

## MODIFICATION 0195AV

### LEGAL TEXT

#### SECTION J – EXIT REQUIREMENTS

##### (CHANGES TO UNIFORM NETWORK CODE)

Amend paragraphs 2.5, 3.5, 3.8, 3.9, 3.10, 4.3, 4.5, 6.7 and 7 and add new paragraph 8 to read as follows:

#### 2.5 Assured Offtake Pressure

2.5.1 For the purpose of the Code, in relation to an NTS/LDZ Offtake:

- (a) 0600 and 2200 pressures are pressures at 06:00 hours and 22:00 hours on a Day;
- (b) for each Day in any Gas Year, the "**Assured Offtake Pressures**" are the 0600 and 2200 pressures specified for that Gas Year in the Offtake Capacity Pressure Statement;
- (c) the requirement to make gas available for offtake at the Assured Offtake Pressure is the requirement that the pressure (of gas made available, at the point of offtake):
  - (i) at 06:00 hours is not less than the 0600 pressure; and
  - (ii) at all other times is not less than the 2200 pressurecomprised in the Assured Offtake Pressures.

2.5.2 ~~In accordance with Section B6.2.4, the 0600 and 2200 pressures specified (in relation to any NTS/LDZ Offtake) for any Gas Year in the Offtake Capacity Statement issued in any Gas Year will be the same as those specified in the preceding year's statement for such Gas Year, subject to any revision pursuant to paragraph 2.5.5. National Grid NTS shall issue to each DNO User, by not later than 30 September in each Gas Year (Y), a statement ("**Offtake Pressure Statement**") specifying for each DNO User and NTS/LDZ Offtake, for each of Gas Years Y+1 to Y+6 (inclusive) the Assured Offtake Pressures.~~

~~2.5.3 For the purposes of Section B6.3, in connection with an application for an amount or an increase in NTS Offtake Capacity, National Grid NTS will not determine that it is feasible to make gas available for offtake on the basis of such increase to the extent that the 0600 and 2200 pressures at which it expects that, under normal NTS operating conditions, gas would (if such application were accepted) be available for offtake at the NTS/LDZ Offtake on any Day during any relevant Gas Year would be reduced below the prevailing Assured Offtake Pressures.~~

~~2.5.4 A DNO User may, at the times at which it may apply (in accordance with Section B6.3.2) for:~~

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

~~2.5.5 Subject to paragraph 2.5.7, National Grid NTS may reject, or accept in part only, any application for, or an increase in, Assured Offtake Pressures in respect of an NTS/LDZ Offtake in a Gas Year where, or (as the case may be) to the extent that, National Grid NTS determines (having regard, inter alia, to the amounts of NTS Offtake Capacity and NTS Exit Capacity held by Users) it would not be possible (under all credible NTS operating conditions) to make gas available for~~

offtake at the NTS/LDZ Offtake on any Day during that Gas Year at the increased Assured Offtake Pressures applied for.

2.5.3 The Assured Offtake Pressures (in relation to any NTS/LDZ Offtake) specified in respect:

(a) of any Gas Year in an Offtake Pressure Statement (subject to any amendment in accordance with this paragraph 2.5) shall be the same as the Assured Offtake Pressures specified in the preceding year's statement for such Gas Year;

(b) of Gas Year Y+6 in an Offtake Pressure Statement shall be the same as the Assured Offtake Pressures for Gas Year Y+6 in the preceding year's statement.

2.5.4 The Assured Offtake Pressures at an NTS/LDZ Offtake may be revised in accordance with this paragraph 2.5 (and where so revised the Offtake Pressure Statement shall be deemed, in respect of the NTS/LDZ Offtake, to be revised accordingly).

2.5.5 National Grid NTS may apply for:

(a) a permanent decrease in the Assured Offtake Pressures in relation to an NTS/LDZ Offtake in April in a Gas Year for Gas Years Y+1 to Y+6;

(b) a temporary decrease in the Assured Offtake Pressures in relation to an NTS/LDZ Offtake (for a period in accordance with paragraph 2.5.8(b)).

2.5.6 A DNO User may apply for a permanent increase in the Assured Offtake Pressures in relation to an NTS/LDZ Offtake during the period 1 June to 24 July (inclusive) in a Gas Year for Gas Years Y+1 to Y+6.

2.5.7 An application under paragraph 2.5.5(a) or 2.5.6 for a permanent increase or decrease to the Assured Offtake Pressures can only be made for a period commencing on the first Day of a Gas Year.

2.5.8 An application under paragraph 2.5.5 or 2.5.6 shall be submitted specifying:

(a) the NTS/LDZ Offtake;

(b) where submitted by National Grid NTS, whether the application is for a permanent or temporary decrease, and where the application is for a temporary decrease, the period in respect of which the decrease is applied for (which shall not be less than a Day and no longer than 30 Days);

(c) where the application is for a permanent increase or decrease, the first Day of the Gas Year in respect of which the increase or decrease is applied for;

(d) where the application is submitted by a DNO User, the increased pressure applied for; and

(e) where the application is submitted by National Grid NTS, the decreased pressure applied for.

