

UNIFORM NETWORK CODE – TRANSPORTATION PRINCIPAL DOCUMENT

SECTION R – STORAGE

1 GENERAL

1.1 Introduction

1.1.1 This Section R sets out provisions (in addition to or in substitution for those of Sections I and J) as to the terms on which Users may offtake gas from the Total System for injection to Storage Facilities, and deliver gas withdrawn from Storage Facilities and LNG Importation Facilities to the Total System, and otherwise relating to Storage Connection Points, Storage Facilities and LNG Importation Facilities.

1.1.2 Provisions as to the terms on which National Grid LNG Storage makes available the services of its LNG Facilities are contained in Section Z.

1.2 Storage Facilities and LNG Importation Facilities

1.2.1 For the purposes of the Code:

- (a) a "**Storage Facility**" is a facility:
 - (i) which is directly connected to the Total System;
 - (ii) whose principal purpose is the storage of gas;
 - (iii) in which gas offtaken from the Total System, together with (if any) gas located within a storage facility which has not been injected from the Total System nor any other system or facility ("**native gas**"), and only gas offtaken from the Total System and native gas (if any) may be stored, and from which stored gas may be delivered to the Total System whether or not gas withdrawn from such storage may also be delivered other than to the Total System;
 - (iv) which is not a facility operated and used by the Transporter solely for diurnal storage;
- (b) a "**Storage Operator**" is the person (or several persons jointly) operating a Storage Facility (and, for the avoidance of doubt, National Grid LNG Storage may be a Storage Operator);
- (c) an "**LNG Facility**" is a Storage Facility in which gas is liquefied, stored as liquefied natural gas ("**LNG**") and either:
 - (i) regasified for purposes of withdrawal; or
 - (ii) withdrawn as LNG by tanker(s).
- (d) "**stored gas**" is gas which has been injected into a Storage Facility from the Total System by Storage Users and which Storage Users are entitled to withdraw from the facility in accordance with the relevant Storage Terms (and

accordingly does not include either native gas or gas which has been injected into the Storage Facility from the Total System by the relevant Storage Operator for purposes related to, or otherwise connected with, the operation of the facility).

- (e) **"storage use gas provider"** means in relation to a Storage Facility, the User who, by agreement with the Storage Operator, has responsibility for storage use gas at a Storage Facility.
- (f) an "LNG Importation Facility" is a facility:
 - (i) which is directly connected to the Total System;
 - (ii) whose principal purpose is the receipt of liquefied gas from a sea going vessel, the storage of such liquefied gas and the regasification of such gas for delivery to the Total System;
 - (iii) from which stored gas may be delivered to the Total System whether or not gas withdrawn from such storage may also be delivered other than to the Total System.

1.2.2 Pursuant to Sections I1.2.2 and J1.4.4, a Storage Facility is a Connected Offtake System (in relation to which the Storage Operator is the Connected System Operator) in relation to the Connected System Exit Point, and a Connected Delivery Facility (in relation to which the Storage Operator is the Delivery Facility Operator) in relation to the System Entry Point, at which it is connected to the Total System.

1.2.3 A Storage Operator may be, but shall not (by reason only of having the Storage Facility connected to the Total System) be required to be, a User.

1.2.4 The Entry Point Daily Quantity Delivered and CSEP Daily Quantity Offtaken at the Storage Connection Point in respect of a Storage Facility will be established by means of measurement equipment installed (and operated, maintained, tested and calibrated) by the Transporter or the Storage Operator in accordance with procedures established by the Transporter or the Storage Operator for such purposes (details of which Users may obtain from the Storage Operator).

1.3 Storage Connection Agreement

1.3.1 A **"Storage Connection Agreement"** is a single document constituting (as contemplated by Section J1.4.6) the Network Entry Agreement and the Network Exit Provisions in respect of a Storage Facility.

1.3.2 A Storage Connection Agreement in respect of a Storage Facility:

- (a) will provide that, as a condition to such agreement having effect and continuing to have effect, the Storage Operator has an agreement with one or more Users whereby the User(s) have responsibility for storage use gas;
- (b) will provide that for the purposes of Section B3.5.3, the Storage Operator shall notify the Transporter, by not later than the fifth Business Day of each calendar month:

- (i) the quantity of storage use gas; and
- (ii) the identity of each storage use gas provider

and where there is more than one storage use gas provider, the Storage Operator will in addition notify the Transporter of the quantities of storage use gas attributable to each storage use gas provider (and the quantities so attributed shall in aggregate equal the quantity notified under paragraph (i));

- (c) will specify the procedures, methods and standards by which the quantity of storage use gas in relation to a calendar month is to be calculated; and
- (d) will provide the Transporter with a right to review the Storage Operator's calculations of quantities of storage use gas and will contain procedures for the resolution of any dispute between the Transporter and the Storage Operator as to the proper calculation of a quantity of storage use gas.

