UNIFORM NETWORK CODE – TRANSPORTATION PRINCIPAL DOCUMENT

SECTION J – EXIT REQUIREMENTS

1 GENERAL

1.1 Introduction

1.1.1 The provisions of this Section J shall apply in respect of the offtake of gas from a System at System Exit Points.

1.1.2 Except as provided in the Independent Gas Transporters Arrangements Document, nothing in the Code confers on any person any entitlement to have any premises, pipeline, plant or other installation connected to a System for the purposes of offtaking gas from the Total System.

1.2 System Exit Point

1.2.1 In accordance with Section A3, a System Exit Point may be a Supply Point (or Supply Meter Point comprised therein) or a Connected System Exit Point, subject to paragraph 1.2.2.

1.2.2 In this Section J references to System Exit Points include Inter-System Offtakes.

1.2.3 Paragraphs 5, 6 and 7 set out provisions applying (in addition to other applicable provisions of this Section J) in respect of NExA Supply Points, Connected System Exit Points and Inter-System Offtakes respectively.

1.2.4 In this Section J "**Relevant User**" means:

(a) in relation to a Supply Meter Point or Supply Point, the Registered User (or any of the Joint Registered Users);

(b) in relation to a Connected System Exit Point, a CSEP User;

(c) in relation to an Inter-System Offtake, the downstream DN Operator.

1.3 Inter-System Offtakes

1.3.1 In relation to any Inter-System Offtake or the flow of gas at an Inter-System Offtake from the NTS or an LDZ to an LDZ, at any time:

(a) the upstream System is the NTS or (as the case may) the LDZ from which gas flows at such Inter-System Offtake;

(b) the downstream System is the LDZ to which gas flows at such Inter-System Offtake;

(c) the upstream Transporter is the Transporter which operates the upstream System;

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(d) the downstream DN Operator is the DN Operator which operates the downstream System (in its capacity, where the context requires, as DNO User).

1.3.2 Where gas flows at an Inter-System Offtake:

(a) the gas is (and shall be treated as being) taken out of the upstream System and put into the downstream System by Shipper Users;

(b) title and risk in such gas shall pass (as the gas is taken out of the upstream System) from the upstream Transporter to Shipper Users (in accordance with paragraph 3.7), and simultaneously (as the gas is put into the downstream System) from the Shipper Users to the downstream DN Operator (for which purposes only Section I3.6.3 shall apply as if the Inter-System Offtake were an LDZ System Entry Point);

(c) no requirements apply as between any Transporter and any Shipper User as to the composition or pressure of such gas;

(d) notwithstanding the fact that the upstream Transporter or downstream DN Operator may cause or permit such gas flow, no Transporter shall be treated as taking the gas out of the upstream System or putting it into the downstream System, and nothing in the Code shall be construed as having any contrary effect.

1.3.3 So far as it may be necessary for any purpose to determine the same, in relation to any Inter-System Offtake and any Day, the proportions in which Shipper Users:

(a) take gas out of the upstream System;

(b) put gas into the downstream System; and

(c) have title and risk in such gas

shall be equal to the proportions of the sums respectively of their UDQOs in respect of the LDZ served by that Inter-System Offtake.

1.3.4 In this Section J, references to a downstream DN Operator offtaking gas from the upstream System at an Inter-System Offtake shall be construed as references to the DN Operator causing or permitting the flow, or a change in the flow, of gas from the upstream System to the downstream System, and otherwise in accordance with and subject to paragraph 1.3.2; and references to the offtake of gas (or to the upstream Transporter making gas available for offtake) at an Inter-System Offtake shall be construed accordingly.

1.3.5 For the avoidance of doubt, gas which (in an upstream System) is the subject of rights and obligations (pursuant to this Section J) as between an upstream Transporter and a downstream DN Operator may (in the downstream System) be the subject of rights and obligations (pursuant to this Section J) as between the downstream DN Operator and Users; and (without prejudice to GT Section B3) such rights and obligations shall take effect separately in relation to each System and shall not be affected by any breach or failure in respect of such rights or obligations in relation to any other System.

1.4 Connected System Exit Points

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1.4.1 In accordance with Section A3.3, a Connected System Exit Point is a System Exit Point (other than an Inter-System Offtake) comprising one or more Individual System Exit Points which are not Supply Meter Points.

1.4.2 The Individual System Exit Point or Individual System Exit Points comprised in a Connected System Exit Point will be specified in the applicable Network Exit Provisions.

1.4.3 For the purposes of the Code a "**Connected Offtake System**" is a single system or facility (comprising pipeline(s), plant and/or other installations) operated by one person (or jointly operated by several persons) and connected to the relevant System at the Individual System Exit Point(s) comprised in a Connected System Exit Point.

1.4.4 Without prejudice to paragraph 1.1.2, a Connected Offtake System may be:

(a) a facility for the storage of gas;

(b) the pipeline system operated by another gas transporter;

(c) a pipeline interconnector by which gas is transported to another country;

(d) any other pipeline (other than a pipeline connecting the relevant System directly to single premises) or pipeline system; or

(e) a facility for commingling gas, at which gas offtaken from the NTS and commingled with other gas prior to the commingled gas being delivered to the NTS.

1.4.5 A "**Connected System Operator**" is the operator of a Connected Offtake System.

1.4.6 A Connected Offtake System may also be a Connected Delivery Facility where gas can flow in either direction between such system and the Total System (for example in the case of a Storage Facility or a NTS Commingling Facility), in which case the provisions of the Network Entry Agreement and the Network Exit Provisions may be contained in a single document.

1.4.7 Without prejudice to any limitations under the CSEP Connection Arrangements (as referred to in IGTAD Section B) as to what connections may be made between a Connected Offtake System and a System where a Connected Offtake System is connected to a System at two or more Individual System Exit Points any of which is Unmetered, for the purposes of any provision of the Code which refers to a CSEP System Exit Point, such Individual System Exit Points collectively shall be treated as a single Unmetered Connected System Exit Point.

1.4.8 Where NTS Connected System Exit Points are comprised in an Aggregate NTS Exit Point, in this Section J:

(a) references to NTS Exit (Flat) Capacity, are to NTS Exit (Flat) Capacity at that Aggregate NTS Exit Point (and references to any such NTS Connected System Exit Point are construed accordingly);

(b) in paragraphs 3.5, 3.6 and 3.10, and (if the context requires) in any other part of this Section J, references to quantities offtaken or nominated for offtake by a User or Users are to such quantities in aggregate at all of such NTS Connected

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System Exit Points.

1.5 Network Exit Provisions

1.5.1 For the purposes of the Code "**Network Exit Provisions**" are provisions relating to or to the offtake of gas from a System at a System Exit Point, made between the Transporter and:

(a) in the case of a Supply Meter Point, either the consumer (subject to paragraph 1.5.7) or the Registered User (or, if the Transporter shall so agree, both of them);

(b) in the case of a Connected System Exit Point, the Connected System Operator; or

(c) in the case of an Inter-System Offtake, the downstream DN Operator.

1.5.2 Network Exit Provisions are required to be in force in respect of:

(a) any Connected System Exit Point;

(b) unless the Transporter otherwise determines in any case, any Supply Meter Point comprised in a VLDMC Supply Point;

(c) each Inter-System Offtake; and

(d) each Seasonal Large Supply Point;

and where Network Exit Provisions are required to be in force a User will not be entitled to offtake gas from the System at the relevant System Exit Point unless there are such provisions in force.

1.5.3 Network Exit Provisions may be in force in respect of any other Supply Meter Point.

1.5.4 Network Exit Provisions:

(a) in relation to a Supply Meter Point or Metered Connected System Exit Point, are to be contained in an "**Network Exit Agreement**";

(b) in relation to an Inter-System Offtake, are to be contained in the Offtake Arrangements Document and the relevant Supplemental Agreement;

(c) in relation to an Unmetered Connected System Exit Point, are to be contained in the Independent Gas Transporters Arrangements Document and the relevant CSEP Registration.

and references to Network Exit Provisions being in force shall be construed accordingly.

1.5.5 A User shall not (in its capacity as User) be required or entitled to be a party to a Network Exit Agreement in respect of a Metered Connected System Exit Point or a Supply Meter Point where the consumer is already party to a Network Exit Agreement.

1.5.6 Nothing in the Code shall be taken to require the execution of a Network Exit

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Agreement in respect of any Supply Meter Point which is not a New Supply Meter Point where there is a Registered User for the time being.

1.5.7 A Network Exit Agreement in respect of a Supply Meter Point (where not made with the Registered User) may be made with a person other than or in addition to the consumer, where such person is the operator of the Consumer's Plant; and in such a case references in paragraph 5 to the consumer shall be construed as references to such person.

1.5.8 Where Supply Point Network Exit Provisions are made between the Transporter and the Registered User:

(a) the Network Exit Agreement shall be an Ancillary Agreement, and Section V1.1.6 shall apply in respect of the Network Exit Agreement as though that Section also referred to Ancillary Agreements in respect of Supply Meter Points; and

(b) the Registered User shall secure that the consumer is provided with a copy of the Network Exit Provisions and any amendments thereto.

1.5.9 References in this Section J to the termination, suspension or expiry of Network Exit Provisions:

(a) in the context of a Supply Meter Point or a Metered Connected System Exit Point, are to the termination, suspension or expiry of the relevant Network Exit Agreement;

(b) in the context of an Inter-System Offtake, are to the upstream Transporter or downstream DN Operator ceasing to be party to the Offtake Arrangements Document or (as the case may be) the termination, suspension or expiry of the relevant Supplemental Agreement;

(c) in the context of an Unmetered Connected System Exit Point, are to the Independent Gas Transporter ceasing to be a party to the Independent Gas Transporter Arrangements Document or (as the case may be) the cancellation, cessation or expiry of the relevant CSEP Registration.

