

Draft Modification Report
(Alternative to Mod 0282A), Introduction of a process to manage Vacant sites
Modification Reference Number 0282 / 0282A
Version 1.0

This Draft Modification Report is made pursuant to Rule 9.1 of the Modification Rules and follows the format required under Rule 9.4.

1 The Modification Proposal

Background

Within the current economic climate there are a large number of domestic and commercial properties that have become vacant. In England alone it is estimated that there are approximately 700,000 homes unoccupied, of which over 300,000 have been vacant for more than six months¹. However despite this fact gas Shippers are unable to effectively reduce their settlement and transportation cost exposure to these sites, as:

- An AQ for a site can only be amended by obtaining meter readings
- A Shipper/Supplier cannot obtain access to the site to obtain meter readings
- The Shipper has no redress to change the AQ of the site to reduce costs

This problem was considered in great detail in relation to the electricity market in 2005 under Issue 14² of the Balancing and Settlement Code and subsequently resulted in the successful introduction of MOD196³ (“Treatment of Long Term Vacant Sites in Settlement”). Modification 196 was introduced in February 2007 and since introduction 50,000 sites have gone through the electricity Vacant process.

The basis of MOD196 is that where a Supplier receives two “notification of failure to obtain reading” flows, with the “site visit check code” noted as “not occupied”, of more than 3 months and no more than seven months apart, they can apply for the site to have the Estimated Annual Quantity (EAC) set to zero. (Mod196 has subsequently been amended (P245) to change the timescales for submission of the site check code to “not less than 75 calendar days and not more than 215 calendar days” to ensure more equitable treatment for Suppliers who operate a quarterly meter read cycle).

Exclusions apply within the process and there are monitoring and ongoing management requirements for sites assigned Vacant status and rules to outline when a site no longer qualifies.

At the present time in the gas market the AQ for a site can only be brought down, where metering readings suggest that there has been a reduction in the gas consumed at a site. However, with a vacant site a Shipper/Supplier cannot gain access to the site to determine that there has been no consumption. In certain circumstances, a warrant can be obtained through the courts however this is a costly procedure and requires a

¹ Study by Empty Homes for the 2008 period – www.emptyhomes.com and details outlined on the Parliament website www.uk-parliament.co.uk

² [http://www.elexon.co.uk/documents/modifications/196/P196_attachment_1_\(issue14_report_v1.0\).pdf](http://www.elexon.co.uk/documents/modifications/196/P196_attachment_1_(issue14_report_v1.0).pdf)

³ <http://www.elexon.co.uk/documents/modifications/196/p196.pdf>

considerable amount of time and effort. It is therefore the case that the Shipper is left with no re-address in respect of changing the AQ of the site or reducing transportation costs to the site.

Proposal

0282A

For clarity the only changes to the Modification 0282 proposal are:

1. That Shippers must confirm a site is still vacant once every 215 days.
2. That vacant sites remain in the RbD process, and
3. Shippers must ensure they comply with the business rules set out in Appendix One of this Proposal. It is intended that these rules will form part of the UNC document itself.

It is proposed that a new process be established under the UNC, where a Shipper can reduce their cost exposure to vacant sites, through a process similar to what exists in the electricity market. It is intended at this time that the Vacants process, if implemented, be applied to sites with an Annual Quantity of <73,200kWh. Discussions within the Distribution Workstream to develop a solution to include DM and NDM LSP sites have highlighted a number of areas of concern and as such may require detailed business rules in order to deliver a Vacants solution. In order to expedite the development and delivery of a workable approach for dealing with Vacants within the NDM SSP market sector, this Proposal as been amended to exclude NDM LSP and DM sites at this time.

It is proposed that a site classified as Vacant would be excluded from commodity charging. For the avoidance of doubt, capacity charging would be retained (LDZ Capacity (ZCA), Customer Capacity (CCA), NTS Exit (NNX)). Shippers/Suppliers would continue to apply the isolation and withdrawal process where is deemed appropriate. Shippers will warrant their Suppliers will comply with SPAA Schedule / Shippers will be obligated to ensure Suppliers comply with business rules set out in Appendix One of this Proposal.

In addition a Change Proposal will be raised to SPAA to introduce a Schedule which outlines the procedure to be followed where a Supplier has identified that a premise with an Annual Quantity of <73,200kWh qualifies as vacant and what appropriate action should be taken by Suppliers when managing vacant premises.

It is also proposed that Transporters should provide monthly reports to each Registered User for relevant MPRNs included within the Vacants process.

Business Rules – Introduction of a process to manage Vacant Sites

Modification 0282

1. The Supply Point must be in the requesting Registered Users ownership
2. The Supply Point must be NDM SSP.
3. The Supply Meter Point does not form part of a Sub-Deduct Arrangement.
4. The Registered User will warrant that it has received two notifications from the Meter Read Agent to verify that it is a vacant premise. These attempts must be no less than 75, and no more than 215 calendar days apart.
5. Where a Shipper wishes to utilise the Vacant Site Process and an NDM SSP has been identified as qualifying as Vacant, the Registered User shall notify the Transporter.
6. On receipt of the notification, the Transporter shall amend the Supply Point Register to reflect that the NDM SSP is Vacant providing the previous meter status is live.
7. Following the update to the Supply Point Register, and at D+7 in accordance with UNC, Section H2, NDM SSP Demand will cease to be determined in respect of that NDM Supply Meter Point (Commodity Charging & RbD market Share).
8. The Supply Meter Point will remain within the AQ Review process.
9. Where a NDM SSP increases AQ during the review to a point where it would become LSP, the Transporter will remove it from the Vacants process. This would then be subject to Mod 640 Business as Usual processes. The Transporter will notify the Shipper. For the avoidance of doubt where the NDM SSP increases AQ but remains as a NDM SSP, it will remain in the vacants process
10. Where a Supply Meter Point status is Vacant, the Registered User of the Supply Point will continue to be responsible for the supply point, capacity charges (LDZ Capacity (ZCA), Customer Capacity (CCA), NTS Exit (NNX)), but not commodity charges.
11. Where the Registered User acquires evidence that the Supply Meter Point no longer qualifies as Vacant, the Registered User will notify the Transporter at the earliest opportunity.
12. Where a Supply Meter Point is flagged as Vacant, and the Transporter identifies that it is /no longer Vacant, the Transporter will take such actions to notify the Shipper. Where the Registered User receives such notification, they will investigate and remove from the Vacant process.
13. Where the Registered User notifies the Transporter that the NDM SSP no longer qualifies as Vacant e.g isolated or live, the Transporter will update the

Supply Point Register to reflect the appropriate status.

14. Where a NDM SSP has been flagged as Vacant, and subsequently, meter readings are provided by the Registered User to the Transporter, upon receipt of the first meter reading, no action is required to remove the Supply Meter Point from the Vacants process. Where a 2nd meter reading is provided and there is a consumption advance, the Registered User shall remove the NDM SSP from the Vacants Process. The Transporter will provide each Registered User with a monthly report of meter readings received.
15. Relevant charges will re-commence from D+7 following the Shippers notification of status change.
16. Where an NDM SSP maintains a status of Vacant for a continuous period of 24 months, the Registered User will take reasonable steps to Isolate or set to live the NDM SSP.
17. In the event of a change of Registered User the status of Vacant will be removed.

Modification 0282A

Partaking Shippers must ensure that their contracted Suppliers adhere to the following rules. Shippers bear full responsibility for compliance and in entering a site in to the vacants process the Shipper warrants that it is satisfied that it complies.

1. The Supply Point must be in the requesting Registered Users ownership
2. The Supply Point must be NDM SSP.
3. The Supply Meter Point does not form part of a Sub-Deduct Arrangement.
4. The Registered User will warrant that it has received two notifications from the Meter Read Agent to verify that it is a vacant premise. These attempts must be no less than 75, and no more than 215 calendar days apart.
5. Where a Shipper wishes to utilise the Vacant Site Process and an NDM SSP has been identified as qualifying as Vacant, the Registered User shall notify the Transporter.
6. On receipt of the notification, the Transporter shall amend the Supply Point Register to reflect that the NDM SSP is Vacant providing the previous meter status is live.
7. Following the update to the Supply Point Register, and at D+7 in accordance with UNC, Section H2, NDM SSP Demand will cease to be determined in respect of that NDM Supply Meter Point (Commodity Charging & RbD market Share). For clarity, vacant sites will still count towards a Shipper's RbD market share.
8. The Supply Meter Point will remain within the AQ Review process.
9. Where a NDM SSP increases AQ during the review to a point where it would

become LSP, the Transporter will remove it from the Vacants process. This would then be subject to Mod 640 Business as Usual processes. The Transporter will notify the Shipper. For the avoidance of doubt where the NDM SSP increases AQ but remains as a NDM SSP, it will remain in the vacants process

10. Where a Supply Meter Point status is Vacant, the Registered User of the Supply Point will continue to be gas offtaken.
11. Where the Registered User acquires evidence that the Supply Meter Point no longer qualifies as Vacant, the Registered User will notify the Transporter at the earliest opportunity.
12. Where a Supply Meter Point is flagged as Vacant, and the Transporter identifies that it is /no longer Vacant, the Transporter will take such actions to notify the Shipper. Where the Registered User receives such notification, they will investigate and remove from the Vacant process.
13. Where it has been identified by the Transporter that gas was, or is being offtaken at a NDM SSP during such period as was identified as 'Vacant', the relevant User shall be liable for all charges (including without limitation Transportation Charges) as if it has not been Vacant.
14. Where the Registered User notifies the Transporter that the NDM SSP no longer qualifies as Vacant e.g isolated or live, the Transporter will update the Supply Point Register to reflect the appropriate status.
15. Where a NDM SSP has been flagged as Vacant, and subsequently, meter readings are provided by the Registered User to the Transporter, upon receipt of the first meter reading, no action is required to remove the Supply Meter Point from the Vacants process. Where a 2nd meter reading is provided and there is a consumption advance, the Registered User shall remove the NDM SSP from the Vacants Process. The Transporter will provide each Registered User with a monthly report of meter readings received.
16. Relevant charges will re-commence from D+7 following the Shippers notification of status change.
17. Where an NDM SSP maintains a status of Vacant for a continuous period of 24 months, the Registered User will take reasonable steps to Isolate or set to live the NDM SSP.
18. In the event of a change of Registered User the status of Vacant will be removed.
19. Shippers must warrant that a site within the vacants process remains vacant at least once every 215 calendar days. This will be done by providing the Transporter with details of a meter reading agent notification that the site is vacant. Such a notification will have been provided by the meter reading agent since the last valid warranty to the Transporter.
20. If a Shipper fails to do complete the action outlined in point 19, the status of vacant will be removed.

Reporting Requirements

Transporter to provide monthly reports to each Registered User for a relevant MPRN detailing;

Details of each NDM SSP with a status of Vacant.

MPRN	Shipper Short Code	AQ	Date of entry to vacant process (D+7)
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Details of NDM SSP removed from Vacants

MPRN	Shipper Short Code	AQ	Current meter point status	Date of exit from vacant process (D+7)
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Details of NDM SSP flagged Vacant >24months

MPRN	Shipper Short Code	AQ	Date of entry to vacant process (D+7)
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Transporter to provide monthly anonymised reports to the industry

Shipper (Anonymised by % of SSP portfolio)	Total sites in Vacant process	New in the last month	Sites exiting vacant process in the last month	Number of notifications issued under rule 16	Sites that have been in the vacant process >24 months	Total Sites at end of month Column B + Column C – Column D
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Large Transporters Agent will provide report to Shippers re Business Rule 14/15

MPRN	Read Date	Read	Read Date	Read
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In addition to the above, the Transporter will provide age analysis reports.

Age Analysis			
Shipper (Anonymised by % of SSP portfolio)	Total sites in Vacant process	No. Of Sites >x months	Average period within vacant process

2 User Pays

a) Classification of the Proposal as User Pays or not and justification for classification

This proposal is a User Pays code service and as such costs should be attributed to those who would benefit from its' implementation.

b) Identification of Users, proposed split of the recovery between Gas Transporters and Users for User Pays costs and justification

100% of development/operational costs to eligible Shippers, 0% of costs to Transporters

c) Proposed charge(s) for application of Users Pays charges to Shippers

Monthly charge per eligible Supply point.

100% of operational costs to those Shippers using the vacant sites process.

100% of development costs to all SSP Shippers based on supply point count at the date of implementation.

d) Proposed charge for inclusion in ACS – to be completed upon receipt of cost estimate from xoserve

See attached ROM and ACS Statements.

3 Extent to which implementation of the proposed modification would better facilitate the relevant objectives

Standard Special Condition A11.1 (a): *the coordinated, efficient and economic operation of the pipe-line system to which this licence relates;*

Implementation would not be expected to better facilitate this relevant objective.

Standard Special Condition A11.1 (b): *so far as is consistent with sub-paragraph (a), the (i) the combined pipe-line system, and/ or (ii) the pipe-line system of one or more other relevant gas transporters;*

Implementation would not be expected to better facilitate this relevant objective.

Standard Special Condition A11.1 (c): *so far as is consistent with sub-paragraphs (a) and (b), the efficient discharge of the licensee's obligations under this licence;*

Implementation would not be expected to better facilitate this relevant objective.

Standard Special Condition A11.1 (d): *so far as is consistent with sub-paragraphs (a) to (c) the securing of effective competition: (i) between relevant shippers; (ii) between relevant suppliers; and/or (iii) between DN operators (who have entered into transportation arrangements with other relevant gas transporters) and relevant shippers;*

This Proposal would ensure more accurate allocation of costs are more reflective of customer usage in the SSP market by stopping commodity charges and energy allocation. This is a more cost effective process for managing Vacant sites than resorting to isolation. This is based on the assumption that there are different propensities of vacant sites across SSP Shipper portfolios by LDZ.

Misuse of the Vacant Sites process will lead to an inaccurate apportionment of

unidentified gas shared across live supply points. However, British Gas considers that the increased controls contained in Modification 0282A over Modification 0282 mitigate this risk.

British Gas is concerned that because any gas offtaken during the period of time the site is classified as vacant is to be socialised through RbD, the apportionment of costs in the SSP sector may be less accurate following the implementation of Modification 0282.

The Workgroup considered that Modification 0282A, in maintaining vacant sites within the RbD Process, the RbD costs are socialised across all RbD Supply Points regardless of whether a site is vacant or not and whether this is appropriate for vacant sites. Some parties considered this to be a disadvantage where others did not.

Standard Special Condition A11.1 (e): *so far as is consistent with sub-paragraphs (a) to (d), the provision of reasonable economic incentives for relevant suppliers to secure that the domestic customer supply security standards (within the meaning of paragraph 4 of standard condition 32A (Security of Supply – Domestic Customers) of the standard conditions of Gas Suppliers’ licences) are satisfied as respects the availability of gas to their domestic customers;*

Implementation would not be expected to better facilitate this relevant objective.

