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MODIFICATION 0683S

OFFTAKE ARRANGEMENTS DOCUMENT (OAD) REVIEW UPDATES – PHASE 1

[Draft] proposed legal text

OFFTAKE ARRANGEMENTS DOCUMENT

SECTION A – SCOPE AND CLASSIFICATION

Amend paragraph 2.2.3 to read as follows:

2.2.3 A "Closed Offtake" is:

(a) an "LDZ/LDZ Closed Offtake" at which the connection between LDZs is closed (such that gas does not flow between the LDZs)

(b) an "NTS/LDZ Closed Offtake" at which the connection between the NTS and an LDZ is closed (such that gas does not flow from the NTS to the LDZ)

except in special circumstances as further provided in this Document.

Amend paragraph 3.1.1 to read as follows:

3.1.1 In relation to each Offtake, a Supplemental Agreement (in the form in the OAD Template Agreements Document or in such other form as the Parties may agree), shall be in force between the Parties, setting out such details of the Offtake as are required pursuant to this Document.

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Amend paragraph 3.1.6 to read as follows:

3.1.6 The Supplemental Agreement in relation to the deemed NTS/LDZ Offtake at the NTS Exit Point referred to in TPD Section A1.7.4(b) may refer to the relevant Network Exit Provisions and need not contain the details set out in Part 1 or 2 of the OAD Template Agreements Document.

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Amend paragraph 3.2.2 to read as follows:

3.2.2 In particular, before an LDZ/LDZ Closed Offtake or NTS/LDZ Closed Offtake may cease to be a Closed Offtake, the Parties shall amend the Supplemental Agreement so as to comply (or, as the case may be, enter into a new Supplemental Agreement complying) with the requirements of this Document applicable to LDZ/LDZ Offtakes or NTS/LDZ Offtakes which are not Closed Offtakes.

Add new paragraph 3.2.3. to read as follows:

3.2.3 In the event an Offtake ceases to be an Offtake (including a Closed Offtake) and the Offtake Site becomes a Shared Site the Parties shall enter into a Shared Site Agreement so as to comply with the requirements of this Document applicable to Shared Sites.

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SECTION B – CONNECTION FACILITIES

Amend paragraph 1.2.2 to read as follows:

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1.2.2 At certain Offtake Sites more than one Offtake is located (each such Offtake being a connection between the NTS and a different LDZ (including where the different LDZs are owned and operated by different Parties) or between an LDZ and a different LDZ); and in the context of such an Offtake Site a reference in this Section B is to a Party or Parties in relation to any such Offtake Site.

Amend paragraph 1.2.6 to read as follows:

1.2.6 For each Offtake, the Offtake Site and (in relation to each part or the whole of such Offtake Site) the identity of the Site Owner, details of the Site Owner's Land and (where applicable) the Site User, are set out or described in Appendix A of the Supplemental Agreement.

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Amend paragraph 1.5.1 to read as follows:

1.5.1 The Supplemental Agreement in relation to each Offtake shall contain (in Appendices A, B, C and D) details of the Offtake Site and Connection Facilities as provided in paragraphs 1.2.6 and 2.1.2 respectively (provided that such details may be specified or described generically or by reference to a diagram).

Amend paragraph 1.5.2 to read as follows:

1.5.2 The Parties shall ensure that:

- (a) where a new Offtake is established (or a new Individual Offtake Point is created at an existing Offtake), the Supplemental Agreement includes (or is amended to include) in Appendices A, B, D and E appropriate details (as applicable in accordance with this Section B and Sections D and E, and otherwise as required in the Appendices to the applicable form of Supplemental Agreement in the OAD Template Agreements Document) of the Offtake Site, Connection Facilities, Measurement Equipment and points of telemetry;
- (b) where any Connection Facilities are altered, replaced or relocated pursuant to paragraphs 2.2 or 3.3 below, appropriate amendments to Appendices B and D of the Supplemental Agreement are made in respect of such alteration, replacement or relocation; and
- (c) where any Offtake (or Individual Offtake Point) is decommissioned, the Supplemental Agreement is brought to an end or amended by an appropriate amendment relating to such decommissioning.