1.5.10 For the purposes of this Section J:

(a) a "**NExA Supply Meter Point**" is a Supply Meter Point in respect of which there are Network Exit Provisions in force;

(b) "**Supply Point Network Exit Provisions**" are Network Exit Provisions in respect of a Supply Meter Point;

(c) " **CSEP Network Exit Provisions**" are Network Exit Provisions in respect of a Connected System Exit Point.

1.6 Offtake metering at Supply Points

Section M applies in respect of the metering of gas offtaken at Supply Points.

1.7 Antifluctuators, etc

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1.7.1 Each User shall as soon as reasonably practicable notify the Transporter if such User becomes aware in relation to any Supply Meter Point of which it is the Registered User:

(a) that any requirement applying to the relevant consumer under paragraph 17 of the Gas Code has not been or is not being complied with; or

(b) of circumstances in which the relevant Transporter would be entitled to exercise its rights under paragraph 18 of the Gas Code.

1.7.2 Where pursuant to paragraph 17 of the Gas Code the Transporter seeks to give any notice to or exercise any other entitlement in relation to any consumer the Registered User in respect of the relevant Supply Point agrees to extend reasonable cooperation to the Transporter so as to facilitate the exercise of such entitlements (and in particular but without limitation agrees if so requested to secure that there is conveyed on behalf of the Transporter to the relevant consumer any communication to be given by the Transporter pursuant to such paragraph 17).

1.7.3 The Transporter will inform the Registered User before or as soon as reasonably practicable after giving any notice to or exercising any other entitlement in relation to any consumer pursuant to paragraph 17 or 18 of the Gas Code.

1.7.4 Users acknowledge that where Network Exit Provisions are in force in relation to a Supply Point such provisions may provide for additional terms in respect of the matters subject to paragraphs 17 and 18 of the Gas Code.

1.7.5 If so requested on reasonable grounds by the Transporter, the Registered User in respect of any Supply Point shall (within a reasonable period specified by the Transporter) make reasonable enquiries of the consumer or supplier with a view to ascertaining and obtaining reasonable evidence as to whether the requirements of paragraph 17 of the Gas Code are applicable or (where applicable) are being complied with, and inform the Transporter of the outcome of such enquiries; and where the Registered User fails so to make reasonable enquiries or inform the Transporter of such outcome within such period the User shall reimburse to the Transporter any expenses reasonably incurred by the Transporter in ascertaining any such matter itself (including without limitation any expenses paid by the Transporter pursuant to paragraph 17(6) of the Gas Code).

1.8 Entitlements under the Act

1.8.1 Nothing in the Code shall prevent a Transporter from exercising any entitlement or discharging any duty under the Gas Code or otherwise under the Act or pursuant to the Transporter's Licence which may involve the disconnection of or refusal to convey gas to or to allow gas to be conveyed to any premises.

1.8.2 Where under the Gas Code or otherwise under the Act or pursuant to the Transporter's Licence a Transporter is not required to connect or to maintain a connection of, or has exercised or is entitled to exercise any right to disconnect, or is required to disconnect, any premises, or (having disconnected them) is not required to reconnect any premises, or is entitled to refuse to convey gas to or to allow gas to be conveyed to any premises, the Transporter will not be in breach of its obligation to make gas available for offtake from the Total System at the relevant System Exit Point(s).

1.8.3 The Transporter will inform the Relevant User(s) as soon as reasonably practicable after exercising an entitlement (as described in paragraph 1.8.2) to disconnect or refuse to

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convey gas or allow gas to be conveyed.

1.9 Reduction of Offtake at Firm Supply Points

1.9.1 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 entitlement, authorises the consumer to resume such consumption

the Registered User will as soon as reasonably practicable, and in accordance with paragraph 1.9.3, inform the Transporter (and not the CDSP) of the matters set out in paragraph 1.9.2, 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.

1.9.2 The matters to be informed by the Registered User to the Transporter pursuant to paragraph 1.9.1 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

(c) an estimate of the amount by which the quantity of gas offtaken will increase or decrease as a result of such discontinuence or resumption.

1.9.3 For the purposes of paragraph 1.9.1 the User will give the relevant information to the Transporter by means of telephone or email, 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 shall give information to the Transporter for the purposes of paragraph 1.9.1 only by Batch Transfer Communication, and will promptly inform the Transporter by telephone or email of the transmission of each such Batch Transfer Communication.

1.9.4 Where the Transporter notifies a User that it is unable satisfactorily to access a Batch Transfer Communication transmitted pursuant to paragraph 1.9.3, that User will promptly send to the Transporter by email the information contained in that Batch Transfer Communication.

1.10 DNO Users

In this Section J references to Users shall include DNO Users.

1.11 Trader User

In this Section J references to Users exclude Trader Users.

1.12 CSEP Supply Points

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For the avoidance of doubt, in this Section J, references to Supply Meter Points and Supply Points do not include CSEP Supply Meter Points or CSEP Supply Points, unless expressly so provided.

2 OFFTAKE REQUIREMENTS

2.1 Applicable Offtake Requirements

2.1.1 For the purposes of the Code, the "**Applicable Offtake Requirements**" are:

(a) subject to paragraph 2.1.1(b):

(i) except as provided in paragraph (ii), the Standard Offtake Requirements;

(ii) subject to paragraph 2.1.5, as respects the pressure of gas made available for offtake:

(1) at NTS Supply Meter Points, a pressure of 25 bar;

(2) at NTS/LDZ Offtakes, the Assured Offtake Pressure in accordance with paragraph 2.5;

(b) to the extent inconsistent with paragraph 2.1.1(a), but subject to paragraph 2.1.5:

(i) any requirement as to the pressure of gas made available for offtake at a Supply Meter Point which applies pursuant to paragraph 2.2.5;

(ii) the specification applicable pursuant to any Special Offtake Arrangement in accordance with paragraph 2.3;

(iii) any provision contained in Network Exit Provisions as to the pressure of gas made available for offtake at a System Exit Point.

2.1.2 The "**Standard Offtake Requirements**" are the requirements as to gas composition and pressure of the regulations from time to time applying pursuant to Section 16(1) of the Act as they apply in respect of gas made available by the Transporter for offtake at any System Exit Point which requirements shall be treated for the purpose of the Code as applying (subject to paragraph 2.1.1(b)) in respect of any LDZ Connected System Exit Point.

2.1.3 Network Exit Provisions or an Ancillary Agreement may include any tolerances within which (for any periods or in any circumstances) deviation from any of the Applicable Offtake Requirements are permitted.

2.1.4 The "**Applicable Offtake Pressure**" is the requirement as to pressure of gas made available for offtake from the System at an Individual System Exit Point for the time being applicable in accordance with this paragraph 2.1.

2.1.5 Where at any time, by reason of any building, mining or engineering developments (other than a development planned by the Transporter), or changes in population density, in the vicinity of any part of the System, it is not or ceases or will cease to be feasible safely or in accordance with any Recognised Standard to maintain at any

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Individual System Exit Point a pressure of at least the Applicable Offtake Pressure (applicable at the time in accordance with paragraph 2.1.1, this paragraph 2.1.5, or paragraph 2.2.5):

(a) the Transporter will, as soon as reasonably practicable after becoming aware that (by reason of such circumstances) such pressure cannot be maintained, so inform the Relevant User(s) specifying the date with effect from which it will be necessary to reduce such pressure and the reduced pressure which can (after such date) be so maintained; and

(b) with effect from the date specified by the Transporter (and as respects any User who may become the Relevant User), the reduced pressure so specified shall be the Applicable Offtake Pressure.

2.1.6 The Transporter will not be in breach of its obligation to make gas available for offtake from a System at a System Exit Point if for any reason the pressure of the gas immediately downstream of the point of offtake (in accordance with paragraph 3.7) exceeds the Applicable Offtake Pressure.

2.2 Special offtake pressure

2.2.1 Upon the request of the Registered User in respect of a Supply Point, specifying (in respect of a Supply Meter Point comprised in the Supply Point) a particular pressure (the "**specified pressure**") greater than the prevailing Applicable Offtake Pressure, the Transporter will advise the User:

(a) whether the anticipated normal offtake pressure is greater or less than the specified pressure; and

(b) insofar as it is reasonably practicable to do so, of the circumstances (other than Excluded Offtake Circumstances in accordance with paragraph 3.2.2) in which the Transporter anticipates at the time of the request that the pressure of gas available for offtake at the Supply Meter Point may fall below the specified pressure.

2.2.2 Where the Transporter has advised a User under paragraph 2.2.1 that anticipated normal offtake pressure is not less than the specified pressure, the Transporter will advise the User, not less than 24 months (in the case of an LDZ Supply Point) or 36 months (in the case of an NTS Supply Point) before such change, of any reduction in anticipated normal offtake pressure below the specified pressure (but without prejudice to the Applicable Offtake Pressure).

2.2.3 In this paragraph 2.2, "**anticipated normal offtake pressure**" means the pressure or (within a range of pressures) lowest pressure at which the Transporter expects (having regard to the period of notice of any reduction required under paragraph 2.2.2) that, under normal System operating conditions, gas will be available for offtake at a Supply Meter Point.

