NI NETWORK
GAS TRANSMISSION CODE

Version:1.19
Effective from 1st June 2026

GMO Northern Ireland

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1. INTRODUCTION TO THE CODE AND THE NI NETWORK

1.1 Contractual Effect of this Code

1.1.1 This Code is given contractual effect by way of a Framework Agreement dated 29th September 2017 (**"Framework Agreement"**).

1.1.2 A person may only become a Shipper under this Code by acceding to the Framework Agreement by way of an Accession Agreement in accordance with the terms of section 22.2 of this Code and the terms of the Framework Agreement. All references to this Code shall include the Framework Agreement and any applicable Accession Agreement.

1.1.3 The original signatories to the Framework Agreement are Shippers under this Code and are not required to complete the accession process in section 22.2 of this Code.

1.2 The Individual Transporters

1.2.1 In order to provide gas transmission services to Shippers on the NI Network, four Individual Transporters act together pursuant to the terms of a SSO Agreement to perform the role of the Transporter in this Code.

1.2.2 In this Code:

(a) **"Individual Transporter"** means each of PTL, BGTL, WTL and GNI (UK) and **"Individual Transporters"** means all of them;

(b) **"PTL"** means Premier Transmission Limited, a company incorporated and registered in Northern Ireland with company number NI026421;

(c) **"BGTL"** means Belfast Gas Transmission Limited, a company incorporated and registered in Northern Ireland with company number NI026420;

(d) **"WTL"** means West Transmission Limited, a company incorporated and registered in Northern Ireland with company number NI073229;

(e) **"GNI (UK)"** means GNI (UK) Limited, a company incorporated and registered in England and Wales with company number 02827969;

(f) **"the Relevant Transporter"** means the Individual Transporter with operational responsibility for a specific NI Network Point as further described in sections 1.7.5 and 1.8.5.

1.3 The Transporter

Background and Interpretation

1.3.1 In this Code:

(a) **"the Transporter"** means the Individual Transporters acting together pursuant to the terms of the SSO Agreement and the SOA;

(b) **"SSO Agreement"** means the contractual joint venture agreement between the Individual Transporters dated 29th September 2017;

(c) **"SOA"** means the system operator agreement between the Individual Transporters dated 29th September 2017.

1.3.2 Pursuant to the terms of the SSO Agreement, the Individual Transporters have agreed to co-operate and co-ordinate with each other to ensure there is common provision of certain services to any Shipper using any part of the NI Network and have together appointed a general manager to oversee the day-to-day operation of this Code and to act as the primary point of contact for Shippers under this Code (the "**Transporter's General Manager**").

1.3.3 Pursuant to the terms of the SOA, the Individual Transporters have agreed to co-operate and co-ordinate with each other in the operation of their respective pipelines and associated facilities so as to enable the safe and efficient operation of the NI Network, including but not limited to, planning of Maintenance and the production of the Ten Year Statement. Notwithstanding this, each Individual Transporter retains operational responsibility for its own pipelines and associated facilities.

1.3.4 Certain obligations under this Code to be undertaken by the Transporter may be undertaken by one or more of the Individual Transporters, as agreed between them pursuant to the terms of the SSO Agreement, SOA or otherwise, and references in this Code to the Transporter shall be taken to be a reference to one or more of the Individual Transporters, or as the case may be:

(a) the Relevant Transporter or Relevant Transporters where appropriate; and/or

(b) the Primary Transporter where appropriate.

1.3.5 The Transporter is liable to Shippers in accordance with section 19 and where otherwise expressly stated in this Code. Accordingly, anything which is done, or to be done, by or on behalf of any one or more of the Individual Transporters (including where they act as the Relevant Transporter and/or the Primary Transporter) shall be treated as having been done, or to be done, by all of the Individual Transporters in their role as the Transporter under this Code and each Individual Transporter shall be jointly and severally liable to Shippers with the other Individual Transporters in respects of all acts or omissions carried out in their role as the Transporter.

Transporter as party to a contract

1.3.6 Where the Code refers to the Transporter making or entering into arrangements or contracts with third parties (including but not limited to a Balancing Gas Contract and a contract with an Adjacent Transporter) it shall be one of the Individual Transporters which makes or enters into such arrangement or contract.

Transporter as agent

1.3.7 Any obligation on the Transporter to act as an agent in this Code shall be treated as being performed by all of the Individual Transporters acting jointly in accordance with the SSO Agreement.

Title to gas and the Transporter

1.3.8 Where any provision of this Code refers to the transfer of title and risk to gas at an NI Network Point:

(a) from a Shipper to the Transporter; or

(b) from the Transporter to a Shipper;

it shall be taken to refer to a transfer of title and risk:

(i) in the case of (a) above, from the Shipper to the Relevant Transporter; and

(ii) in the case of (b) above, from the Relevant Transporter to the Shipper.

1.3.9 Where gas flows at an Internal Connection Point, title and risk in the gas is treated as passing from the Upstream Transporter to the Shipper and from the Shipper to the Downstream Transporter at the Internal Connection Point as further described in sections 1.9.4 and 12.

1.3.10 Where title is deemed to pass from the Seller to the Buyer as the result of a System Clearing Contract pursuant to section 8.3.8, whether the Transporter is the Seller or the Buyer, the reference to the Transporter shall be taken to refer to PTL.

Confidential Information and the Transporter

1.3.11 In order to perform their obligations under this Code, all of the Individual Transporters shall share Confidential Information and data disclosed by Shippers under this Code to the extent required for the Permitted Purpose (as defined in section 23.1.1(c)) and to the extent required to meet their obligations under the SSO Agreement and the Licences.

Assignment and the Transporter

1.3.12 An Individual Transporter may assign its rights under this Code in accordance with the terms of the SSO Agreement and its Licence.

The Primary Transporter

1.3.13 In this Code **"Primary Transporter"** means the Individual Transporter which is appointed as Primary Transporter as further described in sections 1.3.14 and 1.3.15 in an Emergency or where there is a System Constraint pursuant to section 10.

1.3.14 In the event of an Emergency or where there is a System Constraint:

(a) in respect of an NI wide Constraint, PTL shall be the Primary Transporter; and

(b) in respect of a Localised Constraint the Individual Transporter on whose system the System Constraint occurs shall be the Primary Transporter, except where a Localised Constraint affects more than one system in which case the Primary Transporter shall be PTL.

1.3.15 In the event of an Emergency arising from:

(a) reduced flows at Moffat Interconnection Point the Primary Transporter shall be PTL;

(b) reduced flows at South North Interconnection Point the Primary Transporter shall be GNI (UK);

(c) any other issue on the NI Network the Primary Transporter shall be PTL.

1.4 Shippers

1.4.1 In this Code:

(a) **"Shipper"** means:

(i) a person other than the Transporter; and

(ii) a DNO as far as it is classified as a Shipper in accordance with section 1.11 of this Code;

who is for the time being a party to the Framework Agreement and **"Shippers"** shall be construed accordingly;

(b) **"Distribution Network Operator"** or **"DNO"** means the distribution network operator of a gas distribution network which is connected to the NI Network at a DN Exit Point;

(c) **"Relevant DNO"** means the DNO of the relevant distribution network which is connected to the NI Network at a given DN Exit Point.

1.5 The NI Network

1.5.1 For the purposes of this Code, the NI Network is treated as a single gas transmission system and a Shipper shall be entitled to flow gas through the NI Network in accordance with this Code.

1.5.2 In this Code:

(a) **"NI Network"** means the PTL Transportation System, the Belfast Gas System, the GNI (UK) System and the West Transmission System;

(b) the **"PTL Transportation System"** means the PTL System and the capacity held by PTL in the GNI (UK) Upstream System;

(c) the **"PTL System"** means the pipeline and associated facilities, owned and operated by PTL, connecting Twynholm in Scotland, to Ballylumford Internal Connection Point in Northern Ireland by an on-shore and sub-sea pipeline and to Stranraer in Scotland by an on-shore pipeline;

(d) the **"GNI (UK) Upstream System"** means the pipeline and associated facilities operated by GNI (UK) Upstream connecting the national gas transmission system at Moffat to, inter alia, Twynholm in Scotland through which GNI (UK) transports gas for PTL pursuant to the GNI (UK) Transportation Agreement;

(e) the **"GNI (UK) Transportation Agreement"** means the agreement dated 21 August 1996 made between GNI (UK) Upstream and PTL pursuant to which GNI (UK) Upstream transports gas for PTL through the GNI (UK) Upstream System as amended and restated from time to time;

(f) the **"Belfast Gas System"** means the pipeline and associated facilities owned and operated by BGTL which connects the PTL System at Ballylumford Internal Connection

Point in Northern Ireland to the GNI (UK) System at the Carrickfergus Internal Connection Point and to the Phoenix Distribution Network;

(g) the **"GNI (UK) System"** means the pipeline and associated facilities owned and operated by GNI (UK) which connects the Belfast Gas System at the Carrickfergus Internal Connection Point to the West Transmission System at the Maydown Internal Connection Point and the Derryhale Internal Connection Point, the Firmus Distribution Network, the Phoenix Distribution Network, the ROI System Exit Point and the South North Interconnection Point;

(h) the **"West Transmission System"** means the pipeline and associated facilities owned and operated by WTL which connects the GNI (UK) System at the Maydown Internal Connection Point and the Derryhale Internal Connection Point to the Evolve Distribution 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 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;

(b) 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;

(c) 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;

(f) **"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;

(g) **"Relevant Adjacent Transporter"** means the Adjacent Transporter with operational responsibility for an Interconnected System at a specific Interconnection Point as further described in section 1.7.5.

Specific Interconnection Points

1.7.2 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, VRF IP Exit Points, Non-IP Entry Points and Entry Points

1.7.3 In this Code:

(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

1.7.4 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 GNI;

(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.

Distribution Biomethane Entry Points and Aggregate Balancing

1.7.5 For the purposes of this Code:

(a) **"Aggregate Balancing Arrangements"** means arrangements agreed between the Transporter and the Relevant DNOs under which:

(i) a Shipper's DN Exit Allocations under the NI Network Gas Transmission Code in respect of a DN Exit Point are deemed to be equal to their DN Exit Allocations as determined by the Relevant DNO pursuant to the terms of their respective distribution network codes; and

(ii) gas flows into the distribution networks from biomethane entry points are accounted for as entry flows at a DBEP under the NI Network Gas Transmission Code;

for the purposes of determining a Shipper's Aggregate NI Imbalance under the NI Network Gas Transmission Code;

(b) a **"Distribution Biomethane Entry Point"** (or **"DBEP"**) is a notional point in respect of a gas distribution network at which the gas flows into that distribution network are accounted for under this Code.

1.7.6 In this Code:

(a) **"Belfast DBEP"** is the notional point at which biomethane flows into the Phoenix Distribution Network are accounted for;

(b) **"Ten Towns DBEP"** is the notional point at which biomethane flows into the Firmus Distribution Network are accounted for;

(c) **"West DBEP"** is the notional point at which biomethane flows into the Evolve Distribution Network are accounted for.

1.7.7 For the purposes of this Code:

(a) a Shipper delivering gas into a gas distribution network must be registered at the relevant DBEP in accordance with section 22 (*Accession to the Code, Registration, Downstream Load Statements and Retirement from the Code)*;

(b) the information exchange for the Aggregate Balancing Arrangements is set out in section 5 *(Demand Forecast Information and Aggregate Balancing Information)*;

(c) all other matters concerning gas flows into the distribution networks are provided for under the gas distribution network code of the Relevant DNO.

1.8 Points of exit from the NI Network

1.8.1 Gas may be physically offtaken from the NI Network at Exit Points (and Offtake Points where applicable) for onward distribution to gas consumers or directly for power station consumption.

Types of Exit Points

1.8.2 In this Code:

(a) an **"Exit Point"** means a DN Exit Point, Stranraer Exit Point, a Power Station Exit Point, an I&C Exit Point, or the ROI System Exit Point and **"Exit Points"** shall be construed accordingly;

(b) a **"DN Exit Point"** means an exit point at which gas is offtaken by Shippers for the purpose of supplying gas to premises via the gas distribution network of a DNO and **"DN Exit Points"** shall be construed accordingly;

(c) a **"Power Station Exit Point"** means an exit point at which gas is offtaken by Shippers from the NI Network for the purposes of supplying a power station and **"Power Station Exit Points"** shall be construed accordingly;

(d) an **"I&C Exit Point"** means an exit point at which gas is offtaken by Shippers for the purposes of supplying gas to an Industrial or Commercial premises, and **"I&C Exit Points"** shall be construed accordingly;

(e) **"Offtake Point"** means the Lisburn Offtake Point, the BGTL Belfast Offtake Points, the Ten Towns Offtake Points, the West Offtake Points or the Haynestown Offtake Point and **"Offtake Points"** shall be construed accordingly.

Specific Exit Points and Offtake Points

1.8.3 In this Code the following are specific Exit Points and Offtake Points on the NI Network:

(a) **"Stranraer Exit Point"** is the exit point located at Stranraer in Scotland at which gas can flow out of the PTL Transportation System into the Stranraer Distribution Network;

(b) **"Belfast Exit Point"** is the DN Exit Point at Belfast and comprises the Lisburn Offtake Point and the BGTL Belfast Offtake Points;

(c) **"Lisburn Offtake Point"** means a point at which gas can flow out of the GNI (UK) System into the Phoenix Distribution Network;

(d) **"BGTL Belfast Offtake Points"** are the individual offtake points at which gas can flow out of the Belfast Gas System and into the Phoenix Distribution Network;

(e) **"Ten Towns Exit Point"** is the DN Exit Point which comprises the Ten Towns Offtake Points;

(f) **"Ten Towns Offtake Points"** are the individual offtake points at which gas can flow out of the GNI(UK) System into the Firmus Distribution Network;

(g) **"West Exit Point"** is the DN Exit Point which comprises the West Offtake Points;

(h) **"West Offtake Points"** are the individual offtake points at which gas can flow out of the WTL System into the Evolve Distribution Network;

(i) **"Ballylumford Exit Point"** is the Power Station Exit Point at Ballylumford;

(j) **"Coolkeeragh Exit Point**" is the Power Station Exit Point at Coolkeeragh;

(k) **"Kilroot Exit Point"** is the Power Station Exit Point at Kilroot;

(l) **"ROI System Exit Point**" is the exit point located in the Republic of Ireland at which gas can flow out of the NI Network into the ROI System and comprises the Haynestown Offtake Point;

(m) **"Haynestown Offtake Point"** is the individual offtake point within the ROI System Exit Point at which gas can flow out of the NI Network into the ROI System;

(n) **"Carrakeel Exit Point"** is the I&C Exit Point at Carrakeel.