Standard Special Condition A11.1 (f): *so far as is consistent with sub-paragraphs (a) to (e), the promotion of efficiency in the implementation and administration of the network code and/or the uniform network code.*

This proposal would increase choice of services provided through UNC.

4 The implications of implementing the Modification Proposal on security of supply, operation of the Total System and industry fragmentation

No implications on security of supply, operation of the Total System or industry fragmentation have been identified.

5 The implications for Transporters and each Transporter of implementing the Modification Proposal, including:

a) implications for operation of the System:

There are no implications for operation of the System.

b) development and capital cost and operating cost implications:

The ROM analysis indicates Development costs are in the region of 520k and 672k.

With on-going annual costs for producing and validating the monthly shipper summary report will cost at least £800, but probably not more than £1200, per

shipper short code (Business Rule – Reporting).

This invoicing costs to recover charges for incorrectly identified vacant sites is likely to be in the region of £200 to £400.

British Gas considers that as Modification 0282A leaves vacant sites within the RbD process, the costs associated with implementing this proposal will be less than those provided above.

The ROM analysis detailed above is currently being reviewed to consider the recent changes to Modification 0282 and 0282A and an update is to be provided.

c) extent to which it is appropriate to recover the costs, and proposal for the most appropriate way to recover the costs:

See the User Pays section.

d) Analysis of the consequences (if any) this proposal would have on price regulation:

No such consequence is anticipated.

6 The consequence of implementing the Modification Proposal on the level of contractual risk of each Transporter under the Code as modified by the Modification Proposal

No consequences have been identified.

7 The high level indication of the areas of the UK Link System likely to be affected, together with the development implications and other implications for the UK Link Systems and related computer systems of each Transporter and Users

See ROM for details of Transporters impacted systems.

There may be impacts on Shipper RGMA system flows, these were not included in the ROM and may result in Shippers who do not elect to take the service incurring costs.

8 The implications of implementing the Modification Proposal for Users, including administrative and operational costs and level of contractual risk

Administrative and operational implications (including impact upon manual processes and procedures)

Where Users elect to take the service they will face development and operational process changes.

There may be operational impacts for Users who do not take the service as they may need to run an exceptions process.

Development and capital cost and operating cost implications

Where Users elect to take the service they will face development and operational cost.

Where Users elect not to take the service they may face additional costs to implement a system they do not use.

Where Users elect not to take the service they may face additional costs through RbD allocation.

Consequence for the level of contractual risk of Users

Users who access this product would need to comply with the proposed SPAA schedule to which they may not be signatories.

British Gas considers that there will be no consequences on the level of contractual risk for Users with Modification 0282A.

9 The implications of implementing the Modification Proposal for Terminal Operators, Consumers, Connected System Operators, Suppliers, producers and, any Non Code Party

Suppliers will need to adhere to the relevant SPAA schedule. Some Workgroup members wished to have visibility to the SPAA Schedules Changes to aid the Consultation Process.

SPAA schedule is not applicable to Modification 0282A.

10 Consequences on the legislative and regulatory obligations and contractual relationships of each Transporter and each User and Non Code Party of implementing the Modification Proposal

No consequences have been identified.

11 Analysis of any advantages or disadvantages of implementation of the Modification Proposal

Advantages

1. Shippers with SSP sites can reduce their cost exposure on a specific vacant site where they choose not to isolate.
2. Provides Shippers with SSP sites options rather than just isolation

3. Currently Shippers with SSP sites are more likely to isolate, whereas with this proposal they are more likely to use the Vacant site process, therefore reducing inconvenience to new Consumers at a site.
4. Some Shippers consider there will be more accurate costs allocated across the industry
5. Some Shippers consider Modification 0282 will implement a robust audit process through the SPAA schedule.

Disadvantages

1. Some Shippers consider there will be a reduction in the accuracy of costs allocated across the industry
2. To the extent that unidentified gas can be created at Vacant sites and that these sites will not be included in RbD distorts the costs to RbD Shippers.
3. Transporters consider this process increases the number of unoccupied premises with a live gas supply, by leading to a reduction in isolations, which may have consequences on Safety.
4. Some Shippers consider the process promotes discrimination between customers based on AQ.
5. Some workgroup members were concerned the SPAA schedule was unavailable at the time the report was concluded and therefore were unable to fully consider the relevant objectives.

British Gas considers that only points 3 and 4 of the disadvantages listed above apply to Modification 0282A.

Scottish Power considers that points 2, 3 and 4 of the disadvantages listed above apply to Modification 0282A.

12 Summary of representations received (to the extent that the import of those representations are not reflected elsewhere in the Modification Report)

*[Written Representations are now sought in respect of this Draft Report. Consultation End Date: **INSERT DATE.**]*

13 Summary of representations received (to the extent that the import of those representations are not reflected elsewhere in the Workstream Report)

No such requirement has been identified.

14 The extent to which the implementation is required having regard to any proposed change in the methodology established under paragraph 5 of Condition A4 or the statement furnished by each Transporter under paragraph 1 of Condition 4 of the Transporter's Licence

No such requirement has been identified.

15 Programme for works required as a consequence of implementing the Modification Proposal

System changes for both Users and Transporters.

16 Proposed implementation timetable (including timetable for any necessary information systems changes and detailing any potentially retrospective impacts)

It is proposed that this functionality be introduced at the earliest opportunity following a positive direction from the Authority.

British Gas considers Modification 0282A is able to be implemented immediately following a direction to do so from Ofgem. Given the likely materiality of the scale of any cost reallocation, were this proposal to be approved, they propose that it be implemented without delay.

17 Implications of implementing this Modification Proposal upon existing Code Standards of Service

No implications of implementing this Modification Proposal upon existing Code Standards of Service have been identified.

18 Recommendation regarding implementation of this Modification Proposal and the number of votes of the Modification Panel

19 Transporter's Proposal

This Modification Report contains the Transporter's proposal to modify the Code and the Transporter now seeks direction from the Gas and Electricity Markets Authority in accordance with this report.

20 Text

Pursuant to Mod0282, the following new definitions will need to be incorporated into the Defined Terms Listing document: -

1. "Vacant" TPD G8.1.1(a)
2. "Re-classify" TPD G8.1.1 (b)
3. "Vacant Smaller Supply Point" TPD G8.2.1
4. "Vacant Date" TPD G8.2.6
5. "Vacant Exit Date" TPD G8.4.8

Pursuant to Mod0282A, the following new definitions will need to be incorporated into the Defined Terms Listing document: -

1. "**Vacant**" TPD G8.1.1(a)
2. "**Re-classify**" TPD G8.1.1 (b)
3. "**Vacant Smaller Supply Point**" TPD G8.2.1
4. "**Vacant Date**" TPD G8.2.6
5. "**Vacant Exit Date**" TPD G8.4.10

Please note: Legal text for both 0282 and 0282A has been attached.

Representations are now sought in respect of this Draft Report and prior to the Transporters finalising the Report.

For and on behalf of the Relevant Gas Transporters:

Tim Davis
Chief Executive, Joint Office of Gas Transporters

Rough Order of Magnitude (ROM) Analysis

for

Modification Proposal 0282 and 282A - Introduction of a process to manage Vacant sites

Version 1.0

Network Lead:	Chris Warner
Xoserve Lead:	Linda Whitcroft
ROM Request received:	10 th March 2011
ROM provided:	13 th April 2011

Disclaimer:

This ROM Analysis has been prepared in good faith but by its very nature is only able to contain indicative information and estimates (including without limitation those of time, resource and cost) based on the circumstances known at the time of its preparation. No representations of accuracy or completeness are included and any representations as may be implied are expressly excluded (except always for fraudulent misrepresentation).

Where it is apparent that inaccuracies or omissions in, or updates required to, this ROM exist, these shall be updated as soon as reasonably practicable but there shall be no liability in respect of any such inaccuracy or omission and any such liability as may be implied by law or otherwise is expressly excluded.

This ROM does not, and is not intended to, create any contractual or other legal obligation

Change driver / origin

Modification Proposal 282 and 282A propose that a new process be established under the UNC, where a Shipper can reduce their cost exposure to vacant sites, through a process similar to that which exists in the electricity market. It is intended at this time that the Vacants process, if implemented, be applied to Smaller Supply Points. Discussions within the Distribution Workstream to develop a solution to include DM and NDM LSP sites have highlighted a number of areas of concern and as such may require detailed business rules in order to deliver a Vacants solution. In order to expedite the development and delivery of a workable approach for dealing with Vacants within the NDM SSP market sector, the Proposals exclude NDM LSP and DM sites at this time.

It is proposed that a site classified as Vacant would be excluded from commodity charging. For the avoidance of doubt, capacity charging would be retained (LDZ Capacity (ZCA), Customer Capacity (CCA), NTS Exit (NNX)). Shippers/Suppliers would continue to apply the isolation and withdrawal process where is deemed appropriate.

MOD 282A, raised by British Gas as an alternative to MOD 282, is largely the same as above in that similarly, a small supply point classified as Vacant would be excluded from Commodity charging, but Capacity charging would be retained. The major differences under MOD 0282A are :

1. Vacant SSPs will remain in the RbD process; and
2. Additional Business Rules for a shipper to confirm that a site flagged as vacant is still vacant every 215 calendar days, minimum (see Summary Rule 14 below).

This ROM has been developed on the business rules within Workgroup version 8.0 report as published on the Joint Office website on 9 March 2011:

<http://www.gasgovernance.co.uk/sites/default/files/Draft%20Workgroup%20Report%200282%200282A%20v8.pdf>

Analysis

Analysis has been based upon the business rules detailed below as provided by the proposers.

Summary of Business Rules 0282/0282A:

NB. differences between the modification proposals is shown in **blue**:

1. A Registered User will notify the Transporter, via the appropriate file format, of NDM SSP sites (in their ownership) which are Vacant;
2. The Transporter will amend the Supply Point Register to show the NDM SSP as Vacant;
3. After 7 days of the flag being set, Commodity charging will cease and; [in MOD282 the NDM SSP will be excluded from RbD; whilst in MOD282A the NDM SSP will be included in RbD];
4. Whilst flagged as Vacant, the NDM SSP will remain in the AQ Review process;
5. The Registered User will notify the Transporter, via the appropriate file format, where the NDM SSP no longer qualifies as Vacant;
6. The Transporter will amend the Supply Point Register accordingly;
7. After 7 days of the flag being removed, Commodity charging will re-commence and; [in MOD282 only, the NDM SSP will be re-included in RbD];
8. Where the AQ is increased above the LSP threshold, the Vacant flag will be removed from the revised AQ effective date (e.g. 1st October) and the Registered User notified;
9. Where a site is flagged as Vacant and there is a transfer of ownership, the Vacant flag will be removed;
10. Meter Reads submitted by the Registered User for a Vacant NDM SSP will be checked for energy consumption (to monitor Vacant status);
11. The Transporter will notify the Registered User of Vacant sites which it identifies as consuming gas;
12. MOD282A only - Where the Transporter identifies that gas is or was being offtaken at a 'Vacant' site, the registered User will be liable for all charges (including Transportation charges), as if it had not been Vacant;
13. Where there is evidence of gas being offtaken, the Registered User must remove the NDM SSP from the Vacants process;
14. MOD282A only – Shippers must warrant that a site (SSP) within the Vacant process remains vacant at least every 215 calendar days, by submitting the notification from the Meter Read Agent to the Transporter.

ROM Costs & Timescales

Note: ROM information is not based on any formal systems analysis.

Estimated costs:

Modification Proposal 282

System analysis, design, development and implementation

The solution will cost at least £554k, but probably not more than £714k

The ongoing costs, including producing and validating the monthly shipper summary report*, will be at least £41k, but probably not more than £102k per annum.

* this assumes that one report is produced and published to the industry

Modification Proposal 282A

System analysis, design, development and implementation

The solution will cost at least £690k, but probably not more than £892k

The ongoing costs, including producing and validating the monthly shipper summary*, report will be at least £51k, but probably not more than £124k per annum.

* this assumes that one report is produced and published to the industry

The invoicing activity to recover relevant charges where it is identified by the Transporter that the supply point is not longer vacant will cost at least £100, but probably not more than £200, in addition to the relevant transportation charges for the incorrect Vacant period (Business Rule 14). The activities involved include obtaining the data for the adjustment period, adjustment calculation sign-off, invoicing and supporting back-up information.

Each solution requires:

- A new flag on the system to record the vacancy status, this flag will be used to drive the resultant business rules.
- A file format on which to receive and acknowledge the Vacant status will be required.
- Any files will be subject to validation rules, these validation rules will be based upon the Business rules in the modification proposal.
- To manage the Vacant status (and any changes) and to cease the energy and transportation costs the following systems will be impacted to a greater or lesser extent:
 - Supply Point Administration
 - NDM Meter Reading
 - Invoicing
 - Gemini
 - Metering
 - AQ
- The following activities are in scope of the estimate for all options:
 - Perform analysis for the new / modified processes
 - Technical Design

- Coding and Unit Testing
- System Test Cases
- System Testing
- Performance Testing
- User Acceptance Testing
- Support Shipper Testing
- Production Implementation of the changes
- Post Implementation Support
- Additional costs for both 282 / 282A from new/amended business rules:
 - Two additional reports, as specified in business rules in MOD(s)

In addition, MOD 282A will also require:

- Technical solution required for correct AQ aggregation for transfer to RbD
- Develop a tool to calculate the un-charged Commodity in the case of a 'transgression' (i.e. site found not to be vacant whilst flag in place)
- Additional file(s) / file format(s) for notification of and responding to information that a site remains vacant

Estimated duration:

Modification Proposal 282

The Analysis Phase, will take at least 15 weeks, but probably not more than 20 weeks

Delivery; including detailed design and development, testing and post implementation support; will take at least 34 weeks, but probably not more than 38 weeks

The total of for the project is therefore in the range of 49-58 weeks.

Modification Proposal 282A

The Analysis Phase, will take at least 15 weeks, but probably not more than 20 weeks

Delivery; including detailed design and development, testing and post implementation support; will take at least 36 weeks, but probably not more than 42 weeks

The total of for the project is therefore in the range of 51-62 weeks.

Assumptions

- The Registered User is responsible for setting/removing the Vacant Flag. However, Xoserve will remove the Vacant Flag in the event of; [1] Shipper Transfer; [2] AQ crosses SSP to Larger Supply Point threshold; [3] Shipper submits RGMA flow for Isolation, as defined in the Business Rules
- At implementation, Shippers will submit requests to set the Vacant Flag at an agreed pace to avoid the need for performance enhancement costs
- The process to check for consumption at a Vacant site will be run on a monthly basis with reports issued to applicable Shippers as required
- The monthly performance summary report, issued to all Shippers and Ofgem, will provide each shipper with detail of their individual performance against other (anonymised) shippers on a monthly basis. Ofgem's version of the report should contain the shippers' identity, for Ofgem to monitor each shipper's behaviour.