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Amend paragraph 2.1.2 to read as follows:

2.1.2 The Connection Facilities installed or to be installed by each Party at an Offtake are specified in Appendices B and D of the Supplemental Agreement.

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Amend paragraph 2.2.3 to read as follows:

2.2.3 Where:

- (a) a Party (the "**Modifying Party**") proposes to alter, replace, relocate or add to any of its Connection Facilities; and
- (b) such alteration, replacement, relocation or addition, and/or any works carried out therefor, will or are reasonably likely to affect any other Party (an "**affected Party**"), including without limitation:
 - (i) ~~interfering with, affecting the compatibility of or otherwise affecting such other Party's Connection Facilities or their operation or maintenance;~~
 - (ii) ~~affecting or causing an interruption in the supply of electricity to the other Party's Connection Facilities or the operation of any electricity equipment comprised in the other Party's Connection Facilities;~~
 - (iii) ~~interfering with or causing an interruption in the operation of NTS Telemetry Facilities or Telemetry Connection Facilities or any shared facilities required for the operation of either such facilities;~~
 - (iv) ~~restricting or preventing the other Party's access to all or part of the Offtake;~~
~~or~~
 - (v) ~~affecting such other Party's rights as Site Owner or Site User or otherwise in relation to the Offtake Site;~~

then the further provisions of this paragraph 2.2 (and where applicable paragraph 3.4) shall apply (for the purposes of which such Connection Facilities as or as proposed to be altered, replaced, relocated or added to are the "**Modified Connection Facilities**").

Amend paragraph 2.6.3 to read as follows:

2.6.3 The Services Party shall provide and continue to provide (as reasonably required by each other Party) such services ("**Site Services**") for the operation and maintenance of the other Party's (or Parties') Connection Facilities as are provided in Appendix ~~C~~ of the Supplemental Agreement.

Amend paragraph 3.8.1 to read as follows:

- 3.8.1 ~~Subject to paragraph 3.8.2, the~~ Site Owner shall at all times provide (as a Site Service in accordance with paragraph 2.6) such security in relation to the Site User's Facilities (and the Site Owner's Land on which they are situated) as it provides in relation to its own Connection Facilities.
- 3.8.2 ~~The Site Owner and the Site User may agree that security for all the Connection Facilities located at a relevant Offtake Site shall be the responsibility of the Site User, in which case the Site User will provide the same security in relation to all Connection Facilities.~~

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3.8.3 The Party responsible for security shall notify each other Party which owns or occupies the Offtake Site of any breach of security in relation to the Connection Facilities as soon as reasonably practicable after becoming aware of such breach.

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3.8.4 For the purposes of paragraph 3.8.2 a "relevant" Offtake Site is a site at which an 'Enhanced Integrated Security Solution' is required by the Department for Business, Energy and Industrial Strategy (BEIS) pursuant to its 'Physical Security Upgrade Programme'.

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ANNEX B-2

Amend Parts 1 and 2 to read as follows:

Part 1 Mandatory Site Services

- (a) Cathodic protection, including:
 - (i) maintaining and testing such cathodic protection systems (and planning for such maintenance in accordance with the provisions for Relevant Maintenance in Section G); and
 - (ii) providing each Site User a report certifying compliance of the cathodic protection systems no later than 14 days after any maintenance or testing in accordance with sub-paragraph (i);

(b) Electricity Supply Services;

(c) Standby Power;

(d) Site security; and

(e) Retention of Site records, including maintenance reports for Site Services.

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Further details relating to the Site Services listed in this Part 1 shall be recorded in the relevant Supplemental Agreement.

Part 2 Other Site Services

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- (a) Water Services;
- (b) Telecommunications Services;
- (c) Site Drainage;
- (d) Welfare Facilities.

