

# Final Modification Report No.9

## Introduction of a Non-IP Entry Point and Update to the arrangements for Stranraer

20<sup>th</sup> October 2020

The Transporter has prepared this Final Modification Report No.9 in accordance with section 8 of the Code Modification Rules.

### **A Description of the nature and purpose of the modification**

SGN, as the Stranraer Shipper under the NI Network Gas Transmission Code, was allocated IP Entry Capacity at Moffat in 2015 as part of the transition of the NI arrangements to the entry-exit regime and the introduction of the Moffat Interconnection Point (IP). The IP was required for compliance with EU Regulation 2017/459 (CAM).

SGNs IP Entry Capacity booking will shortly expire, and under CAM it is now only possible to purchase bundled capacity at the IP. SGN is not permitted to book or hold IP capacity on the GB side. From the GB side, the gas to Stranraer distribution network is treated as flowing out of NG's system at the Moffat Offtake Point and the UNC treats Stranraer as a 'Scottish Independent Network'.

Following analysis and discussion of the possible options between the Authority, Ofgem, SGN and PTL, it has been concluded that a notional Non-IP Entry Point should be created on the NI side at Moffat, to correspond with the Moffat Offtake Point on the GB side.

Under this proposal, the quantity of IP Entry Capacity which SGN currently holds on the NI side will be transferred to the Non-IP Entry Point and away from the Moffat Interconnection Point.

A new Stranraer Interoperator Agreement is being developed between SGN and PTL which will set out the terms for the allocation of this capacity and certain other operational provisions. The remaining commercial aspects of the transportation arrangements between SGN and PTL will continue to be covered under the NI Network Gas Transmission Code.

Congestion Management procedures are included to ensure that, should there be contractual congestion at the IP and available capacity at the Non-IP Entry Point, it is possible for unused Non-IP Entry Capacity to be transferred to the IP. This is to ensure that other NI Shippers are not disadvantaged by the introduction of the Non-IP Entry Point.

This Proposed Modification introduces the Non-IP Entry Point into the NI Gas Transmission Network Code along with a new section 27 to set out the particular arrangements for the Stranraer Shipper and how they interact with the Stranraer Interoperator Agreement. Other consequential changes throughout the Code are required, for example, to refer appropriately to the Non-IP Entry Point.

### **B How the modification better facilitates the relevant objective**

The Relevant Objective, (condition 2.4D.2 of the Transporter Licences) will be better facilitated by the NI Network Gas Transmission Code as a result of this modification. These changes will ensure that there are appropriate and non-discriminatory arrangements for the transportation of gas to Stranraer under the NI Network Gas Transmission Code and that there are no adverse impacts on other NI Shippers as a result.

### C Third Party Representations and the views of the Transporter

Two responses were received to the consultation. One party responded simply in support of the Proposed Modification. The other raised a number of points, outlined below along with the response of the Transporter.

| Respondent Comments   | Transporter Response  |
|---|---|
| It is important that Shippers should be able to understand the tariff arrangements and be assured that they produce equitable treatment of Shippers   | The Transporter agrees that this is important and has sought with all the proposed changes to ensure the arrangements produce equitable treatment of all Shippers.  |
| The explanatory text in the Proposed Modification refers to overrun charges being levied at 8 x the annual reference price  | The Transporter acknowledges that this is potentially unclear and the explanatory text should have referred more clearly to the equivalent daily rate instead of an annual rate. The final legal text has also been clarified accordingly.  |
| The disconnect between the Code and OS Scheme Arrangements being in place for October 2020 and the commencement/ completion of parallel Licence/tariff consultations is noted. The full suite of arrangements should be available for review simultaneously. In particular it appears that the legal change in relation to the payable price for the Stranraer Shipper would only be enacted with the amendment to the PTL Licence. | The Transporter shares the concerns of the respondent on this point and agrees that consultation on all the arrangements in parallel would be preferable.<br><br>The Transporter intends to seek approval by a letter from the Utility Regulator for the levying of the charge consistent with the anticipated changes.   |
| The obligation on DNOs to book 1 in 20 capacity levels is also noted, and the respondent seeks clarity on whether this means that any underutilisation of capacity would always end in justification against the 1 in 20 licence condition. The value of the review process is questionable, in such circumstances.   | The Transporter agrees that that the 1 in 20 licence obligation which SGN holds in GB does present a likely justification for holding excess capacity, and this would have to be weighed against other demands for capacity and reasonable justifications for such capacity in NI should contractual congestion become an issue. This is a challenging area for all parties in relation to the regulatory interfaces. The Transporter considers that any enduring physical congestion which might indicate the need for alternative arrangements for delivery of gas to Stranraer would be identified by long term co-ordination of operator network planning processes, and should be addressed sufficiently in advance so as not to present any short term congestion problems. |
| A couple of minor typos are identified  | These will be corrected, thank you  |

### D The clauses of the NI Network Gas Transmission Code that require amendment

This proposal will add a new section 27 to the NI Network Gas Transmission Code and make a number of consequential changes through the rest of the Code. Please see section G for more details.

**E Impact on the networks of the Designated Pipeline Operators, Adjacent Transporters and/or relevant agreements in respect of the NI Network:**

The Transporter has considered the impacts the modification may have and has concluded as follows:

***Impacts on the Operation of the Networks of the Designated Pipeline Operators:***

- The proposed changes will not impact the operation of the networks of the DPOs. For example, no procedural or other operational changes are required in respect of nominations, allocations, balancing or emergencies.

***Impacts on Adjacent Transporters:***

- The proposed arrangements will remove the entry capacity for the Stranraer Shipper from the Moffat IP on the NI side and transfer it to the new Non-IP Entry Point, but since the Tripartite and other interoperator arrangements at Moffat already provide for the treatment of gas flows for Stranraer, there are no impacts on Adjacent Transporters.

***Impacts on Relevant NI Agreements:***

- A new Stranraer Interoperator Agreement between PTL and SGN will underpin the proposed changes. There are expected to be some consequential changes to the SSO and the SOA between the Transporters, to refer to the Stranraer Interoperator Agreement.

**F The date proposed for implementation**

The Transporter initially proposed that this Modification should take effect from 1<sup>st</sup> October 2020, and since that has now passed, from the date of its approval by the Authority.

**G Changes from the Initial Modification Report**

Following consultation of this Proposed Modification and finalisation of the SIA, some changes relative to the Initial Modification Report have been required:

- Changes have been made to section 27.3 to cover the procedures now agreed between SGN and PTL for the allocation of Non-IP Entry Capacity under the Stranraer Interoperator Agreement (SIA). Subject to approval, the SIA will run for an initial term of one year until September 2021 and then (subject to agreement on the GNI (UK) Transportation Agreement) for a further term of five years to 2026. By the end of February of each year that the SIA is in force, the Stranraer Shipper may request further terms of the SIA to run for between one and five Gas Years and when it does so must also specify the capacity allocation it requires for the requested term.

It is anticipated that this will operate in practice on an annual rolling basis, with the Stranraer Shipper each year requesting a further term of one year for the Gas Year five years hence (and the associated Non-IP Entry Capacity allocation). The corresponding changes in section 27.3 are shown in 'markup' format and yellow highlight. Associated changes have also been made to 27.2.1.

- Numbering issues have been corrected at the end of section 22 and in section 27.4.
- The description of  $P_{\text{daily}}$  in 27.8.4 has been amended to include reference to each Gas Day, for improved clarity.

## H Final Legal Text

Amend section 1 as follows:

### 1. INTRODUCTION TO THE CODE AND THE NI NETWORK

#### 1.6 NI Network Points

1.6.1 An “**NI Network Point**” means an Interconnection Point, a Non-IP Entry Point, an Exit Point and/or an Offtake Point and “**NI Network Points**” shall be construed accordingly.

#### 1.7 Points of entry to the NI Network

~~1.7.1 An “**Interconnection Point**” or “**IP**” means a point at which gas may physically flow into the NI Network and/or be deemed to virtually flow out of the NI Network and “**Interconnection Points**” shall be construed accordingly.~~

1.7.~~1~~2 In this Code:

~~(a) an “**Interconnection Point**” or “**IP**” means a point at which gas may physically flow into the NI Network and/or be deemed to virtually flow out of the NI Network and “**Interconnection Points**” shall be construed accordingly.~~

~~(ab)~~ an “**IP Entry Point**” means a point comprised in an Interconnection Point at which gas may flow into the NI Network from the network of an Adjacent Transporter and “**IP Entry Points**” shall be construed accordingly;

~~(bc)~~ a “**VRF IP Exit Point**” means a notional point comprised in an Interconnection Point at which gas may be deemed to flow out of the NI Network and into the network of an Adjacent Transporter and “**VRF IP Exit Points**” shall be construed accordingly;

~~(d) A “**Non-IP Entry Point**” means a point (which is not an IP) at which gas may flow into (but not out of) the NI Network;~~

~~(e) “**Entry Point**” means either an Interconnection Point or a Non-IP Entry Point and/or both together and “**Entry Points**” shall be construed accordingly;~~

~~(ef)~~ “**Adjacent Transporter**” means the operator of a transmission system connected to (or designated as connected to) the NI Network at an Interconnection Point and “**Adjacent Transporters**” shall be construed accordingly;

~~(eg)~~ “**Relevant Adjacent Transporter**” means the Adjacent Transporter with operational responsibility for an Interconnected System at a specific Interconnection Point as further described in section 1.7.~~54~~.

#### Specific Interconnection Points

1.7.~~32~~ In this Code, the following are specific Interconnection Points:

- (a) **“Moffat Interconnection Point”** means the Interconnection Point which is located at the flange, weld or other agreed mark at the final outlet from the delivery facilities, owned and operated by National Grid at Moffat in Scotland, connecting with the GNI (UK) Upstream System at the point at which gas enters the PTL Transportation System;
- (b) **“South North Interconnection Point”** means the Interconnection Point located at the flange, weld or other agreed mark at Gormanston, Co Meath between the GNI (UK) System and the ROI System at which gas may flow into the GNI (UK) System from the ROI System.

### Specific IP Entry Points and, VRF IP Exit Points, Non-IP Entry Points and Entry Points

1.7.43 In this Code, ~~the following are the specific IP Entry Points and VRF IP Exit Points comprised in the Interconnection Points:~~

- (a) **“Moffat IP Entry Point”** is the IP Entry Point comprised in the Moffat Interconnection Point;
- (b) **“Moffat VRF IP Exit Point”** is the VRF IP Exit Point comprised in the Moffat Interconnection Point;
- (c) **“South North IP Entry Point”** is the IP Entry Point comprised in the South North Interconnection Point;
- (d) **“South North VRF IP Exit Point”** is the VRF IP Exit Point comprised in the South North Interconnection Point;
- (e) **“Moffat Non-IP Entry Point”** is the Non-IP Entry Point which is located at the flange, weld or other agreed mark at the final outlet from the delivery facilities, owned and operated by National Grid at Moffat in Scotland, connecting with the GNI (UK) Upstream System at the point at which gas enters the PTL Transportation System;
- (f) **“Moffat Entry Point”** is the notional point comprising Moffat Interconnection Point and Moffat Non-IP Entry Point.

### Relevant Transporter and Relevant Adjacent Transporter at Specific Interconnection Points

1.7.54 For the purposes of this Code:

- (a) at Moffat Interconnection Point (including Moffat IP Entry Point and Moffat VRF IP Exit Point) the Relevant Transporter is PTL and the Relevant Adjacent Transporter is National Grid;
- (b) at South North Interconnection Point (including South North IP Entry Point and South North VRF IP Exit Point) the Relevant Transporter is GNI (UK) and the Relevant Adjacent Transporter is Gas Networks Ireland;
- (c) at Moffat Non-IP Entry Point the Relevant Transporter is PTL and flows entering the NI Network at Moffat Non-IP Entry Point are treated under the GB Uniform Network Code as having exited National Grid’s system at the Moffat Offtake.