Concerns

Service Levels 282 and 282A:

The modification proposal includes information that there are an estimated 700,000 vacant homes, of which 300,000 have been vacant for more than 6 months. There is concern at the rate at which the requests for setting the Vacant Flag could be submitted at the point of system implementation, there is an assumption that an agreed submission rate can be agreed with the industry.

Demand forecasts 282A only

The recovery of ongoing costs is from Shippers using the service. If one shipper has one vacant site they will be charged the entire monthly charge for the Vacant service. Shippers need to provide demand information for this service to enable the development of maintain the stability of the service charge as far as possible.,

Business Rules:

None identified at this stage

Note: the concerns above are those identified to date based upon the stated requirements. Detailed analysis may identify more topics to be considered, as would changes to the current stated requirements.

Impacts

Xoserve:

- Xoserve may require additional Invoicing and Energy Balancing verification processes
- Xoserve to provide reports to Shippers and Ofgem
- Xoserve to notify Shippers where consumption has been detected on a site flagged as vacant

Networks:

- Notify Users where occupancy has been observed at a site flagged as vacant

Shippers

Shipper Impacts:

- File changes (probably RGMA)
- Receive and act on notifications of occupancy and/or consumption
- MOD282A – submit Meter Read Agent notifications where site remains vacant (Bus. Rules 19 & 20)

Ofgem

Review reports of Shipper behaviour

Note: the impacts above are those identified to date, they do not represent a complete list of impacts

MOD 0282– Introduction of a process to manage Vacant Sites

LEGAL TEXT – V1.2 7 April 2011

(prepared by Scotia Gas Networks Limited)

Proposed Amendments to Transportation Principal Document Section G

UNIFORM NETWORK CODE – TRANSPORTATION PRINCIPAL DOCUMENT

SECTION G – SUPPLY POINTS

1 INTRODUCTION AND STRUCTURAL RULES

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 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 this Section G 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.

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*);
- (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).

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;
- (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) 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 20%; 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.

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.¹

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

¹ Implementation of modification 0279, effective 06:00 hrs on a date to be determined, will add new paragraphs 1.6.21, 1.6.22, 1.6.23, 1.6.24 and 1.6.25.

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).

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 amount

in 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 (c)(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;
- (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.

1.10 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.

1.16.5 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 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).
- 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.

1.18 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 assetsis 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.

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;
- (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 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; and 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).

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 paragraph 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:
 - (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.
- 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:
- (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.

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;
- (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.

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 (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:

$$(A) - B) * \text{£}20$$

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.

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 (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 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.

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 Interruption Communications

6.9.1 As soon as reasonably practicable after the DN Operator 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 6.9.2 such Batch Transfer Communications have been sent by the DN Operator.

6.9.2 A User may elect, by giving not less than one month's notice to the DN Operator:

- (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 6.8.3(b)

by means of Batch Transfer Communication.

6.9.3 Subject to paragraphs 6.9.4 and 6.9.5, where a User makes an election under paragraph 6.9.2, on expiry of the relevant period of notice, Code Communications for the purposes of paragraphs 6.8.1 and 6.8.3(b) shall be given by Batch Transfer Communication, and where the User gives any Code Communication to the DN Operator under this paragraph 6.9 by Batch Transfer Communication, the User must promptly inform the DN Operator, by telephone or facsimile, of the transmission of such Batch Transfer Communication.

6.9.4 Where:

- (a) the DN Operator has given to a User an Interruption Notice by Batch Transfer Communication;
- (b) the User is unable, in accordance with Section U4.5, to access such Batch Transfer Communication; and
- (c) the User notifies the DN Operator of such inability, by telephone or facsimile, not later than thirty (30) minutes after the Interruption Notice was given

the DN Operator 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.

6.9.5 Where any User has made an election pursuant to paragraph 6.9.2, that User may elect by notice to the DN Operator:

- (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 6.8.3(b)

by facsimile, provided that no election may be made under this paragraph 6.9.5 less than one month after the date of an election by that User under paragraph 6.9.2.

6.9.6 Where a User makes an election under paragraph 6.9.5, on expiry of one month from the date of the relevant notice, or from such other date as the DN Operator and the User may agree, Code Communications for the purposes of paragraph 6.8.1 and 6.8.3(b) shall be given by telephone or facsimile.

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:
- $$\Sigma_T (QTF_T * OIP_T) / \Sigma_T QTF_T$$
- where
- Σ_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.

8 VACANT SUPPLY POINTS

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8.1 General

8.1.1 For the purposes of the Code:

- (a) "Vacant" means the status of a premise which has been classified (in accordance with paragraph 8.2) as unoccupied; and
- (b) "Re-classify" shall mean the re-setting of the Supply Point Register by the Transporter of the previously recorded Vacant status of a Smaller Supply Point to indicate it is no longer Vacant and "Re-classified" shall be construed accordingly.

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8.2 Vacant Request

8.2.1 A Registered User of a Smaller Supply Point may classify it as Vacant subject to and in accordance with this paragraph 8.2 ("Vacant Smaller Supply Point").

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8.2.2 For the purposes of paragraph 8.2.1 the Registered User shall:

ns69509 7/4/11 15:53
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- (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 Smaller Supply Meter Point;
 - (iii) specify that the Smaller Supply Point is Vacant; and
- (b) have complied with paragraph 8.2.3.

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8.2.3 Where a Registered User provides a notification in accordance with paragraph 8.2.2(a) such User shall be warranting that:

(a) the Meter Reader has provided to such User two notifications, each no less than 75 and no more than 215 calendar days apart, verifying that the Smaller Supply Point is Vacant; and

(b) that the relevant Supplier has complied in full with the Supply Point Administration Agreement Schedule [xx] (Version XX).

8.2.4 Within one Day of receipt of a notice complying with paragraph 8.2.2 the Transporter will amend the Supply Point Register to set the status of the Smaller Supply Point to Vacant, provided that none of the Supply Meter Point or Supply Meter Points comprised within the Smaller Supply Point are registered as Isolated for the purposes of paragraph 3.5.

8.2.5 The Transporter will not amend the Supply Point Register pursuant to paragraph 8.2.4 in the event that:

(a) the notification submitted pursuant to paragraph 8.2.2 is not pursuant to a Smaller Supply Point;

(b) the notification submitted pursuant to paragraph 8.2.2 does not comply with the requirements set out in such paragraph; or

(c) the User submitting the notification is not the Registered User for the relevant Smaller Supply Point on the Day that the notice is received by the Transporter; or

(d) the notification submitted pursuant to paragraph 8.2.2 is subject to a Supply Meter Point or Supply Meter Points comprised within the Smaller Supply Point which forms part of a Sub-deduct Arrangement.

8.2.6 A Supply Point will be treated as Vacant for the purposes of the Code (until and unless Re-classified in accordance with paragraph 8.4) with effect from the Day on which the Supply Point Register was amended pursuant to paragraph 8.2.4 (“Vacant Date”).

8.3 Vacant Status

8.3.1 In the case of a Supply Meter Point which is comprised within a Vacant Smaller Supply Point (and unless and until it is Re-classified in accordance with paragraph 8.4) NDM Supply Meter Point Demand will cease to be determined in respect of that NDM Supply Meter Point in accordance with Section H2.

8.3.2 For the avoidance of doubt, the provisions of G1.6 shall apply to any Supply Meter Point or Supply Meter Points comprised within a Vacant Smaller Supply Point.

8.3.3 For as long as a Vacant Smaller Supply Point has not been Re-classified in accordance with paragraph 8.4, the Register User of the Vacant Smaller Supply Point shall continue to remain liable for LDZ Capacity Charges, Customer Charge and NTS Exit Capacity Charges (determined on the basis of such capacities as revised with effect from 1 October in any Gas Year in accordance with Section H4 by reference to the new

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Annual Quantities and End User Categories) but not the LDZ Commodity Charges or NTS Exit Commodity Charges in respect of such Vacant Smaller Supply Point which shall be suspended during such period.

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8.3.4 For the purposes of Aggregate NDM Reconciliation the Annual Quantity of the Vacant Smaller Supply Point shall not be included for the purposes of E7.2.2 for as long as a Vacant Smaller Supply Point has not been Re-classified in accordance with paragraph 8.4.

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8.4 Re-classified

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8.4.1 Where a Smaller Supply Point has been classified as Vacant in accordance with paragraph 8.2 and the Transporter becomes aware that it is no longer Vacant (whether pursuant to paragraph 3.5 of otherwise) the Transporter shall notify the Registered User of such fact.

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8.4.2 Where the Registered Users receives a notification from the Transport pursuant to paragraph 8.4.1, such User shall forthwith make enquires about the status of the Vacant Smaller Supply Point and where applicable request the Transporter to Re-classify such Smaller Supply Point as no longer Vacant.

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8.4.3 Where a Smaller Supply Point has been classified as Vacant and the Registered User becomes aware that it is no longer Vacant (whether pursuant to paragraph 8.4.1, 8.4.2, 8.4.4, 8.4.5 or otherwise) it shall forthwith notify the Transporter of such fact and the Transporter shall Re-classify such Smaller Supply Point

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8.4.4 Where a Smaller Supply Point has been classified as Vacant and more than one Meter Reading is provided after the Vacant Date which identifies actual consumption at any of the Supply Meter Point or Supply Meter Points comprised within the Vacant Supply Point, the Registered User shall notify the Transporter of such fact.

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8.4.5 Within one Day of the second anniversary of the Vacant Date the Registered User shall use reasonable endeavours to:

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(a) Isolate the Smaller Supply Point (in accordance with paragraph 3.5); or

(b) Re-classify the status of the Smaller Supply Point by notifying the Transporter that the Vacant Smaller Supply Point is no longer Vacant.

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8.4.6 Where there is a change to the Registered User of a Vacant Smaller Supply Point in accordance with paragraph 2.9 the Transporter shall Re-classify such Smaller Supply Point.

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8.4.7 Where, at any point after the Vacant Date, the Annual Quality of the Smaller Supply Point, which has been classified as Vacant in accordance with paragraph 8.2, exceeds 73,200kWh (2,500 therms) and re-classifies as a Larger Supply Point the

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Transporter shall Re-classify such Supply Point and shall notify the Registered User of such fact.

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8.4.8 Where a Smaller Supply Point has been Re-classified in accordance with this paragraph 8.4, the relevant charges which were suspended in accordance with paragraph 8.3 shall re-commence, in respect of such Supply Point, from the Day it was Re-classified (“Vacant Exit Date”)

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8.5 Reporting Requirements

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8.5.1 The Transporter shall provide monthly reports to Registered Users in accordance with ANNEX G-4. Such activity shall be performed as a User Pays Service and the Registered User shall pay (in accordance with section S) to the Transporter a User Pays Charge in respect of such User Pays Service.

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ANNEX G-1

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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.
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
(Residential Properties 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 dwellings 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

ANNEX G-4

REPORTING REQUIREMENTS OF VACANT SMALLER SUPPLY POINTS

1. The Transporter shall provide each Registered User of a Vacant Smaller Supply Point the following monthly reports:

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1.1. Details of each Vacant Smaller Supply Point

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<u>MPRN</u>	<u>Shipper Short Code</u>	<u>AQ</u>	<u>Vacant Date</u>
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1.2. Details of Vacant Smaller Supply Points Re-classified

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<u>MPRN</u>	<u>Shipper Short Code</u>	<u>AQ</u>	<u>Current meter point status</u>	<u>Vacant Exit Date</u>
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1.3. Details of Vacant Smaller Supply Points flagged Vacant for a period greater than >24months from the Vacant Date

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<u>MPRN</u>	<u>Shipper Short Code</u>	<u>AQ</u>	<u>Vacant Date</u>
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1.4. Meter Read Reports

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<u>MPRN</u>	<u>Meter Read Date</u>	<u>Meter Read</u>	<u>Meter Read Date</u>	<u>Meter Read</u>
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2. The Transporter shall provide Registered Users of Smaller Supply Points the following monthly report:

2.1. Monthly Anonymous Reports

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<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>F</u>	<u>G</u>
<u>Shipper (Anonymous by % of SSP portfolio)</u>	<u>Total Vacant Smaller Supply Points</u>	<u>New in the last month</u>	<u>Vacant Smaller Supply Points Re-classified in the last month</u>	<u>Number of notifications provided in accordance with paragraph 8.4.5</u>	<u>Vacant Smaller Supply Points that have been Vacant for a period greater than >24 months from the Vacant Date</u>	<u>Total Smaller Supply Points at end of each month (Sum of B + C - D)</u>

2.2. Age Analysis Reports

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<u>Shipper (Anonyms by % of SSP portfolio)</u>	<u>Total Vacant Smaller Supply Points</u>	<u>No. Of Vacant Smaller Supply Points >x months</u>	<u>Average period of Vacant Smaller Supply Points</u>

MOD 0282A– Alternative to MOD 0282 “Introduction of A Process to Manage Vacant Sites”

LEGAL TEXT – V1.2 7 April 2011

(prepared by Scotia Gas Networks Limited)

Proposed Amendments to Transportation Principal Document Section G

UNIFORM NETWORK CODE – TRANSPORTATION PRINCIPAL DOCUMENT

SECTION G – SUPPLY POINTS

1 INTRODUCTION AND STRUCTURAL RULES

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 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 this Section G 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.

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*);
- (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).

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;
- (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) 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 20%; 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 subparagraph (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.

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.¹

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;

¹ Implementation of modification 0279, effective 06:00 hrs on a date to be determined, will add new paragraphs 1.6.21, 1.6.22, 1.6.23, 1.6.24 and 1.6.25.

- (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).

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 amount

in 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;
- (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.

1.10 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.

1.16.5 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 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).
- 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.

1.18 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.

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;
 - (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 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; and 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).

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 paragraph 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:
 - (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.

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:

- (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.
- 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;
- (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.

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 (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 subparagraph (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.
- 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 (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 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.

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:

$$(SPC - IT) * H / 24$$

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 subparagraph 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 Interruption Communications

- 6.9.1 As soon as reasonably practicable after the DN Operator 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 6.9.2 such Batch Transfer Communications have been sent by the DN Operator.

- 6.9.2 A User may elect, by giving not less than one month's notice to the DN Operator:

- (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 6.8.3(b)

by means of Batch Transfer Communication.

- 6.9.3 Subject to paragraphs 6.9.4 and 6.9.5, where a User makes an election under paragraph 6.9.2, on expiry of the relevant period of notice, Code Communications for the purposes of paragraphs 6.8.1 and 6.8.3(b) shall be given by Batch Transfer Communication, and where the User gives any Code Communication to the DN Operator under this paragraph 6.9 by Batch Transfer Communication, the User must promptly inform the DN Operator, by telephone or facsimile, of the transmission of such Batch Transfer Communication.

