

UNIFORM NETWORK CODE – OFFTAKE ARRANGEMENTS DOCUMENT

SECTION A

SCOPE AND CLASSIFICATION

1 Introduction and Participation

1.1 Offtake Arrangements Document

1.1.1 The Offtake Arrangements Document sets out rights and obligations as between the Transporters in relation to the connections between, and the planning, maintenance and operation of, their respective Systems, and the implementation of certain provisions of the Transportation Document.

1.1.2 The obligations of any Party to make gas available for offtake by another Party from its System are contained in the Transportation Document, and nothing in this Document establishes or constitutes such an obligation.

1.1.3 This Section A sets out:

- (a) provisions (in addition to those of TPD Section A) relating to the classification of Systems and System Points for the purposes of this Document;
- (b) the basis on which specific details relating to particular such System Points are to be recorded; and
- (c) the basis on which gas flows between Systems are to be treated for certain purposes under this Document.

2 Offtake Definition

2.1 Offtake

2.1.1 An **Individual Offtake Point** is an Individual System Point which is the point of connection between:

- (a) the NTS and an LDZ, or
- (b) two LDZs which are not comprised in the same Distribution Network

comprising a single pipe at which gas can flow from the NTS into the LDZ or (as the case may be) from one of such LDZs to the other.

2.1.2 An **Offtake** is one or more Individual Offtake Points, located on the same site, at each of which gas can flow into the same LDZ (and is the same as an Inter-System Offtake).

2.1.3 An **NTS/LDZ Offtake** is an Offtake at which gas can flow from the NTS into an LDZ.

2.2 LDZ/LDZ Offtakes

2.2.1 An **LDZ/LDZ Offtake** is an Offtake at which gas can flow from one LDZ into another LDZ.

2.2.2 A **Bi-directional LDZ Offtake** is an LDZ/LDZ Offtake at which gas may (at different times) flow both to and from each LDZ.

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

2.3 Upstream and downstream Party

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

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

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

2.4 LDZ System Entry Points

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

3 Supplemental Agreements

3.1 General

3.1.1 In relation to each Offtake, a Supplemental Agreement (substantially in the form in the Appendix to this Document) shall be in force between the Parties, setting out such details of the Offtake as are required pursuant to this Document.

3.1.2 In accordance with the further provisions of this Document, the nature and extent of the details of an Offtake which are required to be set out in a Supplemental Agreement may vary according to the nature of the Offtake.

3.1.3 The downstream Party shall not cause or permit gas to flow at an Offtake unless there is in force a Supplemental Agreement in respect of that Offtake, subject to paragraph 3.1.4.

3.1.4 For each Offtake in existence at the date of this Document, a Supplemental Agreement has been entered into and is effective with effect from the date of this Document, subject to paragraph 3.1.5.

3.1.5 The Parties acknowledge that there may be LDZ/LDZ Offtakes in existence of which they are not aware (and for which accordingly no Supplemental Agreement has been entered into); and where any Party identifies such an Offtake:

- (a) it shall promptly notify the other Party, and the Parties shall discuss the matter and seek to agree and enter into a Supplemental Agreement;

- (b) the requirement in paragraph 3.1.1 shall not apply until and unless the upstream Party has reasonably determined and given notice to the downstream Party that the absence of a Supplemental Agreement has material adverse consequences for the upstream Party;
- (c) for the purposes of TPD Section J, there shall be deemed to be Network Exit Provisions in force in respect of such Offtake, unless the requirement in paragraph 3.1.1 applies (pursuant to paragraph (b)) and is not satisfied.

3.1.6 Further provisions in relation to Supplemental Agreements are contained in Section N2.

3.2 New and changed Offtakes

- 3.2.1 Where a new Offtake is to be established, or any change is to be made in relation to an existing Offtake, the Parties shall enter into a new Supplemental Agreement or (as the case may be) amend the existing Supplemental Agreement in accordance with Section B.
- 3.2.2 In particular, before an LDZ/LDZ Offtake may cease to be a Closed Offtake, the Parties shall amend the Supplemental Agreement so as to comply (or as the case may be enter into a new Supplemental Agreement complying) with the requirements of this Document applicable to LDZ/LDZ Offtakes which are not Closed Offtakes.

4 Gas flows at Offtakes

4.1 Users responsible for flows

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

4.2 Point of Offtake

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

UNIFORM NETWORK CODE – OFFTAKE ARRANGEMENTS DOCUMENT

SECTION B

CONNECTION FACILITIES

1 General

1.1 Introduction

1.1.1 This Section B sets out:

- (a) the basis on which land comprising the Offtake Site for each Offtake is or is to be owned or occupied by the Parties;
- (b) requirements relating to the installation, retention, modification, relocation, compatibility and decommissioning of Connection Facilities at each Offtake Site;
- (c) the basis on which one Party may have access to land at the Offtake Site owned or occupied by another Party.

1.1.2 Nothing in this Document imposes on any Party any obligation to make or permit a new connection between its System and another System or otherwise to establish an Offtake which at the relevant time does not exist, or to establish a new Individual Offtake Point at an existing Offtake (such matters, for the avoidance of doubt, being the subject of duties on the relevant Party under the Act and its Transporter's Licence).

1.1.3 In relation to an LDZ/LDZ Offtake the Parties may agree to waive or limit any requirement in this Section B as to the installation, maintenance or operation of Connection Facilities or the inclusion of any details in the Supplemental Agreement.

1.2 Offtake Site

1.2.1 An **Offtake Site** is the site at which an Offtake is located.

1.2.2 At certain Offtake Sites more than one Offtake is located (each such Offtake being a connection between the NTS and a different LDZ **or** between an LDZ and a different LDZ); and in the context of such an Offtake Site a reference (in this Section B) to a Party is to any of the Parties in relation to any such Offtake Site.

1.2.3 The Offtake Site may be owned or occupied in whole by one of the Parties or in part by each or any of them.

1.2.4 In relation to any part (or the whole) of an Offtake Site which is owned or occupied by one Party:

- (a) such Party is referred to as the **Site Owner**;
- (b) in relation to such Party, such part (or the whole) of the Offtake Site is the **Site Owner's Land**;
- (c) where any Connection Facilities installed or to be installed by another Party are or are to be situated on such part (or the whole) of the Offtake Site:

- (i) such other Party is the **Site User**; and
- (ii) such Connection Facilities are **Co-located** Connection Facilities.

1.2.5 Where any new Offtake is established at a new Offtake Site, unless the Parties otherwise agree (and subject to Section E):

- (a) the downstream Party shall be the Site Owner in respect of the whole of the Offtake Site, and
- (b) accordingly, the upstream Party shall be Site User in relation to the Connection Facilities which it installs or is to install.

1.2.6 [For each Offtake, the Offtake Site and (in relation to each part or the whole of such Offtake Site) the identity of the Site Owner, details of the Site Owner's Land and (where applicable) the Site User, are set out or described in Appendix B of the Supplemental Agreement.]

1.2.7 References in this Section B to a Party owning or occupying land at an Offtake Site are to that Party owning, leasing or otherwise having appropriate rights to occupy such land, excluding for the avoidance of doubt rights of occupation granted by another Party (pursuant to the further provisions of this Section B itself or otherwise).

1.3 Connection Facilities

For the purposes of this Document, in relation to an Offtake and each Party, the **Connection Facilities** are all the plant, equipment and buildings installed or to be installed by such Party (as provided in paragraph 2) at the Offtake Site, including (where relevant) Measurement Equipment, NTS Telemetry Facilities, Telemetry Connection Facilities and Daily Read Facilities.

1.4 Right to be Connected

1.4.1 Subject to the provisions of this Document, with effect from the Supplemental Agreement Date, the downstream Party at any Offtake shall have the right for its System to be and remain connected to the upstream System at that Offtake.

1.4.2 At a Bi-directional LDZ Offtake both Parties shall have the right provided in paragraph 1.4.1 to have their Systems connected.

1.5 Supplemental Agreement

1.5.1 The Supplemental Agreement in relation to each Offtake shall contain (in Appendices B and C) details of the Offtake Site and Connection Facilities as provided in paragraphs 1.2.6 and 2.1.2 respectively.

1.5.2 The Parties shall ensure that:

- (a) where a new Offtake is established (or a new Individual Offtake Point is created at an existing Offtake), the Supplemental Agreement includes (or is amended to include) in Appendices A, B, C, D and F appropriate details (as applicable in accordance with this Section B and Sections D and E) of the Offtake Site, Connection Facilities, Measurement Equipment and points of telemetry;
- (b) where any Connection Facilities are altered, replaced or relocated pursuant to paragraphs 2.2 or 3.3 below, appropriate amendments to Appendices C and D of the

Supplemental Agreement are made in respect of such alteration, replacement or relocation;

- (c) where any Offtake (or Individual Offtake Point) is decommissioned, the Supplemental Agreement is brought to an end or amended by an appropriate amendment relating to such decommissioning.

1.5.3 The Supplemental Agreement or amendments thereto required pursuant to paragraph 1.5.2 shall be entered into or (as the case may be) made:

- (a) in relation to a new Offtake (or Individual Offtake Point), no later than (and so as to take effect from) the [commissioning of such new Offtake or Individual Offtake Point];
- (b) in relation to any alteration, replacement or relocation of the Connection Facilities, no later than (and so as to take effect from) the date when such Connection Facilities are first operational as altered, replaced or relocated; and
- (c) in relation to the decommissioning of any Offtake, no later than (and so as to take effect from) [the final cessation of gas flows through that Offtake].

1.5.4 References in this Document to the **Supplemental Agreement Date** in relation to an Offtake are references:

- (a) to the date from which the Supplemental Agreement takes effect; or
- (b) in the context of any alteration, replacement or relocation of the Connection Facilities, to the date with effect from which the appropriate amendment of the Supplemental Agreement takes effect.

1.6 Party's responsibilities

1.6.1 For the avoidance of doubt, at each Offtake Site, subject to the provisions of this Section B:

- (a) each Party shall be responsible for its own Connection Facilities, including the operation and maintenance of such Connection Facilities, compliance with any Legal Requirement in relation to such Connection Facilities, and the preparation of all such plans, diagrams, reports, and other documents as may be required by any Legal Requirement in relation to such Connection Facilities;
- (b) subject to paragraph (a), each Party shall be responsible for the whole or any part of the Offtake Site for which it is Site Owner, including:
 - (i) the maintenance of land and buildings;
 - (ii) compliance with any Legal Requirement in relation to such land and buildings; and
 - (iii) in particular, the preparation of any [whole site diagrams] required for compliance with any such Legal Requirement, including Hazardous Area diagrams and COMAH diagrams.

1.7 Generic Diagram

1.7.1 Annex B-1 contains for illustrative purposes a generic diagram of an NTS/LDZ Offtake including the Offtake Site and Connection Facilities.

1.8 Availability of Offtake Site

- 1.8.1 Without prejudice to the specific provisions of paragraph 3, if a Party wishes to install any plant or equipment (whether or not being Connection Facilities) which will form part of its System on land forming part of an Offtake Site for which it is not Site Owner, that Party may request the Site Owner to agree to such installation.
- 1.8.2 Where a request is made pursuant to paragraph 1.8.1:
- (a) the Site Owner shall not unreasonably withhold agreement to such request;
 - (b) if the Site Owner agrees to the request, such plant and equipment shall be treated as if they were Co-located Facilities for the purposes of paragraph 3.
- 1.8.3 It shall be reasonable for the Site Owner to withhold agreement to a request under paragraph 1.8.1 if:
- (a) the installation, maintenance or operation of the other Party's Connection Facilities or other plant or equipment would conflict or interfere with the installation, maintenance or operation of any of plant or equipment (including Connection Facilities) forming part of the Site Owner's System; or
 - (b) the Site Owner can show that (at the time of the request) it has already planned to sell or dispose of or put to a conflicting use the relevant part of the Offtake Site

2 Connection Facilities

2.1 Required Connection Facilities

DRAFT

- 2.1.1 In relation to each Offtake, each Party shall ensure that there are installed and maintained at the Offtake Site:
- (a) unless otherwise agreed by the other Party (and so provided in the relevant Supplemental Agreement):
 - (i) plant, equipment and buildings as required by the applicable terms of the upstream Party's Condition 4B Statement as in force at the Supplemental Agreement Date; and
 - (ii) such further facilities as are required to be installed by such Party pursuant to any provision of this Document; and
 - (b) such further facilities as may be specified in the Supplemental Agreement as to be installed by such Party.
- 2.1.2 The Connection Facilities installed or to be installed by each Party at an Offtake are specified in Appendices C and D of the Supplemental Agreement.
- 2.1.3 This Section B does not contain provisions governing the rights and obligations of the Parties relating to the initial construction of an Offtake (or additional Individual Offtake Point) and each Party's Connection Facilities at an Offtake (such matters to be the subject of a separate Construction Agreement entered or to be entered into between the Parties).

2.2 Right to Alter, Replace or Relocate

- 2.2.1 Subject to the further provisions of this paragraph 2.2 and to paragraphs 3 and 4, a Party shall be entitled, at its own expense, to alter, replace or relocate any of its own Connection Facilities.
- 2.2.2 A Party shall not be entitled to relocate its Connection Facilities to a location on land for which another Party is the Site Owner without the consent of such other Party, which shall not unreasonably be withheld (and in relation to which paragraph 1.8.1 shall apply).
- 2.2.3 In this Section B, where a Party proposes to alter, replace or relocate any of its Connection Facilities:
- (a) such Party is the **Modifying Party**;
 - (b) such Connection Facilities as (or as proposed to be) altered, replaced or relocated are the **Modified Connection Facilities**.
- 2.2.4 The Modifying Party shall give each other Party prior written notice, not less than [/] before commencing the alteration, replacement or relocation of its Connection Facilities, specifying:
- (a) the Connection Facilities to be altered, replaced or relocated;
 - (b) details of the proposed alteration, replacement or relocation;
 - (c) the reasons for the proposed alteration, replacement or relocation;
 - (d) the anticipated duration of the works; and
 - (e) in the case of Co-located Connection Facilities, any alterations or works it requires to be performed or procured by the Site Owner, subject to and in accordance with paragraph [3].
- 2.2.5 Any works carried out by a Party in connection with the alteration or replacement of any Connection Facilities shall be planned and carried out as Relevant Maintenance in accordance with Section G.
- 2.2.6 For the avoidance of doubt a Party may install additional Connection Facilities, provided that if such installation will affect any of its existing Connection Facilities or the Connection Facilities of any other Party at the Offtake Site, such installation shall be treated as if it were the relocation, alteration or replacement of Connection Facilities for the purposes of this paragraph 2 and paragraphs 3 and 4.

2.3 Offtake Decommissioning

- 2.3.1 In this Section B references to the **decommissioning** of an Offtake or Individual Offtake Point are to the permanent cessation of gas flows at that Offtake or Individual Offtake Point, and references to a **decommissioned** Offtake or Individual Offtake Point shall be construed accordingly.
- 2.3.2 The downstream Party (**decommissioning** Party) shall be entitled to decommission an Offtake or Individual Offtake Point subject to and in accordance with the following:
- (a) the decommissioning Party shall give not less than 6 months notice to the upstream Party (and, where it is Site Owner, to each Site User) of its proposal to decommission such Offtake or Individual Offtake Point;
 - (b) each other Party at the Offtake Site may:

- (i) carry out itself, or
- (ii) require the decommissioning Party (at its expense) to carry out

the works necessary to give effect to such decommissioning and make safe each System and each Party's Connection Facilities:

- (c) such works shall be planned and carried out as Planned Maintenance in accordance with Section G;
- (d) the decommissioning Party shall bear or reimburse to each other Party the costs of any works carried out by such other Party under paragraph (a)(i);
- (e) where the decommissioning Party is Site Owner, paragraph 3.5 shall apply in relation to any Co-located Connection Facilities.

2.4 Non-Interference

2.4.1 Subject to paragraphs 2.4.2 and 4.3.1, and save as otherwise expressly permitted in this Document, no Party shall interfere, nor allow any other person to interfere, in any way with the another Party's Connection Facilities without the consent of such other Party.

2.4.2 Notwithstanding paragraph 2.4.1 above, where a Party reasonably believes that there is an emergency which requires it to take any action in relation to the Connection Facilities of another Party in order to protect the health and safety of persons or to prevent damage to property, that Party shall be entitled to take such action in good faith and to the extent reasonably required, and the other Party shall be deemed to have consented to any interference entailed by such action, subject to paragraph 2.4.3 below.

2.4.3 The Party taking emergency action pursuant to paragraph 2.4.2 above shall:

- (a) exercise all reasonable care to prevent or minimise any damage to [or interference with the operation of] the other Party's Connection Facilities when dealing with the emergency; and
- (b) when the emergency has ended, reinstate (at its cost) any of the other Party's Connection Facilities that has been damaged as a result of the emergency action, save that no reinstatement shall be required where the emergency was caused by any breach or default on the part of the other Party.

2.4.4 For the purposes of this paragraph 2.4, **interfere** shall include (without limitation):

- (a) disconnecting or altering the connection of any of the Connection Facilities to (or preventing or interfering with any supply made through) any pipes, system of cables, foundations, drains or other media to which such Connection Facilities may be connected from time to time;
- (b) affixing or removing any item or substance of any nature whatsoever to or from any of the Connection Facilities;
- (c) damaging any of the Connection Facilities;
- (d) altering any part of the Measurement Equipment (including sample lines and test equipment) or settings on any of the Connection Facilities;
- (e) obstructing access to any of the Connection Facilities;

- (f) opening or closing any by-pass valves comprised in the Connection Facilities; or
- (g) removing, relocating or modifying any building, shelter or support in or of the Connection Facilities.

2.5 Modifications to comply with Legal Requirement

2.5.1 Where in relation to an Offtake Site:

- (a) a Legal Requirement (or changed Legal Requirement) applies to one Party (the **first** Party), compliance with which will (or but for the action of another Party as contemplated in paragraph (b) would) require the first Party to alter, replace or relocate any of its Connection Facilities or take any other action; and
- (b) the first Party would comply with such Legal Requirement if another Party (the **other** Party) at the Offtake Site were to alter, replace or relocate any of its Connection Facilities

the other Party will not unreasonably withhold or delay its agreement to a request by the first Party to make such alteration, replacement or relocation if the first Party agrees to bear or reimburse the costs incurred by the other Party in so doing.

2.6 Site Services

2.6.1 At an Offtake Site one of the Parties (the **Services Party**) shall be responsible for providing certain services to the other Party(ies) in accordance with this paragraph 2.6.

2.6.2 The Services Party in relation to an Offtake Site shall be:

- (a) if one Party is the Site Owner of the whole or substantially the whole of the Offtake Site, that Party;
- (b) if paragraph (a) does not apply, and there are only two Parties at the Offtake Site, the downstream Party, unless otherwise agreed between the Parties and specified in the Supplemental Agreement;
- (c) otherwise, the Party agreed between the Parties and specified in the Supplemental Agreements.

2.6.3 The Services Party shall provide and continue to provide (as reasonably required by each other Party) such services (**Site Services**) for the operation and maintenance of the other Party's (or Parties') Connection Facilities as are provided in Appendix E of the Supplemental Agreement.

2.6.4 Unless the Parties otherwise agree, the Site Services at an NTS/LDZ Offtake shall include the services specified in Part 1 of Annex B-2, and may include any of the services specified in Part 2 of Annex B-2.

2.6.5 The Services Party may recover from the other Party(ies) the capital costs (if any) incurred on or after the Supplemental Agreement Date in supplying or laying any pipes, wires, trenches or other equipment for the purposes of the provision of the Site Services (so far as such costs are in addition to any such costs which the Services Party would incur for its own purposes).

2.6.6 Except as provided in paragraph 2.6.5, the Site Services shall be provided by the Services Party to the other Party(ies) free of any charge or payment of any kind.

- 2.6.7 For the avoidance of doubt, the provision of Telemetry Connection Facilities and Daily Read Facilities is not a Site Service for the purposes of this Document.

3 Co-located Connection Facilities

3.1 Right to Install and Retain Connection Facilities

- 3.1.1 In relation to any Co-located Connection Facilities, the Site Owner hereby grants to the Site User the right for the Site User to retain such Connection Facilities on the Site Owner's Land, in such places as those Connection Facilities:

- (a) were or are located at the Supplemental Agreement Date, or
- (b) are subsequently relocated pursuant to paragraph 3.3.

- 3.1.2 Paragraph 3.1.1 and the provisions of this Section B generally are without prejudice to and in addition to any specific easement, wayleave or other [right] granted (by an instrument other than this Document) by one Party to another at an Offtake Site; provided that any express condition, exception or other qualification or limitation upon or under which any such right may be granted shall prevail over (to the extent in conflict with) the provisions of this Section B.

- 3.1.3 [*Case where Site Owner's occupation is as statutory undertaker?*]

- 3.1.4 The Site Owner shall not without the consent of each Site User:

- (a) sell or otherwise dispose of, or
- (b) grant to any third party any rights which would conflict with the rights of such Site User under this Section B in relation to

any part of the Offtake Site on which Co-located Connection Facilities are located.

- 3.1.5 The Site Owner shall not without the consent of each Site User (including pursuant to paragraph 3.3):

- (a) sell or otherwise dispose of any part of the Offtake Site on which Co-located Connection Facilities are located, or
- (b) sell or dispose of any other part of the Offtake Site, or grant to any third party any rights in relation to any part of the Offtake Site, if such sale, disposal or grant would conflict with the rights of such Site User under this Section B in relation to the Offtake Site.

3.2 Shelter and Support

- 3.2.1 In relation to any Co-located Connection Facilities, the Site Owner shall maintain (for the benefit of the Site User) such shelter and/or support as was or is provided in respect of such Connection Facilities:

- (a) at the Supplemental Agreement Date, or
- (b) at the date of any subsequent relocation (pursuant to paragraph 3.3) on the Site Owner's Land of such Connection Facilities.

3.3 Relocation of Co-located Connection Facilities

- 3.3.1 In relation to any Co-located Connection Facilities the Site Owner may propose to the other Party (as Site User) that such Connection Facilities should be relocated either:
- (a) to another part of the Site Owner's Land; or
 - (b) to land for which another Party is Site Owner.
- 3.3.2 The Site Owner shall not be entitled to require such relocation of Co-located Connection Facilities without the consent of the Site User, nor unless the Site Owner agrees to reimburse to the Site User the costs incurred by the Site User in connection with such relocation.
- 3.3.3 In a case within paragraph 3.3.1(a) the Site User shall not unreasonably withhold or delay its consent to the proposed relocation.

3.4 Modification of Co-located Connection Facilities

- 3.4.1 Where (in accordance with paragraph 2.2) the Site User proposes to alter, replace or relocate any of the Co-located Connection Facilities, this paragraph 3.4 shall apply in addition to paragraph 2.2.
- 3.4.2 The Site User (as the Modifying Party) shall ensure that (unless the Site Owner shall otherwise agree) the Modified Connection Facilities:
- (a) are placed in the same or approximately the same position as the Connection Facilities they alter or replace;
 - (b) can, where relevant, be accommodated in or on existing buildings or structures;
 - (c) do not require additional or improved facilities or services from the Site Owner;
 - (d) do not restrict the use by the Site Owner of the Site Owner's Land and any equipment thereon to a materially greater extent than the Connection Facilities they alter or replace; and
 - (e) either are of the same or a similar or smaller size as compared to the Connection Facilities they alter or replace, or occupy substantially the same space as the Connection Facilities they alter or replace;
- 3.4.3 The Site Owner shall perform or procure such minor alterations or works to the existing buildings or structures housing or supporting the Connection Facilities as are reasonably required to accommodate the Modified Connection Facilities above, and the Site User shall reimburse to the Site Owner the costs incurred by the Site Owner in doing so.
- 3.4.4 Notwithstanding paragraph 2.2 and the foregoing provisions of this paragraph 3.4, where the Site User wishes to alter or replace any Co-located Connection Facilities, it shall, prior to altering or replacing such Connection Facilities, consider the feasibility of relocating the Connection Facilities in question onto the Site User's own land.

3.5 Decommissioning of Co-located Connection Facilities

- 3.5.1 Where an Offtake, or an Individual Offtake Point is to be decommissioned and there are any Co-located Connection Facilities at any part of the Offtake Site for which the decommissioning Party is Site Owner:

- (a) the decommissioning Party (as Site Owner) shall be entitled, if it wishes to dispose of or put to any other use such part of the Offtake Site, by giving not less than [6] months notice to the Site User, to require the Site User to remove from the Site Owner's Land such Co-located Connection Facilities (so far, in the case of decommissioning of an Individual Offtake Point, that such Connection Facilities relate solely to that Individual Offtake Point), subject to the further provisions of this paragraph 3.5;
- (b) the Site Owner shall provide reasonable cooperation and assistance to the Site User in connection with the removal of such Co-located Connection Facilities;
- (c) the Site Owner shall bear or reimburse to the Site User the costs incurred by the Site User in remove such Co-located Connection Facilities from the Site Owner's Land and where necessary of relocating such Co-located Connection Facilities, including costs of acquiring alternative or additional land required for the purposes of such relocation;
- (d) if the Site User fails to remove its Co-located Connection Facilities within the [6] month period referred to in paragraph 3.5.1(b), the Site Owner shall be entitled at its cost to remove such Co-located Connection Facilities from the Site Owner's Land (including, where relevant, detaching such facilities from the Site Owner's own Connection Facilities) and dispose of such facilities as the Site Owner thinks fit.

3.5.2 If and for so long as the Site Owner does not give notice under paragraph 3.5.1(a), the provisions of this paragraph 3 shall continue to apply in respect of the Co-located Connection Facilities (and paragraphs 2 and 6 shall continue to apply to that extent).

3.6 Removal of Co-located Connection Facilities

3.6.1 The Site User shall be entitled to remove (and/or relocate to land for which it is Site Owner) any Co-located Connection Facilities, subject to and in accordance with paragraphs 2.2 (for the purposes of which relocation shall include removal).

3.6.2 The Site Owner shall provide reasonable cooperation and assistance to the Site User in connection with the removal of Co-located Connection Facilities pursuant to paragraph 3.5.1.

3.6.3 Where Co-located Connection Facilities are removed pursuant to paragraph 3.5.1 the Site User's rights (in relation to such facilities) under paragraphs 3.1 and 3.2 shall lapse.

3.7 Right of Access

3.7.1 The Site Owner hereby grants to the Site User a right of access over the Site Owner's Land for the purposes of enabling the Site User to install, operate, maintain, inspect, test, modify, replace, repair or remove the Co-located Connection Facilities.

3.7.2 The right of access granted to the Site User pursuant to paragraph 3.6.1 above:

- (a) shall be exercisable:
 - (i) at all times without any prior notice (except in the case within paragraph 3.6.3 below);
 - (ii) in accordance with paragraph 6 below; and
 - (iii) (subject to paragraph 6.3.1(c)) free of any charge or payment of any kind; and

- (b) includes the right to bring onto the Site Owner's Land such vehicles, plant, machinery and maintenance or construction materials as are reasonably required for the purposes specified in paragraph 3.6.1 above.

3.7.3 The right of access granted to the Site User pursuant to this paragraph 3.6 shall be exercisable by any person (including third party contractors) reasonably nominated by the Site User in advance in accordance with the Site Safety Rules.

3.8 Site Security

3.8.1 The Site Owner shall at all times provide (as a Site Service in accordance with paragraph [7]) such security in relation to the Co-located Connection Facilities (and the Site Owner's Land on which they are situated) as it provides in relation to its own Connection Facilities.

3.8.2 The Site Owner shall notify the Site User of any breach of security in relation to Co-located Connection Facilities as soon as reasonably practicable after becoming aware of such breach.

3.9 Site Schedule of Responsibilities

3.9.1 In relation to an Offtake Site or part thereof, the **Site Schedule of Responsibilities** is a schedule to be prepared by the Site Owner specifying in detail the responsibilities of the Site Owner and each Site User in connection with:

- (a) the installation, maintenance and operation of Connection Facilities,
- (b) the provision of Site Services,
- (c) the maintenance of land and buildings,
- (d) the provision of security, and
- (e) the discharge of any other functions and duties

on, at and in relation to the Site Owner's Land.

3.9.2 The Site Owner shall:

- (a) in consultation with each Site User, prepare, keep under review and from time to time revise, a Site Schedule of Responsibilities, and
- (b) provide to each Site User [and place in a prominent position on the Site Owner's Land] an up-to-date copy of the Site Schedule of Responsibilities.

3.9.3 Subject to paragraph 3.9.4, the Site Schedule of Responsibilities (and any revision thereof) shall be consistent with the provisions of this Section B, the relevant Supplemental Agreement(s) and the Site Safety Rules, and (in particular) may not assign or allocate any responsibility to a Party other than the Site Owner unless:

- (a) such other Party has that responsibility by virtue of a Legal Requirement; or
- (b) such other Party has that responsibility by virtue of a provision of this Document or a Supplemental Agreement; or
- (c) such other Party has otherwise agreed to accept that responsibility.

- 3.9.4 Each Party shall be deemed to have accepted the responsibilities assigned or allocated to it in any Site Schedule of Responsibilities which is in force at the date of this Document.
- 3.9.5 The Site Owner and each Site User shall observe and comply with the Site Schedule of Responsibilities.

4 Compatibility of Connection Facilities

4.1 Undertaking as to compatibility

4.1.1 Subject to the further provisions of this paragraph 4, in relation to an Offtake a Party shall not (without the consent of the other Party) alter, replace or relocate any of its Connection Facilities in any way which would result in its Connection Facilities not being compatible with the other Party's Connection Facilities.

4.1.2 For the purposes of this paragraph 4:

- (a) **modification** means an alteration, replacement or relocation of a Party's Connection Facilities;
- (b) the Party making or proposing to make a modification of its Connection Facilities is the **modifying** Party.

4.1.3 For the purposes of this paragraph 4, the modifying Party's Connection Facilities are not compatible with the other Party's Connection Facilities if it would be necessary, as a result of the modification (of the modifying Party's Connection Facilities) for the other Party (acting as a Reasonable and Prudent Operator):

- (a) to alter, replace or modify, to any material extent, any of its own Connection Facilities (except as provided in paragraph 2.2.6); or
- (b) to make any change in, and thereby incur any material increase in the cost of, the operation or maintenance of its own Connection Facilities

in order to allow the continued safe connection of the upstream and downstream Systems at the Offtake, or the safe operation of its System or the Offtake, in accordance with the Code and applicable Legal Requirements (or for the purposes specified in Section E2.4 where applicable).

4.1.4 If a Party modifies its Connection Facilities in breach of the requirement in paragraph 4.1.1:

- (a) the other Party may either:
- (i) give notice to the modifying Party requiring it to undo such modification or otherwise take such steps as may be appropriate to restore the compatibility of the Connection Facilities; or
- (ii) after giving notice to the modifying Party of its intention to do so (and unless the modifying Party has demonstrated, to the reasonable satisfaction of the other Party, that it is taking steps sufficient to restore compatibility as quickly as is reasonably practicable) make such modifications of its own Connection Facilities as are appropriate to restore the compatibility of the Connection Facilities;

- (b) the modifying Party shall reimburse to the other Party the costs incurred by the other Party in modifying (where it elects to do so) its own Connection Facilities in accordance with paragraph (a)(ii);
- (c) the other Party may in any event [disconnect] the Connection Facilities of the modifying Party:
 - (i) upon not less than 30 days notice, if:
 - (aa) [the breach by the modifying Party amounted to a wilful or reckless breach]; or
 - (bb) the modifying Party has not complied with a notice under paragraph 4.1.4(a)(i) within [60] days after such notice was given;
 - (ii) in any event, and upon such period of notice as is practicable in the circumstances, if the modification materially and adversely affects the safe operation by the other Party of its Connection Facilities or its System.