Relationship between Exit Points and Offtake Points

1.8.4 For the avoidance of doubt, in this Code:

(a) certain Exit Points comprise certain Offtake Points as follows:

(i) the Belfast Exit Point comprises the Lisburn Offtake Point and the BGTL Offtake Points;

(ii) the Ten Towns Exit Point comprises the Ten Towns Offtake Points;

(iii) the West Exit Point comprises the West Offtake Points;

(iv) the ROI System Exit Point comprises the Haynestown Offtake Point;

(b) other than at the ROI System Exit Point, a Shipper may apply for and be registered as holding Exit Capacity at an Exit Point but not an Offtake Point;

(c) other than at the ROI System Exit Point, a Shipper may submit Nominations in respect of an Exit Point but not an Offtake Point; and

(d) the arrangements for the ROI System Exit Point are set out in section 1.13.

Relevant Transporter and Relevant DNO at specific Exit Points and Offtake Points

1.8.5 For the purposes of this Code:

(a) at BGTL Belfast Offtake Point the Relevant Transporter is BGTL and the Relevant DNO is Phoenix;

(b) at Lisburn Offtake Point the Relevant Transporter is GNI (UK) and the Relevant DNO is Phoenix;

(c) at Ten Towns Exit Point (including each of the Ten Towns Offtake Points) the Relevant Transporter is GNI (UK) and the Relevant DNO is Firmus;

(d) at West Exit Point (including each of the West Offtake Points) the Relevant Transporter is WTL and the Relevant DNO is Evolve;

(e) at Ballylumford Exit Point the Relevant Transporter is PTL;

(f) at Coolkeeragh Exit Point the Relevant Transporter is GNI (UK);

(g) at Kilroot Exit Point the Relevant Transporter is BGTL;

(h) at Stranraer Exit Point the Relevant Transporter is PTL;

(i) at ROI System Exit Point the Relevant Transporter is GNI (UK);

(j) at Carrakeel Exit Point the Relevant Transporter is GNI (UK).

1.9 Internal Connection Points

1.9.1 In this Code, an **"Internal Connection Point"** means a point at which the system of an Individual Transporter interconnects with the system of another Individual Transporter and **"Internal Connection Points"** shall be construed accordingly.

1.9.2 The requirement for gas to flow at Internal Connection Points will be determined by the Transporter based on Shippers' Nominations at Interconnection Points and Exit Points. For the avoidance of doubt, Shippers are not required to submit Nominations and shall not receive Allocations in respect of Internal Connection Points.

Specific Internal Connection Points

1.9.3 In this Code:

(a) **"Ballylumford Internal Connection Point"** means the Internal Connection Point located at Ballylumford;

(b) **"Carrickfergus Internal Connection Point"** means the Internal Connection Point located at Carrickfergus;

(c) **"Maydown Internal Connection Point"** means the Internal Connection Point located at Maydown;

(d) **"Derryhale Internal Connection Point"** means the Internal Connection Point located at Derryhale;

(e) the **"Upstream Transporter"** is the Individual Transporter from whose system the gas flows (under normal operating conditions); and

(f) the **"Downstream Transporter"** is the Individual Transporter into whose system the gas flows (under normal operating conditions);

Upstream Transporter and Downstream Transporter

1.9.4 In respect of each Internal Connection Point:

(a) at Ballylumford Internal Connection Point the Upstream Transporter is PTL and the Downstream Transporter is BGTL;

(b) at Carrickfergus Internal Connection Point, under normal operating conditions, the Upstream Transporter is BGTL and the Downstream Transporter is GNI (UK);

(c) at Carrickfergus Internal Connection Point, under physical reverse flow conditions, the Upstream Transporter is GNI (UK) and the Downstream Transporter is BGTL;

(d) at Maydown Internal Connection point the Upstream Transporter is GNI (UK) and the Downstream Transporter is WTL;

(e) at Derryhale Internal Connection point the Upstream Transporter is GNI (UK) and the Downstream Transporter is WTL.

1.10 Measurement Equipment

1.10.1 For the purposes of this Code:

(a) the arrangements for the ownership, reading and validation of Measurement Equipment at Moffat Interconnection Point are addressed in an agreement between GNI (UK) Upstream and National Grid. Measurement information is obtained by GNI (UK) Upstream pursuant to such agreement and the IP Measured Quantity is provided to PTL, where applicable, in accordance with the Tripartite Agreement as further described in section 14.2 of this Code;

(b) the Measurement Equipment at South North Interconnection Point is owned, read and validated by GNI which provides measurement information to GNI (UK);

(c) the Measurement Equipment at Stranraer Exit Point is owned and validated by National Grid and PTL reads such Measurement Equipment;

(d) the Measurement Equipment at Ballylumford Exit Point is owned, read and validated by PTL;

(e) the Measurement Equipment at Coolkeeragh Exit Point is owned, read and validated by GNI (UK);

(f) the Measurement Equipment at Kilroot Exit Point is owned and validated by EPNIE. BGTL reads such Measurement Equipment in accordance with the relevant Network Exit Agreement in respect of Kilroot Exit Point;

(g) the Measurement Equipment at the BGTL Belfast Offtake Points is owned and validated by BGTL. PTL reads such Measurement Equipment in accordance with the Belfast Metering Agreement;

(h) the Measurement Equipment at the Lisburn Offtake Point is owned and validated by GNI (UK). PTL reads such Measurement Equipment in accordance with the SOA;

(i) the Measurement Equipment at the Ten Towns Offtake Points is owned, read and validated by GNI (UK);

(j) the Measurement Equipment at the West Offtake Points is owned, read and validated by WTL;

(k) the Measurement Equipment at the ROI System Exit Point is owned, read and validated by GNI which provides measurement information to GNI (UK);

(l) the Measurement Equipment at the Carrakeel Exit Point is owned, read and validated by the parent company of the End User at the Carrakeel Exit Point.

1.11 Role of Distribution Network Operators

1.11.1 DNOs are Party to this Code for certain specific purposes and this section 1.11 sets out those purposes and when DNOs shall be classified as Shippers for the purposes of this Code.

DNOs as Shippers

1.11.2 Pursuant to the provisions of their respective licences, DNOs:

(a) are entitled to apply for and be registered as holding Exit Capacity at a DN Exit Point in accordance with section 3 of this Code and accordingly must apply for and hold an Exit Point Registration in accordance with section 22.3 and 22.5 of this Code as further described in section 1.11.3 below; and, consequently

(b) shall apply for and maintain credit cover in accordance with section 18 of this Code;

(c) shall pay invoices in respect of charges for Exit Capacity and Ratchet Charges in accordance with the relevant provisions of section 17 of this Code;

(d) shall complete a Shipper Forecast Information Request in accordance with section 16.2 of this Code;

(e) shall comply with other general provisions of this Code including in relation to termination and force majeure;

and correspondingly, for the purposes of:

(i) section 16 *(Shipper Forecast Information and the Ten Year Statement);*
(ii) section 17 *(Charges, Payment and Tax);*
(iii) section 18 *(Credit Procedures);*
(iv) section 19 *(Liabilities and Indemnities);*
(v) section 20 *(Force Majeure);*
(vi) section 21 *(Termination);*
(vii) section 23 *(Confidentiality);*
(viii) section 24 *(General);*
(ix) section 25 *(Governing Law and Dispute Resolution);*
(x) all of the Appendices to the Code;

DNOs shall be classified as Shippers.

1.11.3 In order to facilitate the holding of Exit Capacity at a DN Exit Point by DNOs under this Code, section 3 *(Exit Capacity)* and section 22 (*Accession to the Code, Registration, Downstream Load Statements and Retirement from the Code)* are partially applicable to DNOs. Accordingly, DNOs shall be classified as Shippers for the purposes of the following sections:

(a) section 3.1 *(Introduction and Definitions)*;
(b) section 3.2 *(Indicative Application for Exit Capacity)*;
(c) section 3.3 *(Exit Capacity Application Requirements)*;
(d) section 3.4 *(Applications for Exit Capacity in future Gas Years)*;
(e) section 3.5 *(Allocation of Exit Capacity in future Gas Years)*;
(f) section 3.6 *(Application for an allocation of Exit Capacity in the same Gas Year)*;
(g) section 3.10 *(Order of allocation of Exit Capacity)*;
(h) section 22.1 (*Accession to the Code*);
(i) section 22.3 (*Registrations*) save that a DNO shall not be classified as a Shipper for the purposes of section 22.3.3 (in respect of the requirement to hold a pair of Registrations);
(j) section 22.5 (*Exit Point Registration Requirements*) save that a DNO shall not be classified as a Shipper for the purposes of section 22.5.1(d) in respect of the requirement to submit Downstream Load Statements and section 22.5.2(c) in respect of the requirement to apply for a pair of Registrations;
(k) section 22.8 (*Deregistratio*n) save that a DNO shall not be classified as a Shipper for the purposes of section 22.8.1 (in respect of the requirement to maintain a pair of Registrations); and
(l) section 22.10 (*Retirement from the Code*);

and for the avoidance of doubt, a DNO shall not be classified as a Shipper for the purposes of section 3.7 (*Annual Review of Exit Capacity*), section 3.8 (*Exit Capacity Surrender*), section 3.9 (*Secondary Transfer of Exit Capacity*), section 22.4 *(IP Registration Requirements)*, section 22.6 (*DBEP Registration Requirements*), 22.7 (*Trading Point Registration Requirements)*, and section 22.9 *(Downstream Load Statement)*.

1.11.4 For the avoidance of doubt Shippers (other than the Relevant DNO) may not hold Exit Capacity at a DN Exit Point.

DNOs in their role as a Relevant DNO

1.11.5 A Relevant DNO has obligations distinct from those of a Shipper in relation to the following;

(a) the determination and payment of Ratchet Charges at a DN Exit Point pursuant to section 3.11.2;

(b) the provision of Demand Forecast Information and Aggregate Balancing Information pursuant to section 5 in respect of a DN Exit Point;

(c) the requesting of Reallocations of gas amongst Shippers at a DN Exit Point pursuant to section 7.7;

and correspondingly:

(i) for the purposes of section 3.11 *(Exit Capacity Ratchet)* a DNO shall not be classified as a Shipper and the Relevant DNO shall be liable to pay Ratchet

Charges in respect of the DN Exit Point in accordance with the provisions of section 3.11.2 and, where the provisions of section 3.11.3 are applicable, have its' Registered Exit Capacity increased;

(ii) for the purposes of section 5 (*Demand Forecast Information and Aggregate Balancing Information*) a DNO shall not be classified as a Shipper and section 5 shall only apply to a DNO in its role as a Relevant DNO;

(iii) for the purposes of section 7*(Allocations)* a DNO shall not be classified as a Shipper and section 7 shall only apply to a DNO in its role as a Relevant DNO.

Sections of the Code which do not apply to DNOs

1.11.6 Pursuant to their respective licences and the terms of inter-operator agreements in force from time to time between the Relevant Transporter and the Relevant DNO at a DN Exit Point (**"DNO Interoperator Agreements"**), DNOs are required to interact with the Transporter in their operational role as DNOs (as opposed to as Shippers under this Code) and, accordingly DNOs participate in emergency and constraint management arrangements for Northern Ireland including those set out in section 10 *(System Constraints, Exceptional Events and Emergencies)* of this Code. Correspondingly, in respect of section 10 (*System Constraints, Exceptional Events and Emergencies)* of this Code a DNO shall not be classified as a Shipper.

1.11.7 For the purposes of:

(a) section 2 *(Interconnection Point Capacity);*
(b) section 4 *(Incremental Capacity)*;
(c) section 6 *(Nominations)*;
(d) section 8 *(Balancing and Scheduling Charges)*;
(e) section 9 *(Balancing and Shrinkage Gas)*;
(f) section 11 *(Entry Requirements)*;
(g) section 13 *(Exit Requirements)*;
(h) section 14 *(Measurement and Testing)*;
(i) section 15 *(Maintenance)*;

DNOs shall not be classified as Shippers.

Liability arising under DNO Interoperator Agreements

1.11.8 The Transporter shall have no liability to a DNO as a Shipper under this Code for any claims arising in respect of matters that are addressed in its DNO Interoperator Agreements and the DNO acknowledges that any such claims shall be made in its capacity as a DNO under its relevant DNO Interoperator Agreements.

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 and the Stranraer Interoperator Agreement. Under the GB Uniform Network Code a party (the **"Stranraer Shipper"**) is appointed to ship gas from Moffat 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) the arrangements for Aggregate Balancing do not include Stranraer Exit Point.

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

1.13 ROI System Exit Point

1.13.1 Under the Use of System Agreement, GNI (UK) makes capacity available to GNI for the purposes of transportation of gas from the South North IP Entry Point to the ROI System Exit Point. The Use of System Agreement and the capacity made available pursuant to it are not subject to the terms of this Code. Accordingly:

(a) gas transported under the Use of System Agreement is not transported pursuant to this Code;

(b) title to gas in respect of the ROI System Exit Point is addressed under the Use of System Agreement;

(c) quantities of gas delivered to the ROI System Exit Point under the Use of System Agreement are accounted for between GNI (UK) and GNI under the OBA in respect of the South North Interconnection Point;

(d) the applicable charges payable by GNI in relation to the Use of System Agreement are determined pursuant to condition 2.2.16 of the GNI (UK) Licence and payments to/from GNI are not included in the PoT Account;

(e) GNI is not a party to the Code and for the avoidance of doubt is not classified as a Shipper under the Code;

(f) GNI is not required to pay PS Code Charges, make nominations or apply for or hold capacity under the Code;

(g) Emergencies at the ROI System Exit Point are addressed in the Use of System Agreement and section 26 of this Code.