- 6.9.4 Where:

- (a) the DN Operator has given to a User an Interruption Notice by Batch Transfer Communication;
- (b) the User is unable, in accordance with Section U4.5, to access such Batch Transfer Communication; and
- (c) the User notifies the DN Operator of such inability, by telephone or facsimile, not later than thirty (30) minutes after the Interruption Notice was given

the DN Operator 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.

- 6.9.5 Where any User has made an election pursuant to paragraph 6.9.2, that User may

elect by notice to the DN Operator:

- (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 6.8.3(b)

by facsimile, provided that no election may be made under this paragraph 6.9.5 less than one month after the date of an election by that User under paragraph 6.9.2.

6.9.6 Where a User makes an election under paragraph 6.9.5, on expiry of one month from the date of the relevant notice, or from such other date as the DN Operator and the User may agree, Code Communications for the purposes of paragraph 6.8.1 and 6.8.3(b) shall be given by telephone or facsimile.

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

Σ_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.

8 VACANT SUPPLY POINTS

8.1 General

8.1.1 For the purposes of the Code:

(a) "Vacant" mean the status of a premise which has been classified (in accordance with paragraph 8.2) as unoccupied; and

(b) "Re-classify" shall mean the re-setting of the Supply Point Register by the Transporter of the previously recorded Vacant status of a Smaller Supply Point to indicate it is no longer Vacant and "Re-classified" shall be construed accordingly.

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8.2 Vacant Request

8.2.1 A Registered User of a Smaller Supply Point may classify it as Vacant subject to and in accordance with this paragraph 8.2 (“Vacant Smaller Supply Point”).

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8.2.2 For the purposes of paragraph 8.2.1, the Registered User shall:

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(a) provide to the Transporter a notification complying with the following:

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(i) specify the identity of the User;

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(ii) specify the relevant Supply Point Registration Number and the Supply Meter Point Reference Number of the Smaller Supply Meter Point;

(iii) specify that the Smaller Supply Point is Vacant; and

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(b) have complied with paragraph 1.2.3.

8.2.3 Where a Registered User provides a notification in accordance with paragraph 8.2.2(a), such User shall warrant the Meter Reader has provided to such User two notifications, each no less than 75 and no more than 215 calendar days apart, verifying that the Smaller Supply Point is Vacant.

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8.2.4 Within one Day of receipt of a notice complying with paragraph 8.2.2, the Transporter will amend the Supply Point Register to set the status of the Smaller Supply Point to Vacant, provided that none of the Supply Meter Point or Supply Meter Points comprised within the Smaller Supply Point are registered as Isolated for the purposes of paragraph 3.5.

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8.2.5 The Transporter will not amend the Supply Point Register pursuant to paragraph 8.2.4, in the event that:

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(a) the notification submitted pursuant to paragraph 8.2.2 is not pursuant to a Smaller Supply Point;

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(b) the notification submitted pursuant to paragraph 8.2.2 does not comply with the requirements set out in such paragraph; or

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(c) the User submitting the notification is not the Registered User for the relevant Smaller Supply Point on the Day that the notice is received by the Transporter; or

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(d) the notification submitted pursuant to paragraph 8.2.2 is subject to a Supply Meter Point or Supply Meter Points comprised within the Smaller Supply Point which forms part of a Sub-deduct Arrangement.

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8.2.6 A Supply Point will be treated as Vacant for the purposes of the Code (until and unless Re-classified in accordance with paragraph 8.4) with effect from the Day on which the Supply Point Register was amended pursuant to paragraph 8.2.4 (“Vacant Date”).

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8.3 Vacant Status

8.3.1 In the case of a Supply Meter Point which is comprised within a Vacant Smaller Supply Point (and unless and until it is Re-classified in accordance with paragraph 8.4) NDM Supply Meter Point Demand will cease to be determined in respect of that NDM Supply Meter Point in accordance with Section H2.

8.3.2 For the avoidance of doubt, the provisions of G1.6 shall apply to any Supply Meter Point or Supply Meter Points comprised within a Vacant Smaller Supply Point.

8.3.3 For as long as a Vacant Smaller Supply Point has not been Re-classified in accordance with paragraph 8.4, the Register User of the Vacant Smaller Supply Point shall continue to remain liable for LDZ Capacity Charges, Customer Charge and NTS Exit Capacity Charges (determined on the basis of 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) but not the LDZ Commodity Charges or NTS Exit Commodity Charges in respect of such Vacant Smaller Supply Point which shall be suspended during such period.

8.3.4 For the purposes of Aggregate NDM Reconciliation the Annual Quantity of the Vacant Smaller Supply Point shall continue to be included for the purposes of E7.2.2.

8.3.5 For the avoidance of doubt and subject to paragraph 3.4.38.3.1, and 8.3.3, where a Supply Meter Point or Supply Meter Points are comprised within a Vacant Smaller Supply Point 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.

8.4 Re-classified

8.4.1 Where a Smaller Supply Point has been classified as Vacant in accordance with paragraph 8.2 and the Transporter becomes aware that it is no longer Vacant (whether pursuant to paragraph 3.5 of otherwise) the Transporter shall notify the Registered User of such fact.

8.4.2 Where the Registered User receives a notification from the Transporter pursuant to paragraph 8.4.1, such User shall forthwith make enquires about the status of the Vacant Smaller Supply Point and where applicable request the Transporter to Re-classify such Smaller Supply Point as no longer Vacant.

8.4.3 Where a Smaller Supply Point has been classified as Vacant and the Registered User becomes aware that it is no longer Vacant (whether pursuant to paragraph 8.4.1, 8.4.2, 8.4.4, 8.4.5 or otherwise) it shall forthwith notify the Transporter of such fact and the Transporter shall Re-classify such Smaller Supply Point

8.4.4 Where a Smaller Supply Point has been classified as Vacant and more than one Meter Reading is provided after the Vacant Date which identifies actual consumption at

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<p>any of the Supply Meter Point or Supply Meter Points comprised within the Vacant Supply Point, the Registered User shall notify the Transporter of such fact.</p>	<p>ns69509 7/4/11 16:18 Comment: BR 15</p>
<p>8.4.5 Within one Day of the second anniversary of the Vacant Date the Registered User shall use reasonable endeavours to:</p>	
<p>(a) Isolate the Smaller Supply Point (in accordance with paragraph 3.5); or</p>	
<p>(b) Re-classify the status of the Smaller Supply Point by notifying the Transporter that the Vacant Smaller Supply Point is no longer Vacant.</p>	<p>ns69509 7/4/11 16:18 Comment: BR17</p>
<p>8.4.6 Where there is a change to the Registered User of a Vacant Smaller Supply Point in accordance with paragraph 2.9 the Transporter shall Re-classify such Smaller Supply Point.</p>	<p>ns69509 7/4/11 16:18 Formatted: Bullets and Numbering</p>
<p>8.4.7 Where, at any point after the Vacant Date, the Annual Quality of the Smaller Supply Point, which has been classified as Vacant in accordance with paragraph 8.2, exceeds 73,200kWh (2,500 therms) and re-classifies as a Larger Supply Point the Transporter shall Re-classify such Supply Point and shall notify the Registered User of such fact.</p>	<p>ns69509 7/4/11 16:18 Comment: BR 18</p>
<p>8.4.8 Where a Smaller Supply Point has been classified as Vacant the Registered User shall provide notice, on the expiry of every 215 calendar day period following the Vacant Date, to the Transporter warranting that the Meter Reader has provided notice to such User verifying that the Smaller Supply Point is still Vacant.</p>	<p>Mike Berrisford 7/4/11 16:55 Deleted: 1.2</p>
<p>8.4.9 Where the Registered Users does not provide notice to the Transporter in accordance with paragraph 8.4.8, the Transporter shall Re-classify such Smaller Supply Point as no longer Vacant.</p>	<p>ns69509 7/4/11 16:18 Comment: BR9</p>
<p>8.4.10 Where a Smaller Supply Point has been Re-classified in accordance with this paragraph 8.4, the relevant charges which were suspended in accordance with paragraph 8.3.1 and 8.3.3 shall re-commence, in respect of such Supply Point, from the Day it was Re-classified (“Vacant Exit Date”)</p>	<p>ns69509 7/4/11 16:18 Formatted: Bullets and Numbering</p>
<p>8.4.11 Where a Smaller Supply Point has been classified as Vacant and is Re-classified in accordance with paragraph 8.4.2, during the period from the Vacant Date to the Vacant Exit Date gas was or is being offtaken from the Total System, 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 Vacant.</p>	<p>ns69509 7/4/11 16:18 Comment: BR19</p>
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8.5 Reporting Requirements

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8.5.1 The Transporter shall provide monthly reports to Registered Users in accordance with ANNEX G-4. Such activity shall be performed as a User Pays Service and the Registered User shall pay (in accordance with section S) to the Transporter a User Pays Charge in respect of such User Pays Service.

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ANNEX G-4

REPORTING REQUIREMENTS OF VACANT SMALLER SUPPLY POINTS

1. The Transporter shall provide each Registered User of a Vacant Smaller Supply Point the following monthly reports:

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1.1. Details of each Vacant Smaller Supply Point

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<u>MPRN</u>	<u>Shipper Short Code</u>	<u>AQ</u>	<u>Vacant Date</u>
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1.2. Details of Vacant Smaller Supply Points Re-classified

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<u>MPRN</u>	<u>Shipper Short Code</u>	<u>AQ</u>	<u>Current meter point status</u>	<u>Vacant Exit Date</u>
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1.3. Details of Vacant Smaller Supply Points flagged Vacant for a period greater than >24months from the Vacant Date

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<u>MPRN</u>	<u>Shipper Short Code</u>	<u>AQ</u>	<u>Vacant Date</u>
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1.4. Meter Read Reports

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<u>MPRN</u>	<u>Meter Read Date</u>	<u>Meter Read</u>	<u>Meter Read Date</u>	<u>Meter Read</u>
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2. The Transporter shall provide Registered Users of Smaller Supply Points the following monthly report:

2.1. Monthly Anonymous Reports

<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>F</u>	<u>G</u>
<u>Shipper (Anonymous by % of SSP portfolio)</u>	<u>Total Vacant Smaller Supply Points</u>	<u>New in the last month</u>	<u>Vacant Smaller Supply Points Re-classified in the last month</u>	<u>Number of notifications provided in accordance with paragraph 8.4.5</u>	<u>Vacant Smaller Supply Points that have been Vacant for a period greater than >24 months from the Vacant Date</u>	<u>Total Smaller Supply Points at end of each month (Sum of B + C - D)</u>

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2.2. Age Analysis Reports

<u>Shipper (Anonyms by % of SSP portfolio)</u>	<u>Total Vacant Smaller Supply Points</u>	<u>No. Of Vacant Smaller Supply Points >x months</u>	<u>Average period of Vacant Smaller Supply Points</u>
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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.
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

(Residential Properties 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 dwellings 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

ANNEX G-4

REPORTING REQUIREMENTS OF VACANT SMALLER SUPPLY POINTS

3. The Transporter shall provide each Registered User of a Vacant Smaller Supply Point the following monthly reports:

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3.1. Details of each Vacant Smaller Supply Point

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<u>MPRN</u>	<u>Shipper Short Code</u>	<u>AQ</u>	<u>Vacant Date</u>
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3.2. Details of Vacant Smaller Supply Points Re-classified

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<u>MPRN</u>	<u>Shipper Short Code</u>	<u>AQ</u>	<u>Current meter point status</u>	<u>Vacant Exit Date</u>
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3.3. Details of Vacant Smaller Supply Points flagged Vacant for a period greater than >24months from the Vacant Date

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<u>MPRN</u>	<u>Shipper Short Code</u>	<u>AQ</u>	<u>Vacant Date</u>
-------------	---------------------------	-----------	--------------------

3.4. Meter Read Reports

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<u>MPRN</u>	<u>Meter Read Date</u>	<u>Meter Read</u>	<u>Meter Read Date</u>	<u>Meter Read</u>
-------------	------------------------	-------------------	------------------------	-------------------

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4. The Transporter shall provide Registered Users of Smaller Supply Points the following monthly report:

4.1. Monthly Anonymous Reports

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<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>F</u>	<u>G</u>
<u>Shipper (Anonymous by % of SSP portfolio)</u>	<u>Total Vacant Smaller Supply Points</u>	<u>New in the last month</u>	<u>Vacant Smaller Supply Points Re-classified in the last month</u>	<u>Number of notifications provided in accordance with paragraph 8.4.5</u>	<u>Vacant Smaller Supply Points that have been Vacant for a period greater than >24 months from the Vacant Date</u>	<u>Total Smaller Supply Points at end of each month (Sum of B + C - D)</u>

4.2. Age Analysis Reports

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<u>Shipper (Anonyms by % of SSP portfolio)</u>	<u>Total Vacant Smaller Supply Points</u>	<u>No. Of Vacant Smaller Supply Points >x months</u>	<u>Average period of Vacant Smaller Supply Points</u>

Agency Charging Statement

Applies from tbc

Deleted: 21 November 2010

Document Reference:	Agency Charging Statement
Version:	<u>tbc</u>
Status*:	<p style="color: red; text-decoration: underline;">Draft to support Modification Proposal 0282 - Introduction of a process to manage Vacant sites</p> <p>Modified against ACS <u>21 November</u> 2010</p>
Effective Date:	<u>tbc</u>
<p>* Status types:</p> <ul style="list-style-type: none"> - Draft – submitted in support of UNC Modification Proposal, or provided prior to Proposed version - Proposed – submitted to Ofgem for approval - Approved – live ACS with effective date 	

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Deleted: 21 November 2010

Issued on behalf of all Large Gas Transporters

1. Introduction & Background

- 1.1 This publication sets out the charging methodology, charges and scope for User Pays Services and the scope of Core Services which will apply from ~~tbc~~, as required by Standard Special Condition A15 (SSC A15) of the Gas Transporter Licence. xoserve provides these services on behalf of the Gas Transporters as the appointed Agency. This document is published jointly by the following organisations:

Deleted: 21 November 2010,

National Grid Gas (Distribution)
National Grid Gas (Transmission)
Northern Gas Networks
Scotland Gas Networks
Southern Gas Networks
Wales & West Utilities

and does not override or vary any of the statutory, licence or Uniform Network Code obligations upon the above organisations.