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## 1.12 Stranraer Exit Point

1.12.1 Stranraer Exit Point is located in Scotland and the arrangements for distribution of gas in the Stranraer Distribution Network are governed under the GB Uniform Network Code. Under the GB Uniform Network Code and the Stranraer Interoperator Agreement a party (the “Stranraer Shipper”) is appointed to ship gas from Moffat ~~Interconnection Point~~Non-IP Entry Point to the Stranraer Exit Point pursuant to the terms of this Code. Accordingly:

- (a) the Stranraer Shipper is a Party to this Code and, for the avoidance of doubt, is classified as a Shipper under this Code;
- (b) the arrangements for Demand Forecast Information in relation to Stranraer Distribution Network are governed under the GB Uniform Network Code and not under this Code;
- (c) there is no Relevant DNO for Stranraer Exit Point pursuant to this Code;

~~(d) section 2.13 (in respect of Overrun Charges) does not apply in respect of the Stranraer Shipper;~~

~~(e) for the avoidance of doubt, section 3.11.1 (in respect of Ratchet Charges) applies to the Stranraer Shipper;~~

~~(f) the applicable transmission charges payable by the Stranraer Shipper are determined pursuant to condition 3.1.8 of the PTL Licence and payments from/to the Stranraer Shipper are not included in the PoT Account, in accordance with section 17.1.6(c)(i) and;~~

~~(g) the Stranraer Shipper is required to pay PS Code Charges in accordance with section 17.1.6(c)(ii).~~

1.12.2 Further provisions relating to Moffat Non-IP Entry Point and the Stranraer Shipper are addressed in section 27 of this Code.

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*Amend section 2 as follows:*

## 2. INTERCONNECTION POINT CAPACITY

### 2.1 Introduction

2.1.1 A Shipper shall be entitled to apply for, be allocated and registered as holding IP Capacity in the NI Network subject to and in accordance with this section 2.

2.1.2 The Stranraer Shipper holds capacity at Moffat Non-IP Entry Point in accordance with section 27.

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*Amend section 6 as follows:*

## 6. NOMINATIONS

### 6.1 Introduction

6.1.1 A Shipper shall nominate to the Transporter in accordance with this section 6 the quantities of gas which it wishes to deliver to and offtake from the NI Network on a Day.

6.1.2 A Shipper is permitted to renominate quantities of gas to the Transporter in accordance with this section 6 as the Shipper's requirements change.

6.1.3 In order to deliver gas to or offtake gas at an Interconnection Point, a Shipper is required to submit a Nomination in respect of that IP.

6.1.4 In order to deliver gas at Moffat Non-IP Entry Point, the Stranraer Shipper is required to submit a Nomination in respect of Moffat Non-IP Entry Point pursuant to this section 6 as modified by the provisions of section 27.

6.1.45 In order to offtake gas at an Exit Point, a Shipper is required to submit a Nomination in respect of that Exit Point.

6.1.56 In order to transfer gas to another Shipper at the Trading Point, a Shipper is required to submit a Trade Nomination in respect of the Trading Point.

### 6.2 Nominations - General

6.2.1 In this Code:

- (a) a "**Nomination**" is a nomination by a Shipper to the Transporter in respect of a quantity of gas to be delivered to or offtaken from the NI Network;
- (b) a "**Renomination**" is a Nomination which revises an earlier Nomination (including a Renomination) in accordance with sections 6.5.8 to 6.5.15 and 6.9.8 to 6.9.15;
- (c) a "**Nomination Quantity**" is the quantity nominated for delivery to or offtake from the NI Network in a particular Nomination or Renomination;
- (d) the "**Nominated Quantity**" is the Nomination Quantity in each of a Shipper's Nominations or Renominations prevailing at the end of the Gas Flow Day, and "**Nominated Quantities**" shall be construed accordingly.

6.2.2 For the avoidance of doubt, in this Code, as the context requires, references to Nominations include IP Nominations, IP Renominations, Non-IP Entry Nominations, Non-IP Entry Renominations, Exit Nominations and Exit Renominations, but do not include Trade Nominations

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### 6.3 IP Nominations and Non-IP Nominations - General

6.3.1 A Shipper may submit Nominations in respect of:

(a) an IP provided that it has an IP Registration in respect of the relevant IP;

(b) a Non-IP Entry Point provided that it has a Registration in respect of the Non-IP Entry Point.

6.3.2 In this Code:

- (a) **“IP Nomination”** refers to either an IP Entry Nomination or a VRF IP Exit Nomination;
- (b) **“IP Entry Nomination”** means a Nomination for a quantity of gas flow at an IP in the Forward Flow Direction;
- (c) **“VRF IP Exit Nomination”** means a Nomination for a quantity of gas flow at an IP in the Reverse Flow Direction;
- (d) **“IP Renomination”** means an IP Nomination that revises an earlier IP Nomination (including an IP Renomination);
- (e) **“IP Entry Renomination”** means an IP Entry Nomination that revises an earlier IP Entry Nomination (including an IP Entry Renomination);
- (f) **“VRF IP Exit Renomination”** means a VRF IP Exit Renomination that revises an earlier VRF IP Exit Nomination (including a VRF IP Exit Renomination);
- (g) **“IP Nomination Quantity”** is the quantity nominated for delivery to or offtake at an IP in a particular IP Nomination or IP Renomination;

(h) **“Non-IP Entry Nomination”** means a Nomination for a quantity of gas to flow at a Non-IP Entry Point;

(i) **“Non-IP Entry Renomination”** means a Non-IP Entry Nomination that revises an earlier Non-IP Entry Nomination.

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*Amend section 7 as follows:*

## 7. ALLOCATIONS

### 7.1 Introduction

7.1.1 This section 7 provides for:

- (a) determination of the quantities of gas treated as delivered to and offtaken from the NI Network by each Shipper on each Day; and
- (b) the method for determination of aggregate allocations across the NI Network for each Shipper on each Day.

7.1.2 In respect of an Interconnection Point under this Code:



- (a) the IP Entry Quantity is determined as a result of the operation of an OBA at the Interconnection Point and allocated to Shippers by the Transporter pursuant to this section 7;
- (b) VRF IP Exit Allocations are determined and allocated to Shippers by the Transporter pursuant to this section 7.

7.1.3 In respect of Moffat Non-IP Entry Point under this Code the Non-IP Entry Quantity is:

(a) determined by the Transporter in conjunction with the IP Entry Quantity for Moffat Interconnection Point; and

(b) allocated to the Stranraer Shipper by the Transporter pursuant to this section 7.

7.1.34 The Exit Quantity at an Exit Point under this Code shall:

- (a) be determined by the Transporter with reference to Measurement Equipment in accordance with section 14; and
- (b) be allocated to Shippers by the Transporter after the Gas Flow Day in accordance with this section 7.

7.1.45 The Aggregate NI Entry Allocation and the Aggregate NI Exit Allocation in relation to the NI Network shall be calculated and provided to Shippers by the Transporter in accordance with this section 7.

7.1.56 Shippers shall be provided with Trade Allocations by the Transporter in accordance with this section 7.

## 7.2 **IP Allocations and Non-IP Entry Allocations - General**

7.2.1 In this Code:

- (a) an “**IP Allocation**” is the quantity of gas allocated to a Shipper by the Transporter in respect of a Gas Flow Day, in accordance with this section 7, pursuant to a Shipper’s IP Nomination;
- (b) an “**IP Entry Allocation**” is an IP Allocation made pursuant to a Shipper’s IP Entry Nomination;
- (c) a “**VRF IP Exit Allocation**” is an IP Allocation made pursuant to a Shipper’s VRF IP Exit Nomination;
- (d) a “**Non-IP Entry Allocation**” is a quantity of gas allocated to a Shipper by the Transporter pursuant to a Shipper’s Non-IP Entry Nomination;
- (e) an “**Entry Allocation**” is an IP Entry Allocation and/or a Non-IP Entry Allocation and “**Entry Allocations**” shall be construed accordingly;
- (f) an “**OBA**” is an operational balancing agreement which is in place between

- (i) GNI (UK) Upstream and the Adjacent Transporter in respect of Moffat Interconnection Point; and
- (ii) GNI (UK) and the Adjacent Transporter in respect of South North Interconnection Point;

pursuant to which (except on Non-OBA Days) any Steering Difference is managed operationally;

- (eg) a “**Steering Difference**” is the difference between the net quantity of gas scheduled to flow at an IP and the IP Measured Quantity of gas at that IP in respect of a Day;
- (fh) an “**OBA Day**” is a Day on which, under the OBA, Shippers are allocated a quantity of gas in accordance with section 7.2.3 (which does not include any part of the Steering Difference);
- (gi) a “**Non-OBA Day**” is a Day on which the whole of the ~~Entry Quantity IP Measured Quantity at an IP~~ is allocated amongst Shippers in accordance with section 7.2.5 and section 7.2.10;
- (hj) the “**Aggregate VRF IP Exit Nominated Quantity**” is the sum of the IP Nominated Quantities in all Shippers’ VRF IP Exit Nominations in respect of a Gas Flow Day at an IP.

#### **Determination of IP Entry Allocations**

7.2.2 When determining IP Entry Allocations on an OBA Day, the Transporter shall apply the Prevailing IP Entry Allocation Rule.

7.2.3 The “**Prevailing IP Entry Allocation Rule**” is that, for each of a Shipper’s IP Nominated Quantities in the Forward Flow Direction in respect of the Gas Flow Day, a Shipper’s IP Entry Allocation shall be equal to the Shipper’s IP Nominated Quantity in the Forward Flow Direction for that Gas Flow Day at that IP.

7.2.4 When determining IP Entry Allocations on a Non-OBA Day, the Transporter shall apply the Fallback IP Entry Allocation Rule.

7.2.5 The “**Fallback IP Entry Allocation Rule**” is that, for each of a Shipper’s IP Nominated Quantities in the Forward Flow Direction in respect of the Gas Flow Day, a Shipper’s IP Entry Allocation shall be determined:

(a) at Moffat Interconnection Point as the IP Entry Quantity plus the Aggregate VRF IP Exit Quantity determined in accordance with section 14.2.2 multiplied by the ratio of the total of the Shipper’s IP Nominated Quantities (in the Forward Flow Direction) to the aggregate of all Shippers’ IP Nominated Quantities (in the Forward Flow Direction) at that IP.

(b) at South North Interconnection Point as the IP Measured Quantity plus the ~~Aggregate VRF IP Exit Nominated Quantity~~ Aggregate VRF IP Exit Quantity determined in accordance with section 14.2.3 multiplied by the ratio of the total of the Shipper’s IP Nominated Quantities (in the Forward Flow Direction) to the aggregate of all Shippers’ IP Nominated Quantities (in the Forward Flow Direction) at that IP.

- 7.2.6 For the avoidance of doubt, the application of the Fallback IP Entry Allocation Rule in respect of a given Interconnection Point or Entry Point does not require or imply that the Fallback IP Entry Allocation Rule should be applied at any other NI Network Point in respect of a Gas Flow Day.
- 7.2.7 Where the Fallback IP Entry Allocation Rule is to be applied, the Transporter shall notify Shippers by D+5.

#### **Determination of VRF IP Exit Allocations**

- 7.2.8 For each VRF IP Exit Nomination made by a Shipper in respect of a Gas Flow Day, a Shipper's VRF IP Exit Allocation shall be determined by the Transporter as being equal to the IP Nominated Quantity in respect of that VRF IP Exit Nomination.
- 7.2.9 For the avoidance of doubt, section 7.2.8 applies where the Transporter has revised VRF IP Exit Nominations in accordance with sections 6.7.11 to 6.7.13 and whether or not the VRF IP Exit Nominations were made in respect of an OBA Day or a Non-OBA Day.

#### **Determination of Non-IP Entry Allocations**

- 7.2.10 In respect of a Gas Flow Day (whether an OBA Day or a Non-OBA Day), the Non-IP Entry Allocation for the Stranraer Shipper shall be equal to the Non-IP Entry Quantity determined by the Transporter in accordance with section 14.