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.

2.2 Flow Direction

2.2.1 In this Code:

(a) **"Flow Direction"** refers to the direction of commercial flow of gas at an Interconnection Point;

(b) **"Forward Flow Direction"** refers to the forward commercial flow of gas at an Interconnection Point;

(c) **"Reverse Flow Direction"** refers to the reverse commercial flow of gas at an Interconnection Point.

2.2.2 At an Interconnection Point physical flow is permitted in the Forward Flow Direction only and IP Entry Capacity is allocated to and registered as held by Shippers in the Forward Flow Direction only. Interruptible VRF IP Exit Capacity is allocated to and registered as held by Shippers in the Reverse Flow Direction only.

2.3 IP Capacity – General

2.3.1 A Shipper may apply for, be allocated and registered as holding IP Capacity in accordance with this Code provided it has an IP Registration in respect of the relevant IP.

2.3.2 In this Code:

(a) **"IP Capacity"** means capacity at an Interconnection Point, comprising IP Entry Capacity and/or or Interruptible VRF IP Exit Capacity;

(b) **"IP Entry Capacity"** comprises:

(i) Yearly IP Entry Capacity;

(ii) Quarterly IP Entry Capacity;

(iii) Monthly IP Entry Capacity;

(iv) Daily IP Entry Capacity;

(c) **"Daily IP Entry Capacity"** means Firm entry capacity at an Interconnection Point in the Forward Flow Direction which may be applied for, allocated to and registered as held by a Shipper for a particular Gas Flow Day only;

(d) **"Monthly IP Entry Capacity"** means Firm entry capacity at an Interconnection Point in the Forward Flow Direction which may be applied for, allocated to and registered as held by a Shipper for each Gas Flow Day in a particular Month;

(e) **"Quarterly IP Entry Capacity"** means Firm entry capacity at an Interconnection Point in the Forward Flow Direction which may be applied for, allocated to and registered as held by a Shipper for each Gas Flow Day in a particular Quarter;

(f) **"Yearly IP Entry Capacity"** means Firm entry capacity at an Interconnection Point in the Forward Flow Direction which may be applied for, allocated to and registered as held by a Shipper for each Gas Flow Day in a particular Gas Year; and

(g) **"Interruptible VRF IP Exit Capacity"** means Unbundled capacity at an Interconnection Point which is Interruptible and in the Reverse Flow Direction and which may be applied for, allocated to and registered as held by a Shipper for a particular Gas Flow Day.

2.3.3 In this section 2, **"Firm"** refers to IP Capacity which may not be subject to curtailment and **"Interruptible"** refers to IP Capacity which may be subject to curtailment.

2.3.4 In this Code, an "**IP Capacity Transaction"** refers to:

(a) the allocation of IP Capacity to a Shipper in an Auction;

(b) the Conversion of IP Entry Capacity in accordance with section 2.10;

(c) voluntary bundling of IP Capacity in accordance with section 2.11;

(d) the transfer of IP Capacity in accordance with section 2.12;

(e) the accepted Surrender of IP Entry Capacity in accordance with section 2.17;

(f) the Withdrawal of IP Entry Capacity in accordance with section 2.18; or

(g) the purchase of IP Entry Capacity by the Transporter in accordance with section 2.19.

2.3.5 An IP Capacity Transaction must be for an amount of IP Capacity which is the same for each Day in the period to which the IP Capacity Transaction relates.

2.3.6 In relation to IP Capacity that is subject to an IP Capacity Transaction, the **"IP Capacity Duration"** is the duration of the period to which that Transaction relates.

2.3.7 The eligible IP Capacity Durations are:

(a) Yearly, relating to a Gas Year;

(b) Quarterly, relating to a Quarter;

(c) Monthly, relating to a Month; and

(d) Daily, relating to a Gas Flow Day.

2.3.8 A reference to the **"Class"** of IP Capacity is to whether such IP Capacity is Firm or Interruptible.

2.3.9 An **"IP Capacity Period"** is a particular period (of the relevant IP Capacity Duration) to which that IP Capacity Transaction relates.

2.3.10 IP Capacity may be either bundled or unbundled as follows:

(a) **"Bundled"** refers to IP Capacity which Shippers can obtain via Bids in a single Auction with Equivalent Interconnected System Capacity and/or which is otherwise registered by the Transporter as being held by a Shipper as bundled;

(b) **"Unbundled"** refers to IP Capacity which may be obtained via Bids in an Auction and/or which is otherwise registered by the Transporter as being held by a Shipper and which is not Bundled IP Capacity.

2.3.11 In this Code, **"Adjacent Transporter's Rulebook"** means the terms and conditions in force between the Adjacent Transporter, Shippers and Counterparty Shippers for use of the Interconnected System.

2.3.12 In relation to Bundled IP Capacity:

(a) **"Interconnected System"** means the system of an Adjacent Transporter;

(b) **"Interconnected System Capacity"** means capacity in an Interconnected System which may be allocated to and registered as held by a Shipper on the Interconnected System for the purposes of delivering gas to or offtaking gas from the Interconnected System at the Interconnection Point;

(c) **"Equivalent Interconnected System Capacity"** means Interconnected System Capacity of corresponding quantity, Flow Direction, Class, IP Capacity Duration and IP Capacity Period (all in accordance with the Adjacent Transporter's Rulebook) to IP Capacity at an Interconnection Point.

2.3.13 Section 2.14 sets out general provisions relating to the relationships between the Transporter, an Adjacent Transporter and a Shipper in respect of an Interconnected System and the Adjacent Transporter's Rulebook.

2.3.14 The total IP Entry Capacity which a Shipper may be allocated and registered as holding in respect of any given Gas Flow Day may comprise:

(a) IP Entry Capacity allocated in different Auctions; and

(b) Bundled IP Entry Capacity and Unbundled IP Entry Capacity.

2.3.15 The total Interruptible VRF IP Exit Capacity which a Shipper may be allocated and registered as holding in respect of any given Gas Flow Day shall comprise the capacity it has been allocated in the relevant Interruptible Rolling Day-Ahead Auction.

2.3.16 A Shipper's **"Registered IP Capacity"** is the IP Capacity that the Shipper is registered as holding at an IP in respect of a Gas Flow Day.

2.3.17 A Shipper's **"Registered IP Entry Capacity"** is the IP Entry Capacity that the Shipper is registered as holding at an IP in respect of a Gas Flow Day.

2.3.18 A Shipper's **"Available IP Capacity"** is the IP Capacity that the Shipper holds at an IP in respect of a Gas Flow Day after taking into account any Capacity Conversion in accordance with section 2.10 and any IP Capacity Transfers in accordance with section 2.12.

2.3.19 A Shipper's **"Available IP Entry Capacity"** is the IP Entry Capacity that the Shipper holds at an IP in respect of a Gas Flow Day after taking into account any:

(a) Conversion of IP Entry Capacity in accordance with section 2.10;

(b) transfers of IP Entry Capacity in accordance with section 2.12;

(c) Surrenders of IP Entry Capacity in accordance with section 2.17;

(d) Withdrawals of IP Entry Capacity in accordance with section 2.18; or

(e) purchases of IP Entry Capacity by the Transporter in accordance with section 2.19.

2.4 Auctions – General

Introduction

2.4.1 IP Capacity will be allocated to Shippers by Auction in accordance with this section 2.

2.4.2 For the purposes of this Code:

(a) **"Auction"** means an auction of IP Capacity of a single Class, IP Capacity Duration, IP Capacity Period and Flow Direction and which is either Bundled or Unbundled and **"Auctions"** shall be construed accordingly save that references to **"Auctions"** in sections 2.8.43 to 2.8.49 have the meaning given to them in section 2.8.42;

(b) **"Auction Calendar"** in relation to an Auction Year is the auction calendar published for that Auction Year on the Transporter's Website;

(c) **"Auction Information"** is the information relating to an Auction to be published as provided in sections 2.8.11 and 2.9.4;

(d) **"Auction Information Time"** is the date on which, and where applicable the time at which, Auction Information is to be published, as provided in sections 2.8.12 or 2.9.4;

(e) **"Auction Premium"** means the difference in price (if any) between the Starting Price and the Clearing Price;

(f) **"Auction Allocated Quantity"** means the aggregate quantity of IP Capacity allocated to Shippers pursuant to the Auction;

(g) **"Auction Year"** is the period of 12 months commencing 1st July in any year and in relation to any Auction Year, Gas Year Y is the Gas Year ending 30th September in the Auction Year;

(h) **"Auction Quantity"** means the amount of IP Capacity available to be allocated to Shippers in an Auction for IP Capacity;

(i) **"Automatic Bidding"** refers to a function provided by the Capacity Platform Operator whereby a Shipper can submit Bids before the start of an Auction;

(j) **"Bid"** means a bid by a Shipper to acquire and be allocated IP Capacity in an Auction;

(k) **"Bid Quantity"** means the amount of IP Capacity to which a Bid refers;

(l) **"Bid Round"** means a bidding round in an Auction;

(m) **"Bid Window"** means the window of time within which a Bid may be submitted;

(n) **"Clearing Price"** means the price determined pursuant to the Auction as the price at which IP Capacity (and Equivalent Interconnected System Capacity, in the case of a Bundled Auction) is allocated to Shippers in the Auction;

(o) **"Minimum Bid Quantity"** means the minimum quantity that a Shipper wishes to be allocated pursuant to a Bid in a Uniform Price Auction;

(p) **"Minimum Eligible Quantity"** means the minimum quantity that can be submitted in a Bid in an Ascending Clock Auction and is 1kWh/Day;

(q) **"NI Reserve Price"** means the relevant NI price for IP Capacity as set out in the Charging Methodology Statement;

(r) **"NI Share"** refers to the share (in %) of the price reached in an Auction which is payable to the Transporter in respect of IP Capacity allocated in the Auction;

(s) **"Starting Price"** means the sum of the NI Reserve Price and the reserve price of the Adjacent Transporter.

Bundled and Unbundled Auctions

2.4.3 In relation to Auctions:

(a) a **"Bundled Auction"** is an Auction of Bundled IP Capacity;

(b) an **"Unbundled Auction"** is an Auction of Unbundled IP Capacity;

(c) where the context requires, a reference to an Auction includes both the Bundled and Unbundled Auctions and in the case of Linked Bundled Auctions, both the Bundled Auction and the auction to which it is Linked;

(d) in the context of any Auction, a reference to IP Capacity is to IP Capacity at the IP and of the Class, Flow Direction, IP Capacity Duration and IP Capacity Period to which the Auction relates.

2.4.4 In relation to any Auction for IP Entry Capacity:

(a) where the Allocable IP Entry Capacity (determined in accordance with 2.7.3) is greater than the available Equivalent Interconnected System Capacity, Unbundled IP Entry Capacity will be made available in a separate Unbundled Auction to be held simultaneously to the Bundled Auction;

(b) where the Allocable IP Entry Capacity (determined in accordance with 2.7.3) is less than the available Equivalent Interconnected System Capacity, the Auction Quantity in the Bundled Auction shall be equal to the Allocable IP Entry Capacity and there shall be no Unbundled Auction.

2.4.5 In the case of an Auction of Bundled IP Capacity:

(a) the Auction also operates as an Auction of Equivalent Interconnected System Capacity but subject also to sections 2.8 and 2.9;

(b) a Bid also operates as a Bid to acquire Equivalent Interconnected System Capacity;

(c) a Bid Price or Bid Round Price comprises both a price for IP Capacity and a price for Interconnected System Capacity;

and references to Bid Quantity, Auction Quantity and Aggregate Bid Quantity shall be construed accordingly.

2.4.6 The acceptance of a Bid in a Bundled Auction has contractual effect separately;

(a) in respect of IP Capacity for the purposes of this Code; and

(b) in respect of Interconnected System Capacity for the purposes of the Adjacent Transporter's Rulebook;

and where a Shipper is allocated and registered as holding IP Capacity pursuant to an Auction the obligation of the Shipper to pay PS Transmission Amounts to the Transporter in respect of such IP Capacity is a separate obligation, enforceable as a separate debt, from its obligation to pay charges to the Adjacent Transporter.

2.4.7 The Transporter shall agree with the Adjacent Transporter the percentage shares (aggregating 100%) in which any Auction Premium will be shared between them.

Prices and Currency Conversion

2.4.8 A **"Euro-based Auction"** is a Bundled Auction and/or a Linked Bundled Auction where the price of the Interconnected System Capacity or the capacity available in the auction to which the Bundled Auction is Linked is expressed in euro (€).

2.4.9 The **"ECB Rate"** is the sterling/euro exchange rate published by the European Central Bank (at or about 14:00 hours) on each day which is a business day for such Bank.

2.4.10 In any Euro-based Auction:

(a) prices provided to Shippers (including the Starting Price and where applicable Bid Round Prices) shall be expressed in both pounds sterling (£) and euro (€);

(b) Bid Prices submitted by Shippers may be expressed in either pounds sterling (£) or euro (€);

(c) Bids will be evaluated and the Clearing Price will be determined in euro (€).

2.4.11 For the purposes of converting (in connection with any Auction or any Bid Round of an Ascending Clock Auction) a price of IP Capacity between a price expressed in pounds sterling (£) and a price expressed in euro (€), the exchange rate in 2.4.12 will be used.

2.4.12 The exchange rate is the latest ECB Rate to be published prior to the start of the Bid Window of the Auction or (in the case of an Ascending Clock Auction) the Bid Window for the first Bid Round (regardless of the date of the clearing Bid Round).

2.4.13 The rate that will be payable for IP Capacity will be expressed in p/kWh/Day and where the Auction Premium was determined in euro cents/kWh/Day the NI Share will be determined on the basis of the exchange rate used for the Auction as provided in 2.4.12.

Linked Auctions

2.4.14 At Moffat Interconnection Point, a Bundled Auction (the **"GB-NI Auction"**) may become "**Linked"** to another auction (the **"GB-ROI Auction"**) for Equivalent Interconnected System Capacity being held by the Adjacent Transporter.

2.4.15 A total quantity of Equivalent Interconnected System Capacity (the **"GB Allocable Capacity"**) may be made available for allocation across both the GB-NI Auction and the GB-ROI Auction.