- 1.2 User Pays Services are categorised as Code Services or Non-Code Services. Code Services are those relating to certain Gas Transporter obligations contained in the Uniform Network Code. Non-Code Services are all other User Pays Services.
- 1.3 Charges for Code Services will be invoiced in the name of the relevant Gas Transporter who will collect the associated revenue:
- (a) subject to (b), in accordance with Section S of the Transportation Principal Document of the Uniform Network Code and invoices will be issued by xoserve utilising the UNC invoicing processes, or
- (b) in accordance with invoices issued by xoserve not utilising UNC processes, where the User Pays Service is of the type described in Appendix 1, item 6(b), or of the type described in Appendix 1, item 6(a) and the applicant does not satisfy all of the User Accession arrangements under Section V2 of Transportation Principal Document of the Uniform Network Code.
- 1.4 For Non-Code Services, except for Ad Hoc services for which paragraph 1.5 will apply, Conditions for the Provision of Services and Service Schedules will be published by xoserve and users of such services shall request services via a Service Request. Charges for Non-Code Services will be invoiced in the name of xoserve who will collect the associated revenue in accordance with the published Conditions. Invoices will be issued by xoserve, their frequency depending on the nature and use of the service. Further details are provided in the Conditions.
- 1.5 Where a user wishes an alternative service which is not contestable, it may request an Ad-hoc Additional Service on a bilateral basis as described in Appendix 1, paragraph 7.

1.6 For all User Pays Services, supporting information will be provided with each invoice to allow users of such services to validate their invoices.

2. Scope of User Pays and Core Services

2.1 User Pays Services are those services listed in Appendix 1.

2.2 The number and scope of User Pays Services are as shown in Appendix 1 of this document but such number may be revised from time to time by a modification to the Agency Charging Statement made in accordance with SSC A15.

2.3 Core Services are those services which are Transporter Agency Activities as defined in Section V6.5 of the Transportation Principal Document of the Uniform Network Code and which are not User Pays Services.

3. Charging Methodology

3.1 The objectives of the charging methodology, as specified in SSC A15, are that:

- (a) Charges should, as far as reasonably practicable, reflect the costs in providing the services;
- (b) Charges should not unduly discriminate between or unduly prefer any person or class or classes of person.

3.2 The charging methodology for the User Pays Services detailed in Appendix 1 is that the charge for each service will be set based on a forecast of costs to deliver the forecast demand for the service. The costs used to derive the charges will reflect the cost of employees and other expenses that can be directly associated with the provision of the service (excluding the original cost of developing the systems used to deliver the services), plus an appropriate level of overhead (property, systems etc) determined using an activity cost basis methodology (Appendix 3). The charges allow for a reasonable margin to be made when demand is at the forecast level.

3.3 In the event of new or amended services being treated as User Pays Services, the charging methodology will be reviewed once the details of the services have been defined.

4. Charging Basis and Charges

4.1 The charging basis and charges for each of the User Pays Services is shown in Appendix 1. For the services categorised as Non-Code, further details of the triggers for incurring charges are provided in the Conditions for the Provision of Services and Service Schedules published by xoserve. The Conditions also include details of the invoice dispute process for Non-Code Services.

- 4.2 The principles for charging for User Pays Modification Proposals are set out in UNC MOD213V and shall be in accordance with UNC Modification Rules, and pursuant to the User Pays Guidance Document.
- 4.3 The charges in respect of Service Item 10 (UNC Modification Proposal 0224 Facilitating the use of AMR in the Daily Metered Elective Regime) are consistent with the charging methodology principles detailed in Section 3, above. However, due to the phased nature of user forecast demand for the services, detailed in Appendix 2, the transactional charges have assumed a cost recovery period of two years from initial implementation. On completion of the initial two years these service charges will target a year in year cost recovery and will be reviewed in accordance with paragraph 4.4 below.
- 4.4 Gas Transporters are required to keep this publication under review and may from time to time modify the statement. It is anticipated that a review will take place at least annually and any review of this statement shall include, where necessary, an update of Appendix 2 (Forecast Demand), even if the updates do not result in subsequent changes to the charges outlined in Appendix 1.
- 4.5 All charges will become effective from the date of the statement and shall continue to be invoiced in line with the published Conditions.

Appendix 1 – Schedule of User Pays Services and User Pays Service Charges

Service Item	Description	Type	Services Recipient	Service Detail	Charging Basis	Charge (£)
1. Provision of Information	A range of services supporting the provision of information to various parties.	Non Code service	Those persons entitled to receive the service.	Internet based service to allow authorised users access to supply meter point data online. (Part 3 of the Conditions)	Monthly Charge for an IAD Account	£7.65
				User Telephone Enquiry. Telephone call(s) to information centre to obtain Supply Meter Point data. (Part 6 of the Conditions)	Band A *	-
				*Band A equates to pay-as-you-go at £3.20 a call. This is aimed at infrequent callers.	Band B up to 1,000 calls annually (charged in 12 equal monthly instalments)	£2,520 pa
					Band C up to 5,000 calls annually (charged in 12 equal monthly instalments)	£12,324 pa
					Band D up to 20,000 calls annually (charged in 12 equal monthly instalments)	£42,948 pa
					Band E up to 50,000 calls annually (charged in 12 equal monthly instalments)	£88,332 pa
					Band F up to 70,000 calls annually (charged in 12 equal monthly instalments)	£109,800 pa

Service Item	Description	Type	Services Recipient	Service Detail	Charging Basis	Charge (£)
					Band G up to 150,000 calls annually (charged in 12 equal monthly instalments)	£150,300 pa
					Band H up to 250,000 calls annually (charged in 12 equal monthly instalments)	£193,236 pa
					Charge per call in excess of annual band	£3.20
					Charge per call in excess of monthly allowance	£3.20
				Provision of M Number DVD containing supply meter point data. (Part 4 of the Conditions)	Annual Service	£1,400 pa
					Ad Hoc Per DVD	£759
				Provision of data by email for users Meter Point Reference Numbers. (Part 2 of the Conditions)	Per email report 1-999 MPRNs	£218
					Per email report 1,000-5,000 MPRNs	£321
2. Registered User Portfolio Reports	A range of portfolio information reports available to Users. (Part 5 of the Conditions)	Non Code service	Shippers under UNC	Query Management – Standards of Services	Annual Service (12 reports per year)	£252 pa
					Ad Hoc Service (per report)	£60

Service Item	Description	Type	Services Recipient	Service Detail	Charging Basis	Charge (£)
				Registered User Portfolio Statement	Annual Service (12 reports per year)	£384 pa
					Ad Hoc Service (per report)	£155
				Registered User Portfolio (for User portfolios not exceeding one million Supply Points)	Annual Service (12 reports per year)	£1,788 pa
					Ad Hoc Service (per report)	£890
				Registered User Portfolio (for User portfolios exceeding one million Supply Points)	Service Charge on application to xoserve	
				CSEPs Portfolio Report	Annual Service (12 reports per year)	£384 pa
					Ad Hoc Service (per report)	£60
				Unique Sites Portfolio	Annual Service (12 reports per year)	£384 pa
					Ad Hoc Service (per report)	£60
				Annual Asset Portfolio	Annual Service (one report per year)	£1,500 pa
					Ad Hoc Service (per report)	£2,370

Service Item	Description	Type	Services Recipient	Service Detail	Charging Basis	Charge (£)
				Transco Asset Portfolio	Annual Service (12 reports per year)	£612 pa
					Ad Hoc Service (per report)	£180
				Data Portfolio Snapshot	Annual Service (12 reports per year)	£612 pa
					Ad Hoc Service (per report)	£180
			Those persons entitled to receive the service.	IAD Last Accessed Report	Adhoc Service (per report)	£50
					Annual Service – 6 monthly (2 reports per year)	£75
					Annual Service – Quarterly (4 reports per year)	£125
					Annual Service – Monthly (12 reports per year)	£325

Service Item	Description	Type	Services Recipient	Service Detail	Charging Basis	Charge (£)
3. AQ Enquiry	Tool to calculate a Speculative AQ Value of a Users Supply Meter Point on provision of meter read information.	Non Code service	Shippers under UNC	Provision of a Speculative AQ Value (Part 1 of the Conditions)	Per AQ Enquiry Requested	£0.02
4. Must Reads	If a shipper does not provide meter readings in compliance with the Uniform Network Code, the Gas Transporter may initiate processes to obtain a meter read, referred to as a 'must read'. A charge will be made for each must read.	Code services	Shippers under UNC	One meter at the supply point – National Grid Distribution	Per Read Requested	£51.92
				Two meters at the supply point – National Grid Distribution	Per Read Requested	£76.14
				Three or more meters at the supply point – National Grid Distribution	Per Read Requested	£100.35
				One meter at the supply point – Scotland Gas Networks	Per Read Requested	£62.72
				Two meters at the supply point – Scotland Gas Networks	Per Read Requested	£89.38
				Three or more meters at the supply point – Scotland Gas Networks	Per Read Requested	£116.04

Service Item	Description	Type	Services Recipient	Service Detail	Charging Basis	Charge (£)
				One meter at the supply point – Southern Gas Networks	Per Read Requested	£63.78
				Two meters at the supply point – Southern Gas Networks	Per Read Requested	£90.44
				Three or more meters at the supply point – Southern Gas Networks	Per Read Requested	£117.10
				One meter at the supply point – Northern gas Networks	Per Read Requested	£57.80
				Two meters at the supply point – Northern gas Networks	Per Read Requested	£88.60
				Three or more meters at the supply point – Northern gas Networks	Per Read Requested	£120.40
				One meter at the supply point – Wales & West Utilities	Per Read Requested	£63.98
				Two meters at the supply point – Wales & West Utilities	Per Read Requested	£127.96

Service Item	Description	Type	Services Recipient	Service Detail	Charging Basis	Charge (£)
				Three or more meters at the supply point – Wales & West Utilities	Per Read Requested	£241.92
5. Shipper Agreed Reads	Where Users cannot agree with an estimated opening reading, xoserve will load an agreed revised reading submitted by the incumbent shipper.	Code services	Shippers under UNC	U01 File	Per Read	£0.10
				Email File	Per Read	£2.00
				Facsimile Transaction	Per Read	£7.00
6. User Admission	The delivery and installation of IX equipment on the applicant's premises are required to enable the sending and receipt of communications under the Gas Transporter's Network Code. In addition, in order to accede to a Gas Transporter's Network Code a number of conditions are required to be satisfied. This process requires administration.	Code services	Applicant Users who wish to be admitted to UNC	(a) The delivery and installation of IX equipment	Charged after accession to UNC	Price on Application

¹ Applicant users will be required to sign an IXN installation agreement which will provide for the recovery of installation and removal costs in the event that an applicant user does not become a shipper user, as per current arrangements.

Service Item	Description	Type	Services Recipient	Service Detail	Charging Basis	Charge (£)
		Non Code service		(b) Administration of the shipper admission process.	Charged on application.	£4,130
7 Ad-hoc additional services	Ad-hoc services which are additional to those provided in items 1 to 6 inclusive and which are not contestable, i.e. there is no alternative source for the additional service.	Non Code service	Shippers under UNC	As agreed at the time of request.	Priced by quotation	Priced by quotation
8. USRV resolution service (UNC Modification 192 refers).	The resolution, by the Transporters agent, of a User Suppressed Reconciliation Value (USRV), in accordance with the Uniform Network Code	Code Services	Shippers under UNC	Desktop resolution service only	Per USRV resolution	£53
				Desktop and asset verification visit resolution, National Grid Gas Distribution North Thames LDZ	Per USRV resolution, including the costs of the asset verification visit	£105
				Desktop and asset verification visit resolution, National Grid Gas Distribution East Anglia, East Midlands, West Midlands, North West LDZs	Per USRV resolution, including the costs of the asset verification visit	£99

Service Item	Description	Type	Services Recipient	Service Detail	Charging Basis	Charge (£)
				Desktop and asset verification visit resolution, Wales & West Utilities Wales North, Wales South and South West LDZs	Per USRV resolution, including the costs of the asset verification visit	£99
				Desktop and asset verification visit resolution, Scotland LDZ (including Scottish Independent Networks) and South East and Southern LDZs	Per USRV resolution, including the costs of the asset verification visit	£101
				Desktop and asset verification visit resolution, Northern Gas Networks North East and Northern LDZs	Per USRV resolution, including the costs of the asset verification visit	£97
9. User Pays DCA (UNC Modification 213V refers)	The provision of Detailed Cost Analysis (DCA) document to support a User Pays Modification Proposal, in accordance with UNC Modification Rules	Code Services	Shippers under UNC	A DCA document, provided by the Transporters, to the UNC Committee or UNC Work Group to support a non – implemented User Pays Modification Proposal	As set out in UNC MOD213V and in accordance with UNC Modification Rules, and pursuant to the User Pays Guidance Document with reference to individual quotations provided by the Transporters for the provision of DCA document	Priced on quotation
10. Daily Metered Elective Regime (UNC)	To facilitate the use of Automated Meter Reading (AMR) equipment in the	Code Services	Shippers under UNC	The development costs incurred as a result of the implementation of	Per meter point in End User Category (EUC) band 6, 7, 8 and 9.	Tbc

Service Item	Description	Type	Services Recipient	Service Detail	Charging Basis	Charge (£)
Modification 224 (refers)	business market a user may elect, on a voluntary basis, to use their own AMR equipment to supply daily meter readings to the relevant Transporter			modification 224. A one off charge in accordance with MOD0224 methodology, to be based on the number of eligible meter points on the modification implementation date	Per meter point in End User Category (EUC) band 5	Tbc
					Per meter point in End User Category (EUC) band 4	Tbc
				Provision of daily meter read activities, provision of supporting information and invoicing services	Daily charge per DM Elective nominated meter point	£0.28
				Investigation and resolution of user created daily metered reconciliation error	Per reconciliation error resolution	£60
				Resolution and processing of consumption adjustment	Per consumption adjustment (ADJ1)	£37
				Provision of DME annual check read report	Ad Hoc service (per report)	£55
				Provision of DME meter inspection report	Ad Hoc service (per report)	£55

Service Item	Description	Type	Services Recipient	Service Detail	Charging Basis	Charge (£)
<p>11. Apportionment of Unidentified Gas activity, (UNC Modification 229 refers)</p>	<p>Set-up service A mechanism to apportion unidentified gas is to be developed and applied on an ongoing basis. The set-up activities include appointing an expert to develop a methodology to apply unidentified gas, and the means of assessing the amount of unidentified gas. This set up activity occurs each time an expert is appointed. There may be more than one set-up activity occurring within a year</p>	Code Service	Shippers under UNC incurring LDZ capacity invoice charges	<p>The activities in the set-up service include:</p> <ul style="list-style-type: none"> - Establishment of terms of reference for the expert - Tender activity - Contract development activity - Appointment activity - All other set-up activities associated with the contractual appointment of the expert - Relevant xoserve operational set up charges e.g. transportation invoicing set up for unidentified gas volumes 	<p>The charging basis is:</p> <ol style="list-style-type: none"> 1. Set-up costs incurred for the period between 1 April and 31 March each year divided by 12. 2. This value then invoiced to Shippers in 12 equal instalments for the forthcoming year using the formula below to determine the Shipper charge for each relevant billing period; <p>Total aggregate SOQ for all LDZs for the relevant billing period for each Shipper (as at the end of the relevant billing period) as a percentage of the total aggregate SOQ for all LDZs for the relevant billing period for all Shippers (as at the end of the relevant billing period)²</p>	Total industry charge to be recovered for the forthcoming year to be confirmed each June

