paragraphs:
- (a) to an LDZ Supply Point were to an LDZ CSEP;
 - (b) to a Supply Meter Point were to an Individual System Exit Point comprised in a CSEP;
 - (c) to DM Supply Point Capacity were to LDZ Capacity;
 - (d) to the Registered User of a Supply Point were to a CSEP User in relation to a CSEP;
 - (e) to a User, in the context of an Interruptible Tranche, were to all of the Interruptible CSEP Users (in accordance with paragraph 6.12.5).
- 6.12.4 Paragraphs 6.1.5, 6.5, 6.6, 6.7.4(b), 6.8.4, 6.10.2(a) and 6.10.4 shall not apply for the purposes of this paragraph 6.12 (but without prejudice to any equivalent provisions of the CSEP Network Exit Provisions and/or any Ancillary Agreement).
- 6.12.5 For the purposes of this paragraph 6.12, in relation to each Interruptible Tranche of LDZ Capacity at an LDZ CSEP for an Interruptible Period:
- (a) the CSEP User(s) ("**Interruptible CSEP User(s)**") associated with such Interruptible Tranche, and
 - (b) the proportions ("**Interruptible CSEP Proportions**", aggregating one (1)) in which the Interruptible CSEP User(s) have entitlements and liabilities in respect of such Interruptible Tranche
- shall be determined in accordance with paragraphs 6.12.6 and 6.12.7.
- 6.12.6 An Interruption Offer in respect of a CSEP:
- (a) shall specify, in addition to the requirements (construed in accordance with paragraph 6.12.3) in paragraph 6.3.2, in respect of each Interruptible Tranche of LDZ Capacity, the identity of each Interruptible CSEP User and the Interruptible CSEP Proportions (aggregating one (1)) for such CSEP Users;
 - (b) shall be submitted by or on behalf of all of the Interruptible CSEP Users.
- 6.12.7 The identity of the Interruptible CSEP User(s), and/or their respective Interruptible CSEP Proportions (aggregating one (1)), in respect of an Interruptible Tranche of LDZ Capacity at an LDZ CSEP, may be varied from time to time by a notice submitted to the DN Operator submitted by or on behalf of each CSEP User which (prior to such notice) is, or (pursuant to such notice) is to become, an Interruptible CSEP User.
- 6.12.8 There is no requirement under the Code that (and the DN Operator will not be concerned with whether) the Interruptible CSEP User(s) at an LDZ CSEP hold or continue to hold LDZ Capacity corresponding to their respective Interruptible CSEP Proportions of the Interruptible Tranches.
- 6.12.9 The amount in aggregate of the Interruptible Tranches at an LDZ CSEP shall not exceed the amount in aggregate of LDZ Capacity held by all of the Interruptible CSEP Users; and paragraph 6.1.6 shall apply on the basis of increases and decreases in the aggregate amounts of LDZ Capacity held by such Interruptible CSEP Users.

- 6.12.10 For the purposes of paragraphs 6.7.3 and 6.10.2 (as they apply for the purposes of this paragraph 6.12):
- (a) references to the Registered Supply Point Capacity shall be references to the aggregate LDZ Capacity held by all CSEP Users at a CSEP;
 - (b) references to the Supply Point Offtake Rate shall be to the maximum aggregate rate of offtake permitted in accordance with the CSEP Network Exit Provisions (as referred to in Section J3.9.2(a)).
- 6.12.11 The Interruptible CSEP Users shall be entitled to be paid the Interruption Option Price and the Interruption Exercise Price in relation to an Interruptible Tranche severally in their Interruptible CSEP Proportions.
- 6.12.12 Where on any Day there is a failure to Interrupt at an Interruptible CSEP, irrespective of the identity of the Interruptible CSEP Users in respect of each Interruptible Tranche and of such Users' UDQOs (pursuant to allocation under Section E3.2) for such Day:
- (a) the Interruptible Tranche(s) which the Interruptible CSEP Users are treated as having failed to Interrupt ("**failed tranches**") shall be determined in accordance with paragraph 6.10.2(c)(iii) (construed in accordance with the foregoing provisions of this paragraph 6.12);
 - (b) following the determination of such failed tranches, the formula in paragraph 6.10.2(b) shall be applied separately in respect of each such failed tranche (or failed portion), and Z2 shall be the overall interruption price of each such failed tranche;
 - (c) in respect of each failed tranche, the Interruptible CSEP Users shall be liable for the amounts so determined severally in their Interruptible CSEP Proportions in respect of that Interruptible Tranche.