2.4.16 A quantity of ROI Entry Capacity (the **"ROI Allocable Capacity"**) may be made available for allocation in the GB-ROI Auction.

2.4.17 The sum of the Auction Quantity in respect of the GB-NI Auction which may be made available by the Transporter, and the ROI Allocable Capacity is the **"Aggregate Allocable Irish-Side Capacity"**.

2.4.18 At South North Interconnection Point, Auctions of IP Capacity shall not be linked to any other auctions.

2.5 The Auctions to be held

2.5.1 The following Auctions in respect of IP Capacity of different IP Capacity Durations will be held in each Auction Year:

(a) Auctions held once in each Auction Year, in respect of Yearly IP Entry Capacity for each of Gas Years Y + 1 to Y + 15 (**"Annual Yearly Auctions"**);

(b) Auctions held four times in respect of each Auction Year in respect of Quarterly IP Entry Capacity for each Quarter (**"Annual Quarterly Auctions"**);

(c) Auctions held in each Month of the Auction Year, in respect of Monthly IP Entry Capacity (**"Rolling Monthly Auctions"**);

(d) Auctions held on each Day of the Auction Year in respect of Daily IP Entry Capacity for the following Gas Flow Day (**"Rolling Day-Ahead Auctions"**);

(e) Auctions held on each Day of the Auction Year in respect of Interruptible VRF IP Exit Capacity (**"Interruptible Rolling Day-Ahead Auctions"**);

(f) Auctions held on an hourly basis as provided for in section 2.9.5 for each Gas Flow Day of the Auction Year in respect of Daily IP Entry Capacity for that Gas Flow Day (**"Within Day Auctions"**).

2.5.2 Annual Yearly Auctions, Annual Quarterly Auctions and Rolling Monthly Auctions shall be held as Ascending Clock Auctions in accordance with section 2.8.

2.5.3 Rolling Day-Ahead Auctions, Interruptible Rolling Day-Ahead Auctions and Within Day Auctions shall be held as Uniform Price Auctions in accordance with section 2.9.

2.6 Use of a Capacity Platform

2.6.1 For the purposes of this Code **"Capacity Platform"** means an internet-based platform for booking and trading IP Capacity in accordance with this section 2 and "**Capacity Platform Operator"** means in relation to an IP, the person designated as such in section 2.6.2.

2.6.2 At the date of implementation of this section 2, PRISMA European Capacity Platform GmbH is designated as Capacity Platform Operator in relation to the Interconnection Points.

2.6.3 The Transporter, the Adjacent Transporters and Shippers have agreed that the following activities (**"CPO Activities"**) will be performed by the Capacity Platform Operator:

(a) the running of Auctions in respect of IP Capacity including the publication of Auction Information, the receipt and validation of Bids, the evaluation and acceptance of Bids and the provision and publication of the results of an Auction, as provided for in this section 2;

(b) the receipt and acceptance or rejection of IP Capacity Transfers as provided for in section 2.12 and the provision of a facility enabling Shippers to post and accept offers to make such IP Capacity Transfers; and

(c) equivalent activities in respect of capacity in an Interconnected System;

and such activities are not within the scope of the Delphi System.

2.6.4 It is the responsibility of each Party to make such arrangements to comply with such requirements as are stipulated by the Capacity Platform Operator for access to and use of the Capacity Platform Operator's systems and otherwise in connection with the performance of CPO Activities, including entering into and complying with the relevant agreement issued for such purpose by the Capacity Platform Operator; and nothing in this Code shall be treated as creating or conferring on any Party any entitlement to such access or use, or any other rights against or relationship with the Capacity Platform Operator.

2.6.5 The Transporter confirms that it has entered into an agreement with the Capacity Platform Operator as required under section 2.6.4 in respect of each Interconnection Point.

2.6.6 In accordance with section 2.6.4 a Shipper will be unable to and is not entitled to apply for, be allocated or registered as holding or transfer IP Capacity unless it has made the arrangements and complied with the requirements referred to in that section.

2.6.7 Where the Capacity Platform Operator requests the Transporter to confirm:

(a) that a person seeking to make the arrangements in section 2.6.4 is a Shipper, the Transporter will give such confirmation if the person is a Shipper at the time the request is made;

(b) that an individual is authorised to represent a Shipper for the purposes of such arrangements, the Transporter will give such confirmation if the Shipper has identified the individual as an Authorised Person in accordance with section 22.4.1(f);

and in a case within section 2.6.7 (b) where a Shipper wishes the Transporter to inform the Capacity Platform Operator of an individual ceasing to be an Authorised Person, the Shipper must comply with such notification and other requirements as the Transporter may from time to time prescribe.

2.6.8 The Parties agree and acknowledge that:

(a) the rules, algorithms, systems and processes established from time to time by the Capacity Platform Operator in connection with each IP (**"CPO Rules and Processes"**) are those which apply to and govern the CPO Activities;

(b) the Parties shall be bound for the purposes of this Code by the outcome of the application of the CPO Rules and Processes;

(c) no Party shall have any liability to any other Party in respect of the Capacity Platform Operator carrying out, or failing to carry out, the CPO Activities in accordance with the CPO Rules and Processes;

(d) the provisions of this section 2.6 (including without limitation those referred to in section 2.6.3) which relate to the CPO Activities are understood by the Parties to reflect the CPO Rules and Processes (and are included in this Code as descriptive provisions for the convenience of the Parties);

(e) if there is any conflict between the CPO Rules and Processes and the provisions of this section 2.6, the CPO Rules and Processes will prevail;

(f) in the case of such a conflict the Parties will consult with each other as to whether a Code Modification should be proposed to remove such conflict or whether to seek a modification to the CPO Rules and Processes.

2.6.9 The Parties further agree and acknowledge that (pursuant to and without limitation of section 2.6.8):

(a) the making of communications between a Party and the Capacity Platform Operator in connection with the CPO Activities, the formats of such communications, the access to and availability of systems for such communications, and any question as to the authority of any person to give or receive such a communication, or the validity of time of giving or receipt of such a communication, shall be governed by and determined in accordance with CPO Rules and Processes;

(b) the rights and obligations of the Parties and the Capacity Platform Operator in respect of the confidentiality and disclosure of information provided to or by the Capacity Platform Operator are governed by the CPO Rules and Processes;

(c) any correction of any error or mistake made by the Capacity Platform Operator or a Party in performing the CPO Activities will be made subject to and in accordance with the CPO Rules and Processes;

(d) any other question or dispute arising as to the performance of the CPO Activities or in connection with the CPO Rules and Processes shall be determined in accordance with the procedure in the CPO Rules and Processes;

and that none of the above are governed by or to be determined under this Code.

2.6.10 In sending or receiving the following communications to or from Shippers, the Capacity Platform Operator acts as agent for and on behalf of the Transporter;

(a) publishing Auction information in respect of IP Capacity, receiving Bids from Shippers and notifying acceptance of Bids;

(b) receiving notifications of IP Capacity Transfers from Shippers and notifying acceptance or rejection of such IP Capacity Transfers;

but (other than as above) the Capacity Platform Operator does not act as an agent for the Transporter in connection with CPO Activities or otherwise.

2.6.11 The Transporter does not act as an agent for the Capacity Platform Operator for any purpose.

2.6.12 The Transporter shall;

(a) in connection with Auctions of IP Capacity;

(i) send to the Capacity Platform Operator the information necessary to publish Auction Information;

(ii) inform the Capacity Platform Operator if a Shipper's Bids are to be accepted or rejected, taking into account inter alia section 18 of this Code;

(iii) allocate and register Shippers as holding IP Capacity on the basis of the results of the Auction sent by the Capacity Platform Operator to the Transporter;

(b) in connection with IP Capacity Transfers;

(i) inform the Capacity Platform Operator whether such proposed transfers are accepted or rejected;

(ii) record the adjustments in the Shipper's Available IP Capacity on the basis of the results of accepted IP Capacity Transfers sent by the Capacity Platform Operator to the Transporter;

but this section 2.6.12 does not require the Transporter to send to the Capacity Platform Operator any information which is otherwise available to the Capacity Platform Operator or which relates to the Interconnected System or the users of the Interconnected System.

2.6.13 Where one Party receives information from the Capacity Platform Operator relating to the other Party as a result of this Code or the CPO Rules and Processes such information shall be treated as Confidential Information as between the Parties.

2.7 IP Capacity Quantities

2.7.1 The **"Technical IP Entry Capacity"** of an Interconnection Point is the maximum IP Entry Capacity which the Transporter can offer to Shippers taking account of the integrity and operational requirements of the NI Network.

2.7.2 In this Code **"Unsold Technical IP Entry Capacity"** is Technical IP Entry Capacity which has not been allocated to Shippers.

2.7.3 The amount of IP Entry Capacity which is to be made available to Shippers (the **"Allocable IP Entry Capacity"**) will be determined by the Transporter and notified to the CPO, in accordance with section 2.6.12, as the sum of:

(a) the Unsold Technical IP Entry Capacity subject to section 2.7.5; and

(b) any amount of Additional IP Entry Capacity available for the relevant IP Capacity Period.

2.7.4 The amount of Interruptible VRF IP Exit Capacity which is available for a Gas Flow Day in any Interruptible Rolling Day-Ahead Auction (the **"Allocable VRF IP Exit Capacity"**) will not exceed the Maximum Available Interruptible VRF IP Exit Capacity.

Set Aside Rule

2.7.5 In relation to the Annual Yearly Auctions, an amount of Technical IP Entry Capacity must be set aside from the amount of IP Entry Capacity to be made available, determined (by reference to the IP Capacity Period) as follows:

(a) in relation to each of the Gas Years Y+1 to Y+5 an amount equal to 10% of the existing Technical IP Entry Capacity;

(b) in relation to each of the Gas Years Y+6 to Y+15 an amount equal to 20% of the existing Technical IP Entry Capacity;

or in either case, if less, the full amount of the Unsold Technical IP Entry Capacity.

2.7.6 For the avoidance of doubt, in relation to Auctions other than the Annual Yearly Auctions, section 2.7.5 does not apply.

2.7.7 The Transporter:

(a) shall endeavour to maximise the level of Technical IP Entry Capacity by acting in accordance with the provisions of this Code as a Reasonable and Prudent Operator; and

(b) shall act as a Reasonable and Prudent Operator in the manner in which it calculates and determines the Technical IP Entry Capacity from time to time in accordance with this Code.

2.7.8 If any Dispute arises as to the Transporter's determination of the level of Technical IP Entry Capacity, which is not first resolved by mediation in accordance with section 25, the Transporter or a Shipper may refer the matter to an Expert for an Expert Determination.

2.8 Ascending Clock Auctions

2.8.1 This section sets out the basis on which Ascending Clock Auctions will be held (and in this section 2.8, unless otherwise expressly provided, references to an Auction are to an Ascending Clock Auction).

2.8.2 In an **"Ascending Clock Auction"**, IP Capacity is offered to and bid for by Shippers in a series of Bid Rounds at ascending prices until the aggregate amount of IP Capacity bid for does not exceed the Auction Quantity, subject to and in accordance with the further rules in this section 2.8.

2.8.3 For the purposes of this section 2.8, in relation to an Ascending Clock Auction, subject to sections 2.4.5, 2.4.6 and 2.4.7:

(a) **"Auction Date"** means the date and time on which the first Bid Window will start;

(b) the **"Bid Round Price"** in relation to a Bid Round in an Ascending Clock Auction, is the price (in pence/kWh/Day or eurocent/kWh/Day) at which IP Capacity may be bid for in that Bid Round;

(c) the **"Aggregate Bid Quantity"** means the aggregate quantity of IP Capacity for which valid Bids are made in a Bid Round;

(d) **"First Time Undersell"** means an occurrence, in an Ascending Clock Auction, where the Aggregate Bid Quantity is less than the Auction Quantity at the end of the second Bid Round or a subsequent Bid Round in which a Large Price Step has been applied;

(e) where an Auction **"Closes"** following a Bid Round, this means there are no further Bid Rounds and the successful Bids and Clearing Price are determined and the IP Capacity is allocated in accordance with section 2.8.38 and "**Close**", "**Closed**" and "**Closing**" shall be construed accordingly.

2.8.4 Particular Bid Rounds are identified as follows:

(a) **"FTU Bid Round"**, or **"First Time Undersell Bid Round"**, is a Bid Round in which a First Time Undersell occurs;

(b) **"Last Pre-FTU Bid Round"** is the LPS Bid Round preceding a FTU Bid Round;

(c) **"LPS Bid Round"**, or **"Large Price Step Bid Round"**, is any Bid Round up until the FTU Bid Round;

(d) **"SPS Bid Round"**, or **"Small Price Step Bid Round"**, is a Bid Round after the FTU Bid Round.

2.8.5 Particular Bid Round Prices are identified as follows:

(a) **"BPR_{BR-1}"** in relation to any Bid Round is the Bid Round Price of the preceding Bid Round;

(b) **"BPR_{LPFBR}"** is the Bid Round Price of the Last Pre-FTU Bid Round.

Price Steps

2.8.6 For each Auction, the amounts of two different increments of Bid Round Price (respectively the **"Large Price Step"** or **"LPS"**) and the **"Small Price Step"** or **"SPS"**) will be determined in accordance with sections 2.8.7 to 2.8.9 below.

2.8.7 In relation to each Auction,

(a) the Transporter will determine:

(i) the amount of the **"NI large price step"**; and

(ii) (in the case of a Bundled Auction, jointly with the Adjacent Transporter) a fraction (**"SPS Fraction"**) in the form of 1/X where X is a whole number;

(b) the Large Price Step is:

(i) in the case of an Unbundled Auction, the NI large price step;

(ii) in the case of a Bundled Auction, the sum of the NI large price step and a large price step determined by the Adjacent Transporter under the Adjacent Transporter's Rulebook;

(c) the Small Price Step is the SPS fraction of the Large Price Step.

2.8.8 The NI large price step shall be 5% of the NI Reserve Price.

2.8.9 The Small Price Step shall be one fifth of the Large Price Step, unless otherwise agreed with the Relevant Adjacent Transporter.