1.4 Storage Year

For the purposes of the Code a "**Storage Year**" is a 12 month period from 1 May in any year to the following 30 April.

1.5 References to storage and LNG Importation services

1.5.1 For the purposes of the Code:

- (a) "**Storage Terms**" means the terms and conditions on and subject to which the Storage Operator permits Storage Users or a particular Storage User to utilise the services of the Storage Facility;
- (b) a "**Storage User**" is any person (including the Storage Operator), whether or not such a person is a User, which utilises or is entitled to utilise the services of the Storage Facility;
- (c) "**Applicable Total Storage Space**" is in respect of:
 - (i) a National Grid LNG Storage Facility, the Total Storage Space;
 - (ii) any other Storage Facility, the maximum quantity of gas that the Storage Operator determines can be withdrawn from the facility when full of stored gas;
 - (iii) a LNG Importation Facility, the maximum quantity of gas that the operator of that facility determines can be withdrawn from the facility when full of stored gas;
- (d) "**Applicable Total Storage Deliverability**" is in respect of:
 - (i) a National Grid LNG Storage Facility, the Total Storage Deliverability;
 - (ii) any other Storage Facility, the maximum quantity of gas that the Storage Operator determines can be withdrawn from the facility in a period of 24 hours during the calendar months of January and February in any Storage Year;

- (iii) a LNG Importation Facility, the maximum quantity of gas that the operator of that facility determines can be withdrawn from the facility in a period of 24 hours during the calendar months of January and February in any Storage Year;
- (e) "Applicable Storage Nomination Time" in respect of:
 - (i) a National Grid LNG Storage Facility, is the LNG Storage Injection Nomination Time and/or the LNG Storage Withdrawal Nomination Time (as the case may be);
 - (ii) any other Storage Facility, is the time identified in the relevant Storage Terms after which time the Storage Operator is not required to act on nominations made by the Storage User;
- (f) an "**LNG Importation User**" is any person (including the operator of the LNG Importation Facility), whether or not such a person is a User, which utilises or is entitled to utilise the services of the LNG Importation Facility;
- (g) "**LNG Importation Terms**" means the terms and conditions on and subject to which the operator of an LNG Importation Facility permits LNG Importation Users or a particular LNG Importation User to utilise the services of the LNG Importation Facility;
- (h) "**Isle of Grain LNG Importation Facility**" is the LNG Importation Facility located at the Isle of Grain, Rochester, Kent;
- (i) "**Isle of Grain LNG Importation Facility User**" is any person (including the operator of the Isle of Grain LNG Importation Facility), whether or not such a person is a User, which utilises or is entitled to utilise the services of the Isle of Grain LNG Importation Facility;
- (j) "**Uncommitted**" Storage Space or Storage Deliverability is:
 - (i) in respect of a National Grid LNG Storage Facility, the Maximum Storage Space or Maximum Storage Deliverability less the aggregate Storage Space or Storage Deliverability at such time registered as held by Storage Users or National Grid NTS pursuant to applications, or subject to applications made but not yet approved under Sections K and Z;
 - (ii) in respect of any other Storage Facility, the maximum Storage Space or Maximum Storage Deliverability of that facility less the aggregate Storage Space or Storage Deliverability at such time registered as held by Storage Users pursuant to applications, or subject to applications made but not yet approved under the relevant Storage Terms;
- (k) "**Uncommitted**" LNG Importation Space or LNG Importation Deliverability is the maximum LNG Importation Space or maximum LNG Importation Deliverability of that facility less the aggregate LNG Importation Space or LNG Importation Deliverability at such time registered as held by LNG Importation Users pursuant to applications, or subject to applications made but not yet approved under the relevant LNG Importation Terms;