2.2.4 Where a User makes a request to the Transporter under paragraph 2.2.1, the User may in addition propose to the Transporter to enter into an Ancillary Agreement pursuant to which the Transporter would undertake the works in respect of the relevant System necessary to enable it to make available for offtake under all operating conditions (other than Excluded Offtake Circumstances) gas at the specified pressure.

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2.2.5 Where, following the proposal of a User under paragraph 2.2.4, the User and the Transporter so agree, they shall enter into an Ancillary Agreement (upon such terms including terms as to payment by the User as shall be agreed between them), and the Applicable Offtake Pressure will (for such period as may be specified in such Ancillary Agreement) be the specified pressure or such other pressure as shall be specified in such Ancillary Agreement.

2.3 Special Offtake Arrangement

2.3.1 Pursuant to an arrangement ("**Special Offtake Arrangement**") provided for in Network Exit Provisions, a Transporter may agree to make gas available for offtake from the System at a System Exit Point in circumstances where the Standard Offtake Requirements are not complied with pursuant to the terms of any Network Exit Provisions, or where the Standard Offtake Requirements are not (and are not treated pursuant to paragraph 2.1.2 as being) appropriate.

2.3.2 Without prejudice to any Legal Requirement, a Special Offtake Arrangement may be in force where, by reason of a Special Delivery Arrangement under Section I3.5, gas available for offtake at a System Exit Point does not or will not comply with the Standard Offtake Requirements.

2.4 Notice of specification change

2.4.1 Where:

(a) the Registered User wishes to be informed of changes in particular characteristics ("**relevant characteristics**") of gas offtaken from the Total System at a Supply Meter Point comprised therein; and

(b) the User so requests the Transporter, specifying the Supply Meter Point and the relevant characteristics,

the Transporter will, where in its reasonable opinion it is feasible to do so, and upon such reasonable terms (if any) as it may notify to the User, agree that paragraph 2.4.3 shall apply.

2.4.2 Where the Transporter notifies any terms to the User pursuant to paragraph 2.4.1, paragraph 2.4.3 shall apply only if the User notifies the Transporter of its acceptance of such terms, which terms (if so accepted) shall form an Ancillary Agreement between the Transporter and such User.

2.4.3 Where this paragraph applies, the Transporter will use reasonable endeavours to notify the Registered User as soon as reasonably practicable after the Transporter becomes aware that a change in relevant characteristics of gas available for offtake at the Supply Point has occurred or will occur.

2.4.4 Where paragraph 2.4.3 applies the Transporter reserves the right at any time and from time to time to make a charge to the User (for so long as it is the Registered User) in respect of the reasonable costs incurred by the Transporter in performing its obligations under that paragraph.

2.5 Assured Offtake Pressure and Significant Offtakes

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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 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 pressure;

comprised in the Assured Offtake Pressure.

2.5.2 National Gas Transmission 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:

(a) the Assured Offtake Pressures for each of Gas Years Y+1 to Y+6 (inclusive); and

(b) whether the NTS/LDZ Offtake is a Significant Offtake (as such term is defined in OAD Section I4.1.1) for Gas Year Y+1.

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 Gas Transmission 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 July to 31 July (inclusive) in a Gas Year for Gas Years Y+1 to Y+6.

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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 Gas Transmission, 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 Gas Transmission, the decreased pressure applied for.

2.5.9 Where a DNO User submits an application in accordance with paragraph 2.5.6 National Gas Transmission 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 Gas Transmission 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 Gas Transmission 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.

2.5.11 For the purposes of paragraphs 2.5.9 and 2.5.10, the reference to all credible operating conditions is to all conditions other than a condition the existence of which would amount to Force Majeure affecting the relevant system.

2.5.12 National Gas Transmission 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 Gas Transmission 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

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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) within 15 Business Days following the last Day of July in which the application is made 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 ten (10) Business Days following notification from National Gas Transmission under paragraph (b);

(d) National Gas Transmission 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.

2.5.14 National Gas Transmission and the DNO User will discuss in good faith which of the NTS/LDZ Offtakes are to be given Significant Offtake status for Gas Year Y+1 with a view to agreeing by 30 September a list of Significant Offtakes for inclusion in the Offtake Pressure Statement to be issued by such date in accordance with paragraph 2.5.2.

2.5.15 At any time following the publication of the Offtake Pressure Statement by National Gas Transmission pursuant to paragraph 2.5.2 and otherwise during Gas Year Y+1 to which such Offtake Pressure Statement relates either National Gas Transmission or the DNO User may notify the other that an NTS/LDZ Offtake shall be given Significant Offtake status from the date specified in such notification and no approval or consent in respect of such change in status shall be required from National Gas Transmission or the DNO User (as the case maybe).

3 OFFTAKE OF GAS FROM THE SYSTEM

3.1 Offtaking User

3.1.1 For the purposes of this Section J an "**Offtaking User**" is:

(a) in respect of a Supply Meter Point, the Registered User of the Supply Point (or, in the case of a Shared Supply Meter Point, of any of the Supply Points) in which the Supply Meter Point is comprised;

(b) in respect of a Connected System Exit Point, on any Day, any Offtaking CSEP User; and

(c) in respect of an Inter-System Offtake, the downstream DN Operator.

3.1.2 The "**Offtake Proportion**" of an Offtaking User for a Day in respect of a System Exit

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Point is:

(a) in the case of a Supply Meter Point:

(i) except as provided in paragraph (ii), one (1);

(ii) in the case of a Shared Supply Meter Point, the proportion which the quantity allocated to that User in respect of the Day in accordance with the Shared Supply Meter Notification bears to the Supply Point Daily Quantity;

(b) in the case of a Connected System Exit Point, that User's UDQO for that Day divided by the CSEP Daily Quantity Offtaken in accordance with Section E3.2; and

(c) in the case of an Inter-System Offtake, one (1) .

3.1.3 For the purposes of this Section J:

(a) references to quantities of gas offtaken on a Day at an Class 1 or Class 2 Supply Point are to the quantities determined to have been offtaken pursuant to Section H2;

(b) no adjustments to any amount, payment or quantity ascertained under this Section J shall be made by reason of Offtake Reconciliation;

(c) references to quantities of gas offtaken on a Day at an Inter-System Offtake are to the quantities determined to have flowed pursuant to the measurement provisions contained in the Network Exit Provisions (and not, for the avoidance of doubt, by reference to quantities treated as offtaken by Shipper Users from the downstream System pursuant to Section E).

3.1.4 In relation to an Unmetered Connected System Exit Point:

(a) a reference to the Connected Offtake System in Section J3 will include any indirectly-connected IGT System downstream of that Connected Offtake System; and

(b) references to Connected System Operator and (in Section J3.11) Connected System Premises will be construed accordingly.

3.2 Obligation to make gas available for offtake

3.2.1 Subject to the provisions of the Code, the Transporter will make gas available for offtake by User(s) from the System at the point of offtake (in accordance with paragraph 3.7) in accordance with the requirements of paragraph 3.3.1 at each System Exit Point where the requirements (other than requirements to be complied with by the Transporter) of this Section J are complied with.

3.2.2 For the purposes of the Code, "**Excluded Offtake Circumstances**" are circumstances in which, in accordance with the Code, the Transporter is not obliged or not in breach of its obligation to make gas available for offtake at a System Exit Point or is not liable in respect of any failure to do so.

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3.2.3 For the avoidance of doubt, a User's obligations to pay Capacity Charges shall not be affected by the existence of any Excluded Offtake Circumstances except as provided in paragraph 3.6 in respect of Force Majeure.

3.3 Compliance with offtake requirements

3.3.1 Gas made available by the Transporter for offtake at any System Exit Point will comply with the Applicable Offtake Requirements, subject to paragraph 3.3.6.

3.3.2 Where non-compliant gas is made available for offtake from the relevant System at a System Exit Point, the Offtaking User(s) may, from time to time until such time as the Applicable Offtake Requirements are complied with in respect of gas made available for offtake at such point, in its or their discretion, either:

(a) offtake or continue to offtake such gas, in which case paragraph 3.4 shall apply; or

(b) decline to offtake or to continue to offtake such gas, in which case paragraph 3.5 shall apply.

3.3.3 A User's rights under paragraph 3.3.2 shall not be prejudiced by its election to offtake non-compliant gas (whether or not it is aware that the gas is non-compliant).

3.3.4 Subject to paragraph 3.4.7, where non-compliant gas has been offtaken on any Day from the System, the Transporter shall be liable to pay to each Offtaking User an amount determined in accordance with paragraph 3.4.

3.3.5 Where the Transporter becomes aware that non-compliant gas is being made available for offtake at any System Exit Point (other than where the failure to comply is not material), the Transporter will endeavour to inform the Relevant User(s) (and, in the case of a Connected System Exit Point, the Connected System Operator) of that fact as soon as reasonably practicable, but in the case of a Supply Point whose Annual Quantity does not exceed 732,000 kWh *(25,000 therms)* or an Unmetered Connected System Exit Point at which the sum of the Annual Quantity at each CSEP Supply Points does not exceed 732,000 kWh *(25,000 therms)* a notice to all Shipper Users generally that gas in any part of the relevant System is non-compliant shall be sufficient.

3.3.6 Subject to paragraph 3.4.7, for the purposes of this paragraph 3 "**non-compliant gas**" is gas made available for offtake from a System in respect of which (after taking account of any tolerance referred to in paragraph 2.1.3) any of the Applicable Offtake Requirements is not or was not complied with.