2.5.9 Where a DNO User submits an application in accordance with paragraph 2.5.6 National Grid NTS shall accept such application for an increase in the Assured Offtake Pressures in respect of the NTS/LDZ Offtake by not later than the following 30 September unless National Grid NTS determines it would not be possible (under all credible operating conditions) to operate the NTS in a safe and efficient manner during the relevant period at the increased Assured Offtake Pressures applied for.

2.5.10 Where National Grid NTS submits an application in accordance with paragraph 2.5.5 the DNO User shall accept such application for a decrease in the Assured Offtake Pressures in respect of the NTS/LDZ Offtake:

(a) in the case of an application for a permanent decrease, by not later than the following 30 June;

(b) in the case of an application for a temporary decrease, by not later than ten (10) days following the application

unless the DNO User determines it would not be possible (under all credible operating conditions) to operate the relevant LDZ in a safe and efficient manner during the relevant period at the decreased Assured Offtake Pressures applied for.

~~2.5.6~~2.5.11 For the purposes of ~~paragraph 2.5.5,~~paragraphs 2.5.9 and 2.5.10, the reference to all credible ~~NTS~~ operating conditions is to all conditions other than a condition the existence of which would amount to Force Majeure affecting ~~National Grid NTS,~~the relevant System.

~~2.5.7~~ For the purposes of paragraph 2.5.5, where a DNO User has applied for Assured Offtake Pressures at an NTS/LDZ Offtake for a relevant Gas Year in accordance with paragraph ~~J2.5.4(b), then where the Assured Offtake Pressures specified in the Offtake Capacity Statement for the preceding year are:~~

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

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

2.5.12 National Grid NTS and the DNO User agree to cooperate in respect of the application of this paragraph 2.5 for the purposes of optimising the safe and efficient operation of the NTS and the LDZ.

2.5.13 National Grid NTS will in the case of an application under paragraph 2.5.6:

(a) as soon as reasonably practicable thereafter notify the DNO User where it believes it is unlikely to be able to meet the application in full, providing details of:

(i) the circumstances surrounding any restrictions; and

(ii) the maximum available increase in the Assured Offtake Pressure;

(b) no later than 15 September provide an indicative statement notifying the DNO User whether its application is accepted in whole or in part, or rejected, specifying the indicative available Assured Offtake Pressure;

(c) the DNO User will then have an opportunity to seek clarification, reconsider and resubmit its application for an increase in the Assured Offtake Pressure within five (5) Business Days following notification from National Grid NTS under paragraph (b);

(d) National Grid NTS will use reasonable endeavours to consider and where necessary discuss an application made under paragraph (c) with the DNO User with a view to agreeing by 30 September an increased Assured Offtake Pressure in the Offtake Pressure Statement to be issued by such date in accordance with paragraph 2.5.2.

### **3.5 Gas not made available for offtake**

3.5.1 Where:

(a) the Transporter is or has been in breach of its obligation to make gas available for offtake from the System at an LDZ System Exit Point; or

- (b) gas made available for offtake from the System at a System Exit Point does not comply with the Applicable Offtake Requirements and an Offtaking User declined (in accordance with paragraph 3.3.2(b)) to offtake such gas

the further provisions of this paragraph 3.5 shall apply.

....

3.5.3 In the case of a Supply Point Component [comprised in an LDZ Supply Point](#) whose Annual Quantity exceeds 73,200 ~~kwh~~kWh (2,500 *therms*) per annum and where the supply of gas is not taken at the Supply Point Component wholly or mainly for domestic purposes, the Transporter will pay to the Registered User an amount determined as:

- (a) subject to paragraph (b), the amount calculated according to the following formula:

$$C * (1 - X/Y) * P * F$$

where:

C is the amount of the Supply Point Capacity held by the User at the Supply Point Component on the relevant Day, less, in the case of an Interruptible Supply Point Component, and in respect of a Day on which Interruption was required at such Supply Point Component, the aggregate amount of the Interruption Tranches which were subject to Interruption on the Day;

X is in the case of a DM Supply Point Component, the quantity of gas which was made available for offtake from the System on the relevant Day;

Y is in the case of a DM Supply Point Component, the Nominated Quantity (subject to paragraph 3.5.4) under the Output Nomination for the relevant Supply Point Component, provided that:

- (i) no account shall be taken of any Renomination, on the Day when the failure occurred or first occurred, made after the time at which the Registered User first became aware of such failure; and
- (ii) Y shall not exceed the amount of the User's Registered Supply Point Capacity at the Supply Point Component, disregarding any increase therein applied for after the relevant failure first occurred;

X/Y is, in the case of an NDM Supply Point Component, zero;

P is the sum of the Applicable Daily Rates of:

- (i) the Capacity Variable Component of the Customer Charge; and
- (ii) [in the case of an LDZ Supply Point, is](#) the LDZ Capacity Charge; ~~and~~
- ~~(iii) the applicable NTS Exit Capacity Charge,~~

F is ten (10) in relation to a Firm Supply Point Component and five (5) in relation to an Interruptible Supply Point Component;

(b) where:

- (i) as a result of the relevant failure gas is not available for offtake for a period of 24 hours; and
- (ii) the amount determined under paragraph (a) would for each consecutive period of 24 hours during which the relevant failure continued to be less than £50 in

relation to an NDM Supply Point Component and £250 in relation to a DM Supply Point Component

for each consecutive period of 24 hours or part of such a period, commencing with the expiry of the first 24 hours of such failure, during which the relevant failure continued, an amount of £50 in relation to an NDM Supply Point Component and an amount of £250 in relation to a DM Supply Point Component.