² As agreed at the Distribution Workstream June 2010 meeting, the minutes of which can be found on the Joint Office website at <http://www.gasgovernance.co.uk/Dist/2010>

Service Item	Description	Type	Services Recipient	Service Detail	Charging Basis	Charge (£)
	Ongoing service Ongoing application of the methodology	Code Service	Shippers under UNC	<p>The activities for the ongoing service include:</p> <ul style="list-style-type: none"> - Support provided to the expert in undertaking its activities - Convening meetings to discuss the statement - invoicing the values provided by the expert - All other activities not included within the set up charge 	<p>The charging basis is:</p> <ol style="list-style-type: none"> 1. Ongoing costs incurred for the period between 1st April and 31st March each year divided by 12. 2. This value then invoiced to Shippers in 12 equal instalments for the forthcoming year using the formula below to determine the Shipper charge for each relevant billing period; <p>Total aggregate SOQ for all LDZs for the relevant billing period for each Shipper (as at the end of the relevant billing period) as a percentage of the total aggregate SOQ for all LDZs for the relevant billing period for all Shippers (as at the end of the relevant billing period)³</p>	Total industry charge to be recovered for the forthcoming year to be confirmed each June

³ As agreed at the Distribution Workstream June 2010 meeting, the minutes of which can be found on the Joint Office website at <http://www.gasgovernance.co.uk/Dist/2010>

Service Item	Description	Type	Services Recipient	Service Detail	Charging Basis	Charge (£)
<p><u>12 Vacant site service, development service</u></p>	<p><u>Set up service</u></p>	<p><u>Code Service</u></p>	<p><u>Shippers under UNC</u></p>	<p><u>The development costs incurred as a result of the implementation of modification 0282. A one off charge following completion of the development changes.</u></p>	<p><u>100% of development costs charged to eligible Shippers*.</u> <u>Shippers market share of their Small Supply Point portfolio in proportion to the total Small Supply Point market as at the date of implementation.</u> <u>* Shippers with a SSP portfolio as at the date of implementation</u> <u>Note: a charging basis is not defined within the Modification Proposal, the charging basis has been confirmed separately by the proposer.</u></p>	<p><u>Tbc</u></p>

Service Item	Description	Type	Services Recipient	Service Detail	Charging Basis	Charge (£)
<u>13 Vacant site process operational services</u>	<u>Provision of information to shippers who have sites classified as Vacant on UK Link systems</u>	<u>Code Service</u>	<u>Shippers under UNC</u>	<p>The provision of monthly report(s) to individual shippers with one or more Vacant sites in the period, and supporting operational activities:</p> <ul style="list-style-type: none"> - Details of each NDM SSP with a status of Vacant. - Details of NDM SSP removed from Vacant status - Details of NDM SSP flagged - Vacant >24months - Details of reads received for vacant supply points (Business Rule 15) <p>The provision of monthly report(s) to the community:</p> <ul style="list-style-type: none"> - anonymised report of vacant sites - anonymised age analysis reports. 	<p>Charged to all eligible Shippers* regardless of whether they have used the service or not.</p> <p>By Shipper, on each shippers proportion of the small supply point population as counted on the last day of the relevant billing period (month). For the avoidance of doubt this will be the actual count of small supply points sites on the last day of the month only, not an aggregation of the days of the month.</p> <p>* Shippers with a SSP portfolio on the last day of the relevant billing period (month).</p> <p>Note: a charging basis is not defined within the Modification Proposal, the charging basis has been confirmed separately by the proposer.</p>	<p>Tbc</p> <p>Note, this charge will be the total per month to be apportioned to eligible Shippers</p>

Other Charges and Payments

Service Item	Type	Service Detail	Charging Basis	Charge (£)
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Service Item	Type	Service Detail	Charging Basis	Charge (£)
1.Provision of Information	Non Code service	Internet based service to allow authorised users access to supply meter point data online. (Part 3 of the Conditions)	Daily Failure Rate for IAD services	£0.36
		User Telephone Enquiry Service Volume Band reduction charge. (Part 6 of the Conditions)	On reduction of the contracted User Telephone Enquiry Service Volume Band	£500

Appendix 2: Updated Forecast Demand

Service Item	Service Detail		1 April 2010 Annual Forecast Demand (Apr 10 – Mar 11)
1.Provision of Information	Internet based service to allow authorised users access to supply meter point data online. (Part 3 of the Conditions)		17,700
	User Telephone Enquiry. Telephone call(s) to information centre to obtain Supply Meter Point data. (Part 6 of the Conditions)	Band B up to 1,000 calls	14
		Band C up to 5,000 calls	8
		Band D up to 20,000 calls	0
		Band E up to 50,000 calls	3
		Band F up to 70,000 calls	1
		Band G up to 150,000 calls	1
		Band H up to 250,000 calls	0
		Calls in excess of band	290
	Provision of M Number DVD containing supply meter point data. (Part 4 of the Conditions)	Annual Service	16
	Provision of data by email for users Meter Point Reference Numbers. (Part 2 of the Conditions)	Per email report 1-999 MPRNs	790
		Per email report 1,000-5,000 MPRNs	20
2. Registered User Portfolio Reports	Query Management – Standards of Services	Annual Service (12 reports per year)	6
		Ad Hoc Service (per report)	0
	Registered User Portfolio Statement	Annual Service (12 reports per year)	25
		Ad Hoc Service (per report)	0
	Registered User Portfolio (for User portfolios not exceeding one million Supply Points)	Annual Service (12 reports per year)	27
		Ad Hoc Service (per report)	0

Service Item	Service Detail		1 April 2010 Annual Forecast Demand (Apr 10 – Mar 11)
	CSEPs Portfolio Report	Annual Service (12 reports per year)	16
		Ad Hoc Service (per report)	0
	Unique Sites Portfolio	Annual Service (12 reports per year)	6
		Ad Hoc Service (per report)	0
	Annual Asset Portfolio	Annual Service (one report per year)	15
		Ad Hoc Service (per report)	0
	Transco Asset Portfolio	Annual Service (12 reports per year)	16
		Ad Hoc Service (per report)	0
	Data Portfolio Snapshot	Annual Service (12 reports per year)	13
		Ad Hoc Service (per report)	0
	IAD Last Accessed Report	Adhoc Service (per report)	1
		Annual Service – 6 monthly (2 reports per year)	0
		Annual Service – Quarterly (4 reports per year)	5
		Annual Service – Monthly (12 reports per year)	4
3. AQ Enquiry	Provision of a Speculative AQ Value (Part 1 of the Conditions)		2,667,000
4. Must Reads	One meter at the supply point		13,410
	Two meters at the supply point		950

Service Item	Service Detail	1 April 2010 Annual Forecast Demand (Apr 10 – Mar 11)	
	Three or more meters at the supply point	1,140	
5. Shipper Agreed Reads	U01 File	2,700	
	Email File	23,000	
	Facsimile Transaction	3,000	
6. User Admission	Non-Code Services applicants	15	
8. USRV filter failures	Desktop resolution	250	
	Desktop resolution including site visit	170	
10. Daily Metered Elective Services	DM Elective nominated meter points	Year 1	667
		Year 2	2,980
		Year 3 onwards	4,666
	Reconciliation error resolution		330
	Consumption Adjustments (ADJ1)		165
	DM Elective annual check read report		6
	DM Elective meter inspection report		6
	11 Apportionment of Unidentified Gas activity, (UNC Modification 229 refers)	Set up service	Once or more per year
Ongoing service		Once per year	
<u>12 Vacant Sites services (UNC Modification 282 refers)</u>	<u>Set up service</u>	<u>Once</u>	
	<u>Ongoing monthly service to Shippers</u>	<u>Approx 40 eligible shippers per month</u>	

Activity Cost Base (ACB) in xoserve

An Overview of the Methodology

1.0 Background

The purpose of this paper is to provide a summary of the Activity Cost Base (ACB) methodology used in xoserve.

Obligations are placed on Network Operators by Standard Special Condition A15(3)(ii) of the Gas Transporters' licence – "the costs of the agency shall be determined on an activity cost basis such that the services and systems costs associated with each activity, as set out within the uniform network code as being the scope of agency, are separately assessed and reported."

The ACB methodology described below is intended to meet this obligation.

2.0 Activity Cost Base Methodology

The scope of the methodology is the activities included in Schedule 2 of the Agency Services Agreement (ASA) which specifies the services xoserve provides to the Network Operators. The services are shown in three levels of detail – Service Line (e.g. Provide and maintain Supply Point Register), Service Description (e.g. Manage Supply Point Register) and Service Requirement (e.g. Respond to Supply Point enquiry).

The cost base is split into five distinct areas.

- Employee costs (e.g. Salaries & Associated Costs, Agency and Travel & Subsistence).
- Non Employee costs (e.g. Printing and Stationary, Training and Telephones).
- Bought in services (Non IS) (e.g. Property, M Numbers, and Business Services).
- Bought in Services (IS Core).
- Bought in Services (IS projects).

Cost drivers are used to apportion costs for each area to each service line. Different drivers are used depending on the nature of cost involved. For example, activities that are labour intensive can be driven using proportions of manpower time spent against those activities. Cost drivers will be explained in greater detail in the next section.

3.0 Cost Driver Selection

The cost drivers used are as follows.

3.1 Employee costs

3.1.1 Direct - Departments who deliver ASA services

xoserve uses a well established system to record time taken against activities. The activity codes from this system have been mapped to the most appropriate ASA service lines. Costs are allocated to service lines in proportion to the amount of resource used to complete the activity. Direct staff numbers are used to drive Salary and Associated Costs whilst Agency numbers are used to drive Agency costs.

3.1.2 Support – Departments not delivering specific ASA services

The resources and costs of those departments who are not involved with the delivery of specific ASA services (e.g. HR, Finance & Business Support) are attributed in proportion to the total direct resource per service line.

3.2 Non Employee Costs

Where non employee costs are incurred as a result of delivering a particular service (e.g. RbD Audit), these will be allocated directly to that service line. The remainder of non staff costs are allocated across all service lines in proportion to the direct and support resource against it.

3.3 Bought in Services (Non IS)

Non IS bought in services are treated in the same way as non employee costs. Several bought in services can be allocated directly to service lines (e.g. Domestic M Number service outsourced to National Grid). The remainder of this type of bought in service are allocated to service lines in proportion to the direct and support resource against it.

3.4 Bought in Services (IS Core)

IS charges can be broken down into a number of categories. The bulk of the charges are incurred in running and maintaining applications such as Gemini, Invoicing 95 and Sites & Meters. Categories such as asset leasing charges, software licence costs and application workpacks are allocated to the relevant software application that has incurred the cost.

The total application costs are then allocated to the relevant service lines based upon recommendations provided by appropriate experts within the business.

The remainder of the categories are driven to service lines in proportion to the direct and support resource against it. These are :-

- Network Infrastructure
- Desktop
- Helpdesk
- Contract Management (purchase)

3.5 Bought in Services (IS Projects)

Expenditure incurred under Change Budget and Business Improvements categories is allocated, with input from xoserve Business Projects, to the most appropriate service line. For example, any changes or improvements to the Supply Point Register will be allocated to that service line.

Infrastructure upgrade costs are allocated to the specific application which has benefited from the work being undertaken.

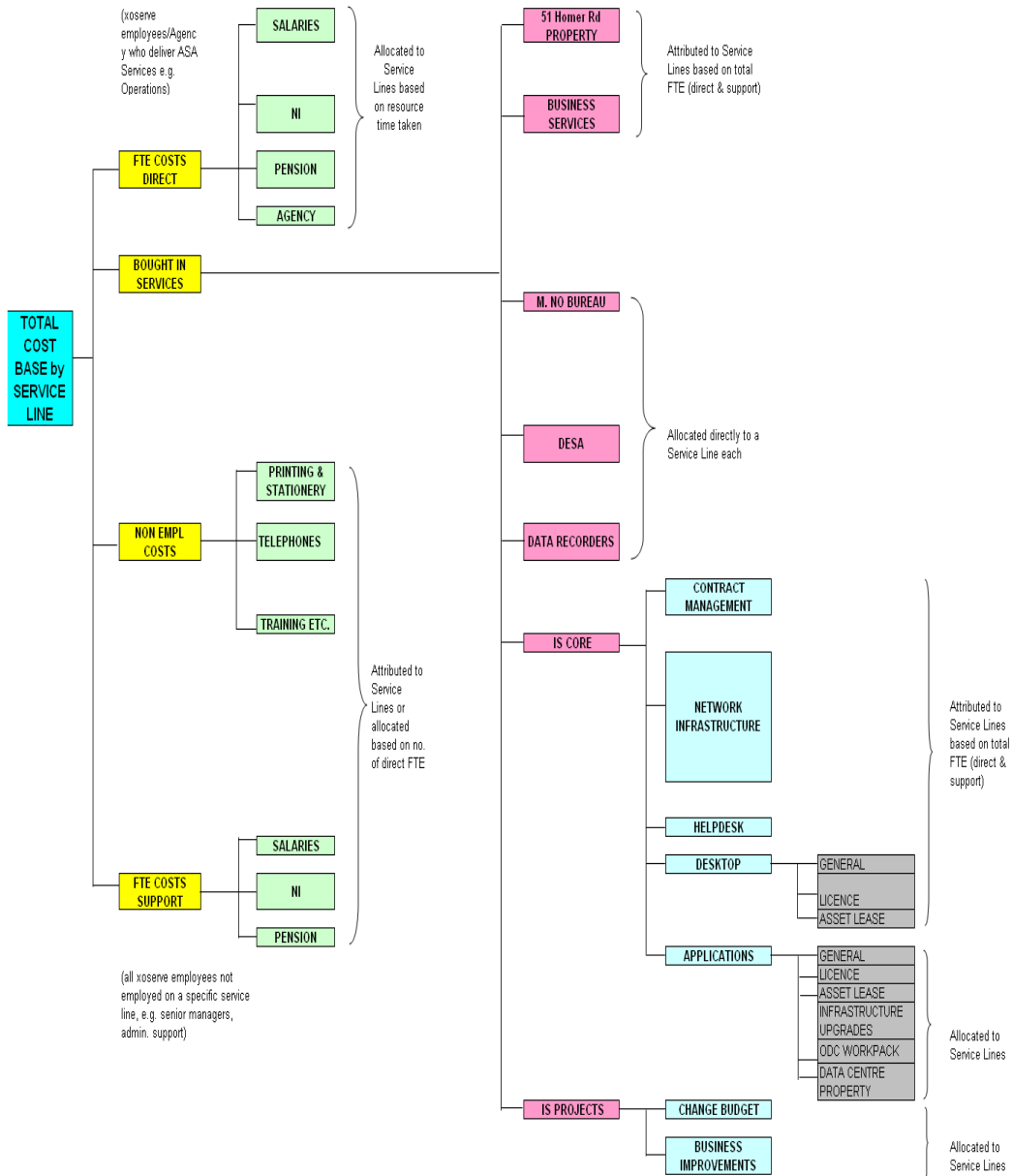
The cost drivers used are summarised below.