3.3.7 In assessing whether the hydrocarbon dewpoint and water dewpoint of gas conveyed in the NTS will interfere with the integrity or operation of the pipes comprised in an LDZ, National Gas Transmission will (and shall be entitled to) assume that the DNO will operate the LDZ so as to secure that, at all points on the LDZ at which the pressure of gas is reduced, the temperature of the gas does not (at any time during such pressure reduction) fall below zero degrees celcius (0°C).

3.4 Payment in respect of non-compliant gas

3.4.1 Subject to paragraphs 3.4.3 and 3.4.4, the amount payable by the Transporter to an Offtaking User under paragraph 3.3.4 shall be all reasonable costs and expenses

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reasonably incurred by the User in consequence of the offtake of non-compliant gas, including (without limitation) costs and expenses incurred:

(a) in cleaning or clearing any part of the relevant offtake facility; and/or

(b) in taking reasonable measures (excluding in the case of a Connected Offtake System or a downstream System any measures equivalent to Operational Balancing Steps) to secure that:

(i) in the case of a Supply Point, the non-compliant gas can be made fit for use in the relevant offtake facility;

(ii) in the case of a Connected System Exit Point or Inter-System Offtake, the relevant offtake facility can be operated in accordance with applicable Legal Requirements notwithstanding the offtake or continued offtake of such non-compliant gas; and/or

(c) in relation to an Inter-System Offtake (to the extent that, as a result of the offtake of non-compliant gas, the downstream DN Operator as Offtaking User itself makes non-compliant gas available for offtake from the downstream System), by way of liability to Users

(i) under paragraphs (a) and (b) (pursuant to paragraph 3.3.2(a)); and/or

(ii) under paragraph 3.5 (pursuant to paragraph 3.3.2(b))

provided that (in either case) the downstream DN Operator acts and has acted as a Reasonable and Prudent Operator with a view to avoiding or limiting the effects of its offtake (at the Inter-System Offtake) of non-compliant gas on its ability to make gas (complying with the Applicable Offtake Requirements) available for offtake from the downstream System.

3.4.2 For the purposes of paragraph 3.4.1:

(a) "relevant offtake facility" means:

(i) in the case of a Supply Point, the Consumer's Plant;

(ii) in the case of a Connected System Exit Point, the Connected Offtake System; and

(iii) in the case of an Inter-System Offtake, the downstream System;

(b) references to costs and expenses incurred by an Offtaking User include costs and expenses incurred by:

(i) in the case of a Supply Point, the supplier or consumer;

(ii) in the case of a Connected System Exit Point, the Connected System Operator.

3.4.3 The amount payable by the Transporter to an Offtaking User (excluding amounts under paragraph 3.4.1(c)(ii)) shall not exceed 10% of the amount calculated as the User's Offtake Proportion of the total quantity of non-compliant gas offtaken from the System

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at the relevant System Exit Point on the relevant Day multiplied by the Applicable Liability Gas Price.

3.4.4 Where costs and expenses referred to in paragraph 3.4.1 are incurred in consequence of the offtake of non-compliant gas from the relevant System on more than one Day at a Shared Supply Meter Point or Connected System Exit Point:

(a) references in paragraphs 3.4.1 and 3.4.3 to a User's Offtake Proportion shall be deemed to be references to a weighted average Offtake Proportion determined for each Offtaking User as the sum, for all such Days, of the User's Offtake Proportion for each Day multiplied by the Supply Point Daily Quantity or (as the case may be) CSEP Daily Quantity Offtaken, divided by the sum of the Supply Point Daily Quantities or (as the case may be) CSEP Daily Quantities Offtaken for all such Days; and

(b) the reference in paragraph 3.4.3 to the total quantity of non-compliant gas offtaken on the relevant Day shall be to the total quantity of non-compliant gas offtaken on all such Days.

3.4.5 Where any amount has become payable to an Offtaking User pursuant to paragraph 3.3.4:

(a) the User shall as soon as reasonably practicable after the Exit Close-out Date so notify the Transporter, specifying:

(i) the relevant System Exit Point and the Day or Days on which non-compliant gas was offtaken from the System;

(ii) the total quantity of non-compliant gas referred to in paragraph 3.4.3, and reasonable details of the respect(s) in which the non-compliant gas did not comply with the Applicable Offtake Requirements;

(iii) reasonable details of the costs and expenses referred to in paragraph 3.4.1 and the person(s) by whom and purposes for which they were incurred;

(iv) the Offtaking User's Offtake Proportion; and

(b) the amount payable by the Transporter shall be invoiced and paid in accordance with Section S.

3.4.6 Any dispute as to anything specified by a User under paragraph 3.4.5(a) (other than a dispute as to anything specified under paragraph 3.4.5(a)(i) or (ii) which was resolved pursuant to Network Exit Provisions) shall be referred to Expert Determination.

3.4.7 Paragraph 3.3.4 and this paragraph 3.4 (with the exception of this paragraph 3.4.7) do not apply and the Transporter shall not be liable thereunder to the extent that the failure (of gas offtaken) to comply with Applicable Offtake Requirements was a failure to comply with the Applicable Offtake Pressure; and references in those paragraphs to non-compliant gas shall be construed accordingly.

3.4.8 Where non-compliant gas was offtaken from the Total System and for the purposes of clearing such non-compliant gas from the Consumer's Plant or a Connected Offtake System it is necessary for the consumer or (as the case may be) the Connected System

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Operator to vent gas from such plant or system, the quantity of gas which each Offtaking User is treated as having offtaken from the Total System on the relevant Day shall be reduced by its Offtake Proportion of the quantity of gas so vented (and the User's UDQO shall be determined accordingly).

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.

3.5.2 For the purposes of section 3.5.3 section V 11.1.6 will apply.

3.5.3 In the case of an LDZ Supply Point at Non-domestic Premises whose Annual Quantity exceeds 73,200 kWh (*2,500 therms*) per annum, 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 on the relevant Day, less, in the case of an Interruptible Supply Point, and in respect of a Day on which Interruption was required at such Supply Point, the aggregate amount of the Interruptible Tranches which were subject to Interruption on the Day;

X is in the case of a DM Supply Point, 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, the Nominated Quantity (subject to paragraph 3.5.4) under the Output Nomination for the relevant Supply 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 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, disregarding any increase therein applied for after the relevant failure first occurred;

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

P is the sum of the Applicable Daily Rates of:

(i) the Capacity Variable Component of the Customer Charge; and

(ii) the LDZ Capacity Charge;

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

(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 and £250 in relation to a DM Supply Point

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 and an amount of £250 in relation to a DM Supply Point.

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 there shall be deemed to be a Nomination Quantity in respect of each DMA Supply Point in the relevant DMA Supply Point Group, determined by apportioning the Nomination Quantity for such Supply Point Group between such Supply Points in proportion to their respective Annual Quantities;

(b) for the purposes of paragraph 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:

$$C \times (1 - X / Y) \times P$$

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;

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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 its Registered LDZ 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.

(c) in relation to an Unmetered Connected System Exit Point, for the purposes of determining Y, a CSEP User's Nominated Quantity shall be the sum of the Nominated Quantities for all relevant CSEP Supply Points.

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

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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.

3.5.9 For the purposes of paragraphs 3.4.1(c)(ii), 3.5.8 and 7.4.1, references to amounts for which a downstream DN Operator or National Gas Transmission 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 Gas Transmission was liable by way of compensation under (and pursuant to regulations made under) Section 33AA of the Act.

3.5.10 For the purposes of Section V10, the rules in paragraphs 3.5.3 and 3.5.5 (but not paragraph 3.5.8, but without prejudice to paragraph 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.

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

3.6 Force Majeure

3.6.1 Where:

(a) by reason of Force Majeure affecting the Transporter, the Transporter is relieved from liability in respect of its obligation to make gas available for offtake from the Total System at a System Exit Point; and

(b) the occurrence of Force Majeure continues for a period of more than 7 Days,

for each Day after the 7th Day on which the Transporter continues to be relieved of such

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obligation, the User(s) registered as holding System Capacity at such point will cease to be liable to pay the Capacity Charges referred to in paragraph 3.6.2.

3.6.2 Subject to paragraph 3.6.3, the relevant Capacity Charges are:

(a) in the case of any System Exit Point, the LDZ Capacity Charges (where relevant) and the Capacity Variable Component of the Customer Charge payable by the User in respect of such point; and

(b) in the case of a System Exit Point other than an Interruptible Supply Point, NTS Exit Capacity Charges in respect of an amount of NTS Exit Capacity (in respect of the relevant NTS Exit Point) equal to the User's Registered LDZ Capacity.

3.6.3 Where in relation to any Day (after the 7th Day) the effect of the occurrence of Force Majeure is a partial (rather than total) reduction in the availability of gas for offtake from the Total System, the relevant Capacity Charges will be that proportion of those described in paragraph 3.6.2 determined as:

$$(C - X) / C$$

where:

C is the amount of the User's Registered LDZ Capacity (as at the Day when the occurrence of Force Majeure commenced) at the relevant System Exit Point; and

X is the quantity of gas which was made available for offtake from the relevant System at the relevant System Exit Point on the Day.

3.7 Point of offtake

3.7.1 The point of offtake in respect of each Individual System Exit Point comprised in any System Exit Point shall be:

(a) in the case of a Supply Point:

(i) except as provided in paragraph (ii), the outlet of the customer control valve on the service pipe;

(ii) where there is in force a Network Exit Agreement which identifies (by description or a diagram or both) the point(s) of offtake, the point or points so identified; and

(b) in the case of a Connected System Exit Point or Inter-System Offtake, the point of offtake identified in accordance with paragraph 3.7.2.