3.5.4 For the purposes of this paragraph 3.5:

- (a) in determining 'Y' in paragraph 3.5.3, in the case of a DMA Supply Point Component there shall be deemed to be a Nomination Quantity in respect of each DMA Supply Point Component in the relevant DMA Supply Point Group, determined by apportioning the Nomination Quantity for such Supply Point Group between such Supply Point Components in proportion to their respective Annual Quantities;
- (b) for the purposes of paragraphs 3.5.3(b), any such period of 24 hours as is referred to in Section L4.3.2(e) is concurrent with and not in addition to the first 24 hours referred to in paragraph 3.5.3(b), and accordingly (notwithstanding Section L4.3.1) any period of Programmed Maintenance (in respect of the Supply Point) shall count towards such first 24 hours.

3.5.5 In the case of an LDZ Connected System Exit Point, the Transporter will pay to each CSEP User an amount determined as:

$$C * (1 - X/Y) * P$$

where:

- C is the amount of the Relevant Exit Capacity held by the CSEP User at the Connected System Exit Point on the relevant Day;
- X is the relevant proportion of the quantity of gas which was made available for offtake from the Total System by CSEP Users in aggregate on the relevant Day;
- Y is the Nominated Quantity (subject to paragraph 3.5.4) under the CSEP User's Output Nomination for the Connected System Exit Point, provided that:
  - (i) no account shall be taken of any Renomination, on the Day when the failure occurred or first occurred, made after the time at which the CSEP User first became aware of such failure; and
  - (ii) Y shall not exceed the amount of the User's Relevant Exit Capacity at the Connected System Exit Point, disregarding any increase therein applied for after the relevant failure first occurred;
- P is the sum of the Applicable Daily Rates of:
  - (i) the CSEP Charge to the extent of any component thereof which varies with Relevant Exit Capacity;
  - (ii) in the case of an LDZ Connected System Exit Point, the LDZ Capacity Charge; and
  - (iii) the applicable NTS Exit Capacity Charge.

3.5.6 For the purposes of paragraph 3.5.5:

- (a) a CSEP User's "**Relevant Exit Capacity**" is, ~~in the case of an LDZ Connected System Exit Point, its Registered LDZ Capacity and, in the case of an NTS Connected System Exit Point, its Available NTS Capacity,~~ at such Connected System Exit Point; and
- (b) the relevant proportion of a CSEP User is the amount determined as 'Y' for the User on the relevant Day in accordance with paragraph 3.5.5 divided by the aggregate of the amounts so determined as 'Y' for all CSEP Users.

3.5.7 Where paragraph 3.5.1(b) applies in the case of NTS Supply Points and NTS Connected System Exit Points the Transporter will pay to each relevant User holding Available NTS Exit (Flat) Capacity at the relevant NTS Supply Point or NTS Connected System Exit Point on the relevant Day, an amount determined as:

$$C * (1 - X / Y) * P * F$$

where:

C is the amount of Fully Adjusted Available NTS Exit (Flat) Capacity held by the User at the NTS Supply Point or NTS Connected System Exit Point at the time paragraph 3.5.1 first applied on the relevant Day;

X is the User Daily Exit Quantity;

Y is, at the time paragraph 3.5.1 first applied, the User's Nominated Quantity;

P is the weighted average bid price for all accepted capacity bids in respect of which NTS Exit (Flat) Capacity was allocated at the relevant NTS Supply Point or NTS Connected System Exit Point for the Day;

F is ten (10) in relation to a Firm NTS Exit (Flat) Capacity and five (5) in relation to an Off-peak NTS Exit (Flat) Capacity.

3.5.8 In the case of an Inter-System Offtake, where:

- (a) as a result of the relevant failure the downstream Transporter itself fails to make gas available for offtake (in accordance with its obligations under the Code) at any System Exit Point on the downstream System; and
- (b) the downstream Transporter acts and has acted as a Reasonable and Prudent Operator with a view to avoiding or limiting the effect of such failure (of the upstream Transporter) on its ability so to make gas available for offtake

the Transporter shall pay to the Offtaking User an amount equal to the amounts for which the downstream Transporter was liable pursuant to this paragraph 3.5 in respect of the downstream Transporter's failure to make gas available for offtake, to the extent to which such failure resulted from the relevant failure of the upstream Transporter.

~~3.5.7~~3.5.9 For the purposes of paragraphs 3.4.1(c)(ii), ~~3.5.7~~3.5.8 and 7.4.1, references to amounts for which a downstream DN Operator or National Grid NTS is liable pursuant to this paragraph 3.5:

- (a) (other than in relation to paragraph (b)) shall be determined subject to the effect of Section V10;
- (b) shall be deemed to include amounts for which the downstream DN Operator or National Grid NTS was liable by way of compensation under (and pursuant to regulations made under) Section 33AA of the Act.