4.0 Summary

The ACB methodology developed for xoserve ensures that costs are allocated to activities using the most appropriate drivers: -

- Where possible, resource costs being allocated in proportion to time taken to complete activities.
- If a non staff or bought in service cost is incurred in the delivery of one or more service lines then the cost is allocated directly to the relevant service lines only.
- The cost of applications is driven to service lines based on advice from appropriate experts from within xoserve.

Summary of Cost Drivers



Agency Charging Statement

Applies from tbc

Deleted: 21 November 2010

Document Reference:	Agency Charging Statement
Version:	<u>tbc</u>
Status*:	<p style="color: red; text-decoration: underline;">Draft to support Modification Proposal 0282A - Introduction of a process to manage Vacant sites</p> <p>Modified against ACS <u>21 November</u> 2010</p>
Effective Date:	<u>tbc</u>
<p>* Status types:</p> <ul style="list-style-type: none"> - Draft – submitted in support of UNC Modification Proposal, or provided prior to Proposed version - Proposed – submitted to Ofgem for approval - Approved – live ACS with effective date 	

Deleted: 1.7

Deleted: Live

Deleted: 1 October

Deleted: 21 November 2010

Issued on behalf of all Large Gas Transporters

1. Introduction & Background

- 1.1 This publication sets out the charging methodology, charges and scope for User Pays Services and the scope of Core Services which will apply from ~~tbc.~~ as required by Standard Special Condition A15 (SSC A15) of the Gas Transporter Licence. xoserve provides these services on behalf of the Gas Transporters as the appointed Agency. This document is published jointly by the following organisations:

Deleted: 21 November 2010,

National Grid Gas (Distribution)
National Grid Gas (Transmission)
Northern Gas Networks
Scotland Gas Networks
Southern Gas Networks
Wales & West Utilities

and does not override or vary any of the statutory, licence or Uniform Network Code obligations upon the above organisations.

- 1.2 User Pays Services are categorised as Code Services or Non-Code Services. Code Services are those relating to certain Gas Transporter obligations contained in the Uniform Network Code. Non-Code Services are all other User Pays Services.
- 1.3 Charges for Code Services will be invoiced in the name of the relevant Gas Transporter who will collect the associated revenue:
- (a) subject to (b), in accordance with Section S of the Transportation Principal Document of the Uniform Network Code and invoices will be issued by xoserve utilising the UNC invoicing processes, or
- (b) in accordance with invoices issued by xoserve not utilising UNC processes, where the User Pays Service is of the type described in Appendix 1, item 6(b), or of the type described in Appendix 1, item 6(a) and the applicant does not satisfy all of the User Accession arrangements under Section V2 of Transportation Principal Document of the Uniform Network Code.
- 1.4 For Non-Code Services, except for Ad Hoc services for which paragraph 1.5 will apply, Conditions for the Provision of Services and Service Schedules will be published by xoserve and users of such services shall request services via a Service Request. Charges for Non-Code Services will be invoiced in the name of xoserve who will collect the associated revenue in accordance with the published Conditions. Invoices will be issued by xoserve, their frequency depending on the nature and use of the service. Further details are provided in the Conditions.
- 1.5 Where a user wishes an alternative service which is not contestable, it may request an Ad-hoc Additional Service on a bilateral basis as described in Appendix 1, paragraph 7.

1.6 For all User Pays Services, supporting information will be provided with each invoice to allow users of such services to validate their invoices.

2. Scope of User Pays and Core Services

2.1 User Pays Services are those services listed in Appendix 1.

2.2 The number and scope of User Pays Services are as shown in Appendix 1 of this document but such number may be revised from time to time by a modification to the Agency Charging Statement made in accordance with SSC A15.

2.3 Core Services are those services which are Transporter Agency Activities as defined in Section V6.5 of the Transportation Principal Document of the Uniform Network Code and which are not User Pays Services.

3. Charging Methodology

3.1 The objectives of the charging methodology, as specified in SSC A15, are that:

- (a) Charges should, as far as reasonably practicable, reflect the costs in providing the services;
- (b) Charges should not unduly discriminate between or unduly prefer any person or class or classes of person.

3.2 The charging methodology for the User Pays Services detailed in Appendix 1 is that the charge for each service will be set based on a forecast of costs to deliver the forecast demand for the service. The costs used to derive the charges will reflect the cost of employees and other expenses that can be directly associated with the provision of the service (excluding the original cost of developing the systems used to deliver the services), plus an appropriate level of overhead (property, systems etc) determined using an activity cost basis methodology (Appendix 3). The charges allow for a reasonable margin to be made when demand is at the forecast level.

3.3 In the event of new or amended services being treated as User Pays Services, the charging methodology will be reviewed once the details of the services have been defined.

4. Charging Basis and Charges

4.1 The charging basis and charges for each of the User Pays Services is shown in Appendix 1. For the services categorised as Non-Code, further details of the triggers for incurring charges are provided in the Conditions for the Provision of Services and Service Schedules published by xoserve. The Conditions also include details of the invoice dispute process for Non-Code Services.

- 4.2 The principles for charging for User Pays Modification Proposals are set out in UNC MOD213V and shall be in accordance with UNC Modification Rules, and pursuant to the User Pays Guidance Document.
- 4.3 The charges in respect of Service Item 10 (UNC Modification Proposal 0224 Facilitating the use of AMR in the Daily Metered Elective Regime) are consistent with the charging methodology principles detailed in Section 3, above. However, due to the phased nature of user forecast demand for the services, detailed in Appendix 2, the transactional charges have assumed a cost recovery period of two years from initial implementation. On completion of the initial two years these service charges will target a year in year cost recovery and will be reviewed in accordance with paragraph 4.4 below.
- 4.4 Gas Transporters are required to keep this publication under review and may from time to time modify the statement. It is anticipated that a review will take place at least annually and any review of this statement shall include, where necessary, an update of Appendix 2 (Forecast Demand), even if the updates do not result in subsequent changes to the charges outlined in Appendix 1.
- 4.5 All charges will become effective from the date of the statement and shall continue to be invoiced in line with the published Conditions.

Appendix 1 – Schedule of User Pays Services and User Pays Service Charges

Service Item	Description	Type	Services Recipient	Service Detail	Charging Basis	Charge (£)
1.Provision of Information	A range of services supporting the provision of information to various parties.	Non Code service	Those persons entitled to receive the service.	Internet based service to allow authorised users access to supply meter point data online. (Part 3 of the Conditions)	Monthly Charge for an IAD Account	£7.65
				User Telephone Enquiry. Telephone call(s) to information centre to obtain Supply Meter Point data. (Part 6 of the Conditions)	Band A *	-
				*Band A equates to pay-as-you-go at £3.20 a call. This is aimed at infrequent callers.	Band B up to 1,000 calls annually (charged in 12 equal monthly instalments)	£2,520 pa
					Band C up to 5,000 calls annually (charged in 12 equal monthly instalments)	£12,324 pa
					Band D up to 20,000 calls annually (charged in 12 equal monthly instalments)	£42,948 pa
					Band E up to 50,000 calls annually (charged in 12 equal monthly instalments)	£88,332 pa
					Band F up to 70,000 calls annually (charged in 12 equal monthly instalments)	£109,800 pa

Service Item	Description	Type	Services Recipient	Service Detail	Charging Basis	Charge (£)
					Band G up to 150,000 calls annually (charged in 12 equal monthly instalments)	£150,300 pa
					Band H up to 250,000 calls annually (charged in 12 equal monthly instalments)	£193,236 pa
					Charge per call in excess of annual band	£3.20
					Charge per call in excess of monthly allowance	£3.20
				Provision of M Number DVD containing supply meter point data. (Part 4 of the Conditions)	Annual Service	£1,400 pa
					Ad Hoc Per DVD	£759
				Provision of data by email for users Meter Point Reference Numbers. (Part 2 of the Conditions)	Per email report 1-999 MPRNs	£218
					Per email report 1,000-5,000 MPRNs	£321
2. Registered User Portfolio Reports	A range of portfolio information reports available to Users. (Part 5 of the Conditions)	Non Code service	Shippers under UNC	Query Management – Standards of Services	Annual Service (12 reports per year)	£252 pa
					Ad Hoc Service (per report)	£60

Service Item	Description	Type	Services Recipient	Service Detail	Charging Basis	Charge (£)
				Registered User Portfolio Statement	Annual Service (12 reports per year)	£384 pa
					Ad Hoc Service (per report)	£155
				Registered User Portfolio (for User portfolios not exceeding one million Supply Points)	Annual Service (12 reports per year)	£1,788 pa
					Ad Hoc Service (per report)	£890
				Registered User Portfolio (for User portfolios exceeding one million Supply Points)	Service Charge on application to xoserve	
				CSEPs Portfolio Report	Annual Service (12 reports per year)	£384 pa
					Ad Hoc Service (per report)	£60
				Unique Sites Portfolio	Annual Service (12 reports per year)	£384 pa
					Ad Hoc Service (per report)	£60
				Annual Asset Portfolio	Annual Service (one report per year)	£1,500 pa
					Ad Hoc Service (per report)	£2,370

Service Item	Description	Type	Services Recipient	Service Detail	Charging Basis	Charge (£)
				Transco Asset Portfolio	Annual Service (12 reports per year)	£612 pa
					Ad Hoc Service (per report)	£180
				Data Portfolio Snapshot	Annual Service (12 reports per year)	£612 pa
					Ad Hoc Service (per report)	£180
			Those persons entitled to receive the service.	IAD Last Accessed Report	Adhoc Service (per report)	£50
					Annual Service – 6 monthly (2 reports per year)	£75
					Annual Service – Quarterly (4 reports per year)	£125
					Annual Service – Monthly (12 reports per year)	£325

Service Item	Description	Type	Services Recipient	Service Detail	Charging Basis	Charge (£)
3. AQ Enquiry	Tool to calculate a Speculative AQ Value of a Users Supply Meter Point on provision of meter read information.	Non Code service	Shippers under UNC	Provision of a Speculative AQ Value (Part 1 of the Conditions)	Per AQ Enquiry Requested	£0.02
4. Must Reads	If a shipper does not provide meter readings in compliance with the Uniform Network Code, the Gas Transporter may initiate processes to obtain a meter read, referred to as a 'must read'. A charge will be made for each must read.	Code services	Shippers under UNC	One meter at the supply point – National Grid Distribution	Per Read Requested	£51.92
				Two meters at the supply point – National Grid Distribution	Per Read Requested	£76.14
				Three or more meters at the supply point – National Grid Distribution	Per Read Requested	£100.35
				One meter at the supply point – Scotland Gas Networks	Per Read Requested	£62.72
				Two meters at the supply point – Scotland Gas Networks	Per Read Requested	£89.38
				Three or more meters at the supply point – Scotland Gas Networks	Per Read Requested	£116.04

Service Item	Description	Type	Services Recipient	Service Detail	Charging Basis	Charge (£)
				One meter at the supply point – Southern Gas Networks	Per Read Requested	£63.78
				Two meters at the supply point – Southern Gas Networks	Per Read Requested	£90.44
				Three or more meters at the supply point – Southern Gas Networks	Per Read Requested	£117.10
				One meter at the supply point – Northern gas Networks	Per Read Requested	£57.80
				Two meters at the supply point – Northern gas Networks	Per Read Requested	£88.60
				Three or more meters at the supply point – Northern gas Networks	Per Read Requested	£120.40
				One meter at the supply point – Wales & West Utilities	Per Read Requested	£63.98
				Two meters at the supply point – Wales & West Utilities	Per Read Requested	£127.96

Service Item	Description	Type	Services Recipient	Service Detail	Charging Basis	Charge (£)
				Three or more meters at the supply point – Wales & West Utilities	Per Read Requested	£241.92
5. Shipper Agreed Reads	Where Users cannot agree with an estimated opening reading, xoserve will load an agreed revised reading submitted by the incumbent shipper.	Code services	Shippers under UNC	U01 File	Per Read	£0.10
				Email File	Per Read	£2.00
				Facsimile Transaction	Per Read	£7.00
6. User Admission	The delivery and installation of IX equipment on the applicant's premises are required to enable the sending and receipt of communications under the Gas Transporter's Network Code. In addition, in order to accede to a Gas Transporter's Network Code a number of conditions are required to be satisfied. This process requires administration.	Code services	Applicant Users who wish to be admitted to UNC	(a) The delivery and installation of IX equipment	Charged after accession to UNC	Price on Application

¹ Applicant users will be required to sign an IXN installation agreement which will provide for the recovery of installation and removal costs in the event that an applicant user does not become a shipper user, as per current arrangements.