#### **7.3 Initial IP Entry Allocations, Final IP Entry Allocations, Initial VRF IP Exit Allocations ~~and Final VRF IP Exit Allocations~~ Initial Non-IP Entry Allocations and Final Non-IP Entry Allocations**

- 7.3.1 The Transporter shall determine and provide a Shipper with an initial IP Entry Allocation in respect of each IP Nominated Quantity in the Forward Flow Direction for a Day by the end of D+1 ("**Initial IP Entry Allocation**").
- 7.3.2 The Transporter shall determine and provide a Shipper with a final IP Entry Allocation in respect of each IP Nominated Quantity in the Forward Flow Direction for a Day by the end of D+5 ("**Final IP Entry Allocation**").
- 7.3.3 The Transporter shall determine and provide the Stranraer Shipper with an initial Non-IP Entry Allocation by the end of D+1 ("**Initial Non-IP Entry Allocation**").
- 7.3.4 The Transporter shall determine and provide a Shipper with a final Non-IP Entry Allocation by the end of D+5 ("**Final Non-IP Entry Allocation**").
- 7.3.35 The Transporter shall determine and provide a Shipper with an initial VRF IP Exit Allocation in respect of each IP Nominated Quantity in the Reverse Flow Direction for a Day by the end of D+1 ("**Initial VRF IP Exit Allocation**").
- 7.3.46 The Transporter shall determine and provide a Shipper with a final VRF IP Exit Allocation in respect of each IP Nominated Quantity in the Reverse Flow Direction for a Day by the end of D+5 ("**Final VRF IP Exit Allocation**").

- 7.3.57 For the avoidance of doubt, subject to section 7.3.79:
- (a) there shall be no difference between Initial IP Entry Allocations and Final IP Entry Allocations unless they relate to a Non-OBA Day;
- (b) there shall be no difference between Initial Non-IP Entry Allocations and Final Non-IP Entry Allocations unless they relate to a Non-OBA Day;
- ~~(b)~~ (c) there shall be no difference between Initial VRF IP Exit Allocations and Final VRF IP Exit Allocations.
- 7.3.68 A Shipper may not amend its Initial IP Entry Allocations, Initial Non-IP Entry Allocations or Initial VRF IP Exit Allocations.
- 7.3.79 Where a Shipper believes there may be an error in an IP Entry Allocation, a Non-IP Entry Allocation and/or a VRF IP Exit Allocation, a Shipper may query an IP Entry Allocation, a Non-IP Entry Allocation and/or a VRF IP Exit Allocation with the Transporter no later than D+4. Where the Transporter determines that a correction is required as a result of such query, it may amend the relevant Initial IP Entry Allocation, Initial Non-IP Entry Allocation, Initial VRF IP Exit Allocation, Final IP Entry Allocation, Final Non-IP Entry Allocation or VRF IP Exit Allocation accordingly prior to D+5.
- 7.3.810 Final IP Entry Allocations, Final Non-IP Entry Allocations and Final VRF IP Exit Allocations shall, subject to section 14 (*Measurement and Testing*), be binding upon a Shipper.

#### 7.4 Aggregate NI Entry Allocations

7.4.1 In respect of a Gas Flow Day, the Transporter shall determine a Shippers' Aggregate NI Entry Allocation in accordance with this section 7.4.

7.4.2 A Shippers' "**Aggregate NI Entry Allocation**" in respect of a Gas Flow Day shall be determined as:

$$\text{Aggregate NI Entry Allocation}_D = \sum \text{Final IP Entry Allocations}_D + \sum \text{Trade Buy Allocations}_D$$

where:

$\sum \text{Final IP Entry Allocations}_D$  means the sum of a Shipper's NI Network Final IP Entry Allocations in respect of the Gas Flow Day; and

$\sum \text{Trade Buy Allocations}_D$  means the sum of a Shipper's Trade Buy Allocations in respect of the Gas Flow Day determined in accordance with section 7.10.4(a);

except for the Stranraer Shipper where the Aggregate NI Entry Allocation  $_D$  shall be determined as:

$$\text{Aggregate NI Entry Allocation}_D = \text{Final Non-IP Entry Allocation} + \sum \text{Trade Buy Allocations}_D$$

7.4.3 For the avoidance of doubt, a Shipper's VRF IP Exit Allocations are included in the determination of a Shipper's Aggregate NI Exit Allocation in accordance with section 7.9.2 and are not included in the determination of a Shipper's Aggregate NI Entry Allocation.

7.4.4 The Transporter will provide a Shipper with its Aggregate NI Entry Allocation by the end of D+5.

7.9.2 A Shipper's "**Aggregate NI Exit Allocation**" in respect of a Gas Flow Day (including for the avoidance of doubt, the Aggregate NI Exit Allocation of the Stranraer Shipper) shall be determined as:

$$\text{Aggregate NI Exit Allocation}_D = \sum \text{Final Exit Allocations}_D + \sum \text{Final VRF IP Exit Allocations}_D + \sum \text{Trade Sell Allocations}_D$$

where:

$\sum \text{Final Exit Allocations}_D$  means the sum of a Shipper's NI Network Final Exit Allocations in respect of the Gas Flow Day;

$\sum \text{Final VRF IP Exit Allocations}_D$  means the sum of a Shipper's NI Network Final VRF IP Exit Allocations in respect of the Gas Flow Day; and

$\sum \text{Trade Sell Allocations}_D$  means the sum of a Shipper's Trade Sell Allocations in respect of the Gas Flow Day determined in accordance with section 7.10.4(b).

Amend section 10 as follows:

## 10. SYSTEM CONSTRAINTS, EXCEPTIONAL EVENTS AND EMERGENCIES

### 10.1 Introduction and Definitions

10.1.1 This section 10 relates to the declaration of System Constraints, Exceptional Events and Emergencies in respect of the NI Network.

10.1.2 For the purposes of this Code:

(a) "**System Capability**" means the capability of the NI Network to receive and/or deliver gas as determined by the Transporter in respect of any given Gas Flow Day or Gas Flow Days;

(b) "**System Constraint**" means an event whereby the anticipated or actual flow of gas on the NI Network exceeds the System Capability, including but not limited to:

- (i) a Reduced Capacity Day;
- (ii) a Reduced Profile Day; and
- (iii) an Excess Nominations Day;

(c) "**Reduced Capacity Day**" means a Gas Flow Day where the System Capability is reduced such that the amount of IP Capacity at an Interconnection Point, the Non-IP

Entry Capacity at a Non-IP Entry Point and/or Exit Capacity at one or more Exit Points is lower than normal for any reason;

- (d) **“Reduced Profile Day”** means a Gas Flow Day where the ability of the Transporter to accept Profile Nominations is reduced for any reason;
- (e) **“Excess Nominations Day”** means a Gas Flow Day where the Exit Nominations and Exit Renominations and/or the Profile Nominations in respect of that Gas Flow Day exceed the System Capability on that Gas Flow Day or in any hour on that Gas Flow Day where there is no operational constraint in respect of the NI Network;
- (f) **“Exceptional Event”** means any unplanned event that may cause, for a limited period, capacity reductions affecting the quantity or quality of gas at an Exit Point, Entry Point and/or Interconnection Point, including but not limited to a Reduced Capacity Day, Reduced Profile Day and an Excess Nominations Day and where section 6.7.14 applies;
- (g) **“Flow Order”** means an order issued by the Transporter to Shippers in relation to a System Constraint or Exceptional Event instructing those Shippers in accordance with this section 10, or an order modifying an earlier such order;
- (h) **“Power Station Nominations”** means Nominations and Renominations in respect of Power Station Exit Points;
- (i) **“DN Exit Point Nominations”** means Nominations and Renominations in respect of DN Exit Points;
- (j) **“Revised Power Station Nominations”** means Nominations in respect of Power Station Exit Points which have been revised and submitted by Shippers in response to a request to SONI from the Transporter made pursuant to this section 10 to avert a System Constraint;
- (k) **“Revised DN Exit Point Nominations”** means Nominations in respect of DN Exit Points which have been revised and submitted by Shippers in response to a request from the Transporter made pursuant to this section 10 to avert a System Constraint;

10.1.3 A Reduced Capacity Day and a Reduced Profile Day may arise as a result of operational reasons including but not limited to Force Majeure and Maintenance Days.

10.1.4 For the purposes of this section 10:

- (a) the term DN Exit Points shall include the Stranraer Exit Point;
- (b) the term DNO shall include the Stranraer Distribution Network Operator.

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## 10.6 Flow Orders for IP Entry Points and Non-IP Entry Points

- 10.6.1 Where the Transporter reasonably believes that the submission of revised IP Entry Nominations and/or Non-IP Entry Nominations may avert a System Constraint or any other Exceptional Event, it may, by issuing a Flow Order:
- (a) require that Shippers submit no further IP Entry Nominations, ~~or~~ IP Entry Renominations, Non-IP Entry Nominations or Non-IP Entry Renominations (except those of a reduced ~~IP~~ Nomination Quantity which may continue to be made); and
  - (b) in accordance with sections 6.7.5 to 6.7.10 reduce (pro rata) those IP Entry Nominations ~~or~~, IP Entry Renominations, Non-IP Entry Nominations or Non-IP Entry Renominations which have been submitted (whether or not confirmed by the Transporter) to an extent which the Transporter believes will avert the System Constraint.

## 10.7 Flow Orders – General

10.7.1 A Flow Order shall have the effect that the Nominated Quantity (and, where applicable, Profile Nomination) shall for all purposes under this Code become the amount set out in the Flow Order with effect from the issue of the Flow Order.

10.7.2 A Shipper shall, notwithstanding any other provision of this Code:

- (a) if a Flow Order is issued on D-1 comply, by amending its' Nominations, within 5 hours; and
- (b) if a Flow Order is issued on Day D comply by amending its' Nominations and adjusting its rate of offtake within 2 hours.

10.7.3 Where the Transporter reasonably believes:

- (a) that gas is being offtaken from the NI Network by a Shipper in such a manner as does not or will not comply with a Flow Order; and
- (b) that the NI Network integrity may be prejudiced as a result, or the service to other Shippers may be affected or compromised,

the Transporter may take any steps available to it to secure a reduction in the rate of, or the discontinuance of, the offtake of gas from the NI Network at the Exit Point by the Shipper. The Transporter, however, acknowledges that, where a Downstream Load Statement confirms that gas made available for offtake from the Exit Point is supplied to downstream consumers whose loads are less than 733,000 kWh/day, the ability to control rates and quantities of offtake are limited and this shall be taken in account when applying this section 10.7.3.

10.7.4 The steps referred to in section 10.7.3 include the isolation of the relevant Exit Point but, without prejudice to any other provision of this Code, the Transporter shall endeavour not to take this step where, in its opinion, alternative steps are available and adequate in the circumstances. In the event that an Exit Point is so isolated the Transporter shall explain to any affected Shipper why the Exit Point was isolated.

10.7.5 The Transporter shall, where the necessity for a Flow Order at an Exit Point, Non-IP Entry Point and/or an IP Entry Point has ceased:

- (a) notify any Shipper to which the Flow Order was issued of the time after which the Flow Order shall cease to apply and after which the Shippers may, subject to the provisions of this Code, submit an Exit Renomination or an IP Entry Renomination or a Non-IP Entry Renomination; and
  - (b) provide to any Shipper who requests it, an explanation of why the Flow Order was issued and the circumstances which gave rise to the need for it.
- 10.7.6 In accordance with section 8.5, an Unauthorised Flow Charge may be payable by a Shipper in respect of any Exit Point which has an Exit Allocation which exceeds the Exit Nominated Quantity specified in a Flow Order in respect of that Exit Point.
- 10.7.7 The issuing of a Flow Order in respect of an IP Entry Point, Non-IP Entry Point or an Exit Point does not affect a Shipper's obligation to ensure that its Imbalance is zero on any Gas Flow Day in accordance with section 8.