~~3.5.9~~3.5.10 For the purposes of Section V10, the rules in paragraphs 3.5.3 and 3.5.5 (but not paragraph ~~3.5.7~~3.5.8, but without prejudice to paragraph ~~3.5.8~~3.5.9(a)) are Compensation

Rules within Compensation Group J; and in relation thereto the 'payment month' is the second month following the month in which the relevant failure commenced.

~~3.5.4~~3.5.11 For the purposes of paragraphs 3.5.3, 3.5.5 and ~~3.5.7,3.5.8~~, any dispute as to the quantity of gas which was made available for offtake at the relevant DM Supply Point Component, Connected System Exit Point, NTS Exit Point or Inter-System Offtake on the relevant Day shall be referred to Expert Determination.

### **3.8 User offtake obligations: LDZ DM Supply Point Components**

3.8.1 A User is not entitled to offtake gas from the Total System at a DM Supply Point Component comprised in an LDZ Supply Point at a rate which exceeds the Supply Point Offtake Rate, and shall take all reasonable steps to ensure that gas is not offtaken at such a rate.

3.8.2 Where:

- (a) the Transporter believes on reasonable grounds that gas is being or will be offtaken from the Total System at a DM Supply Point Component comprised in an LDZ Supply Point at a rate which exceeds the Supply Point Offtake Rate; and
- (b) in the Transporter's reasonable judgment the security of the relevant System may be prejudiced as a result

the Transporter may take any steps available to it to secure the required reduction in the rate of or the discontinuance of the offtake of gas from the relevant System at the Supply Point Component.

3.8.3 The steps referred to in paragraph 3.8.2 include the disconnection of the relevant premises; but (without prejudice to any provision of the Gas Code) the Transporter will endeavour not to take this step where alternative steps are available and adequate in the circumstances.

3.8.4 The Transporter will not be obliged under any provision of the Code to make gas available for offtake from the Total System by a User at a DM Supply Point Component comprised in an LDZ Supply Point:

- (a) at any time, at a rate which exceeds the Permitted Supply Point Offtake Rate; or
- (b) on any Day, in a quantity which exceeds the User's Registered Supply Point Capacity.

3.8.5 In relation to a DM Supply Point Component which comprises Shared Supply Meter Point(s), a User shall not be in breach of paragraph 3.8.1, and paragraph 3.8.2 shall not apply, if the aggregate rate at which gas is offtaken from the Total System at all of the DM Supply Point Components which comprise such Shared Supply Meter Point does not exceed the aggregate of the Supply Point Offtake Rates in respect of such Supply Point Components.

### **3.9 User offtake obligations: LDZ CSEPs**

3.9.1 A CSEP User is not entitled to offtake gas from the Total System at a relevant LDZ Connected System Exit Point at a rate which exceeds the maximum rate permitted (for that CSEP User) in accordance with the CSEP Network Exit Agreement.

3.9.2 Where:

- (a) the Transporter believes on reasonable grounds that gas is being or will be offtaken from the Total System at a rate which exceeds the maximum aggregate rate permitted in accordance with the CSEP Network Exit Agreement; and
- (b) in the Transporter's reasonable ~~judgement~~judgment the security of the relevant System may be prejudiced as a result,

the Transporter may (subject to and/or in accordance with any provisions of the CSEP Network Exit Agreement) take any steps available to it to secure the required reduction in the rate of or discontinuance of offtake of gas from the LDZ Connected System Exit Point.

3.9.3 The Transporter will not be obliged under any provision of the Code to make gas available for offtake from the Total System at a relevant LDZ Connected System Exit Point:

- (a) by CSEP Users in aggregate, at any time, at a rate which exceeds the maximum aggregate rate permitted in accordance with the CSEP Network Exit Agreement; and
- (b) by a CSEP User, on any Day, in a quantity which exceeds the User's Registered LDZ Capacity ~~(in the case of a relevant LDZ Connected System Exit Point) or Available NTS Exit Capacity (in the case of a relevant NTS Connected System Exit Point).~~

**3.10 User offtake obligations: NTS Exit Points and Inter-System Offtakes**

3.10.1 A:

(a) Shipper User is not entitled to offtake gas from an NTS Supply Point or NTS Connected System Exit Point;

(b) DNO User is not entitled to offtake gas from the upstream System at an Inter-System Offtake

at a rate which exceeds the maximum permitted rate in accordance with paragraph 3.10.2 or 3.10.3 (as applicable), and shall take all reasonable steps to ensure that gas is not offtaken at such a rate.

3.10.2 The maximum permitted rate in respect of:

(a) an NTS/LDZ Offtake, is a rate calculated as:

$$(C_{\text{FLAT}} / 24) + (C(M)_{\text{FLEX}} / 4)$$

where:

$C_{\text{FLAT}}$  is the DNO User's NTS OfftakeExit (Flat) Capacity;

$C(M)_{\text{FLEX}-\text{FLEX}}$  is the magnitude of the DNO User's NTS OfftakeExit (Flexibility) Capacity;

(b) an NTS Supply Point or a NTS Connected System Exit Point, is a rate calculated as:

$$\underline{(C_{\text{FLAT}} / 24)}$$

where  $C_{\text{FLAT}}$  is the Shipper User's NTS Exit (Flat) Capacity.