2.8.10 The Large Price Step and the Small Price Step for an Auction will be notified to Shippers in the Auction Information.

Auction Information

2.8.11 For each Ascending Clock Auction the following information will be published to Shippers in advance of the Auction:

(a) the identity of the Transporter and the Adjacent Transporter;

(b) the IP;

(c) the Flow Direction;

(d) the IP Capacity Duration and IP Capacity Period;

(e) confirmation that the IP Entry Capacity to be auctioned is Firm;

(f) the amount of IP Entry Capacity available (subject also to the processes for Linked Auctions in sections 2.8.42 to 2.8.49 below);

(g) the Starting Price, the NI Reserve Price and for a Bundled Auction, the reserve price of the Equivalent Interconnected System Capacity;

(h) the Auction date and start time;

(i) the Large Price Step and the Small Price Step.

2.8.12 The date by which the Auction Information shall be available to Shippers shall be:

(a) in relation to an Annual Yearly Auction, at least one month before the Auction Date;

(b) in relation to an Annual Quarterly Auction, two weeks before the Auction Date;

(c) in relation to a Rolling Monthly Auction, one week before the Auction Date.

Ascending Clock Bid Windows

2.8.13 Shippers shall bid in Bid Rounds. Each Bid Round shall take place in a Bid Window.

2.8.14 The Bid Windows shall be determined as follows:

(a) no Bid Window shall start before 08:00 or end after 17:00;

(b) the Bid Window for the first Bid Round shall be a period of three hours on the Auction Date;

(c) the Bid Window for each subsequent Bid Round shall be a period of one hour;

(d) there shall be a period of one hour between the end of one Bid Window and the start of the next Bid Window;

(e) Bid Windows may fall only on Business Days.

2.8.15 In relation to the Annual Yearly Auction, the Auction Date will be the first Monday in July (or as otherwise specified in the Auction Calendar).

2.8.16 In relation to the Annual Quarterly Auction:

(a) the first Annual Quarterly Auction shall offer Quarterly IP Entry Capacity for Q1, Q2, Q3 and Q4 of Gas Year Y+1 and the Auction Date shall be the first Monday of August in Gas Year Y;

(b) the second Annual Quarterly Auction shall offer Quarterly IP Entry Capacity for Q2, Q3 and Q4 of Gas Year Y+1 and the Auction Date shall be the first Monday of November in Gas Year Y+1;

(c) the third Annual Quarterly Auction shall offer Quarterly IP Entry Capacity for Q3 and Q4 of Gas Year Y+1 and the Auction Date shall be the first Monday of February in Gas Year Y+1;

(d) the fourth Annual Quarterly Auction shall offer Quarterly IP Entry Capacity for Q4 of Gas Year and the Auction Date shall be the first Monday of May in Gas Year Y+1

or the Auction Dates will be as otherwise specified in the Auction Calendar.

2.8.17 In relation to the Rolling Monthly Auction, the Auction Date will be the third Monday in the Month before the Month to which the Auction relates (or as otherwise specified in the Auction Calendar).

Bidding in an Ascending Clock Auction

2.8.18 In each Bid Round a Shipper may apply for IP Entry Capacity by submitting a Bid within the Bid Window in accordance with this section. Bids may be revised during a Bid Window in accordance with the CPO Rules and Processes.

2.8.19 A Shipper must submit a Bid in the first Bid Round in order to submit a Bid in any subsequent Bid Round.

2.8.20 Each Bid shall specify:

(a) the identity of the Shipper;

(b) the Auction in which it is submitted;

(c) the Bid Quantity;

(d) other details as may be required by the CPO Rules and Processes.

2.8.21 For each Shipper in each Bid Round, the Bid Quantity;

(a) shall not be less than the Minimum Eligible Quantity;

(b) in the case of the first Bid Round, shall not exceed the Auction Quantity;

(c) in each subsequent Bid Round except the SPS Bid Round (if any) shall not exceed the Shipper's Bid Quantity in the preceding Bid Round;

(d) in the first SPS Bid Round, shall not exceed the Shipper's Bid Quantity for the Last Pre-FTU Bid Round and shall not be less than the Shipper's Bid Quantity for the FTU Bid Round.

2.8.22 If in the first SPS Bid Round, a Shipper does not submit a Bid which meets the requirements of section 2.8.21(d), the Shipper shall be deemed to have submitted a Bid Quantity equal to its Bid Quantity in the FTU Bid Round.

2.8.23 A Shipper may (subject to section 2.8.21) withdraw or modify a Bid in any Bid Round at any time during (but not after the close of) the Bid Window, and further references in this section 2.8 to a Bid are to the Bid prevailing at the close of the relevant Bid Window.

2.8.24 A Bid is valid if, and only if:

(a) it complies with the requirements of section 2.8.20 and section 2.8.21;

(b) the Shipper has a sufficient Provided Level of Credit Support;

(c) in a Bundled Auction, the Bid is also valid under the Adjacent Transporter's Rulebook;

(d) any requirements under the CPO Rules and Processes are complied with.

2.8.25 Bids which are not valid will be rejected and have no effect.

2.8.26 A Bid operates (subject to the provisions of sections 2.4.5, 2.4.6 and 2.4.7) as an offer by the Shipper to acquire and pay for IP Capacity in the Bid Quantity and at the Bid Round Price, capable of acceptance in accordance with section 2.8.38 below and may not be withdrawn or modified except as provided in section 2.8.23.

Ascending Clock Auction Process

2.8.27 In the first Bid Round, the Bid Round Price will be equal to the Starting Price.

2.8.28 Following each Bid Round in which the Aggregate Bid Quantity exceeds the Auction Quantity, a further Bid Round will take place, subject to sections 2.8.35 and 2.8.36.

2.8.29 In each LPS Bid Round (other than the first), the Bid Round Price will be equal to (BRP_{BR-1} + LPS).

2.8.30 If in the first LPS Bid Round, the Aggregate Bid Quantity is equal to or less than the Auction Quantity the Auction will Close and section 2.8.38(a) shall apply.

2.8.31 If in any LPS Bid Round the Aggregate Bid Quantity is equal to the Auction Quantity the Auction will Close and section 2.8.38(a) shall apply.

2.8.32 Unless section 2.8.30 or 2.8.31 applies, following the first LPS Bid Round in which the Aggregate Bid Quantity is less than the Auction Quantity (a First Time Undersell) section 2.8.33 shall apply.

2.8.33 Following an FTU Bid Round:

(a) for the next Bid Round (the first SPS Bid Round) the Bid Round Price will be equal to (BRP_{LPFBR} + SPS);

(b) in each subsequent SPS Bid Round the Bid Round Price will be equal to BRP_{BR-1} + SPS).

2.8.34 If in any SPS Bid Round the Aggregate Bid Quantity is equal to or less than the Auction Quantity, the Auction will Close and section 2.8.38(a) shall apply.

2.8.35 If following any SPS Bid Round the Auction has not Closed under section 2.8.38(a) but the Bid Round Price of the next SPS Bid Round would be equal to the Bid Round Price of the FTU Bid Round, the Auction will Close and section 2.8.38(b) shall apply.

2.8.36 If an Auction ('A') has not Closed by the closure deadline for the next following Auction ('B') whether an Ascending Clock Auction or a Uniform Price Auction) in respect of IP Capacity for the same IP, Flow Direction and Class as Auction A but for any IP Capacity Period which falls within the IP Capacity Period for Auction A, Auction A will be discontinued without Closing and no Bid in Auction A shall have any effect.

2.8.37 For the purposes of section 2.8.36 the closure deadline is:

(a) where Auction B is an Ascending Clock Auction, 17:00 on the 5th Business Day before the Auction Information Time for Auction B;

(b) where Auction B is a Rolling Day-Ahead Auction, 17:00 on the Business Day before the Auction Information Time for Auction B.

Auction Close

2.8.38 Where the Auction Closes following any Bid Round:

(a) subject to section 2.8.38(b) that Bid Round is the clearing Bid Round, the Clearing Price is the Bid Round Price for that Bid Round, and each Bid submitted in that Bid Round is accepted; and the Shipper which submitted that Bid shall be allocated and registered as holding an amount of IP Capacity equal to its Bid Quantity;

(b) where section 2.8.35 applies the FTU Bid Round is the clearing Bid Round, the Clearing Price is the Bid Round Price for the FTU Bid Round, and each Bid submitted in the FTU Bid Round is accepted; and the Shipper which submitted that Bid shall be allocated and registered as holding an amount of IP Capacity equal to its Bid Quantity.

2.8.39 Following each Bid Round, Shippers will be informed whether the Auction has Closed.

2.8.40 For the avoidance of doubt no Bid made in any Bid Round other than the clearing Bid Round shall be treated as accepted or shall have any other effect.

Provision of Information following an Ascending Clock Auction

2.8.41 Following each Auction, by the end of the Business Day following the Day on which the Auction Closed:

(a) the following information will be published to all Shippers:

(i) the Auction Allocated Quantity;

(ii) the Auction Premium;

(b) the following additional information will be published to each Shipper whose Bid was successful in the Auction:

(i) the amount of IP Capacity allocated to the Shipper in the Auction;

(ii) the NI Share (in the case of a Bundled Auction).

Linked Ascending Clock Auction Process at Moffat Interconnection Point

2.8.42 References to **"Auctions"** in sections 2.8.43 to 2.8.49 below means the GB-NI Auction and GB-ROI Auction.

2.8.43 In respect of Moffat Interconnection Point, if for any given Ascending Clock Auction, the GB Allocable Capacity exceeds the Aggregate Allocable Irish-Side Capacity then the GB-NI Auction will not be Linked to the GB-ROI Auction and the respective Auctions will be held separately.

2.8.44 If, for any given Ascending Clock Auction, the GB Allocable Capacity is less than the Aggregate Allocable Irish-Side Capacity then:

(a) the **"Competing Capacity"** or **"CC"** is an amount of IP Entry Capacity calculated as (Aggregate Allocable Irish-Side Capacity – GB Allocable Capacity);

(b) the **"NI Non-competing Capacity**" or **"NI NCC"** will be an amount of IP Entry Capacity calculated as (Auction Quantity – Competing Capacity);

(c) the **"ROI Non-competing Capacity**" or **"ROI NCC"** will be an amount of IP Entry Capacity calculated as (ROI Allocable Capacity – Competing Capacity);

(d) the Auction Information shall include the amounts of the CC and the NI NCC;

(e) the GB-NI Auction and the GB-ROI Auction shall be held separately in accordance with sections 2.8.18 to 2.8.41 as modified by the further provisions of sections 2.8.42 to 2.8.49;

(f) the sum of the Aggregate Bid Quantity and the equivalent aggregate bid quantity in the GB-ROI Auction shall be the **"Total Bid Quantity"**.

2.8.45 Where the Auctions are Linked, they will be held in parallel with simultaneous Bid Rounds in each Auction until a Bid Round in which the Auctions cease to be Linked under section 2.8.49 or the Auctions Close under sections 2.8.46 or 2.8.48.

2.8.46 If in the first LPS Bid Round the Total Bid Quantity is less than or equal to the GB Allocable Capacity, both Auctions shall Close.

2.8.47 If in any LPS Bid Round (other than the first) the Total Bid Quantity is less than or equal to the GB Allocable Capacity, and section 2.8.49 does not apply to such Bid Round:

(a) that Bid Round will be the FTU Bid Round (for both Auctions);

(b) the Auctions will proceed as Linked Auctions in SPS Bid Rounds.

2.8.48 If in any SPS Bid Round where the Auctions are Linked the Total Bid Quantity is less than or equal to the GB Allocable Capacity, the Auctions will Close.

2.8.49 If in any Bid Round (whether a LPS or SPS Bid Round), the Aggregate Bid Quantity for the GB-NI Auction is less than or equal to the NI NCC and/or the equivalent aggregate bid quantity in the GB-ROI Auction is less than or equal to the ROI NCC, then:

(a) the Auctions shall cease to be linked;

(b) if the Aggregate Bid Quantity:

(i) is equal to the Auction Quantity, the Auction shall Close;

(ii) is less than the Auction Quantity, that Bid Round shall be treated as an FTU Bid Round and the Auction shall proceed with SPS Bid Rounds in accordance with section 2.8.33;

(iii) is greater than the Auction Quantity, the Auction shall proceed with LPS and SPS Bid Rounds in accordance with sections 2.8.28 to 2.8.41.

2.9 Uniform Price Auctions

2.9.1 This section sets out the basis on which Uniform Price Auctions will be held (and in this section 2.9, unless otherwise expressly provided, references to an Auction are to a Uniform Price Auction).

2.9.2 In a **"Uniform Price Auction"**, IP Capacity is offered to and bid for by Shippers in a single Bid Round in which both price and quantity are bid, subject to and in accordance with the further provisions of this section 2.9.

2.9.3 For the purposes of this section 2.9, in relation to a Uniform Price Auction, the "**Bid Price**" in relation to a Bid is the price (in pence/kWh/Day or eurocents/kWh/Day) bid by the Shipper for IP Capacity, subject to sections 2.4.5, 2.4.6 and 2.4.7.

Auction Information

2.9.4 For each Uniform Price Auction the following information will be published to Shippers by the time the Bid Window opens:

(a) the identity of the Transporter and, in the case of a Bundled Auction, the Adjacent Transporter;

(b) the IP;

(c) the Flow Direction;

(d) the IP Capacity Duration and IP Capacity Period;

(e) whether or not the Auction is for Firm IP Entry Capacity or Interruptible VRF IP Exit Capacity;

(f) the amount of IP Capacity available (subject to the processes for Linked Auctions in sections 2.9.24 and 2.9.25);

(g) the NI Reserve Price and in the case of a Bundled Auction, the reserve price of the Adjacent Transporter and the Starting Price;

(h) the Auction date and time at which the Bid Window opens; and

(i) the relevant Gas Flow Day.

Within Day Auctions

2.9.5 For each Gas Flow Day, Within Day Auctions shall be held with Bid Windows closing at hourly intervals from 01:30 on D-1 to 00:30 on Day D as follows:

(a) the first Within Day Auction Bid Window shall be from 18:00 to 01:30 on D-1;

(b) the second Within Day Auction Bid Window shall be from 02:00 to 02:30 on D-1;

(c) thereafter there shall be successive Bid Windows of 30 minutes commencing on the hour, up to the last Within Day Auction;

(d) the last Within Day Auction Bid Window shall be from 00:00 to 00:30 on Day D.