- (k) (l) "Applicable Storage Space Charge Rate" or "Applicable Storage Deliverability Charge Rate" respectively is:
 - (i) in respect of a National Grid LNG Storage Facility, the amount determined in accordance with Section Z2.6.3;
 - (ii) in respect of any other Storage Facility, the annual rate payable in respect of Storage Space, in pence per kWh of Storage Space, for a Storage Year or (as the case may be) Storage Deliverability, in pence per kWh/Day of Storage Deliverability, for a Storage Year;
 - (i) in respect of a LNG Importation Facility, the annual rate payable in respect of LNG Importation Space, in pence per kWh of LNG Importation Space, for a Storage Year or (as the case may be) LNG Importation Deliverability, in pence per kWh/Day of LNG Importation Deliverability, for a Storage Year;
- (m) **"Storage Space Charge"** is:
 - (i) in respect of a National Grid LNG Storage Facility, the amount determined in accordance with Section Z2.6.2(c);
 - (ii) in respect of any other Storage Facility, a charge in respect of, and determined by reference to the amount of, a Storage User's Storage Space in that Storage Facility calculated in accordance with the relevant Storage Terms;
 - (iii) in respect of an LNG Importation Facility, a charge in respect of, and determined by reference to the amount of, a LNG Importation User's LNG Importation Space in that LNG Importation Facility calculated in accordance with the relevant LNG Importation Terms;
- (n) **"Storage Deliverability Charge"** is:
 - (i) in respect of a National Grid LNG Storage Facility, the amount determined in accordance with Section Z2.6.2(b);
 - (ii) in respect of any other Storage Facility, a charge in respect of, and determined by reference to the amount of, a Storage User's Storage Deliverability in that Storage Facility calculated in accordance with the relevant Storage Terms;
 - (iii) in respect of an LNG Importation Facility, a charge in respect of, and determined by reference to the amount of, an LNG Importation User's LNG Importation Deliverability in that LNG Importation Facility calculated in accordance with the relevant LNG Importation Terms;

1.5.2 In relation to any Storage Facility:

- (a) **"injection"** is the transfer of gas offtaken from the Total System to storage in (or for use in connection with the operation of) the Storage Facility, and **"withdrawal"** is the transfer of gas from storage in the Storage Facility for delivery to the Total System, in each case whether or not the User offtaking or delivering such gas is the same person as the Storage User effecting such transfer;

- (b) a Storage User's "**gas-in-storage**" at any time is the amount in aggregate of gas which (in accordance with the relevant Storage Terms) the Storage User is entitled to withdraw from the Storage Facility (and reflecting its injections to and withdrawals from and any transfers of its entitlements in respect of gas stored in such facility);
- (c) "**Storage Injectability**" is (as the context may require) the capability of the Storage Facility to have gas injected, or the entitlement (pursuant to the relevant Storage Terms) of a Storage User to inject gas into the Storage Facility, expressed as a rate or a quantity in a given period;
- (d) "**Storage Space**" is (as the context may require) the capability of the Storage Facility to have gas stored, or the entitlement (pursuant to the relevant Storage Terms) of a Storage User to have gas-in-storage in the Storage Facility, expressed as a quantity;
- (e) "**Storage Deliverability**" is (as the context may require) the capability of the Storage Facility to have gas withdrawn, or the entitlement (pursuant to the relevant Storage Terms) of a Storage User to withdraw gas from the Storage Facility, expressed as a rate or a quantity in a given period;
- (f) "**Storage Capacity**" means Storage Injectability, Storage Space and Storage Deliverability, or any of them, as the context may require;
- (g) a "**Storage Gas Transfer**" in relation to a Storage Facility, is a transfer (subject to and in accordance with the relevant Storage Terms) of or in respect of Storage Capacity or gas-in-storage; and
- (h) "**Total Storage Duration**" in respect of a Storage Facility is the number of Days obtained by dividing the Applicable Total Storage Space by Applicable Total Storage Deliverability.

1.5.3 In relation to any LNG Importation Facility:

- (a) "**injection**" or "**input**" is the transfer of gas into storage from a sea-going vessel or otherwise into (or for use in connection with the operation of) the LNG Importation Facility, and "**withdrawal**" is the transfer of gas from storage in the LNG Importation Facility for delivery to the Total System, whether or not the User delivering such gas is the same person as the LNG Importation User effecting such transfer;
- (b) an LNG Importation User's "**gas-in-storage**" at any time is the amount in aggregate of gas which (in accordance with the relevant LNG Importation Terms) the LNG Importation User is entitled to withdraw from the LNG Importation Facility (and reflecting its injections to and withdrawals from and any transfers of its entitlements in respect of gas stored in such facility);
- (c) "**LNG Importation Injectability**" is (as the context may require) the capability of the LNG Importation Facility to accept gas injected, or the entitlement (pursuant to the relevant LNG Importation Terms) of an LNG Importation User to inject gas into the LNG Importation Facility, expressed as a rate or a quantity in a given period;