3.10.3 The maximum permitted rate in respect of an LDZ/LDZ Offtake is the rate specified in or determined pursuant to the Network Exit Provisions.

3.10.4 Where:

- (a) the upstream Transporter believes on reasonable grounds that gas is being or will be offtaken from the upstream System at an Inter-System Offtake at a rate which exceeds the maximum permitted rate;
- (b) in the upstream Transporter's reasonable judgment the security of the upstream System may be prejudiced as a result; ~~and~~

~~(e)~~—the upstream Transporter may take any steps available to it in accordance with (and subject to) the provisions of the Offtake Arrangements Document to secure the required reduction in the rate of or the discontinuance of the offtake of gas from the upstream System at the Inter-System Offtake.

3.10.5 ~~The upstream Transporter~~In the case of an NTS Exit Point National Grid NTS will not be obliged under any provision of the Code to make gas available for offtake from the ~~upstream System~~NTS by a User:

~~(a)~~—~~at an NTS/LDZ Offtake:~~

~~(i)-(a)~~ at any time, at a rate which exceeds the maximum permitted rate (in accordance with paragraph 3.10.2);

~~(ii)-(b)~~ on any Day, in a quantity which exceeds the User's Fully Adjusted Available NTS ~~Offtake~~Exit (Flat) Capacity; ~~or~~

~~(iii)-(c)~~ in the period between 06:00 hours and 22:00 hours on any Day, in a quantity which exceeds ( $NOFCNEFC + 16/24 * QD$ ) (as those terms are defined in Section B6-53.13);

~~(b)~~—~~at an LDZ/LDZ Offtake:~~

~~(d)~~ at any time, at a rate which exceeds the Maximum NTS Exit Point Offtake Rate.

3.10.6 In the case of an LDZ/LDZ Offtake the upstream Transporter will not be obliged under any provision of the Code to make gas available for offtake from the upstream System:

~~(i)-(a)~~ at any time, at a rate which exceeds the maximum permitted rate (in accordance with paragraph 3.10.3);

~~(ii)-(b)~~ on any Day, in a quantity which exceeds the maximum permitted quantity in accordance with the Network Exit Provisions.

## 4.3 Network Exit Provisions

4.3.1 Network Exit Provisions in respect of a NExA Supply Meter Point, Connected System Exit Point or Inter-System Offtake:

- (a) will specify the point of offtake in accordance with paragraph 3.7.1(a);
- (b) will specify the plant and equipment installed pursuant to paragraph 4.4;
- (c) may provide (whether by express reference to such provisions or otherwise) for the application of any of paragraphs 4.5 to 4.7;
- (d) may provide for a Special Offtake Arrangement in accordance with paragraph 2.3.1;
- (e) may specify requirements (without prejudice to paragraph 2.1.5) as to the pressure at which gas is to be made available for offtake from the relevant System, and/or stipulate that the point at which the Applicable Offtake Pressure is to apply is a point other than the point of offtake;
- (f) will specify (in the case of ~~ana~~ Connected System Exit Point or NTS Exit Point) for the purposes of Section L4.3.2(a) the numbers of Days of permitted Planned Maintenance in any Planned Maintenance Period and any three consecutive Planned Maintenance

Periods, or (in the case of an NTS/LDZ Offtake) for the purposes of Section L4.3.2(b) the number of Days of permitted Flow Relevant Maintenance in any Gas Year;

- (g) may specify other matters relating to the offtake of gas for purposes of commissioning the Consumer's Plant, Connected Offtake System or (as the case may be) downstream System, or any plant or equipment referred to in paragraph (b); and
- (h) may specify procedures applicable in the event of any emergency circumstances affecting the Transporter or the consumer, Connected System Operator or (as the case may be) downstream DN Operator (including any Emergency in accordance with Section Q).

4.3.2 Network Exit Provisions may also provide for:

- (a) the Transporter and the consumer, Connected System Operator or (as the case may be) downstream DN Operator to have access to each other's facilities for the purposes of verification of compliance with the requirements of the Network Exit Provisions;
- (b) terms according to which and circumstances in which the Network Exit Provisions may be terminated or expire; and
- (c) any other terms or conditions which may be appropriate for the purposes of the Code in respect of the offtake of gas from the System or (in relation to such offtake) the Consumer's Plant, Connected Offtake System or (as the case may be) downstream System.