## 10.8 Emergencies

- 10.8.1 The existence of an Emergency under this Code shall be determined by the Transporter, acting as a Reasonable and Prudent Operator, irrespective of the cause of the Emergency, or whether the Transporter or any other person may have caused, or contributed to the Emergency.
- 10.8.2 Where the Transporter determines that an Emergency exists, it shall declare an Emergency in co-operation with the Northern Ireland Network Emergency Co-ordinator.
- 10.8.3 An emergency (an "**Emergency**"):
  - (a) may exist by reason of an escape, or suspected escape, of gas; or
  - (b) may exist in circumstances in which, in the opinion of the Transporter:
    - (i) the safety of the NI Network is significantly at risk;
    - (ii) the safe conveyance of gas by the NI Network is significantly at risk;
    - (iii) gas conveyed by the NI Network is at such a pressure or of such a quality as to constitute, when supplied to premises, a danger to life or property;
    - (iv) where the Transporter's ability to maintain safe pressures within the NI Network is affected or threatened by an interruption or disruption to the NI Network, an insufficiency of deliveries of gas to the NI Network, or by any actual or potential failure of or damage to any part of the NI Network; or
    - (v) in any other circumstances reasonably believed by the Transporter to constitute an Emergency (which, for the avoidance of doubt, includes circumstances upstream of an Interconnection Point or Entry Point); and
  - (c) shall exist:



- (i) where the Transporter declares an Emergency in co-operation with the Northern Ireland Network Emergency Co-ordinator;
- (ii) where a reduction in the quantity of gas available for offtake in respect of downstream consumers whose loads are less than 733,000 kWh/annum is applied in accordance with section 10.4.7 and 10.5.1.

10.8.4 An Emergency shall continue until such time as the Transporter determines that the circumstances referred to in this section 10.8 no longer apply, that no further Emergency Steps are required, and that normal operation of the NI Network and implementation of this Code may be resumed.

## 10.9 Emergency Steps

10.9.1 The Transporter may take or require that a Shipper takes such steps ("**Emergency Steps**") as the Transporter deems, as a Reasonable and Prudent Operator, to be necessary:

- (a) to avert and/or reduce the probability of, or probable scale of, an Emergency;
- (b) to overcome or contain an Emergency and/or to avert or reduce the hazard presented by it;
- (c) to restore gas supply and normal operation of the NI Network including making available additional gas at an Interconnection Point or Entry Point; and/or
- (d) taking into account any steps that the Northern Ireland Network Emergency Co-ordinator may request the Transporter to take.

10.9.2 Where an Emergency has been declared, any requests which the Transporter makes of Shippers as regards Emergency Steps shall be treated as being made on behalf of the Northern Ireland Network Emergency Co-ordinator.

10.9.3 In view of the importance of the co-ordination of Emergency Steps, a Shipper shall only take Emergency Steps pursuant to a request made by the Transporter.

10.9.4 During an Emergency each Shipper shall:

- (a) co-operate with the Transporter, to the extent within the Shipper's power (and without thereby rendering the Shipper unable to comply with any requirement to take Emergency Steps itself), so as to enable the Transporter to take Emergency Steps and in so doing comply with the Transporter's instructions and requests as soon as reasonably practicable; and
- (b) to the extent within its power, comply with the Transporter's instructions and requests to take Emergency Steps as soon as reasonably practicable.

10.9.5 The Transporter and each Shipper acknowledges that in an Emergency their interests shall be subordinated to the need to take Emergency Steps.

10.9.6 Subject to section 17.1.4, no Emergency Step taken by the Transporter, or at the request of the Transporter, by any Shipper, shall be a breach of any provision of this Code, and in particular the Transporter shall not be in breach of its obligation to accept gas tendered for

delivery to the NI Network at an Interconnection Point or Entry Point or to make gas available for offtake at an Exit Point to the extent that it is as a result of any such Emergency Step so taken.

10.9.7 The Transporter may on notice to Shippers amend or cancel any Emergency Step.

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**10.11 The Transporter to inform Shippers of Emergency**

10.11.1 Where an Emergency arises, the Transporter shall, as quickly as is reasonably practical, inform the Shippers which have an ~~an Exit Point~~ Registration in respect of an affected Exit Point, or an IP Registration in respect of an affected IP Entry Point or Interconnection Point of the commencement and, so far as practicable, the nature, extent and expected duration of the Emergency. The Transporter shall, so far as practicable, thereafter keep such Shippers informed of any material changes and developments in respect of the Emergency and shall inform such Shippers as soon as reasonably practicable when the Transporter considers the Emergency is no longer continuing.

**10.12 Entry Control in an Emergency**

10.12.1 In an Emergency the Transporter may take steps to increase or decrease the delivery and/or rate of flow of gas to an Interconnection Point or Entry Point by issuing appropriate instructions to the Shippers including in accordance with section 10.6 who in turn shall nominate to their Counterparty Shippers (or otherwise renominate in the case of the Stranraer Shipper) as necessary and/or as requested by the Transporter to the extent practical but at all times using their reasonable endeavours.

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**10.15 Audit following an Emergency**

10.15.1 In the event of an Emergency, an audit shall be conducted by a reputable, independent expert to determine the cause and what, if any, remedial actions may need to be taken to minimise the likelihood of such Emergency arising again.

10.15.2 A copy of such expert's report shall be provided to the Authority and the Shippers with Exit Point Registrations and ~~IP~~ Registrations in respect of any Exit Point, Entry Point or Interconnection Point in relation to which the Emergency occurred with, in the case of such Shippers, any parts of the report that the Transporter determines, in consultation with the Authority, is confidential withheld.

10.15.3 The cost of such audit and effecting such remedial measures shall be treated as an Eligible Pass-Through Cost in accordance with the PTL Licence, the WTL Licence and the BGTL Licence or an Unforeseen Operating Expenditure in accordance with the GNI (UK) Licence as the context requires.

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*Amend section 11 as follows:*

## 11. ENTRY REQUIREMENTS

### 11.1 Introduction

11.1.1 This section 11 sets out the terms upon which gas shall be delivered to the NI Network at ~~an IP Entry Point~~ Moffat Entry Point and South North Interconnection Point. For the avoidance of doubt:

(a) Moffat Entry Point comprises Moffat Non-IP Entry Point and Moffat Interconnection Point; and

(b) both Moffat Entry Point and South North Interconnection Point are referred to in this section 11 as Entry Points,-

11.1.2 Nothing in this Code confers on any person any entitlement to have any premises, pipeline, plant or other installation connected to the NI Network for the purposes of delivering gas.

### 11.2 Delivery at an ~~IP Entry Point~~Entry Point

11.2.1 All gas delivered or tendered for delivery to the NI Network at an ~~IP Entry Point~~Entry Point on a Day shall be deemed to be delivered, or tendered for delivery, by those Shippers delivering gas or tendering gas for delivery on that Day to the NI Network irrespective of any act or omission of the Transporter or any other person, including any Upstream Transporter.

11.2.2 If on a Day more than one Shipper delivers gas or tenders gas for delivery to the NI Network at an ~~IP Entry Point~~Entry Point each Shipper delivering gas or tendering gas for delivery to the NI Network on that Day shall be treated as so delivering or tendering for delivery gas with the same Delivery Characteristics as the single homogenous gas stream delivered, or tendered for delivery on that Day.

### 11.3 Gas Specification on entry

11.3.1 A Shipper shall deliver or tender for delivery gas at an ~~IP Entry Point~~Entry Point which shall comply with the gas specification set out in Appendix 3 (the "**Gas Specification**").

11.3.2 If gas is delivered or tendered for delivery at an ~~IP Entry Point~~Entry Point which does not comply with the Gas Specification ("**Non-Compliant Gas**") the Transporter may, from time to time, until such time as the gas so delivered or tendered for delivery complies with the Gas Specification, in its discretion:

(a) refuse to accept or take such action as it considers appropriate to prevent delivery or continued delivery of all or part of such Non-Compliant Gas; or

(b) subject to any Legal Requirement or the instruction of the Northern Ireland Network Emergency Co-ordinator, accept delivery of all or part of such Non-Compliant Gas.

11.3.3 The Transporter's rights under section 11.3.4 shall not be prejudiced if it accepts the delivery of gas which it is aware is Non-Compliant Gas.

- 11.3.4 Where, on any Day, Non-Compliant Gas is delivered to the NI Network at an ~~IP Entry Point~~ Entry Point –each Shipper which receives an IP Entry Allocation or Non-IP Entry Allocation at that ~~IP Entry Point~~ Entry Point shall pay to the Transporter the proportion that its Final IP Entry Allocation or Non-IP Entry Allocation at the ~~IP Entry Point~~ Entry Point on the Day bears to the sum of all Shippers' Final IP Entry Allocations and/or Non-IP Entry Allocations at the ~~IP Entry Point~~ Entry Point on the Day of the amount set out in section 11.3.5. Where only one Shipper has ~~IP Entry Allocations~~ Entry Allocations at an ~~IP Entry Point~~ Entry Point on a Day it shall bear all of this amount.
- 11.3.5 The amount referred to above shall, subject to section 11.3.6, be all costs and expenses reasonably incurred by the Transporter as a result of the delivery of Non-Compliant Gas, including those incurred:
- (a) in cleaning any part of the NI Network or rectifying any other damage to it caused by the acceptance of Non-Compliant Gas;
  - (b) in taking reasonable measures to secure that the NI Network can be operated in accordance with applicable Legal Requirements or Recognised Standard notwithstanding the delivery or continued delivery of such Non-Compliant Gas; and/or
  - (c) in taking any measures which are reasonably required to bring such Non-Compliant Gas within the Gas Specification.
- 11.3.6 The amount in section 11.3.5 shall not exceed an amount equal to 10% of the quantity of Non-Compliant Gas which is allocated to any Shippers on such Day at the ~~IP Entry Point~~ Entry Point multiplied by the Daily Gas Price. Each Shipper agrees and acknowledges that any such amount exceeding such 10% level shall be treated as Eligible Pass-Through Costs in accordance with the PTL Licence, the WTL Licence or the BGTL Licence, or an Unforeseen Operating Expenditure in accordance with the GNI (UK) Licence, as the context requires.
- 11.3.7 When the Transporter first becomes aware that Non-Compliant Gas is being, or has been, delivered to the NI Network at an ~~IP Entry Point~~ Entry Point on any Day, the Transporter shall as soon as reasonably practicable notify the Shippers specifying:
- (a) the Day or Days on which Non-Compliant Gas was delivered to the NI Network;
  - (b) reasonable details of the respect in which the gas did not comply with the Gas Specification;
  - (c) reasonable details of the costs and expenses referred to in section 11.3.5 and the person to whom and purposes for which, they were incurred; and
  - (d) the total quantity of Non-Compliant Gas.
- 11.3.8 No failure by the Transporter so to notify any Shipper shall affect the Transporter's rights under this section 11.3.

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*Amend section 12 as follows:*

## 12. TITLE TO GAS

### 12.1 Title and risk on entry to the NI Network

12.1.1 Title and risk in gas delivered to the NI Network at an IP Entry Point or Non-IP Entry Point by or on behalf of a Shipper shall transfer to the Transporter at the relevant IP Entry Point or Non-IP Entry Point.

12.1.2 A Shipper warrants to the Transporter at an IP Entry Point and/or a Non-IP Entry Point:

- (a) that it shall have title to all gas which it delivers (or which is deemed delivered by such Shipper) or tenders for delivery to the NI Network at an IP Entry Point or Non-IP Entry Point; and
- (b) that all such gas at an IP Entry Point or Non-IP Entry Point shall be free of any lien, charge, encumbrance or adverse claim, as to title or otherwise, including any claim for any tax, royalty or other charge in respect of the production, gathering, processing and tendering of gas arising on or before its delivery to the NI Network.

12.1.3 A Shipper shall indemnify the Transporter and hold it harmless against all Indemnified Liabilities suffered or incurred by or made or brought against the Transporter in consequence of any breach of either of the warranties in section 12.1.2.

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*Amend section 14 as follows:*

## 14. MEASUREMENT AND TESTING

### 14.1 Introduction and Definitions

14.1.1 In this Code:

- (a) **"Adjusted Final Allocation at Exit"** is any adjustment carried out in accordance with section 14.6;
- (b) **"Measurement Equipment"** means the measurement, metering, sampling, analysis and other related equipment installed from time to time at an IP Entry Point or Exit Point;
- (c) **"Permitted Range"** means any inaccuracy in Measurement Equipment which in all steady-state flow conditions does not exceed 1.1 per cent over the range of 20-100 per cent of the maximum Flow Rate for which the Measurement Equipment is designed and such range is to be calculated using the method specified in ISO 5167/5168/9951/17089, or the relevant applicable standard, as updated from time to time, for the determination of uncertainties of the measurement of those volume flow rates which are used to compute Flow Rates;

- (d) **“validate”** means to determine by checking tolerances the validity of the reading of a meter.
- (e) **“IP Entry Quantity”** means the quantity of gas determined to have been physically delivered to the NI Network at an IP Entry Point in accordance with section 14.2;
- (f) **“Non-IP Entry Quantity”** means the quantity of gas determined to have been physically delivered to the NI Network at a Non-IP Entry Point in accordance with section 14.2;
- (g) **“Entry Quantity”** means the sum of the Non-IP Entry Quantity and the IP Entry Quantity at an Entry Point;
- (h) **“Aggregate VRF IP Exit Quantity”** means the quantity of gas determined to have been delivered from the NI Network at a VRF IP Exit Point in accordance with section 14.2.