3.7.2 The Network Exit Provisions in force in respect of a Connected System Exit Point or Inter-System Offtake will identify (by description or a diagram or both) a point of offtake in respect of each Individual System Exit Point comprised in the Connected System Exit Point or Inter-System Offtake.

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3.7.3 Title and (without prejudice to paragraph 3.4) risk in gas offtaken from the relevant System at a System Exit Point (other than an Inter-System Offtake) shall pass to the Offtaking User at the relevant point of offtake in accordance with paragraph 3.7.1.

3.7.4 The Transporter warrants to each Shipper User that the Transporter will have title (at the point of offtake) to all gas:

(a) made available for offtake from the Total System at any System Exit Point by that User; and

(b) taken out of the upstream System by that User at an Inter-System Offtake

and that all such gas will (at such point) be free of any lien, charge, encumbrance or adverse claim (as to title or otherwise), including any claim for any tax, royalty or other charge in respect of the production, gathering, processing and tendering of gas arising on or before offtake thereof from the relevant System.

3.7.5 The Transporter shall indemnify each User and hold it harmless against any loss, liability, damage, claim, action, proceeding, cost and expense suffered or incurred by or made or brought against such User in consequence of any breach of the warranty in paragraph 3.7.4.

3.8 User offtake obligations: LDZ DM Supply Points

3.8.1 A User is not entitled to offtake gas from the Total System at a DM Supply Point 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 comprised in an LDZ Supply Point at a rate which exceeds the Supply Point Offtake Rate; and

(b) in the Transporter's reasonable judgement 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.

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 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

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Capacity.

3.8.5 In relation to a DM Supply Point which comprises a Shared Supply Meter Point, 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 Points which comprise such Shared Supply Meter Point does not exceed the aggregate of the Supply Point Offtake Rates in respect of such Supply Points.

3.8.6 In paragraph 3.8.1, a DM Supply Point includes a CSEP Supply Point (for clarity but without prejudice to the application of paragraphs 3.9.2 and 3.9.3 in respect of the Unmetered Connected System Exit Points).

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 Metered 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 Provisions.

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 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 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.

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

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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:

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

where:

C_{FLAT} is the DNO User's NTS Exit (Flat) Capacity;

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

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

$$(C_{FLAT} / 24)$$

where C_{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 judgement the security of the upstream System may be prejudiced as a result;

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 In the case of an NTS Exit Point National Gas Transmission will not be obliged under any provision of the Code to make gas available for offtake from the NTS by a User:

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

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

(c) in the period between 06:00 hours and 22:00 hours on any Day, in a quantity which exceeds (NEFC + 16/24 * Q_D) (as those terms are defined in Section B3.13);

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

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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:

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

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

3.11 Alternative arrangements for CSEPs

3.11.1 This paragraph 3.11 shall apply, in addition to and (to the extent in conflict with) in substitution for the provisions of paragraphs 3.4 and 3.5, in the case of an LDZ Connected System Exit Point, where the Connected System Operator is the holder of a Gas Transporter's Licence and the Connected Offtake System is a pipeline system the conveyance of gas in which is either authorised by such licence or exempt (from the requirement to be so licensed) pursuant to an order (under Section 6A of the Act) granting temporary exemption from such requirement.

3.11.2 For the purposes of paragraph 3.4, where the condition in paragraph 3.11.4 is satisfied:

(a) subject to the limit in paragraph 3.4.3, the costs and expenses referred to in paragraph 3.4.1 shall include costs and expenses incurred in cleaning or clearing plant and/or equipment at Connected System Premises in which the non-compliant gas has been used;

(b) the limit in paragraph 3.4.3 shall apply only in relation to the amount of the costs and expenses in paragraph 3.11.2(a);

(c) the amount payable by the Transporter to an Offtaking User in relation to the costs and expenses referred to in paragraph 3.4.1 (including subject to the limit in paragraph 3.4.3 those within paragraph (a)) shall be the User's Offtake Proportion of the CSEP Liability Sharing Proportion of such costs and expenses.

3.11.3 For the purposes of paragraph 3.5, where the condition in paragraph 3.11.4 is satisfied:

(a) paragraph 3.5.5 shall not apply;

(b) the Transporter shall pay to each CSEP User an amount calculated as the CSEP Liability Sharing Proportion of:

(i) the amount determined under paragraph 3.11.6, where that paragraph applies; and

(ii) the User's Offtake Proportion of any costs and expenses incurred by the Connected System Operator, directly as a consequence of the failure by the Transporter to make gas available for offtake at the Connected System Exit Point, so that the Connected Offtake System can be operated in accordance with applicable Legal Requirements.

3.11.4 The condition referred to in paragraphs 3.11.2 and 3.11.3 is that the Connected System Operator:

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(a) shall (to the maximum extent permitted by law) fully and effectively have waived any claim against the Transporter in respect of any liability (in contract, tort or otherwise) in respect of the making available for offtake from the Total System of non-compliant gas, or (as the case may be) the failure to make gas available for offtake, or (in either case) the event or circumstances giving rise thereto;

(b) shall have taken all such steps as are reasonable in the circumstances and having regard to any such provisions of the CSEP Network Exit Agreement as are referred to in paragraph 4.3.3(d) to avoid or limit the consequences of the relevant occurrence in relation to which such costs and expenses referred to in paragraph 3.11.2 or 3.11.3 are incurred, and to limit such costs and expenses;

(c) shall have agreed insofar as is reasonable in the circumstances that, if the Transporter so requires, all or some of the works necessitated by the relevant occurrence shall be undertaken by the Transporter at the Transporter's cost (offsetting the cost of such works against the amounts payable by the Transporter pursuant to paragraphs 3.11.2(c) and 3.11.3(b)(ii)) and on such other terms as shall be reasonable for the Transporter and the Connected System Operator to agree.

3.11.5 Paragraph 3.11.6 applies where:

(a) in consequence of the failure (for whatever period of time) to make gas available for offtake from the Total System at the Connected System Exit Point, the Connected System Operator fails to make gas available for offtake from the Connected Offtake System at Connected System Premises; and

(b) a commitment exists on the part of the Connected System Operator or a relevant supplier to make a payment, in consequence of such failure, to the consumer at the Connected System Premises.

3.11.6 Where this paragraph applies, the amount referred to in paragraph 3.11.3(b)(i) is the aggregate, for all of the Connected System Premises to which the CSEP User has (at the relevant time) arranged for gas to be conveyed by the Connected System Operator and where the rate at which gas is expected to be supplied to the consumer at those Connected System Premises exceeds 73,200 kWh (2,500 therms) per annum, of the amount (in respect of each such premises) equal to the lesser of the amount which the Connected System Operator or relevant supplier (as described in paragraph 3.11.5(b)) committed to pay to the consumer, and the amount which (if the Connected System Premises were connected to the System at a Supply Point) the Transporter would be required to pay pursuant to paragraph 3.5.3.

3.11.7 For the purposes of this paragraph 3.11:

(a) the "**CSEP Liability Sharing Proportion**" in relation to a Connected System Exit Point at any time shall be the proportion from time to time specified in or determined pursuant to the CSEP Network Exit Provisions, or determined (for the purposes of this paragraph 3.11) by the Transporter with Condition A11(18) Approval of the Authority (where the CSEP Network Exit Provisions do not so specify or provide for such determination);

(b) "**Connected System Premises**" are premises connected to the Connected

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Offtake System.

3.11.8 For the purposes of Section V10, the rule in paragraph 3.11.3 is a Compensation Rule within Compensation Group J; and in relation thereto the "**payment month**" is the second month following the month in which the relevant failure commenced.

4 REQUIREMENTS UNDER NETWORK EXIT PROVISIONS

4.1 General

4.1.1 Requirements (further to those in the foregoing provisions of this Section J) in respect of the plant and equipment to be installed at and the offtake of gas from the relevant System at certain System Exit Points are set out:

(a) in relation to NExA Supply Meter Points, Connected System Exit Points and Inter-System Offtakes generally, in this paragraph 4;

(b) in relation to NExA Supply Meter Points specifically, in paragraph 5;

(c) in relation to Connected System Exit Points specifically, in paragraph 6;

(d) in relation to Inter-System Offtakes specifically, in paragraph 7.

4.1.2 The relevant requirements referred to in paragraph 4.1.1 apply:

(a) in the case of a NExA Supply Meter Point, as and to the extent so required by the Transporter pursuant to the Network Exit Provisions (and, in the case of each of paragraphs 4.5 to 4.7 and 5.6 to 5.8, where the Network Exit Provisions contains provisions, whether or not expressly referring to such paragraph, by reference to which such paragraph is capable of applying);

(b) in the case of a Connected System Exit Point, where the relevant Network Exit Provisions provide for that requirement to apply (or where the application of such requirement is not limited to 'relevant' Connected System Exit Points);

(c) in the case of all NTS/LDZ Offtakes, and to the extent provided in the Network Exit Provisions in the case of a LDZ/LDZ Offtake.

4.1.3 For the purposes of any provision of paragraphs 4.5 to 4.7, a "relevant" System Exit Point is an Inter-System Offtake, a NExA Supply Meter Point or a Connected System Exit Point in respect of which such provision is (in accordance with paragraph 4.1.2) to apply.