4.1.5 The Parties shall consult together and use reasonable endeavours to co-operate with each other to ensure the prompt reconnection of the Connection Facilities which have been disconnected pursuant to paragraph 4.1.4(c), following remedy by the modifying Party of its breach of the requirement in paragraph 4.1.1.

4.2 Modification procedure

4.2.1 Where a Party wishes to modify any of its Connection Facilities such that they will or may not be compatible with the other Party's Connection Facilities:

- (a) the modifying Party shall apply to the other Party for its consent to the modification;
- (b) the other Party shall not unreasonably withhold or delay its consent to the modification;
- (c) if the other Party consents to the modification, the modifying Party shall reimburse to the other Party the costs incurred by the other Party of modifying, or changing the operation or maintenance of, its Connection Facilities in order to maintain the compatibility between the Parties' Connection Facilities.

4.2.2 Where either Party is required to modify any of the Connection Facilities at an Offtake in order to ensure compliance with any Legal Requirement which did not exist at the time at which the Connection Facilities were installed:

- (a) the Parties shall consult in respect of the modification to be made and any other modification necessary to ensure the continued compatibility of the Connection Facilities;
- (b) the Party required to make such modification shall not require the consent of the other Party for such modification (but without prejudice to any other provision of this Document governing the carrying of the works required for such modification);
- (c) (subject to paragraph 2.5.1) each Party shall bear its own costs of modifying its own Connection Facilities;
- (d) the Parties shall co-operate with each other to ensure that the required modifications are made in a timely manner.

4.3 Further provisions

- 4.3.1 Each Party shall be entitled to inspect the other Party's Connection Facilities for the purposes of verifying that such Connection Facilities remain compatible in accordance with paragraph 4.1.
- 4.3.2 Nothing in this paragraph 4 applies in respect of any incompatibility between the Parties' Connection Facilities existing before the date of this Document or (if later) the date of [commissioning] of such Connection Facilities (but without prejudice to any rights or remedies of either Party pursuant to any agreement between them relating to the construction, testing or commissioning of their respective Connection Facilities).

5 Telemetry Facilities

5.1 Right to Install and Retain Telemetry Facilities

- 5.1.1 At each Offtake Site, any Party shall be entitled, without charge (except as provided in paragraph 5.2.4), to install, retain and use, upon a part of the Offtake Site owned or occupied by another Party, telemetry facilities (and accordingly such telemetry facilities shall be Co-located Connection Facilities and, in relation thereto, the Party seeking to install the telemetry facilities shall be a Site User for the purposes of this Document).
- 5.1.2 In this paragraph 5, telemetry facilities include (in the case of Transco NTS as Site User) Transco NTS' Telemetry Facilities as provided in Section E, and facilities for control telemetry by Transco NTS.
- 5.1.3 The Site User shall bear its own costs in connection with the installation, retention, maintenance and use of its telemetry facilities, but (except as provided in paragraph 5.2.4) shall not be required to make any payment to or bear any costs incurred by the Site Owner in connection therewith.
- 5.1.4 Nothing in this paragraph 5 requires any Party to provide telemetry signals or connections to another Party.

5.2 Provision of Land for Telemetry Facilities

- 5.2.1 The Site Owner shall make available (without charge, except as provided in paragraph 5.2.4) to the Site User, for the purposes of housing the Site User's telemetry facilities, an area within the Site Owner's Land which:
- (a) shall be situated outwith the hazardous area of the Offtake Site (as identified in the Site Safety Rules);
 - (b) shall be vacant and otherwise suitable for the installation of the Site User's telemetry facilities;
 - (c) shall be of such dimensions as will accommodate the Site User's telemetry facilities;
 - (d) shall be equipped with such cabling routes and connection points as are required:
 - (i) (in relation to the NTS Telemetry Facilities) for the connection of the telemetry facilities to the Telemetry Connection Facilities as described in Section E;
 - (ii) to enable the provision of Site Services to the Site User's telemetry facilities;

(e) is accessible as provided in paragraph 5.2.2(a).

5.2.2 The Site Owner shall:

- (a) provide vehicular access to (or to a point as close as reasonably practicable to) the area made available pursuant to paragraph 5.2.1;
- (b) cooperate with the Site User to facilitate the installation and maintenance of the Site User's telemetry facilities.

5.2.3 The Site User shall occupy the area made available pursuant to paragraph 5.2.1 as [bare licensee].

5.2.4 The Site User shall reimburse to the Site Owner the costs of a capital nature incurred by the Site Owner in meeting the requirements of paragraph 5.2.1(d)(ii) above (but for the avoidance of doubt, Site Services shall thereafter be provided by the Site Owner to the Site User free of any charge or payment of any kind, in accordance with paragraph 3.7.5.)]

5.3 Sharing of Telemetry Facilities

The Parties at an Offtake may agree to share the use of, and/or jointly to operate and maintain, any telemetry facilities, in which case the terms of such use, operation and/or maintenance shall be recorded in the Supplemental Agreement.

6 Access

6.1 General

DRAFT

6.1.1 Each Party (the **Access Party**) shall be entitled to have access to any part of the Offtake Site which is owned or occupied by another Party:

- (a) where such access is expressly provided for in this Document; or
- (b) to the extent reasonably necessary to enable the Access Party to comply with the requirements of, or to exercise or enjoy its rights under, this Document.

6.1.2 The further provisions of this paragraph 6 apply wherever an Access Party is entitled to have (or is otherwise permitted to have) access to a part of the Offtake Site which is owned or occupied by the other Party (the **Site Party**).

6.1.3 The requirements of this paragraph apply in addition to any requirements pursuant to any Legal Requirement, the Site Party's Safety Case or the [SCO Interface Procedure].

6.2 Duties of Access Party

6.2.1 The Access Party shall, subject to any other express provisions of this Document, and so far as consistent with the purpose for which the right of access is granted:

- (a) give reasonable notice to the Site Party before exercising the relevant right of access[, specifying where practicable the identity of the individuals having such access];
- (b) exercise its right of access at reasonable times of day;
- (c) ensure that the individuals having such access are familiar with, and ensure that such individuals comply with, the Site Party's Site Safety Rules;

- (d) ensure that the right of access is exercised safely, in accordance with the Site Safety Rules, and with the minimum of disruption, disturbance or inconvenience to the Site Party (including, but without limitation, in accordance with paragraph 2.4).

6.3 Duties of Site Party

6.3.1 The Site Party shall:

- (a) facilitate, and cooperate with the Access Party in, the exercise of the right of access (for the purposes for which such right is granted); and
- (b) ensure that its officers, employees and agents present at any time on the Offtake Site (or relevant part thereof) are familiar with, and ensure that such individuals comply with, the Site Safety Rules.

DRAFT

Annex B-1

Generic Diagram of Offtake
(Paragraph 1.7)

[to follow]

DRAFT

Annex B-2

Site Services
(Paragraph 2.6.4)

Part 1 – Mandatory Services

Site Service

- (a) Cathodic protection, including:
 - (i) maintaining and testing such cathodic protection systems (and planning for such maintenance in accordance with the provisions for Relevant Maintenance in Section G); and
 - (ii) providing each Site User a report certifying compliance of the cathodic protection systems no later than 14 days after any maintenance or testing in accordance with sub-paragraph (i);
- (b) Telemetry;
- (c) Site security; and
- (d) Retention of Site records, including maintenance reports for Site Services.

Further details relating to the Site Services listed in this Part 1 shall be recorded in the relevant Supplemental Agreement.

DRAFT

Part 2 – Other Services

Site Service	Details
(a) Electricity Supply Services	}
(b) Water Services	
(c) Gas Services for pre-heaters	
(d) Telecommunication Services	
(e) Standby Power	
(f) Site Drainage	
(g) Welfare Facilities	
As per relevant Supplemental Agreement	

DRAFT

SECTION C

Safety and Emergency

1 Introduction

1.1 General

1.1.1 This Section C sets out requirements in relation to:

- (a) Gas Supply Emergencies;
- (b) the adoption, review and revision of the SCO Interface Procedure; and
- (c) Site Emergency Procedures established by each Party at each Offtake Site;
- (d) Site Safety Rules to be established by each Party at each Offtake Site.

2 Gas Supply Emergencies

2.1 Introduction

2.1.1 This paragraph 2 sets out arrangements to be made by each Party relating to gas supply emergencies, which arrangements may be referred to in each Party's Safety Case.

2.1.2 The arrangements in this paragraph 2 apply as between the Parties and are without prejudice to the provisions of TPD Section Q as respects Users.

2.1.3 In this paragraph 2:

- (a) **Regulations** means the Gas Safety (Management) Regulations 1996, and references to a particular Regulation shall be construed accordingly;
- (b) **supply emergency** has the meaning given to that term in the Regulations;
- (c) **Safety Case** means a Party's safety case (in accordance with Regulation 2(5));
- (d) **NEC** means the person who is for the time being the network emergency coordinator in accordance with the Regulations;
- (e) **NEC Safety Case** means the safety case (in accordance with Regulation 2(5)) of the NEC.

2.1.4 The Parties acknowledge that the conveyance of gas by pipelines involves the risk of gas supply emergency, in the context of which (and of their respective duties in relation to gas supply emergencies pursuant to the Regulations and any other Legal Requirement) the provisions of this paragraph 2 are appropriate and reasonable; and accordingly each of the Parties agrees to commit (in the implementation of this paragraph 2) personnel and other resources adequate to ensure that the objectives of this paragraph 2 are achieved.

2.2 Gas Supply Emergency

For the purposes of this Document **gas supply emergency** has the meaning given to that term in the NEC Safety Case, namely the occurrence of an event or existence of circumstances

which have resulted in, or which give rise to a significant risk of, a loss of pressure in a System which itself has resulted in or might result in a supply emergency;

2.2.1 A **Network Gas Supply Emergency** is a network gas supply emergency (as referred to in the NEC Safety Case), namely a gas supply emergency which involves or may involve a loss of pressure in the NTS.

2.2.2 A **Local Gas Supply Emergency** is a local gas supply emergency (as referred to in the NEC Safety Case), namely any gas supply emergency other than a Network Gas Supply Emergency.

2.3 Emergency Procedures

2.3.1 For the purposes of this paragraph 2:

- (a) **Emergency Procedures** are procedures relating to gas supply emergencies, including:
 - (i) planning for gas supply emergencies;
 - (ii) averting or limiting gas supply emergencies;
 - (iii) the occurrence of a gas supply emergency; and
 - (iv) the recovery from, and restoration of operations following, a gas supply emergency;
- (b) Emergency Procedures comprise Emergency Procedures E1, E2 and E3;
- (c) Emergency Procedures **E1** are Emergency Procedures (to be complied with by each Party [and by Users and others]) relating to Network Gas Supply Emergencies (and are the Network Gas Supply Emergency Procedures referred to in the Transportation Document);
- (d) Emergency Procedures **E2** are Emergency Procedures (to be complied with by DNOs [and by Users and others]) relating to Local Gas Supply Emergencies (and are the Network Gas Supply Emergency Procedures referred to in the Transportation Document);
- (e) Emergency Procedures **E3** are internal Emergency Procedures of a Party setting out in detail how it will comply with Emergency Procedures E1 and E2.

2.3.2 Transco NTS shall:

- (a) establish, maintain and from time to time modify:
 - (i) Emergency Procedures E1, and
 - (ii) the format of Emergency Procedures E3; and
- (b) ensure that each other Party at all times has an up-to-date version of such Emergency Procedures E1 and format of Emergency Procedures E3.

2.3.3 The DNOs collectively (or the Offtake Committee on behalf of the DNOs in accordance with Section [N8]), consistently with the requirements of Emergency Procedures E1, shall:

- (a) establish, maintain and from time to time modify Emergency Procedures E2, and

- (b) ensure that each DNO and Transco NTS has an up-to-date version of such Emergency Procedures E2.

2.3.4 Each Party shall[, in relation to each System]:

- (a) establish, maintain and from time to time modify Emergency Procedures E3, in the format from time to time established by Transco NTS, and
- (b) ensure that each other Party at all times has an up-to-date version of such Emergency Procedures E3.

2.3.5 Subject to paragraph 2.3.7, the Parties shall ensure that:

- (a) their respective Emergency Procedures are consistent and coordinated with each other; and
- (b) in particular, the Parties consult with each other before any change is made in any Emergency Procedures.

2.3.6 For the purposes of paragraph 2.3.5:

- (a) Transco NTS shall from time to time determine and notify to each Party a process, comprising periodic meetings and other steps, for the review of the Emergency Procedures;
- (b) each Party shall participate in such review process.

2.3.7 In the establishment, maintenance and modification of the Emergency Procedures, the following priority shall apply:

- (a) the Emergency Procedures E2 are to be consistent with Emergency Procedures E1;
- (b) each Party's Emergency Procedures E3 are to be consistent with (and ensure its compliance with):
 - (i) Emergency Procedures E1, and
 - (ii) subject thereto, Emergency Procedures E2

and accordingly, subject to the requirements for consultation and review under paragraph 2.3.5 and 2.3.6 (and without prejudice to any Legal Requirement), nothing in this paragraph 2 shall restrict Transco NTS from modifying Emergency Procedures E1 from time to time as it thinks fit.

2.4 Testing

2.4.1 Transco NTS will from time to time plan, determine and notify to each other Party, exercises, tests and other measures to be taken by the Parties (with or without the participation of Users or other persons) for the purposes of:

- (a) testing the consistency and coordination of the Emergency Procedures;
- (b) testing the application and implementation of the Emergency Procedures or any part thereof;

- (c) *[contingency planning and make safe and restoration processes – or is this included in the EPs?]*

2.4.2 Each Party shall participate in, and comply with the instructions of Transco NTS in relation to, the exercises, tests and other measures from time to time planned by Transco NTS under paragraph 2.4.1.

2.5 Compliance with Emergency Procedures

2.5.1 Each Party shall comply with Emergency Procedures E1.

2.5.2 Each DNO shall comply with Emergency Procedures E2.

2.5.3 Each Party shall comply with its own Emergency Procedures E3.

2.6 Potential Gas Supply Emergencies

2.6.1 Without prejudice to any Emergency Procedures, if in relation to any Day a Party (the **emergency Party**) considers that:

- (a) there is a [material] risk of the occurrence of a relevant emergency on that Day, and
- (b) its rights (having regard to its obligations) in relation to flows of gas into and out of its System under Section I and under the Transportation Document are not adequate to enable it to prevent the occurrence of such relevant emergency

then paragraph 2.6.2 shall apply.

2.6.2 In the circumstances provided in paragraph 2.6.1:

- (a) the emergency Party may give notice of the relevant circumstances:
 - (i) to Transco NTS, where the emergency Party is a DNO, or
 - (ii) to each DNO whose cooperation it may require (as provided in paragraph (c)), where the emergency Party is Transco NTS;
- (b) where the emergency Party is a DNO, Transco NTS will give notice of the relevant circumstances to each other DNO whose cooperation it may require to enable its cooperation with the emergency Party;
- (c) the emergency Party and each cooperation Party shall cooperate with a view to ensuring that the flows of gas at relevant NTS/LDZ Offtakes are controlled in such a way as to avert the occurrence of the relevant emergency.

2.6.3 Nothing in this paragraph 2.6 shall:

- (a) impose on a cooperation Party any liability to the emergency Party in relation to the occurrence of a relevant emergency;
- (b) require a cooperation Party to do anything which may compromise the safe operation of its System [or give rise to a material risk of its incurring any liability to another Party under this Document or to any Shipper User or DNO User under the Transportation Document.

2.6.4 For the purposes of this paragraph 2.6:

- (a) a **relevant emergency** is:
 - (i) where the emergency Party is a DNO, a Local Gas Supply Emergency;
 - (ii) where the emergency Party is Transco NTS, a Potential Network Gas Supply Emergency;
- (b) a **cooperation** Party is a Party which is given notice by the emergency Party (under paragraph 2.6.3(a)) or by Transco NTS (under paragraph 2.6.3(b)).

2.7 Network Gas Supply Emergency

2.7.1 Without prejudice to the generality of paragraph 2.5.1, upon the declaration of, and from time to time during the continuance of, a Network Gas Supply Emergency:

- (a) each DNO shall secure that gas flows at NTS/LDZ Offtakes are in accordance with the instructions of Transco NTS;
- (b) each DNO shall submit and revise its Offtake Profile Notices in relation to NTS/LDZ Offtakes consistent with paragraph (a);
- (c) the Parties shall not be bound by the provisions of Section I2 to the extent to which an instruction given by Transco NTS conflicts with such provisions.

2.7.2 *[Disapplication of any other provisions during Gas Supply Emergencies?]*

2.7.3 Where a Network Gas Supply Emergency or Potential Network Gas Supply Emergency has [been declared] *[or for other safety reasons?]*, without prejudice to the generality of its right to take such actions as it may think fit or the NEC may direct, Transco NTS may in its sole discretion operate the block valves (forming part of its Connection Facilities) at any NTS/LDZ Offtake as it thinks fit.

2.7.4 The DNO shall not do anything (including without limitation installing, operating or modifying any telemetry facilities) which may interfere with or prevent the operation by Transco NTS of block valves in accordance with paragraph 2.7.3.

2.8 Closed LDZ/LDZ Offtakes

2.8.1 Emergency Procedures E2 (or subsidiary procedures established in accordance therewith) will specify the basis on which a Closed LDZ/LDZ Offtake may be opened during or in anticipation of a Local Gas Supply Emergency.

3 SCO Interface Procedure

3.1 Introduction

3.1.1 The **SCO Interface Procedures** (or Safe Control of Operations – Interface Procedures) are procedures established by the Parties for the safe conduct of works or operations by one Party at an Offtake Site or in relation to its System in cases where such works or operations may affect another Party at that Offtake Site or in relation to its System.

3.1.2 At the [date of this Document] the prevailing version of SCO-IP is the version known as [/] and dated [/].

3.2 Adoption and implementation of SCO Interface Procedure

- 3.2.1 Each Party agrees to adopt and implement the SCO Interface Procedures as from time to time revised by the Parties in accordance with paragraph 3.3.
- 3.2.2 In particular, each Party shall ensure that its own working procedures (including safe control of operations procedures) are consistent with the SCO Interface Procedure.
- 3.2.3 The Parties at a particular Offtake Site may agree variations to the SCO Procedures to apply in relation to that Offtake Site.

3.3 Review and revision of SCO Interface Procedure

- 3.3.1 The SCO Interface Procedure shall be subject to review and revision by the Offtake Committee pursuant to Section [N8].

4 Site Emergency Procedures

4.1 Introduction

- 4.1.1 Site Emergency Procedures are on-site and off-site plans and procedures, relating to emergencies or other incidents at an Offtake Site, which a Party may be required to establish and implement pursuant to any Legal Requirement, including:

- (a) [COMAH];
- (b) the Pipelines Safety Regulations 1996;
- (c) [*Integrated Pollution Control*];
- (d) [*Integrated Pollution Prevention and Control*].

- 4.1.2 In establishing, and revising from time to time, its Site Emergency Procedures for any Offtake Site, each Party shall:

- (a) consult with each other Party at that Offtake Site, including providing drafts of such procedures or revisions to the other Party for comment before adopting them; and
- (b) ensure that each other Party has an up-to-date copy of the Site Emergency Procedures from time to time adopted by the first Party.

4.2 Cooperation between Parties

- 4.2.1 Without prejudice to any applicable Legal Requirement, each Party (the **first** Party) at an Offtake Site shall extend reasonable cooperation to each other Party (the **other** Party) at that Offtake Site in connection with the Site Emergency Procedures established by such other Party.

- 4.2.2 In particular, the first Party shall:

- (a) cooperate in the testing of such procedures (and in the testing of both Parties' procedures together);
- (b) provide to the other Party from time to time such information as may reasonably be required by the other Party's procedures;

- (c) refrain from doing anything which (if the other Party acts and has acted as [a Reasonable and Prudent Operator] in establishing and implementing its procedures) would prevent the other Party from complying with its procedures.

5 Site Safety Rules

5.1 Establishment of Site Safety Rules

5.1.1 In relation to each Offtake, each Party (as Site Party, as provided in Section B6) shall prepare and implement, and keep under review and from time to time revise, rules and procedures (**Site Safety Rules**) for the safe access and operations, by its own personnel and the personnel of the Parties, to and at that part of the Offtake Site owned or occupied by such Party.

5.1.2 The Site Safety Rules established by a Site Party:

- (a) shall be no more onerous as respects the personnel of the other Party(ies) (as Access Party(ies)) than in respect of the Site Party's own personnel;
- (b) shall take account of the Site Party's Safety Case, the Access Party(ies)'s Safety Case(s), the SCO Interface Procedure and the Site Party's Site Emergency Procedures.

5.1.3 The Site Party shall make the Site Safety Rules available to each Access Party.

5.2 Consultation, etc

5.2.1 In preparing and from time to time reviewing and revising its Site Safety Rules in relation to its Offtakes, each Party shall consult:

- (a) with the other Party(ies) (as Access Party(ies)) at that Site, in respect of matters specifically relating to that Site, and
- (b) with all other Parties generally, having regard to the desirability of maintaining as far as practicable uniformity in the Site Safety Rules established by each of the Parties.

SECTION D

MEASUREMENTS

1 General

1.1 Introduction

1.1.1 This Section D sets out requirements for the installation, operation and maintenance of Measurement Equipment for the purposes of measuring gas flows from the upstream System to the downstream System at an Offtake, and certain related issues.

1.1.2 In relation to a Bi-directional LDZ/LDZ Offtake, references in this Section D to the downstream Party and upstream DNO shall be construed in accordance with the relevant Supplemental Agreement.

1.1.3 The requirements of this Section D differ as between Offtakes of the following classes:

- (a) CV-Directed Offtakes;
- (b) NTS/LDZ Offtakes which are not CV-Directed Offtakes;
- (c) LDZ/LDZ Offtakes which are not CV-Directed Offtakes and are not Unmetered Offtakes;
- (d) Unmetered LDZ/LDZ Offtakes.

1.1.4 For the purposes of this Document:

- (a) a **CV-Directed** Offtake is an NTS/LDZ Offtake or LDZ/LDZ Offtake which is a place in relation to which the Authority has given directions pursuant to regulation 6(a) and (b) of the Gas (Calculation of Thermal Energy) Regulations;
- (b) an **Unmetered** LDZ/LDZ Offtake is an LDZ/LDZ Offtake in relation to which (pursuant to paragraph 1.5) Measurement Equipment is not required to be installed and at which Measurement Equipment is not actually installed.

1.2 Measurement Equipment

1.2.1 In this Section D:

- (a) **Measurement Equipment** means:
 - (i) any gas flow volume or energy measurement device, and
 - (ii) (where the context admits) any other instrumentation required for the monitoring at points of telemetry (as provided in Section E)

and includes any associated equipment and installations (including associated sensors, pipework, regulator, filters, valves, sample lines, seals, housings and mountings) installed or to be installed at an Offtake; any other instrumentation required for the measurement of calorific value; and any system (forming part of or connected to any of the foregoing) for converting or otherwise processing data or signals obtained from any such device or instrumentation so as to derive the quantities which are to be provided in accordance with this Section D;

- (b) the **Permitted Range** of any Measurement Equipment comprises:
 - (i) the permitted uncertainty level in the Measurement Equipment, for all steady-state flow conditions, determined (in the case of an NTS/LDZ Offtake, consistent with paragraph 1.2.3) at the telemetry boundary as provided in Section E; and
 - (ii) the specified range (of values of the measured property or characteristic) within which the permitted uncertainty levels apply;
- (c) a requirement that Measurement Equipment read within the Permitted Range is a requirement that (under [all normal operating conditions]) it read within the permitted uncertainty levels for all values (of the relevant measured property or characteristic) within the specified range comprised in the Permitted Range, and references to reading within the Permitted Range shall be construed accordingly;
- (d) **measured data** means data which is or has been or (as the context may require) is required to be measured by Measurement Equipment and provided to the upstream Party pursuant to this Section D, and includes data calculated or otherwise derived by the operation of any component of the Measurement Equipment.

1.2.2 The Measurement Equipment and (for each item thereof) the Permitted Range at each Offtake are specified in Appendix C1 to the Supplemental Agreement relating to that Offtake.

1.2.3 The Measurement Equipment shall be treated as including Telemetry Connection Facilities or Daily Read Facilities to be provided pursuant to Section E.

1.3 Units

1.3.1 Measured data shall be recorded or (before being provided) converted to metric standard temperature and pressure conditions as set out in BS ISO 13443:1996 "Natural Gas Standard Reference Conditions".

1.3.2 Measured data shall be provided pursuant to this Section D in the units specified in Annex D-1.

1.4 Permitted Range

1.4.1 Annex D-1 sets out Permitted Ranges for Measurement Equipment as applicable for different classes (as provided in paragraph 1.1.3) of Offtakes.

1.4.2 The applicable Permitted Range (as set out in Annex D-1) shall apply in respect of all Measurement Equipment, unless otherwise provided in the Supplemental Agreement but subject to paragraph 1.4.3.

1.4.3 In relation to any Offtake, where:

- (a) the Supplemental Agreement permits or provides for a Permitted Range (in relation to any Measurement Equipment) less stringent than is required in Annex D-1; and
- (b) any existing Measurement Equipment at the Offtake is at any time substantially modified or replaced.

the modified or replaced Measurement Equipment shall (notwithstanding the Supplemental Agreement, but subject to paragraph 1.4.4) comply with the applicable Permitted Range

specified in Annex D-1, and the Supplemental Agreement shall be amended to reflect such requirement.

- 1.4.4 Where the Measurement Equipment or component thereof (being modified or replaced as described in paragraph 1.4.3) measures or records certain gas properties or characteristics only, the requirement in paragraph 1.4.3 shall apply only to that extent (and shall not apply as to Measurement Equipment or any component thereof which measures or records other gas properties or characteristics and is not being modified or replaced).

1.5 Unmetered Offtakes

- 1.5.1 In the case of an LDZ/LDZ Offtake which is not a CV-Directed Offtake, Measurement Equipment is required to be installed only where:

- (a) Measurement Equipment was installed at the LDZ/LDZ Offtake as at the date of this Document; or
- (b) where all of the following conditions are satisfied:
 - (i) the LDZ/LDZ Offtake (or Individual Offtake Point) is a new Offtake or Individual Offtake Point, or is substantially modified after the date of this Document; and
 - (ii) the quantities to be measured by such Measurement Equipment cannot be derived with reasonable accuracy from measurement equipment located at another point on the upstream System or downstream System; and
 - (iii) the normal operating pressure at the LDZ/LDZ Offtake is greater than 75 mbar.

- 1.5.2 No Measurement Equipment is required to be installed at a Closed Offtake.

- 1.5.3 The Supplemental Agreement will record what Measurement Equipment (if any) is or is to be installed at an LDZ/LDZ Offtake.

- 1.5.4 Where (pursuant to paragraph 1.5.1 or 1.5.2, or otherwise as agreed between the Parties and provided in the Supplemental Agreement) Measurement Equipment is not required to be installed at an LDZ/LDZ Offtake:

- (a) the requirements (as to the installation, maintenance, operation, validation and rectification of Measurement Equipment) of this Section D shall not apply (but subject to any provision of the Supplemental Agreement pursuant to which the disapplication of such requirements may lapse or be withdrawn);
- (b) the Parties shall establish a methodology for determining or estimating and providing the data which would be otherwise measured by such equipment; and the Parties will comply with such methodology; and for the purposes of this Document the data determined and provided according to such alternative basis shall be treated as the relevant measured data.

2 Measurement Equipment

2.1 Installation, Operation and Maintenance

- 2.1.1 The downstream Party shall ensure that at each of its Offtakes (save as otherwise provided in the relevant Supplemental Agreement in the case of an LDZ/LDZ Offtake), in respect of each Individual Offtake Point, there is installed, operated and maintained in proper working order Measurement Equipment for the purposes of registering or determining and recording:
- (a) the matters specified in the applicable provisions of Annex D-1; and
 - (b) in the case of an NTS/LDZ Offtake, the further matters specified as points of telemetry in Annex E-1; and
 - (c) such further properties of gas (if any) as are set out in the Supplemental Agreement.
- 2.1.2 The downstream Party shall ensure that the Measurement Equipment is:
- (a) installed, operated and maintained to the standard of a Reasonable and Prudent Operator and in accordance with the requirements of paragraph 2.2;
 - (b) installed so as to measure the relevant characteristic of gas flowing at, or as nearly as practicable at, the Point of Offtake;
 - (c) capable of reading and set to read without systematic bias and within the Permitted Range;
 - (d) operated so as to enable the downstream Party to provide measured data in accordance with paragraph 2.3.
- 2.1.3 The downstream Party shall notify the upstream Party of any planned maintenance in relation to the Measurement Equipment, in accordance with Section G.3.2.2(b).

2.2 Technical Specifications

- 2.2.1 The Measurement Equipment shall be of a type, standard of design and accuracy which complies with, and shall be operated and maintained in accordance with applicable provisions of:
- (a) the Gas Act 1986, the Gas Safety (Management) Regulations 1996, the Gas (Calculation of Thermal Energy) Regulations 1996 and any other applicable Act of Parliament, regulation, or licence;
 - (b) any other relevant Directive of a Competent Authority;
 - (c) unless otherwise provided in the relevant Supplemental Agreement, the applicable industry standards and best practice recommendations set out in Annex D-2.
- 2.2.2 Where (at any time or from time to time) there is any revised, updated or new version of any of the [requirements,] standards or recommendations referred to in paragraph 2.2.1(c), then (subject to any contrary Legal Requirement):
- (a) (save as otherwise agreed) such revised, updated or new version shall apply for the purposes of this Document prospectively (in accordance with paragraph 2.2.2(c)) with effect from the date such version is stated to be effective;
 - (b) the version of such requirement, standard or recommendation applicable in relation to particular Measurement Equipment shall be the version in force for the purposes of this Document (pursuant to paragraph 2.2.2(a)) at the [Supplemental Agreement Date];

- (c) where any existing Measurement Equipment (or component thereof) at an Offtake is substantially modified or replaced, the modified or replaced Measurement Equipment (or component thereof) shall comply (in accordance with paragraph 2.2.1) with the version of the applicable requirement, standard or recommendation which is in force for the purposes of this Document (pursuant to paragraph 2.2.2(a)) at [the time of such modification or replacement].

2.3 Provision of Measured Data

- 2.3.1 In relation to a NTS/LDZ Offtake, the downstream DNO shall transmit measured data to Transco NTS by means of the Telemetry Connection Facilities in accordance with Section E.
- 2.3.2 In relation to a LDZ/LDZ Offtake, the downstream Party shall transmit measured data to the upstream Party by means of Daily Read Equipment (unless otherwise provided in the Supplemental Agreement) in accordance with Section E.

2.4 Access and Inspection Rights

- 2.4.1 The upstream Party shall be entitled at any time, [upon giving not less than five Business Days' prior notice to the downstream Party], to inspect the Measurement Equipment (or any component thereof) and for that purpose to have access (in accordance with Section B.3.5) to the Offtake Site.
- 2.4.2 Nothing in this paragraph 2.4 shall prejudice the upstream Party's right to request the Exceptional Validation of Measurement Equipment in accordance with paragraph 3.3 below.