14.1.2 For the avoidance of doubt, in this section 14 references to an Exit Point shall include, where applicable, any Offtake Point comprised in such Exit Point in accordance with sections 1.8.3 and 1.8.4.

## **IP Entry Points**

### **14.2 IP-Entry Quantity at an IP-Entry Point**

~~14.2.1 The quantity of gas determined to have been physically delivered to the NI Network at an IP Entry Point (the “IP Entry Quantity”) shall, subject to section 14.3:~~

- ~~(a) in respect of an OBA Day, be the sum of all Shippers’ IP Nominated Quantities in respect of an IP;~~
- ~~(b) in respect of a Non-OBA Day,~~
  - ~~(i) at Moffat IP Entry Point be the IP Measured Quantity notified by GNI (UK) Upstream pursuant to the Tripartite Agreement; and~~
  - ~~(ii) at South North IP Entry Point be the IP Measured Quantity notified by the Adjacent Transporter.~~

14.2.1 In respect of an OBA Day:

- (a) the IP Entry Quantity shall be equal to the sum of all Shipper’s IP Nominated Quantities in respect of an IP;
- (b) the Moffat Non-IP Entry Quantity shall be equal to the Stranraer Shipper’s Confirmed Nomination Quantity;
- (c) the Aggregate VRF IP Exit Quantity shall be equal to the Aggregate VRF IP Exit Nominated Quantity.

14.2.2 In respect of a Non-OBA Day at Moffat Entry Point:

- (a) the Entry Quantity shall be equal to the PTL Forward Flow Allocation notified by GNI (UK) Upstream pursuant to the Tripartite Agreement and the Transportation Agreement;
- (b) the IP Entry Quantity and the Non-IP Entry Quantity shall be determined by dividing the Entry Quantity pro-rata to the sum of all Shipper's IP Nominated Quantities and the Stranraer Shipper's Confirmed Nomination Quantity respectively;
- (c) the Aggregate VRF IP Exit Quantity shall be equal to the Aggregate VRF IP Exit Nominated Quantity.

14.2.3 In respect of a Non-OBA Day at South North IP Entry Point;

- (a) the IP Entry Quantity shall be the IP Measured Quantity notified by the Adjacent Transporter;
- (b) the Aggregate VRF IP Exit Quantity shall be equal to the Aggregate VRF IP Exit Nominated Quantity.

14.2.24 In the absence of the provision of an ~~IP Measured Quantity~~ PTL Forward Flow Allocation in accordance with section ~~4.2.1(b)~~ 14.2.2(a) or an IP Measured Quantity in accordance with section 14.2.3(a), the Entry Quantity or IP Measured Quantity as applicable shall be a quantity determined by the Transporter:

- (a) using appropriate gas engineering technology; or
- (b) relying on written evidence of such quantities presented by a Shipper before 16:00 on D+5.

**14.3 Adjustment to the Initial IP Entry Allocation at an IP Entry Point**

14.3.1 In relation to a Non-OBA Day, if the Transporter reasonably determines that there has been an error in the allocation of the IP Measured Quantity or Entry Quantity determined to have been delivered at an IP Entry Point and/or a Non-IP Entry Point as a result of the incorrect application of section 7.2, the Transporter shall correctly apply section 7.2 to such quantity and any affected Final IP Entry Allocation or Final Non-IP Entry Allocation shall be adjusted accordingly by no later than M+5.

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Amend section 15 as follows:

**15. MAINTENANCE**

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**15.5 The Transporter's obligation to transport**

- 15.5.1 If the Transporter cannot accept into the NI Network gas tendered for delivery at an IP Entry Point or Non-IP Entry Point or make gas available for offtake at an Exit Point as a result of Scheduled Maintenance the Transporter shall, subject to section 15.4.2, be relieved of its obligations to transport gas under this Code for the duration of such Scheduled Maintenance.

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*Amend section 16 as follows:*

## **16. SHIPPER FORECAST INFORMATION AND THE TEN YEAR STATEMENT**

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### **16.2 Shipper Forecast Information for Charging Calculations**

- 16.2.1 The Transporter is required pursuant to condition 2A.2.3 of the Licences to provide certain forecast information to the Authority by no later than the 15<sup>th</sup> Business Day in March in each Gas Year, such information to be utilised in relation to the calculation of Charges on the NI Network.
- 16.2.2 For the purposes of preparing the forecast information referred to in section 16.2.1, by 10<sup>th</sup> Business Day in January in each Gas Year the Transporter shall provide an information request to Shippers (the “**Shipper Forecast Information Request**”).
- 16.2.3 The Transporter shall specify on the Shipper Forecast Information Request the units and any other details or items for which it may reasonably require Shippers to provide a forecast and/or further information.
- 16.2.4 A Shipper shall complete the Shipper Forecast Information Request in respect of a five-year period commencing on the 1<sup>st</sup> October in each Gas Year. Subject to section 16.2.3, the Shipper Forecast Information Request shall require completion of at least the following details:
- (a) the amount of IP Entry Capacity and VRF IP Exit Capacity (by IP Capacity Duration) (or in the case of the Stranraer Shipper, Non-IP Entry Capacity) which the Shipper forecasts it will hold;
  - (b) the amount of Exit Capacity at each Exit Point which the Shipper forecasts it will hold;
  - (c) the quantity of gas which the Shipper forecasts it will flow at each IP Entry Point, Non-IP Entry Point and VRF IP Exit Point; and
  - (d) the quantity of gas which the Shipper forecasts it will flow at each Exit Point.
- 16.2.5 A Shipper shall submit its' completed Shipper Forecast Information Request to the Transporter by no later than the last Business Day in February.
- 16.2.6 Where there is a material change to the information provided on the completed Shipper Forecast Information Request during the Gas Year, the Shipper shall provide a revised Shipper Forecast Information Request form to the Transporter as soon as possible.



16.2.7 Shippers agree to respond within a reasonable timeframe to any additional requests for forecast (or other) information made by the Transporter at any time where necessary for the purposes of compliance with information requests from ENTSOG, ACER, the Authority and/or any other reasonable purpose.

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Amend section 17 as follows:

## 17. CHARGES, PAYMENT AND TAX

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**17.4 IP Capacity and Exit Capacity Pricing and Payments**

17.4.1 The **“Payable IP Capacity Price”** for IP Capacity is:

- (a) the Auction Premium (bid in the relevant Auction under which the Shipper was allocated the IP Capacity) multiplied by the percentage share agreed between the Transporter and the Adjacent Transporter in accordance with section 2.4.7; plus
- (b) the relevant NI Reserve Price.

17.4.2 The **“Payable Non-IP Entry Capacity Price”** is the relevant price for the Stranraer Shipper determined in accordance with the PTL Licence.

17.4.23 For the avoidance of doubt, the NI Reserve Price applicable at the time of an Auction may not be the same as the NI Reserve Price used in the determination of the Payable IP Capacity Price, as described in the Charging Methodology Statement.

17.4.34 For Exit Capacity, the **“Payable Exit Capacity Price”** in respect of Gas Year Y is the Forecast Postalised Annual Capacity Charge for Gas Year Y as determined in accordance with the Licences.

17.4.45 The amounts payable (the **“Payable Amount”**) for each IP Capacity Product for the IP Capacity Period of Month M which are to be invoiced monthly under section 17.5.2 will be determined by multiplying the relevant Payable IP Capacity Price by the quantity of IP Capacity allocated to the Shipper in the relevant Auction in respect of all Gas Flow Days in Month M, in accordance with the Charging Methodology Statement.

17.4.56 The amounts payable for Exit Capacity which are to be invoiced monthly for Month M under section 17.5.2(a)(ii) will be determined by multiplying the relevant Payable Exit Capacity Price by the quantity of Exit Capacity allocated to the Shipper in respect of all Gas Flow Days in Month M, in accordance with the Charging Methodology Statement.

17.4.7 The amounts payable for Non-IP Entry Capacity which are to be invoiced monthly for Month M under section 17.5.2 will be determined by multiplying the relevant Payable Non-IP Entry Capacity Price by the quantity of Non-IP Entry Capacity allocated to the Stranraer Shipper in respect of all Gas Flow Days in Month M, in accordance with the Charging Methodology Statement.

17.4.68 Reconciliation Payments payable or to be paid to or by Shippers under sections 17.5.2(a)(xiii) and 17.5.2(a)(xiv) shall be determined using Year-End Postalised Charges in accordance with the Licences and as described in the Charging Methodology Statement.

17.4.9 Any Reconciliation Payments payable or to be paid to or by the Stranraer Shipper under sections 17.5.2(a)(xiii) and 17.5.2(a)(xiv), or otherwise, shall be determined in accordance with the PTL Licence.

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#### 17.14 NI Network Incentive Scheme Bank Account

17.14.1 The Transporter shall procure the set up and operation of a separate bank account: (the “**NI Network Incentive Scheme Bank Account**”) and shall procure the administration of the NI Network Incentive Scheme Bank Account in accordance with the Licences. The Transporter shall in respect of each Month:

- (a) pay into the NI Network Incentive Scheme Bank Account:
  - (i) all monies received by the Transporter in respect of Oversubscription Capacity pursuant to this Code;
  - (ii) any interest received in respect of payments required to be paid into the NI Network Incentive Scheme Bank Account; and
  - (iii) any other monies which the Transporter reasonably determines should be credited thereto;
- (b) pay from the NI Network Incentive Scheme Bank Account:
  - (i) all monies payable to Shippers in respect of Buyback Payments;
  - (ii) all monies payable to Shippers in respect of Incentive Scheme Payments;
  - (iii) any interest payable in respect of the NI Network Incentive Scheme Bank Account or in respect of amounts to be discharged therefrom; and
  - (iv) any other monies which the Transporter reasonably determines should be so debited.

17.14.2 The “**NI Network Incentive Payments Procedure**” shall include provisions whereby:

- (a) the revenues received by the Transporter in respect of Oversubscription Capacity shall be calculated;
- (b) the Incentive Scheme Payments payable to ~~shippers~~Shippers on the NI Network (including the Stranraer Shippers if applicable) shall be calculated; and
- (c) the Incentive Scheme Payments payable to the Transporter shall be calculated.

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Amend section 18 as follows:

## 18. CREDIT PROCEDURES

### 18.1 Introduction

#### Application for Credit under this Code

18.1.1 In this Code,

- (a) a “**Required Level of Credit Support**” means, in respect of a Shipper or Prospective Shipper, the minimum level of credit which the Transporter shall require such Shipper or Prospective Shipper to establish and maintain in accordance with this section 18;
- (b) a “**Provided Level of Credit Support**” means, in respect of a Shipper or Prospective Shipper, the sum of the Secured Credit Support and Unsecured Credit Support which such Shipper or Prospective Shipper has placed with the Transporter in accordance with this section 18;
- (c) a “**Credit Application**” is a request from a Shipper or Prospective Shipper to the Transporter to determine the Required Level of Credit Support that the Shipper or Prospective Shipper is required to establish in order for it to reserve and utilise IP Entry Capacity, Non-IP Entry Capacity, Exit Capacity and/or Interruptible VRF IP Exit Capacity and/or for it to trade at the Trading Point;
- (d) a “**Credit Application Form**” is a form provided by the Transporter in the Prescribed Form setting out the administrative and forecast information required for the purposes of calculating the Required Level of Credit Support.

18.1.2 In accordance with this section 18, a Shipper (including for the avoidance of doubt, the Stranraer Shipper pursuant to section 27) shall submit a Credit Application to the Transporter:

- (a) in respect of each Gas Year; and
- (b) within a Gas Year, in the event of a reassessment of a Shipper’s Required Level of Credit Support in accordance with section 18.8.