2.9.6 Daily IP Entry Capacity allocated in a Within Day Auction in the first Bid Window shall be deemed to have an effective time of 05:00 on D. All other IP Capacity allocated in a Within Day Auction shall have an effective time of 3.5 hours from the close of the relevant Bid Window and shall be held from the effective time until the end of Day D.

Rolling Day-Ahead Auctions

2.9.7 A Rolling Day-Ahead Auction of IP Entry Capacity shall have a Bid Window of 30 minutes starting at 15:30 on D-1, or such other time as specified in the Auction Calendar.

2.9.8 A Rolling Day Ahead Auction of Interruptible VRF IP Exit Capacity shall have a Bid Window of 30 minutes starting at 16:30 on D-1, or such other time as specified in the Auction Calendar.

Bidding in a Uniform Price Auction

2.9.9 In each Auction a Shipper may apply for IP Capacity by submitting a Bid within the Bid Window in accordance with this section 2.9.

2.9.10 A Shipper can submit up to 10 Bids in a Uniform Price Auction each of which shall be separate and independent of the others.

2.9.11 Each Bid shall specify:

(a) the identity of the Shipper;

(b) the Auction in which it is submitted;

(c) the Bid Quantity;

(d) the Minimum Bid Quantity;

(e) the Bid Price;

(f) in the case of a Rolling Day-Ahead Auction Bid of IP Entry Capacity, whether or not the Bid is a **'Carry Forward'** Bid (to be carried forward to the Within Day Auction in accordance with section 2.9.20);

other details as may be required by the CPO Rules and Processes.

2.9.12 The following must also be satisfied in relation to Bids:

(a) for each Bid, the Bid Quantity shall not be less than the Minimum Bid Quantity;

(b) for each Bid, the Bid Price shall not be less than the Starting Price;

(c) for each Shipper, the aggregate of all the Bid Quantities under all Bids in an Auction shall not exceed the Auction Quantity.

2.9.13 A Shipper may withdraw or modify a Bid at any time during (but not after the close of) the Bid Window, and further references in this section to a Bid are to the Bid prevailing at the time of the close of the Bid Window.

2.9.14 A Bid is valid if, and only if:

(a) it complies with the requirements of section 2.9.11 and 2.9.12;

(b) the Shipper has a sufficient Provided Level of Credit Support;

(c) in a Bundled Auction, the Bid is valid under the Adjacent Transporter's Rulebook;

(d) any requirements under the CPO Rules and Processes are complied with.

2.9.15 Bids which do not meet the requirements of section 2.9.14 above will be rejected and have no effect.

2.9.16 A Bid operates (subject to the provisions of sections 2.4.5, 2.4.6 and 2.4.7) as an offer by the Shipper to acquire and pay for IP Capacity in any amount not less than the Minimum Bid Quantity and not greater than the Bid Quantity and at the Bid Price, capable of acceptance in accordance with section 2.9.19 and may not be withdrawn or modified except as provided in section 2.9.13 above.

Bid Price

2.9.17 In the case of a Euro-based Auction, for the purposes of ranking Bids for allocation, the Bid Price of each Bid will be converted to euro (in accordance with section 2.4.11) and references to Bid Price in section 2.9.18 below are to the Bid Price so converted.

Uniform Price Auction Process

2.9.18 Following the close of the Bid Window, IP Capacity will be allocated to and registered as held by Shippers pursuant to the valid Bids submitted as follows:

(a) all valid Bids will be ranked in order of Bid Price (the highest priced ranking first);

(b) IP Capacity will be allocated to Bids in descending order of Bid Price, until such time as the amount of IP Capacity allocated in aggregate is equal to the Auction Quantity or (where the aggregate of the Bid Quantities is less than the Auction Quantity) there are no more remaining Bids to satisfy;

(c) subject to sections 2.9.18(d) and 2.9.18(e), where the Bid Quantity under a Bid exceeds the amount (**"Remaining Unallocated Quantity"**) of the Auction Quantity which remains unallocated after allocation to higher-priced bids, the Remaining Unallocated Quantity shall be allocated to the relevant Bid;

(d) subject to section 2.9.18(e), where two or more Bid Quantities have the same Bid Price, and the amount in aggregate of the Bid Quantities under such Bids exceeds the Remaining Unallocated Quantity, the Remaining Unallocated Quantity shall be allocated to the Bids pro-rata the respective Bid Quantities;

(e) where the amount to be allocated to a Bid under section 2.9.18(c) or 2.9.18(d) would be less than the Minimum Bid Quantity, the Bid will be disregarded and of no effect, and this section 2.9.18 shall apply to the ranked Bids excluding such Bid.

2.9.19 Each Bid to which IP Capacity is allocated in accordance with 2.9.18 above is accepted (as to the quantity so allocated); and the Shipper which submitted that Bid shall be allocated and registered as holding that quantity of IP Capacity.

2.9.20 Where a Bid in a Rolling Day-Ahead Auction has not been successful and the Bid is a Carry-Forward Bid, the Bid shall operate as a Bid (for the same Bid Quantity, Minimum Bid Quantity and Bid Price) in the first Within Day Auction for that Gas Flow Day but subject to the Shipper modifying or withdrawing the Bid in accordance with section 2.9.13.

2.9.21 For the avoidance of doubt, subject to section 2.9.20 a Bid which is not accepted in an Auction lapses and is of no further effect.

2.9.22 In relation to a Uniform Price Auction the Clearing Price is:

(a) if the aggregate of the Bid Quantities under all Bids is less than the Auction Quantity, the Starting Price; otherwise

(b) the Bid Price of the lowest-priced successful Bid in the Auction.

Provision of Information following a Uniform Price Auction

2.9.23 Following each Uniform Price Auction, by 30 minutes after the close of the Bid Window:

(a) the following information will be published to all Shippers:

(i) the Auction Allocated Quantity;

(ii) the Auction Premium;

(b) the following additional information will be published to each Shipper whose Bid was successful in the Auction:

(i) the amount of IP Capacity allocated to the Shipper in respect of each successful Bid in the Auction;

(ii) the NI Share (in the case of a Bundled Auction).

Linked Uniform Price Auction Process at Moffat Interconnection Point

2.9.24 In respect of Moffat Interconnection Point, if for any given Uniform Price Auction, the GB Allocable Capacity exceeds the Aggregate Allocable Irish-Side Capacity then the GB-NI Auction will not be Linked to the GB-ROI Auction and the respective Auctions will be held separately.

2.9.25 If, for any given Uniform Price Auction, the GB Allocable Capacity is less than the Aggregate Allocable Irish-Side Capacity then:

(a) the GB-NI Auction and the GB-ROI Auction shall be held separately in accordance with sections 2.9.1 to 2.9.23;

(b) the allocation of IP Capacity (**"First Round Allocation"**) is provisional, no Bid is accepted and no Clearing Price shall be determined;

(c) the Bids to which IP Capacity have been provisionally allocated in the First Round Allocation shall be combined with bids in the GB-ROI Auction into a single set of Bids, and in respect of each such Bid the quantity provisionally allocated in the First Round Allocation shall be deemed to be the Bid Quantity;

(d) such Bids shall be ranked and IP Capacity shall be allocated to such Bids in accordance with section 2.9.18 in a **"Second Round Allocation"** on the basis that the Auction Quantity is the GB Allocable Capacity;

(e) the results of the Second Round Allocation are final and binding as to the IP Capacity to be allocated and the determination of the Clearing Price.

2.10 Conversion of Unbundled IP Entry Capacity to Bundled IP Entry Capacity

2.10.1 A Shipper which:

(a) has been allocated Bundled IP Entry Capacity in respect of an IP Capacity Period at an Interconnection Point in an Auction; and

(b) is registered as holding Unbundled IP Entry Capacity at that Interconnection Point during the same IP Capacity Period;

shall be entitled to request the Conversion of an amount of its Unbundled IP Entry Capacity in accordance with this section 2.10.

2.10.2 For the purposes of this section 2.10:

(a) **"Conversion"** means a reduction in the amount of Unbundled IP Entry Capacity held by a Shipper at an IP, in accordance with this section 2.10, and **"Convert"** and **"Converted"** shall be construed accordingly;

(b) **"Conversion Request"** means a request for Conversion submitted by a Shipper to the Transporter in accordance with this section 2.10;

(c) **"Conversion Request Deadline"** means 17:00, on the third Business Day following the close of a relevant Auction as described in section 2.10.3;

(d) **"Conversion Confirmation Notice"** means a notice provided by the Transporter to the Shipper following receipt of a valid Conversion Request in accordance with section 2.10.11;

(e) **"Conversion Month"** means a Month for which Conversion is requested.

2.10.3 Following any:

(a) Annual Yearly Auction;

(b) Annual Quarterly Auction; and/or

(c) Rolling Monthly Auction;

in which a Shipper has been allocated Bundled IP Entry Capacity, the Shipper may submit a Conversion Request in respect of all or part of its holding of Unbundled IP Entry Capacity to the Transporter.

2.10.4 A Conversion Request may only be submitted in respect of whole Months and shall specify:

(a) the identity of the Shipper;

(b) the IP, Flow Direction and the IP Capacity Period for which Conversion is requested;

(c) the amount of Unbundled IP Entry Capacity which is requested to be Converted;

(d) reference numbers or other identifiers as specified by the Transporter for the Unbundled IP Entry Capacity and the Bundled IP Entry Capacity; and

(e) any other information which may be notified as being required by the Transporter from time to time.

2.10.5 A Conversion Request shall be submitted to the Transporter by the Conversion Request Deadline. Late Conversion Requests shall be rejected by the Transporter and the Transporter shall inform the Shipper accordingly.

2.10.6 A Shipper may withdraw a Conversion Request at any time up until the Conversion Request Deadline.

2.10.7 Following the Conversion Request Deadline, the Transporter shall review all Conversion Requests submitted and determine their validity in accordance with section 2.10.8.

2.10.8 A Conversion Request shall be valid if, for each Conversion Month:

(a) it contains the information set out in section 2.10.4;

(b) the Shipper holds Firm Unbundled Available IP Entry Capacity at the relevant IP for the relevant IP Capacity Period of an amount equal to or greater than the amount requested for Conversion;

(c) the amount of Unbundled IP Entry Capacity requested for Conversion is less than or equal to the amount of Bundled IP Entry Capacity allocated to the Shipper at the IP in the relevant Auction;

(d) the IP Capacity Period for which Conversion is requested is less than or equal to the IP Capacity Period of the Bundled IP Entry Capacity allocated to the Shipper at the IP in the relevant Auction; and

(e) the amount of Unbundled IP Entry Capacity requested for Conversion is the same for each Day in the Conversion Month.

2.10.9 Where the Transporter determines that a Conversion Request is invalid, it shall inform the Shipper as soon as reasonably possible and invite the Shipper to resubmit the Conversion Request. Thereafter;

(a) the Shipper may amend and resubmit the Conversion Request by no later than 17:00 on the following Business Day;

(b) where a resubmitted Conversion Request is not received by the time stated in 2.10.9(a) or is still invalid under section 2.10.8, for whatever reason, it shall be rejected by the Transporter.

2.10.10 Within 3 Business Days of receipt of a valid Conversion Request, the Transporter shall notify the Shipper of the outcome by issuing a Conversion Confirmation Notice to the Shipper.

2.10.11 A Conversion Confirmation Notice shall contain at least the following information:

(a) the IP and Flow Direction;

(b) the IP Capacity Period;

(c) the amount of Unbundled IP Entry Capacity Converted for each Conversion Month;

(d) reference numbers or other identifiers for the Bundled IP Entry Capacity and for any remaining Unbundled IP Entry Capacity which the Shipper is registered as holding; and

(e) any other information the Transporter determines, in its sole discretion, is required.

2.10.12 Where the Transporter has issued a Conversion Confirmation Notice:

(a) the amount of Unbundled IP Entry Capacity that the Shipper is registered as holding shall be reduced, in respect of each Conversion Month, by the amount which has been Converted;

(b) the Unbundled IP Entry Capacity released by the Conversion shall thereafter be treated as Unsold Technical IP Entry Capacity by the Transporter.

2.10.13 For the avoidance of doubt, following a Conversion:

(a) a Shipper shall not be invoiced for the Unbundled IP Entry Capacity which has been Converted;

(b) there shall be no change to the amount of Bundled IP Entry Capacity a Shipper is registered as holding;

(c) a Shipper shall retain its obligations to pay for the Bundled IP Entry Capacity it is registered as holding in accordance with the remainder of this Code.

2.11 Voluntary Bundling

2.11.1 A Shipper may submit a request to the Transporter for its Unbundled IP Entry Capacity to be Bundled with its Equivalent Interconnected System Capacity in accordance with this section 2.11.

2.11.2 The Shipper must simultaneously submit a request to the Relevant Adjacent Transporter for its' Equivalent Interconnected System Capacity to be Bundled with its' IP Entry Capacity under the Adjacent Transporter's Rulebook, and for these purposes:

(a) the Shipper need only submit one request, which may be submitted to either the Transporter or the Relevant Adjacent Transporter;

(b) where the Shipper submits its' request to the Transporter, the Transporter agrees to act as an agent of the Shipper to send the request to the Relevant Adjacent Transporter;

(c) where the Shipper submits its' request to the Relevant Adjacent Transporter, the Transporter agrees to receive the request from the Relevant Adjacent Transporter as agent for the Shipper;

subject to and in accordance with the further provisions of this section 2.11.

2.11.3 Where the Shipper submits its' request to the Transporter, the request shall specify:

(a) the identity of the Shipper;

(b) the IP, Flow Direction and IP Capacity Duration of the IP Entry Capacity;

(c) the amount of IP Entry Capacity to be Bundled;

(d) the first Day of the IP Capacity Period for which the IP Entry Capacity is to be Bundled.

2.11.4 The Shipper's request should be submitted to the Transporter not less than two months before the first Day of the IP Capacity Period specified in the request.