4.3.3 In addition to or in substitution of provisions pursuant to paragraph 4.3.1, Network Exit Provisions in relation to a Connected System Exit Point or Inter-System Offtake:

- (a) except in the case of an Unmetered LDZ Connected System Exit Point, will specify the procedures, methods and standards by which the volume and quantity of gas offtaken each Day, and in the case of an NTS Connected System Exit Point and an Inter-System Offtake the quantity offtaken between 06:00 hours and 22:00 hours each Day, from the relevant System at the System Exit Point is to be determined;
- (b) may specify the basis on which the pressure and composition of gas made available for offtake each Day at the System Exit Point is to be determined;
- (c) will specify the measurement equipment required to be installed (whether on the Connected Offtake System or downstream System, or on the relevant System) in connection with the requirements (where applicable) specified under paragraphs (a) and (b);
- (d) may require plant and equipment (in addition to or substitution of that contemplated in paragraph 4.4) to be installed, maintained and operated by the Connected System Operator, downstream DN Operator or the Transporter;
- (e) may contain provisions (including operating procedures, requirements as to notifications by the Connected System Operator or downstream DN Operator, and provisions as to the control or setting of any plant, equipment or installation installed pursuant to paragraph (d)) pursuant to which the offtake of gas from the System at the System Exit Point may be discontinued or restricted, or changes (including reductions) in the rate of such offtake limited; and the Transporter will not be in breach of its obligation to make gas available for offtake at the System Exit Point by virtue of the operation (in accordance with its terms) of any such provision;
- (f) may specify requirements as to the rate or rates at which gas is permitted to be offtaken from the relevant System at the Connected System Exit Point.

4.3.4 In the case of a NExA Supply Meter Point (where the Supply Point Network Exit Agreement is made with the consumer) or a Connected System Exit Point, the Transporter shall not be required (for itself or for the benefit of any User) to secure in the Network Exit Agreement any remedy against the relevant consumer or Connected System Operator, nor to take any steps to enforce any provision of such a Network Exit Agreement.

4.3.5 The Transporter will not be required to make gas available for offtake at a NExA Supply Meter Point, Connected System Exit Point or Inter-System Offtake where (other than by reason of a breach by the Transporter thereof) the applicable Network Exit Provisions have been suspended or terminated in accordance with its terms.

#### 4.5 Offtake Profile Notice

4.5.1 In relation to a relevant System Exit Point ~~or NTS/LDZ Offtake~~, a notification ("**Offtake Profile Notice**") shall be provided to the Transporter, not later than:

(a) the time specified in ~~paragraph 2 of OAD Section I of the Offtake Arrangements Document 2~~ in respect of an NTS/LDZ Offtake Point;

(b) 12:00 hours on the Preceding Day in respect of any other System Exit Point;

setting out rates of offtake throughout the Gas Flow Day.

4.5.2 The rates of offtake set out in an Offtake Profile Notice (or revised such notice) shall not exceed the Permitted Offtake Rate.

4.5.3 For the purposes of this paragraph 4, "**rate of offtake**" means the instantaneous rate (expressed in MW) of offtake of gas from a System at a relevant System Exit Point (and references to the rate of offtake include a rate of zero where gas is not offtaken, and references to a change in rate of offtake shall be construed accordingly).

4.5.4 In relation to a relevant System Exit Point, the Network Exit Provisions will prescribe a period of notice to be given (by way of modified Offtake Profile Notice) to the Transporter of any change ("**Offtake Rate Change**"), by reference to the prevailing Offtake Profile Notice, in the rate of offtake of gas, which period of notice may depend:

(a) on whether the Offtake Rate Change is an increase or a decrease in rate of offtake;

(b) on the amount of the Offtake Rate Change, expressed as an absolute amount or a percentage of a rate determined from the Permitted Offtake Rate or otherwise; and

(c) on whether any earlier change in the rate of offtake has been notified or occurred within any specified period before the Offtake Rate Change.

4.5.5 The Offtake Profile Notice may be modified, as to the rate of offtake from and after any time, by notice before that time of the period referred to in paragraph 4.5.4 but (without prejudice to paragraph 5.6 or 5.8 where either applies) not otherwise.

4.5.6 Where, upon a request to that effect, the Transporter determines that it is feasible, consistently (so far as the Transporter can judge in the circumstances) with the expectation in paragraph ~~4.5.7, and in the case of National Grid NTS, in accordance with paragraph 7.3.2, to~~4.5.7 make gas available for offtake:

(a) at the relevant System Exit Point at a changed rate of offtake (specified in such request) upon a lesser period of notice than that referred to in paragraph 4.5.4, the Offtake Profile Notice may be modified in accordance with such request;

(b) at an NTS/LDZ Offtake, ~~in accordance with a request pursuant to paragraph 7.3.1,~~ an Offtake Profile Notice may be submitted or modified in accordance with such request.

4.5.7 The expectation referred to in paragraph 4.5.6 is that:

- (a) for the purposes of paragraph 4.5.6(a), the change in rate of offtake on such lesser period of notice;
- (b) for the purposes of paragraph 4.5.6(b), the offtake of gas at the rates of offtake in the requested Offtake Profile Notice

should not, of itself and at the time, give rise to an Operational Balancing Requirement (but it is recognised that such change ~~of~~in rates of offtake may contribute to any such requirement at any later time).