3 Validation

3.1 General

- 3.1.1 In this paragraph 3:
 - (a) **validation** means validation that Measurement Equipment is reading within the Permitted Range and without systematic bias; and **validate** and **validated** shall be construed accordingly;
 - (b) the **Validation Procedures** are the procedures established by the Parties for validation of Measurement Equipment, comprising (as applicable) the documents known as T/PR/ME2 Parts 1, 2 and 3 and T/PR/GQ/3.
- 3.1.2 The Validation Procedures shall be subject to review and revision by the Offtake Committee pursuant to Section [N1.3].
- 3.1.3 Any validation of Measurement Equipment pursuant to this Section D shall be carried out:
 - (a) by the downstream Party;
 - (b) in accordance with the provisions of this paragraph 3 and the Validation Procedures.
- 3.1.4 The upstream Party shall be entitled, but shall not be obliged, at its own cost to attend and witness any validation carried out by the downstream Party in accordance with this paragraph 3.

3.2 Routine Validation

- 3.2.1 The downstream Party shall carry out validation:
- (a) of the Measurement Equipment installed at an Offtake, no less frequently than once every 12 months;
 - (b) of any new Measurement Equipment or new or modified component of the Measurement Equipment, prior to such Measurement Equipment or component (as appropriate) being used to register or determine and record any measured data in paragraph 2.2.1 above.
- 3.2.2 Validation pursuant to this paragraph 3.2 is **Routine Validation**.
- 3.2.3 The downstream Party shall notify the upstream Party of the date, time and place of any Routine Validation not less than 10 Business Days in advance of such Routine Validation being carried out.
- 3.2.4 The downstream Party shall bear the costs of any Routine Validation.
- 3.2.5 For the purposes of paragraph 3.2.1(a), as at the date of this Document, validation of any Measurement Equipment shall be treated as last carried out upon the date on which Transco plc last carried validation thereof before the date of this Document.

3.3 Exceptional Validation

- 3.3.1 The upstream Party shall be entitled to request that a validation of Measurement Equipment (or any component thereof) be carried out at any time, by notice to the downstream Party specifying the Offtake and the Measurement Equipment or component thereof to be validated.
- 3.3.2 Validation pursuant to this paragraph 3.3 is **Exceptional Validation**.
- 3.3.3 The downstream Party shall:
- (a) acknowledge receipt of a request for Exceptional Validation pursuant to paragraph 3.3.1 above not later than the required time after receipt of such request;
 - (b) as soon as reasonably practicable following receipt of such request and in any event within the required time after the day on which such request is received, carry out the Exceptional Validation; and
 - (c) notify the upstream Party of the date, time and place of the Exceptional Validation as much in advance thereof as is practicable.
- 3.3.4 With the approval [(not to be unreasonably withheld)] of the upstream Party, the downstream Party may limit the scope or level of the Exceptional Validation.
- 3.3.5 Notwithstanding paragraph 3.3.3(b) above, if as soon as reasonably practicable following receipt of a request for Exceptional Validation, and in any event within the required time after the day on which such request is received, the downstream Party:
- (a) ceases the flow of gas at the relevant Offtake or Individual Offtake Point, until the Exceptional Validation has been carried out; and
 - (b) gives notice to the upstream Party undertaking that the flow of gas has been and will be ceased in accordance with paragraph 3.3.5(a)

the downstream Party shall be entitled to defer the carrying out of the Exceptional Validation up to the permitted period after the date of receipt of the upstream Party's request.

3.3.6 For the purposes of paragraphs 3.3.3 and 3.3.5 the required times and permitted periods applicable to different Offtakes are as follows:

<i>Relevant provision</i>	<i>NTS/LDZ Offtake</i>	<i>LZ/LDZ Offtake</i>
3.3.3(a)	4 hours	2 Business Days
3.3.3(b)	3 Business Days	5 Business Days
3.3.5 (required time)	3 Business Days	5 Business Days
3.3.5 (permitted time)	10 Business Days	10 Business Days

3.3.7 The costs of an Exceptional Validation shall be borne:

- (a) by the upstream Party, where the Measurement Equipment (or relevant component thereof, as the case may be) is found to read without bias and accurately within the Permitted Range; and
- (b) by the downstream Party, in all other circumstances.

3.4 Validation Report

3.4.1 The downstream Party shall prepare a report (the **Validation Report**) of each validation carried out pursuant to this paragraph 3, setting out:

- (a) the methodology used for the validation;
- (b) the results of the validation;
- (c) the steps taken or which are to be taken in accordance with paragraph 3.5 for adjustment or replacement of Measurement Equipment as a result of such validation;
- (d) [other?].

3.4.2 The downstream Party shall provide the Validation Report to the upstream Party:

- (a) in the case of an NTS/LDZ Offtake:
 - (i) no later than 14 days after the completion of any Routine Validation; and
 - (ii) no later than 12 hours after the completion of any Exceptional Validation; and
- (b) in the case of an LDZ/LDZ Offtake:
 - (i) if requested by the upstream Party, no later than 14 days after the later of such request and the completion of any Routine Validation; and
 - (ii) no later than five days after the completion of any Exceptional Validation.

- 3.4.3 Unless disputed by the upstream Party in accordance with paragraph 6.1.1, the results of the Validation Report shall be binding on both Parties [(including for the purposes of paragraph 3.3.7)].

3.5 Post-Validation Adjustments to Measuring Equipment

- 3.5.1 Upon or immediately following validation pursuant to paragraphs 3.2 or 3.3 above, the downstream Party shall at its own cost ensure that the Measurement Equipment (or the relevant component thereof) is adjusted or replaced as necessary so that the Measurement Equipment (or such component) reads without bias and [accurately within the Permitted Range], in accordance with paragraph 2.1.2(c) above.
- 3.5.2 Where the downstream Party is unable to ensure the adjustment or replacement of the Measurement Equipment (or any component thereof) upon or immediately following validation pursuant to paragraph 3.5.1 above, the downstream Party shall rectify such Measurement Equipment (or such component) in accordance with paragraph 4 below.

4 Rectification of Measurement Equipment

4.1 Fault

- 4.1.1 For the purposes of this paragraph 4, a **fault** in Measurement Equipment is any failure or defect in the Measurement Equipment or its operation or other circumstance in or as a result of which the Measurement Equipment is not reading within the Permitted Range or without systematic bias.
- 4.1.2 The downstream Party shall take measures to enable it to identify faults in Measurement Equipment in accordance with the standard of a Reasonable and Prudent Operator.
- 4.1.3 Where a fault is found in any Measurement Equipment, except where:
- (a) such finding is made in the course of validation pursuant to paragraph 3; and
 - (b) the adjustment or replacement required under paragraph 3.5 is made upon or immediately following such validation;

paragraph 4.2 shall apply.

4.2 Steps to be taken upon occurrence of a fault

- 4.2.1 In the circumstances referred to in paragraph 4.1.3, the downstream Party shall:
- (a) (except in the case where the fault has been reported pursuant to validation under paragraph 3) notify the upstream Party of the fault no later than one hour (or, in the case of an LDZ/LDZ Offtake where Daly Read Equipment is installed, 24 hours) after having identified or been informed of the fault; and
 - (b) rectify the fault as soon as reasonably practicable in accordance with the standard of a Reasonable and Prudent Operator (and in accordance with paragraph 4.2.2 where applicable).
- 4.2.2 In relation to a CV-Directed Offtake, the downstream Party shall:

- (a) where it is practicable for the downstream Party (acting as a Reasonable and Prudent Operator) to do so, rectify the fault within eight hours of the fault having been identified;
- (b) where it is not practicable for the downstream Party so to rectify the fault:
 - (i) submit to the upstream Party proposals for initiating and carrying out the rectification of such failure or error;
 - (ii) ensure such rectification as soon as reasonably practicable and in accordance with the downstream Party's proposals; and
 - (iii) cease or, where such cessation is not possible for safety reasons, minimise the flow of gas through the relevant Offtake or Individual Offtake Point until the fault has been rectified

5 Correction and Estimation of Readings

5.1 General

- 5.1.1 Following validation pursuant to paragraph 3 or (as the case may be) the identification of a fault as provided in paragraph 4, readings (of the relevant Measurement Equipment) shall be corrected or estimated subject to and in accordance with paragraph 5.2 or 5.3 respectively.
- 5.1.2 The downstream Party shall be responsible for correcting or estimating readings pursuant to paragraphs 5.2 and 5.3.
- 5.1.3 Unless disputed by the upstream Party in accordance with paragraph 6, the corrected or estimated readings (as the case may be) shall be binding on both Parties.
- 5.1.4 Only measured data relating to volume or energy shall be corrected or estimated pursuant to this paragraph 5.

5.2 Correction of Readings

- 5.2.1 Where, on validation pursuant to paragraph 3, the Measurement Equipment (or, as the case may be, any component thereof) is found:
 - (a) to read with systematic bias, whether within or outside the Permitted Range, the relevant readings shall be adjusted in accordance with this paragraph 5.2;
 - (b) to read outside the Permitted Range but without systematic bias, no adjustment of the relevant readings shall be made and such readings shall be deemed to be correct.
- 5.2.2 Where the period over which the Measurement Equipment (or the relevant component thereof) was reading with systematic bias can be determined with reasonable accuracy, then:
 - (a) if the amount of the bias at all times during such period can be determined with reasonable accuracy, all readings over that period shall be adjusted accordingly to account for the bias within that period;
 - (b) if the amount of the bias at all times during such period cannot be determined with reasonable accuracy, then the Measurement Equipment (or the relevant component) shall be deemed to have read (over such period) with half the amount of the bias

determined at the time of the relevant validation, and the readings over the period shall be adjusted accordingly to account for such deemed bias within that period.

5.2.3 Where the period over which the Measurement Equipment (or the relevant component thereof) was reading with bias cannot be determined with reasonable accuracy, then:

(a) the Measurement Equipment (or such component) shall be deemed to have read, over the period since the last time at which (pursuant to validation or rectification or otherwise) it was adjusted to read without bias and accurately within the Permitted Range, with half the amount of the bias determined at the time of the relevant validation; and

(b) all readings over such period shall be adjusted accordingly to account for such deemed bias.

5.2.4 The downstream Party shall [not later than [/] Days after the correction of any reading pursuant to this paragraph 5.2] provide to the upstream Party the corrected readings together with an explanation of the basis on which the readings were corrected and supporting information.

5.3 Estimation of Readings

5.3.1 Where, as a result of a fault in respect of any Measurement Equipment (or any component thereof), readings are not available for any period, the required readings for such period shall be estimated in accordance with this paragraph 5.3.

5.3.2 Where the other components of the Measurement Equipment are functioning and reading without bias and accurately within their respective Permitted Ranges, the required readings shall be estimated, so far as is feasible, using data from such other components.

5.3.3 Where an estimated reading pursuant to paragraph 5.3.2 is not feasible, the required readings relating to any Day (or period within a Day) shall be estimated using data derived from gas flows through the relevant Offtake on all Days (when the Measurement Equipment or relevant component thereof was functioning and reading without bias and within the Permitted Range) of comparable demand and operating conditions over the preceding [12] months.

5.3.4 Any estimation by downstream Party shall be made to the standard of a Reasonable and Prudent Operator, and as accurately as is practicable in the circumstances.

5.3.5 The downstream Party shall [not later than [/] Days after the estimation of any reading pursuant to this paragraph 5.3] provide to the upstream Party the estimated readings together with an explanation of the basis on which the readings were estimated and supporting information.

6 Disputes

6.1.1 The upstream Party shall be entitled to dispute the accuracy of any Validation Report or any corrected or estimated reading received pursuant to paragraphs 3.4, 5.2 and 5.3 respectively by giving notice to the downstream Party not later than 14 days after receipt of the same.

6.1.2 The Parties shall, as soon as reasonably practicable after the date of the upstream Party's notice in accordance with paragraph 6.1.1 and in any event within 30 days from the date of such notice, consult together in good faith and use their reasonable endeavours to settle the dispute.

- 6.1.3 Where the Parties are unable to resolve the dispute within 30 days from the date of the notice in accordance with paragraph 6.1.2 above, either of them shall be entitled to refer the dispute to an Expert for determination, in accordance with Section N9.

7 Records and Inspection Rights

7.1 Records

- 7.1.1 The downstream Party shall record all measured data (including corrected and estimated data) at the intervals and in the format and otherwise as provided in Section M (Information Flows).
- 7.1.2 The downstream Party shall in addition maintain auditable records relating to the installation, maintenance, testing, operation, calibration, setting and validation of Measurement Equipment, including (without limitation):
- (a) the configuration of flow computers and programmable devices forming part of the Measurement Equipment; and
 - (b) the results of all tests and validations carried out in relation to the Measurement Equipment.
- 7.1.3 The downstream Party shall retain all records of measured data for a period of no less than three years after the Day or last Day to which such measured data relates.
- 7.1.4 The records required to be maintained and retained under this paragraph 7.1 may be stored either:
- (a) as hard copy written documents or charts; or
 - (b) in electronic format.
- 7.1.5 Records stored in electronic format shall be stored so as:
- (a) to be capable of immediately access or retrieval within a period of not less than [/] months after the Day (or last Day) to which such records relate;
 - (b) thereafter, to be retrievable from archive within [/] days after a request to retrieve such data.

7.2 Access to Records and Inspection Rights

- 7.2.1 The downstream Party shall, as soon as reasonably practicable and without charge, provide to the upstream Party on request a copy of such records maintained in accordance with paragraph 7.1 above (provided that if the upstream Party requires more than one copy, or a copy on more than one occasion, of records relating to the same matter, the downstream Party may charge the upstream Party the costs incurred in providing such additional or further copies).
- 7.2.2 The upstream Party shall in addition be entitled at any time, upon giving five Business Days' prior notice to the downstream Party, to inspect the records of the measured data for any Day or Days within the preceding 12 months.

Annex D-1**Measured Data and Permitted Ranges**
(Paragraphs 1.3.2, 1.4.1 and 2.1.1(a))**Part 1 – NTS/LDZ Offtakes**

Property	Unit	Specified Range	Permitted Uncertainty Level
Instantaneous Volume Flow Rate	MSCM/day	Per relevant Supplemental Agreement	± 1.0% of flow over the specified range.
CV (for CV-Directed NTS/LDZ Offtakes)	MJ/m ³	35 – 44	± 0.1
CV (other NTS/LDZ Offtakes)	MJ/m ³	35 – 44	± 0.3
Instantaneous Energy Flow Rate	TJ/day	Per relevant Supplemental Agreement	± 1.1% of flow over the specified range.
Gas Pressure (for the purpose of flow metering)	Barg	0 – 85	± 0.5 barg
Gas Temperature (for the purpose of flow metering)	°C	0 – 40	± 1.0 °C
Carbon Dioxide (where applicable)	Mole %	0 – 5	± 0.01 mole %.
Nitrogen (where applicable)	Mole %	0 – 10	± 0.01 mole %.
Relative Density		0.5 – 0.8	± 0.001
Wobbe Number (where Applicable)	MJ/m ³	45 – 55	± 0.1 MJ/m ³
Details of Measurement Equipment, e.g. number of meter/filter/regulator streams, meter type(s) etc. as set out in the relevant Supplemental Agreement.			

Part 2 – LDZ/LDZ Offtakes

Property	Unit	Specified Range	Permitted Uncertainty Level
Volume Flow Rate	MSCM/day	Per relevant Supplemental Agreement	Sufficient to demonstrate ‘requisite metering’ as defined in the Gas (Calculation of Thermal Energy) Regulations 1997 (as amended).
Gas Pressure	Barg	[0-xx]	±[0.5] barg
Gas Temperature	°C	[0 – 40]	±[1] °C
CV	MJ/m ³	[35 – 44]	As determined by Ofgem in letters of approval and letter of direction
Relative Density		[0.5 – 0.8]	±[0.02] of measurement

Annex D-2

Best Practice Recommendations and Standards

(Paragraph 2.2.1(c))

1. General

- IGE Meter Recommendations (IGE/GM/1 and IGE/GM/4)
- BS EN 1776 "Gas supply. Natural gas measuring stations. Functional requirement"
- ISO 5168 "Measurement of fluid flow. Evaluation of uncertainties"
- BS 1042 "Measurement of Fluid Flow in Closed Conduits"
- ISO 6976 (1995) "Natural gas. Calculation of calorific values, density, relative density and Wobbe index from composition"

2. Specific Metering Systems

- For orifice plate metering systems:

BS EN ISO 5167 "Measurement of fluid flow by means of pressure differential devices inserted in circular cross section conduits running full"
- For turbine metering systems:

BS 7834 (ISO 9951) "Specification for turbine meters used for the measurement of gas flow in closed conduits"
- For ultrasonic metering systems:

BS 7965 "The selection, installation, operation and calibration of diagonal path transit time flowmeters for industrial gas applications"

BS ISO/TR 12765 "Measurement of fluid flow in closed circuits. Methods using transit time ultrasonic flowmeters"

AGA 9 "Measurement of Gas by Multipath Ultrasonic Meters"
- For process gas chromatographs:

ISO 10723 (1995) "Natural gas. Performance evaluation for on-line analytical systems"
- For any other measurement system, such standards/guidelines as may be set out in Appendix C to the relevant Supplemental Agreement.

SECTION E

TELEMETRY, ETC

1 General

1.1 Introduction

1.1.1 This Section E sets out:

- (a) Transco NTS' requirements for telemetry in relation to NTS/LDZ Offtakes;
- (b) the upstream DNO's requirements for provision of daily reads in relation to LDZ/LDZ Offtakes.

1.1.2 In relation to a Bi-directional LDZ/LDZ Offtake, references in this Section E to the downstream Party and upstream DNO shall be construed in accordance with the relevant Supplemental Agreement.

1.2 Telemetry Facilities

1.2.1 In this Section E:

- (a) **NTS Telemetry Facilities** means, in relation to an Offtake, telecommunications and other equipment to be installed at the Offtake for the purposes of receiving (as telemetry signals) measured data from Measurement Equipment and sending such data to Transco NTS;
- (b) **Telemetry Connection Facilities** means the telemetry connection facilities to be provided by the DNO pursuant to paragraph 2.1; and where the DNO has installed telemetry facilities as provided in paragraph 2.2.2, includes such telemetry facilities;
- (c) **telemetry boundary** means the point up to which the DNO is responsible for providing telemetry signals, being (subject to any contrary provision of the Supplemental Agreement) the boundary of the area on which (as provided in Section B.5) the NTS Telemetry Facilities are located, as further described in Annex E-3 and specified in the Supplemental Agreement;
- (d) **point of telemetry** means the particular feature or characteristic of an Individual Offtake Point, the Connection Facilities at an Offtake and the state, configuration or operation of such Connection Facilities, or the gas flowing or of flow of gas at an Offtake, which is to be subject to telemetry pursuant to this Section E;
- (e) references to an Offtake are to a NTS/LDZ Offtake, except in paragraph 4 where such references are to an LDZ/LDZ Offtake at which Measurement Equipment is installed.

1.2.2 Subject to any contrary provision of the Supplemental Agreement, at each Offtake, the points of telemetry shall be as specified in Annex E-1 (as applicable to such Offtake).

1.2.3 Any variations (from what is provided in Annex E-1) in the points of telemetry in relation to an Offtake are set out in Appendix E to the relevant Supplemental Agreement.

2 Telemetry Facilities

2.1 DNO obligation to connect to NTS Telemetry Facilities

- 2.1.1 The Measurement Equipment installed or to be installed by the DNO pursuant to Section D shall be designed, installed, operated and maintained so as to provide telemetry signals in respect of the points of telemetry in accordance with this paragraph 2.
- 2.1.2 The DNO shall provide (and operate and maintain) such connection facilities (including cables, lines, ducts and other equipment) from the Measurement Equipment to the NTS Telemetry Facilities as are required to connect such facilities so as to enable the continuous and uninterrupted transmission of telemetry signals between them.
- 2.1.3 The DNO shall be responsible for providing such Telemetry Connection Facilities up to the telemetry boundary; and Transco NTS shall be responsible for making the final connection to the NTS Telemetry Facilities.
- 2.1.4 The Telemetry Connection Facilities shall comply with the resilience requirements specified in Annex E-2.
- 2.1.5 The DNO shall provide (by means of the Measurement Equipment and the connection facilities referred to in paragraph 2.1.2 to Transco NTS (at the telemetry boundary) telemetry signals on a continuous and uninterrupted basis in respect of the points of telemetry referred to in paragraph 2.1.2.
- 2.1.6 The Measurement Equipment and the Telemetry Connection Facilities shall be installed, maintained and operated in compliance with (and shall provide telemetry signals conforming to) the protocols, standards and other requirements set out in Annex E-3 in order to ensure their compatibility with the NTS Telemetry Facilities.

2.2 DNO entitlement to use telemetry facilities

- 2.2.1 Without prejudice to the requirements in Section B where the DNO is not the Site Owner, nothing in this Section E shall prevent the DNO from:
- (a) installing measurement equipment at an Offtake for points of telemetry in addition to those required pursuant to this Section E; and
 - (b) arranging and installing telemetry facilities for the transmission or other availability to itself (at its control room or otherwise) or any other person of telemetry signals from the Measurement Equipment;

provided that this does not interfere with the operation (as contemplated by this Section E) of the Measurement Equipment and NTS Telemetry Facilities or the transmission of telemetry signals between such equipment and facilities.

- 2.2.2 In particular (subject to the above proviso) the connection (to be provided by the DNO pursuant to paragraph 2.1) from the Measurement Equipment to the NTS Telemetry Facilities may be provided via telemetry facilities installed by the DNO.

2.3 Installation of NTS Telemetry Facilities

- 2.3.1 Transco NTS shall be entitled, at its expense, to install, operate and maintain at the Offtake the NTS Telemetry Facilities and to connect such facilities (via the Telemetry Connection Facilities) to the Measurement Equipment.

- 2.3.2 The DNO shall cooperate with Transco NTS in the commissioning and testing of the NTS Telemetry Facilities and the connection to the Telemetry Connection Facilities, and shall meet and discuss in good faith with Transco NTS and use [all] reasonable endeavours to agree matters pertaining to such installation and commissioning as Transco NTS may reasonably request.
- 2.3.3 Transco NTS shall be entitled to operate and use the NTS Telemetry Facilities for the purposes of transmitting telemetry signals between the Measurement Equipment and Transco NTS at its control room or otherwise.
- 2.3.4 Nothing in this Section E prevents Transco NTS from using facilities comprised in the NTS Telemetry Facilities for the purpose of telemetry (including monitoring and control) in relation to Transco NTS' Connection Facilities (or other plant and equipment comprised in the NTS).
- 2.3.5 It is the responsibility of Transco NTS to arrange satellite or other telecommunications services to enable the transmission of telemetry signals from the NTS Telemetry Facilities.

2.4 Modifications of Telemetry Facilities

- 2.4.1 For the avoidance of doubt, Section [B2.2] applies in relation to Telemetry Connection Facilities and NTS Telemetry Facilities.
- 2.4.2 The purposes referred to in Section [B4.1.3] are the continued operation of the Telemetry Connection Facilities and NTS Telemetry Facilities in compliance with paragraphs 2.1.5 and 2.1.6.

2.5 Failure of Telemetry Facilities

- 2.5.1 Where the DNO or Transco NTS believes or becomes aware that any of the Telemetry Connection Facilities or NTS Telemetry Facilities has failed or is failing to function properly, that Party shall immediately notify the other Party, and the further provisions of this paragraph 2.5 shall apply.
- 2.5.2 The DNO shall:
- (a) promptly on (and in any event within 10 minutes of) despatch by the DNO or receipt from Transco NTS (as the case may be) of the notice in paragraph 2.5.1 above, inspect (by means of remote interrogation or testing from its control centre or by such other method as the Parties shall agree) the Telemetry Connection Facilities to ascertain whether these are functioning properly;
 - (b) promptly following such inspection, inform Transco NTS whether the Telemetry Connection Facilities are functioning properly;
 - (c) where a failure or error in the functioning of the Telemetry Connection Facilities has been identified pursuant to paragraph (a) above, within 24 hours of such failure or error having been identified:
 - (i) rectify such failure or error; or
 - (ii) where rectification pursuant to paragraph (i) above is not practicable by the DNO, acting as a Reasonable and Prudent Operator, submit to Transco NTS proposals for initiating the rectification of such failure or error, and ensure that such rectification is effected as soon as reasonably practicable.

- 2.5.3 For so long as (notwithstanding paragraph 2.5.2(c)) any failure or error continues in the functioning of the Telemetry Connection Facilities or the NTS Telemetry Facilities:
- (a) the Parties shall consult as to and keep under review the situation; and
 - (b) the DNO shall take such steps as are reasonably practicable and as Transco NTS may reasonably require for the purposes of the provision (in operational timescales, and without prejudice to paragraph 2.6) of the relevant measured data to Transco NTS.

2.6 Arrangements for data provision in case of failure

- 2.6.1 In the case of any failure of the Telemetry Connection Facilities, measured data will be provided to Transco NTS by the means and at the times provided in or pursuant to Section [M].

3 Transitional Provisions

3.1 SOMSA

- 3.1.1 The provisions of this paragraph 3 shall apply where and for so long as a System Operation Managed Service Agreement (**SOMSA**) is in force between Transco plc (as manager) and a DNO in relation to an LDZ.
- 3.1.2 The Parties acknowledge that, by virtue of the SOMSA, Transco NTS will have access to and the use of telemetry (including telemetry facilities) in relation to each Offtake, which will meet its requirements as reflected in this Section E.
- 3.1.3 The DNO agrees that (notwithstanding the provisions of the SOMSA) Transco NTS may access and use the telemetry pursuant to the SOMSA in its capacity as Transco NTS under this Document and for the purposes for which Transco NTS would use telemetry under this Document, as well as in its capacity of manager under the SOMSA.
- 3.1.4 The DNO undertakes to Transco NTS, for the purposes of this Document, to comply with the provisions of the SOMSA in relation to telemetry.
- 3.1.5 For so long as the SOMSA remains in force, subject to paragraphs 3.1.6 and 3.2, the provisions of paragraph 2 shall not apply either to the DNO or to Transco NTS in relation to any NTS/LDZ Offtake to that LDZ.
- 3.1.6 Notwithstanding paragraph 3.1.5:
- (a) paragraph [2.4] shall apply to all NTS Telemetry Facilities installed on or after the [relevant Supplemental Agreement Date]; and
 - (b) paragraph [2.5] shall apply as if references to the Telemetry Connection Facilities were to the telemetry facilities to be provided by the DNO pursuant to the SOMSA.

3.2 Expiry or termination of SOMSA

- 3.2.1 The DNO shall at its cost, in good time before the expiry or (pursuant to any provision thereof) termination of the SOMSA (and in any event in accordance with any reasonable request to that effect from Transco NTS), in relation to each Offtake serving the relevant LDZ:
- (a) consult with Transco NTS so as to establish an agreed process and timetable for the works in paragraphs 3.2.1(b) to (d) [or such alternative works or arrangements as may

be agreed by the Parties to ensure that Transco NTS' requirements for telemetry are satisfied];

- (b) ensure that the Offtake Telemetry Facilities (including connection facilities as provided in paragraph 2.3) are installed or modified;
- (c) allow Transco NTS to install, commission and test the NTS Telemetry Facilities; and
- (d) cooperate with Transco NTS in the commissioning and testing of the Offtake Telemetry Facilities and the NTS Telemetry Facilities so as to ensure their mutual compatibility and operability

so as to enable the DNO to be fully in compliance with its obligations under this Section E by not later than the effective date of expiry or termination of the SOMSA.

3.2.2 [In accordance with the provisions of the SOMSA] the DNO shall bear or reimburse to Transco NTS the costs of the [procurement,] installation, commissioning and testing of the NTS Telemetry Facilities.

4 Daily Read Requirement

4.1 General

4.1.1 **Daily Read Facilities** means facilities by means of which measured data from Measurement Equipment can be captured and recorded and periodically transmitted to or retrieved by a Party.

4.1.2 At a LDZ/LDZ Offtake at which Measurement Equipment is installed, the downstream Party shall:

- (a) provide, install (in connection with its Measurement Equipment), maintain and operate Daily Read Facilities, complying with the requirements in Annex E-4, for the purposes of sending to the upstream Party measured data as provided in Annex E-4;
- (b) obtain by means of the Daily Read Facilities measured data at the times and intervals specified in Annex E-4.

4.1.3 The upstream Party shall be entitled at its cost to install and maintain (as Connection Facilities) separate Daily Read Facilities enabling it directly to obtain measured data from the Measurement Equipment, provided that the installation and operation of such Daily Read Facilities do not interfere with the operation of the Measurement Equipment or the downstream Party's Daily Read Facilities.

4.1.4 The Parties shall cooperate to the extent necessary in the installation, maintenance and operation of the Daily Read Facilities to be installed under this paragraph 4.1.

4.1.5 In relation to any LDZ/LDZ Offtake, where the Supplemental Agreement provides for telemetry facilities to be installed at an LDZ/LDZ Offtake, and such telemetry facilities are installed:

- (a) the requirements of this paragraph 4 shall not apply;
- (b) instead, paragraph 2 (and paragraph 1, mutatis mutandis, but not Annex E-1) shall apply as if references to Transco NTS were to the upstream Party, the DNO were to the downstream Party, and an NTS/LDZ Offtake were to the LDZ/LDZ Offtake;

- (c) the downstream Party shall be entitled, after giving notice to and consulting with the upstream Party, to replace such telemetry facilities with Daily Read Facilities (in which case paragraphs (a) and (b) shall cease to apply).

4.2 Sending measured data

- 4.2.1 The downstream Party shall provide to the upstream Party measured data at the times and intervals specified in Annex E-4 by the means provided in or pursuant to Section M.

4.3 Failure of Daily Read Facilities

- 4.3.1 If the downstream Party believes or becomes aware that any part of the Daily Read Facilities has failed or is failing to function properly:

- (a) the downstream Party shall inspect the Daily Read Facilities to ascertain whether they are functioning properly;
- (b) where it identifies any failure or error in the functioning of the Daily Read Facilities, the downstream Party shall:
 - (i) rectify such failure or error as soon as reasonably practicable, and
 - (ii) if the failure or error prevents or is likely to prevent the downstream Party from providing measured data to the upstream Party at times and otherwise in accordance with paragraph 4.2, inform the upstream Party of such failure or error and keep the upstream Party informed as to the progress in rectifying such failure or error.

- 4.3.2 In the case of any failure of the Daily Read Facilities, measured data will be provided to the upstream Party as provided in or pursuant to Section M.

ANNEX E-1**Points of Telemetry**
(Paragraph 1.2.2)**Part 1 – General Analogues**

Point	Minimum Requirement?	Site Specific Options	Comments
Feeder Pressure(s)	Yes		
Outlet Pressure(s)	Yes		
Interstage pressure(s)	-	Yes	If fitted.
Outlet Temperature(s)		Yes	If pre-heating on Site.
Orifice DP(s)	Yes		High head and standby.
Filter DP		Yes	Where analogue reading provided.
FCV position(s)		Yes	If fitted.
Flow Setpoint(s)		Yes	If fitted.
Low Pressure Override Setpoints		Yes	If remote volumetric control fitted.
High Pressure Override Setpoints		Yes	If remote volumetric control fitted.
Outlet pressure set point		Yes	If remote pressure control fitted.
Compressibility		Yes	If fitted.
Flow meter temperature		Yes	If fitted.