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Amend section 19 as follows:

## 19. LIABILITIES AND INDEMNITIES

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### 19.17 Claims in relation to an Adjacent Transporter

19.17.1 Each Shipper:

- (a) undertakes to the Transporter that it will not make, raise or assert any claim or action of any kind against the Relevant Adjacent Transporter arising out of the Relevant Adjacent Transporter's or GNI (UK)'s failure to comply with any of its obligations under the Tripartite Agreement in respect of the Moffat Interconnection Point; and
- (b) undertakes to the Transporter that it will not make, raise or assert any claim or action of any kind against National Grid arising out of its or GNI (UK)'s failure to comply with any of the obligations under the Tripartite Agreement in respect of Moffat Non-IP Entry Point; and
- ~~(b)~~ (c) undertakes to the Transporter that it will not make, raise or assert any claim or action of any kind against the Relevant Adjacent Transporter arising out of the Relevant Adjacent Transporter's failure to comply with any of its obligations under the South North Connected System Agreement; and
- ~~(c)~~ (d) shall indemnify and keep indemnified the Transporter from and against any and all demands, claims, losses, costs, liabilities and damages of any kind whatsoever and howsoever arising (and whether arising under any indemnity or other contractual obligation or in any other way) which the Transporter may suffer or incur directly or indirectly in relation to or arising from or in connection with any contravention by that Shipper of the undertaking in (a) ~~or~~ (b) or (c) above.

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Amend section 20 as follows:

## 20. FORCE MAJEURE

### 20.1 Definition

20.1.1 In this Code, "**Force Majeure**" means any event or circumstance, or any combination of events and/or circumstances, the occurrence of which is beyond the reasonable control of, and could not have been avoided by steps which might reasonably be expected to have been taken by a Party acting as a Reasonable and Prudent Operator (the "**Affected Party**") and which causes or results in the failure of the Affected Party to perform or its delay in performing any of its obligations owed to any other Party or Parties (each an "**Other Party**") under this Code and all Ancillary Agreements to this Code, including any:

- (a) war declared or undeclared, threat of war, act of public enemy, terrorist act, blockade, revolution, riot, insurrection, civil commotion, public demonstration, sabotage, act of vandalism or criminal damage;
- (b) act of God;
- (c) strike, lockout or other industrial disturbance;
- (d) explosion, fire, fault or failure of plant, equipment or other installation which the Affected Party could not prevent or overcome by the exercise of the degree of skill, diligence, prudence and foresight which would reasonably and ordinarily be expected from a

skilled and experienced operator engaged in the same kind of undertaking under the same or similar circumstances;

- (e) governmental restraint or the coming into force of any regulation, licence or Directive of any Competent Authority;
- (f) suspension, withdrawal or change in the terms of any licence, permit or consent;
- (g) structural shift or subsidence affecting generally a part or parts of the NI Network or any area or areas of the route of the pipeline;
- (h) ~~the~~ occurrence of an event of force majeure under the GNI (UK) Transportation Agreement, the Tripartite Agreement, the Stranraer Interoperator Agreement or the Interconnection Agreement in respect of which a Party has sought relief from its obligations.

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*Amend section 21 as follows:*

## 21. TERMINATION

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21.5.2 Upon termination by the Transporter under sections 21.2, 21.3 or 21.4 the following payments shall immediately fall due and payable by the Shipper (and the “Due Date” in relation to such payments shall for the purposes of this Code be the date of termination):

- (a) all of the following which are due, accrued or outstanding to the Transporter under this Code in respect of the period up to and including the date of termination:
  - (i) all PS Transmission Amounts; and
  - (ii) all PS Code Charges.
- (b) the following:
  - (i) the Payable IP Capacity Price in respect of all IP Capacity (or in the case of the Stranraer Shipper, the Payable Non-IP Entry Capacity Price in respect of all Non-IP Entry Capacity) and the Payable Exit Capacity Price in respect of all Exit Capacity held by the Shipper in the remainder of the Gas Year after the date of termination; and
  - (ii) the Forecast Postalised Commodity Charge that would be payable in respect of the Shipper’s aggregate Exit Allocations if such quantities together were taken to equal 80% of all Exit Capacity held by the Shipper in the remainder of the Gas Year after the date of termination; and
  - (iii) the Transporter’s estimate of the PS Transmission Amounts that would be payable in respect of all Exit Capacity, Non-IP Entry Capacity and IP Capacity held by the

Shipper in all future Gas Years (had no such termination occurred) provided that such sums shall be adjusted to take account of:

- (aa) the Transporter's estimate of the amount (if any) by which it shall be able to mitigate the loss referred to in (iii) above;
- (bb) inflation (which shall be assumed to continue at the rate of RPI at the date of termination); and
- (cc) the net present value of the amount payable at LIBOR.

21.5.3 Upon termination under sections 21.2, 21.3 or 21.4, the Transporter shall, as soon as reasonably practicable, and in any event not later than the 5<sup>th</sup> Business Day following termination, issue the Shipper with an invoice (a "**Termination Invoice**") which shall set out the following:

- (a) the identity of the Shipper;
- (b) the period to which the Termination Invoice relates; and
- (c) a detailed breakdown of each of the sums payable under section 21.5.2.

21.5.4 The Shipper shall, no later than 30 Business Days following receipt of the Termination Invoice pay to the PoT Account (or in the case of the Stranraer Shipper, the Transporter's Account) all sums payable under section 21.5.2, with the exception of payments due under section 21.5.2(a)(ii), which shall be payable to the Transporter in accordance with the provisions of this Code.

21.5.5 If the Shipper fails to pay any sum due as detailed in the Termination Invoice by the date specified in section 21.5.4, interest on such overdue amount shall accrue at LIBOR plus 3% compounded monthly from the date specified in section 21.5.4 until the date payment is made.

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*Amend section 22 as follows:*

## **22. ACCESSION TO THE CODE, REGISTRATIONS, DOWNSTREAM LOAD STATEMENTS AND RETIREMENT FROM THE CODE**

### **22.1 Introduction**

22.1.1 This section 22 sets out:

- (a) the accession process which any person who wishes to become a Shipper under this Code must comply with, in accordance with section 1.1.2;

- (b) the Registration requirements which a Shipper must comply with in order to utilise an IP Entry Point, VRF IP Exit Point, Non-IP Entry Point, Exit Point or the Trading Point;
- (c) the requirement for a Shipper to provide a Downstream Load Statement in relation to a DN Exit Point and Stranraer Exit Point; and
- (d) how a Shipper may retire from this Code;

and for the avoidance of doubt also applies to DNOs subject to section 1.11.

22.1.2 The Stranraer Shipper is registered at Moffat Non-IP Entry Point for its particular purposes under this Code. No other Shipper may apply for or hold a Registration in respect of Moffat Non-IP Entry Point.

## 22.2 Accession Process

### Application

22.2.1 Any person wishing to become a Shipper (a “**Prospective Shipper**”) shall give the Transporter a minimum of 20 Business Days’ notice in writing of its intention specifying:

- (a) the IP Entry Points, VRF IP Exit Points and/or Exit Points it wishes to utilise;
- (b) whether it wishes to trade at the Trading Point; and
- (c) the date from which it wishes to become a Shipper.

.....

## 22.3 Registrations

### General Registration Requirements

22.3.1 A Shipper or Prospective Shipper wishing to utilise any IP Entry Point, VRF IP Exit Point, Exit Point or the Trading Point must apply to the Transporter for a separate Registration in respect of each point in accordance with sections 22.4, 22.5 and 22.6 as applicable and the following rules in this section 22.3. References in this Code to a “**Registration**” means an IP Registration or a Non-IP Entry Point Registration or an Exit Point Registration or a Trading Point Registration as appropriate and reference to “**Registrations**” means more than one of them.

22.3.2 A Prospective Shipper may submit an application for a Registration before accession to the Framework Agreement is completed but a Prospective Shipper must have acceded to the Framework Agreement and become a Shipper and a Party to this Code in order for the Registration process to be completed in accordance with sections 22.4, 22.5 and 22.6.

22.3.3 A Shipper or Prospective Shipper wishing to utilise either an Exit Point or an IP Entry Point or VRF IP Exit Point must apply for at least a pair of Registrations on the NI Network, which may be either:

- (a) an Exit Point Registration and an IP Registration;
- (b) an Exit Point Registration and a Trading Point Registration; or
- (c) an IP Registration and a Trading Point Registration;

and, for the avoidance of doubt, the Stranraer Shipper must hold a Non-IP Entry Point Registration at Moffat Non-IP Entry Point and an Exit Point Registration at Stranraer Exit Point.

22.3.4 A Shipper or Prospective Shipper that wishes to utilise the Trading Point but who does not intend to make any IP Entry Nominations or Exit Nominations (a “**Trader**”) must apply for a Trading Point Registration but it is not necessary for a Trader to obtain a pair of Registrations in accordance with section 22.4.3.

22.3.5 Where an existing Shipper applies for new Registrations (at points it has not utilised previously) it shall also be required to provide:

- (a) a revised Shipper Forecast Information Request form; and
- (b) if necessary, a (further) Credit Application.

22.3.6 A Shipper or Prospective Shipper wishing to apply for a Registration should request an application form from the Transporter by giving notice in writing if notice has not already been given under section 22.1.

.....

**22.7 De-Registration**

22.7.1 A Shipper may only terminate a Registration if it will, after terminating such Registration, still hold at least a pair of Registrations in accordance with section 22.3.3 and 22.3.4.

22.7.2 A Shipper may terminate an Exit Point Registration in respect of an Exit Point by giving the Transporter 10 Business Days’ written notice that it wishes to so terminate its registration, such registration not to be terminated before the last day on which the Shipper holds Exit Capacity at the Exit Point.

22.7.3 If a Shipper terminating its Exit Point Registration would result in no Shipper holding an Exit Point Registration in respect of that Exit Point, the Transporter will be entitled to require the Shipper to maintain its Exit Point Registration until such time that the Transporter has isolated the Exit Point. The Transporter shall so isolate the Exit Point as soon as reasonably practicable after the date on which the Shipper wishes the termination of the Exit Point Registration to take effect.

22.7.4 A Shipper may terminate an IP Registration by giving the Transporter 10 Business Days’ written notice that it wishes to so terminate its Registration, such ~~registration-Registration~~ not to be terminated before the last day on which it holds IP Entry Capacity and/or VRF IP Exit Capacity at the IP.



22.7.5 A Shipper may terminate a Trading Point Registration by giving the Transporter 10 Business Days' notice that it wishes to so terminate its Registration.

22.7.6 The Stranraer Shipper may terminate its Non-IP Entry Point Registration by giving the Transporter 10 Business Days' written notice that it wishes to so terminate its Registration, such Registration not to be terminated before the last day on which it holds Non-IP Entry Capacity at Moffat Non-IP Entry Point.

**22.7.7** Termination of a Registration does not relieve a Shipper of its obligations in relation to maintain its Provided Level of Credit Support in accordance with section 13.2.10.

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## **Retirement**

### **22.9 Retirement from the Code**

22.9.1 A Shipper (a "**Retiring Shipper**") including for the avoidance of doubt the Stranraer Shipper may make an application to cease to be a Party the Code by giving the Transporter not less than 35 Business Days written notice at any time. For the avoidance of doubt, references in this section 22.9 to a Shipper ceasing to be a Party to this Code shall also mean that the Shipper shall cease to be a party to the Framework Agreement and, if applicable, the Shipper's Accession Agreement shall terminate.

22.9.2 The Transporter shall respond to the Retiring Shipper, within 25 Business Days of receiving the application referred to in section 22.9.1, indicating the requirements with which the Shipper must comply before it may cease to be a Party to the Code and these requirements shall include (but not be limited to) the requirements that the Retiring Shipper:

- (a) has ceased to be a party to any agreement (including but not limited to the Stranraer Interoperator Agreement and/or an Ancillary Agreement) between the Transporter and the Shipper which incorporates the Code; and/or
- (b) has ceased to hold any Registration at an IP Entry Point, Non-IP Entry Point, VRF IP Exit Point, Exit Point and/or Trading Point; and/or
- (c) has made full payment for all amounts invoiced in respect of:
  - (i) PS Transmission Amounts;
  - (ii) PS Code Charges;
  - (iii) Supplemental Payments;
  - (iv) Auxiliary Payments; and
  - (v) other amounts due pursuant to the Code or, in the case of the Stranraer Shipper, the PTL Licence.