~~4.5.8 No communication to the Transporter pursuant to this paragraph 4.5 shall be (or shall be treated as in substitution for) a Nomination or Renomination under Section C.~~

~~4.5.9 Without prejudice to this paragraph 4, the Relevant User shall in any event ensure that as much notice as is reasonably practicable is given to the Transporter of any change in the rate of offtake.~~  
~~4.5.10~~ In this paragraph 4.5 "**Permitted Offtake Rate**" means:

- (a) in relation to aan LDZ Supply Meter Point, the Supply Point Offtake Rate;
- (b) in relation to aan LDZ Connected ~~System~~System Exit Point, the maximum permitted rate of offtake in accordance with the Network Exit Provisions;
- (c) in relation to a NTS Supply Point and NTS Connected System Exit Point, the maximum permitted rate of offtake in accordance with paragraph 3.10.2(b);
- (d) in relation to an Inter-System Offtake, the maximum permitted rate of offtake in accordance with paragraph 3.10.2(a) or 3.10.3.

~~4.5.9 Without prejudice to this paragraph 4, a User shall at all times ensure that as much notice as is reasonably practicable is given to the Transporter of any change in the rate of offtake.~~

~~4.5.10 No communication to the Transporter pursuant to this paragraph 4.5 shall be (or shall be treated as in substitution for) a Nomination or Renomination under Section C.~~

## **6.7 NTS Exit Capacity at relevant NTS Connected System Exit Points**

6.7.1 In accordance with paragraph 3.9, ~~but subject to paragraph 6.7.6,~~ the aggregate of the maximum permitted rates (for each CSEP User) of offtake at a relevant NTS Connected System Exit Point shall not exceed the maximum instantaneous rate at which it is feasible for National Grid NTS to make gas available for offtake at the relevant NTS Connected System Exit Point; and the aggregate amount of NTS Exit Capacity which Users may be holding at a relevant NTS Connected System Exit Point shall not exceed the maximum aggregate amount of gas which it is feasible for National Grid NTS to make available for offtake at the Connected System Exit Point in a period of 24 hours.

~~6.7.2 Without prejudice to any provisions for allocation of NTS Exit Capacity contained in the CSEP Network Exit Agreement or any CSEP Ancillary Agreement, or the further provisions of this paragraph 6.7, National Grid NTS shall be entitled to reject any application for (or for an increase in) NTS Exit Capacity at a relevant NTS Connected System Exit Point where the requirement in paragraph 6.7.1 would be infringed if it accepted such application.~~

~~6.7.3 National Grid NTS may agree, pursuant to the CSEP Network Exit Agreement or CSEP Ancillary Agreement, and subject to any conditions contained in such Agreement, that, with effect from the expiry of the capacity period (as defined in such Agreement) in respect of any prevailing registration in the name of any User of NTS Exit Capacity at an NTS Connected System Exit Point, the User shall be entitled to apply for and may be registered (in priority to any other User) as holding NTS Exit Capacity in an amount subject to such prevailing~~

~~registration.6.7.4~~—The CSEP Network Exit Agreement or a CSEP Ancillary Agreement may include a requirement to the effect that a User applying for NTS Exit Capacity at a relevant NTS Connected System Exit Point shall demonstrate (as a condition of such application) to the reasonable satisfaction of National Grid NTS that it, or a person purchasing gas from it, is entitled to have gas which has been offtaken by such User from the Total System at the relevant NTS Connected System Exit Point (in the maximum amounts and at the maximum rates commensurate with the NTS Exit Capacity applied for and for a period commensurate with the proposed capacity period) conveyed in the Connected Offtake System.

~~6.7.5~~—Unless National Grid NTS shall otherwise agree, any application by a User for NTS Exit Capacity at a relevant NTS Connected System Exit Point shall be made by way of Conventional Notice; and any registration of NTS Exit Capacity at a relevant NTS Connected System Exit Point in respect of which this paragraph 6.7.5 is not complied with shall be invalid and ineffective notwithstanding such registration may be recorded in UK Link and notwithstanding National Grid NTS may have invoiced NTS Exit Capacity Charges pursuant to such registration.

~~6.7.6~~—National Grid NTS may agree pursuant to a CSEP Network Exit Agreement or a CSEP Ancillary Agreement, upon such terms and subject to such conditions as may be provided in such Agreement, that:

~~(a)~~—a relevant NTS Connected System Exit Point may be treated, pursuant to Section A3.3.5, as comprising two separate Connected System Exit Points (respectively a "**Firm CSEP**" and an "**Interruptible CSEP**") for the purposes described in this paragraph 6.7.6 and such other purposes as may be specified in such Agreement;

~~(b)~~—a CSEP User may apply for and hold NTS Exit Capacity at the Interruptible CSEP the basis that National Grid NTS shall be entitled to require the User to reduce or discontinue the offtake of gas from the Total System at the Connected System Exit Point:

~~(i)~~—where it would not otherwise be feasible for National Grid NTS to make available gas for offtake from the Total System by CSEP Users at the Firm CSEP pursuant to the exercise of their entitlements so to offtake gas;

~~(ii)~~—in any such other circumstances as may be provided in such Agreement; and

~~(c)~~—a CSEP User will not be liable to pay NTS Exit Capacity Charges, or will be liable to pay such charges only at a reduced rate, in respect of NTS Exit Capacity held (in accordance with paragraph (b)) at the Interruptible CSEP

~~—~~and in such a case the Firm CSEP, but not the Interruptible CSEP, shall be a relevant Connected System Exit Point for the purposes of paragraph 6.7.1.