Part 2A – FWACV Analogues (Sites with a flow greater than 1 million m³/day)

Point	Minimum Requirement?	Site Specific Options	Comments
Calorific Value	Yes		
Relative Density	Yes		
Nitrogen	Yes		
Carbon Dioxide	Yes		
Wobbe	Yes		
24 Hour Average CV	Yes		
24 Hour Average RD	Yes		
Inst. Volume Flow(s)	Yes		Corrected to STP.
Inst. Energy Flow(s)	Yes		Corrected to STP.

Part 2B – FWACV Analogues (Sites with a flow less than [or equal to] 1 million m³/day)

Point	Minimum Requirement?	Site Specific Options	Comments
CV Tracker	Yes		
RD Tracker	Yes		
Calorific Value		Yes	
Relative Density		Yes	
Nitrogen		Yes	
Carbon Dioxide		Yes	
24 Hour Average CV	Yes		
24 Hour Average RD	Yes		
Instantaneous Volume Flow(s)	Yes		Corrected to STP.
Instantaneous Energy Flow(s)	Yes		Corrected to STP.
CV Tracker	Yes		

Part 3 – States (All Sites)

Point	Minimum Requirement?	Site Specific Options	Comments
Filter	Yes		Common or individual alarm as fitted.
Slam Shut	Yes		Common or individual alarm as fitted.
Maintenance key	Yes		
Inlet pressure alarm		Yes	If fitted.
Outlet pressure alarm	Yes		
Heater/boiler status alarms			
Instrument fault		Yes	If fitted (may include RTU communications faults, barrier faults etc).
Intruder alarm	Yes		
System alarm(s)	Yes		CV or tracker monitoring alarms.
Instrument Gas Fail		Yes	If fitted.
Override		Yes	If remote volumetric control fitted.
Site mains supply	Yes		
Site charger alarm	Yes		
Generator running/locked out		Yes	If fitted.
Metering alarm	Yes		
Remotely operable meter valves		Yes	If fitted.
CV or tracker UPS alarm	Yes		CV or tracker UPS supply.
CV Not Valid		Yes	Flow > 1 Million m ³ /Day.
CV Not Attributable		Yes	Flow > 1 Million m ³ /Day.
FWACV Remote Access alarm	Yes		Flow > 1 Million m ³ /Day.
Status Local/Remote		Yes	If remote control fitted.
FCV Selected		Yes	If more than one control valve.
FCV Parallel		Yes	If more than one control valve.
Mode SPC/DVC		Yes	If remote control fitted.
Override in DVC		Yes	If remote control fitted.
Local Valve indications	Yes		
Pump A common alarm	Yes		Local Gas treatment.
Pump B common alarm	Yes		Local Gas treatment.
Tank low level	Yes		Local Gas treatment.
Power Supply	Yes		Local Gas treatment.

Part 4 – Controls

Point	Minimum Requirement?	Site Specific Options	Comments
Remote Flow Control Valves	Yes		
Remotely operable meter valves		Yes	If multiple meter streams selectable.
FCV Select		Yes	If more than one control valve.
SPC/DVC Select		Yes	If remote control fitted.
Override in DVC		Yes	If remote control fitted.
FCV Parallel		Yes	If remote control fitted.
Flow Setpoint		Yes	If remote control fitted.
DVC Control		Yes	If remote control fitted.
Low Press override		Yes	If remote control fitted.
High Press override		Yes	If remote control fitted.

Part 5 – Counters

Point	Minimum Requirement?	Site Specific Options	Comments
Volume integrators	Yes		
Boiler volume integrators		Yes	If fitted.
Boiler energy integrators		Yes	If fitted.
Energy integrators		Yes	Flow > 1 Million m ³ /Day
Pump A flow integrator	Yes		Local Gas treatment.
Pump B flow integrator	Yes		Local Gas treatment.

ANNEX E-2

Resilience of Telemetry Connection Facilities

(Paragraph 2.1.4)

1 Design and Operation

- 1.1 The Telemetry Connection Facilities shall be designed, operated and maintained following the lifecycle detailed within BS IEC 61511.
- 1.2 The DNO acknowledges that the Telemetry Connection Facilities form part of a safety instrumented system, therefore a risk assessment must be carried out to determine the required risk reduction for the Telemetry Connection Facilities to meet the appropriate Safety Integrity Level (SIL). A minimum SIL of ONE should be used unless the risk assessment dictates a more onerous SIL.

2 Availability and Reliability

- 2.1 The Telemetry Connection Facilities shall:
 - (a) have high availability as is agreed by the parties, which shall be greater than 99.95% for [strategically important sites] and greater than 99.5% for [all other sites]; and
 - (b) have a fallback which uses either the ISDN or PSTN.
- 2.2 The Telemetry Connection Facilities shall be designed to meet the requirements in paragraph 2.1. An availability model shall be produced detailing the availability of the design. The manufacturer's availability data, presented in terms of MTBF (Mean Time Between Failure) information, shall be used in producing the availability model.
- 2.3 The level of reliability for the overall RTU configuration shall have a MTBF in excess of 13,000 hours.

3 Resilience

- 3.1 The [Telemetry Connection Facilities comprise a remote telemetry unit (RTU)] which shall incorporate a watchdog timer capable of detecting a catastrophic failure of a downloaded RTU programme and automatically reverting to a previous proven version of that programme, a catastrophic failure of the RTU to scan the I/O, service the communication ports or run the kernel software.
- 3.2 In the event of a PSU failure (owing to a mains failure or otherwise), the DNO shall ensure that there is a back-up battery to provide on-site power to the Telemetry Connection Facilities for at least 8 hours, so as to enable RTU, I/O and communications to continue to operate normally.
- 3.3 In the case of a mains failure, this should be registered within the RTU and can be used, if so configured, to raise a corresponding alarm at the [Data Centre]. At [strategically important sites], a PSU management facility should be used to monitor the charger and batteries to enable the Data Centre to remotely monitor the estimated battery state throughout the failure (where so configured).
- 3.4 The DNO shall ensure that:
 - (a) Transco NTS is notified in good time where back-up battery failure (in which battery power is eventually lost following a mains power failure greater than 8 hours) is anticipated;

- (b) the I/O and Site should be put into a known safe state; and
- (c) any important volatile historical data from the RTU is recovered.

3.5 This paragraph 3.5 sets out a non-exhaustive list of RTU failure scenarios and the DNO response required:

3.5.1 Watchdog Timeout Failure

The RTU platform shall have a watchdog circuit comprising a re-triggerable hardware timer with direct access to the hardware reset line of the CPU (such that if the watchdog timer is timed out, the CPU will automatically be reset and start into its boot sequence). Any CPU reset caused by a watchdog timeout shall be registered, so as to enable the booting CPU to determine that a watchdog timeout has just occurred.

Any application software running on the CPU shall periodically reset the watchdog timer. In the event the RTU software crashes due to an unusual event (perhaps a power glitch), the watchdog should timeout and fire (typically within a fraction of a second), causing the RTU to reboot and hence automatically recover.

The RTU kernel shall reset watchdog at a predetermined interval and will register the occurrence of any watchdog timeout. On rebooting after a reset, the RTU shall set an internal status bit to indicate that it has undergone a reset due to a watchdog timeout.

3.5.2 Profibus DP Master Failure

The RTU shall be capable of detecting a Profibus DP master failure and set an error flag to indicate such failure. This error flag shall be accessible by the ISaGRAF application and by the toolset. The Profibus DP slave gateway shall also be capable of detecting such failure, unless it is a partial failure (where the Profibus DP master continues to poll the Profibus DP Slave(s) but indicated a failure to operate properly to the RTU).

The DNO shall ensure that it is possible either to freeze the outputs or set them to a safe value, depending on the user configuration.

3.5.3 Profibus DP Slave Gateway Failure

The Profibus DP master shall be capable of detecting a Profibus DP slave gateway failure and set an error status per Slave. This error status must be accessible to the ISaGRAF application.

In the event of loss of the Profibus DP gateway, the outputs of the I/O modules shall be set to the de-energised state.

3.5.4 I/O Module Failure

An I/O module failure means [all][any] of the following:

- (a) short-circuit of individual connection;
- (b) open-circuit of individual connection;
- (c) I/O Module breakdown; and
- (d) I/O Module removal.

The Profibus DP slave gateway shall be capable of detecting I/O module failures and of reporting such failures to the Profibus DP master and the RTU, in order to ensure the setting of an error status per I/O module. The error status shall be accessible to the ISaGRAF

application and by the toolset. In addition, all module failures on an RTU are [OR'ed] together to create a single alarm state which is set if any failure is detected.

Transco NTS shall be entitled to implement ISaGRAF applications to set analogue and digital input values to specified states in the event of the detection of a failure.

An updated version of the RTU software shall include, in addition to the above error detection functionality:

- (a) the setting of any analogue input to zero in the event of the failure of the relevant analogue input module being detected by the Profibus DP slave gateway; and
- (b) the setting of any digital input to the GTMS alarm state in the event of the failure of the relevant digital input module being detected by the Profibus DP slave gateway.

The setting of all analogue inputs to zero and all digital inputs to the GTMS alarm state in the event of the failure of the relevant I/O station being detected by the Profibus DP slave gateway.

DRAFT

ANNEX E-3**Compatibility Requirements**

(Paragraph 2.1.6)

1 Introduction

- 1.1 The GTMS system uses an intermediate layer of Front End Processor devices (called FEPs) to poll all of its outstation equipment. Each of these FEPs has many independent RS232 asynchronous serial interfaces, called FEP channels, each one effectively acting as a local network master using the modbus protocol to communicate with a number of connected modbus slaves (ie the outstations).
- 1.2 The FEP equipment determines the variant of modbus (based on a published modbus standard [MODBUS]) required for the purposes of the OAD (the **Modbus Variant**). The Telemetry Connection Facilities shall only be required to support Modbus Variant, as opposed to full modbus.
- 1.3 The Telemetry Connection Facilities shall be capable of supporting the modbus-based protocol, and that the protocol itself shall be encapsulated for transmission over IP.
- 1.4 This Annex E-3 specifies the modbus-based protocol used by the Modbus Variant and the method used to encapsulate the Modbus Variant into an IP form suitable for transmission by the Telemetry Connection Facilities. It also specifies how to map the protocol to the internal data structures of the Telemetry Connection Facilities.
- 1.5 Unless otherwise stated, all values in this Annex E-3 are decimal values. Where a hexadecimal value is used, this is denoted by a 0x prefix.

2 Modbus Variant

- 2.1 The following modbus function codes are supported in accordance with [MODBUS]:

Code	Function	Sub Function
0x02	Read Input Status	-
0x04	Read Input Registers	-
0x05	Force Single Coil	-
0x06	Pre Set Single Register	-
0x07	Read Exception Status	-
0x08	Diagnostics	0x02, Return diagnostic register

- 2.2 Function codes (0x07 and 0x08) are not used by GTMS, but are required to support testing activities.
- 2.3 Modbus has two serial transmission modes, called ASCII and RTU. Modbus Variant shall use the RTU transmission mode.

3 Encapsulation for IP

The modbus polls from the FEP channels are in an asynchronous serial form (multiple RS232 interfaces). For transmission over the Telemetry Connection Facilities these polls must first be encapsulated as equivalent IP-based polls by adding the appropriate IP and Transport Layer information. This will be done by straightforward encapsulation of the conventional serial modbus polls into a suitable TCP packet.

4 Integration of Modbus with MM4T

- 4.1 [The Telemetry Connection Facilities comprise] MM4T, which has internal Medina points (ie AI23, which correspond to analogue input point no. 23) whereas GTMS understands the coils and registers of modbus. It follows that it is necessary to specify the mapping between internal MM4T outstation data and the data being transferred using modbus.
- 4.2 The following table shows how a range of Medina points will be mapped onto a range of modbus registers within the [Telemetry Connection Facilities]:

Modbus Function Code	Medina Point type	Medina Point No	Modbus Register
0x02	Digital Input	DI:0-2047	0x10001 upwards
	Derived Digital	DID:0-2047	
0x04	Analogue Input	AI:0-511	0x30001 upwards
	Derived Analogue	AID:0-511	
	Pulse Counter	PI:0-511	
	Derived Pulse Counter	PID:0-511	
0x05	Digital Output	DO:0-2047	0x00001 upwards
	Derived Digital	DID:0-2047	
0x06	Analogue Output	AO:0-511	0x40001 upwards
	Derived Analogue	AID:0-511	

- 4.3 The Medina Point no. indicated above is a point identifier only and the ranges shown for these does not in any way indicate the total number of available Medina points on the outstation. In practice the actual number of available Medina points is governed by the available outstation memory. For example, a Medina point number of DI2012 would still be valid even for an outstation with 1024 digital inputs.
- 4.4 An error response (0x02) will be returned if the request refers to a register number not supported by that function.
- 4.5 A request with a function code that is not supported by the outstation will cause exception response 01 (Illegal Function) to be returned.
- 4.6 An invalid modbus register address (ie not addressing a valid point number as the start point) will cause the exception response 02 (Illegal Data Address) to be returned.
- 4.7 If the number of points specified causes the IO fit to be exceeded then exception response 02 will be returned.
- 4.8 The actual mapping between Medina and modbus is completely flexible and is defined using a configuration file.
- 4.9 Note that Pulse Counters can only be inputs, derived Medina point types can be either input or output, hence the mnemonic for derived point type is generic (ie AID refers to a derived analogue point type, either input or output).
- 4.10 As integrated points (PI and PID) have 32-bit values, when one is mapped to a modbus register, its lower 16 bits are mapped to that register, and its higher 16 bits are mapped to the next register.

- 4.11 Analogue values (AI, AID and AO) in transferred as modbus messages are raw sensor values in the range -32768 to 32767. Negative values are returned as zero. Where so configured, AI values are adjusted for zero-threshold, under and over-range limiting.
- 4.12 AO values are forwarded to the output hardware stage as received (ie as raw values).

DRAFT

Annex E-4
Daily Read Facilities
(Paragraphs 4.1.2 and 4.2.1)

Part 1 - Specifications

The Daily Read Facilities shall:

- (a) be compatible with the Measurement Equipment installed at the Offtake;
- (b) capture the prescribed information; and
- (c) capture the information on Site at least every 4 minutes for transmission every 24 hours in an electronic format with at least 1-month's information archived on Site.

DRAFT

Part 2A – Data Transfer from Metered Connections with Daily Read Equipment Installed

Point	Minimum Requirement?	Comments
Daily Calorific Value	Yes	Where measured.
	No	Where DCV from alternative place is used.
24 hour relative density	Yes	
24 hr integrated volume	Yes	

Part 2B – Data to be provided every 24 hours by the Downstream Party

Point	Minimum Requirement?	Comments
Daily Calorific Value	Yes	From measurement equipment of alternative place.
24 hour integrated volume	Yes	From measurement equipment.

DRAFT

SECTION F

DETERMINATION OF CALORIFIC VALUE

1 General

1.1 Introduction

1.1.1 This Section F sets out:

- (a) provisions for the avoidance or minimisation of CV shrinkage;
- (b) terms for the provision by one Party to another of data for the purposes of determining daily CVs;
- (c) the basis on which Transco NTS will, until 31 March 2007, determine daily CVs on behalf of each DNO.

1.1.2 In this Document

- (a) **Regulations** means the Gas (Calculation of Thermal Energy) Regulations 1996, as amended;
- (b) **daily CV** means daily calorific value for the purposes of the Regulations;
- (c) **charging area** means a 'charging area' (as defined in the Regulations) used by a DNO for the purposes of charging for gas conveyed in an LDZ;
- (d) **CV shrinkage** means gas unaccounted for (as described in paragraph 2.1.1(a)) by reason of the quantity of gas treated (pursuant to the application of the Regulations) as having flowed into an LDZ at NTS/LDZ Offtakes on a Day being less than the actual quantity of gas so flowing;
- (e) **input point** and **output point** in relation to a DNO mean an 'input point' and 'output point' (respectively) as defined in regulation 2(1) of the Regulations in relation to a take-off point (as so defined) on that DNO's LDZ.

1.2 Daily CVs

1.2.1 The Parties acknowledge that:

- (a) each DNO is required, pursuant to the Regulations, to determine daily CVs for its charging area(s);
- (b) for each DNO, daily CVs for each charging area are to be determined pursuant to regulation 4A of the Regulations;
- (c) as at the date of this Document, each LDZ represents a single charging area.

1.3 Information

- 1.3.1 All information and other data to be provided by any Party to another pursuant to this Section F shall be provided at the times, in the formats and by the means provided in or pursuant to Section [M].

2 CV Shrinkage

2.1 General

- 2.1.1 The Parties acknowledge that:

- (a) CV shrinkage arises in circumstances where the daily CV is determined under paragraph 4A(1)(b) of the Regulations (that is, where the average calorific values referred to in that paragraph diverge to such an extent that area calorific value exceeds the lowest of such average calorific values by more than 1MJ/m^3); and
- (b) this may, inter alia, occur where apparatus at an input point or output point fails to determine calorific values for a period exceeding 8 hours as provided in paragraph 4A(7) of the Regulations.

- 2.1.2 By virtue of [TPD Section [N]], CV shrinkage is treated as arising in the NTS and accordingly is part of NTS Shrinkage for which (pursuant to the TDP Section N) Transco NTS is responsible as Shrinkage Provider.

2.2 Minimisation of CV Shrinkage

- 2.2.1 The Parties acknowledge that (in relation to each LDZ) Transco NTS and each DNO have a common interest in avoiding or minimising the amount of CV shrinkage, and the Parties agree to cooperate with a view to avoiding or minimising the amount of CV shrinkage each Day.

- 2.2.2 In particular, where Transco NTS provides guidance to the DNO as to the pattern of gas flows as between NTS/LDZ Offtakes serving an LDZ which will avoid or minimise the amount of CV Shrinkage, the DNO will take account of such guidance in its Offtake Profile Notices and revisions thereof.

- 2.2.3 Nothing in this paragraph 2.2 shall give rise to any liability of any Party to any other Party, but without prejudice to paragraphs 2.3 and 2.4.

2.3 Rights in relation to measurement equipment

- 2.3.1 This paragraph 2.3 applies in order to provide assurance to Transco NTS as to the correctness and accuracy of the measured data from time to time used by DNOs in deriving average calorific values (for its input points and output points) for the purposes of determining daily CVs.

- 2.3.2 In relation to each input point and output point (other than an NTS/LDZ Offtake) on each System, the provisions of Section D (excluding the provisions referred to in paragraph 2.3.4) shall apply as between the relevant DNO and Transco NTS as if:

- (a) all such input points and output points were NTS/LDZ Offtakes, and
- (b) references to the upstream Party were to Transco NTS.

- 2.3.3 For the purposes of paragraph 2.3.2:

- (a) the DNO has furnished to Transco NTS at the date of this Document a statement of the Measurement Equipment installed at each such input point and output point, in the form and containing the details which would be required to be contained in Appendices C and C1 of the Supplemental Agreement relating to an NTS/LDZ Offtake;
- (b) such statement shall be deemed to be a Supplemental Agreement for the purposes of the application of Section D.

2.3.4 Provisions of Section D:

- (a) relating to measurement of matters (or points of telemetry) other than volume, energy and calorific value; or
- (b) as to the provision of measured data by telemetry; or
- (c) [*other matters not related to CV determination*];

are excluded from paragraph 2.3.2.

2.4 Liability of DNO's for CV Shrinkage

2.4.1 Where, as a result of the failure of a DNO to install, operate or maintain any apparatus in accordance with the standard of a Reasonable and Prudent Operator, such apparatus fails to determine calorific values for a period exceeding 8 hours (as provided in paragraph 4A(7) of the Regulations), the DNO shall compensate Transco NTS for the resulting CV Shrinkage (if any), for each Day for which the average calorific value for the relevant input point or output point is determined under paragraph 4A(7), in accordance with paragraph 2.4.2.

2.4.2 The DNO shall pay to Transco NTS for each Day an amount determined as $(CVS * P)$ where:

CVS is the amount (in MWh), if any, by which CV Shrinkage was increased on that Day (including an increase above zero) as a result of the average calorific value for the relevant input point or output point having been determined under paragraph 4A(7);

P is the 'NTS SO gas cost reference price' (as defined in the System Balancing Incentive scheme in Special Condition C8B 14(8)(e) of Transco NTS' Transporter's Licence) applicable in relation to the Day.

2.4.3 Transco NTS will determine any amount payable by a DNO pursuant to paragraph 2.4.2 and provide details to the DNO of its determination of such amount.

2.4.4 Amounts payable by a DNO pursuant to paragraph 2.4.2 shall be invoiced and payable in accordance with Section L.

3 Provision of CV data between Parties

3.1 Application

3.1.1 This paragraph 3 applies where at any time any Party (the **first** Party) provides to another Party (the **second** Party), for the purpose of determinations of daily CVs to be made by the second Party, any data (**CV data**) relating to its System or any point on its System (including without limitation daily calorific values adopted by the second Party, average calorific values determined at an alternative place, or other data derived from samples of gas taken at any place or premises).

3.2 Continuance of data provision

3.2.1 Subject to paragraph 3.2.2, and subject to any contrary agreement between such Parties:

- (a) the first Party shall continue to provide the CV data to the second Party and shall keep installed, maintain and operate any apparatus and other facilities for the time being installed for the purposes of the determination and provision of such CV data (but this shall not prevent the first Party from modifying or replacing any such apparatus or facilities, provided that the modification or replacement does not adversely affect the quantity or nature of the CV data provided by the first Party);
- (b) the second Party shall be permitted to use the CV data for the purposes of determining daily CVs;
- (c) the first Party shall not make any charge to the second Party for the provision of such CV data;
- (d) the first Party will determine and provide the CV data as a Reasonable and Prudent Operator, but (provided that it has acted in good faith, and without prejudice to paragraph 2) the first Party shall have no liability to the second Party (or any other Party) for any loss, liability, damage or claim which the second Party may suffer or incur as a result of any act, omission or failure of the first Party in the determination or provision of the CV data.

3.2.2 The first Party shall be entitled, upon giving notice of not less than 6 months to the second Party:

- (a) to discontinue the provision of such CV data;
- (b) to impose on the second party a reasonable charge for (reflective of the incremental costs incurred by it in) the provision of CV data to the second party;
- (c) to modify or replace the apparatus or other facilities installed by it, irrespective of the effect of such modification or replacement on the CV data provided by it.

4 Transitional Arrangements for Determination of Daily CVs

4.1 Transco NTS Determination of Daily CVs

4.1.1 For the period from the date of this Document to 31 March 2007, Transco NTS agrees to determine daily CVs for each charging area within the area of the DNO's System on behalf of each DNO.

4.1.2 For the avoidance of doubt each DNO shall itself determine daily CVs with effect from 1 April 2007, and (subject to paragraph 3.1) Transco NTS shall have no responsibility to any DNO in connection with such determination.

4.1.3 Nothing in this Document prevents any DNO from electing itself to make determinations of daily CVs, provided that the DNO shall give notice of such election to Transco NTS specifying the date (not being less than 6 months after such notice) with effect from which it intends to do so, which notice shall be irrevocable.

4.1.4 Except as provided in paragraph 4.3.3, Transco NTS will not make any charge to DNOs in respect of the determination of daily CVs under and as provided in this paragraph 4.

4.1.5 Transco NTS will undertake the determination of daily CVs as a Reasonable and Prudent Operator, but (without prejudice to the generality of Section [P]) provided that it has acted in good faith, Transco NTS shall have no liability to any DNO for any loss, liability, damage or claim which the DNO may suffer or incur as a result of any act, omission or failure of Transco NTS in the determination of daily CVs, whether negligent or otherwise.

4.2 Processes

4.2.1 To enable Transco NTS to undertake determinations of daily CVs, each DNO shall:

- (a) provide to Transco NTS a full description of the basis on which daily CVs in respect of its LDZ are (from time to time, and in any applicable circumstances, including without limitation pursuant to paragraphs (5)(b) or (c), (6) or (7) of regulation 4A, where applicable) to be determined and the arrangements made by the DNO for such determination;
- (b) provide or cause to be provided to Transco NTS each Day the information necessary for the determination (on the applicable basis specified by the DNO under paragraph (a)) of daily CVs, including average calorific value and volume (for the Day) for each input point and output point, and notice of any failure of apparatus as referred to in paragraph 4A(7) of the Regulations.

4.2.2 Information to be provided to Transco NTS under paragraph 4.2.1(b) shall be provided:

- (a) in relation to input points which are NTS/LDZ Offtakes, by telemetry in accordance with Section E and otherwise as specified in or pursuant to Section [M];
- (b) in relation to other input points and output points, by the means, in the format(s) and at the times specified in or pursuant to Section [M].

4.2.3 Transco NTS will determine daily CVs for the DNO on the basis of the information from time to time provided by the DNO under paragraph 4.2.1.

4.2.4 For the avoidance of doubt, Transco NTS shall have no responsibility under this paragraph 4 for the obtaining or determination of average calorific value or volume (or other data) relating to particular input points and output point, or as to the correctness or accuracy of such data.

4.3 Changes

4.3.1 If a DNO proposes to make any change (**relevant change**) to the basis (as referred to in paragraph 4.2.1(a) on which its daily CVs are determined or arrangements for such determination, including any such change as described in paragraph 4.3.2, the DNO shall give notice (of not less than 6 months) to Transco NTS of its proposal and discuss such proposal with Transco NTS in time to allow Transco NTS to take such steps as are necessary to implement such change.

4.3.2 A relevant change includes:

- (a) electing under the Regulations to change the definition of a charging area;
- (b) adding or removing any input points or output points for its charging area(s);
- (c) changing any of the processes or arrangements made for the application of paragraphs (5)(b) or (c), (6) or (7) of regulation 4A, where applicable; or

- (d) changing the configuration of any calorific value measurement equipment at any input point or output point.

4.3.3 If Transco NTS incurs any costs:

- (a) in order to implement a relevant change, or
- (b) in determining daily CVs following a relevant change, in excess of the costs which it would have incurred in determining daily CVs in the absence of the change

the DNO shall reimburse to Transco NTS the amount of such costs in accordance with Section L.

SECTION G

MAINTENANCE

1 Introduction

1.1 General

1.1.1 This Section G sets out the basis on which, and the extent to which, the maintenance of the NTS and each LDZ will (as between the Parties) be planned and coordinated and certain related issues.

1.1.2 References in this Document to maintenance (of the NTS or an LDZ or any part thereof) shall include:

- (a) maintenance, inspection, repair, replacement, reinstatement and recommissioning thereof;
- (b) works for the expansion, reinforcement or extension thereof;
- (c) any inspection, testing and commissioning of works within paragraphs (a) and (b);
- (d) any other works which are maintenance for the purposes of TPD Section L.

1.2 Relevant Maintenance

1.2.1 For the purposes of this Document, maintenance (of the NTS or an LDZ) to be carried out by any Party is **Relevant Maintenance** in relation to another Party (the **affected Party**) where such maintenance:

- (a) is maintenance (**Safety Relevant Maintenance**) which can be carried out safely only if the affected Party is aware of the carrying out of such maintenance (whether such maintenance is of a routine or non-routine nature); or
- (b) is maintenance (**Flow Relevant Maintenance**) of the NTS the carrying out of which (by Transco NTS) of which has or is likely to have a significant effect upon the ability of the DNO to cause or permit flows of gas (within its entitlements as DNO User under the Transportation Document) at an NTS/LDZ Offtake; or
- (c) is maintenance the carrying out of which by the downstream Party has or is likely to have a significant effect on the flows of gas at an Offtake which the affected Party (as the upstream Party) has specified under paragraph 1.2.2;
- (d) is maintenance (**Measurement Equipment Maintenance**) to be carried out by the downstream Party of Measurement Equipment at an Offtake for which the affected Party is the upstream Party; or
- (e) is maintenance of an LDZ the carrying out of which requires or is proposed on the basis of:
 - (i) the flow of gas at an LDZ/LDZ Offtake outside the Offtake Parameter Values; or
 - (ii) the opening of a Closed Offtake

for which the affected Party is the other Party.

- 1.2.2 The upstream Party may (by notice to the downstream Party) specify an Offtake for the purposes of paragraph 1.2.1(c) where the upstream Party considers that, if flows of gas at the Offtake are significantly affected by maintenance carried out by the downstream Party on the downstream System, its ability to operate other parts of the upstream System may be materially affected (provided that this shall impose no obligations on the downstream Party other than as to the inclusion of such planned maintenance in its Maintenance Programme).

1.3 SCO Interface Procedures

- 1.3.1 Relevant Maintenance must be planned and carried out in accordance with applicable requirements of the SCO Interface Procedures.

1.4 Obligations to Users

- 1.4.1 For the avoidance of doubt, it is the responsibility of each Party:

- (a) to determine the effects of any maintenance (whether carried out by itself on its System, or by another Party on another System) on the availability of gas for offtake at any System Exit Point on that Party's System; and
- (b) to give any notices to Users which are required to be given (or which such Party is entitled to give) under the Transportation Document in relation to such effect, and otherwise to keep Users or other persons informed (to the extent required by the Transportation Document or any Legal Requirement) as to such effect;

and a Party carrying out maintenance in relation to its System shall have no responsibility for any such determination, notice or information relating to any other Party's System.

1.5 Actions required for safety

- 1.5.1 Without prejudice to:

- (a) any duty pursuant to the Act, the Gas Safety Management Regulations, any Transporter's Licence or any Safety Case, or
- (b) the provisions of the Transportation Document,

nothing in this Section G shall prevent a Party from taking any action in relation to its System necessary in order to avoid an imminent and significant risk to the safe operation of its System; provided that such Party shall give as much notice as possible to affected Parties of such action and shall so far as practicable in the circumstances endeavour to plan and take such action in accordance with the provisions of this Section G.

2 Maintenance Programming

2.1 Maintenance Programme

- 2.1.1 For the purposes of this Document:

- (a) a **Maintenance Programme** is a programme to be prepared by a Party for the carrying out of planned maintenance of its System over a 24 month period;

- (b) in relation to a Maintenance Programme the **planning** Party is the Party preparing such programme;
- (c) references to the **relevant parts** of a draft Maintenance Programme are to the parts of a draft Maintenance Programme prepared by the planning which relate to maintenance which is Relevant Maintenance in relation to another Party (as affected Party);
- (d) **Planned Maintenance** is maintenance which is planned in a final (or updated final) Maintenance Programme.

2.1.2 A Maintenance Programme shall contain at least the information set out in Annex G-1.

2.2 Planning cycle

2.2.1 Each Party (as planning Party) shall:

- (a) prepare, and provide to and consult with each affected Party in relation to, the relevant parts of a draft Maintenance Programme, setting out the Relevant Maintenance which such Party proposes to carry out in the relevant period;
- (b) prepare (consistent with paragraph 2.2.6) and provide to each affected Party a final Maintenance Programme; and
- (c) update such Maintenance Programme to take account of all planned changes to such maintenance, and provide such updated Maintenance Programme to each affected Party

periodically in accordance with (and in relation to the periods, and by the times specified in) the applicable part of Annex G-2.

2.2.2 The planning Party shall indicate in the relevant parts of each draft Maintenance Programme what maintenance (planned in the programme):

- (a) it considers should be treated as Safety Relevant Maintenance; and
- (b) is Flow Relevant Maintenance (in the case of Transco NTS), Measurement Equipment Maintenance; and maintenance within each other category in paragraph 1.2.1.