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Deleted: <#>Standby Power;¶

SECTION D - MEASUREMENTS

Amend paragraph 2 of Annex D-2 to read as follows:

2. Specific Metering Systems

- For orifice plate metering systems:

BS EN ISO 5167 "Measurement of fluid flow by means of pressure differential devices inserted in circular cross section conduits running full"

- For turbine metering systems:

BS 7834 (ISO 9951) "Specification for turbine meters used for the measurement of gas flow in closed conduits"

- For ultrasonic metering systems:

BS 7965 "The selection, installation, operation and calibration of diagonal path transit time flowmeters for industrial gas applications"

BS ISO/TR 12765 "Measurement of fluid flow in closed circuits. Methods using transit time ultrasonic flowmeters"

AGA 9 "Measurement of Gas by Multipath Ultrasonic Meters"

- For process gas chromatographs:

ISO 10723 (1995) "Natural gas. Performance evaluation for on-line analytical systems"

- For any other measurement system, such standards/guidelines as may be set out in Appendix D to the relevant Supplemental Agreement.

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SECTION E – TELEMETRY, ETC

Amend paragraph 1.2.3 to read as follows:

- 1.2.3 Any variations (from what is provided in Annex E-1) in the points of telemetry in relation to an Offtake are set out in Appendix E to the relevant Supplemental Agreement.

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SECTION F – DETERMINATION OF CALORIFIC VALUE

Amend paragraph 2.3.3 to read as follows:

- 2.3.3 For the purposes of paragraph 2.3.2:

- (a) the DNO has furnished to National Grid NTS at the date of this Document a statement of the Measurement Equipment installed at each such input point and output point, in the form and containing the details which would be required to be contained in Appendices B and D of the Supplemental Agreement relating to an NTS/LDZ Offtake; and
- (b) such statement shall be deemed to be a Supplemental Agreement for the purposes of the application of Section D.

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SECTION G – MAINTENANCE

Amend paragraph 1.2.1 to read as follows:

- 1.2.1 For the purposes of this Document, maintenance (of the NTS or an LDZ) to be carried out by any Party is "**Relevant Maintenance**" in relation to another Party (the "affected" Party) where such maintenance:

- (a) is maintenance ("**Safety Relevant Maintenance**") which can be carried out safely only if the affected Party is aware of the carrying out of such maintenance (whether such maintenance is of a routine or non-routine nature); or
- (b) is maintenance ("**Flow Relevant Maintenance**") of the NTS the carrying out of which (by National Grid NTS) of which has or is likely to have a significant effect upon the ability of a DNO (as affected Party) to cause or permit flows of gas (within its entitlements as DNO User under the Transportation Principal Document) at an NTS/LDZ Offtake; or
- (c) is maintenance the carrying out of which by the downstream Party has or is likely to have a significant effect on the flows of gas at an Offtake which the affected Party (as the upstream Party) has specified under paragraph 1.2.3;
- (d) is maintenance ("**Measurement Equipment Maintenance**") to be carried out by the downstream Party of Measurement Equipment at an Offtake for which the affected Party is the upstream Party; or
- (e) is maintenance of the NTS or a LDZ the carrying out of which requires or is proposed on the basis of the opening of a NTS/LDZ Closed Offtake;
- (f) is maintenance of an LDZ the carrying out of which requires or is proposed on the basis of:
 - (i) the flow of gas at an LDZ/LDZ Offtake outside the Offtake Parameter Values; or
 - (ii) the opening of a LDZ/LDZ Closed Offtake;
 ▼ for which the affected Party is the other Party.

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Amend paragraph 3.5.1 to read as follows:

3.5 Section J Requirements

Deleted: LDZ/LDZ Offtakes

3.5.1 Where (as referred to in paragraph 1.2.1 (f)) any Relevant Maintenance is to be carried out on the basis of:

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- (a) the flow of gas at an LDZ/LDZ Offtake outside the Offtake Parameter Values; or
- (b) the opening of a LDZ/LDZ Closed Offtake;

the Parties shall comply with the applicable requirements of Section J.

Add new paragraph 3.6 to read as follows:

3.6.1 It is acknowledged that the carrying out of certain Relevant Maintenance by a Party may require:

- (a) particular rates of flow in the relevant part of the NTS or (as the case may be) LDZ which can only be achieved with the cooperation of one or more affected Parties to ensure corresponding rates of flow at relevant Offtake(s);
- (b) cooperation of an affected Party for the purposes referred to in paragraph 3.5; ▼

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(c) other cooperation of an affected Party as to the flows or pressures of gas in its System; and

(d) the opening and subsequent re-closing of a Closed Offtake.