4.2 Failure to comply

4.2.1 Where and for so long as:

(a) any requirement applying pursuant to this paragraph 4 or paragraph 5, 6 or 7 (other than a requirement applying to the Transporter) of the Network Exit Provisions is not for the time being complied with or is incapable of being complied with in relation to a NExA Supply Meter Point, Connected System Exit Point or Inter-System Offtake; and

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(b) in the Transporter's reasonable opinion such non-compliance or inability to comply may prejudice the security of the relevant System

the Transporter shall (until such time as it is reasonably satisfied that such non-compliance has been remedied) be entitled to require by notice to the Relevant User that the offtake of gas shall, subject to any contrary provisions in the Network Exit Provisions, be discontinued or its rate reduced, and may in any event take any steps available to it to secure such discontinuance or reduction, provided that where the Transporter takes such steps it will so notify the Relevant User as soon as reasonably practicable after so doing.

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 a 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

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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

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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.

4.3.6 The Transporter will not agree to a modification of the Network Exit Provisions applicable to a System Exit Point except:

(a) in relation to increases to any Permitted Ranges contained in the Network Exit Provisions:

(i) where, within five (5) Business Days of the Transporter notifying the proposed increases to the Permitted Ranges, none of the Registered Users or CSEP Users (as the case may be) at the System Exit Point object to the proposed increases to the Permitted Ranges; or

(ii) in accordance with paragraph 4.3.7;

(b) in relation to the Network Exit Provisions (other than increases to the Permitted Ranges):

(i) with the consent in writing of all Users who are the Registered Users or CSEP Users (as the case may be) at the date when such amendment is to take effect at the System Exit Point; or

(ii) in accordance with paragraph 4.3.7.

For the purposes of this paragraph 4.3.6, **"Permitted Ranges"** means the minimum and/or maximum ranges (as specified in the Network Exit Provisions) for each part of the metering, sampling, analysis and other equipment required by the Network Exit Provisions to be installed in respect of the relevant NExA Supply Meter Point.

4.3.7 Where the Transporter and the relevant consumer or Connected System Operator (as the case may be) have agreed (subject to a Code Modification) upon an amendment to any such Network Exit Provisions, such Network Exit Provisions may be amended for the purposes of the Code by way of Code Modification pursuant to the Modification Rules.

4.3.8 Paragraphs 4.3.6 and 4.3.7 shall not apply in respect of the IGTAD.

4.4 Plant and equipment

4.4.1 The plant and equipment installed at a NExA Supply Meter Point or Connected System Exit Point may include:

(a) volumetric control or override, by means of which the instantaneous rate (in terms of volume) at which gas may be offtaken may be limited (and such limit set remotely by the Transporter);

(b) remote isolation valve, by means of which the Transporter may remotely cause the offtake of gas to be discontinued;

(c) calorimetric equipment, by means of which the calorific value of gas offtaken may be continuously monitored; and

(d) preheating equipment, by means of which the temperature of gas offtaken may

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be maintained (having regard to the operation of any other plant or equipment installed pursuant to this paragraph 4.4.1 or paragraph 4.4.2) at a given temperature (not less than 0°C).

4.4.2 The plant and equipment installed or to be installed pursuant to paragraph 4.4.1 will be specified in the relevant Network Exit Provisions (and may where so provided in such Network Exit Provisions be or have been furnished and installed by the Transporter).

4.4.3 Where volumetric control or override is installed pursuant to paragraph 4.4.1(a), the Transporter may, but (subject to any provision of the Network Exit Provisions) shall not be required to, set such control or override, or require it to be set, so as to limit the rate (in volume terms) at which gas is offtaken to a rate equivalent (on the basis of the applicable calorific value) to the Prevailing Offtake Rate, or otherwise as may be provided in the Network Exit Provisions.

4.4.4 Where a remote isolation valve is installed pursuant to paragraph 4.4.1(b), the Transporter may, but (subject to any provision of the Network Exit Provisions) shall not be required to, operate such valve in any circumstances in which, in accordance with the Code or the Act, the Transporter is permitted to interrupt or cause the discontinuance or reduction of offtake, or disconnect the Supply Point Premises or (as the case may be) Connected Offtake System.

4.4.5 The Transporter will not be in breach of its obligation to make gas available for offtake at the NExA Supply Meter Point or (as the case may be) Connected System Exit Point:

(a) where and to the extent that:

(i) any plant or equipment installed pursuant to paragraph 4.4.1 operates (in accordance with any provisions of the Network Exit Provisions as to such operation or the control or setting of such plant or equipment) so as to limit or discontinue the offtake of gas from the Total System; or

(ii) the Transporter takes any action in accordance with any provisions of this paragraph 4 or of Network Exit Provisions which limits or discontinues the offtake of gas from the Total System; and

(b) in the event of any failure of or defect in any plant or equipment installed by the Transporter at the System Exit Point, or requirement for maintenance thereof, until and unless:

(i) the User, the Connected System Operator or the consumer has notified the Transporter of such failure, defect or requirement; and

(ii) following such notice the Transporter has not, within 24 hours after such notification or such other period as may be provided in the Network Exit Provisions, and subject to having such access as shall be reasonable in the circumstances, repaired or replaced the relevant plant or equipment or carried out the required maintenance (but so that nothing in the Code or the Network Exit Provisions shall require the Registered User to pay for any such repair, replacement or maintenance).

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4.5 Offtake Profile Notice

4.5.1 In relation to a relevant System Exit Point or NTS/LDZ Offtake:

(a) a notification ("**Offtake Profile Notice**") shall be provided to the Transporter, not later than the time on the Preceding Day specified in the Network Exit Provisions, setting out rates of offtake throughout the Gas Flow Day, and

(b) a notification ("End of Day Demand Forecast Notice") shall:

(i) not later than 13:00 hours on the Preceding Day, be provided by the DNO User in respect of the NTS/LDZ Offtakes into each LDZ, and submitted to National Gas Transmission setting out the aggregate Forecast LDZ Demand for that LDZ; and

(ii) not later than 12:00 hours on the Preceding Day, be secured by the Shipper User in respect of any other relevant System Exit Point, and submitted to the Transporter setting out the estimated total amount of gas to be offtaken at that System Exit Point during 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 or, in the case of notifications to National Gas Transmission only, expressed in MW, MCM, GWh or such other units of rate of offtake as set out in the Network Exit Provisions) 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 to make gas available for offtake:

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(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 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 in rates of offtake may contribute to any such requirement at any later time).

4.5.8 In this paragraph 4.5 **"Permitted Offtake Rate"** means:

(a) in relation to an LDZ Supply Meter Point, the Supply Point Offtake Rate;

(b) in relation to an LDZ Connected 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 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.

4.6 Prevailing Offtake Rate

4.6.1 At any time on the Gas Flow Day the "**Prevailing Offtake Rate**" is the rate of offtake set out in respect of such time in the Offtake Profile Notice (as from time to time modified pursuant to paragraph 4.5.5).

4.6.2 Subject (in the case of a NExA Supply Meter Point) to paragraph 5.6 and 5.8, gas may not be offtaken from a System:

(a) at a relevant System Exit Point; and

(b) at certain NTS/LDZ Offtakes (as specified in the Network Exit Provisions) in aggregate;

(c) at any time on any Day at a rate of offtake (or aggregate rate of offtake) which exceeds or is less than the Prevailing Offtake Rate (or aggregate of the

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Prevailing Offtake Rates) by more than the relevant tolerance specified (for the purposes of this requirement) in the Network Exit Provisions.

4.6.3 Subject (in the case of a NExA Supply Meter Point) to paragraph 5.8, the Transporter will not be required to make gas available for offtake from the System:

(a) at a relevant System Exit Point; and

(b) at certain NTS/LDZ Offtakes (as specified in the Network Exit Provisions) in aggregate

at any time on any Day at a rate of offtake (or aggregate rate of offtake) which exceeds the Prevailing Offtake Rate (or aggregate of the Prevailing Offtake Rates).

4.7 Ramp Rates

4.7.1 Network Exit Provisions may prescribe maximum rates of change (expressed in MW/minute or other units of rate of change) of the rate of offtake.

4.7.2 In relation to a relevant System Exit Point, subject (in the case of a NExA Supply Meter Point) to paragraph 5.8, at any time on the Gas Flow Day at which there is a change (pursuant to the Offtake Profile Notice) in the Prevailing Offtake Rate, the rate of change of the rate of offtake shall not exceed the rate of change prescribed (in accordance with paragraph 4.7.1) in the Network Exit Provisions.

4.7.3 Subject (in the case of a NExA Supply Meter Point) to paragraph 5.8, the Transporter will not be required to make gas available for offtake from the System at a relevant System Exit Point at an increasing rate the rate of change of which exceeds the rate of increase prescribed (in accordance with paragraph 4.7.1) in the Network Exit Provisions.

5 NEXA SUPPLY METER POINTS – SPECIAL PROVISIONS

5.1 General

5.1.1 Subject to paragraph 5.6, nothing in paragraph 4 or this paragraph 5 affects the application of any provision of the Code to any Supply Meter Point that is not a NExA Supply Meter Point.

5.1.2 An agreement pursuant to IGTAD Section E3.2.2 in relation to an IGTS Supply Meter Point shall be treated as a Network Exit Agreement in relation to the corresponding CSEP Supply Meter Point for the purposes of paragraph 4 and this paragraph 5 (and for such purposes references to a Supply Meter Point) shall include such CSEP Supply Meter Point).

5.2 Network Exit Provisions – general provisions

5.2.1 Where Supply Point Network Exit Provisions made with the consumer are in force and there is a Registered User in respect of the NExA Supply Meter Point, the Transporter will not agree to any modification of the Network Exit Provisions except in accordance with Section J4.3.6.