- (d) **"LNG Importation Space"** is (as the context may require) the capability of the LNG Importation Facility to have gas stored, or the entitlement (pursuant to the relevant LNG Importation Terms) of an LNG Importation User to have gas-in-storage in the LNG Importation Facility, expressed as a quantity;
- (e) **"LNG Importation Deliverability"** is (as the context may require) the capability of the LNG Importation Facility to have gas withdrawn, or the entitlement, (pursuant to the relevant LNG Importation Terms) of an LNG Importation User to withdraw gas from the LNG Importation Facility, expressed as a rate or a quantity in a given period;
- (f) **"LNG Importation Capacity"** means LNG Importation Injectability, LNG Importation Space and LNG Importation Deliverability, or any of them, as the context may require;
- (g) a **"Storage Gas Transfer"** in relation to an LNG Importation Facility, is a transfer (subject to and in accordance with the relevant LNG Importation Terms) of or in respect of LNG Importation Capacity or gas-in-storage;

1.6 Simultaneous offtakes and deliveries

A Storage Connection Agreement may provide for the application of Section E1.9, irrespective of whether there is a Storage Balancing Arrangement in force pursuant to paragraph 2.2, provided that Section E1.9.4 may be substituted by provisions in the relevant Storage Connection Agreement.

1.7 National Grid LNG Storage

1.7.1 For the purposes of the Code:

- (a) **"National Grid LNG Storage"** means National Grid NTS acting as operator of the National Grid LNG Storage Facilities (whether or not, pursuant to Special Condition C2(7) of National Grid NTS's Transporter's Licence, the arrangements which relate to the utilisation of such facilities are for the time being arrangements falling within Special Condition C2(6) thereof); and
- (b) **"National Grid LNG Storage Facilities"** means the LNG Facilities which are from time to time operated by National Grid NTS and are located at Glenmavis, Partington, Dynevor Arms and Avonmouth.

1.7.2 In relation to each of the National Grid LNG Storage Facilities there shall be a document, in the form of a Storage Connection Agreement, which shall act and take effect for the purposes of the Code as a Storage Connection Agreement in respect of the relevant Storage Connection Point and this Section R shall apply (in relation to such National Grid LNG Storage Facility) by reference to such document as though such document were enforced (as a Storage Connection Agreement) by National Grid NTS consistently with its enforcement of Storage Connection Agreements with other Storage Operators.

1.7.3 National Grid LNG Storage may be a User for the purposes of the Code.

1.8 National Grid NTS as Storage User and LNG Importation User

1.8.1 National Grid NTS may be:

- (a) a Storage User in respect of Storage Facilities for Operating Margins purposes pursuant to Section K;
- (b) an LNG Importation User in respect of LNG Importation Facilities for Operating Margins purposes pursuant to Section K.

1.8.2 Where National Grid NTS (as Storage User) has agreed (pursuant to the relevant Storage Connection Agreement or the relevant Storage Terms) with the Storage Operator, for Operating Margins Purposes terms and conditions for the provision of storage services which differ from the published standard Storage Terms applying to other Storage Users, copies of any such agreed differences shall be made available to Users on request.

1.9 Offtake and input requirements

1.9.1 The Transporter may require, as a condition of a User applying for or holding NTS Entry Capacity or delivering gas to the Total System at a Storage Connection Point, that the User has complied with such conditions as may be specified in the relevant Storage Connection Agreement.

1.9.2 The Transporter may require, as a condition of a User applying for or holding NTS Entry Capacity or delivering gas to the Total System at a System Entry Point in respect of an LNG Importation Facility, that the User has complied with such conditions as may be specified in the relevant Network Entry Agreement.

1.10 Scottish Independent Networks and National Grid LNG Storage

The relevant Transporter will enter into an arrangement with National Grid LNG Storage (in accordance with Section Z) in respect of a National Grid LNG Storage Facility, pursuant to which the relevant Transporter may withdraw gas from the facility as LNG loaded on to road tankers, for the purposes of enabling the relevant Transporter to provide Scottish Independent Networks with LNG as provided in Section B1.9.2.