## **7 NTS EXIT POINTS AND INTER-SYSTEM OFFTAKES – SPECIAL PROVISIONS**

### **7.1 General**

~~7.1.1~~—The obligations of the upstream Transporter and downstream Transporter under this Section J in relation to the offtake and availability of gas for offtake at an Inter-System Offtake are subject to the provisions of the Offtake Arrangements Document.

### **7.2 Offtake Profile Notice**

7.2.1 In addition to the requirements in paragraph 4.5, an Offtake Profile Notice submitted in relation to an NTS/LDZ Offtake must satisfy the requirement in paragraph 7.2.2.

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

~~(a) in an NTS Offtake (Flat) Overrun, or~~

~~(b) in an NTS Offtake (Flexibility) Overrun.~~

### **7.3 Short-term increase in ~~capacity~~ NTS Exit (Flexibility) Capacity**

7.3.1 In relation to an NTS/LDZ Offtake, for the purposes of ~~paragraph 4.5.5:~~

- (a) a request referred to in paragraph 4.5.6(b) is a request for an increase in the amount of NTS ~~Offtake~~Exit (Flexibility) Capacity held by the DN Operator at the NTS/LDZ Offtake for the Day;
- (b) such a request may be made by submitting a proposed Offtake Profile Notice which (in the absence of such an increase in NTS ~~Offtake~~Exit (Flexibility) Capacity) would not comply with the requirement in paragraph 7.2.2~~(b)~~;
- (c) National Grid NTS may accept such request by accepting such proposed Offtake Profile Notice, in which case the DN Operator's NTS ~~Offtake~~Exit (Flexibility) Capacity, for the purposes only of the application of Section B3.13.4, for the Day shall be increased by the lowest amount which results in the requirement in paragraph 7.2.2~~(b)~~ being satisfied in relation to the Offtake Profile Notice.

7.3.2 Where (at any time) more than one User has made a request pursuant to paragraph ~~4.5.5~~4.5.6(a) or (b), National Grid NTS shall consider such requests on the basis of such allocation principles as National Grid NTS shall from time to time establish and publish for the purposes of this paragraph 7.3.2.

### **7.4 Liability of ~~downstream DN Operator~~Users<sup>1</sup>**

7.4.1 If and to the extent that, on any Day, in relation to an NTS/~~LDZ Offtake (after taking account of the acceptance of any request under paragraph 7.3.1)~~ Exit Point:

- (a) there is an NTS ~~Offtake~~Exit (Flat) Overrun or an NTS ~~Offtake~~Exit (Flexibility) Overrun;
- (b) as a result of the offtake of gas giving rise to such NTS ~~Offtake~~Exit (Flat) Overrun or an NTS ~~Offtake~~Exit (Flexibility) Overrun, National Grid NTS itself fails to make gas available for offtake (in accordance with its obligations under the Code) at any other NTS/~~System~~ Exit Point; and
- (c) National Grid NTS acts and has acted as a Reasonable and Prudent Operator with a view to avoiding or limiting the effect of such offtake (by the ~~DN Operator~~relevant User, giving rise to the NTS ~~Offtake~~Exit (Flat) Overrun or an NTS ~~Offtake~~Exit (Flexibility) Overrun) on its ability so to make gas available for offtake;

then the ~~DN Operator~~relevant User shall be liable to National Grid NTS for all amounts (if any) incurred by National Grid NTS as a result of any Exit Constraint Management Actions taken by National Grid NTS as a consequence of the NTS Exit (Flat) Overrun or an NTS Exit (Flexibility) Overrun for which National Grid NTS was liable (pursuant to the provisions of paragraph 3.5) to any Shipper User or any other DNO User or any other person in consequence of the upstream failure to make gas available for offtake (as referred to in paragraph (b)).

7.4.2 Amounts for which a ~~DN Operator~~User is liable pursuant to paragraph 7.4.1 shall be invoiced and are payable in accordance with Section S.

## **8 NTS CSEP ANCILLARY AGREEMENTS**

### **8.1 Purpose**

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<sup>1</sup> Query whether still needed?

8.1.1 With effect from 1 October 2012 ("relevant date") the provisions of paragraph 8.2 shall apply in respect of each CSEP Ancillary Agreement relating to an NTS Connected System Exit Point in existence immediately prior to such date ("relevant agreement").

## 8.2 Effect

8.2.1 With effect from the relevant date the provisions of each relevant agreement shall be deemed to be modified in the following manner:

- (a) any provision relating to Interruption shall cease to have effect;
- (b) any provision relating to the determination of the amount of NTS Exit Capacity held by a CSEP User in respect of the period following the relevant date shall cease to have effect; and
- (c) the amount of NTS Exit Capacity held by a CSEP User at a Connected System Exit Point shall be determined in accordance with Section B3

(and for the purposes of the Code any equivalent provision in a Network Exit Agreement in place at the NTS Connected System Exit Point shall be disregarded).

8.2.2 Paragraph 8.2.1 shall not affect the rights and obligations of National Grid NTS and the CSEP User in respect of the period prior to the relevant date under the Code, the Framework Agreement and the CSEP Ancillary Agreement accrued up to the relevant date which shall continue to be enforceable notwithstanding the other provisions of this paragraph 8.