7 NEW SUPPLY METER POINTS AND OTHER SITEWORKS

7.1 General

7.1.1 For the purposes of the Code:

- (a) a "**New Supply Meter Point**" is a new Supply Meter Point;
- (b) "**Siteworks**" means works undertaken by the Transporter at the request of a User or other person in connection with a System for the purposes of:
 - (i) the establishment of a New Supply Meter Point;
 - (ii) enabling an increase in the rate or pressure at or quantities in which it is feasible to make gas available for offtake from the Total System at an existing Supply Meter Point;
 - (iii) modifying or replacing any part of a System located at the Supply Point Premises (but not the Supply Meter Installation at an existing Supply Meter Point);
 - (iv) enabling the Firm Transportation Requirement (in accordance with paragraph 6.3.4) to be satisfied in respect of an Interruptible Supply Point; or

- (v) furnishing, installing, removing, making operational and/or maintaining Daily Read Equipment;
- (c) Siteworks under paragraph (b)(i) may be:
 - (i) for the construction and/or installation (and connection to a System) by the Transporter of the service pipe or any part thereof (but not the Supply Meter Installation); or
 - (ii) for the purposes of making a connection to a System of any service pipe constructed or installed by any other person (but not the new Supply Meter Installation).
- (d) **"Special Metering Supply Point"** is any Supply Point:
 - (i) comprising a Supply Meter Point in respect of which a Supply Meter Installation is provided and installed by the Transporter; and
 - (ii) such Supply Meter Point:
 - (1) is a Shared Supply Meter Point; or
 - (2) is comprised within a System Exit Point which is subject to a Special Offtake Arrangement; or
 - (3) which is comprised in an LDZ Specified Exit Point identified within a Supply Point Nomination in respect of which a Supply Point Registration has occurred; or
 - (4) which is comprised in a Notional NTS Connection Point identified within a Supply Point Offer in respect of which a Supply Point Registration has occurred; or
 - (iii) such Supply Meter Installation comprises a Supply Meter to which telemetered equipment has been installed in accordance with Section M4.9.1; or
 - (iv) which the Transporter and the User at such Supply Point have agreed shall be a Special Metering Supply Point.

7.1.2 In respect of any Siteworks:

- (a) the **"Siteworks Applicant"** is the User or other person who has requested that the Siteworks be undertaken;
- (b) the **"Siteworks Contract"** is the contract between the Transporter and the Siteworks Applicant under which the Transporter is to undertake the Siteworks;
- (c) the **"Completion Date"** is the date of substantial completion (as defined or described in the Siteworks Contract) of the Siteworks;
- (d) the **"Target Completion Date"** means the intended Completion Date of the Siteworks as specified in or determined under the Siteworks Contract;
- (e) **"Connections Work"** is the connection of the service pipe (or any part thereof) for the establishment of a New Supply Meter Point on to the relevant System; and