2.2.3 Following receipt of the relevant parts of a draft Maintenance Programme, and at any time until [2 weeks] before the next date on which the planning Party is to provide a further draft or final Maintenance Programme,:

- (a) the affected Party may submit comments on the draft Maintenance Programme to the planning Party, and the planning Party may itself comment on such comments;
- (b) in particular, the affected Party may notify the planning Party that it considers that particular maintenance (in addition to what was identified under paragraph 2.2.2(a)) should be treated as Safety Relevant Maintenance;
- (c) if either the affected Party or the planning Party so requests, the Parties will meet for the purposes of discussing the draft Maintenance Programme and their respective comments.

2.2.4 The Parties shall endeavour in good faith to cooperate with a view to accommodating their respective comments in relation to a draft Maintenance Programme, but (subject to paragraph

2.2.5) the planning Party shall not be obliged to modify its draft Maintenance Programme to reflect the comments or requests of the affected Party.

2.2.5 Maintenance shall be treated as Safety Relevant Maintenance if either the planning Party or an affected Party considers that it should be so treated and so notifies the other Party pursuant to paragraph 2.2.2(s) or 2.2.3(b); and the planning Party shall ensure that the final Maintenance Programme (and each update thereof) is prepared accordingly.

2.2.6 The final Maintenance Programme (and each update thereof):

- (a) shall contain only maintenance which is Relevant Maintenance in relation to one or more affected Parties;
- (b) shall specify what maintenance (planned in the programme) is Safety Relevant Maintenance, Flow Relevant Maintenance, Measurement Equipment Maintenance and maintenance falling within any other category in paragraph 1.2.1, and which Party(ies) is or are the affected Party(ies) in respect of each such item of maintenance.

2.2.7 *[Provision for condensed version of final version to go to all Parties]*

2.3 Priority of NTS Maintenance

2.3.1 Transco NTS will (and shall be entitled to) prepare its Maintenance Programmes consistent with the 'Maintenance Programme' prepared (in relation to the NTS) pursuant to TDP Section [L].

2.3.2 Consistent with paragraph 2.2.4, nothing in this Document requires Transco NTS, in preparing any draft, final or updated Maintenance Programme to take account of any DNO's proposals for maintenance or reflect such DNO's Maintenance Programme(s); and it is the responsibility of each DNO (so far as it thinks appropriate) to ensure that its draft, final and updated Maintenance Programmes are consistent and coordinated with the Maintenance Programmes prepared by Transco NTS.

2.4 Revision of Maintenance Programmes

2.4.1 Each Party shall be entitled to revise its final (or updated) Maintenance Programme (as to the parts of the System on which Planned Maintenance is to be carried out, the nature or extent of the Planned Maintenance to be carried out, and/or the dates on which any Planned Maintenance is to be carried out) by giving notice of such revision to the other affected Parties in accordance with paragraph 2.4.2.

2.4.2 Notice of a revision to the Maintenance Programme:

- (a) shall (subject to paragraph 2.4.3) be given not less than five Business Days (or such shorter period as the Parties may agree) before:
 - (i) the commencement of the relevant Planned Maintenance as so revised; or
 - (ii) where such revision defers the commencement of Planned Maintenance, its commencement according to the Maintenance Programme before such revision;
- (b) shall specify the Planned Maintenance subject to such revision and the revised dates on which such Planned Maintenance will be carried out.

- 2.4.3 For the purposes of paragraph 2.4.2(a), where a Party agrees, at the request of an affected Party (including without limitation upon a request under paragraph 3.3), to modify its plans for maintenance of its System, notice of the revision of its Maintenance Programme to reflect such modification shall be give as soon as reasonably practicable after such modification was agreed.
- 2.4.4 The final (or updated) Maintenance Programme as revised shall take effect from the date of such notice.

2.5 Flow Relevant Maintenance

- 2.5.1 Transco NTS shall (subject to and in accordance with this paragraph 2.5) specify, in the final and each updated Maintenance Programme for the NTS, in relation to each item of Flow Relevant Maintenance, for each NTS/LDZ Offtake at which the flow of gas is (or is likely to be) affected by such maintenance:
- (a) the Day or Days on which such LDZ Offtake will be (or is likely to be) affected by such maintenance, and
 - (b) the anticipated effect of such maintenance on the ability of the DNO to cause or permit the flow of gas at such Offtake.
- 2.5.2 For the purposes of this Document a **Flow Relevant Maintenance Day** in relation to an NTS/LDZ Offtake is a Day specified in the Maintenance Programme for the NTS (prevailing on such Day) pursuant to paragraph 2.5.1(a).
- 2.5.3 For the avoidance of doubt in paragraph 2.2.5 the Maintenance Programme is the final or revised Maintenance Programme as from time to time revised pursuant to paragraph 2.4, but (without prejudice to the provisions of the Code as to Force Majeure) disregarding any revision made, on less notice than otherwise required under paragraph 2.4, to reflect Urgent Maintenance carried out by Transco NTS under paragraph 3.4.
- 2.5.4 For the purposes of TPD Section L[/], the maximum permitted number of Flow Relevant Maintenance Days in relation to all the NTS/LDZ Offtakes for an LDZ is 8 times the number of NTS/LDZ Offtakes for that LDZ.

2.6 Maintenance reporting

- 2.6.1 In relation to each Offtake, the downstream Party shall, no later than the last Day of each month, provide to the upstream Party a report, prepared in accordance with paragraph 2.6.2, in respect of Measurement Equipment Maintenance (if any) carried out in the preceding month.
- 2.6.2 The report referred to in paragraph 2.6.1 shall specify, in relation to each Offtake at which Measurement Equipment Maintenance was carried out in the relevant month:
- (a) the identity of the Offtake;
 - (b) the date(s) on which the Measurement Equipment Maintenance was performed;
 - (c) the works undertaken as part of such Measurement Equipment Maintenance; and
 - (d) confirmation that the requirements of this Document have been complied with in relation to such works.

3 Carrying out maintenance

3.1 Compliance with Maintenance Programme

3.1.1 A Party shall not carry out Relevant Maintenance other than as provided in its Maintenance Programme, except pursuant to paragraph 3.3 or 3.4.

3.2 Compliance with SCO Interface Procedures

3.2.1 Each Party shall ensure that it carries out all Relevant Maintenance in accordance with applicable requirements of the SCO Interface Procedures.

3.2.2 Each Party shall at its cost comply with the SCO Interface Procedures so far as they require such compliance) in relation to Relevant Maintenance carried out by (and included in the Maintenance Programme of) another Party.

3.2.3 Without prejudice to the generality of paragraph 3.2.1, each Party shall ensure that appropriate notice is given to all affected Parties prior to the commencement of any Relevant Maintenance, in accordance with applicable requirements of the SCO Interface Procedures.

3.3 Postponement of maintenance

3.3.1 An affected Party may request another Party (the **maintenance** Party) to postpone any Relevant Maintenance to be carried out by the maintenance Party where, in the reasonable opinion of the affected Party, the carrying out of such Relevant Maintenance in accordance with the maintenance Party's Maintenance Programme would compromise the safe operation by the affected Party of its System.

3.3.2 The affected Party shall give notice to the maintenance Party:

- (a) specifying the Relevant Maintenance which is to be postponed;
- (b) specifying the minimum period by which (in the affected Party's reasonable opinion) such Relevant Maintenance should be postponed in order to avoid such compromise to safety; and
- (c) providing an explanation of the affected Party's reasons for requiring such postponement.

3.3.3 Following such notice:

- (a) the Parties shall discuss the matter;
- (b) the maintenance Party shall not withhold its agreement to the other Party's request, unless in its reasonable opinion the postponement of the Relevant Maintenance would compromise the safe operation of its System;
- (c) (unless the maintenance Party withholds its agreement under paragraph (b), or the Parties otherwise agree) the maintenance Party shall revise its Maintenance Programme so as to postpone the carrying out of the Relevant Maintenance by no less than the period specified by the affected Party pursuant to paragraph 3.3.2(b).

3.3.4 The affected Party shall be liable to reimburse to the maintenance Party the amount by which the costs incurred by the maintenance Party in carrying out the Relevant Maintenance were increased as a result of the postponement (determined having regard, inter alia, to the amount of notice given of such postponement).

3.4 Urgent Maintenance

3.4.1 Paragraph 3.4.2 shall apply where, in the reasonable opinion of any Party (the **maintenance Party**):

- (a) it is necessary as a matter of urgency to carry out any Relevant Maintenance on its System, which is not planned (or other than as planned) in the prevailing Maintenance Programme, in order to ensure the continued safe operation of its System;
- (b) the urgency of the requirement precludes a revision of the Maintenance Programme in accordance with paragraph 2.4

(and such Relevant Maintenance is **Urgent Maintenance**).

3.4.2 In the circumstances in paragraph 3.4.1:

- (a) the maintenance Party shall give as much notice as possible to the affected Party(ies) of the requirement for Urgent Maintenance, specifying the nature, extent and proposed timing of the Urgent Maintenance;
- (b) the Parties shall thereupon consult with a view to agreeing upon the carrying out and timing of such Urgent Maintenance.

3.4.3 The maintenance Party shall be entitled to carry out such Urgent Maintenance on the basis agreed pursuant to paragraph 3.4.2 or (failing such agreement) taking into account as far as practicable the concerns and interests of other affected Parties made known in the course of discussions pursuant to that paragraph.

3.5 LDZ/LDZ Offtakes

DRAFT

3.5.1 Where (as referred to in paragraph 1.2.1(e)) any Relevant Maintenance is to be carried out on the basis of:

- (a) the flow of gas at an LDZ/LDZ Offtake outside the Offtake Parameter Values; or
- (b) the opening of a Closed Offtake,

the planning Party shall comply with the applicable requirements of Section [J].

3.6 Maintenance Co-Operation

3.6.1 It is acknowledged that the carrying out of certain Relevant Maintenance by a Party may require:

- (a) particular rates of flow in the relevant part of the NTS or (as the case may be) LDZ which can only be achieved with the co-operation of one or more affected Parties to ensure corresponding rates of flow at relevant Offtake(s);
- (b) cooperation of an affected Party for the purposes referred to in paragraph 3.5;
- (c) other cooperation of an affected Party as to the flows or pressures of gas in its System.

3.6.2 The planning Party shall include in the relevant parts of the draft Maintenance Programme, and the final (and updated) Maintenance Programme, details of the cooperation which is required from an affected Party in relation to any Relevant Maintenance as described in paragraph 3.6.1.

3.6.3 The affected Party shall:

- (a) at the request of the planning Party, discuss and seek to agree upon the steps to be taken by way of such cooperation; and
- (b) in any event, for the purposes of paragraph 3.6.1(a), use all reasonable endeavours to co-operate with the planning Party in relation to the carrying out of such Relevant Maintenance with a view to ensuring the required rates of flow at the relevant Offtake(s).

3.6.4 Where:

- (a) such cooperation requires the affected Party to operate, adjust or control any part of its System in a particular way, and
- (b) such operation, adjustment or control cannot be effected remotely from the affected Party's control centre

the affected Party may, provided it indicated its intention of doing so when was first requested (in relevant parts of a draft Maintenance Programme or otherwise) to provide such cooperation, recover its costs incurred in sending send any personnel to such part of its System to effect such operation, adjustment or control.

DRAFT

Annex G-1

Maintenance Programme
(Paragraph 2.1.2)

Minimum details for Maintenance Programme:

- (a) location of works;
- (b) affected Offtakes;
- (c) dates of works;
- (d) type of maintenance (whether Safety Relevant Maintenance, Flow Relevant Maintenance or Measurement Equipment Maintenance); and
- (e) details of works [*eg. OLI run, ROV test*].

DRAFT

Annex G-2

Timetable for Maintenance Programming
(Paragraph 2.2.1)

Part 1 – NTS/LDZ Offakes

Date due	Programme type	Period covered	Party providing	Party receiving
30 November	Draft	24 months from next 1 April	Transco NTS	DNOs
31 December	Draft	24 months from next 1 April	DNOs	Transco NTS
1 February	Draft	24 months from next 1 April	Transco NTS	DNOs
15 March	Final	24 months from next 1 April	Transco NTS	DNOs
			DNOs	Transco NTS
30 June	Draft update	6 months from next 1 October	Transco NTS	DNOs
			DNOs	Transco NTS
15 September	Final update	6 months from next 1 October	Transco NTS	DNOs
			DNOs	Transco NTS

Part 2 – LDZ/LDZ Offakes

Date due	Programme type	Period covered	Party providing	Party receiving
1 January	Draft	12 months from next 1 April	DNOs	DNOs
1 March	Final Update	6 months from next 1 April	DNOs	DNOs
1 September	Final Update	6 months from next 1 October	DNOs	DNOs

DRAFT

SECTION H

NTS LONG TERM DEMAND FORECASTING

1 General

1.1 Introduction

1.1.1 This Section H sets out requirements for Transco NTS and each DNO to exchange information relating to historic and forecast development of demand in relation to the DNO's LDZ(s).

1.2 Interpretation

1.2.1 For the purposes of this Section H:

- (a) in accordance with paragraph 2.1.1, the planning year is the Gas Year in which information is to be provided;
- (b) in relation to the planning year:
 - (i) Gas Year 0 is the planning year;
 - (ii) calendar year 0 is the calendar year commencing 1 January in the planning year;
 - (iii) Formula Year 0 is the Formula Year commencing 1 [April] in the planning year;

and references to Gas Year(s), calendar year(s) or Formula Year(s) –1, and 1 to 9, shall be construed accordingly.

1.2.2 For the purposes of this Section H (including the information specification in Annex H-1 or any revised information specification provided by Transco NTS under paragraph 2.2):

- (a) references to a load are to the load at any Supply Point or CSEP ([excluding] a Storage Connection Point) on an LDZ;
- (b) consumption excludes LDZ shrinkage, and demand includes LDZ shrinkage;
- (c) information as to:
 - (i) annual demand is to be provided for a calendar year [and (where so provided) a Formula Year], and
 - (ii) peak-day demand is to be provided in relation to a Gas Year;
- (d) peak-day and daily demand is to be stated in MWh/day, and annual demand is to be stated in GWh/year;
- (e) "**weather-correction**" means adjustment to given [weather] conditions, and weather-corrected shall be construed accordingly;
- (f) references to interruptible demand (or loads) are to be construed in accordance with TPD Section O2.1.3(a), and references to firm demand (or loads) are to be construed accordingly;

- (g) load bands are bands (of annual consumption, in GWh/year) in which loads (or loads within categories) are to be segregated for purposes of information provision;
- (h) categories are categories of load, comprising:
 - (i) daily metered (DM) or non-daily metered (NDM);
 - (ii) firm or interruptible; and
 - (iii) any other category under a revised information specification provided by Transco NTS under paragraph 2.2.

1.3 Peak day demand

- 1.3.1 Forecasts of peak day load shall be calculated in a manner consistent with the principles laid down by the British Gas document TD76, Report of the Steering Group on Temperature/Demand Relationships [or, in the event that such document is superseded, by such other document as Transco NTS may from time to time notify to the DNO].
- 1.3.2 Transco NTS shall publish on its website an outline of its application of these principles in the form of a gas demand forecasting methodology document.

1.4 Nature of information

- 1.4.1 The Parties acknowledge that information provided by Transco NTS to a DNO concerning an LDZ will be prepared (inter alia) on the basis of information provided by that DNO (as well as by Users and others), and Transco NTS has no direct knowledge of the loads on that LDZ.
- 1.4.2 [Without prejudice to any Legal Requirement, neither Party shall be bound nor entitled to rely for any purposes by or on information provided by the other under this Section H, but either Party may require the other to meet for the purposes of discussing any discrepancy between the information provided by each of them.]

1.5 Consistency with Transportation Document

- 1.5.1 The Parties intend that the preparation and provision of information under this Section H should be consistent with and should facilitate the preparation and publication by Transco NTS of planning and other information under TPD Section O.

1.6 Further provisions

- 1.6.1 The DNO shall, at Transco NTS's request:
 - (a) provide Transco NTS with any additional information or forecasts relating to demand on its LDZ(s) reasonably required by Transco NTS, and
 - (b) in particular, shall allow Transco NTS access to consumption data (by [supply type] and for individual daily-metered loads) of end-users connected to the relevant LDZ(s)for the purposes of enabling Transco NTS to comply with any provision of its Transporter's Licence which requires or necessitates long-term demand forecasting.
- 1.6.2 Transco NTS shall be entitled to publish the forecast information provided to it by the DNO, provided that such information is published on an aggregated basis which does not disclose demand information relating to individual loads.

2 Provision of information

2.1 Calendar

2.1.1 In each Gas Year (the **planning year**), by the relevant date in accordance with paragraph 2.1.2:

- (a) Transco NTS shall provide the specification (subject to and in accordance with paragraph 2.2) of, and the specific dates (in accordance with paragraph 2.1.2) for the provision of, pre-forecast and forecast information;
- (b) the DNO shall provide pre-forecast information relating to the preceding calendar year (year –1) and calendar years 0 to 9 in accordance with paragraph 2.3;
- (c) Transco and the DNO shall meet to discuss the pre-forecast information provided under paragraph (b);
- (d) the DNO shall provide forecast information relating to calendar years and Gas Years 0 to 9 in accordance with paragraph 2.4;
- (e) if either Party requests, Transco and the DNO shall meet to discuss the forecast information provided under paragraph (d);
- (f) Transco NTS shall provide forecast information relating to calendar years, Gas Years and (as appropriate) Formula Years 0 to 9 in accordance with paragraph 2.5;
- (g) Transco NTS shall provide CV and Wobbe Index forecast information [relating to calendar years and Gas Years 0 to 9].

2.1.2 The calendar for the provision of information and meetings under paragraph 2.1.1 is as follows:

Paragraph	Step	Relevant date in Gas Year 0
2.1.1(a)	Transco NTS provides dates and specification	The end of November
2.1.1(b)	DNO provides pre-forecast information	The end of the second full week of February
2.1.1(c)	Parties meet to discuss pre-forecast information	The end of the fourth week after the DNO pre-forecast information was provided
2.1.1(d)	DNO provides forecast information	The end of the second full week of March
2.1.1(e)	On request, Parties meet to discuss DNO forecast information	As soon as possible after request
2.1.1(f)	Transco NTS provides forecast information	The end of the first full week of May
2.1.1(g)	Transco NTS provides CV and Wobbe forecast	Two months after the Transco NTS forecast information was provided

2.2 Specification

- 2.2.1 Subject to paragraph 2.2.2, Transco NTS will, in each planning year, provide the specification (as to timetable, demand, load bands, categories, weather-correction and other information) of information to be provided by either Party under this Section H, in accordance with paragraph 2.1.1(a).
- 2.2.2 The specification in paragraph 2.3 and Annex H-1 shall apply until and unless Transco NTS provides a different specification (and any specification may be provided in the form of a variation from paragraph 2.3 or Annex H-1).

2.3 Pre-forecast information

- 2.3.1 Subject to paragraph 2.2.1, the pre-forecast information to be provided by the DNO is the following information:
- (a) actual consumption and LDZ shrinkage in the LDZ in the preceding calendar year (year –1):
 - (i) weather-corrected in accordance with the specification pursuant to paragraph 2.2,
 - (ii) segregated in each of the load bands and categories in which (for the purposes of paragraph 2.4) forecast information (for years 0 to 9) is required to be provided by the DNO in year 0, and
 - (iii) including adjustments in respect of [Aggregate Reconciliation], including where appropriate re-phasing of such adjustments into calendar years prior to calendar year –1;
 - (b) the number of new loads connected to the LDZ in calendar year –1, and the number of loads in aggregate at the end of calendar year –1, each segregated into domestic and non-domestic loads;
 - (c) details (as provided in paragraph 2.3.2) of each load greater than 58.6 GWh/year:
 - (i) connected to the LDZ in calendar year –1, or
 - (ii) expected to be connected to the LDZ in any of calendar years [and Gas Years] 0 to 9
 - (d) information concerning any known or expected changes in the details referred to in paragraph 2.3.2 relating to any existing loads greater than 58.6 GWh/year.
- 2.3.2 The details referred to in paragraph 2.3.1(c) and (d) are expected 1-in-20 peak day demand, annual demand, category of load, date of first gas flow and any associated phasing or build-up of demand.

2.4 DNO forecast information

- 2.4.1 Subject to paragraph 2.2.1, the forecast information to be provided by the DNO is forecast information as to consumption and demand (in load bands and categories) as specified by Transco NTS in relation to calendar years and Gas Years 0 to 9.

2.5 Transco NTS forecast information

2.5.1 Subject to paragraph 2.2.1, the forecast information to be provided by Transco NTS is forecast information as to:

- (a) annual and 1 in 20 peak day consumption and shrinkage;
- (b) daily and monthly demand profiles,
- (c) load duration curves,

(in load bands and categories) as specified in Part 2 of Annex H-1, and

- (d) storage simulation model input data as so specified;

and in relation to any new load(s) (ie. loads first connected in any of calendar years or Gas Years 0 to 9, and included in the forecast information) greater than 58.6 GWh/year, an overview of the contribution of those load(s) to overall annual and 1-in-20 peak day demand.

2.6 CV assumption

2.6.1 All forecast information provided by the DNO or Transco NTS shall be accompanied by a statement of the assumption(s) made as to calorific values in the preparation of such information.

Annex H-1

Information Specification
(Paragraphs 1.2.2 and 2.2.2)

Part 1 - Forecast information to be provided by DNO

Forecast Item	Data Elements	Basis of Weather Correction to be Applied
Peak Day Demand	NDM Firm consumption DM Firm consumption Total Firm consumption Total Interruptible consumption Total LDZ demand	1 in 20
Annual Demand	NDM Firm 0 to 73.2MWh p.a. NDM Firm 73.2 to 732MWh p.a. NDM Firm >732MWh p.a. Total NDM Firm consumption Total DM Firm consumption Total Interruptible consumption Total LDZ demand	Average (17 Year Seasonal Normal Composite Weather Variable)

Part 2 - Forecast information to be provided by Transco NTS:

Forecast Item	Data Elements	Basis of Weather Correction to be Applied
Peak Day Demand	NDM Firm 0 to 73.2 MWh p.a. NDM Firm 73.2 to 732 MWh p.a. NDM Firm 732MWh to 5860 MWh p.a. NDM Firm >5860 MWh p.a. Total NDM Firm consumption DM Firm consumption Total Firm demand Interruptible consumption Total Interruptible demand Total LDZ demand	1 in 20
Annual Demand	NDM Firm 0 to 73.2 MWh p.a. NDM Firm 73.2 to 732 MWh p.a. NDM Firm 732MWh to 5860 MWh p.a. NDM Firm >5860 MWh p.a. Total NDM Firm consumption DM Firm <1465 GWh p.a. DM Firm >1465 GWh p.a. Total DM Firm consumption Total Firm demand Interruptible <1465 GWh p.a.	Average (17 Year Seasonal Normal Composite Weather Variable)

Forecast Item	Data Elements	Basis of Weather Correction to be Applied
	Interruptible >1465 GWh p.a. Total Interruptible consumption Total Interruptible demand Total LDZ demand	
Monthly Demand Profile (Current calendar year plus two subsequent years)	NDM Firm 0 to 73.2 MWh p.a. NDM Firm 73.2 to 732 MWh p.a. NDM Firm 732MWh to 5860 MWh p.a. Firm 5860MWh to 1465 GWh p.a. Interruptible <1465 GWh p.a. Very Large User (>1465 GWh p.a.) Total LDZ consumption Total LDZ demand	Average (17 Year Seasonal Normal Composite Weather Variable)
Daily Demand Profile	NDM Firm consumption DM Firm consumption Total Firm demand Total Interruptible demand LDZ Demand	Average (17 Year Seasonal Normal Composite Weather Variable) 1 in 20 cold 1 in 20 warm
Load Duration Curves	NDM Firm consumption Total Firm demand Total Interruptible demand LDZ Demand	Average (17 Year Seasonal Normal Composite Weather Variable) 1 in 50 severe
Storage Simulation Model Input Data	<ul style="list-style-type: none"> • Historical Composite Weather Variable data in gas year format from 1928/29 to the immediately preceding year; and • Weather demand model covering the period beginning 1st October of the gas supply year immediately preceding the current year 	

SECTION I

NTS OPERATIONAL FLOWS

1 General

1.1 Introduction

1.1.1 This Section I sets out:

- (a) requirements (for the purposes of TPD Section J4) as to the submission of Offtake Profile Notices in relation to NTS/LDZ Offtakes;
- (b) certain other details required in relation to NTS/LDZ Offtakes for the purposes of TPD Section J4;
- (c) provisions as to pressure at NTS/LDZ Offtakes;
- (d) the basis, as between Transco NTS and DNOs, on which interruption rights under TPD Section G will be exercised;
- (e) other operational provisions relating LDZs and NTS/LDZ Offtakes.

1.2 Interpretation

1.2.1 In this Section I:

- (a) references to Offtakes are to NTS/LDZ Offtakes;
- (b) a reference (in relation to an LDZ or an NTS/LDZ Offtake(s) serving an LDZ) to the aggregate offtake or rate of offtake is a reference to the aggregate, for all NTS/LDZ Offtakes serving the LDZ, of the offtakes or rates of offtake.

2 Offtake Profile Notices

2.1 General requirements

2.1.1 Offtake Profile Notices are to be submitted by the downstream DNO each Day in respect of each Offtake.

2.1.2 Offtake Profile Notices are to be submitted in the format and units specified in Annex I-1 and by the means provided in or pursuant to Section [M].

2.1.3 The rates of offtake set out in an Offtake Profile Notice shall be constant for each hour of the clock.

2.1.4 The rates of offtake set out in Offtake Profile Notices (including any revisions thereof) shall:

- (a) reflect as accurately as reasonably practicable (but without prejudice to TDP Sections J[1]) the quantities in which and rates and times at which the DNO intends or expects (at the time it submits the Offtake Profile Notice) to cause or permit gas to flow at each Offtake;
- (b) without prejudice to paragraph (a), on an aggregate basis for an LDZ, be consistent (after taking account of planned LDZ stock change and flows at LDZ/LDZ Offtakes)

with the forecast LDZ demand in the prevailing demand forecast issued by the downstream DNO pursuant to TPD Section [H5] or paragraph 6.1;

- (c) be consistent with the requirement in paragraph 6.2.1.

2.2 Initial Offtake Profile Notice

- 2.2.1 For the purposes of TPD Section J4.6.1, the time by which the Offtake Profile Notice for a Day is to be submitted to Transco NTS is 1800 hours on the Preceding Day.
- 2.2.2 If the DNO fails to submit an Offtake Profile Notice for a Day by the time required under paragraph 2.2.1, it shall be deemed to have submitted an Offtake Profile Notice which is the same as the Offtake Profile Notice for the Preceding Day prevailing at that time.

2.3 Revisions to Offtake Profile Notices

- 2.3.1 Subject to the provisions of this paragraph 2, a DNO may revise the prevailing Offtake Profile Notice (in relation to an Offtake) for any Day, as to the rate of offtake as at any time (T_{RO}), by submitting a revised Offtake Profile Notice at a time (T_{OPN}):

- (a) in the case of an increase in rate of offtake:
 - (i) if the applicable flow rate change is not less than 50% of the Maximum Flat Offtake Rate, not later than 4 hours before time T_{RO} ;
 - (ii) if the applicable flow rate change is less than 50% but not less than 25% of the Maximum Flat Offtake Rate, not later than 2 hours before time T_{RO} ;
 - (iii) if the applicable flow rate change is less than 25% of the Maximum Flat Offtake Rate, not later than 1 hour before time T_{RO} ;
- (b) in the case of an decrease in rate of offtake, not later than 1 hour before time T_{RO} .

- 2.3.2 For the purposes of this paragraph 2.3:

- (a) the "**Maximum Flat Offtake Rate**" in respect of an Offtake is a rate calculated as 1/24th of the DNO's NTS Offtake (Flat) Capacity;
- (b) in relation to any revised Offtake Profile Notice(s), in relation to any time (T_{RO}) on the Gas Flow Day, the applicable flow rate change is the magnitude of the difference between:
 - (i) the rate of offtake (as at time T_{RO}) under the relevant Offtake Profile Notice, and
 - (ii) the rate of offtake (as at time T_{RO}) under the revised Offtake Profile Notice;expressed as a percentage of the Maximum Flat Offtake Rate;
- (c) for the purposes of paragraph (a), the relevant Offtake Profile Notice is:
 - (i) the prevailing Offtake Profile Notice(s); or
 - (ii) in relation to any Offtake in relation to which there are two or more connected Offtake Profile Notices, the earliest-submitted of such connected Offtake Profile Notices;

where two Offtake Profile Notices are connected if under the earlier-submitted notice any change in rate of offtake occurs at a time which is later than the latest time at which the later-submitted notice was required (in accordance with paragraph 2.3.1) to be submitted.

2.3.3 Where, pursuant to one or more revised Offtake Profile Notice(s) submitted by a DNO in relation to the Offtake(s) serving one LDZ, there is at any time (T_{RO}) a change in the aggregate rate of offtake:

- (a) the time (T_{OPN}) at which such revised Offtake Profile Notice(s) are submitted shall not be less than two hours before time T_{RO} ;
- (b) the aggregate flow rate change, for any time (T_{RO}) of the Day, pursuant to revised Offtake Profile Notices submitted within any one hour (H_{OPN}) of the clock, shall not exceed 5%.

2.3.4 For the purposes of paragraph 2.3.3(b), in relation to any hour (H_{OPN}), the aggregate flow rate change at any time (T_{RO}) is the magnitude of difference between:

- (a) the aggregate rate of offtake at time T_{RO} pursuant to the Offtake Profile Notices prevailing at the start of hour H_{OPN} , and
- (b) the aggregate rate of offtake at time T_{RO} pursuant to the Offtake Profile Notices prevailing (pursuant to any revisions thereof within hour H_{OPN}) at the end of hour H_{OPN}

expressed as a percentage of the aggregate rate of offtake at time T_{RO} pursuant to the Offtake Profile Notices prevailing at the start of hour H_{OPN} .

2.3.5 The DNO may not submit a revised Offtake Profile Notice in relation to any Offtake:

- (a) more frequently than once in each hour of the clock;
- (b) so as to change the rate of offtake other than with effect from an exact hour of the clock;
- (c) later than 04:00 hours on the Gas Flow Day.

2.4 Revisions requested by Transco NTS

2.4.1 Transco NTS may at any time request a DNO to submit revised Offtake Profile Notices for two or more Offtakes for an LDZ, subject to and in accordance with this paragraph 2.4.

2.4.2 Transco NTS' request shall specify:

- (a) the Offtakes in respect of which such revision is requested;
- (b) the times with effect from which the DNO is requested to revise the relevant rates of offtake; and
- (c) the revised rates of offtake requested.

2.4.3 Any request by Transco NTS for the revision of any Offtake Profile Notices shall satisfy the following requirements:

- (a) for all times in the Day, the aggregate, in respect of all Offtakes (serving the same LDZ) for which such request is made, of the revised rates of offtake requested is the

same as the aggregate rates of offtake under the prevailing Offtake Profile Notices at the time the request is made; and

- (b) (unless Transco agrees to waive or vary such requirements) the requested revisions are permitted under the requirements of this paragraph 2 on the assumption that the DNO submits such revised Offtake Profile Notices within [/] minutes after Transco NTS' request is made.

2.4.4 The DNO shall comply with Transco NTS' request unless in the DNO's reasonable opinion the safe and efficient operation of the LDZ (consistent with the DNO's obligations to Users under the Transportation Document) would be significantly prejudiced by the flow of gas at the relevant Offtakes on the basis of the requested revisions, in which case the DNO shall:

- (a) contact and inform Transco NTS of the position as soon as possible following receipt of Transco NTS' request, and
- (b) cooperate with Transco NTS and use all reasonable endeavours to agree upon alternative revisions to Offtake Profile Notices.

