

UNIFORM NETWORK CODE – OFFTAKE ARRANGEMENTS DOCUMENT

SECTION A

SCOPE AND CLASSIFICATION

1 Introduction and Participation

1.1 Offtake Arrangements Document

- 1.1.1 This Offtake Arrangements Document sets out rights and obligations as between the Transporters in relation to the connections between, and the planning, maintenance and operation of, their respective Systems, and the implementation of certain provisions of the Transportation Principal Document.
- 1.1.2 The obligations of any Party to make gas available for offtake by another Party from its System are contained in the Transportation Principal Document, and nothing in this Document establishes or constitutes such an obligation.
- 1.1.3 This Section A sets out:
 - (a) provisions (in addition to those of TPD Section A) relating to the classification of Systems and System Points for the purposes of this Document;
 - (b) the basis on which specific details relating to particular such System Points are to be recorded;
 - (c) the basis on which gas flows between Systems are to be treated for certain purposes under this Document.

2 Offtake Definition

2.1 Offtake

- 2.1.1 An "**Individual Offtake Point**" is an Individual System Point which is the point of connection between:
 - (a) the NTS and an LDZ; or
 - (b) two LDZs which are not comprised in the same Distribution Network;
 comprising a single pipe at which gas can flow from the NTS into the LDZ or (as the case may be) from one of such LDZs to the other.
- 2.1.2 An "**Offtake**" is one or more Individual Offtake Points, located on the same site, at each of which gas can flow into the same LDZ.
- 2.1.3 The Individual Offtake Point(s) comprised in an Offtake are specified in the relevant Supplemental Agreement.
- 2.1.4 An "**NTS/LDZ Offtake**" is an Offtake at which gas can flow from the NTS into an LDZ.

2.2 LDZ/LDZ Offtakes

- 2.2.1 An "**LDZ/LDZ Offtake**" is an Offtake at which gas can flow from one LDZ into another LDZ.
- 2.2.2 A "**Bi-directional LDZ Offtake**" is an LDZ/LDZ Offtake at which gas may (at different times) flow both to and from each LDZ.

- 2.2.3 A "**Closed Offtake**" is an LDZ/LDZ Offtake at which the connection between LDZs is closed (such that gas does not flow between the LDZs) except in special circumstances as further provided in this Document.

2.3 Upstream and downstream Party

- 2.3.1 In relation to any Offtake, subject to paragraph 2.3.2:

- (a) the "**upstream**" System is the NTS or (as the case may) the LDZ from which gas flows at such Offtake;
- (b) the "**downstream**" System is the LDZ to which gas flows at such Offtake;
- (c) the "**upstream**" Party is the Party which operates the upstream System;
- (d) the "**downstream**" Party (or DNO) is the Party which operates the downstream System.

- 2.3.2 In relation to a Bi-directional LDZ Offtake, for the purposes of this Document (except as provided in Section J) one of the DNOs will be treated as being the upstream Party and the other of them as the downstream Party, as provided in the relevant Supplemental Agreement.

2.4 LDZ System Entry Points

- 2.4.1 In accordance with the Transportation Principal Document, an LDZ System Entry Point is a System Point other than an Offtake at which gas may flow into an LDZ.

3 Supplemental Agreements

3.1 General

- 3.1.1 In relation to each Offtake, a Supplemental Agreement (substantially in the applicable form in the Appendix to this Document) shall be in force between the Parties, setting out such details of the Offtake as are required pursuant to this Document.
- 3.1.2 In accordance with the further provisions of this Document, the nature and extent of the details of an Offtake which are required to be set out in a Supplemental Agreement may vary according to the nature of the Offtake.
- 3.1.3 The downstream Party shall not cause or permit gas to flow at an Offtake unless there is in force a Supplemental Agreement in respect of that Offtake, subject to paragraph 3.1.5.
- 3.1.4 For each Offtake in existence at the date of this Document, a Supplemental Agreement has been entered into and is effective with effect from the date of this Document, subject to paragraph 3.1.5.
- 3.1.5 The Parties acknowledge that there may be LDZ/LDZ Offtakes in existence of which they are not aware (and for which accordingly no Supplemental Agreement has been entered into); and where any Party identifies such an Offtake:
- (a) it shall promptly notify the other Party, and the Parties shall discuss the matter and seek to agree and enter into a Supplemental Agreement;
 - (b) the requirement in paragraph 3.1.1 shall not apply:
 - (i) until and unless the upstream Party has reasonably determined and given notice to the downstream Party that the absence of a Supplemental Agreement has material adverse consequences for the upstream Party, or

- (ii) if (upon the application of the downstream Party) the Authority gives Condition A11(18) Disapproval to such requirement applying; and
 - (c) for the purposes of TPD Section J, there shall be deemed to be Network Exit Provisions in force in respect of such Offtake, unless the requirement in paragraph 3.1.1 applies (pursuant to paragraph (b)) and is not satisfied.
- 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 in the Appendix.
- 3.1.7 Further provisions in relation to Supplemental Agreements are contained in Section N3.

3.2 New and changed Offtakes

- 3.2.1 Where a new Offtake is to be established, or any change is to be made in relation to an existing Offtake, the Parties shall enter into a new Supplemental Agreement or (as the case may be) amend the existing Supplemental Agreement in accordance with Sections B1.5.2 and N3.2.
- 3.2.2 In particular, before an LDZ/LDZ 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 which are not Closed Offtakes.

4 Gas flows at Offtakes

4.1 Users responsible for flows

- 4.1.1 Where gas flows from the upstream System to the downstream System at an Offtake, that gas is offtaken from the upstream System and delivered to the downstream System by Shipper Users pursuant to and as provided in TPD Section J.
- 4.1.2 A reference in this Document to a Party offtaking gas from the upstream System at an Offtake is to be construed in accordance with TPD Section J1.3.4, that is as a reference to the Party causing or permitting the flow, or a change in the flow, of gas from the upstream System to the downstream System; and references to the offtake of gas at an Offtake shall be construed accordingly.

4.2 Point of Offtake

- 4.2.1 The applicable Supplemental Agreement will identify (by description or a diagram or both) a point of offtake ("**Point of Offtake**") at each Individual Offtake Point comprised in an Offtake.
- 4.2.2 The point at which risk and title in gas pass from the upstream Party to Shipper Users, and from Shipper Users to the downstream Party, at an Offtake shall be the Point of Offtake.