- (f) **"Meter Fix Date"** is the date which has been notified to the Transporter as the date upon which a Supply Meter has been installed at a New Supply Meter Point.
- 7.1.3 Where the Siteworks Applicant is a User the Siteworks Contract shall not (unless it expressly provides to the contrary) be an Ancillary Agreement and does not form a part of and is not incorporated into the Code.
- 7.1.4 Where the Siteworks Applicant is not the Registered User of the relevant Supply Meter Point:
- (a) nothing in the Code shall make the Registered User liable for any payment becoming due under the Siteworks Contract; and
 - (b) the Transporter will have no liability to the Registered User in respect of any breach of the Siteworks Contract.
- 7.1.5 The Registered User of a Supply Meter Point will not be liable for any breach of the Code which results from a breach by the Transporter of a Siteworks Contract relating to that Supply Meter Point.
- 7.1.6 Notwithstanding paragraph 7.1.1(b)(iii) and (c)(i) and (ii) (which specifically does not include work relating to the Supply Meter Installation) for the purposes of this paragraph 7, "Siteworks" includes works undertaken by the Transporter:
- (a) at the request of a Registered User or other person in connection with the System for the purposes of installing, modifying, removing, or replacing a Supply Meter Installation at a Special Metering Supply Point;
 - (b) at the request of the Registered User for the purposes of ceasing or enabling the flow of gas at a Special Metering Supply Point.
- 7.1.7 The Transporter shall not be obliged to undertake work requested in accordance with paragraph 7.1.6(a) or 7.1.6(b), where the Special Metering Supply Point comprises a Special Metering Supply Point unless by no later than the date of such request the Registered User has notified the Transporter that it has obtained from those Users at such Shared Supply Meter Point their agreement to undertake such work.
- 7.2 Siteworks Terms and Procedures**
- 7.2.1 The Transporter will from time to time publish Siteworks Terms and Procedures applicable to different types of Siteworks or Siteworks in relation to different Supply Meter Points.
- 7.2.2 **"Siteworks Terms and Procedures"** means the procedures by which and terms and conditions on and subject to which a User or other person may request the Transporter to provide a quotation (where the price is not published) for and to undertake Siteworks and a Siteworks Contract may be entered into.
- 7.2.3 Siteworks Terms and Procedures do not form a part of the Code; and (without prejudice to any Legal Requirement applying to the Transporter) nothing in the Code requires the Transporter to undertake any Siteworks or to do so on any particular terms.
- 7.2.4 The Transporter agrees to give to Users notice:
- (a) of not less than 2 months of any change in published prices of Siteworks; and

- (b) of not less than 3 months of any other change to contract terms contained in Siteworks Terms and Procedures (other than the addition of terms and procedures for a type of Siteworks not previously covered).

7.3 New Supply Meter Points

- 7.3.1 Where the Transporter has been notified that Connections Work is to be or has been undertaken then on or as soon as reasonably practical after the relevant date (in accordance with paragraph 7.3.2) the Transporter will:
 - (a) enter such New Supply Meter Point and the Supply Meter Point Reference Number for the same on to the Supply Point Register; and
 - (b) for the purposes of this Section G treat the same as a Supply Meter Point.
- 7.3.2 For the purposes of paragraph 7.3.1 the relevant date is the date upon which the Transporter has received notice of the (i) allocation of a specific Supply Meter Point Reference Number to a New Supply Meter Point, or (ii) completion of the Connections Work, from the person who has undertaken the same, where received earlier than such allocation notice.
- 7.3.3 Subject to paragraph 7.3.7, no person shall be entitled to offtake gas from the Total System at a New Supply Meter Point at any time before the First Supply Point Registration Date.
- 7.3.4 For the purposes of the Code, the "**First Supply Point Registration Date**" is the Supply Point Registration Date of the first Supply Point Registration to be made for a Supply Point comprising the New Supply Meter Point.
- 7.3.5 Any User may, at any time after the time at which a New Supply Meter Point was entered in the Supply Point Register, submit a Supply Point Nomination in accordance with paragraph 2.3.1 and (subject to having received a Supply Point Offer) submit a Supply Point Confirmation in respect of a Proposed Supply Point which includes a New Supply Meter Point.
- 7.3.6 Where a User submits
 - (a) a Supply Point Nomination in accordance with paragraph 2.3 (in respect of a Larger Supply Point, or a New Smaller Supply Point and there is more than one Supply Meter Point comprised in the Proposed New Smaller Supply Point):
 - (i) the User shall provide to the Transporter the User's estimate of the quantity which the User expects to be offtaken from the Total System at the Supply Meter Point in a 12 month period under seasonal normal conditions, which estimate shall (if the Supply Point Confirmation becomes effective) be the Annual Quantity for the Supply Meter Point;
 - (ii) where there is a DM Supply Point Component comprised in an LDZ Supply Point, the Nominated Supply Point Capacity shall not be less than the User's estimate of the maximum quantity of gas to be offtaken on any Day in the next 12 months on the basis of reasonable assumptions as to weather conditions;
 - (iii) where there is an NDM Supply Point Component, the User shall provide to the Transporter the User's estimate of the value of any variable by reference to which any End User Category (to which such Supply Point Component might belong) is in the relevant Gas Year defined in accordance with Section H; and