Service Item	Description	Type	Services Recipient	Service Detail	Charging Basis	Charge (£)
		Non Code service		(b) Administration of the shipper admission process.	Charged on application.	£4,130
7 Ad-hoc additional services	Ad-hoc services which are additional to those provided in items 1 to 6 inclusive and which are not contestable, i.e. there is no alternative source for the additional service.	Non Code service	Shippers under UNC	As agreed at the time of request.	Priced by quotation	Priced by quotation
8. USRV resolution service (UNC Modification 192 refers).	The resolution, by the Transporters agent, of a User Suppressed Reconciliation Value (USRV), in accordance with the Uniform Network Code	Code Services	Shippers under UNC	Desktop resolution service only	Per USRV resolution	£53
				Desktop and asset verification visit resolution, National Grid Gas Distribution North Thames LDZ	Per USRV resolution, including the costs of the asset verification visit	£105
				Desktop and asset verification visit resolution, National Grid Gas Distribution East Anglia, East Midlands, West Midlands, North West LDZs	Per USRV resolution, including the costs of the asset verification visit	£99

Service Item	Description	Type	Services Recipient	Service Detail	Charging Basis	Charge (£)
				Desktop and asset verification visit resolution, Wales & West Utilities Wales North, Wales South and South West LDZs	Per USRV resolution, including the costs of the asset verification visit	£99
				Desktop and asset verification visit resolution, Scotland LDZ (including Scottish Independent Networks) and South East and Southern LDZs	Per USRV resolution, including the costs of the asset verification visit	£101
				Desktop and asset verification visit resolution, Northern Gas Networks North East and Northern LDZs	Per USRV resolution, including the costs of the asset verification visit	£97
9. User Pays DCA (UNC Modification 213V refers)	The provision of Detailed Cost Analysis (DCA) document to support a User Pays Modification Proposal, in accordance with UNC Modification Rules	Code Services	Shippers under UNC	A DCA document, provided by the Transporters, to the UNC Committee or UNC Work Group to support a non – implemented User Pays Modification Proposal	As set out in UNC MOD213V and in accordance with UNC Modification Rules, and pursuant to the User Pays Guidance Document with reference to individual quotations provided by the Transporters for the provision of DCA document	Priced on quotation
10. Daily Metered Elective Regime (UNC)	To facilitate the use of Automated Meter Reading (AMR) equipment in the	Code Services	Shippers under UNC	The development costs incurred as a result of the implementation of	Per meter point in End User Category (EUC) band 6, 7, 8 and 9.	Tbc

Service Item	Description	Type	Services Recipient	Service Detail	Charging Basis	Charge (£)
Modification 224 (refers)	business market a user may elect, on a voluntary basis, to use their own AMR equipment to supply daily meter readings to the relevant Transporter			modification 224. A one off charge in accordance with MOD0224 methodology, to be based on the number of eligible meter points on the modification implementation date	Per meter point in End User Category (EUC) band 5	Tbc
				Provision of daily meter read activities, provision of supporting information and invoicing services	Per meter point in End User Category (EUC) band 4	Tbc
				Investigation and resolution of user created daily metered reconciliation error	Daily charge per DM Elective nominated meter point	£0.28
				Resolution and processing of consumption adjustment	Per reconciliation error resolution	£60
				Provision of DME annual check read report	Per consumption adjustment (ADJ1)	£37
				Provision of DME meter inspection report	Ad Hoc service (per report)	£55
					Ad Hoc service (per report)	£55

Service Item	Description	Type	Services Recipient	Service Detail	Charging Basis	Charge (£)
11. Apportionment of Unidentified Gas activity, (UNC Modification 229 refers)	<p>Set-up service</p> <p>A mechanism to apportion unidentified gas is to be developed and applied on an ongoing basis.</p> <p>The set-up activities include appointing an expert to develop a methodology to apply unidentified gas, and the means of assessing the amount of unidentified gas.</p> <p>This set up activity occurs each time an expert is appointed. There may be more than one set-up activity occurring within a year</p>	Code Service	Shippers under UNC incurring LDZ capacity invoice charges	<p>The activities in the set-up service include:</p> <ul style="list-style-type: none"> - Establishment of terms of reference for the expert - Tender activity - Contract development activity - Appointment activity - All other set-up activities associated with the contractual appointment of the expert - Relevant xoserve operational set up charges e.g. transportation invoicing set up for unidentified gas volumes 	<p>The charging basis is:</p> <ol style="list-style-type: none"> 1. Set-up costs incurred for the period between 1 April and 31 March each year divided by 12. 2. This value then invoiced to Shippers in 12 equal instalments for the forthcoming year using the formula below to determine the Shipper charge for each relevant billing period; <p>Total aggregate SOQ for all LDZs for the relevant billing period for each Shipper (as at the end of the relevant billing period) as a percentage of the total aggregate SOQ for all LDZs for the relevant billing period for all Shippers (as at the end of the relevant billing period)²</p>	Total industry charge to be recovered for the forthcoming year to be confirmed each June

² As agreed at the Distribution Workstream June 2010 meeting, the minutes of which can be found on the Joint Office website at <http://www.gasgovernance.co.uk/Dist/2010>

Service Item	Description	Type	Services Recipient	Service Detail	Charging Basis	Charge (£)
	Ongoing service Ongoing application of the methodology	Code Service	Shippers under UNC	<p>The activities for the ongoing service include:</p> <ul style="list-style-type: none"> - Support provided to the expert in undertaking its activities - Convening meetings to discuss the statement - invoicing the values provided by the expert - All other activities not included within the set up charge 	<p>The charging basis is:</p> <ol style="list-style-type: none"> 1. Ongoing costs incurred for the period between 1st April and 31st March each year divided by 12. 2. This value then Invoiced to Shippers in 12 equal instalments for the forthcoming year using the formula below to determine the Shipper charge for each relevant billing period; <p>Total aggregate SOQ for all LDZs for the relevant billing period for each Shipper (as at the end of the relevant billing period) as a percentage of the total aggregate SOQ for all LDZs for the relevant billing period for all Shippers (as at the end of the relevant billing period)³</p>	Total industry charge to be recovered for the forthcoming year to be confirmed each June

³ As agreed at the Distribution Workstream June 2010 meeting, the minutes of which can be found on the Joint Office website at <http://www.gasgovernance.co.uk/Dist/2010>

Service Item	Description	Type	Services Recipient	Service Detail	Charging Basis	Charge (£)
<u>12 Vacant site service, development service</u>	<u>Set up service</u>	<u>Code Service</u>	<u>Shippers under UNC</u>	<u>The development costs incurred as a result of the implementation of modification 0282A. A one off charge following completion of the development changes.</u>	<u>100% of development costs charged to eligible Shippers*.</u> <u>Shippers market share of their Small Supply Point portfolio in proportion to the total Small Supply Point market as at the date of implementation.</u> <u>* Shippers with a SSP portfolio as at the date of implementation</u>	<u>tbc</u>

Service Item	Description	Type	Services Recipient	Service Detail	Charging Basis	Charge (£)
<p><u>13 Vacant site process operational services</u></p>	<p><u>Provision of information to shippers who have sites classified as Vacant on UK Link systems</u></p>	<p><u>Code Service</u></p>	<p><u>Shippers under UNC</u></p>	<p>The provision of monthly report(s) to individual shippers with one or more Vacant sites in the period, and supporting operational activities:</p> <ul style="list-style-type: none"> - <u>Details of each NDM SSP with a status of Vacant.</u> - <u>Details of NDM SSP removed from Vacant status</u> - <u>Details of NDM SSP flagged</u> - <u>Vacant >24months</u> - <u>Details of reads received for vacant supply points (Business Rule 15).</u> <p>The provision of monthly report(s) to the community:</p> <ul style="list-style-type: none"> - <u>anononymised report of vacant sites</u> - <u>anononymised age analysis reports.</u> 	<p><u>By Shipper, on each shippers proportion of the vacant supply point population as counted on the last day of the relevant billing period (month). For the avoidance of doubt this will be the actual count of vacant sites on the last day of the month only, not an aggregation of the days of the month.</u></p>	<p><u>Tbc</u></p> <p><u>Note, this charge will be the total per month to be apportioned to Vacant site Shipper users</u></p>

Service Item	Description	Type	Services Recipient	Service Detail	Charging Basis	Charge (£)
	Supply point classified as vacant identified as consuming gas (note the charges here are for calculating and raising the transportation and energy charges, not the transportation and energy charges themselves)	Code Services	Shippers under UNC	Raise charges where it has been identified by the Transporter that gas was, or is being offtaken at a NDM SSP during such period as was identified as 'Vacant', the Registered User whilst the site was vacant will be liable for all charges (including without limitation Transportation Charges) as if it has not been Vacant. (Business Rule 13)	Per event	tbc

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Other Charges and Payments

Service Item	Type	Service Detail	Charging Basis	Charge (£)
1.Provision of Information	Non Code service	Internet based service to allow authorised users access to supply meter point data online. (Part 3 of the Conditions) User Telephone Enquiry Service Volume Band reduction charge. (Part 6 of the Conditions)	Daily Failure Rate for IAD services On reduction of the contracted User Telephone Enquiry Service Volume Band	£0.36 £500

Appendix 2: Updated Forecast Demand

Service Item	Service Detail	1 April 2010 Annual Forecast Demand (Apr 10 – Mar 11)	
1.Provision of Information	Internet based service to allow authorised users access to supply meter point data online. (Part 3 of the Conditions)	17,700	
	User Telephone Enquiry. Telephone call(s) to information centre to obtain Supply Meter Point data. (Part 6 of the Conditions)	Band B up to 1,000 calls	14
		Band C up to 5,000 calls	8
		Band D up to 20,000 calls	0
		Band E up to 50,000 calls	3
		Band F up to 70,000 calls	1
		Band G up to 150,000 calls	1
		Band H up to 250,000 calls	0
		Calls in excess of band	290
	Provision of M Number DVD containing supply meter point data. (Part 4 of the Conditions)	Annual Service	16
		Ad Hoc Per DVD	0
	Provision of data by email for users Meter Point Reference Numbers. (Part 2 of the Conditions)	Per email report 1-999 MPRNs	790
		Per email report 1,000-5,000 MPRNs	20
	2. Registered User Portfolio Reports	Query Management – Standards of Services	Annual Service (12 reports per year)
Ad Hoc Service (per report)			0
Registered User Portfolio Statement		Annual Service (12 reports per year)	25
		Ad Hoc Service (per report)	0
Registered User Portfolio (for User portfolios not exceeding one million Supply Points)		Annual Service (12 reports per year)	27
		Ad Hoc Service (per report)	0

Service Item	Service Detail		1 April 2010 Annual Forecast Demand (Apr 10 – Mar 11)
	CSEPs Portfolio Report	Annual Service (12 reports per year)	16
		Ad Hoc Service (per report)	0
	Unique Sites Portfolio	Annual Service (12 reports per year)	6
		Ad Hoc Service (per report)	0
	Annual Asset Portfolio	Annual Service (one report per year)	15
		Ad Hoc Service (per report)	0
	Transco Asset Portfolio	Annual Service (12 reports per year)	16
		Ad Hoc Service (per report)	0
	Data Portfolio Snapshot	Annual Service (12 reports per year)	13
		Ad Hoc Service (per report)	0
	IAD Last Accessed Report	Adhoc Service (per report)	1
		Annual Service – 6 monthly (2 reports per year)	0
		Annual Service – Quarterly (4 reports per year)	5
		Annual Service – Monthly (12 reports per year)	4
3. AQ Enquiry	Provision of a Speculative AQ Value (Part 1 of the Conditions)		2,667,000
4. Must Reads	One meter at the supply point		13,410
	Two meters at the supply point		950

Service Item	Service Detail	1 April 2010 Annual Forecast Demand (Apr 10 – Mar 11)	
	Three or more meters at the supply point	1,140	
5. Shipper Agreed Reads	U01 File	2,700	
	Email File	23,000	
	Facsimile Transaction	3,000	
6. User Admission	Non-Code Services applicants	15	
8. USRV filter failures	Desktop resolution	250	
	Desktop resolution including site visit	170	
10. Daily Metered Elective Services	DM Elective nominated meter points	Year 1	667
		Year 2	2,980
		Year 3 onwards	4,666
	Reconciliation error resolution		330
	Consumption Adjustments (ADJ1)		165
	DM Elective annual check read report		6
	DM Elective meter inspection report		6
	11 Apportionment of Unidentified Gas activity, (UNC Modification 229 refers)	Set up service	Once or more per year
Ongoing service		Once per year	
<u>12 Vacant Sites services (UNC Modification 282A refers)</u>	<u>Set up service</u>	<u>Once</u>	
	<u>Ongoing monthly service to Shippers</u>	<u>To be confirmed. Demand information from Shippers is essential to assess charges to Shipper</u>	

Service Item	Service Detail	1 April 2010 Annual Forecast Demand (Apr 10 – Mar 11)
	<u>Supply point classified as vacant identified as consuming gas</u>	<u>tbc</u>

Activity Cost Base (ACB) in xoserve

An Overview of the Methodology

1.0 Background

The purpose of this paper is to provide a summary of the Activity Cost Base (ACB) methodology used in xoserve.

Obligations are placed on Network Operators by Standard Special Condition A15(3)(ii) of the Gas Transporters' licence – "the costs of the agency shall be determined on an activity cost basis such that the services and systems costs associated with each activity, as set out within the uniform network code as being the scope of agency, are separately assessed and reported."

The ACB methodology described below is intended to meet this obligation.

2.0 Activity Cost Base Methodology

The scope of the methodology is the activities included in Schedule 2 of the Agency Services Agreement (ASA) which specifies the services xoserve provides to the Network Operators. The services are shown in three levels of detail – Service Line (e.g. Provide and maintain Supply Point Register), Service Description (e.g. Manage Supply Point Register) and Service Requirement (e.g. Respond to Supply Point enquiry).

The cost base is split into five distinct areas.

- Employee costs (e.g. Salaries & Associated Costs, Agency and Travel & Subsistence).
- Non Employee costs (e.g. Printing and Stationary, Training and Telephones).
- Bought in services (Non IS) (e.g. Property, M Numbers, and Business Services).
- Bought in Services (IS Core).
- Bought in Services (IS projects).

Cost drivers are used to apportion costs for each area to each service line. Different drivers are used depending on the nature of cost involved. For example, activities that are labour intensive can be driven using proportions of manpower time spent against those activities. Cost drivers will be explained in greater detail in the next section.

3.0 Cost Driver Selection

The cost drivers used are as follows.

3.1 Employee costs

3.1.1 Direct - Departments who deliver ASA services

xoserve uses a well established system to record time taken against activities. The activity codes from this system have been mapped to the most appropriate ASA service lines. Costs are allocated to service lines in proportion to the amount of resource used to complete the activity. Direct staff numbers are used to drive Salary and Associated Costs whilst Agency numbers are used to drive Agency costs.

3.1.2 Support – Departments not delivering specific ASA services

The resources and costs of those departments who are not involved with the delivery of specific ASA services (e.g. HR, Finance & Business Support) are attributed in proportion to the total direct resource per service line.

3.2 Non Employee Costs

Where non employee costs are incurred as a result of delivering a particular service (e.g. RbD Audit), these will be allocated directly to that service line. The remainder of non staff costs are allocated across all service lines in proportion to the direct and support resource against it.

3.3 Bought in Services (Non IS)

Non IS bought in services are treated in the same way as non employee costs. Several bought in services can be allocated directly to service lines (e.g. Domestic M Number service outsourced to National Grid). The remainder of this type of bought in service are allocated to service lines in proportion to the direct and support resource against it.

3.4 Bought in Services (IS Core)

IS charges can be broken down into a number of categories. The bulk of the charges are incurred in running and maintaining applications such as Gemini, Invoicing 95 and Sites & Meters. Categories such as asset leasing charges, software licence costs and application workpacks are allocated to the relevant software application that has incurred the cost.

The total application costs are then allocated to the relevant service lines based upon recommendations provided by appropriate experts within the business.

The remainder of the categories are driven to service lines in proportion to the direct and support resource against it. These are :-

- Network Infrastructure
- Desktop
- Helpdesk
- Contract Management (purchase)

3.5 Bought in Services (IS Projects)

Expenditure incurred under Change Budget and Business Improvements categories is allocated, with input from xoserve Business Projects, to the most appropriate service line. For example, any changes or improvements to the Supply Point Register will be allocated to that service line.

Infrastructure upgrade costs are allocated to the specific application which has benefited from the work being undertaken.

The cost drivers used are summarised below.

4.0 Summary

The ACB methodology developed for xoserve ensures that costs are allocated to activities using the most appropriate drivers: -

- Where possible, resource costs being allocated in proportion to time taken to complete activities.
- If a non staff or bought in service cost is incurred in the delivery of one or more service lines then the cost is allocated directly to the relevant service lines only.
- The cost of applications is driven to service lines based on advice from appropriate experts from within xoserve.

Summary of Cost Drivers