22.9.3 Within 10 Business Days of the Retiring Shipper confirming to the Transporter in writing (together with supporting documentation) that it has complied with the requirements of the

Transporter under section 22.9.2, the Transporter shall confirm to the Retiring Shipper that it either:

- (a) agrees that the Retiring Shipper has appropriately complied with each of its requirements under section 22.9.2, in which case, the Retiring Shipper shall cease to be a Party to the Code effective from the date of the Transporter's confirmation (copied to the Authority); or
- (b) does not accept that the Retiring Shipper has appropriately complied with all of its requirements under section 22.9.2 and giving reasons for its decision, in which case, the Retiring Shipper shall be required to comply with the outstanding requirements before it can cease to be a Party to the Code in accordance with this section 22.9.

22.9.4 Upon the Retiring Shipper ceasing to be a Party to the Code in accordance with this section 22.9, a Retiring Shipper shall cease to be a Shipper for the purposes of the Code and the Retiring Shipper and the Transporter shall no longer be bound in relation to each other by this Code except to the extent set out in section 22.9.5 and 22.9.6.

22.9.5 A Retiring Shipper ceasing to be a Party to the Code in accordance with this section 22.9 shall not extinguish or relieve the Retiring Shipper from the performance of any obligation accrued under this Code as at the time it ceases to be a Party to this Code which it is agreed and acknowledged shall include payment of all or any of the following which are due, accrued or outstanding under this Code in respect of the period up to and including the date on which the Retiring Party ceases to be a Party to the Code:

- (a) PS Transmission Amounts;
- (b) PS Code Charges;
- (c) Supplemental Payments;
- (d) Auxiliary Payments; and/or
- (e) any other payments due pursuant to the Code or, in the case of the Stranraer Shipper, the PTL Licence.

22.9.6 The Retiring Shipper shall pay any sums due in accordance with section 22.9.5 at the time by which and in the manner in which such payments would have been due and paid had the Retiring Shipper continued to be a Shipper. A Retiring Shipper that has ceased to be a Shipper shall continue to be liable for all accrued payments or other amounts due to the Transporter notwithstanding that the Retiring Shipper ceases to be a Shipper and any payments due and owing shall become immediately due and payable. For the avoidance of doubt:

- (a) the conditions of the Code continue to apply to a Retiring Shipper whose application for retirement from the Code has been accepted by the Transporter until such time as that Retiring Shipper has met all its obligations under the Code (prior to and arising out of termination); and

- (b) any financial security which the Retiring Shipper was obligated to provide to the Transporter pursuant to the Code shall remain in place until all such payments have been discharged in full.

22.9.7 For the avoidance of doubt, a Shipper may not reduce or cancel its IP Entry Capacity or its Exit Capacity if it wishes to retire from this Code other than by way of:

- (a) an accepted Surrender Offer in respect of IP Entry Capacity; or
- (b) an accepted Exit Capacity Surrender Application in respect of Exit Capacity;

and in the case of the Stranraer Shipper in accordance with section 27.3.1(b) and 27.3.3.

22.9.8 Where a Retiring Shipper which holds Bundled IP Entry Capacity makes an application to cease to be a Party to the Code under section 22.9.1, the Transporter shall inform the Adjacent Transporter.

Insert new section 27 immediately after section 26 to read as follows (or, if this Proposed Modification is approved before Proposed Modification 7, after section 25 and a new note to be inserted reading 'Section 26: Not Used'):

## 27. MOFFAT NON-IP ENTRY POINT AND THE STRANRAER ARRANGEMENTS

### 27.1 Introduction

27.1.1 This section 27 sets out certain Code provisions which apply in respect of the Non-IP Entry Point and the Stranraer Shipper.

27.1.2 For the purposes of the transportation of gas via Moffat Non-IP Entry Point to the Stranraer Exit Point located in Scotland, under an interoperator agreement (“**the Stranraer Interoperator Agreement**”) the Transporter allocates a quantity of capacity at Moffat Non-IP Entry Point to the Stranraer Shipper.

27.1.3 For the avoidance of doubt, the Individual Transporter with operational responsibility for Moffat Non-IP Entry Point is PTL.

### 27.2 Moffat Non-IP Entry Point

27.2.1 At Moffat Non-IP Entry Point:

- (a) the Stranraer Shipper holds a Registration in accordance with section 22;
- (b) “**Non-IP Entry Capacity**” is capacity which has been allocated to the Stranraer Shipper **for an initial term or such further term as may be approved by the Authority from time to time in accordance with the provisions of for the duration specified in the Stranraer Interoperator Agreement and in accordance with its’ terms;**
- (c) no Shipper other than the Stranraer Shipper may hold capacity or make Nominations;
- (d) Non-IP Capacity may not be traded with IP Entry Capacity;
- (e) IP Capacity may not be transferred to the Non-IP Entry Point other than in the event of **extension approval by the Authority of a further term of the Stranraer Interoperator Agreement and/or** amendment of the **quantity of capacity allocated under it-Stranraer Interoperator Agreement** and in accordance with section 27.3;
- (e) for the purposes of congestion management at Moffat Interconnection Point, Non-IP Entry Capacity may be released for use at the IP in accordance with section 27.4;
- (f) for the avoidance of doubt, section 4 (*Incremental Capacity*) of this Code does not apply in respect of the Non-IP Entry Point notwithstanding that the Transporter may consider the implications of and for a Non-IP Entry Point in any assessment of demand for Incremental Capacity under section 4 (*Incremental Capacity*);
- (g) the direction of the physical flow of gas is from National Grid’s system at Moffat into the PTL System and physical reverse flow and commercial reverse flow are not permitted.

## 27.3 ~~Increases/Changes~~ in ~~the quantity of allocated~~ Moffat Non-IP Entry Capacity

27.3.1 Under the Stranraer Interoperator Agreement and in accordance with the provisions of this section 27 the Stranraer Shipper may request:

(a) an increase in the quantity of Non-IP Entry Capacity allocated to it at Moffat Non-IP Entry Point ~~for a term that has already been approved or for a requested further term;~~  
~~and/or~~

(b) ~~a decrease in the quantity of Non-IP Entry Capacity allocated to it at Moffat Non-IP Entry Point for a requested further term only;~~

by submitting a written request to the Transporter by the last Business Day in February ~~during any approved term.~~

27.3.2 ~~In respect of a term that has already been approved, w~~where an increase is requested under section 27.3.1(a) the Transporter shall determine the quantity of any such ~~increase that, in its sole opinion, can be allocated or decrease~~ and seek approval from the Authority by the last Business Day in March ~~immediately following receipt of the request. Where approved by the Authority, a~~ny such increase ~~or decrease~~ shall apply from the ~~subsequent~~ start of the ~~relevant~~ Gas Year ~~of the approved term stated in the original request,~~ and (unless amended for future Gas Years in accordance with this section 27.3 or section 27.4) for the remaining duration of the ~~relevant approved term~~ ~~Stranraer Interoperator Agreement.~~

~~27.3.3 In respect of a requested further term, where an increase is requested under section 27.3.1(a) or decrease is requested under section 27.3.1(b), the Transporter shall determine the quantity of any such increase or decrease that, in its sole opinion, can be allocated and seek approval from the Authority by the last Business Day in March immediately following receipt of the request. Where approved by the Authority, any such increase or decrease shall apply from the start of such further term and (unless amended for future Gas Years in accordance with this section 27.3 or section 27.4) for the remaining duration of such further term.~~

27.3.34 Where a change to the quantity of Moffat Non-IP Entry Capacity ~~allocated or to be allocated~~ is approved by the Authority under section 27.3.2 ~~or section 27.3.3~~, the Transporter shall ~~adjust decrease~~ the Unsold Technical IP Entry Capacity at Moffat IP Entry Point ~~in respect of the relevant Gas Year(s)~~ by the corresponding quantity ~~as soon as possible and by no later than the start of the following Annual Yearly Auction.~~

## 27.4 Application of Congestion Management Procedures at Moffat Non-IP Entry Point

### LTUIOLI at Moffat Non-IP Entry Point

27.4.1 With effect from the CMP Activation Date the Transporter shall monitor the usage of Moffat Non-IP Entry Point. Accordingly, the Transporter shall produce two usage reports for Moffat Non-IP Entry Point each Gas Year at the same times as those to be prepared under section 2.18.2.

27.4.2 In the event that:

- (a) there is an unfulfilled demand for Moffat IP Entry Capacity; and
- (b) Underutilisation has been identified in respect of Moffat Non-IP Entry Point;

the Transporter shall request the Stranraer Shipper to provide justification for its utilisation and give 3 months' notice of the intention to withdraw Non-IP Entry Capacity in accordance with the OS Scheme and CMP Methodology Statement.

27.4.3 The Stranraer Shipper may respond to a request under section 27.4.2 within 1 month of receipt to justify its utilisation and the Transporter shall refer the request and any response received to the Authority for determination as to whether Non-IP Entry Capacity should be withdrawn.

27.4.54 Any Moffat Non-IP Entry Capacity which is withdrawn from the Stranraer Shipper under section 27.4.3 shall be permanently transferred to Moffat IP Entry Point (subject to section 27.3.34) and treated as Unsold Technical IP Entry Capacity in accordance with section 2.7.2 and the Stranraer Interoperator Agreement.

#### **Non-IP Entry Capacity as Oversubscription Capacity**

27.4.65 From the OS Effective Date, the Transporter shall include utilisation of Non-IP Entry Point Capacity in its assessment of the quantity of Oversubscription Capacity which may be made available at the IP Entry Point on a Gas Flow Day, in accordance with the OS Scheme and CMP Methodology Statement.

27.4.76 Where Moffat Non-IP Entry Capacity has been offered as Oversubscription Capacity at Moffat IP and is subsequently to be allocated to Shippers pursuant to an Auction, it shall be allocated as Oversubscription Capacity in accordance with section 2.16.8(d) (after any IP Entry Capacity has been allocated) and the Stranraer Shipper shall be entitled to receive a share of OS Revenues determined in accordance with the OS Scheme and CMP Methodology Statement.

27.4.87 For the avoidance of doubt:

- (b) Non-IP Entry Capacity may not be surrendered and is not eligible for buyback; and
- (c) FDA UIOLI does not apply in respect of Moffat Non-IP Entry Point.

#### **27.5 Nominations**

27.5.1 Non-IP Entry Nominations and Non-IP Entry Renominations in respect of Moffat Non-IP Entry Point shall be submitted and may be revised by the Stranraer Shipper and processed and confirmed by the Transporter in accordance with the provisions of section 6 as if they were Double-Sided IP Entry Nominations and IP Entry Renominations respectively (mutatis mutandis) except that:

- (a) there is no requirement for a Counterparty Shipper;

- (b) Matching shall be deemed by the Transporter such that the “**Confirmed Nomination Quantity**” in respect of Moffat Non-IP Entry Point shall be equal to the prevailing Non-IP Entry Nomination;
- (c) sections 6.5.1(e), 6.5.1(f) and 6.5.1(g) do not apply;

and provided always that Non-IP Entry Nominations and Non-IP Entry Nominations shall be processed (and may be revised, rejected or amended) in accordance with the other provisions of sections 6.6 and 6.7.

27.5.2 For the avoidance of doubt:

- (a) a Non-IP Entry Nomination may be rejected by the Transporter where the Stranraer Shipper does not have sufficient Provided Level of Credit Support;
- (b) a Non-IP Entry Nomination shall not be submitted with a negative implied nomination flow rate (calculated in the same way as for IP Nominations under section 6.5.15, mutatis mutandis);
- (c) Non-IP Entry Nominations shall be treated as Eligible IP Renominations under sections 6.7.14 to 6.7.21;
- (d) the Confirmed Nomination Quantity for the Non-IP Entry Point shall be included by the Transporter in the PTL Daily Profile;
- (d) Exit Nominations for Stranraer Exit Point are addressed in sections 6.8 to 6.12.