- (iv) the User's estimates under paragraphs (i), (ii) and (iii) shall be made in good faith and after all appropriate enquiries of the consumer and on the basis of reasonable skill and care;
- (b) a Supply Point Confirmation in accordance with paragraph 2.6 then the User shall be deemed to have provided User's estimate of the quantity which the User expects to be offtaken from the Total System at the Supply Meter Point in a 12 month period under seasonal normal conditions, which estimate shall (if the Supply Point Confirmation becomes effective) be the Annual Quantity for the Supply Meter Point.

7.3.7 In respect of both Smaller and Larger Supply Meter Points:

- (a) where a Supply Point Confirmation (including any subsequent Supply Point Confirmation) in respect of a New Supply Meter Point has been submitted then in the absence of a rejection of such Supply Point Confirmation:
 - (i) where the Meter Fix Date is prior to the date upon which such Supply Point Confirmation is submitted, the Proposing User which submitted such Supply Point Confirmation will be treated as being the Registered User (but not an Existing Registered User) from:
 - (1) the Meter Fix Date, where such Proposing User is the person that has submitted the Meter Fix Reading as described M3.8.11(a);
 - (2) the date such Supply Point Confirmation is submitted, where such Proposing User is not the person that has submitted the Meter Fix Reading as described in M3.8.11(a)until the Supply Point Registration Date;
 - (ii) where the Meter Fix Date is after or upon the date on which such Supply Point Confirmation is submitted, the Proposing User which submitted such Supply Point Confirmation will be treated as being the Registered User (but not an Existing Registered User) from the Meter Fix Date until the Supply Point Registration Date;
- (b) where the Proposing User is treated as being the Registered User, the Proposing User shall, notwithstanding that there is no Supply Point Registration in respect of the Proposed Supply Point (and irrespective of the Proposed Supply Point Registration Date) be permitted to offtake gas from the Total System at such New Supply Meter Point;
- (c) the quantity of gas (if any) so offtaken on any Day will be counted as an UDQO of the User for the purposes of Code (and in particular the User will be liable to pay any appropriate Transportation Charges in relation thereto);
- (d) for the purposes of the first NDM Reconciliation the quantity of gas (if any) so offtaken will be counted as part of the Reconciliation Quantity (for which purposes a quantity of zero shall be assumed to have been offtaken); and accordingly the User will be liable to pay Reconciliation Clearing charges and Reconciliation Transportation Charge Adjustments in respect of the quantity of gas (if any) so offtaken; and
- (e) where any Supply Point Confirmation (including any subsequent Confirmation) has been rejected by the Transporter then the Proposing User whose Supply Point

Confirmation has been rejected shall promptly take steps to ensure gas is not offtaken at the New Supply Meter Point.

7.4 Siteworks Specified Capacity, etc

7.4.1 The Siteworks Terms and Procedures allow for the Siteworks Contract to specify (at the request of the Siteworks Applicant):

- (a) a Supply Point or (without prejudice to the requirements of this Section G for submission of a Supply Point Nomination and/or Supply Point Confirmation) a Proposed Supply Point, or a Supply Point Component, in which the Supply Meter Point or New Supply Meter Point subject to the request for Siteworks is or is to be comprised; and
- (b) in relation to such Supply Point or Supply Point Component:
 - (i) in the case of a DM Supply Point Component comprised in an LDZ Supply Point, an amount of Supply Point Capacity and/or a Supply Point Offtake Rate (but without prejudice to the requirement subsequently to apply therefor);
 - (ii) in the case of an NDM Supply Point Component, a threshold rate increase (in accordance with paragraph 5.6.3(b));
 - (iii) a request that the Firm Transportation Requirement be satisfied in respect of an amount of Interruptible Supply Point Capacity

following such Siteworks.

7.4.2 For the purposes of this Section G, in respect of any Siteworks a Supply Point Component, Supply Point Capacity, Supply Point Offtake Rate, threshold rate increase or Firm Transportation Requirement (as the case may be) is "**Siteworks Specified**" where it is specified in a Siteworks Contract as described in paragraph 7.4.1.