2.5 Low demand Days

2.5.1 Where, in relation to any LDZ, LDZ demand for any Day is forecast (in the [initial] LDZ demand forecast pursuant to TPD Section H5) to be less than 60% of 1-in-20 peak day demand, Transco NTS may, by giving notice to the DNO [not later than ____], require that paragraph 2.5.2 shall apply.

2.5.2 Where this paragraph applies, irrespective of the amount (if any) of NTS Offtake (Flexibility) Capacity held by the DNO at any Offtake:

- (a) the DNO shall operate the LDZ and each Offtake such that, subject to the restrictions in paragraph 2.3 on revisions of Offtake Profile Notices, for any given level of LDZ demand, the flows of gas at the Offtakes in aggregate for that LDZ are even throughout the Day;
- (b) in accordance with paragraph (a):
 - (i) after the DNO has submitted its initial Offtake Profile Notices, a revision of such Offtake Profile Notices under which the aggregate (for all Offtakes serving the LDZ) of the rates of offtake is revised, shall only be made to reflect changes in forecast LDZ demand;
 - (ii) subject to the requirements of paragraph 4, each Offtake Profile Notice or revision thereof submitted by the DNO shall specify a single rate of offtake:
 - (aa) in the case of the initial Offtake Profile Notice, for the whole of the Day;
 - (bb) in the case of any revised Offtake Profile Notice, with effect from the time from which the rate of offtake is revised, for the remainder of the Day.

2.6 Variation of restrictions

2.6.1 The requirements and restrictions in this paragraph 2 in relation to Offtake Profile Notices (and revisions thereof) shall not apply to the extent that (subject to and in accordance with TPD Section J4.5.5, where applicable) Transco NTS waives or agrees to vary any such

requirement or restriction in a particular case, and in particular shall not apply to the extent inconsistent with any Interruption Instruction given by Transco NTS under paragraph 5.

- 2.6.2 A DNO may request a waiver or variation (as referred to in paragraph 2.6.1) by submitting a proposed Offtake Profile Notice which does not comply with any such requirement or restriction, and such proposed Offtake Profile Notice shall take effect as an Offtake Profile Notice if and (if so) with effect from the time at which Transco NTS agrees such waiver or variation.

3 Further provisions of TPD Section J

3.1 Offtake tolerances

- 3.1.1 This paragraph 3.1 sets out the tolerances referred to in TPD Section [J4.7.2].
- 3.1.2 For the purposes of TPD Section J4.7.2(a), the tolerance, in respect of the offtake of gas at an Offtake, is 10% of the Prevailing Offtake Rate.
- 3.1.3 For the purposes of TPD Section J4.7.2(b), the tolerance, in respect of the offtake of gas in aggregate at all of the Offtakes which serve an LDZ, is 3% of the aggregate of the Prevailing Offtake Rates.

3.2 Maximum rate of change

- 3.2.1 For the purposes of TPD Section J4.8.1, the maximum rate of change in respect of an Offtake is the rate (if any) set out in the applicable Supplemental Agreement.
- 3.2.2 Where no maximum rate of change is set out in the applicable Supplemental Agreement, paragraph 3.2.3 shall apply instead of the requirement in TPD Section J4.7.2.
- 3.2.3 The downstream DNO shall not change the rate of offtake at an Inter-System Offtake at a rate which is likely to damage any plant or equipment installed (pursuant to Section B) by either Party at or in connection with the Inter-System Offtake.

4 Pressure

4.1 General

- 4.1.1 For the purposes of this Section I, in relation to an Offtake:
- (a) **Assured 0600 Pressure** and **Assured 2200 Pressure** mean the 0600 pressure and the 2200 pressure respectively comprised in the Assured Offtake Pressure in accordance with TPD Section J2.5;
 - (b) a reference to the 0600 pressure in relation to a Day is to pressure (at the Point of Offtake) at 0600 hours at the end of the Day;
 - (c) at any time, in relation to any Day, the **Agreed 0600 Pressure** means the agreed 0600 pressure for that Day prevailing in accordance with paragraph 4.2.7 at that time.
- 4.1.2 For the purposes of TPD Section J2.1.4, pursuant to TPD Section J2.1.1(b)(iii), the Applicable Offtake Pressure (so far as relating to 0600 pressure) in relation to an Offtake on any Day shall be the Agreed 0600 Pressure.

4.1.3 Without prejudice to the rights and obligations of the Parties under this Document (or to the specific provisions of this paragraph 4), in relation to any or all of the Offtakes serving an LDZ, Transco NTS and the DNO agree to cooperate with a view to establishing operating pressures at such Offtake(s) which optimise the safe and efficient operation of the NTS and such LDZ.

4.2 Agreed pressures

4.2.1 For the purposes of this paragraph 4.2, in relation to an Offtake:

- (a) a **pressure request** is a request (including a revised request) to be submitted by the DNO specifying a requested 0600 pressure, being the DNO's preferred 0600 pressure for the purposes of operating that Offtake and the LDZ on that Day;
- (b) the requested 0600 pressure in a pressure request may be lower than, equal to or (subject to paragraph 4.2.4) higher than:
 - (i) in the case of the initial pressure request (under paragraph 4.2.2(a)), the Assured 0600 Pressure;
 - (ii) in the case of a revised pressure request, the Agreed 0600 Pressure.

4.2.2 In relation to each Offtake, for each Day:

- (a) the DNO shall, at the same time as submitting (in accordance with paragraph 2.2.1) an initial Offtake Profile Notice for the Day, submit to Transco NTS an initial pressure request, specifying the requested 0600 pressure for Day D;
- (b) the DNO may from time to time thereafter, up to but not (unless Transco NTS otherwise agrees) after 2400 hours on the Day, submit a revised pressure request for the Day.

4.2.3 If (in relation to a pressure request) the requested 0600 pressure is no higher than:

- (a) (in the case of the initial pressure request) the Assured 0600 Offtake Pressure,
- (b) (in the case of a revised pressure request) the prevailing Agreed 0600 Pressure,

Transco NTS will agree the requested 0600 pressure, subject to paragraph 4.2.5.

4.2.4 If the requested 0600 pressure is higher than the Assured 0600 Offtake Pressure or (as the case may be) the prevailing Agreed 0600 Pressure, Transco NTS will agree the requested 0600 pressure if it considers that the safe and efficient operation of the NTS (consistent with its obligations under the Code) would not be significantly prejudiced if it were to make or seek to make gas available for offtake (at the Offtake) on the basis of the requested 0600 pressure, and not otherwise.

4.2.5 Transco NTS may request the DNO to reduce the requested pressure in an initial pressure request or (as the case may be) the prevailing Agreed 0600 Pressure, where Transco NTS would prefer to operate the NTS on the basis of that reduced 0600 pressure at the relevant Offtake.

4.2.6 The DNO will agree to a request by Transco NTS to reduce the requested 0600 pressure or prevailing Agreed 0600 Pressure if the DNO considers that the safe and efficient operation of the LDZ (consistent with its obligations under the Transportation Document) would not be

significantly prejudiced if gas were made available for offtake (at the Offtake) on the basis of such reduced pressure, and not otherwise.

- 4.2.7 For the purposes of this Section I, in relation to an Offtake and any Day, the agreed 0600 pressure at any time shall be the prevailing 0600 pressure agreed pursuant to paragraph 4.2.3, 4.2.4 or 4.2.6 (as the case may be).

4.3 Pressures between 0600 hours and 2200 hours

- 4.3.1 The Parties acknowledge that pursuant to the Transportation Document the Applicable Offtake Pressure comprises a 0600 pressure and a 2200 pressure, and applies on the basis in TPD Section J2.5.1(c).

- 4.3.2 At times other than 0600 hours at the end of a Day, Transco NTS will use reasonable endeavours to make gas available for offtake at an Offtake at the pressure determined in accordance with paragraph 4.3.4.

- 4.3.3 For the avoidance of doubt the pressures determined under paragraph 4.3.4 are not part of the Assured Offtake Pressure nor the Applicable Offtake Pressure for the purposes of TPD Section J2.

- 4.3.4 Subject to paragraph 4.3.5, for each Day (D), the pressure referred to in paragraph 4.3.2 is:

- (a) at any time (t) during the period between 0600 hours at the start of Day D and 2200 hours:

$$AP_{0600}^{D-1} - \{1.1 * (AP_{0600}^{D-1} - AOP_{2200}) * H / 16\}$$

where:

AP_{0600}^{D-1} is the Agreed 0600 pressure for Day D-1 (being the Agreed 0600 Pressure prevailing at the start of Day D);

AOP_{2200} is the Assured 2200 Pressure;

H is the period in hours from 0600 hours to time t, rounded up to the nearest hour;

- (b) at any time during the period between 2200 hours and 0600 hours at the end of Day D:

$$AOP_{2200} + \{0.9 * (AP_{0600}^D - AOP_{2200}) * H / 8\}$$

where:

AP_{0600}^D is the Agreed 0600 Pressure for Day D prevailing at time t;

AOP_{2200} is the Assured 2200 Pressure;

H is the period in hours since 2200 hours, rounded down to the nearest hour.

- 4.3.5 For the avoidance of doubt, at any time where the pressure determined under paragraph 4.3.4 would be less than the Assured 2200 Pressure, this paragraph 4.3 is of no effect (being superseded by the obligations of Transco NTS pursuant to TPD Section J in relation to the Assured 2200 Pressure as the Applicable Offtake Pressure).

5 Interruption

5.1 Introduction

5.1.1 In this paragraph 5 **Interruption Instruction** means in an instruction given by Transco NTS in relation to Interruption in accordance with paragraph 5.2.

5.1.2 In relation to an LDZ Interruptible Supply Point the Parties acknowledge that under TPD Section G6:

- (a) the ability to require Interruption by giving an Interruption Notice is held by the DNO; but
- (b) Interruption may be required at an LDZ Interruptible Supply Point where (inter alia):
 - (i) there is or it is anticipated that there would otherwise be a Transportation Constraint on or affecting the NTS; or
 - (ii) forecast demand in relation to the NTS or the Total System on any Day exceeds certain levels (as determined in accordance with TPD Section G6);

and accordingly the Parties agree that Transco NTS shall be entitled to require Interruption of LDZ Interruptible Supply Points in accordance with this paragraph 5.

5.1.3 Each DNO shall keep Transco NTS informed of the DNO's Interruption rights from time to time in respect of each Exit Zone in each Gas Year as follows:

- (a) the DNO shall, in September of the preceding Gas Year, provide to Transco NTS a statement containing the following information (as at the start of the Gas Year):
 - (i) the aggregate amount of the Supply Point Capacity held by Users at Interruptible LDZ Supply Points in that Exit Zone;
 - (ii) the aggregate amount (in GWh) of Interruption available to the DNO in that Exit Zone (that is, the sum, for all Interruptible LDZ Supply Points, of the Supply Point Capacity multiplied by the number Days of the Interruption Allowance in accordance with TPD Section G6.7.5);
 - (iii) the number of Interruptible LDZ Supply Points in that Exit Zone;
- (b) the DNO shall, as soon as practicable after any material change in the information referred to in paragraph (a), and in any event upon the reasonable request of Transco NTS, provide to Transco NTS an updated statement of such information;
- (c) the DNO shall, at such intervals as Transco NTS may reasonably require, and in any event as soon as practicable after any material change in such information, provide to Transco NTS a statement of the cumulative aggregate amount (in [GWh]) of Interruption used in that Exit Zone to date in the Gas Year (that is, the sum, for all Interruptible LDZ Supply Points, of the Supply Point Capacity multiplied by the number of Days for which an Interruption Notice has been given, whether or not pursuant to Interruption Instructions of Transco NTS);
- (d) the DNO shall inform Transco NTS at any time if (in the Gas Year to date) the DNO has Interrupted some Interruptible Supply Points in an Exit Zone on a materially greater number of Days than other Interruptible Supply Points.

5.1.4 In this paragraph 5, a reference to Interruption in respect of an Exit Zone is to Interruption of LDZ Interruptible Supply Points which will reduce the flow of gas at Offtakes in that Exit Zone.

5.2 Requirement for Interruption

5.2.1 Where (as described in paragraph 5.1.2) Transco NTS requires Interruption of LDZ Interruptible Supply Points, Transco NTS will so instruct the DNO by giving an Interruption Instruction to the DNO, specifying:

- (a) the Exit Zone in respect of which such Interruption is required;
- (b) the aggregate amount (expressed in MW or MWh per hour), of the Interruption required;
- (c) the time (consistent with the requirements of Section G6.8.1, on the assumption that the DNO acts on the Interruption Instruction within 30 minutes after receiving it) with effect from which such Interruption is required.

5.2.2 Upon receipt of an Interruption Instruction under paragraph 5.2.1, the DNO shall:

- (a) as soon as practicable (and in any event within 30 minutes) after receipt of the instruction:
 - (i) select (in relation to the Exit Zone specified, and so as to secure the amount of Interruption specified, in the Interruption Instruction, but otherwise in its discretion) the LDZ Interruptible Supply Points which are to be Interrupted;
 - (ii) give Interruption Notices (for the Interruption Start Time specified in the Interruption Instruction) in relation to the selected LDZ Interruptible Supply Points;
 - (iii) confirm to Transco NTS that such Interruption Notices have been given; and
- (b) revise its Offtake Profile Notices for the relevant Offtake(s) so as to reflect the Interruption (on the assumption that the Interruption continues for the remainder of the Day).

5.2.3 When Transco NTS' requirement for LDZ Interruption ceases or will cease, or the amount of Interruption required is or will be reduced, Transco NTS will so instruct the DNO by giving an Interruption Instruction to the DNO, specifying:

- (a) the Exit Zone in respect of which the cessation or reduction of such Interruption is required;
- (b) whether the Interruption is to cease entirely or the amount thereof to be reduced;
- (c) in the case of a reduction, the aggregate amount (expressed in MW or MWh per hour) of the reduction in required Interruption;
- (d) the time (where later than the time at which the instruction is given) with effect from which the cessation or reduction is required.

5.2.4 Upon receipt of an Interruption Instruction under paragraph 5.2.3, the DNO shall:

- (a) as soon as practicable (and in any event within 60 minutes) after receipt of the instruction:
 - (i) (in the case of a reduction in Interruption) select (in relation to the Exit Zone specified, and so as to secure the reduction of Interruption specified, in the Interruption Instruction, but otherwise in its discretion) the LDZ Interruptible Supply Points at which Interruption is to cease;
 - (ii) give notification (in accordance with TPD Section G6.8.5) of the cessation of Interruption (with effect from the time, if any, specified in the Interruption Instruction) in relation to the selected LDZ Interruptible Supply Points;
 - (iii) confirm to Transco NTS that such notification has been given; and
- (b) revise its Offtake Profile Notices for the relevant Offtake(s) so as to reflect the reduction or cessation of Interruption.

5.2.5 Interruption Instructions and DNO's confirmations of receipt of Interruption Instructions shall be given by the means and in the format specified in or pursuant to Section M.

5.3 Financial aspects

5.3.1 The Parties acknowledge that:

- (a) pursuant to TPD Section G6.1.9(b), if any LDZ Interruptible Supply Point is Interrupted on more than 15 Days in a Formula Year, the Registered User(s) is entitled to a payment calculated in the manner provided for in the DNO's Transportation Statement; and
- (b) such compensation is effected by way of Invoice Credit in respect of Transportation Charges payable by Users to Transco NTS, and accordingly is borne by Transco NTS;

and accordingly each DNO agrees to repay to Transco NTS a part or all of the amount of such compensation borne by Transco NTS, in accordance with this paragraph 5.3.

5.3.2 Following each Formula Year, in respect of each LDZ Interruptible Supply Point in an LDZ which was Interrupted on more than 15 Days in the Formula Year, the DNO shall pay to Transco NTS an amount calculated as:

$$C * (AI - NI) / AI$$

where:

- C is the amount of compensation payable by Transco NTS in respect of the Interruptible Supply Point as referred to in paragraph 5.3.1;
- AI is the aggregate number of Days on which the Interruptible Supply Point was Interrupted in the Formula Year;
- NI is the number of Days on which the Interruptible Supply Point was Interrupted in the Formula Year pursuant to an Interruption Instruction given by Transco NTS.

5.3.3 The DNO shall:

- (a) keep accurate records (in accordance with Section [D7]) of the Days on which each LDZ Interruptible Supply Point is Interrupted, and on which of those Days such Interruption was pursuant to an Interruption Instruction;
- (b) as soon as practicable after (and upon Transco NTS's request, from time to time during) the Formula Year, provide to Transco the information recorded pursuant to paragraph (a).

5.3.4 The amount (if any) payable by the DNO under paragraph 3.5.2 shall be calculated by Transco NTS as soon as practicable after receipt from the DNO of the information required under paragraph (b), and shall be invoiced and payable in accordance with Section L.

6 Further provisions

6.1 Demand forecasts

6.1.1 In addition to providing Offtake Profile Notices under (and without prejudice to) paragraph 2, each DNO will undertake and provide to Transco NTS an updated demand forecast (as provided in TPD Section H5) for its LDZ:

- (a) at any time at which its estimate of Forecast LDZ Demand changes by more than 5% from the prevailing demand forecast; and
- (b) at any other time at which Transco NTS may (in its operational discretion) require such forecast.

6.1.2 The DNO shall include, in each demand forecast (under TPD Section H5 or paragraph 6.1.1) provided to Transco NTS, a separate statement of the prevailing LDZ stock change planned for the Day.

6.2 Restrictions on gas flows

6.2.1 The DNO shall not cause or permit the flow of gas at an Offtake at any time at a rate which is outside the range (of rates of flow) comprised in the Permitted Range for the Measurement Equipment at that Offtake.

6.3 Responsibility for controlling flows

6.3.1 (Subject to any contrary provision in a Supplemental Agreement) the downstream DNO is responsible for controlling the flow of gas at each Inter-System Offtake by means of the flow control equipment comprised in the Offtake Facilities.

6.3.2 Without prejudice to paragraph 6.4, the upstream Transporter has no responsibility for controlling the flow of gas at any Inter-System Offtake or for the operation or control of the flow control equipment.

6.4 Remotely operated block valves

6.4.1 Transco NTS may cut off the flow of gas at an Offtake, by operating the remotely operated block valves which form part of the Connection Facilities, in the circumstances specified in and in accordance with Section C2.

Annex I-1

Form of Offtake Profile Notice
(Paragraph 2.1.2)

To: Network Manager
Transco NTS

From: Network Manager
[Insert DNO]

Tel:

Tel:

Fax:

Fax:

Cc:

LDZ Destination:

Notification Date: *dd/mm/yyyy*

Notification Time: *hh:mm*

Gas Day: *dd/mm/yyyy*

Planning Calorific Value: MJ/m³

Offtake:	[Offtake 1]	[Offtake 2]	[Offtake 3]	[Offtake n]	LDZ Aggregate¹	Comments
Time (hh:mm)	Volume (mcm)	Volume (mcm)	Volume (mcm)	Volume (mcm)	Volume (mcm)	
06:00						
07:00						
08:00						
09:00						
10:00						
11:00						
12:00						
13:00						
14:00						
15:00						
16:00						
17:00						
18:00						
19:00						
20:00						
21:00						
22:00						
23:00						
24:00						
01:00						
02:00						
03:00						
04:00						
05:00						
Total:						
Pressure (barg) 22:00:						
Pressure (barg) 05:59:						

¹ To apply from October 2005.

SECTION J

LDZ/LDZ OFFTAKES – PLANNING AND OPERATIONAL FLOWS

1 General

1.1 Introduction

1.1.1 This Section J sets of the basis on which, in relation to an LDZ/LDZ Offtake

- (a) the Parties will exchange planning information;
- (b) Offtake Parameter Values will be established;
- (c) Offtake Profile Notices are to be submitted.

1.2 Interpretation

1.2.1 In this Section J:

- (a) references to Offtakes are to LDZ/LDZ Offtakes;
- (b) the planning submission dates are 1st October, 1st January, 1st April and 1st July in a Gas Year;
- (c) in relation to an LDZ, a 1-in-20 peak day is a day of 1-in-20 peak day demand in that LDZ;
- (d) the rate of offtake at an Offtake is:
 - (i) in the case of an Offtake at which the normal operating pressure (at the Point of Offtake) is not greater than 7 barg, the quantity of gas offtaken or to be offtaken in a 6 minute period,
 - (ii) in the case of an Offtake at which the normal operating pressure (at the Point of Offtake) is greater than 7 barg, the quantity of gas offtaken or to be offtaken in a 60 minute period

in each case expressed as an hourly rate of offtake (and references to rates of offtake in the TPD Section J in relation to an Offtake shall be construed accordingly);

- (e) the daily quantity at an Offtake is the quantity of gas offtaken or to be offtaken on a Day.

1.2.2 In relation to an Offtake:

- (a) the **low pressure** is the pressure (of gas made available for offtake at the Offtake) which the downstream DNO considers to be the lowest pressure, at the low pressure time on any Day, at which the safe and efficient operation of the downstream LDZ (consistent with the downstream DNO's obligations under the Transportation Document) would not be prejudiced;
- (b) the low pressure time is the time on a Day at which the extremity point of the downstream LDZ is at its lowest pressure.

1.3 Offtake Parameter Values

- 1.3.1 For the purposes of this Section J, for each Offtake, in relation to a Gas Year the **Offtake Parameter Values**, are the respective values of daily quantity (**Maximum Daily Quantity**), offtake rate (**Maximum Offtake Rate**) and pressure (**Minimum Offtake Pressure**) established in accordance with the provisions of this Section J.
- 1.3.2 The upstream DNO shall from periodically (in accordance with paragraph 2) prepare and issue a statement (**Offtake Parameter Statement**) in the format specified in Annex J-2 setting out the prevailing Offtake Parameter Values in relation to an Offtake for the Gas Year in which the statement is issued and each of the following 5 Gas Years.
- 1.3.3 For each Offtake that is not a Closed Offtake, an Offtake Parameter Statement as at the date of this Document has been issued by the upstream DNO and agreed by the downstream DNO.

2 Planning and Offtake Parameter Values

2.1 Introduction

2.1.1 In this Section J, in relation to an Offtake and a Gas Year, **planning data** means the following forecast or indicative data:

- (a) the quantity of gas to be offtaken on a 1-in-20 peak day;
- (b) the maximum rate of offtake on a 1-in-20 peak day;
- (c) the low pressure;

and, for information purposes only, the quantity of gas to be offtaken at the Offtake in the Gas Year as a whole.

2.1.2 In relation to each Offtake:

- (a) the downstream DNO shall submit planning data in accordance with this paragraph 2, and
- (b) the Parties shall exchange such other forecasts or information, concerning demand and flows of gas in the upstream or (as the case may be) downstream LDZs (or parts of those LDZs) which are likely to affect the flows of gas at the Offtake, as the Parties may from time to time agree

for the purposes of establishing Offtake Parameter Values and in order to facilitate the preparation by each DNO of its Ten Year Statement.

2.2 Planning

2.2.1 In relation to each Offtake, in each Gas Year (year 0), by each planning submission date, the downstream DNO shall, unless there is no change in the planning data since the previous submission, submit to the upstream DNO, in the format specified in Annex J-1:

- (a) in relation to the remaining part of Gas Year 0, and each of Gas Years 1 to 5, forecast values, and
- (b) in relation to each of Gas Years 6 to 10, indicative values

of the planning data.

2.2.2 The submission of planning data shall operate as a request by the downstream DNO for revised Offtake Parameter Values as follows:

- (a) Maximum Daily Quantity equal to the maximum daily quantity,
- (b) Maximum Offtake Rate equal to the maximum offtake rate,
- (c) Agreed Pressure equal to the low pressure,

submitted as planning data.

2.2.3 Following each submission of planning data:

(a) the upstream DNO shall review the data submitted and determine, for each of Gas Years 0 to 5:

(i) whether it can make gas available for offtake at the Offtake on the basis of Offtake Parameter Values equivalent to the values of planning data submitted, and

(ii) if not, alternative values on the basis of which it can so make gas available

without prejudicing the safe and efficient operation (consistent with its obligations under the Act, its Transporter's Licence and the Transportation Document) [and without further investment in its LDZ];

(b) where the upstream DNO considers that it cannot so agree Offtake Parameter Values, it shall so inform the downstream DNO and the Parties shall discuss the matter with a view to establishing Offtake Parameter Values which can (and/or a basis on which such values can) be agreed by the upstream DNO;

(c) the upstream DNO shall, no later than 12 weeks after the planning submission date, provide to the downstream DNO a revised Offtake Parameter Statement consistent with paragraph 2.3.

2.2.4 The upstream DNO will include in its Ten Year Statement the information contained in the Offtake Parameter Statement.

2.2.5 The Offtake Parameter Statement will include the upstream DNO's estimate of the normal operating pressure (or range of pressures) at the Offtake; but this is included for information only, does not bind the upstream DNO and has no effect for the purposes of the Transportation Document.

2.3 Offtake Parameter Values

2.3.1 For each Gas Year, the Offtake Parameter Values set out in an Offtake Parameter Statement:

(a) if the Parties agreed values pursuant to paragraph 2.2.3(b), shall be those values;

(b) if the Parties did not so agree values:

(i) subject to paragraph (ii), shall be the values which the upstream DNO determined it can accept pursuant to paragraph 2.2.3(b);

(ii) shall not be lower than the lower of:

(aa) the minimum values in accordance with paragraph 2.3.2, and

- (bb) the values of the corresponding planning data submitted by the downstream DNO;

2.3.2 For the purposes of paragraph 2.3.1(b)(ii)(aa), the minimum values for a Gas Year are:

- (a) subject to paragraph (b), the corresponding values for that Gas Year in the preceding Offtake Parameter Statement;
- (b) in the case of the first Offtake Planning Statement issued in any Gas Year (year 0), in relation to Gas Year 5, the Offtake Parameter Values for the preceding Gas Year (year 4) in the last Offtake Parameter Statement issued in Gas Year -1.

2.4 Variation of Offtake Parameter Values

2.4.1 Either DNO may request the other to agree a temporary variation of the prevailing Offtake Parameter Values in relation to an Offtake, including in connection with the planning or carrying out of maintenance in connection with its LDZ or (but without prejudice to the provisions of Section C2 generally) a gas supply emergency.

2.4.2 The other DNO shall consider any request under paragraph 2.4.1 and shall agree to the requested variation if it determines that (for the period for which such variation is requested) it can make gas or (as the case may be) accept gas made available for offtake at the Offtake on the basis of the requested variations of the Offtake Parameter Values without prejudicing the safe and efficient operation (consistent with its obligations under the Act, its Transporter's Licence and the Transportation Document).

2.4.3 Where the other DNO considers that it cannot so agree variations to the Offtake Parameter Values, it shall so inform the requesting DNO and the Parties shall discuss the matter with a view to establishing variations Offtake Parameter Values which can (and/or a basis on which such values can) be agreed by the other DNO.

2.5 TPD Section J Parameters

2.5.1 For the purposes of TPD Section 2.1.1(b)(iii), the pressure of gas (to be made available at any time on the Day) in relation to an Offtake is the Minimum Offtake Pressure.

2.5.2 For the purposes of TPD Section J3.10.3, the maximum permitted rate in relation to an Offtake is the Maximum Offtake Rate.

2.5.3 For the purposes of TPD Section J3.10.3, the maximum permitted quantity in relation to an Offtake is the Maximum Daily Quantity.

3 Offtake Profile Notices

3.1 Submission of Offtake Profile Notices

3.1.1 Offtake Profile Notices are to be submitted by the downstream DNO to the upstream DNO each Day in respect of each Offtake at which Measurement Equipment is installed.

3.1.2 An Offtake Profile Notice shall (notwithstanding the provisions of TPD Section J) specify only a daily quantity.

3.1.3 Offtake Profile Notices are to be submitted in the format in Annex J-3 and by the means provided in or pursuant to Section [M].

- 3.1.4 The daily quantity set out in an Offtake Profile Notice (including any revision thereof):
- (a) shall not exceed the Maximum Daily Quantity, and
 - (b) subject to paragraph (a), shall reflect as accurately as possible the quantities in which the downstream DNO expects to cause or permit gas to flow at the Offtake.

3.2 Initial Offtake Profile Notice

- 3.2.1 For the purpose of TPD Section J4.6.1, the time by which the initial Offtake Profile Notice is to be submitted is 1800 hours on the Preceding Day.

3.3 Revisions to Offtake Profile Notice

- 3.3.1 The downstream DNO shall (and shall be entitled to) revise an Offtake Profile Notice at any time where it becomes aware that the quantity of gas which it expects to cause or permit gas to flow at the Offtake differs materially from the quantity stated in the Offtake Profile Notice.

4 Closed Offtakes

4.1 Application of this Section J

- 4.1.1 In relation to a Closed Offtake, this Section J shall apply on the basis that (without prejudice to Section C2 in the case of a gas supply emergency):

- (a) submissions of planning data are made and the Offtake Parameter Statements issued only:

- (i) on occasions on which, and

- (ii) in relation to periods in which

relevant maintenance of the upstream or downstream LDZ is to be carried out (and accordingly not more than 2 years in advance)

- (b) the submission of planning data shall be a request by the downstream DNO for the temporary opening of the Offtake, and shall include the date(s) on which the Offtake is requested to be opened;

- (c) the Offtake Parameter Values so established shall apply only for the period in which the Offtake is to be opened (and for the avoidance of doubt such values shall be zero at all other times);

- (d) paragraphs 2.3.1(n)(ii) and 2.3.2 shall not apply.

- 4.1.2 The opening and subsequent re-closing of the Offtake shall itself be planned and carried out as Planned Maintenance in accordance with Section G.

- 4.1.3 [Provisions for Urgent Maintenance – Closed Offtakes and others?].

ANNEX J-1

Form of Submission for Planning Data
(Paragraph J2.2.1)

From: [Downstream DNO] [Date of submission]
To: [Upstream DNO]

Offtake Planning Data

Period Covered: [Date] to [Date]

Name of Offtake:
Ordinance Survey Location of Offtake:

Flow Direction: [Name of delivering LDZ]
[Name of offtaking LDZ]

Type of Offtake: [Eg. closed or pressure controlled]

Other features of Offtake: [Eg. bi-directional flow or flow includes use of bypass etc.]

Parameter	Period starting 1 October										
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Low Pressure (barg)											
Maximum Offtake Rate (mcm)											
Maximum Daily Quantity (mcm)											
Annual Offtake Quantity (mcm)											
Assumed CV											

Note:
In the case of Bi-directional LDZ Offtakes, this submission only relates to flows in one direction.
The Annual Offtake Quantity is based on an average Gas Year.

ANNEX J-2

Form of Offtake Parameter Statement
(Paragraph J1.3.2)

From: [Upstream DNO] [Date statement issued]
To: [Downstream DNO]

Offtake Parameter Statement

Period Covered: [Date] to [Date]

Name of Offtake:
Ordinance Survey Location of Offtake:

Flow Direction: [Name of delivering LDZ]
[Name of offtaking LDZ]

Type of Offtake: [Eg. closed or pressure controlled]

Other features of Offtake: [Eg. bi-directional flow or flow includes use of bypass etc.]

Parameter	Period starting 1 October					
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Normal Operating Pressure (barg)						
Low Pressure (barg)						
Maximum Offtake Rate (mcm)						
Maximum Daily Quantity (mcm)						
Assumed CV						

Note:
In the case of Bi-directional LDZ Offtakes, this statement only relates to flows in one direction.
The Annual Offtake Quantity is based on an average Gas Year.