1.11 DNO Users

In this Section R references to Users exclude DNO Users.

2 TERMS RELATING TO STORAGE FACILITIES

2.1 Storage Nomination Arrangements

2.1.1 For the purposes of the Code:

- (a) "**Storage Injection Nomination**" in respect of a Storage Facility is a nomination in respect of a quantity of gas to be injected into the Storage Facility;
- (b) a "**Storage Withdrawal Nomination**" in respect of a Storage Facility is a nomination in respect of a quantity of gas to be withdrawn from the Storage Facility;
- (c) a "**Storage Nomination**" is a Storage Injection Nomination or a Storage

Withdrawal Nomination;

- (d) a "**Storage Renomination**" is a Storage Nomination which is made before or after (in each case to the extent permitted by the relevant Storage Terms) the Applicable Storage Nomination Time and which revises an earlier Storage Nomination (including a Storage Renomination); and
- (e) "**Storage Nomination Quantity**" is the quantity nominated for injection or withdrawal under a User's prevailing Storage Nomination.

3 OFFTAKE OF GAS AT STORAGE CONNECTION POINTS

3.1 NTS Exit Capacity

- 3.1.1 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 3.1, the User may elect to hold (and pay NTS Exit Capacity Charges in respect of) NTS Exit Capacity at the Storage Connection Point.
- 3.1.2 For the purposes of this paragraph 3, 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 3.1.1);
 - (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.

3.2 Interruption

- 3.2.1 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.
- 3.2.2 Sections G6.7.3 (other than G6.7.3(b)) and G6.7.4 shall apply in respect of interruption under paragraph 3.2.1 at a Storage Connection Point.
- 3.2.3 Storage CSEP Users shall secure compliance with any SCP Interruption Notice and

shall be responsible for submitting Output Renominations accordingly.

- 3.2.4 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.
- 3.2.5 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.

3.3 Days of interruption

- 3.3.1 The number of Days on which the Transporter requires interruption at a Storage Connection Point shall be determined in accordance with Section G6.7.5.
- 3.3.2 For the purposes of this paragraph 3, Section G6.5 (other than G6.5.6, 6.5.8 and 6.5.9) shall apply.
- 3.3.3 The Transporter will not require interruption at a Storage Connection Point on more than 15 Days outside the Winter Period in any Gas Year.

3.4 Failure to interrupt

- 3.4.1 Section G6.5 (other than G6.5.6) shall apply for the purposes of this paragraph 3, subject as follows.
- 3.4.2 For the purposes of Section G6.9.2(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 3.2.1(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.
- 3.4.3 For the purposes of Section G6.9.2(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 3.2.1(b)) of offtake (in MW) required by such interruption.
- 3.4.4 Section G6.9.8 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 Section G6.9.7.

- 3.4.5 Subject to paragraph 3.4.6, 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 3.4.1 in respect of a Day in the proportions of their respective Interruptible UDQOs in respect of the Storage Connection Point.
- 3.4.6 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 3.4.1 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 3.4.5 shall not apply, and Storage CSEP Users will be liable for such amounts in accordance with the agent's notification to the Transporter.

3.5 Interpretation

- 3.5.1 In this paragraph 3 "**Storage CSEP User**" means a CSEP User in respect of a Storage Connection Point.
- 3.5.2 Where any provision of Section G6 is to apply for the purposes of this paragraph 3, such references in Section G6 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 this paragraph 3) in the second such column:

Section G6	This paragraph 3
Interruption	Interruption under paragraph 3.2
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 Section G6.7.2(b)	The requirement for interruption under paragraph 3.2
TNI Supply Point	A Storage Connection Point subject to a designation by the Transporter pursuant to Section G6.5.1

4 CONSTRAINED STORAGE

4.1 Introduction

- 4.1.1 The Storage Facilities for which National Grid LNG Storage is the Storage Operator at Dynevor Arms and Avonmouth are each a "**Constrained Storage Facility**" in relation

to a Storage Year for the purposes of this paragraph 4.