7.4.3 Where in respect of an LDZ Supply Point:

- (a) a User submits (in accordance with paragraph 2.3), not later than the Target Completion Date or such later date as the Transporter shall have agreed (for the purposes of this paragraph) with the Siteworks Applicant, a Supply Point Nomination in respect of a Proposed Supply Point which includes a Siteworks Specified Supply Point Component which includes a New Supply Meter Point;
- (b) the Nominated Supply Point Capacity or Nominated Supply Point Offtake Rate does not exceed the Siteworks Specified Supply Point Capacity or Supply Point Offtake Rate

the Offered Supply Point Capacity or Supply Point Offtake Rate (in respect of the DM Supply Point Component) under a Supply Point Offer will be equal to the Nominated Supply Point Capacity or (as the case may be) Supply Point Offtake Rate.

7.4.4 In the case of an LDZ Supply Point where a User applies, not later than the Target Completion Date or such later date as the Transporter shall have agreed (for the purposes of this paragraph 7.4.4) with the Siteworks Applicant, for increased Supply Point Capacity or an increased Supply Point Offtake Rate (in accordance with paragraph 5) at a Siteworks Specified Supply Point Component, which does not exceed the Siteworks Specified Supply Point Capacity or (as the case may be) Supply Point Offtake Rate, the Transporter will (subject to the provisions of the Code) accept such application.

- 7.4.5 Where a User notifies (in accordance with paragraph 5.6.5(a)), not later than the Target Completion Date or such other date as the Transporter shall have agreed (for the purposes of this paragraph 7.4.5) with the Siteworks Applicant, a threshold rate increase of not more than the Siteworks Specified threshold rate increase, the Transporter will give to the User the notification described in accordance with paragraph 5.6.5(b)(ii).
- 7.4.6 Where a User requests (in accordance with paragraph 6.5), not later than the Target Completion Date or such other date as the Transporter shall have agreed (for the purposes of this paragraph 7.4.6) with the Siteworks Applicant, that Siteworks Specified Interruptible Supply Point Capacity be redesignated Firm in accordance with the Siteworks Specified Firm Transportation Requirement, the Transporter will accept such request.
- 7.4.7 A Siteworks Applicant may (subject to the Siteworks Terms and Procedures) request any Siteworks without at the same time requesting Siteworks for any reinforcement of a System that may be required to make it feasible to make gas available for offtake at any relevant Supply Meter Point; and accordingly, except to the extent expressly provided in this paragraph 7.4, the fact that the Transporter has entered into a Siteworks Contract or undertaken any Siteworks (for a New Supply Meter Point or otherwise) shall not commit the Transporter to accept a Supply Point Nomination or Supply Point Confirmation for any particular Nominated Supply Point Capacity or Supply Point Offtake Rate, nor any application for Supply Point Capacity or Supply Point Offtake Rate, or an increase therein, made by any User at any DM Supply Point Component nor a notification by any User of any particular threshold rate increase at any NDM Supply Point Component.

7.5 Undertaking Siteworks

- 7.5.1 The Transporter will not be in breach of its obligation to make gas available for offtake at a Supply Meter Point where or to the extent that its ability to do so is impaired by reason of its carrying out any Siteworks in respect of that Supply Meter Point.
- 7.5.2 Where the Transporter carries out Siteworks at a Supply Meter Point comprised in a Supply Point whose Annual Quantity exceeds 73,200 kWh (2,500 therms), and the Siteworks Applicant is not the Registered User, the Transporter will, unless the Siteworks Applicant has requested the Transporter not to do so, notify the Registered User of the Siteworks where practicable before and in any event promptly upon completing such Siteworks.

ANNEX G-1**REVISIONS TO SUPPLY POINT REGISTER NOT REQUIRING RECONFIRMATION**

1. Subject to paragraph 2, the following revisions may be made (where and in the manner otherwise permitted under the Code) to the Supply Point Register without a Supply Point Reconfirmation by the Registered User:
 - (i) change in Supply Point Capacity;
 - (ii) change in Supply Point Offtake Rate;
 - (iii) change in Meter Reading Frequency;
 - (iv) change of Meter Reader;
 - (v) change in User emergency contacts;
 - (vi) change in User contacts' details for Interruptible Supply Points;
 - (vii) change in any details maintained pursuant to Standard Special Condition A50(8)(e) of the Transporter's Licence;
 - (viii) Isolation of a Supply Meter Point;
 - (ix) reconnection of a Supply Meter Point;
 - (x) change in supplier where there is no change of Registered User in respect of a Supply Point;
 - (xi) change in the Market Sector Code.
2. The revisions in items (i) and (ii) in paragraph 1 require a Supply Point Reconfirmation where such revisions are made following Siteworks.