ANNEX J-3

**Form of Offtake Profile Notice
(LDZ/LDZ Offtakes)
(Paragraph J3.1.3)**

To: Network Manager
[Upstream DNO]

From: Network Manager
[Downstream DNO]

Fax:

Fax:

LDZ: [eg. NT]

Offtake: [eg. LUXB (Luxborough Lane)]

Notification Date: *dd/mm/yyyy*

Notification Time: *hh:mm*

Gas Day: *dd/mm/yyyy*

End of Day Quantity: mcm

Low pressure: Barg

Assumed CV:MJ/m³

[Within-Day information only to be provided by agreement between the parties for specific LDZ/LDZ Offtakes.]

Time (hh:mm)	Volume (mcm)	Comments
06:00		
07:00		
08:00		
09:00		
10:00		
11:00		
12:00		
13:00		
14:00		
15:00		
16:00		
17:00		
18:00		
19:00		
20:00		
21:00		
22:00		
23:00		
24:00		
01:00		
02:00		
03:00		
04:00		
05:00		
Total:		

SECTION K

LDZ System Entry Points

1 Introduction

1.1 General

1.1.1 This Section sets out terms agreed by the Parties to apply in relation to LDZ System Entry Points in consequence of the matters set out in paragraph 1.1.2.

1.1.2 In this Section K, references to LDZ System Entry Points:

- (a) are to such points in existence at the date of this Document; and (subject to any future modification of Transco NTS' GT Licence or the Code) nothing in this Section K applies to any new LDZ System Entry Point;
- (b) do not include any LDZ System Entry Point which is comprised in an Aggregate System Entry Point which also comprises any NTS System Entry Point.

1.1.3 The Parties acknowledge, in relation to LDZ System Entry Points:

- (a) that (notwithstanding that gas flows are into the LDZ at such points), pursuant to the provisions of the Transportation Document and its GT Licence, Transco NTS (and not the DNO):
 - (i) has allocated, and will invite applications for and allocate, NTS Entry Capacity of classes and in timescales and quantities which (except as mentioned below) are prescribed by the UNC and its GT Licence;
 - (ii) may require the curtailment of Interruptible NTS Entry Capacity;
 - (iii) may accept the surrender of Available NTS Entry Capacity
 - (iv) will receive amounts payable by Users by way of NTS Entry Capacity Charges and System Entry Overrun Charges
 - (v) will be liable to make payments (in respect of Aggregate Constraint Amounts) to Users pursuant to TPD Section I3.7;
- (b) that the quantities in and rates at which it is feasible to accept to take delivery of gas at any time and in relation to any Day are controlled by, and known to, the DNO and not Transco NTS.

1.1.4 The DNO undertakes that it will not offer or agree to allocate to any person NTS Entry Capacity at any LDZ System Entry Point, or confer on any person any rights (analogous to the holding of System Capacity) in relation to the delivery of gas to the LDZ at any LDZ System Entry Point.

1.2 Entitlement to Charges

1.2.1 It is agreed that (save as provided in paragraph [4] below) Transco shall be entitled to retain and shall be under no obligation to account for or hold for the benefit of the amounts from time to time received by it as described in paragraph 1.1.3(a)(iv).

1.3 Access to Information

- 1.3.1 Where at any time a DNO has reasonable grounds for considering that it may (in relation to a Day within the following 7 Days) need to give an instruction to Transco NTS in relation to an LDZ System Entry Point pursuant to paragraph 3, the DNO may request Transco to inform the DNO of the amount in aggregate of NTS Entry Capacity allocated at the LDZ System Entry Point as at such Day, and Transco NTS will provide the information requested as soon as reasonably practicable after receiving such request.
- 1.3.2 Transco NTS shall have no obligation to inform or keep informed the DNO as to the amount of NTS Entry Capacity from time to time allocated at an LDZ System Entry Point other than pursuant to a request under paragraph 1.3.1.

1.4 Liability of Transco NTS

- 1.4.1 Without prejudice to the generality of Section N[/], Transco NTS shall have no liability to a DNO for any failure to comply with the requirements of this Section K, or other act or omission on the part of Transco NTS in the course of implementing this Section K, but without prejudice to paragraph [4.1.2].

1.5 Obligated Incremental NTS Entry Capacity

- 1.5.1 For the purposes of this Section K **Obligated** Incremental NTS Entry Capacity means Incremental NTS Entry Capacity which Transco NTS may be required, pursuant to [Special Condition] [/] of its Transporter's Licence, to accept an application for or otherwise allocate.
- 1.5.2 If at any time Transco NTS is required pursuant to its Transporter's Licence to accept any application for (or otherwise allocate) Obligated Incremental NTS Entry Capacity:
- (a) Transco NTS will so inform the DNO, and together with the DNO shall consult with the Authority as to the position (and possible modifications of the conditions of their respective Transporter's Licences which may be appropriate in the circumstances); but
 - (b) Transco NTS shall not be required (by paragraph (a) or any other provision of this Document) not to comply or to delay in complying with the requirement under its Transporter's Licence.

1.6 Licence obligations of Transco NTS

- 1.6.1 To the extent to which, pursuant to paragraph 2 or 3, the DNO may authorise or instruct Transco NTS to do anything in doing which Transco NTS is required to comply with any requirement under the Transportation Document or its Transporter's Licence (including without limitation the [System Management Principles]:
- (a) the DNO shall ensure that its authority or instruction is consistent with Transco NTS' compliance with such requirement;
 - (b) Transco NTS shall be entitled to disregard the DNO's authority or instruction if (in Transco NTS' reasonable opinion) it is not so consistent.

2 Incremental NTS Entry Capacity

2.1 General

- 2.1.1 In this paragraph 2 references to Incremental NTS Entry Capacity do not include Obligated Incremental NTS Entry Capacity.
- 2.1.2 Transco will not (and shall not be required to) invite applications for or allocate Incremental NTS Entry Capacity unless authorised to do so by the DNO in accordance with the further provisions of this paragraph [2.1].
- 2.1.3 A DNO may authorise Transco NTS to invite applications for and allocate Incremental NTS Entry Capacity in relation to any [relevant period] by giving notice to Transco NTS in accordance with the following provisions:
- (a) such notice shall be given as early as practicable before the start of the relevant period (and in any event no less than [/] days before Transco NTS is required to act under the TPD Section B2);
 - (b) such notice shall be unconditional (and any condition shall be of no effect);
 - (c) such notice shall specify:
 - (i) the relevant LDZ System Entry Point
 - (ii) the period for which applications for Incremental NTS Entry Capacity are to be invited;
 - (iii) the amount of Incremental NTS Entry Capacity for which applications are to be invited;
 - (iv) [*others?*]
 - (d) the details specified pursuant to paragraph (c) shall be consistent with the applicable requirements of TPD Section B2.
- 2.1.4 For the avoidance of doubt, the DNO may not withdraw, cancel or amend an authority under paragraph 2.1.3.
- 2.1.5 Transco NTS will (subject to and in accordance with applicable provisions of TPD Section B2) invite applications for and allocate Incremental NTS Entry Capacity in accordance with the DNO's authority pursuant to paragraph 2.1.3.

3 Surrender and Curtailment

3.1 General

- 3.1.1 Transco will not (and shall not be required to) give any interruptible curtailment notice or accept any surrender of Available NTS Entry Capacity in relation to an LDZ System Entry Point unless instructed to do so by the DNO in accordance with the further provisions of this paragraph 3.
- 3.1.2 Transco will not (and may not be required by a DNO to) enter into any Capacity Management Agreement in relation to an LDZ System Entry Point.
- 3.1.3 For the avoidance of doubt, the DNO shall be responsible for determining System Entry Capability at a LDZ System Entry Point.

3.2 Interruptible curtailment notice

- 3.2.1 Where a DNO has determined that (at the relevant time) there is or will be an Entry Capacity Shortfall in relation to an LDZ System Entry Point, the DNO may instruct Transco NTS to give an interruptible curtailment notice in respect of the LDZ System Entry Point at any time on any Day by giving notice to Transco NTS in accordance with the following provisions:
- (a) such notice shall be given as early as practicable (and in any event no less than 2 hours) before the curtailment effective time;
 - (b) such notice shall be unconditional (and any condition shall be of no effect);
 - (c) such notice shall specify:
 - (i) the relevant LDZ System Entry Point;
 - (ii) the relevant Day, and the curtailment effective time;
 - (iii) the interruptible curtailment factor;
 - (iv) [*others?*]
 - (d) the details specified pursuant to paragraph (c) shall be consistent with the applicable requirements of TPD Section B2.
- 3.2.2 For the avoidance of doubt, the DNO may not withdraw, cancel or amend an instruction under paragraph 3.2.1, but without prejudice to its right to instruct Transco NTS (subject to and in accordance with paragraph 3.2.1 to give a further interruptible curtailment notice.
- 3.2.3 Transco NTS will give an interruptible curtailment notice (subject to and in accordance with applicable provisions of TPD Section B2) in respect of an LDZ System Entry Point in accordance with the DNO's instruction pursuant to paragraph 3.2.1.

3.3 Daily capacity offers

- 3.3.1 Where a DNO has determined that (at the relevant time) there is or will be an Firm Capacity Shortfall in relation to an LDZ System Entry Point, the DNO may instruct Transco NTS to accept [available] daily capacity offers respect of the LDZ System Entry Point at any time on any Day by giving notice to Transco NTS in accordance with the following provisions:
- (a) such notice shall be given as early as practicable (and in any event no less than 1 hour) before the [capacity selection period];
 - (b) such notice shall be unconditional (and any condition shall be of no effect);
 - (c) such notice shall specify:
 - (i) the relevant LDZ System Entry Point;
 - (ii) the relevant Day and [*other aspects of timing*];
 - (iii) the amount of NTS Entry Capacity subject to daily capacity offers to be accepted;
 - (iv) [*others?*]
 - (d) the details specified pursuant to paragraph (c) shall be consistent with the applicable requirements of TPD Section B2.

- 3.3.2 For the avoidance of doubt, the DNO may not withdraw, cancel or amend an instruction under paragraph 2.2.1.
- 3.3.3 Transco NTS will give accept (in accordance with applicable provisions of TPD Section B2) [available] daily capacity offers respect of a LDZ System Entry Point in accordance with the DNO's instruction pursuant to paragraph 3.3.1.

4 Financial aspects

4.1.1 Where, in relation to an LDZ System Entry Point, Transco NTS:

- (a) accepts any daily capacity offer pursuant to an instruction under paragraph 3, or
- (b) incurs any liability to any User to make a payment in respect of an Aggregate Constraint Amount pursuant to TPD Section I3.7

the DNO shall pay to Transco NTS an amount equal to the amount for which Transco NTS was liable in respect of the acceptance of such daily capacity offer(s) or (as the case may be) under TPD Section I3.7.

4.1.2 The DNO shall not be liable to pay an amount (or part of any amount) under paragraph 4.1.2 to the extent to which Transco NTS would not have been liable for such amount (or part thereof) but for a failure by Transco NTS to comply with its obligations under paragraph 3.

4.2 Invoicing

4.2.1 Amounts for DNO is liable under this paragraph 4:

- (a) shall accrue at the time at which the corresponding payment obligation of Transco NTS accrues, and
- (b) shall be invoiced and payable in accordance with Section L.

SECTION L

COST RECOVERY AND INVOICING

1 General

1.1 Introduction

1.1.1 This Section L sets out:

- (a) the basis on which the costs incurred by a Party are to be determined for the purposes of any provision of this Document obliging another Party to bear or reimburse such costs; and
- (b) the arrangements by which any amounts payable by a Party under this Document are to be invoiced and paid.

2 Costs

2.1 Introduction

2.1.1 This paragraph 2 applies for the purposes of any provision of this Document under which any one Party is entitled to recover from another Party, or that other Party is required to bear or reimburse to the first Party, costs incurred by the first Party.

2.1.2 For the purposes of this Clause:

- (a) a **relevant provision** is such a provision of this Document as is referred to in paragraph 2.1.1;
- (b) the **Recovering Party** is the Party which incurs the relevant costs;
- (c) the **Reimbursing Party** is the Party which is obliged to bear, pay or reimburse, or from which the Recovering Party is entitled to recover, the costs incurred by the Recovering Party;
- (d) **recoverable costs** means the costs which (pursuant to a relevant provision) the Recovering Party is entitled to recover from the Reimbursing Party or the Reimbursing Party is required to bear or reimburse to the Recovering Party;
- (e) 'costs' includes expenses.

2.2 Costs

2.2.1 Subject to any other provision of this Document, the recoverable costs shall be determined in accordance with the following provisions.

2.2.2 The recoverable costs shall not exceed the costs which would have been incurred by a Reasonable and Prudent Operator in the circumstances (pursuant to the relevant provision).

2.2.3 [(Without prejudice to any provision of the Transportation Document) recoverable costs shall not include any amount which would fall within Section [N7.1.4(b), (c) or (d)] (including without limitation any liability or loss of revenue under the Transportation Document).]

- 2.2.4 Where the activities of the Recovering Party in respect of which recoverable costs and expenses arise are activities within the scope of the [Condition 4B Statement] [statement prepared by the Recovering Party pursuant to [Standard Special Condition [/]] of its Transporter's Licence, the amount of the recoverable costs shall be determined in accordance with that statement.
- 2.2.5 Subject to paragraph 2.2.2, the amount of the recoverable costs in respect of any external cost shall be the actual amount thereof, provided that where any recoverable costs were incurred under a contract or arrangement with a [33 1/3%] Affiliate of the Recovering Party which is not on arms length terms, the amount recoverable shall be the amount which would be recoverable by such Affiliate if it were a Party in the capacity of the Recovering Party.
- 2.2.6 Recoverable costs shall include [a reasonable and appropriate amount] in respect of internal costs, including cost of capital, personnel and reasonable overhead costs (determined consistent with any relevant determinations made by the Authority in connection with the most recent determination of the [price control] in the Recovering Party's Transporter's Licence).
- 2.2.7 For the avoidance of doubt (unless otherwise provided in this Document) the amount of recoverable costs shall be determined on the basis of average costs (incurred by the Recovering Party in carrying out the relevant activities), and not on the basis of costs which it would not have incurred but for the relevant act or omission on the part of the Reimbursing Party. [*Anything on apportionment of costs?*]

2.3 Process

- 2.3.1 Where the Recovering Party proposes to recover any recoverable costs:
- (a) the Recovering Party shall (as soon as reasonably practicable after the act or omission or other event giving rise to such recovery) give notice to the Reimbursing Party specifying:
 - (i) the relevant provision;
 - (ii) the act or omission on the part of the Reimbursing Party or other event giving rise to the application of the relevant provision;
 - (iii) the amount which it claims as recoverable costs, and a brief explanation of the basis on which such amount has been determined;
 - (b) the Reimbursing Party may, within 5 Business Days after receipt of such notice, request a meeting to discuss the matters contained therein, in which case the Parties shall meet as soon as practicable for that purpose;
 - (c) the Recovering Party may submit an Invoice in respect of the recoverable costs within 10 Business Days after sending its notice under paragraph (a).
- 2.3.2 Upon the request of the Reimbursing Party, the Recovering Party shall provide reasonable evidence of the specific amount of recoverable costs incurred by it in any particular case in which such amounts are recoverable under a relevant provision.
- 2.3.3 Paragraph 2.3.1 shall not
- (a) entitle the Reimbursing Party to delay in paying the amount of any recoverable costs (but without prejudice to its right to require a subsequent adjustment where relevant);

- (b) require the Recovering Party to provide evidence supporting rates or unit amounts of costs which are provided for in the statement referred to in paragraph 2.2.4;
- (c) [*anything on internal costs?*]

3 Invoicing and payment

3.1 Invoicing

3.1.1 Where any amount is payable by one Party (the **payor**) to another Party (the **payee**) pursuant to this Document, the payee shall prepare and send to the payee, as soon as practicable following the month in which such amount became payable, an invoice (**Invoice**) setting out:

- (a) the identity of the payor and the payee;
- (b) the Day, month or other period to which the invoice relates;
- (c) the item(s) to which the invoice relates;
- (d) in respect of each such item, the amount payable;
- (e) a unique number by which the invoice may be identified; and
- (f) the amount of Value Added Tax (if any) payable in respect of each item and the further details required under Regulation 14 of the Value Added Tax Regulations 1995.

3.1.2 In the absence of fraud, after the expiry of 18 months (or any other period agreed between the payor and payee) after the Invoice Due Date in respect of any Invoice, the Invoice shall be deemed to be final and conclusive as to the amounts shown as payable thereunder, except for any adjustments already made and any matters of which either Party had given notice to the other before the expiry of such period.

3.2 Invoice Due Date

3.2.1 In relation to an Invoice, the **Invoice Due Date** shall be whichever is the later of:

- (a) the 12th Day after the Day on which the Invoice was deemed to be received in accordance with Section [P8]; and
- (b) the 20th Day after the Day or last Day of the other period to which (in accordance with paragraph 3.1.1(b) the Invoice relates.

3.2.2 The amount payable under each Invoice shall be paid by the payor on or before the Invoice Due Date.

3.3 Payment Details

3.3.1 Payment of any amount payable under this Document shall be made in pounds sterling in same day funds to the account of the payee at a bank in the United Kingdom notified to the payor in accordance with paragraph 3.2.2.

3.3.2 Each Party shall notify each other Party of:

- (a) the account name and number; and

- (b) the name, address and sort code of the account bank;

to which payments are to be made, within five Business Days after the date of the Framework Agreement (or, where relevant, the DNCo Accession Date), and of any change in such details not less than 30 Days before such change occurs.

3.4 Deductions, Withholdings and Tax

3.4.1 All amounts payable under this Document shall be paid:

- (a) free and clear of any restriction, reservation or condition; and
- (b) except to the extent (if any) required by law, without deduction or withholding in respect of tax or on account of any amount due or to become due to the payor, whether by way of set-off, counterclaim or otherwise.

3.4.2 If, in respect of a payment to be made by one Party to another, any deduction or withholding is required to be made by the law of any country other than a country of the United Kingdom, the payor shall:

- (a) ensure that the amount of such withholding or deduction does not exceed the minimum so required;
- (b) forthwith pay the payee such additional amounts as will ensure that the net amount received by the payee is equal to that which would have been received by the payee had no deduction or withholding been made; and
- (c) pay the amount withheld or deducted to the relevant authority in accordance with the relevant requirement of law, and provide to the payee a receipt issued by such authority or, if such receipt is not available, a certificate in respect of such payment.¹

3.5 Late Payment

3.5.1 Without prejudice to Section [P2.8], where any amount payable under an Invoice is not paid on or before the Invoice Due Date, the payor shall pay interest, after as well as before judgment, at the Applicable Interest Rate, on the unpaid amount from the Invoice Due Date until the Day on which payment is made in full.

3.5.2 For the avoidance of doubt, paragraph 3.5.1 shall not be construed as permitting late payment of any Invoice Amount.

3.6 Interest

3.6.1 Where pursuant to any provision of this Section M interest is payable by a Party, such interest shall accrue on a daily basis and on the basis of a 365-day year.

3.6.2 The **Applicable Interest Rate** is the rate of interest, expressed as a percentage rate per annum, payable in respect of amounts overdue for payment, or subject to repayment, under this Code, and shall be the base rate for the time being of [Barclays Bank plc] plus:

- (a) for the purposes only of paragraph 3.8 or where otherwise expressly provided in this Code, [] percentage point per annum; and

¹ Delete if not relevant.

- (b) in all other instances, [three] percentage points per annum.

3.7 Disputed Payments

- 3.7.1 Where the payor disputes any amount under an Invoice, it shall (as promptly as reasonably practicable after identifying the matter in dispute) give notice to the payee specifying in reasonable detail:
 - (a) the error or inaccuracy which it considers to have been made in the Invoice, and its reasons for so considering; and
 - (b) the amount which it considers should properly be payable in respect of the Invoice.
- 3.7.2 Subject to paragraph 3.7.3, and except in the case of a manifest clerical error in the preparation of an Invoice (or where a dispute is resolved before the Invoice Due Date), the payor shall pay in full the amount shown in the Invoice on or before the Invoice Due Date, notwithstanding the existence of any dispute.
- 3.7.3 Where the payor has given notice of a bona fide dispute in accordance with paragraph 3.7.1 before the Invoice Due Date, only the amount which is not the subject of the dispute shall be payable on or before the Invoice Due Date.
- 3.7.4 The Parties shall discuss and endeavour to resolve the dispute, and if they agree upon such resolution the payee shall promptly issue an Invoice in respect of any agreed adjustment.
- 3.7.5 If the Parties are unable to resolve a dispute within [/] weeks after the disputing Party gave notice of the dispute, either Party may refer the dispute [for determination by an Expert in accordance with the provisions of [GT Section A].
- 3.7.6 Upon resolution (by agreement or determination) of an Invoice Dispute, an adjustment payment shall be made:
 - (a) by the payee, in respect of any amount established to have been over-paid, or
 - (b) by the payor, in respect of any amount established to have been under-paidtogether with interest in accordance with paragraph 2.2.

3.8 Value Added Tax

- 3.8.1 All amounts expressed as payable by a Party pursuant to this Code are exclusive (unless expressly otherwise stated) of any applicable Value Added Tax, and accordingly Value Added Tax shall be paid by the payor where payable in respect of any such amount.

SECTION M

INFORMATION FLOWS

1 Offtake Communications Document

1.1 Introduction

1.1.1 For the purposes hereof, the **Offtake Communications Document** is the document of that title established and from time to time modified by the Offtake Committee in accordance with Section N8.

1.1.2 The Offtake Communications Document:

- (a) sets out or summarises or otherwise refers to the requirements for certain flows of information between Parties:
 - (i) for the purposes of this Document (being Offtake Communications), and
 - (ii) as provided in paragraph 1.2.1(a) for the purposes of the Transportation Document, and
- (b) specifies the means by which such information flows are to take place.

1.1.3 In some cases the Offtake Communications Document repeats or summarises (for completeness) requirements for information flows which are provided elsewhere in the Code; in other cases the requirement for a given information flow originates in the Offtake Communications Document.

1.2 Requirements for information flows

1.2.1 The Parties acknowledge that:

- (a) the Transportation Document contemplates, and/or the implementation of the Transportation Document requires, certain operational information flows (in addition to information flows provided for in the JGAA) between the Parties as 'Transporters' under the Transportation Document);
- (b) except as provided in paragraph 1.2.2, the provisions of the Transportation Document are not made binding between the Parties in relation to such information flows;

and accordingly the Offtake Communications Document provides for such information flows.

1.2.2 For the avoidance of doubt, information flows referred to in paragraph 1.2.1 do not include any Code Communications to be given (under the Transportation Document) between a Transporter and a DN Operator in its capacity as DNO User.

1.2.3 A requirement pursuant to any other provision of the Transportation Document or this Document for a Party to provide information to another shall not be affected or prejudiced by the omission to include a reference to such requirement in the Offtake Communications Document.

1.3 Information

- 1.3.1 In this Section M **information** includes any operational notice, data, report, information or other communication to be made or provided by one Party to another pursuant to or for the purposes of this Document or (as provided in paragraph 1.2.1) the Transportation Document.

2 Content of Offtake Communications Document

2.1 Information flows

- 2.1.1 The Offtake Communications Document will specify (in relation to each information flow):
- (a) the information to be provided;
 - (b) the requirement (as provided in or otherwise arising under this Document or the Transportation Document) for the information to be provided;
 - (c) the Party by which the information is to be provided;
 - (d) the Party(ies) to which the information is to be provided;
 - (e) the means by which (and in some cases, standby means by which) the information is to be provided, as further referred to in paragraph 2.2;
 - (f) in some cases, the format in which the information is to be provided;
 - (g) the period to which the information relates;
 - (h) the time by and/or frequency with which the information is to be provided;
 - (i) [in some cases, whether the information is required en-ante for operational purposes, or is provided by way of ex-post reporting].
- 2.1.2 The Offtake Communications Document may (without limitation) specify any of the matters in paragraph 2.1.1:
- (a) in relation to any category of information, generically by reference to a part of this Document or the Transportation Document, or function or activity pursuant to this Document or the Transportation Document, or specification (provided such specification is available to all Parties) of a system provided by a Party or Parties in connection with the implementation of this Document or the Transportation Document, and/or
 - (b) by reference to any provision of any agreement to which the Parties are party, including without limitation the Agency Services Agreement, and/or
 - (c) in the form of a process diagram or other procedure.
- 2.1.3 The omission to specify (in the Offtake Communications Document) any particular matter in paragraph 2.1.1 shall not invalidate the requirement to provide the relevant information to the extent such requirement can be determined in the absence of such matter.

2.2 Means of providing information

- 2.2.1 (Unless otherwise provided elsewhere in the Transportation Document or this Document) the means by which information may be provided by a Party are as follows:

- (a) by telemetry as provided in Section E;
- (b) by or through the Agency, or by means of systems provided by the Agency, pursuant to the Agency Services Agreement;
- (c) [by e-mail in accordance with GT Section [B]];
- (d) by fax in accordance with GT Section [B];
- (e) by telephone in accordance with GT Section [B];
- (f) by any other specific medium and/or communications system described in the Offtake Communications Document; and/or
- (g) any combination of the above.

2.2.2 The specific means by which particular information is to be provided is specified in the Offtake Communications Document.

2.2.3 The Offtake Communications Document may provide:

- (a) requirements as to the logging of sending or receipt, and/or the acknowledgment of receipt, of information;
- (b) in relation to any such means of communication as is referred to in paragraph 2.2.1(f):
 - (i) requirements for Parties to procure, install, maintain and operate equipment for the purposes of giving and receiving information by such means;
 - (ii) security and other requirements which Parties are to comply with in order to have access to and use of such means of communication;
 - (iii) rules as to whether, and the time by which, information provided by such means is to be treated as received.

2.2.4 The Offtake Communications Document may provide that, while there is a System Operation Managed Service Agreement (SOMSA) in force between Transco NTS and a DNO, particular information is treated as having been given or received by either such Party by virtue of that Agreement.

2.3 Data retention

2.3.1 The Offtake Communications Document may contain requirements (in addition to those contained in this Document) for Parties:

- (a) to retain (for a specified period and in a given format) information received or provided by them pursuant to the Offtake Communications Document; and
- (b) to make available such retained information to another Party.

3 Information requirements

3.1 Provision of information

3.2 Each Party shall provide information to the other Parties in accordance with (and at the times and by the means provided in) the Offtake Communications Document.

3.3 Compliance with the Offtake Communications Document

3.3.1 Each Party agrees to comply with the requirements of the Offtake Communications Document, and in particular to comply with any requirements contained in the Offtake Communications Document pursuant to paragraph 2.2.3(a) and (b)(i) or paragraph 2.3.1.

3.3.2 Each Party acknowledges that, where it does not comply with applicable requirements of the Offtake Communications Document:

(a) it may not be able to, and

(b) in such a case it will not be entitled to and may be in breach of an obligation to provide and receive information to and from other Parties.

3.3.3 The Parties agree that where (in relation to a particular means of communication) the Offtake Communications Document provides such rules as are referred to in paragraph 2.2.3(b)(iii), any question as to whether and/or the time at which any information provided (by such means of communication) by one Party is treated as received by another Party shall be determined in accordance with such rules.

UNIFORM NETWORK CODE – OFFTAKE ARRANGEMENTS DOCUMENT

SECTION N

GENERAL

1 General

1.1 Introduction

1.1.1 This Section N sets out provisions (applicable for the purposes of this Document, in addition to the General Terms) as to:

- (a) the interpretation of references to a Party in this Document;
- (b) the basis on which a person may become or cease to be a Party;
- (c) confidentiality as between Parties;
- (d) the liability of Parties;
- (e) dispute resolution; and
- (f) other matters of a general nature.

1.1.2 In this Offtake Arrangements Document, references to:

- (a) this Document are to this Offtake Arrangements Document;
- (b) the date of this Document are to the UNC Implementation Date.

1.2 Subsidiary Documents

1.2.1 In this Document, **Subsidiary Offtake Document** means each of the following documents:

- (a) the SCO Interface Procedures (referred to in Section C3);
- (b) the Offtake Communications Document (referred to in Section M);
- (c) the Validation Procedures (referred to in Section D3);
- (d) [the Emergency Procedures E2 (referred to in Section C2.3)];
- (e) [/]; and
- (f) any other document which may be specified or may be agreed by the Parties to be a Subsidiary Offtake Document

1.2.2 The version of each the Subsidiary Offtake Documents prevailing at the date of this Document is the version issued by Transco plc on or before the date of this Document.

1.2.3 The Offtake Committee shall keep each Offtake Subsidiary Document under review.

1.2.4 Any Party may propose a modification to an Offtake Subsidiary Document, [except that Transco NTS may not proposed a modification to an Offtake Subsidiary Document which (in

accordance with an express provision of this Document) is established by the Offtake Committee on behalf of DNOs].

- 1.2.5 The Offtake Committee shall establish and implement the procedure to be adopted in relation to a proposal to modify an Offtake Subsidiary Document
- 1.2.6 A modification of an Offtake Subsidiary Document shall be made by the decision (in accordance with paragraph 8.5) of the Offtake Committee and not otherwise.
- 1.2.7 The Parties shall comply with the Offtake Subsidiary Documents.

2 Parties

2.1 Parties

- 2.1.1 In accordance with GT Section [/], references in this Offtake Arrangements Document to a Party are to a Transporter.
- 2.1.2 A reference in this Document to a Party shall be construed as a reference:
 - (a) in the context of any Supplemental Agreement, to a Party which is party to that agreement;
 - (b) in the context of any Offtake, to a Party whose System is connected to another System at that Offtake;
 - (c) in the context of an Offtake Site, to a Party whose System is connected to another System at an Offtake located at that Offtake Site.

2.2 Participation capacities

- 2.2.1 In this paragraph 1.5 **participation capacity** means the capacity of a Party as [a DNO or Transco NTS] under this Document.
- 2.2.2 Where for the time being a person which is a Party has more than one participation capacity under this Document, such person shall:
 - (a) account for any payments to be made by it in each participation capacity (including payments to itself in another participation capacity);
 - (b) secure that accounting records are maintained sufficient to allow separate identification of the payments referred to in paragraph (a) and the calculation of the amounts of such payments;
 - (c) conduct operations under this Document separately (and in particular nominate separate personnel to give and receive Offtake Communications pursuant to Sections [I, J and K]) in respect of each participation capacity.
- 2.2.3 [*Further provisions?*]

3 Supplemental Agreements

3.1 General

- 3.1.1 For the purposes of this Document a **Supplemental Agreement** is an agreement between the Parties whose Systems are connected at an Offtake, setting out details of that Offtake (as required by this Document).
- 3.1.2 Each Supplemental Agreement shall be in the form in the Appendix to this Document or in such other form as the Parties may agree.
- 3.1.3 Subject as provided in this Section N, a Supplemental Agreement shall be treated as forming, as between the Parties to the Agreement, a part of the contractual relationship between the Parties existing pursuant to this Document and the Transporters Framework Agreement.
- 3.1.4 In any Supplemental Agreement (unless it otherwise provides) terms defined in or for the purposes of this Document and not otherwise defined in such Supplemental Agreement shall have the meanings given to such terms in or for the purposes of this Document.