2.11.5 If the requirements of sections 2.11.6(a) and 2.11.6(b) are met the Transporter will, (pursuant to section 2.11.2(b)) within 10 Business Days of receiving the request, notify the Relevant Adjacent Transporter of the request and provide to it the information contained in the request.

2.11.6 The Transporter will accept the request and the IP Entry Capacity shall be registered as Bundled, if:

(a) the request complies with the requirements in section 2.11.3;

(b) the Shipper holds Unbundled Available IP Entry Capacity for the IP Capacity Period for which the request is made in an amount not less than the amount specified in the request;

(c) the Relevant Adjacent Transporter has confirmed to the Transporter not less than one month before the first Day of the IP Capacity Period that it accepts the request.

2.11.7 If the requirements of section 2.11.6 are not satisfied the Transporter will reject the request.

2.11.8 The Transporter will notify the Shipper whether its request is accepted or rejected not less than 5 Business Days before the first Day of the IP Capacity Period.

2.11.9 If an Adjacent Transporter notifies the Transporter that it has received a request (an **"Adjacent Bundling Request"**) from a Shipper to Bundle Interconnected System Capacity with IP Entry Capacity, and provides details of the Shipper, Flow Direction of the IP Entry Capacity and the requested amount, first Day of the IP Capacity Period and period of such bundling, then section 2.11.10 applies.

2.11.10 If the requirements in section 2.11.11 are satisfied, the Transporter will:

(a) (pursuant to section 2.11.2(c)) treat the Adjacent Bundling Request as a request by the Shipper under section 2.11.1 to register the Shipper's equivalent Unbundled Available IP Entry Capacity as Bundled;

(b) accept such request;

(c) not less than 10 Business Days after receiving an Adjacent Transporter's notification, confirm to the Adjacent Transporter that the Transporter accepts the Shipper's request.

2.11.11 The requirements are that:

(a) the Party making the request is a Shipper;

(b) the Transporter receives the notification from the Relevant Adjacent Transporter not less than one month before the first Day of the IP Capacity Period;

(c) the Shipper holds Available IP Entry Capacity which is equivalent in terms of quantity, Flow Direction, IP Capacity Period, Class and IP Capacity Duration to the Interconnected System Capacity notified by the Relevant Adjacent Transporter.

2.11.12 If the requirements in section 2.11.11 are not satisfied the Transporter will notify the Adjacent Transporter that the Shipper's request is rejected.

2.11.13 For the purposes of this section 2.11, each Shipper unconditionally and irrevocably:

(a) authorises the Transporter to act as its' agent to send a request to the Relevant Adjacent Transporter as provided in sections 2.11.2(b) and 2.11.5;

(b) confirms that it has appointed the Relevant Adjacent Transporter as its' agent to send to the Transporter, and authorises the Transporter to act on, any request notified by the Relevant Adjacent Transporter as provided in sections 2.11.2(c) and 2.11.9.

2.12 Secondary Transfer of IP Capacity

2.12.1 A Transferor Shipper may arrange to transfer all or part of its' Available IP Capacity at an IP to a Transferee Shipper, subject to and in accordance with this section 2.12.

2.12.2 For the purposes of this Code, an **"IP Capacity Transfer"** is a transfer of IP Capacity in accordance with section 2.12.1.

2.12.3 An IP Capacity Transfer may only be made:

(a) for any Gas Flow Day or consecutive Gas Flow Days within the IP Capacity Period of the Shipper's Available IP Capacity;

(b) to a Transferee Shipper with an IP Registration in respect of the relevant IP.

2.12.4 In respect of an IP Capacity Transfer or proposed IP Capacity Transfer:

(a) the **"Transferred IP Capacity"** is the IP Capacity which is (or is to be) transferred;

(b) the **"IP Capacity Transfer Period"** is the Gas Flow Day or Days for which the IP Capacity is (or is to be) transferred;

(c) the **"Transfer IP"** is the IP at which the IP Capacity is to be transferred.

2.12.5 The Transporter shall reject an IP Capacity Transfer where:

(a) the Transferred IP Capacity exceeds the Shipper's Available IP Capacity on any Gas Flow Day in the IP Capacity Transfer Period;

(b) in the case of an IP Capacity Transfer of Bundled IP Capacity, the Shipper is registered as holding an amount of Bundled IP Capacity which is less than the Transferred IP Capacity for each Gas Flow Day in the IP Capacity Transfer Period;

(c) in the case of an IP Capacity Transfer of Unbundled IP Capacity, the Shipper is registered as holding an amount of Unbundled IP Capacity which is less than the Transferred IP Capacity for each Gas Flow Day in the IP Capacity Transfer Period.

2.12.6 IP Capacity may not be transferred from one IP to another.

2.12.7 The Capacity Platform shall be used for the notification of proposed IP Capacity Transfers, subject to and in accordance with the CPO Rules and Processes.

2.12.8 Where a Transferor Shipper proposes to make an IP Capacity Transfer, each of the Transferor Shipper and the Transferee Shipper must notify the proposed IP Capacity Transfer (using the Capacity Platform) specifying:

(a) the identity of the Transferor Shipper and the Transferee Shipper;

(b) that the notification is for the Transporter and, in the case of Bundled IP Capacity, the identity of the Adjacent Transporter;

(c) IP, including confirmation of Flow Direction;

(d) the amount of the Transferred IP Capacity;

(e) whether the Transferred IP Capacity is IP Entry Capacity or Interruptible VRF IP Exit Capacity;

(f) in the case of IP Entry Capacity, whether the capacity is Bundled or Unbundled;

(g) the IP Capacity Transfer Period;

(h) any other information required by the CPO Rules and Processes.

2.12.9 A notification under section 2.12.8 of an IP Capacity Transfer of Bundled IP Capacity shall also operate as a notification to the Relevant Adjacent Transporter to transfer the Equivalent Interconnected System Capacity.

2.12.10 Where both the Transferor Shipper and the Transferee Shipper have confirmed the proposed IP Capacity Transfer on the Capacity Platform, the Capacity Platform Operator will issue a **"Transfer Proposal"** to the Transporter and, in the case of Bundled IP Capacity, the Relevant Adjacent Transporter.

2.12.11 The Transporter shall notify the Capacity Platform Operator as to whether a Transfer Proposal is accepted or rejected within 60 minutes of receiving the Transfer Proposal.

2.12.12 The Transporter shall accept a Transfer Proposal if:

(a) the Transferor Shipper has sufficient Available IP Capacity, including sufficient Bundled IP Capacity or Unbundled IP Capacity as applicable;

(b) the Transferee Shipper is different to the Transferor Shipper;

(c) the Transfer Proposal is received by the Transporter by 03:00 on the day of the IP Capacity Transfer.

2.12.13 A Transfer Proposal may be rejected by the Transporter:

(a) in the case of Bundled IP Capacity, if the Transfer Proposal is not accepted by the Relevant Adjacent Transporter;

(b) if any requirement of the CPO Rules and Processes is not satisfied in relation to the IP Capacity Transfer;

(c) where for any reason the Capacity Platform is unavailable.

2.12.14 Where a Transfer Proposal for Unbundled IP Capacity is accepted by the Transporter:

(a) the Transferor Shipper's Available IP Capacity shall be reduced by the amount of the Transferred IP Capacity for the IP Capacity Transfer Period;

(b) the Transferee Shipper's Available IP Capacity shall be increased by the amount of the Transferred IP Capacity for the IP Capacity Transfer Period; and

(c) the Transferor Shipper shall remain liable to pay the Transporter PS Transmission Amounts associated with its Registered IP Capacity.

2.12.15 Where a Transfer Proposal for Bundled IP Capacity is accepted by the Transporter:

(a) where the Shipper is the Transferor, reduce the amount of Bundled IP Capacity that the Shipper is registered as holding (and the Transferor's Available IP Capacity) by the amount of the Transferred IP Capacity for the IP Capacity Transfer Period;

(b) where the Shipper is the Transferee, increase the amount of Bundled IP Capacity that the Shipper is registered as holding (and the Transferor's Available IP Capacity) by the amount of the Transferred IP Capacity for the IP Capacity Transfer Period; and

(c) the Transferor Shipper shall remain liable to pay the Transporter PS Transmission Amounts associated with its Registered IP Capacity.

2.13 IP Entry Capacity Overruns

2.13.1 Where a Shipper is allocated a quantity of gas in excess of its Available IP Entry Capacity in respect of a Gas Flow Day, it shall be liable to pay **"Overrun Charges"** in accordance with this section 2.13.

2.13.2 The amount by which the total of a Shipper's Final IP Entry Allocations at an IP exceeds the Available IP Entry Capacity held by the Shipper at the IP in respect of a Gas Flow Day will be the **"Overrun Quantity"**.

2.13.3 Where applicable, Overrun Charges will be calculated as follows:

Overrun Charge = 8 x P_{daily} x Overrun Quantity

where P_{daily} is the relevant NI Reserve Price for Daily IP Entry Capacity on the Day.

2.13.4 If as a result of any failure or unavailability of the systems and processes of the Capacity Platform Operator in connection with the CPO Activities in section 2.6.3(a) in relation to any Gas Flow Day, either:

(a) Within Day Auctions for the Gas Flow Day are not held, or Shippers are unable to participate in such Within Day Auctions, for any 6 or more consecutive Bid Windows; or

(b) the Within Day Auction with the last Bid Window on the Gas Flow Day is not held, or Shippers are unable to participate in such Within Day Auction;

then Shippers shall not be liable to pay Overrun Charges in respect of such Gas Flow Day.

2.14 Relationships

2.14.1 Except as expressly provided in this Code, neither the Transporter nor the Adjacent Transporter, in relation to an Interconnection Point, acts as an agent for the other in any relationship with Shippers.

2.14.2 Nothing in this Code purports to or has effect to confer any rights or obligations on a Shipper, or any rights or obligations as between the Transporter and a Shipper, in respect of an Interconnected System.

2.14.3 Nothing in any Adjacent Transporter's Rulebook creates any rights or obligations as between the Transporter and any Shipper or otherwise binds the Transporter.

2.14.4 Where a provision (**"Relevant Provision"**) of this Code refers to or operates by reference to the Adjacent Transporter's Rulebook in relation to an Interconnection Point:

(a) the Parties confirm that they consider that the provisions of the Adjacent Transporter's Rulebook are compatible with the Relevant Provision;

(b) if (and for so long as) there is any incompatibility between the provisions of the Adjacent Transporter's Rulebook and the Relevant Provision, to the extent which such incompatibility affects the implementation of the Relevant Provision:

(i) the Transporter shall be entitled to implement the Relevant Provision in any way which (in its reasonable discretion) it determines to be practicable and appropriate in the circumstances (and the Code shall take effect in accordance with such determination);

(ii) the Transporter will to the extent practicable consult with Shippers, and will in any event notify Shippers, as to how it implements such provision;

(iii) for the avoidance of doubt, any Party may propose a modification to this Code, in accordance with the Modification Rules, which would remove such incompatibility.

2.14.5 Where any provision of this Code refers to or operates by reference to the Adjacent Transporter's Rulebook or any act or circumstance relating to a Shipper or the Adjacent Transporter in relation to an Interconnected System:

(a) the information provided by or other determination of the Adjacent Transporter shall be taken to be correct and definitive as to the operation, effect or interpretation of the Adjacent Transporter's Rulebook or such act or circumstance;

(b) nothing shall require the Transporter to question or validate such information or determination;

(c) accordingly no Shipper may question or dispute the application of any provision of this Code on the basis of any question or dispute in relation to the Adjacent Transporter's Rulebook or such act or circumstance.

2.15 Registering Bundled IP Entry Capacity

2.15.1 The Transporter shall register a Shipper's IP Entry Capacity as Bundled:

(a) when it is allocated to a Shipper as a result of a Bundled Auction;

(b) when it has been voluntarily bundled in accordance with section 2.11;

(c) when it has been transferred to the Shipper as Bundled IP Entry Capacity in accordance with section 2.12;

unless or until section 2.15.2 applies.

2.15.2 Where (other than in connection with an IP Capacity Transfer) the Adjacent Transporter notifies the Transporter that under any provision of the Adjacent Transporter's Rulebook a Shipper will cease or has ceased (for any Gas Flow Day or consecutive Days) to hold any amount of Equivalent Interconnected System Capacity which the Adjacent Transporter records as bundled with IP Entry Capacity, the Transporter will:

(a) compare what is notified by the Adjacent Transporter with its register of IP Entry Capacity; and

(b) reduce the amount of the IP Entry Capacity registered as Bundled for the relevant Day(s) where and by the amount by which such reduction appears to the Transporter to be appropriate; and

(c) unless there is a corresponding reduction in the Shipper's Available IP Entry Capacity, increase the amount of the Shipper's Unbundled IP Entry Capacity by the same amount.

2.15.3 Where a Shipper ceases to hold Bundled IP Entry Capacity as a result of termination in accordance with section 21, retirement from the Code in accordance with section 22.10 or under any other section of this Code, the Transporter may notify the Adjacent Transporter (if it has agreed with the Adjacent Transporter to do so) and provide the following information:

(a) the identity of the Shipper;

(b) the amount of Bundled IP Entry Capacity which the Shipper has ceased to hold;

(c) the Day(s) for which the Shipper has ceased to hold the IP Entry Capacity.

2.16 Congestion Management Procedures Introduction

2.16.1 In this Code:

(a) the **"CMP Sections"** means sections 2.16, 2.17, 2.18 and 2.19;

(b) the **"Activation Test"** means the test set out in the OS Scheme and CMP Methodology Statement for the determination of contractual congestion;

(c) the **"CMP Activation Date"** means the date at which the Activation Test is passed; and

(d) the **"OS Effective Date"** means a date specified by the Transporter which shall be 6 months after the CMP Activation Date or sooner where feasible;

and the CMP Sections of this Code provide for the application of Congestion Management Procedures.

2.16.2 The CMP Sections shall come into effect:

(a) on the CMP Activation Date; or

(b) they may come into force together or separately before the CMP Activation Date where the Transporter otherwise determines that the procedures in any or all of those sections are required, in accordance with the OS Scheme and CMP Methodology Statement in which case the Transporter shall specify the date of commencement of such section(s) individually by publishing the relevant effective date(s) of the section(s) on its Website.