ANNEX G-2**MANDATORY ALLOCATION AGENCY TERMS**

THIS AGREEMENT is made on []

BETWEEN

- (1) the persons whose names and addresses are set out in Part 1 of the Schedule hereto (the "**Shippers**"); and
- (2) the person whose name and address are set out in Part 2 of the Schedule hereto (the "**Consumer**").

WHEREAS

- A The Consumer is or is to be supplied with gas at the Premises by each of the persons named in Part 3 of the Schedule.
- B The Shippers are or will be Sharing Registered Users in respect of the Supply Meter Point(s) and wish to appoint the Consumer as Sharing Registered User Agent.

IT IS AGREED as follows:

1. Definitions

In this Agreement:

"Supply Contract" means, in relation to each Supplier, the contract between the Consumer and that Supplier for the supply of gas at the Premises, as from time to time in force;

"Premises" means the premises specified in Part 4 of the Schedule hereto;

"Proper Quantity" means, in relation to any Shipper, a quantity of gas which is:

- (a) not more than what the relevant Supplier was obliged to deliver and the Consumer was entitled to take; and
- (b) not less than what the Consumer was obliged to take and the relevant Supplier was entitled to deliver

at the Premises on any Day pursuant to the relevant Supply Contract (having regard to all nominations or other notices given or other things done by or on behalf of the Consumer or the relevant Supplier pursuant to and in accordance with that contract on that or any previous Day);

"relevant Supplier" means in relation to any Shipper, the Supplier (whether or not being such Shipper itself) which supplies or is to supply to the Consumer gas offtaken from the Total System by such Shipper at the Supply Meter Point(s);

"Supplier" means a person specified in Part 3 of the Schedule (whether or not being a User) supplying gas to the Consumer at the Premises;

"Supply Meter Point(s)" means the Supply Meter Point or Points (at the Premises) specified in Part 5 of the Schedule hereto;

"the Transporter" means [].

Words and expressions defined in the Uniform Network Code and not otherwise defined herein shall have the meanings ascribed thereto in the Uniform Network Code, and references to Sections are to Sections of the Transportation Principal Document.

2. Duration

This Agreement shall become effective at 06:00 hours on the date specified in Part 6 of the Schedule and shall continue in force until and unless terminated by agreement of all of the Shippers.

3. Appointment and undertakings of User Agent

3.1 At the request of the Consumer, the Shippers hereby appoint the Consumer, and the Consumer agrees to act as Sharing Registered User Agent for the purposes of TPD Section G1.7.

3.2 The Consumer undertakes to each Shipper, in relation to each Day while this Agreement is in force:

- (a) that the Consumer (as Sharing Registered User Agent) will notify to the Transporter, in accordance with the requirements of TPD Section G1.7 and the Shared Supply Meter Point Procedures, an allocation (and where so required a revised allocation) between the Shippers of the Supply Meter Point Daily Quantity Offtaken in respect of the Supply Meter Point(s); and
- (b) that the allocation so notified will be such that:
 - (i) TPD Section G1.7.9(b) applies;
 - (ii) the quantity of gas allocated to each Shipper is a Proper Quantity; and
- (c) where any Supplier is a Qualifying Supplier, that the Consumer will not take gas from a Supplier other than a Qualifying Supplier where the quantity of gas which the Consumer takes (by way of supply at the Premises) from any Qualifying Supplier is less than the maximum quantity which the Consumer was entitled, after taking account of any interruption requirement (and any unwillingness of a Qualifying Supplier to supply gas) in relation to the relevant Day, so to take on the Day from such Qualifying Supplier.

