

UNIFORM NETWORK CODE - TRANSITION DOCUMENT**PART III – OFFTAKE ARRANGEMENTS DOCUMENT****1 Introduction**

- 1.1 In this Part III defined terms shall have the meanings given to them in or for the purposes of the Offtake Arrangements Document.

2 Rights and Obligations

- 2.1 With effect from the First Day, the rights and obligations set out in the Offtake Arrangements Document between Transporters in respect of;

- (a) each NTS/LDZ Offtake at which gas can flow from the NTS to an LDZ comprised in a Relevant System (“**Relevant NTS/LDZ Offtake**”); and
- (b) the planning, operation and maintenance of the NTS and Relevant Systems, and the implementation of certain provisions of the Transportation Principal Document

shall become rights and obligations between, and enforceable by, National Gas Transmission and the New Transporter.

- 2.2 With effect from the First Day, and in respect of each LDZ/LDZ Offtake at which gas can flow between an LDZ comprised in a Relevant System and an LDZ not comprised in a Relevant System (“**Relevant LDZ/LDZ Offtake**”), the rights, obligations and liabilities of National Gas Transmission and the relevant DN Operator arising under the Offtake Arrangements Document (and the relevant Supplemental Agreement) as outstanding at the Last Day shall be deemed with effect from the First Day to be rights, obligations and liabilities between, and enforceable by, the New Transporter and the relevant DN Operator.
- 2.3 Anything done by National Gas Transmission in its capacity as a DN Operator (and downstream Party) pursuant to the Offtake Arrangements Document on or before the Last Day, so far as relating to a Relevant System, Relevant NTS/LDZ Offtake or Relevant LDZ/LDZ Offtake, shall be deemed to have been done by the New Transporter for the purposes of the application of the Offtake Arrangements Document on and with effect from the First Day.
- 2.4 For the purposes of paragraphs 2.1 and 2.2, all parameter values established and prevailing pursuant to the terms of the Offtake Arrangements Document on the Last Day and relating to a Relevant System, Relevant NTS/LDZ Offtake or Relevant LDZ/LDZ Offtake shall be deemed to have been established and prevailing on and with effect from the First Day in accordance with the Offtake Arrangements Document.
- 2.5 For the purposes of paragraphs 2.1 and 2.2, any determination made, discretion exercised or step taken by National Gas Transmission pursuant to the Offtake Arrangements Document on or before the Last Day and relating to a Relevant System, Relevant NTS/LDZ Offtake or Relevant LDZ/LDZ Offtake shall be deemed with effect from the First Day to be a determination made, discretion exercised or step taken by the New Transporter in accordance with the Offtake Arrangements Document.

3 Values and parameters

3.1 The parameter values referred to in paragraph 2.4 shall include, but not be limited, to the following:

| OAD Section | Value and parameter |
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| Section F: Determination of Calorific Value | The daily CV in respect of Relevant Systems |
| Section G: Maintenance | Planned Maintenance in respect of Relevant Systems |
| Section H: NTS Long Term Demand Forecasting | Historic and forecast demand information exchanged in respect of Relevant Systems |
| Section I: Operational Flows | Offtake Profile Notices and pressure requests in respect of Relevant NTS/LDZ Offtakes |
| Section J: LDZ/LDZ Offtakes – Planning and Operational Flows | Offtake Parameter Values and Offtake Profile Notices for Relevant LDZ/LDZ Offtakes |

4 Supplemental Agreements

4.1 Until such time as National Gas Transmission and the New Transporter enter into a Supplemental Agreement in respect of a Relevant NTS/LDZ Offtake there shall be deemed to be a Supplemental Agreement in force, on the terms of the arrangements existing (as between National Gas Transmission as both the upstream and downstream Party) on the Last Day in respect of the Relevant NTS/LDZ Offtake, which shall with effect from the First Day give rise to rights, obligations and liabilities between, and enforceable by, National Gas Transmission and the New Transporter.

5 OAD Template Agreements Document

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

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

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

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

- 5.3 The Transporters will co-operate with each other with a view to amending as soon as reasonably practicable (following implementation of the Code Modification known as Modification 0905S) each Supplemental Agreement to ensure at the relevant Offtake, and subject to OAD Section E1.2.3, the points of telemetry are as specified in OAD Section E, Annex E-1 (as applicable to such Offtake).