3.2 Amendment of Supplemental Agreements

- 3.2.1 A Supplemental Agreement may be amended by agreement of the Parties and not otherwise; and accordingly, a Supplemental Agreement shall not be subject to modification pursuant to the Modification Rules (but without prejudice to any modification of any provisions of this Document which apply to or are incorporated into such Supplemental Agreement).
- 3.2.2 The Parties to a Supplemental Agreement are required (by certain provision of this Document) to amend the Supplemental Agreement to reflect and record changes in relation to the Offtake; and undertake to make such amendments promptly and in accordance with this Document.
- 3.2.3 Where any amendment of a Supplemental Agreement is required (pursuant to this Document) to be made with effect from any date, this Document shall take effect in relation to the relevant Offtake as if such amendment had been made notwithstanding any failure or delay in amending such Supplemental Agreement.

3.3 Execution and Amendment of Supplemental Agreements

- 3.3.1 Whenever any Parties are required pursuant to this Document to enter into a new Supplemental Agreement, or to amend an existing Supplemental Agreement:
- (a) the downstream Party shall promptly provide such information (relating to the Offtake) as the upstream Party may request for the purposes of preparing the draft Supplemental Agreement;
 - (b) the upstream Party shall prepare a draft of the Supplemental Agreement or amendment thereof and submit the draft to the downstream Party for the downstream Party's approval;
 - (c) the downstream Party shall reply, within 10 business days after receiving the draft Supplemental Agreement, either approving the draft or specifying any proposed revision of the draft;
 - (d) if the upstream Party does not approve any revisions proposed by the downstream Party, the Parties shall promptly meet with a view to resolving the matter (failing which the matter shall be treated as a dispute for the purposes of [GT Section A]);
- 3.3.2 Following approval by each Party of the draft or revised draft Supplemental Agreement (or resolution of any dispute relating thereto) the upstream Party shall prepare a final version which shall be executed by both Parties.

3.4 Modification of form of Supplemental Agreements

3.4.1 For the avoidance of doubt:

- (a) a Supplemental Agreement is not a part of the Code and may not be modified pursuant to a Code Modification;
- (b) the forms (in the Appendix to this Offtake Arrangements Document) of the Supplemental Agreement may be modified (or further alternative such forms may be included) pursuant to a Code Modification, but such modification shall have no effect as respects any Supplemental Agreement entered into before such modification.

4 Admission

4.1 Conditions for admission

4.1.1 A person (**New DNO**) may become a Party in the capacity of a DNO, if the conditions in paragraph 4.1.2 are satisfied in relation to such person, subject to and in accordance with paragraph 4.2.

4.1.2 The conditions are that, with effect from the date from which the New DNO is to become a Party:

- (a) the New DNO will be the operator of an LDZ;
- (b) the New DNO will be licensee under a Transporter's Licence;
- (c) the Transporters Code of the New DNO will be made binding between the New DNO and Users pursuant to a Shippers Framework Agreement (whether by assignment or novation or the entry into a new Shippers Framework Agreement);
- (d) such modifications (if any) of the Code as are necessary to reflect the participation of the New DNO as a Party have been made and taken effect.

4.2 Requirements for admission

4.2.1 In order to become a Party, the New DNO shall:

- (a) satisfy or secure the satisfaction of the requirements in paragraph 4.2.2; and
- (b) accede to the Transporters Framework Agreement by executing and delivering to Transco NTS an Accession Agreement and thereby agree to be bound by this Document.

4.2.2 The requirements referred to in paragraph 4.2.1(a) are as follows:

- (a) the New DNO shall have applied to Transco NTS, in such form as the Offtake Committee may from time to time prescribe, giving the following details:
 - (i) the name of the New DNO;
 - (ii) the legal nature of the New DNO and, where the New DNO is not a company incorporated under the Companies Act 1985 (as amended), such further information concerning the constitution of the New DNO as Transco NTS may reasonably require;

- (iii) the address, telephone and facsimile numbers of the New DNO, and the individual for whose attention notice is to be marked, for the purposes of notice under [GT Section B[/] (Notices)]; and
- (iv) where the New DNO is not a company incorporated under the Companies Act 1985 (as amended), an address for service in accordance with [GT Section A];
- (b) the New DNO shall have obtained from the Offtake Committee one or more copies of the Subsidiary Documents and such other documents referred to in this Document or the Transporters Framework Agreement as the Committee shall from time to time prescribe for the purposes of this paragraph 4.2.2(b);
- (c) the New DNO has entered into or has had assigned or novated to it Supplemental Agreements with the relevant Party in respect of each Offtake relating to the LDZ of which it is operator as required by this Document;
- (d) the New DNO has satisfied any requirements which may apply under the Offtake Communications Document.

4.3 Effectiveness of accession

- 4.3.1 Where any New DNO is to be admitted pursuant to this paragraph 4, each Party hereby irrevocably and unconditionally authorises Transco NTS to execute and deliver on behalf of such Party an Accession Agreement [(in the form in Annex N-1)] and to admit such New DNO as a Party.
- 4.3.2 The New DNO will become a Party with effect from the day which is [three Working Days] after the last of the requirements in paragraphs 4.2.1 and 4.2.2 above are satisfied.
- 4.3.3 Upon the New DNO becoming a Party to this Document pursuant to paragraph 4.3.1 above, the Offtake Committee shall so notify:
 - (a) the New DNO, specifying the names of all existing Parties and their prevailing notice details in accordance with [GT Section B[/] (Notices)]; and
 - (b) all other Parties, specifying the name of the New DNO, its notice details provided under paragraph 4.2.2(a)(iii) above and the effective date of its becoming a Party in accordance with paragraph 3.3.1.

5 Default, withdrawal and termination

5.1 Withdrawal

- 5.1.1 A DNO (**withdrawing DNO**) may cease to be a Party where the following conditions are, or will (with effect from its ceasing to be a Party) be, satisfied:
 - (a) the withdrawing DNO has ceased to be the operator of any LDZ;
 - (b) the withdrawing DNO is not bound to be a Party by the conditions of a Transporter's Licence;
 - (c) the withdrawing DNO is not bound by the Code pursuant to any Shippers Framework Agreement;

- (d) all Supplemental Agreements to which the withdrawing DNO is party have been assigned or novated to another Party or have been terminated;
- (e) there are no financial or other liabilities or obligations (whether accrued, outstanding or contingent) of the withdrawing DNO to any other Party under this Document;
- (f) [other?].

5.1.2 Where a DNO wishes to cease to be a Party:

- (a) it shall give notice to the Offtake Committee specifying the date with effect from which it wishes to cease to be Party;
- (b) with effect from the specified date, provided the conditions in paragraph 5.1.1 are satisfied, the withdrawing DNO shall cease to be a Party;
- (c) if the conditions in paragraph 5.1.1 are not satisfied at the specified date, the withdrawing DNO's notice under paragraph 5.1.2(a) shall lapse and be of no effect.

5.2 Termination

5.2.1 The Parties acknowledge that:

- (a) this Document currently contains no provision under which a Party may be required to cease to be a Party in any circumstances;
- (b) that a Code Modification might be made to introduce provision.

5.3 Event of Default

DRAFT

[Consider provision for notification of event of default to the Authority.]

5.4 Effect of termination

Any rights and obligations of any Party which are accrued and outstanding at the date of a Party's ceasing to be a Party (pursuant to any provision of this Document) shall survive and continue to be enforceable notwithstanding such cessation.

6 Information and Confidentiality

6.1 Protected Information

6.1.1 In this paragraph 6, **Protected Information** means:

- (a) any information relating to the affairs of a Party (the **Protected Party**) which is obtained by another Party (the **Receiving Party**) pursuant to or in course of the implementation or performance of this Document, the Transporters Framework Agreement or any Supplemental Agreement to which that Party is party; and
- (b) the terms of any Supplemental Agreement to which the Protected Party and the Receiving Party are party.

6.1.2 The terms of the Code and the Transporters Framework Agreement are not Protected Information.

6.1.3 For the avoidance of doubt, the provisions of this Document are without prejudice to the requirements of the Data Protection Act 1984.

6.2 Obligations

6.2.1 The Receiving Party shall secure that Protected Information is not:

- (a) disclosed to any person other than:
 - (i) an officer or employee of the Receiving Party whose province it is to know the same; or
 - (ii) a professional adviser of or consultant to the Receiving Party; or
 - (iii) without prejudice to any requirement under the Receiving Party's Licence, any [10% Affiliate] (other than an Affiliate which is the holder of a gas shipper's licence or a gas supplier's licence) of the Receiving Party;

in any such case in accordance with the requirements of paragraph 6.4 below; or

- (b) used by the Receiving Party for any purpose other than carrying on the Permitted Activities.

6.2.2 In relation to the Receiving Party, **Permitted Activities** means the carrying on of transportation business (as defined in the Receiving Party's Transporter's Licence(s)), the operation, administration, maintenance and development of the Receiving Party's System, and the implementation and performance of the Code, any Framework Agreement and any Supplemental Agreement.

DRAFT

6.3 Terms of Permitted Disclosure

Where Protected Information is disclosed by the Receiving Party as permitted under paragraph 6.2.1(a), the Receiving Party shall (without prejudice to its obligations under paragraph 6.2) take all reasonable steps to secure that the person to whom the information is disclosed:

- (a) is aware of the Receiving Party's obligations under this paragraph 6 in relation thereto; and
- (b) does not use or disclose the information other than as is permitted of such Party in accordance with paragraph [6.2.2 and 6.5].

6.4 Exceptions

6.4.1 Nothing in paragraph 6.2 or 6.3 shall apply:

- (a) to the disclosure or use by the Receiving Party of Protected Information to which the Protected Party has consented in writing;
- (b) to any Protected Information which:
 - (i) before it is obtained by the Receiving Party is in the public domain; or
 - (ii) after it is obtained by the Receiving Party enters the public domain;

in either case otherwise than as a result of a breach by the Receiving Party of its obligations under paragraph 6.2 or 6.3;

- (c) to the disclosure of any Protected Information to any person if and to the extent that the Receiving Party is required to make such disclosure to such person:
 - (i) in compliance with the duties of the Receiving Party under the Act or any other requirement of a Competent Authority; or
 - (ii) in compliance with the conditions of the Transporter's Licence(s) held by the Receiving Party or any document referred to in such licence with which the Receiving Party is required by virtue of the Act or such licence to comply; or
 - (iii) in compliance with any other Legal Requirement; or
 - (iv) in response to a requirement of any stock exchange or regulatory authority or the Panel on Take-overs and Mergers; or
 - (v) pursuant to any provision of [GT Section A] or pursuant to any judicial or other arbitral process or tribunal having jurisdiction in relation to the Receiving Party; or
- (d) to any Protected Information to the extent that the Receiving Party is expressly permitted or required to disclose that information under the terms of any agreement or arrangement made with the Protected Party or to which it is party (including this Document, the Transporters Framework Agreement and any Supplemental Agreement to which the Protected Party is a party);
- (e) to the disclosure of Protected Information to any lending or other financial institution proposing to provide or arrange the provision of finance to the Receiving Party, where and to the extent the disclosure of such information is reasonably required for the purposes of the provision or arrangement of such finance, and provided that the person to whom the information is disclosed undertakes in writing to and in terms reasonably satisfactory to the Protected Party to maintain the confidentiality of such information;
- (f) to the disclosure of any Protected Information to the Authority, where the Receiving Party considers in good faith that the Protected Party may be in breach of a condition of the Protected Party's Licence, to the extent reasonably necessary to draw such possible breach to the attention of the Authority.

6.5 Survival

The provisions of this paragraph 6 above shall continue to bind a Party (and in relation to such Party, each other Party) for a period of [three years] after the Party ceases to be a Party pursuant to paragraph 5.

6.6 No Disclosure in Breach of Licence

Nothing in this Document, the Transporters Framework Agreement or any Supplemental Agreement shall be construed as requiring a Party to disclose or use any information in breach of any requirement of the Party's Transporter's Licence(s).

6.7 References to Party

For the purposes of paragraphs 6.1 to 6.6, a person which operates more than one System and/or holds more than one Transporter's Licence shall be considered to be a single Party.

6.8 Data ownership

6.8.1 [In the event of any conflict between this paragraph 6.8 and any provision of the Agency Services Agreement or Joint Governance Agreement, the relevant provision of the Agency Services Agreement or Joint Governance Agreement shall prevail.]

6.8.2 For the purposes of this paragraph 6.8:

- (a) data includes measured data, demand forecasts, OPNs, [and includes any data comprised in any [offtake communication];
- (b) data relates to a System where it relates to or is derived from that System, or Measurement Equipment or Connection Facilities installed by the Party which operates that System, or a User as user of that System.

6.8.3 As between the Parties, data which:

- (a) relates to a System, and
- (b) is provided pursuant to this Document by the Party which operates that System to another Party

shall belong to the Party which operates that System.

6.8.4 Where pursuant to this Document a Party (the **data** Party) provides data to another Party (the **receiving** Party):

- (a) the data Party grants to the receiving Party a perpetual, non-exclusive, royalty-free licence (which shall survive the data Party ceasing to be a Party) in respect of such data and all intellectual property rights therein to use, copy, adapt and deal with such data for the purposes of the Permitted Activities [but not otherwise];
- (b) data (including any compilation of data) which is derived by the receiving Party from the data provided by the data Party, pursuant to any process carried out by the receiving Party pursuant to the licence under paragraph (a)), shall belong to the receiving Party.

7 Liability

7.1 Responsibility for Loss and Liability

7.1.1 For the purposes of this paragraph 7, in relation to a Party, **Loss and Liability** means all and any of the following:

- (a) any loss or damage to:
 - (i) that Party's property (including any part of its System), or
 - (ii) the property of that Party's officers, employees, agents and Affiliates

(whether or not such loss or damage occurs when such property is located on or has been brought onto part of an Offtake Site or other land which is owned or occupied by another Party);

- (b) liability in connection with any injury to or death of any of that Party's officers, employees or agents (whether or not such injury or death occurs when such any such

office, employee or agent is on part of an Offtake Site or other land which is owned or occupied by another Party);

- (c) subject to paragraphs (a)(ii) and (b), any liability to or claim by any third party:
 - (i) which arises from or in connection with (or with the operation of or failure to operate) that Party's System, including any Connection Facilities installed by that Party; or
 - (ii) which arises under any contract or pursuant to any other commitment made by that Party to a third party (including pursuant to the Transportation Document);
- (d) all claims, damages, awards, costs, expenses and other liability in connection with any of the foregoing.

7.1.2 Subject to paragraph 7.2, each Party shall be responsible for its own Loss and Liability, irrespective of whether any such Loss and Liability results:

- (a) the breach by any other Party of any provision of this Document;
- (b) any act or omission (negligent or otherwise) by any other Party, or any officer, employee, agent or Affiliate of another Party, in the course of the performance of or otherwise in connection with the subject matter of this Document.

7.1.3 In accordance with paragraph 7.1.2 (but subject to paragraph 7.2), each Party (the **first** Party):

- (a) waives any rights and remedies against any other Party (or any officer, employee, agent or Affiliate of another Party), and releases each other Party (and its officers, employees, agents and Affiliates) from any duties or liabilities, in contract, tort (including negligence), misrepresentation or otherwise, in respect of the first Party's Loss and Liability; and
- (b) undertakes to indemnify and hold harmless each other Party (and its officers, employees, agents and Affiliates) from and against any Loss and Liability of the first Party, and all liability, loss, damages, claims, costs and expenses in connection with any Loss and Liability of the first Party.

7.1.4 Without prejudice to the generality of paragraph 7.1.2, but subject to paragraph 7.2, no Party shall in any circumstances be liable in respect of any breach of this Document, the Framework Agreement or any Supplemental Agreement to any other Party for:

- (a) any increased cost of working; or
- (b) any loss of profit, loss of revenue, loss of use, loss of contract, loss of goodwill;
- (c) any indirect or consequential loss; or
- (d) loss resulting from the liability in damages of the other Party to any other person howsoever and whensoever arising.

7.1.5 Each Party (the **first** Party) shall be responsible for determining whether to insure, and (if so) in respect of what risks and for what amounts to insure, its System and the risk of its Loss and Liability; provided that each Party shall obtain (from its insurers) an effective waiver of rights of subrogation against any other Party in respect of the first Party's Loss and Liability, and

shall at all times provide such evidence as any other Party may require that such waiver of subrogation has been obtained and is in force.

7.1.6 In the event of any conflict between this paragraph [/] and any provision of the Agency Services Agreement, Joint Governance Agreement or SOMSA, the relevant provision of the Agency Services Agreement, Joint Governance Agreement or SOMSA shall prevail.

7.1.7 In this paragraph 7.1:

- (a) references to a Party's agent do not include the Transporters' Agent;
- (b) **third party** means any person other than a Party (and for the avoidance of doubt includes any User).

7.1.8 [*Exclude disapplication of CRTPA for purposes of 7.1 in relation to officers, employees, agents and Affiliates?*]

7.2 Qualifications

7.2.1 Nothing in this Document or any Supplemental Agreement shall exclude or limit the liability of any Party to any person for death of or personal injury to that person resulting from the negligence of such Party.

7.2.2 Paragraph 7.1 is without prejudice to any provision of the Code which provides for any Party to make a payment to another Party (including a requirement to pay or reimburse another Party's costs), or which provides for an indemnity.

7.2.3 Nothing in this paragraph 7 shall prevent a Party from or restrict it in enforcing any obligation (including suing for a debt) owed to it under or pursuant to this Document, any Supplemental Agreement or the Framework Agreement.

7.2.4 Nothing in paragraph 7.1 shall constitute a waiver by any Party of any right or remedy it may have:

- (a) [(other than pursuant to the Code, or any condition of a Transporter's Licence requiring compliance with the Code) in respect of a breach by another Party of any Legal Requirement;]
- (b) in respect of the fraud of another Party.

7.3 Further provisions

7.3.1 Where this Document provides for any amount to be payable by a Party upon or in respect of that Party's breach of any provision of this Document:

- (a) each Party agrees and acknowledges that such provision has been the subject of discussion and negotiation, and that the amount provided to be payable represents no more than a genuine pre-estimate of the loss of the Party to which such amount is payable;
- (b) [without prejudice to the generality of paragraph 7.1, each Party agrees and acknowledges that the remedy conferred by such provision is exclusive of and in substitution for any remedy in damages in respect of such breach or the event or circumstance giving rise thereto].

- 7.3.2 Each Party agrees that the provisions of this paragraph 7 have been the subject of discussion and negotiation and are appropriate, fair and reasonable having regard to the circumstances as at the date of this Document.

8 Offtake Committee

8.1 Establishment

- 8.1.1 There shall be and is hereby established a Sub-committee of the UNC Committee to be known as the Offtake Committee.
- 8.1.2 The Offtake Committee shall be composed of the members of the UNC Committee from time to time appointed by the Transporters, or their nominees in accordance with paragraph [7] (and references in this paragraph 8.1.2 to members of the Offtake Committee shall be construed accordingly).
- 8.1.3 Each member appointed by a Transporter may from time to time designate a nominee to be a member of the Offtake Committee in his place.
- 8.1.4 It is expected that each member of the Offtake Committee shall represent, and inform the Offtake Committee of, the views of its appointing Party in relation to matters the subject of the Offtake Committee's functions.

8.2 Chairman

- 8.2.1 The member appointed by one of the Parties (chosen by rotation between the Parties, in the alphabetic order of their company names, upon expiry of the existing Chairman's term or when a vacancy arises) shall be chairman of the Offtake Committee.
- 8.2.2 The term of appointment of a person as Chairman shall be one (1) year, subject to paragraph 2.3.3.
- 8.2.3 The retirement (except in a case of casual vacancy) of one Chairman, and the appointment of a new Chairman, shall take effect from the start of the first meeting of the Committee following the expiry of the existing Chairman's term or (as the case may be) such vacancy occurring.
- 8.2.4 The Chairman shall not have a second or casting vote at Offtake Committee meetings.
- 8.2.5 The Chairman shall chair meetings of the Offtake Committee and shall have such other functions if any as the Offtake Committee shall decide.

8.3 Functions of the Offtake Committee

- 8.3.1 The Offtake Committee shall have the powers, duties and functions assigned to it by or under this Document.
- 8.3.2 The functions of the Offtake Committee shall include:
- (a) decisions in relation to the admission of new Parties under paragraph 4 or the withdrawal of a Party under paragraph 5.1;
 - (b) the review and modification of the Offtake Subsidiary Documents in accordance with paragraph 1.2.

- 8.3.3 Except as otherwise provided in this Agreement, the Offtake Committee shall have no ability to determine any matter and no competence to discharge any function or to exercise any power.
- 8.3.4 The Offtake Committee shall not, and no member (by virtue only of being a member) of the Offtake Committee shall, have the power or authority to bind any Party, other than by virtue of the effect, for the purposes of this Document, of the Offtake Committee's decisions in relation to matters within the scope of its functions.

8.4 Proceedings of the Offtake Committee

- 8.4.1 The Offtake Committee shall determine the rules and procedures which govern its proceedings and the convening and conduct of its meetings (including the frequency of its regular meetings).
- 8.4.2 Any meeting of the Offtake Committee may be attended by a representative of the Authority [and others], who for the avoidance of doubt shall not have a vote at such meeting.
- 8.4.3 In respect of any matter to be decided by the Offtake Committee at any meeting of the Offtake Committee, each member shall have one vote, subject to paragraph 8.4.4.
- 8.4.4 In respect of any matter which (pursuant to an express provision of this Document) is to be decided by the Offtake Committee on behalf of the DNOs, the member appointed by Transco NTS shall not have a vote.

8.5 Decisions of the Offtake Committee

- 8.5.1 Decisions of the Offtake Committee shall be made by the affirmative vote of all members present at a validly called meeting of the Offtake Committee at which at least two (2) members are present, of whom at least one is a member appointed by a Party other than Transco (and references to the unanimous decision of the Offtake Committee shall be construed accordingly).
- 8.5.2 In respect of any matter in relation to which a unanimous decision is not reached by the Offtake Committee at a meeting at which such matter is considered, unless the Offtake Committee decides to defer further consideration of such matter to a later meeting:
- (a) any member may (by notice to each Party) require that the matter shall be referred to a [director] of each of the Parties for determination, in which case the Parties shall ensure that their nominated directors meet to consider the matter;
 - (b) if the Parties do not reach a unanimous decision in relation to the matter within [10] Business Days after such notice, [Condition [/] Approval].

The Parties shall ensure that minutes of the Committee's meetings and records of its proceedings are kept and made available to each Representative and each Party.

9 Assignment

- 9.1 A Party shall not be entitled to assign or transfer its rights under this Document, except in accordance with the further provisions of this paragraph 9.
- 9.2 A Party shall be entitled to assign its rights under this Document pursuant to paragraph 9.3 below with the consent of each other Party [such consent not to be unreasonably withheld or delayed].

9.3 No assignment shall be made to a person unless:

- (a) where the assigning Party is Transco NTS, that person holds a [relevant gas transporter's licence] in relation to the NTS; and
- (b) where the assigning Party is a DNO, that person holds a [relevant gas transporter's licence] in relation to an LDZ.

[Consider allowing novation to a person which has become a Party of rights and obligations in relation to a System]

DRAFT

APPENDIX I

PART 1

FORM OF SUPPLEMENTAL AGREEMENT

(NTS/LDZ Offtake)

DRAFT

NTS/LDZ OFFTAKE _____

SUPPLEMENTAL AGREEMENT

THIS SUPPLEMENTAL AGREEMENT is made on _____ between:

- (1) **Transco plc**, a company incorporated in England and Wales with company registration number [**] and whose registered office is at [**] (**Transco NTS**); and
- (2) _____, a company incorporated in [England and Wales] with company registration number [**] and whose registered office is at [**] (the **DNO**).

WHEREAS:

- (A) Transco NTS is the operator of the National Transmission System.
- (B) The DNO is the operator of the Local Distribution Zone known as _____.
- (C) The Local Distribution Zone is or is to be connected to the National Transmission System at an Offtake known as _____ and located at _____.
- (D) Transco NTS and the DNO are Parties to the Offtake Arrangements Document.
- (E) The parties are entering into this Agreement for the purposes of recording certain details relating to the Offtake as required by the Offtake Arrangements Document.

NOW IT IS HEREBY AGREED as follows:

DRAFT

1 Interpretation

- 1.1 In this Agreement, **Offtake Arrangements Document** means the Offtake Arrangements Document which forms part of the Uniform Network Code prepared by the Parties (together with other parties) pursuant to their respective gas transporter's licences, as incorporated into the network code prepared by Transco plc pursuant to its gas transporter's licences and made binding by the Transporters Framework Agreement dated _____ between Transco NTS, the DNO and the other parties to that Agreement.
- 1.2 Subject to paragraph 1.3, terms defined in the Offtake Arrangements Document shall have the same meanings in this Agreement.
- 1.3 References in this Agreement to the Offtake are to the Offtake referred to in Recital C (and other terms defined in the Offtake Arrangements Document and used in this Agreement shall be construed accordingly).
- 1.4 This is a Supplemental Agreement for the purposes of the Offtake Arrangements Document.

2 Effectiveness

- 2.1 This Agreement shall be effective on and with effect from _____.

3 Details of Offtake

- 3.1 The Offtake is more particularly described, and details of the Individual Offtake Point(s) comprised in the Offtake are set out, in Appendix A.
- 3.2 Details of the Offtake Site (and in relation to such site or any part thereof the Site Owner and where applicable Site user) are set out in Appendix B.
- 3.3 Details of the Connection Facilities (other than Measurement Equipment) provided or to be provided by each Party are set out in Appendix C.
- 3.4 Details of the Measurement Equipment provided or to be provided by each Party are set out in Appendix D.
- 3.5 Details of the Site Services to be provided at the Offtake Site and the Party responsible for the provision of such Site Services are set out in Appendix E.
- 3.6 Details of the points of telemetry required by Transco NTS are set out in Appendix F.

4 Representations and Warranties

- 4.1 Each Party represents and warrants to the other that, as at the date of this Agreement, the information contained in the Appendices to this Agreement, so far as relating to such Party or anything which (at the date of this Agreement) has been provided or otherwise done by it, is true and accurate.

DRAFT

5 Miscellaneous

- 5.1 This Agreement is governed by, and shall be construed in all respects in accordance with, English law.
- 5.2 This Agreement may be executed in counterparts.

AS WITNESS the hands of the duly authorised representatives of the parties hereto the day and year first above written.

Signed by **)
duly authorised for and on)
behalf of)
Transco plc)

Signed by **)
duly authorised for and on)
behalf of)
[DNO])

Appendix A

The Offtake

The Offtake to which this Supplemental Agreement relates is the Offtake known as _____ located at _____ [as more particularly described below.]

The Offtake comprises [] Individual Offtake Point[s] as more particularly described below.

[insert description / schematic?]

DRAFT

Appendix B

Offtake Site

[Site Owner / Site Owner's Land / Site User – append plan or cross refer to hive-down document]

DRAFT

Appendix C

Connection Facilities (other than Measurement Equipment)

DRAFT

Appendix D

Measurement Equipment and Permitted Ranges

The Measurement Equipment, and the Permitted Range for [each component of] the Measurement Equipment, are as follows:

DRAFT

Appendix E

Site Services

The Site Services to be provided at the Offtake Site, and the Party responsible for providing such services, are as follows:

DRAFT

Appendix F

Telemetry

[The points of telemetry required by Transco NTS in relation to the Offtake are as follows:]

DRAFT

APPENDIX I

PART 2

FORM OF SUPPLEMENTAL AGREEMENT

(LDZ/LDZ Offtake)

DRAFT

LDZ/LDZ OFFTAKE _____

SUPPLEMENTAL AGREEMENT

THIS SUPPLEMENTAL AGREEMENT is made on _____ between:

- (1) _____, a company incorporated in [England and Wales] with company registration number [**] and whose registered office is at [**] (the **Upstream DNO**); and
- (2) _____, a company incorporated in [England and Wales] with company registration number [**] and whose registered office is at [**] (the **Downstream DNO**)

(each a **Party** and collectively the **Parties**).

WHEREAS:

- (A) The Upstream DNO is the operator of the Local Distribution Zone known as _____.
- (B) The Downstream DNO is the operator of the Local Distribution Zone known as _____.
- (C) The LDZs are or are to be connected at an Offtake known as _____ and located at _____.
- (D) The Upstream DNO and Downstream DNO are parties to the Offtake Arrangements Document.
- (E) The Parties are entering into this Agreement for the purposes of recording certain details relating to the Offtake as required by the Offtake Arrangements Document.

DRAFT

NOW IT IS HEREBY AGREED as follows:

1 Interpretation

- 1.1 In this Agreement, **Offtake Arrangements Document** means the Offtake Arrangements Document which forms part of the Uniform Network Code prepared by the Parties (together with other parties) pursuant to their respective gas transporter's licences, as incorporated into the network code prepared by Transco plc pursuant to its gas transporter's licences and made binding by the Transporters Framework Agreement dated _____ between Transco NTS, the Upstream DNO, the Downstream DNO and the other parties to that Agreement.
- 1.2 Subject to paragraph 1.3, terms defined in the Offtake Arrangements Document shall have the same meanings in this Agreement.
- 1.3 References in this Agreement to the Offtake are to the Offtake referred to in Recital C (and other terms defined in the Offtake Arrangements Document and used in this Agreement shall be construed accordingly).
- 1.4 This is a Supplemental Agreement for the purposes of the Offtake Arrangements Document.

2 Effectiveness

2.1 This Agreement shall be effective on and with effect from _____.

3 Details of Offtake

3.1 The Offtake is more particularly described, and details of the Individual Offtake Point(s) comprised in the Offtake are set out, in Appendix A.

3.2 Details of the Offtake Site (and in relation to such site or any part thereof the Site Owner and where applicable Site user) are set out in Appendix B.

3.3 Details of the Connection Facilities (other than Measurement Equipment) provided or to be provided by each Party are set out in Appendix C.

3.4 Details of the Measurement Equipment provided or to be provided by each Party are set out in Appendix D.

3.5 Details of the Site Services to be provided at the Offtake Site and the Party responsible for the provision of such Site Services are set out in Appendix E.

3.6 Details of the Daily Read Facilities or telemetry facilities provided by the Downstream DNO are set out in Appendix F.

4 Representations and Warranties

4.1 Each Party represents and warrants to the other that, as at the date of this Agreement, the information contained in the Appendices to this Agreement, so far as relating to such Party or anything which (at the date of this Agreement) has been provided or otherwise done by it, is true and accurate.

5 Miscellaneous

5.1 This Agreement is governed by, and shall be construed in all respects in accordance with, English law.

5.2 This Agreement may be executed in counterparts.

AS WITNESS the hands of the duly authorised representatives of the parties hereto the day and year first above written.

Signed by **)
duly authorised for and on)
behalf of)
[Upstream DNO])

Signed by **)
duly authorised for and on)
behalf of)
[Downstream DNO])

DRAFT

Appendix A

The Offtake

The Offtake to which this Supplemental Agreement relates is the Offtake known as _____ located at _____ [as more particularly described below.]

The Offtake comprises [] Individual Offtake Point[s] as more particularly described below.

[insert engineering line diagram of Offtake]

DRAFT

Appendix B

Offtake Site

DRAFT

Appendix C

Connection Facilities (other than Measurement Equipment)

[Appropriate agreed methodology to be inserted for unmetered Inter-LDZ Offtakes.]

DRAFT

Appendix D

Measurement Equipment and Permitted Ranges

The Measurement Equipment, and the Permitted Range for [each component of] the Measurement Equipment, are as follows:

DRAFT

Appendix E

Site Services

The Site Services to be provided at the Offtake Site, and the Party responsible for providing such services, are as follows:

DRAFT