3.3 The Consumer undertakes to each Shipper to indemnify the Shipper against:

- (a) any loss (including without limitation by reason of any System Price differing from the price payable to it by the relevant Supplier), liability or damage incurred, by reason of the operation of the Code, by the Shipper;
- (b) where the Shipper is not the relevant Supplier, any liability of the Shipper to the relevant Supplier pursuant to the arrangements from time to time in force between the Shipper and the relevant Supplier

as a result (in either case) of any failure of the Consumer to comply with 3.2.

- 3.4 Where any Shipper is the relevant Supplier, nothing in this Agreement shall affect or prejudice the Supply Contract or any rights or obligations of the Shipper or Consumer thereunder; and in particular the Shipper shall not be taken, by reason of entering into this Agreement, to have assented to or waived any claim relating to the entering by the Consumer into any other Supply Contract.
- 3.5 The Consumer shall make no charge to any Shippers in respect of its services as Sharing Registered User Agent hereunder, and shall reimburse to each Shipper any amounts which the Shipper is liable to pay to the Transporter pursuant to TPD Section G1.7.18 by virtue of the Supply Meter Point being a Shared Supply Meter Point.
- 3.6 For the purposes of paragraph 3.2(c):
- (a) an **"interruption requirement"** is a requirement, imposed on the consumer by a Qualifying Supplier pursuant to any term of the relevant Supply Contract to limit the quantity of gas taken or not to take gas on a Day;
 - (b) a **"Qualifying Supplier"** is a Supplier whose Supply Contract came into force before 1st January 1998 and who was supplying gas to the Consumer at the Premises pursuant to its Supply Contract before the effective date specified in part 6 of the Schedule.

4. Miscellaneous

- 4.1 If any one or more of the provisions contained in this Agreement shall be invalid, illegal, or unenforceable in any respect the validity, legality and enforceability of the remaining provisions of this Agreement shall not in any way be affected or impaired thereby.
- 4.2 (a) No waiver by any Shipper or the Consumer of any default or defaults by another Shipper or the Consumer in the performance of any of the provisions of this Agreement shall operate or be construed as a waiver of any other or further default or defaults whether of a like or different character.
- (b) No failure or delay by any Shipper or the Consumer in exercising any right, power or privilege under this Agreement shall operate as a waiver thereof nor shall any single partial exercise by such Shipper or the Consumer of any right, power or privilege preclude any further exercise thereof or the exercise of any other right, power or privilege.
- 4.3 This Agreement shall be governed by and construed in all respects in accordance with English law and the Shippers and the Consumer agree to submit to the jurisdiction of the English Courts as regards any claim or matter arising in relation to this Agreement.
- 4.4 This Agreement constitutes the entire agreement and understanding between the Shippers and the Consumer in relation to the Shared Supply Meter Point and no Shipper nor the Consumer has relied on any warranty or representation of the other except as expressly stated or referred to in this Agreement.
- 4.5 (a) Any notice to be given under this Agreement shall be in writing and shall be duly given if signed by or on behalf of a person duly authorised to do so by the person giving the notice and delivered by hand at, or by sending it by first class post or by facsimile transmission to the relevant address, or facsimile number set out in Part 1 of the Schedule hereto in the case of the Shippers, and Part 2 of the Schedule hereto, in the case of the Consumer.

- (b) Any Shipper and the Consumer shall be entitled to amend in any respect the particulars which relate to it and which are set out in Parts 1 and 2 of the Schedule hereto by notice to the other Shippers and the Consumer.
- (c) Any such notice given as aforesaid shall be deemed to have been given or received:
 - (i) if sent by hand, at the time of delivery;
 - (ii) if sent by facsimile, upon transmission acknowledged by a correct transmission slip at the end of the message; and
 - (iii) if sent by post, 48 hours after posting.