PART IV – MODIFICATION RULES**1. Modification Panel**

1.1 Prior to the First Day:

- (a) the Transporters have nominated (by notice to National Gas Transmission) not more than five (5) individuals to be Transporters' Representatives; and
- (b) the Designated Person has nominated (by notice to National Gas Transmission) not more than five (5) individuals to be Users' Representatives.

1.2 With effect from the First Day, the Voting Members of the Modification Panel shall be:

- (a) the individuals so nominated by the Transporters, as Transporters' Representatives; and
- (b) the individuals so nominated by the Designated Person, as Users' Representatives.

1.3 All individuals appointed to the modification panel as non-voting members as at the Last Day shall be deemed with effect from the First Day to continue in that appointment as non-voting Members of the Modification Panel.

1.4 Prior to the First Day the Transporters have nominated (by notice to National Gas Transmission) an individual to be the Panel Chairperson and an individual to be their deputy and with effect from the First Day the Panel Chairperson and their deputy shall be the individuals who have been so nominated by the Transporters.

1.5 The individuals appointed as secretary (and deputy secretary) to the modification panel as at the Last Day shall be deemed with effect from the First Day to continue in that appointment as Secretary (and deputy Secretary) to the Modification Panel.

2. Modification Proposals

2.1 Where, as at the Last Day:

- (a) a modification proposal or a third party modification proposal has been made pursuant to National Gas Transmission's Network Code; and
- (b) National Gas Transmission has not submitted a modification report to the Authority, or (as the case may be) the Authority has not decided whether to direct that the relevant modification be made or (as the case may be) to consent to the relevant modification

the modification proposal or third party modification proposal shall be deemed with effect from the First Day to be a Modification Proposal or Third Party Modification Proposal as the case may be (identical in its purpose and effect to the modification proposal or third party modification proposal) made in respect of the Uniform Network Code in accordance with the Modification Rules.

2.2 Where, as at the Last Day:

- (a) the Authority has directed National Gas Transmission to make (or consented to National Gas Transmission making) a modification to National Gas Transmission's Network Code with effect from an implementation date after the Last Day; and
- (b) National Gas Transmission has not modified National Gas Transmission's Network Code in accordance with such direction or consent

the Transporters shall as soon as practicable on or after the First Day apply to the Authority for consent (pursuant to Standard Special Condition A11(13)(b) of their Transporter's Licences) to modify the Uniform Network Code in accordance (*mutatis mutandis*) with such direction or consent, and (if the Authority so consents) shall modify the Uniform Network Code in accordance with such consent.

3. Application of Modification Rules

- 3.1 Subject to paragraphs 1 and 2, all steps, acts, circumstances and other things taken, done or existing as at the Last Day under or for the purposes of any provision of Section Y of National Gas Transmission's Network Code (as applying generally and in relation to any modification proposal) shall be deemed to be or have been taken, done or existing under or for the purposes of the equivalent provision of the Modification Rules.
- 3.2 Without limitation, the things referred to in paragraph 3.1 include the business conducted by the modification panel, the establishment of and business conducted by any development work group, workstream, or review group, and the preparation and sending to or receipt from any person or body of any agenda, guidelines, draft or final paper, report, representation or other document.
- 3.3 If any question arises as to the stage (under the Modification Rules) which a Modification Proposal or Third Party Modification Proposal is treated (pursuant to paragraphs 2.1 and 3.1) as having reached on the First Day, the Modification Panel shall decide such question after consulting the Authority.

4. Interpretation

In this Part IV 'non-voting member', 'secretary', 'modification proposal', 'third party modification proposal', 'modification report', 'implementation date', 'modification panel', 'development work group', 'workstream', 'review group' or 'review proposal' mean non-voting Member, Secretary, Modification Proposal, Third Party Modification Proposal, Modification Report, Implementation Date, Modification Panel, Development Work Group, Workstream, Review Group or Review Proposal as defined in National Gas Transmission's Network Code as in force as at the Last Day.

5. Review of Modification Rules

The Transporters agree, prior to the coming into force of Sections 173 to 176 of the Energy Act 2004, to procure that a review proposal is made for the review of the Modification Rules in the light of the provisions of those Sections.