- 4.1.2 National Grid NTS shall be entitled to require Storage Users to nominate gas for withdrawal from a Constrained Storage Facility in accordance with this paragraph 4.
- 4.1.3 Where any Storage Facility is to be a Constrained Storage Facility for a Storage Year, National Grid NTS will, not later than 1 March before the start of such 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 this paragraph 4, to a Constrained Storage Facility;
 - (b) the rate of flow ("**Constrained Threshold Demand Flow**") at a Constrained Storage Point at which National Grid NTS may make Constrained Storage Renominations in respect of the relevant Constrained Storage Facility;
 - (c) the Capacity Charges for NTS Entry Capacity at the relevant Storage Connection Point; and
 - (d) a percentage for each Week in the Winter Period for the purposes of paragraph 4.4.3.
- 4.1.4 The Storage Operator and National Grid NTS will (and National Grid NTS is authorised to) provide to each other all such information concerning Users holding Storage Space in a Constrained Storage Facility (including details of their gas-in-storage and Storage Space) as may be required to give effect to this paragraph 4; and National Grid NTS may delegate to the Storage Operator the making of any determination which is required for the implementation of this paragraph 4.
- 4.1.5 This paragraph 4 shall not apply to National Grid NTS when acting for Operating Margins Purposes as a Storage User of a Constrained Storage Facility, and references in this paragraph 4 to Users do not include a reference to National Grid NTS when so acting.
- 4.1.6 The amounts payable by Users by way of Capacity Charges for NTS Entry Capacity at the Storage Connection Point at a Constrained Storage Facility shall be adjusted on the basis set out in National Grid NTS's Transportation Statement.

4.2 Constrained Storage Renominations

- 4.2.1 Each User holding Storage Space in a Constrained Storage Facility authorises National Grid NTS to make an Input Nomination ("**Constrained Storage Renomination**") in respect of the relevant Storage Connection Point on behalf of the User in accordance with this paragraph 4.
- 4.2.2 Subject to paragraph 4.4, a Constrained Storage Renomination will be made as a Renomination, including a New Renomination where the relevant User has not already made an Input Nomination in respect of the relevant Storage Connection Point (and accordingly will not be made by the Applicable Storage Nomination Time).
- 4.2.3 National Grid NTS may make Constrained Storage Renominations in respect of a

Constrained Storage Facility in respect of any Day (a "**Constrained Storage Day**") where at 16:00 on the Preceding Day and/or at any subsequent Demand Forecast Time, the forecast flow, at the relevant Constrained Point, exceeds the Constrained Threshold Demand Flow; and where National Grid NTS makes a Constrained Storage Renomination, it will notify Users of the forecast flow at the Constrained Point.

- 4.2.4 The Nomination Quantity ("**Constrained Nomination Quantity**") under a Constrained Storage Renomination shall be:
- (a) in the case of a National Grid LNG Storage Facility, the Storage Constrained Nomination Quantity determined in accordance with Section Z6.9; and
 - (b) in the case of any other Storage Facility, the quantity determined in accordance with the relevant Storage Terms.
- 4.2.5 Without prejudice to Section Z6.2.8, on a Constrained Storage Day a User may not make any Renomination in respect of the relevant Storage Connection Point to reduce the Constrained Nomination Quantity (and any such Renomination purportedly made may be disregarded); provided that a User may post a Market Offer to effect a Locational Market Transaction in relation to which the User agrees to make an Acquiring Trade Nomination for the System Entry Point comprising the relevant Storage Connection Point for a Constrained Storage Day.
- 4.2.6 Where, on a Constrained Storage Day after Constrained Storage Renominations have been made, actual flow for a Constrained Point increases, National Grid NTS will notify Users and may make further Constrained Storage Renominations in accordance with this paragraph 4.
- 4.2.7 Where, on a Constrained Storage Day after Constrained Storage Renominations have been made, actual flow in respect of a Constrained Point is reduced to less than 90% of the Constrained Threshold Demand Flow, National Grid NTS will notify Users and revise the Constrained Storage Renominations such that the Constrained Nomination Quantities are, in the case of Constrained Storage Renominations:
- (a) in respect of a National Grid LNG Storage Facility, equivalent to the Storage Constrained Nomination Quantities determined in accordance with Section Z6.9.4; and
 - (b) in respect of any other Storage Facility, equivalent to the quantities determined in accordance with the relevant Storage Terms.
- 4.2.8 The aggregate amount ("**Total Constrained Quantity**") of gas for which National Grid NTS on a Constrained Storage Day makes Constrained Storage Renominations in respect of a Constrained Storage Facility shall not exceed either:
- (a) the maximum Storage Deliverability for that facility (as specified in the Storage Connection Agreement or otherwise agreed between National Grid NTS and the Storage Operator); or
 - (b) the aggregate amount of all Users' gas-in-storage in that facility on the relevant Day.