3.6.2 The planning Party shall include in the draft Maintenance Programme, and the final (and updated) Maintenance Programme, details of the cooperation which is required from an affected Party in relation to any Relevant Maintenance as described in paragraph 3.6.1.

3.6.3 The affected Party shall:

(a) at the request of the planning Party, discuss and seek to agree upon the steps to be taken by way of such cooperation; and

(b) in any event, for the purposes of paragraph 3.6.1(a), use all reasonable endeavours to cooperate with the planning Party in relation to the carrying out of such Relevant Maintenance with a view to ensuring the required rates of flow at the relevant Offtake(s).

3.6.4 Where:

(a) such cooperation requires the affected Party to operate, adjust or control any part of its System in a particular way; and

(b) such operation, adjustment or control cannot be effected remotely from the affected Party's control centre;

the affected Party may, provided it indicated its intention of doing so when was first requested (in the draft Maintenance Programme or otherwise) to provide such cooperation, recover its costs incurred in sending any personnel to such part of its System to effect such operation, adjustment or control. 3.6.5 The planning Party shall not carry out any Relevant Maintenance as described in paragraph 3.6.1(a) (in relation to an Offtake at which gas may (at different times) flow both to and from an LDZ) or 3.6.1(d) unless and until the planning Party and the affected Party have agreed to the steps to be taken by each of them in relation to such Relevant Maintenance (including in relation to liabilities and the treatment and valuation of any gas flows arising, including in connection with the opening and re-closing of a Closed Offtake).

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SECTION J – LDZ/LDZ OFFTAKES – PLANNING AND OPERATIONAL FLOWS

Amend paragraph 1.3.3 to read as follows:

1.3.3 For each Offtake that is not a LDZ/LDZ Closed Offtake, an Offtake Parameter Statement as at the date of this Document has been issued by the upstream DNO and agreed by the downstream DNO.

Amend paragraph 4.1 to read as follows:

4 LDZ/LDZ Closed Offtakes

4.1 Application of this Section J

4.1.1 In relation to a LDZ/LDZ Closed Offtake, this Section J shall apply on the basis that (without prejudice to Section C2 in the case of a gas supply emergency):

- (a) submissions of planning data are made and the Offtake Parameter Statements issued only:
 - (i) on occasions on which; and
 - (ii) in relation to periods in which;

relevant maintenance of the upstream or downstream LDZ is to be carried out (and accordingly not more than 2 years in advance);
- (b) the submission of planning data shall be a request by the downstream DNO for the temporary opening of the LDZ/LDZ Closed Offtake, and shall include the date(s) on which the LDZ/LDZ Closed Offtake is requested to be opened;
- (c) the Offtake Parameter Values so established shall apply only for the period in which the LDZ/LDZ Closed Offtake is to be opened (and for the avoidance of doubt such values shall be zero at all other times); and
- (d) paragraphs 2.3.1(b)(ii) and 2.3.2 shall not apply.

SECTION N – GENERAL

Amend paragraph 1.2.1 to read as follows:

1.2.1 In this Document, "**Offtake Subsidiary Document**" means each of the following documents:

- (a) the SCO Interface Procedures (referred to in Section C3);
- (b) the Offtake Communications Document (referred to in Section M);
- (c) the Validation Procedures (referred to in Section D3);
- (d) the Emergency Procedures E2 (referred to in Section C2.3);
- (e) the document TD76 (referred to in Section H1.3.1);
- (f) the Transmission System Operator to Distribution System Operator Agreement Guidelines (referred to in Section N9);
- (g) the OAD Template Agreements Document (referred to in Section A3.1.1 and paragraph 3.1.2);
- ~~(h)~~ any other document which may be specified or may be agreed by the Parties to be a Offtake Subsidiary Document.

Amend paragraph 3.1.2 to read as follows:

3.1.2 Each Supplemental Agreement shall be in the form in the Part 1 or 2 (for an NTS/LDZ Offtake) or Part 3 (for an LDZ/LDZ Offtake) of the OAD Template Agreements Document or in such other form as the Parties may agree.