IN WITNESS WHEREOF the parties have entered into this Agreement as of the day and year first above written

Signed by _____ for
and on behalf of
[INSERT NAMES OF SHIPPERS]

Signed by _____ for
and on behalf of
***[INSERT NAME OF THE
CONSUMER]***

SCHEDULE

Part 1 - the Shippers

[Names and addresses]

Part 2 - the Consumer

[Name and address]

Part 3 - the Suppliers

[Names]

Part 4 - the Premises

[Address]

Part 5 - the Supply Meter Point(s)

Supply Meter Point Reference Number:

Part 6 - effective date

[Date]

ANNEX G-3

**Prospective Erroneous Large AQ Calculation Proforma
for use only where there has been a change of supplier and no meter readings are
available and the AQ value is incorrect
(Domestic Premises above 293,000 kWh use only)**

Shipper:			Premise Address:				
M Number:							
Meter Serial Number:							
Property Type:			Flat / Terrace / Semi Detached / Detached / Bungalow				
Number of Bedrooms:			1 / 2 / 3 / 4 / 5 / 6				
Is Gas Central Heating used?			YES / NO				
Additional equipment or extension to the property, e.g. swimming pool, annex (please state)							
Estimated Average annual gas consumption for Domestic Premises in the UK							
Band	House Type	South SW, NT, WS, SO (92%)		Average WN, SE, NW, EA, EM, WM, NE (0%)		North NO, SC (108%)	
		AQ (kWh)	TPA	AQ (kWh)	TPA	AQ (kWh)	TPA
A	1 Bed	8,815	301	9,585	327	10,127	346
B	2BF, 2BT	10,639	363	11,270	385	11,659	398
C	2BS, 2BD, 3BT, 3BF	13,120	448	13,530	462	14,255	486
D	3BS, 2BB	14,348	490	14,611	499	15,871	542
E	3BD, 3BB	16,180	552	17,303	590	19,758	674
F	4BD, 4BT 4BS, 4BB	19,823	676	21,195	723	22,690	774
G	5BD, 5BS 6BD	28,077	958	30,035	1,025	31,176	1,064
Previous Suppliers Last Read & Date							
Change of Supplier Opening Read & Date							
Estimated Annual Quantity:			KWh				
Shipper Representative:							
Shipper Signature:							
Date:							

N.B. INCORRECT OR INSUFFICIENT INFORMATION CAN RESULT IN REJECTION

Transition Document TPD Section E10

1. It is acknowledged that the steps (including appointment of AUG Expert, establishing AUG Methodology and establishing AUG Table) first required under TPD Sections E10.2 and E10.4 will not be completed by 1 April 2011.
2. Therefore, for each twelve month period commencing on 01 April 2011 up to but not including 1 April next following the first occasion on which the Committee establishes and adopts an AUG Table as provided in TPD Section E10.4.3(g), TPD Section E10.4.4(a) shall not apply and there shall be deemed to be an AUG Table for the purposes of TPD Section E10.5 in which:
 - (a) there is only one Unidentified Gas Source;
 - (b) for that Unidentified Gas Source, the Unidentified Gas Quantity is:
 - (i) for Larger DM SPCs, zero;
 - (ii) for Larger NDM SPCs, defined (in relation to a Reconciliation Billing Period) as follows:

$$UGC_{SPC} = \text{£}2,750,000 / (TDSAP_m * 12);$$
 - (iii) for Smaller SPCs, defined as the negative of the amount in (b)(ii) above;

and TPD Section E10.5 shall be given effect accordingly.
3. For the purposes of TPD Section 10:
 - (a) In addition and separate to the establishment and adoption of a deemed AUG Table as set out in paragraph 2 above, for the avoidance of doubt, the first AUG Table to be adopted and published by the Committee as provided in TPD Section E10.4.3(h) shall apply (notwithstanding TPD Section E10.5.4) for the purposes of TPD Section E10.5 in relation to:
 - (i) the AUG Year commencing 01 April next following the adoption of such AUG Table, and
 - (ii) each prior AUG Year commencing with the first AUG Year;
 - (b) as soon as reasonably practicable following the adoption of such AUG Table, the net aggregate amount of the User Unidentified Gas Amounts for each User and for all Reconciliation Billing Periods in each prior AUG Year (as referred to in paragraph (a)(ii) above) shall be paid (by or to the User, as provided in TPD Section E10.5.3), and shall be invoiced and payable in accordance with TPD Section S, as a single net aggregate payment, in satisfaction of TPD Section E10.5.3, (in addition to any payment made pursuant to any such deemed AUG Table as provided for in paragraph 2 above) without interest in respect of the period prior to the due date of the relevant invoice.