4.3 Effect of nomination

- 4.3.1 The relevant Storage Terms will provide in relation to a User holding Storage Space in a Constrained Storage Facility to authorise the Storage Operator to deliver gas to the Total System at the Storage Connection Point pursuant to a Constrained Storage Renomination.
- 4.3.2 Users will be responsible for ensuring they have sufficient Storage Deliverability to enable any Constrained Storage Renomination to be complied with, and National Grid NTS will not be concerned with any question whether the Storage Renomination Quantity exceeds the User's Storage Deliverability in the Constrained Storage Facility; and the Storage Connection Agreement will require the Storage Operator to comply with the Constrained Storage Renomination irrespective of whether it will (in accordance with the Storage Terms) result in the User becoming liable for any charge to the Storage Operator.

4.4 Minimum inventory requirements

- 4.4.1 Subject to paragraph 4.4.4, on each Day in each week in the Winter Period, a User's gas-in-storage in each Constrained Storage Facility shall not be less than the Weekly Minimum Requirement.
- 4.4.2 Each User holding Storage Space in a Constrained Storage Facility shall secure that the requirement in paragraph 4.4.1 is at all times in the Winter Period satisfied.
- 4.4.3 For each User the **"Weekly Minimum Requirement"** for a Constrained Storage Facility in respect of any week in the Winter Period is the amount determined as the relevant percentage of the User's Available Storage Space (as defined in Section Z), for which purpose the relevant percentage is the percentage set out in respect of such week for such facility in the Constrained Storage Document; and the **"Aggregate Weekly Minimum Requirement"** in respect of any such week is the amount determined as the relevant percentage of the Maximum Storage Space (less Storage Space held by National Grid NTS for Operating Margins Purposes) in the Constrained Storage Facility.
- 4.4.4 Without prejudice to paragraph 4.4.5, the requirement in paragraph 4.4.1 shall not be treated as not being satisfied where by reason of a Constrained Storage Renomination a User's gas-in-storage in a Constrained Storage Facility becomes less than the Weekly Minimum Requirement.
- 4.4.5 Where at any time in the Winter Period a User's gas-in-storage in a Constrained Storage Facility is for the time being less than the Weekly Minimum Requirement (whether or not as a result of any Constrained Storage Renomination), the User may not make any Input Nomination in respect of the relevant Storage Connection Point for the relevant Constrained Storage Facility; but National Grid NTS may continue to make Constrained Storage Renominations in accordance with this paragraph 4.
- 4.4.6 National Grid NTS may but shall not be required to reject an Input Nomination in respect of the relevant Storage Connection Point for the Constrained Storage Facility which would result in the requirement in paragraph 4.4.1 ceasing to be satisfied or is made at a time at which such requirement is not satisfied.
- 4.4.7 Where as respects any User and any Constrained Storage Facility:
 - (a) on the first Day of the Winter Period the requirement in paragraph 4.4.1 is not

satisfied; or

- (b) on any other Day in the Winter Period (subject to paragraph 4.4.4) the requirement in paragraph 4.4.1 ceases to be satisfied

paragraph 4.4.8 shall apply.

4.4.8 In the circumstances in paragraph 4.4.7:

- (a) the Storage Connection Agreement and Storage Terms will provide that, or will provide that National Grid NTS may elect that (on such terms as between the Storage Operator and User, as may be provided in the Storage Terms) the Storage Operator (as User) shall make Output Nominations in respect of the Storage Connection Point (for injection to the Constrained Storage Facility), on or as soon as reasonably practicable after the relevant Day under paragraph 4.4.7, for a quantity or quantities equal in aggregate to the relevant quantity (and may but shall not be obliged to secure the delivery to the Total System of a quantity of gas not exceeding the relevant quantity);
- (b) such injection quantity(ies) will be treated as injected by the User to the Constrained Storage Facility, for the purposes of the relevant Storage Terms, but will not be treated as offtaken from the Total System by the User.

4.4.9 For the purposes of paragraph 4.4.8 the relevant quantity is the amount by which the User's gas-in-storage in the relevant Constrained Storage Facility was, on the relevant Day under paragraph 4.4.7, less than the Weekly Minimum Requirement.

4.4.10 A User will not make a Storage Withdrawal Nomination which would result in the requirement in paragraph 4.4.1 ceasing to be satisfied or at a time at which such requirement is not satisfied.