## 27.6 Allocations

27.6.1 Non-IP Entry Allocations shall be determined by the Transporter in accordance with the provisions of section 7.

27.6.2 Exit Allocations for Stranraer Exit Point are addressed in section 7.5.

## 27.7 Credit

27.7.1 The Stranraer Shipper is required to place credit under section 18 as if Moffat Non-IP Entry Point were an IP Entry Point (mutatis mutandis), provided that:

- (a) no short term Non-IP Entry Capacity is available and consequently the Stranraer Shipper shall have no STRLCS;
- (b) references to IP Nominations and Forecast IP Entry Nominations shall be taken to refer to Non-IP Entry Nominations and Forecast Non-IP Entry Nominations respectively;
- (c) references to Forecast Supplier Quantity shall be taken to refer to the equivalent quantity for the Stranraer Shipper as defined in the PTL Licence;

- (d) references to IP Capacity shall be taken to refer to the Non-IP Entry Capacity held, or forecast to be held, by the Stranraer Shipper allocated to it pursuant to the Stranraer Interoperator Agreement as modified from time to time under this section 27;
- (e) references to Forecast Postalised Charges shall be taken to refer to the equivalent charges applicable to the Stranraer Shipper pursuant to the PTL Licence.

## **27.8 Charges and Payment**

- 27.8.1 The applicable transmission charges payable by the Stranraer Shipper are determined pursuant to the PTL Licence and payments from/to the Stranraer Shipper are not included in the PoT Account, in accordance with section 17.1.6(c)(i).
- 27.8.2 The Stranraer Shipper is required to pay PS Code Charges in accordance with section 17.1.6(c)(ii).
- 27.8.3 For the avoidance of doubt, section 3.11.1 (in respect of Ratchet Charges) applies to the Stranraer Shipper.
- 27.8.4 The Stranraer Shipper is liable for Overrun Charges at Moffat Non-IP Entry Point calculated pursuant to section 2.13 (mutatis mutandis). Accordingly, for the Stranraer Shipper references in section 2.13:
  - (a) to Moffat IP Entry Point shall be taken to refer to Moffat Non-IP Entry Point;
  - (b) to a Final IP Entry Allocation shall be taken to refer to its<sup>1</sup> Final Non-IP Entry Allocation;
  - (c) to the Available IP Entry Capacity shall be taken to refer to the prevailing quantity of Non-IP Entry Capacity allocated to it pursuant to the Stranraer Interoperator Agreement as modified from time to time under this section 27; and
  - (d) to  $P_{\text{daily}}$  shall be taken to refer to the relevant Payable Non-IP Entry Capacity Price **in respect of a Gas Day** that the Stranraer Shipper is required to pay pursuant to section 17 and the PTL Licence.



Amend Appendix 1 as shown below:

## APPENDIX 1 DEFINITIONS AND INTERPRETATIONS

### Part I - Definitions

|  |  |
|--|--|
| <b>“Adjacent Transporter” or<br/>“Adjacent Transporters”</b>           | has the meaning given to it in section <del>4.7.2(e)</del> <u>1.7.1(f)</u> ;   |
| <b><u>“Aggregate VRF IP Exit Quantity”</u></b>                         | <u>has the meaning given to it in section 14.1.1(h);</u>   |
| <b>“Aggregate VRF IP Exit<br/>Nominated Quantity”</b>                  | has the meaning given to it in section 7.2.1( <del>h</del> );  |
| <b><u>“Entry Allocation”/<br/>“Entry Allocations”</u></b>              | <u>has the meaning given to it in section 7.2.1(e);</u>  |
| <b><u>“Entry Point”/<br/>“Entry Points”</u></b>                        | <u>has the meaning given to it in section 1.7.1(e);</u>  |
| <b><u>“Entry Quantity”</u></b>   | <u>has the meaning given to it in section 14.1.1(g);</u>   |
| <b><u>“Final Non-IP Entry Allocation”</u></b>                          | <u>has the meaning given to it in section 7.3.4;</u>   |
| <b>“Final VRF IP Exit<br/>Allocation”</b>                              | has the meaning given to it in section 7.3. <del>46</del> and <b>“Final VRF IP<br/>Exit Allocations”</b> shall be construed accordingly;   |
| <b><u>“Initial Non-IP Entry Allocation”</u></b>                        | <u>has the meaning given to it in section 7.3.3;</u>   |
| <b>“Initial VRF IP Exit<br/>Allocation”</b>                            | has the meaning given to it in section 7.3. <del>35</del> and <b>“Initial VRF IP<br/>Exit Allocations”</b> shall be construed accordingly; |
| <b>“Interconnection Point” / “IP”/<br/>“IP Interconnection Points”</b> | has the meaning given to it in section 1.7.1( <u>a</u> );  |
| <b>“IP Entry Point”/<br/>“IP Entry Points”</b>                         | has the meaning given to it in section <del>4.7.2(a)</del> <u>1.7.1(b)</u> ;   |
| <b>“IP Entry Quantity”</b>   | has the meaning given to it in section <del>4.7.2(a)</del> <u>1.7.1(e)</u> ;   |
| <b>“Relevant Adjacent<br/>Transporter”</b>                             | has the meaning given to it in section <del>4.7.2(d)</del> <u>1.7.1(g)</u> ;   |
| <b>“Moffat IP Entry Point”</b>   | has the meaning given to it in section <del>4.7.4(a)</del> <u>1.7.3(a)</u> ;   |
| <b>“Moffat Interconnection Point”</b>                                  | has the meaning given to it in section <del>4.7.3(a)</del> <u>1.7.2(a)</u> ;   |
| <b><u>“Moffat Non-IP Entry Point”</u></b>                              | <u>has the meaning given to it in section 1.7.3(e);</u>  |
| <b><u>“Moffat Entry Point”</u></b>                                     | <u>has the meaning given to it in section 1.7.3(f);</u>  |

|  |   |
|--|---|
| <b><u>“Moffat Offtake”</u></b>                       | has the meaning given to it in the <u>Moffat Designated Arrangements under the GB Uniform Network Code</u> ;            |
| <b>“Moffat VRF IP Exit Point”</b>                    | has the meaning given to it in section <del>4.7.4(b)</del> <u>1.7.3(b)</u> ;  |
| <b>“Non-OBA Day”</b>                                 | has the meaning given to it in section 7.2.1( <del>gi</del> ) and <b>“Non-OBA Days”</b> shall be construed accordingly; |
| <b><u>“Non-IP Entry Allocation”</u></b>              | has the meaning given to it in section 7.2.1(d);  |
| <b><u>“Non-IP Entry Capacity”</u></b>                | has the meaning given to it in section 27.2.1(b);   |
| <b><u>“Non-IP Entry Point”</u></b>                   | has the meaning given to it in section 1.7.1(d);  |
| <b><u>“Non-IP Entry Point Registration”</u></b>      | means a Registration issued by the Transporter evidencing that the Shipper is registered at a Non-IP Entry Point;       |
| <b><u>“Non-IP Entry Quantity”</u></b>                | has the meaning given to it in section 14.1.1(f);   |
| <b>“OBA”</b>   | has the meaning given to it in section 7.2.1( <del>df</del> );  |
| <b>“OBA Day”</b>                                     | has the meaning given to it in section 7.2.1( <del>fh</del> ) and <b>“OBA Days”</b> shall be construed accordingly;     |
| <b>“Payable Amount”</b>                              | has the meaning given to it in section 17.4. <del>45</del> ;  |
| <b>“Payable Exit Capacity Price”</b>                 | has the meaning given to it in section 17.4. <del>34</del> ;  |
| <b><u>“Payable Non-IP Entry Capacity Price”</u></b>  | has the meaning given to it in section 17.4.2;  |
| <b><u>“PTL Forward Flow Allocation”</u></b>          | has the meaning given to it in the <u>Transportation Agreement</u> ;  |
| <b>“Relevant Adjacent Transporter”</b>               | has the meaning given to it in section <del>4.7.2(d)</del> <u>1.7.1(g)</u> ;  |
| <b>“Steering Difference”</b>                         | has the meaning given to it in section 7.2.1( <del>eg</del> );  |
| <b>“VRF IP Exit Point”/<br/>“VRF IP Exit Points”</b> | has the meaning given to it in section <del>4.7.2(b)</del> <u>1.7.1(c)</u> ;  |
| <b>“South North IP Entry Point”</b>                  | has the meaning given to it in section <del>4.7.4(e)</del> <u>1.7.3(c)</u> ;  |
| <b>“South North Interconnection Point”</b>           | has the meaning given to it in section <del>4.7.3(b)</del> <u>1.7.2(b)</u> ;  |

**“South North VRF IP Exit Point”**

has the meaning given to it in section ~~1.7.4(d)~~1.7.3(d);

**“Stranraer Interoperator Agreement”**

has the meaning given to it in section 27.1.2;

**“Underutilisation”**

means a lack of utilisation of IP Entry Capacity or, in respect of Moffat Non-IP Entry Point, Non-IP Entry Capacity determined in accordance with the OS Scheme and CMP Methodology Statement;

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Amend Appendix 2 as shown below:

## APPENDIX 2

### SUMMARY TABLE OF NI NETWORK POINTS

This appendix 2 is provided for reference only. Should there be any discrepancy between this appendix 2 and the provisions of the Code, the Code provisions shall prevail.

*\*SGN is the Stranraer Distribution Network Operator, but there is no Relevant DNO for Stranraer because the functions of a Relevant DNO are not applicable for Stranraer. Please see Code section 1.12 and section 27 for the details.*

| Specific NI Network Point         | Type of Point             | Point Comprised in:<br>(where applicable)                     | Relevant Transporter  | Relevant DNO<br>(where applicable) | Relevant Adjacent Transporter <u>or equivalent</u><br>(where applicable) |
|-----------------------------------|---------------------------|---|-----------------------|------------------------------------|--|
| Moffat Interconnection Point      | Interconnection Point     | -   | PTL                   | -                                  | National Grid  |
| Moffat IP Entry Point             | IP Entry Point            | Moffat Interconnection Point<br><u>and Moffat Entry Point</u> | PTL                   | -                                  | National Grid  |
| Moffat VRF IP Exit Point          | VRF IP Exit Point         | Moffat Interconnection Point                                  | PTL                   | -                                  | National Grid  |
| <u>Moffat Non-IP Entry Point</u>  | <u>Non-IP Entry Point</u> | <u>Moffat Entry Point</u>                                     | <u>PTL</u>            |                                    | <u>National Grid</u>   |
| South North Interconnection Point | Interconnection Point     | -   | GNI (UK)              | -                                  | Gas Networks Ireland   |
| South North IP Entry Point        | IP Entry Point            | South North Interconnection Point                             | GNI (UK)              | -                                  | Gas Networks Ireland   |
| South North VRF IP Exit Point     | VRF IP Exit Point         | South North Interconnection Point                             | GNI (UK)              | -                                  | Gas Networks Ireland   |
| Ballylumford Exit Point           | Power Station Exit Point  | -   | PTL                   | -                                  | -  |
| Coolkeeragh Exit Point            | Power Station Exit Point  | -   | GNI (UK)              | -                                  | -  |
| Belfast Exit Point                | DN Exit Point             | -   | As per Offtake Points | As per Offtake Points              | -  |
| BGTL Belfast Offtake Points       | Offtake Points            | Belfast Exit Point  | BGTL                  | Phoenix                            | -  |
| Lisburn Offtake Point             | Offtake Point             | Belfast Exit Point  | GNI (UK)              | Phoenix                            | -  |
| Ten Towns Exit Point              | DN Exit Point             | -   | As per Offtake Points | As per Offtake Points              |  |
| Ten Towns Offtake Points          | Offtake Points            | Ten Towns Exit Point  | GNI (UK)              | Firmus                             | -  |

|                      |                      |                 |                       |                       |   |
|----------------------|----------------------|-----------------|-----------------------|-----------------------|---|
| West Exit Point      | DN Exit Point        | -               | As per Offtake Points | As per Offtake Points | - |
| West Offtake Points  | Offtake Points       | West Exit Point | WTL                   | SGN NG                |   |
| Stranraer Exit Point | Stranraer Exit Point | -               | PTL                   | *                     | - |