5.2.2 Where a User submits a Supply Point Nomination or (as the case may be) a Detail

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Registration Nomination in respect of a Proposed Supply Point which comprises a NExA Supply Meter Point, the Transporter will inform the User of the existence (but not of the terms) of the Network Exit Provisions, and the User shall be responsible for ascertaining the terms thereof from the relevant consumer; and where the User subsequently becomes Registered User of the Supply Point the User shall be deemed to be fully informed of such terms.

5.2.3 Except as provided in paragraph 5.2.2 the Transporter will not, unless the terms of the Network Exit Provisions expressly so permit, disclose the provisions of Supply Point Network Exit Provisions to any User (including a User who has submitted a Supply Point Nomination or Supply Point Confirmation or (as the case may be) a Base Registration Nomination or Detail Registration Nomination) other than the Registered User.

5.3 Application

5.3.1 The Registered User, or (where relevant) the Sharing Registered Users jointly, shall be responsible for securing that the requirements of paragraphs 4.5, 4.6, 4.7 and 5.7 are complied with in respect of a NExA Supply Meter Point.

5.3.2 The requirements of paragraphs 4.5, 4.6, 4.7, 5.7 and 5.8 apply as to the offtake of gas from the Total System at a NExA Supply Meter Point in aggregate by all Sharing Registered Users (where applicable).

5.4 Further Network Exit Provisions

5.4.1 Network Exit Provisions in respect of a NExA Supply Meter Point:

(a) may contain provisions applicable for the purposes of paragraph 5.5;

(b) may specify details and/or standards for the design, specification and manufacture and/or the accuracy of the Supply Meter, and/or contain provisions (which may differ from those of Section M) as to any of the matters provided for in Section M;

(c) where the Consumer's Plant is generating plant, will specify the basis for determining the date at which commissioning of the Consumer's Plant shall be treated as completed (by reference to the successful completion of that part of the commissioning programme which tests the ability of the Consumer's Plant to run reliably for a continuous period of 30 days).

5.5 Requirement for User Agent

5.5.1 The Transporter may agree, pursuant to Network Exit Provisions, that no person shall be a Registered User in respect of a NExA Supply Meter Point unless such person has agreed (together with any other Sharing Registered User):

(a) to appoint the consumer or any other person as User Agent for such purposes as may be specified in the Network Exit Provisions, and/or to cooperate in such manner as may be prescribed in the Network Exit Provisions with the consumer and (where there are Sharing Registered Users) with each other Sharing Registered User to secure coordinated communications with the Transporter in respect of the offtake of gas from the Total System; and

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(b) to enter into or accede to any agreement in writing with the relevant consumer and any other Sharing Registered User for the purposes of paragraph 4.3.3(a) (to which agreement the Transporter may or may not be party).

5.5.2 The Transporter shall be entitled to reject a Supply Point Confirmation or (as the case may be) a Detail Registration Nomination made by a User who has not complied with any such requirement as is referred to in paragraph 5.5.1.

5.6 Preheating offtake

5.6.1 Where in accordance with the Network Exit Agreement preheating equipment is installed (whether or not pursuant to paragraph 4.4.1(d)) at a NExA Supply Meter Point:

(a) the point at which gas is offtaken from the Total System for consumption by such preheating equipment shall be a Supply Meter Point (in respect of which the Network Exit Agreement shall specify the point of offtake for the purposes of paragraph 3.7.1);

(b) Daily Read Equipment will be installed at such Supply Meter Point (which shall accordingly be a Class 1 Supply Meter Point);

(c) such Supply Meter Point shall be treated for all purposes of the Code as comprised in a separate Supply Point to the Supply Point comprising the NExA Supply Meter Point; and

(d) the gas offtaken from the Total System at such Supply Meter Point shall for all purposes of the Code be treated as offtaken by the Registered User or Sharing Registered Users.

5.6.2 Where the NExA Supply Meter Point is a Shared Supply Meter Point, the Supply Meter Point referred to in paragraph 5.6.1 shall be deemed to be a Shared Supply Meter Point and subject to the same Shared Supply Meter Notification.

5.7 Intertripping and forced outages

5.7.1 Supply Point Network Exit Provisions may prescribe particular circumstances in which, by reason of a sudden interruption in the operation of the Consumer's Plant, the rate of offtake may be reduced suddenly.

5.7.2 Where this paragraph 5.7 applies, in such circumstances and subject to such requirements as may be so prescribed in the Network Exit Provisions:

(a) the requirements (as to notice and rate of reduction of rate of offtake) of paragraphs 4.5.4 and 4.7 shall not apply; and

(b) the requirements (as to notice of increase of rate of offtake) of paragraph 4.5.5 shall not apply in respect of a subsequent increase in the rate of offtake not exceeding such amount, and within such period (after the occurrence of the sudden interruption referred to in paragraph 5.7.1), as may be prescribed in the Network Exit Provisions.

5.8 Frequency Response

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5.8.1 Where the Consumer's Plant is gas fired generating plant subject to Central Despatch by the National Gas Transmission, Scottish and Southern Energy plc or Scottish Power plc acting as operators of the electricity transmission in Great Britain ("**the Grid Operators**"), it may be required, at the request of the Grid Operators, to respond automatically and rapidly to changes in the electrical frequency of such system by rapidly increasing or subsequently decreasing the rate of offtake, by up to 25% of the Supply Point Offtake Rate ("**Frequency Response**"). "**Central Despatch**" is the process of scheduling and issuing direct instructions by the Grid Operators in accordance with their grid codes.

5.8.2 Where this paragraph 5.8 applies:

(a) there shall be Network Exit Provisions in force at the NExA Supply Meter Point;

(b) the Registered User of the NExA Supply Meter Point shall notify the Transporter by Conventional Notice that it requires the Frequency Response service subject to the conditions set out in paragraphs (c) to (i) below;

(c) the Registered User shall pay such amount (if any) as is identified in the Transportation Statement for Frequency Response;

(d) where the Registered User has so elected, the requirements of paragraphs 4.6.2, 4.7 and 5.6 shall be disapplied during any period (not exceeding one hour) when the Consumer's Plant is responding to a specific request by a Grid Operator to provide Frequency Response ("**Frequency Response Period**");

(e) except as set out in this paragraph 5.8 the requirements set out in the Network Exit Agreement shall apply;

(f) during any Frequency Response Period any provision contained in the Network Exit Agreement as to the pressure of gas made available for offtake at the NExA Supply Meter Point shall be suspended;

(g) during any Frequency Response Period any provision contained in the Network Exit Agreement as to the ramp rates, in accordance with paragraph 4.7, shall be amended such that the rate of increase or decrease in the rate of offtake shall not exceed 25% of the maximum offtake rate in a period of 10 seconds during any Frequency Response Period;

(h) in respect of any Frequency Response Period any provision contained in the Network Exit Agreement as to the period of notice to be given to the Transporter in accordance with paragraph 4.5.4 shall be amended such that:

(i) the Registered User(s) shall notify the Transporter within 30 minutes of a Frequency Response Period having commenced at the NExA Supply Meter Point; and

(ii) the Offtake Profile Notice submitted on the Day following any Day on which a Frequency Response Period was actually provided shall state the time and duration of any period(s) of Frequency Response; and

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(i) during any Frequency Response Period any provision contained in the Network Exit Agreement as to the temperature of gas, where preheating equipment has been installed in accordance with paragraph 5.6, shall be suspended.

5.8.3 The Transporter may, on written notice, or verbal notice subsequently confirmed in writing, to the Registered User withdraw the right of the Registered User, to take Frequency Response at the Consumer's Plant where the Transporter considers that there has been, or is likely to be, a serious detrimental effect on the safe and effective operation of the Total System by reason of the provision of Frequency Response at the Consumer's Plant.

5.8.4 The Transporter may temporarily suspend, by giving 10 Working Days' notice in writing (or immediately on verbal notice in the case of an Emergency, subsequently confirmed in writing) to the Registered User(s), provision of Frequency Response where maintenance activities on the relevant System may impact the Transporter's ability to provide Frequency Response at the Customer's Plant.

5.8.5 In providing Frequency Response, or following any material change in the Supply Point Offtake Rate at the Specified Exit Point, the Transporter shall require that a flow test be performed at the Specified Exit Point. Following any material change in the operating conditions of the Total System, the Transporter may require that a flow test be performed at the Specified Exit Point. Any charges for provision of the flow test (if any) shall be set out in the Transportation Statement. If the results of the flow test are unsatisfactory, the Transporter may decline to provide or withdraw Frequency Response at the Specified Exit Point with effect from a specified date.

5.9 Metering and Measurement

5.9.1 Where (in accordance with paragraph 5.4.1(b)) the Network Exit Agreement contains provisions alternative to those contained in Section M, such provisions shall apply as between the Transporter and the Registered User (and any inconsistent provisions of Section M shall not apply).

6 CONNECTED SYSTEM EXIT POINTS – SPECIAL PROVISIONS

6.1 Network Exit Provisions

6.1.1 The Transporter will make available to any User on request a copy of the CSEP Network Exit Provisions applicable to a Connected System Exit Point where the Connected System Operator either is a Gas Transporter or has consented to the Transporter's doing so, but not otherwise.

6.1.2 A User who becomes a CSEP User (in accordance with paragraph 6.3) in respect of a Connected System Exit Point shall be responsible for obtaining and shall be deemed to have obtained and to be fully informed of the applicable CSEP Network Exit Provisions.