Amend paragraph 3.4.1 to read as follows:

3.4.1 For the avoidance of doubt:

Deleted: 4.1.2 The opening and subsequent re-closing of the Closed Offtake shall itself be planned and carried out as Planned Maintenance in accordance with Section G.¶

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- (a) a Supplemental Agreement is not a part of the Code and may not be modified pursuant to a Code Modification; and
- (b) the forms (in the OAD Template Agreements Document) of the Supplemental Agreement may be modified (or further alternative such forms may be included) pursuant to a decision of the Offtake Committee, but such modification shall have no effect as respects any Supplemental Agreement entered into before such modification.

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Add new paragraph 10 to read as follows:

10 Shared Sites

Commented [Dentons1]: Understand rules re shared sites are still subject to Workgroup discussion.

10.1.1 For the purposes of this paragraph 10:

- (a) a "Shared Site" is a site (which is not an Offtake Site) at which Shared Site Facilities belonging to different Parties are located;
- (b) "Shared Site Facilities" are all the plant, equipment and buildings installed or to be installed at the Shared Site by a Party as may be from time to time specified in a Shared Site Agreement;
- (c) a "Shared Site Agreement" is an agreement between the Parties whose Shared Site Facilities are located at a Shared Site.
- (d) the "Shared Site Agreement Date" is:
 - (i) to the date from which the Shared Site Agreement takes effect; or
 - (ii) in the context of any alteration, replacement or relocation of the Shared Site Facilities, to the date with effect from which the appropriate amendment of the Shared Site Agreement takes effect.

Commented [Dentons2]: So not an Offtake or Closed Offtake, therefore a site at which (absent a new connection being established) there can be no flow of gas between different systems.

Commented [Dentons3]: Confirm no tripartite Shared Sites.

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10.1.2 Each Shared Site Agreement shall be in the form in the Part 4 of the Supplemental Agreement and Shared Site Agreement Template Document or in such other form as the Parties may agree.

10.1.3 A Shared Site Agreement may be amended by the agreement of the Parties and not otherwise; and accordingly a Shared Site Agreement shall not be subject to a modification pursuant to the Modification Rules.

10.1.4 In relation to each Shared Site, a Shared Site Agreement (substantially in the form set out in the OAD Template Agreements Document) shall be in force between the Parties setting out details of the Shared Site.

10.1.5 Where a new Shared Site is established, or any change is made to an existing Shared Site, the Parties will enter into a new Shared Site Agreement or (as the case may be) amend the existing Shared Site Agreement; and where an Offtake (including a Closed Offtake) is to be established at a Shared Site the Parties shall enter into a Supplemental Agreement.

10.1.6 In respect of a Shared Site the provisions of this Document referred to in paragraph 10.1.7 shall apply as if references to an Offtake Site, Connection Facilities, a Supplemental Agreement and the Supplemental Agreement Date where to a Shared Site, Shared Site Facilities, a Shared Site Agreement and the Shared Site Agreement Date.

10.1.7 For the purposes of paragraph 10.1.6 the relevant provisions are as follows:

- (a) Section B1.2.3, 1.2.4, 1.2.5, 1.2.6, 1.2.7, 1.6, 1.8, 2.2, 2.4, 2.5, 2.6, 3 and 6;
- (b) Section C1.1, 3.1, 4.1, 4.2 and 5.1; and
- (c) paragraphs 3.1.3, 3.1.4, 3.3 and 3.4.

APPENDIX 1

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TRANSITION DOCUMENT, PART III

Add new paragraph 5 to read as follows:

5 OAD Template Agreements Document

5.1 The Transporters will co-operate with each other with the view to entering into (as soon as reasonably practicable following the implementation of the Code Modification known as Modification 0683S):

- (a) a new Supplemental Agreement in respect of each Offtake
- (b) a Shared Site Agreement in respect of each Shared Site

in each case substantially in the appropriate form set out in the OAD Template Agreements Document.

5.2 Until such time as the new Supplemental Agreement is entered into in accordance with paragraph 5.1. the Supplemental Agreement previously entered into between the Parties shall remain in full force and effect.

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