6.1.3 Each CSEP User acknowledges and shall be bound by the terms of the CSEP Network Exit Provisions as they apply pursuant to the Code, including those relating to the determination of System Capacity held by the User, nomination of quantities for offtake by the User and measurement or determination of quantities of gas offtaken by the User.

6.1.4 CSEP Network Exit Provisions may contain provisions in addition to those

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contemplated by the Code; and in such a case references in this paragraph 6.1 to the Network Exit Provisions are to those of the provisions which are contemplated by the Code.

6.2 Eligible Connected System Exit Point

6.2.1 For the purposes of any provision of the Code:

(a) a "**relevant**" Connected System Exit Point is a Connected System Exit Point to which, pursuant to the applicable Network Exit Provisions, that provision is to apply;

(b) an "**eligible**" Connected System Exit Point is a Connected System Exit Point:

(i) at which immediately prior to the coming into effect of the Code Modification pursuant to which this paragraph has effect, a CSEP User may, pursuant to the applicable Network Exit Agreement (as it applied at such date), have offered to buy or sell gas to the Transporter by offtaking, by increasing the offtake or by decreasing the offtake of gas from the Total System; and

(ii) which, pursuant to the applicable Network Exit Agreement, is to be such a Connected System Exit Point.

6.3 CSEP User

6.3.1 No User may apply for or hold System Capacity at or offtake gas at a Connected System Exit Point unless the User has given notice (but subject to paragraphs 6.3.4 and 6.6.1) to the Transporter of its intention to do so.

6.3.2 Where a User has given notice under paragraph 6.3.1 the notice shall not be withdrawn other than in accordance with the relevant CSEP Network Exit Provisions.

6.3.3 In respect of any Connected System Exit Point a "**CSEP User**" is a User who has given and has not withdrawn notice under paragraph 6.3.1 in respect of that Connected System Exit Point (or a User for whom such notice is treated as given in accordance with IGTAD Section D3.1.5).

6.3.4 A User shall not be entitled to give notice pursuant to paragraph 6.3.1 until and unless the User has complied with such conditions as may be specified in the relevant CSEP Network Exit Provisions and (where required pursuant to paragraph 6.6.1) has acceded to the CSEP Ancillary Agreement.

6.4 Amendment of Network Exit Provisions

6.4.1 The Transporter will not agree with the Connected System Operator to amend any provision of CSEP Network Exit Provisions which governs or otherwise is directly relevant to the arrangements between the Transporter and Users pursuant to the Code except in accordance with Section J4.3.6.

6.4.2 Paragraph 6.4.1 shall not apply in respect of any amendment of CSEP Network Exit Provisions made in order to comply with any Legal Requirement.

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6.4.3 Where the Connected System Operator is a Gas transporter a CSEP Network Exit Agreement may provide:

(a) for the Transporter or the Connected System Operator to propose a modification to its own code where a modification (affecting the Connected System Exit Point) is proposed to the other's code (for the purposes of which the Transporter's own code is the Code and the Connected System Operator's own code is its relevant network code); and

(b) (so far as consistent with each Gas Transporter's Licence) for the coordination of such modifications.

6.4.4 This paragraph 6.4 does not apply in respect of the Independent Gas Transporters Arrangements Document.

6.5 Further Network Exit Provisions and Provisions Relating to Unmetered CSEPs

6.5.1 CSEP Network Exit Provisions:

(a) may contain any provision contemplated by any other Section of the Code;

(b) may provide for any Code Communication to be made at a different time from that applicable under the usual provisions of the Code;

(c) may provide for the Connected System Operator to implement any reduction in the rate of or discontinuance of offtake of gas from the Connected Offtake System (including disconnection of any premises therefrom) where the Transporter or the Connected System Operator believes on reasonable grounds that gas is being or will be offtaken from the System by a CSEP User or CSEP Users in aggregate at a rate which exceeds the maximum rate or maximum aggregate rate (as the case may be) permitted in accordance with the CSEP Network Exit Agreement and in the Transporter's judgement the security of the Total System may be prejudiced as a result;

(d) may provide for the Connected System Operator to implement any disconnection of premises from the Connected Offtake System in connection with any Termination Notice given by the Transporter under Section V4.3;

(e) may provide for the CSEP User to be relieved from liability to pay LDZ CSEP Overrun Charges pursuant to arrangements for commissioning referred to in paragraph 4.3.1(g); and

(f) will for an NTS CSEP specify the method by which NTS Exit Capacity shall be allocated and registered to the CSEP User or shall reference the CSEP Ancillary Agreement which specifies the method by which NTS Exit Capacity shall be booked by the CSEP User.

6.5.2 A CSEP Network Exit Agreement may provide for the Connected System Operator or any other person (including the Transporter) to be appointed as User Agent by each User intending to hold System Capacity or offtake gas at the Connected System Exit Point for such purposes as are specified in the Network Exit Agreement, and may provide for each such User to be party to a specified Agreement for the purposes of such appointment (which Agreement may contain terms upon which such person is so

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appointed including terms as to remuneration of such person); and where the CSEP Network Exit Agreement so provides a User shall not be entitled to give notice pursuant to paragraph 6.3.1 until and unless the User has appointed such person as agent for such purposes and (if so required) has entered into or acceded to such agreement.

6.6 CSEP Ancillary Agreement

6.6.1 The Transporter may require, as a condition of a User's giving notice pursuant to paragraph 6.3.1, that the User enter into or accede to an Ancillary Agreement ("**CSEP Ancillary Agreement**") in a form designated by the Transporter with Condition A11(18) Approval of the Authority setting out terms (in addition to or by way of variation of the terms of the Code) in relation to the use of the relevant System for the purposes of offtake of gas at a Connected System Exit Point.

6.6.2 A CSEP Ancillary Agreement shall be deemed to be a part of the Code for the purposes of enabling such Agreement to be modified pursuant to the Modification Rules.

6.6.3 A CSEP Ancillary Agreement may contain any provision which may be included in a CSEP Network Exit Agreement, in which case any requirement that the CSEP Network Exit Agreement contain such a provision shall not apply.

6.6.4 The Transporter will make available to any User on request a copy of any CSEP Ancillary Agreement.

6.7 NTS Exit Capacity at relevant NTS Connected System Exit Points

6.7.1 In accordance with paragraph 3.9, 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 Gas Transmission 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 Gas Transmission to make available for offtake at the Connected System Exit Point in a period of 24 hours.

6.7.2 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 Gas Transmission 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.

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

7.1 General

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.

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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.

7.3 Short-term increase in NTS Exit (Flexibility) Capacity

7.3.1 In relation to an NTS/LDZ Offtake, for the purposes of 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 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 Exit (Flexibility) Capacity) would not comply with the requirement in paragraph 7.2.2;

(c) National Gas Transmission may accept such request by accepting such proposed Offtake Profile Notice, in which case the DN Operator's NTS 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 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 4.5.6(a) or (b), National Gas Transmission shall consider such requests on the basis of such allocation principles as National Gas Transmission shall from time to time establish and publish for the purposes of this paragraph 7.3.2.

7.3.3 The allocation principles established in accordance with TPD Section J7.3.2 shall include provisions for National Gas Transmission to issue a notice on the Preceding Day. Such notice shall indicate that requests pursuant to paragraph 4.5.6(a) or (b) or OAD Section I2.7.2 may not be accommodated by National Gas Transmission on the relevant Day specified in the notice.

7.3.4 The allocation principles established in accordance with TPD Section J7.3.2 shall include details of how National Gas Transmission shall consider requests made in accordance with OAD Section I2.7.2.

7.4 Liability of Users

7.4.1 If and to the extent that, on any Day, in relation to an NTS Exit Point:

(a) there is a Chargeable NTS Exit (Flat) Overrun or an NTS Exit (Flexibility) Overrun;

(b) as a result of the offtake of gas giving rise to such Chargeable NTS Exit (Flat) Overrun or an NTS Exit (Flexibility) Overrun, National Gas Transmission itself fails to make gas available for offtake (in accordance with its obligations under the Code) at any other NTS Exit Point; and

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(c) National Gas Transmission acts and has acted as a Reasonable and Prudent Operator with a view to avoiding or limiting the effect of such offtake (by the relevant User, giving rise to the Chargeable NTS Exit (Flat) Overrun or an NTS Exit (Flexibility) Overrun) on its ability so to make gas available for offtake;

then the relevant User(s) at the NTS Exit Point at which a Chargeable NTS Exit (Flat) Overrun or an NTS Exit (Flexibility) Overrun has occurred shall be liable to National Gas Transmission for all amounts (if any) incurred by National Gas Transmission as a result of any Exit Constraint Management Actions taken by National Gas Transmission at any other NTS Exit Point where National Gas Transmission has failed to make gas available for offtake as a consequence of such Chargeable NTS Exit (Flat) Overrun or an NTS Exit (Flexibility) Overrun.

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

7.4.3 Where there is more than one User at the NTS Exit Point at which such Chargeable NTS Exit (Flat) Overrun or an NTS Exit (Flexibility) Overrun has occurred, each User's proportion of the aggregate liability in accordance with paragraph 7.4.1 shall be equal to the User's individual flat overrun as a proportion of the aggregate flat overrun at such NTS Exit Point.

8 NTS CSEP ANCILLARY AGREEMENTS

8.1 Purpose

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 Gas Transmission and the CSEP User in respect of the period prior to the relevant date under the Code, the

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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.

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