2.16.3 The CMP Sections shall not apply before the date determined under section 2.16.2.

2.16.4 Shippers shall not be able to submit Surrender Offers in accordance with section 2.17, or Buyback Offers in accordance with section 2.19 before the OS Effective Date.

2.16.5 In respect of sections 2.17 and 2.19, the Transporter shall inform Shippers in writing of the means by which it proposes to administer sections 2.17 and 2.19 at the CMP Activation Date, or such date published in accordance with section 2.16.2(b), and may amend or update this information from time to time, by informing the Shippers in writing.

2.16.6 In accordance with section 2.7.3(b), the Transporter will make Additional IP Entry Capacity available to Shippers as part of the Allocable IP Entry Capacity. For the purposes of this Code, **"Additional IP Entry Capacity"** comprises any of:

(a) IP Entry Capacity made available from time to time as a result of Surrender Offers in accordance with section 2.17;

(b) IP Entry Capacity made available from time to time as a result of the application of the LTUIOLI Procedures in accordance with section 2.18; and

(c) Oversubscription Capacity made available from time to time as a result of the implementation of the OS Scheme and CMP Methodology Statement.

2.16.7 In accordance with section 2.19 and the OS Scheme and CMP Methodology Statement, the Transporter may purchase IP Entry Capacity from a Shipper where necessary.

Order of Allocation of IP Entry Capacity

2.16.8 The Transporter shall allocate IP Entry Capacity to Shippers pursuant to an Auction utilising the Allocable IP Entry Capacity available pursuant to this Code as follows:

(a) firstly, Unsold Technical IP Entry Capacity;

(b) secondly, IP Entry Capacity made available as a result of Surrender Offers;

(c) thirdly, IP Entry Capacity made available as a result of the application of LTUIOLI Procedures; and

(d) fourthly, Oversubscription Capacity.

2.17 Surrender of IP Entry Capacity

2.17.1 A Shipper may offer IP Entry Capacity for Surrender in an Auction in accordance with this section 2.17.

2.17.2 For the purposes of this Code:

(a) **"Surrender"** means the surrender of IP Entry Capacity for reallocation by Auction in accordance with this section 2.17;

(b) a **"Surrender Offer"** is an offer to Surrender IP Entry Capacity in respect of a relevant Auction;

(c) a reference to the Auction in respect of which a Surrender Offer is made is to the Auction which relates to the IP Entry Capacity subject to the Surrender Offer, or (where the IP Capacity Period is a Gas Year) the next Annual Yearly Auction for which the Auction Information Time is not less than 5 Business Days after the Surrender Offer is received;

(d) **"Surrender Deadline"** means 17:00 hours on the 5th Business Day before the Auction Information Time for the Auction in respect of which a Surrender Offer is made;

(e) the **"Surrender Quantity"** is the quantity of IP Entry Capacity offered for Surrender in a Surrender Offer; and

(f) the **"Aggregate Surrender Quantity"** in relation to a Surrender Offer is the sum of the Surrender Quantity and the Surrender Quantities under all (if any) Surrender Offers previously submitted by the Shipper in respect of the same Auction.

2.17.3 A Shipper may only offer to Surrender IP Entry Capacity in respect of the following:

(a) Annual Yearly Auctions;

(b) Annual Quarterly Auctions; and

(c) Monthly IP Entry Capacity Auctions.

2.17.4 Subject to section 2.17.3, a Shipper may submit up to 10 Surrender Offers in respect of an Auction, each of which shall be a separate Surrender Offer independent of each other Surrender Offer.

2.17.5 A Shipper may withdraw a Surrender Offer at any time up to, but not after, the Surrender Deadline and references in sections 2.17.11 to 2.17.16 to a Surrender Offer are to the Surrender Offer prevailing at the Surrender Deadline.

2.17.6 A Surrender Offer shall specify:

(a) the identity of the Shipper;

(b) the IP and the IP Capacity Period for which the IP Entry Capacity is offered for Surrender;

(c) the Surrender Quantity;

(d) if requested by the Transporter, whether the IP Entry Capacity is Bundled or Unbundled; and

(e) any other information required by the CPO Rules and Processes.

2.17.7 A Surrender Offer will only be valid if the following requirements are satisfied:

(a) the Surrender Offer complies with the requirements of section 2.17.6;

(b) the Surrender Offer is submitted by no later than the Surrender Deadline;

(c) the IP Entry Capacity offered for Surrender is for an eligible IP Capacity Duration and an IP Capacity Period which will be subject to an Auction;

(d) the Shipper holds an amount of Available IP Entry Capacity which is not less than the Aggregate Surrender Quantity (but without regard to whether the Available IP Entry Capacity is Bundled or Unbundled);

(e) if the Surrender Offer is made in respect of Bundled IP Entry Capacity, a surrender offer in respect of Equivalent Interconnected System Capacity is submitted to, and not rejected by, the Adjacent Transporter in accordance with the Adjacent Transporter's Rulebook; and

(f) any requirements of the CPO Rules and Processes are complied with,

(a **"Valid Surrender Offer"**).

2.17.8 Where a Surrender Offer is not valid in accordance with section 2.17.7 it will be rejected by the Transporter and have no further effect.

2.17.9 A Valid Surrender Offer operates as an offer to Surrender the Surrender Quantity at the Clearing Price determined in accordance with section 2.8.38, capable of acceptance (in

whole or in part) in accordance with section 2.17.12 and may not be modified or (except as provided for in section 2.17.4) withdrawn.

2.17.10 A Valid Surrender Offer will remain valid and available for acceptance until the Transporter determines the re-allocation of Surrender Offers following the next relevant Auction. Where a Shipper's Available IP Entry Capacity is reduced after the Surrender Deadline (as a result of an IP Capacity Transfer or any other reason) the Surrender Offer will be rejected.

Effect of a Surrender Offer: Acceptance, and Allocation

2.17.11 The Surrender Quantity in relation to a Valid Surrender Offer will be included in the Allocable IP Entry Capacity for the Auction in accordance with section 2.7.3.

2.17.12 A Valid Surrender Offer is accepted where, following the Auction, the Surrender Quantity or part thereof is allocated towards the Auction Allocated Quantity in accordance with section 2.17.13 and section 2.16.8, and if, or to the extent, not so accepted the Valid Surrender Offer shall lapse and be of no effect.

2.17.13 For the purposes of section 2.17.12, where the aggregate quantity to be allocated in respect of Surrender Offers is less than the aggregate of the Surrender Quantities under all Valid Surrender Offers, Surrender Quantities shall be allocated in the order in which the Surrender Offers were submitted, and the amount so allocated shall be the **"Effective Surrender Quantity"** in respect of each Surrender Offer.

2.17.14 For the purposes of section 2.17.12, where the aggregate quantity to be allocated in respect of Surrender Offers is greater than the aggregate of the Surrender Quantities under all Valid Surrender Offers then all the Surrender Quantities shall be allocated and the Effective Surrender Quantity for each Surrender Offer shall be the Surrender Quantity.

2.17.15 Subject to section 2.17.16, where a Surrender Offer is accepted:

(a) the Shipper's Registered IP Entry Capacity shall be reduced by the amount of the Effective Surrender Quantity determined under section 2.17.13 or section 2.17.14; and

(b) the Shipper which submitted such Surrender Offer shall have no further rights or obligations in respect of the Effective Surrender Quantity for the IP Capacity Period for which the Surrender Offer was accepted.

2.17.16 Where, in accordance with section 2.4.4 there are both Bundled and Unbundled Auctions:

(a) a Surrender Offer may be allocated in more than one Auction; and

(b) the allocation of Surrender Offers pursuant to sections 2.17.12, 2.17.13 and 2.17.14 shall be performed first in relation to the Bundled Auction and then in relation to the Unbundled Auction.

2.17.17 Where a Valid Surrender Offer is not accepted in accordance with section 2.17.12, the Shipper which submitted the Surrender Offer shall retain all rights and obligations associated with the IP Entry Capacity that was the subject of the Surrender Offer including, for the avoidance doubt, the liability to pay for all PS Transmission Amounts in respect of such IP Entry Capacity.

2.18 Long Term Use-it-or-Lose-it

2.18.1 For the purposes of this section 2.18, a **"LTUIOLI Shipper"** is a Shipper holding IP Entry Capacity with an IP Capacity Duration of more than 1 year as determined in accordance with the OS Scheme and CMP Methodology Statement.

2.18.2 For the purposes of monitoring a LTUIOLI Shipper's utilisation of IP Entry Capacity, the Transporter shall produce two usage reports each Gas Year for the following periods:

(a) 1st October to 31st March; and

(b) 1st April to 30th September;

such reports to be produced and submitted to the Authority by 30th April and 31st October respectively (the **"Usage Reports"**).

2.18.3 In respect of each LTUIOLI Shipper, the Usage Reports shall identify any Underutilisation in accordance with the OS Scheme and CMP Methodology Statement.

2.18.4 In the event that:

(a) there is an unfulfilled demand for IP Entry Capacity; and

(b) Underutilisation has been identified in respect of a LTUIOLI Shipper,

the Transporter shall request that LTUIOLI Shipper to provide justification for its utilisation, and give 3 months' notice of the intention to withdraw IP Entry Capacity (an **"Indicative Withdrawal Notice"**).

2.18.5 A Shipper receiving an Indicative Withdrawal Notice under section 2.18.4 shall respond within 1 month of receipt of the Indicative Withdrawal Notice providing information (**"Written Submission"**) to justify its utilisation.

2.18.6 Following receipt of a Written Submission, where the Transporter is satisfied that the Shipper's Underutilisation is justified, it shall inform the Shipper within 10 Business Days of receipt of such Written Submission and no IP Entry Capacity shall be withdrawn from that Shipper.

2.18.7 Where a Shipper does not provide a Written Submission within 1 month in accordance with section 2.18.5, or where the Transporter is not satisfied that the Shipper's Underutilisation is justified, it shall, in accordance with the OS Scheme and CMP Methodology Statement:

(a) determine the amount of IP Entry Capacity which should be withdrawn (the **"LTUIOLI Capacity"**);

(b) determine the relevant IP Capacity Period for which the LTUIOLI Capacity should be withdrawn;

(c) inform the Shipper within 10 Business Days of its intention to withdraw such LTUIOLI Capacity (an **"Intended Withdrawal Notice"**);

(d) specify the amount of LTUIOLI Capacity and the relevant IP Capacity Period in the Intended Withdrawal Notice; and

(e) inform the Authority.

2.18.8 If the Shipper does not agree with the decision of the Transporter to withdraw IP Entry Capacity, the Shipper may, by no later than 2 weeks following receipt of the Intended Withdrawal Notice, refer the matter (by submission in writing) to the Authority for review.

2.18.9 If no referral is made to the Authority in accordance with section 2.18.8, the Intended Withdrawal Notice shall become effective on the expiry of the 3 month notice period given under section 2.18.4 and section 2.18.11 shall apply.

2.19.10 If a referral is made to the Authority in accordance with section 2.18.8, the determination of the Authority as to whether the Underutilisation is properly justified shall be final and binding and:

(a) the Intended Withdrawal Notice shall not become effective until the determination of the Authority has been reached; and

(b) where the Authority determines that the Underutilisation is:

(i) not properly justified, the Intended Withdrawal Notice shall become effective on the date of such determination by the Authority and section 2.18.11 shall apply; or

(ii) properly justified, no IP Entry Capacity shall be withdrawn, and the Transporter shall inform the Shipper (in writing) accordingly.

2.18.11 Where an Intended Withdrawal Notice becomes effective in accordance with sections 2.18.9 and 2.18.10(b)(i), the amount of LTUIOLI Capacity shall be offered as Allocable IP Entry Capacity in the first possible Annual Yearly Auction or Annual Quarterly Auction in accordance with the OS Scheme and CMP Methodology Statement.

2.18.12 The Shipper shall retain its rights and obligations (including the obligation to pay PS Transmission Amounts) in respect of such LTUIOLI Capacity until such time as it is allocated in part or in whole pursuant to section 2.16.8(c), and to the extent (both in amount and IP Capacity Duration) that the IP Entry Capacity is not allocated pursuant to section 2.16.8(c).

2.18.13 Where LTUIOLI Capacity is allocated pursuant to section 2.16.8(c), the Transporter shall reduce the Available IP Entry Capacity and Registered IP Entry Capacity of the Shipper by the amount of LTUIOLI Capacity allocated for the relevant IP Capacity Period (a **"Withdrawal"**).

2.19 Buyback of IP Entry Capacity

2.19.1 Where the Transporter has allocated Oversubscription Capacity in respect of a Gas Flow Day, the Transporter may purchase IP Entry Capacity from Shippers in respect of that Gas Flow Day where it becomes necessary in accordance with the OS Scheme and CMP Methodology Statement.

2.19.2 The Transporter may (but shall not be required to) enter into an **"Advance Buyback Agreement"** with a Shipper, whereby a Shipper gives the Transporter the right but not the obligation, within a defined period of time, to purchase IP Entry Capacity at a price calculated in accordance with the Advance Buyback Agreement if it becomes necessary for the Transporter to purchase IP Entry Capacity from a Shipper on any Gas Flow Day.

2.19.3 In respect of any Gas Flow Day, where the Transporter determines that it may be appropriate to purchase IP Entry Capacity, it shall first assess whether the integrity of the NI Network may be maintained in a more cost efficient manner by other operational or commercial means.

2.19.4 In respect of any Gas Flow Day, where the Transporter deems it necessary to buy back IP Entry Capacity, it shall publish a **"Buyback Invitation"** specifying:

(a) the IP at which it wishes to purchase IP Entry Capacity;

(b) the required IP Capacity Period;

(c) the quantity of IP Entry Capacity it wishes to purchase; and

(d) the time within which it requires Buyback Offers to be submitted.

2.19.5 A Shipper may submit a **"Buyback Offer"** specifying:

(a) the identity of the Shipper;

(b) the IP;

(c) the IP Capacity Period offered;

(d) the amount of IP Entry Capacity offered;

(e) the unit price in p/kWh (the **"Buyback Offer Price"**) at which the Shipper wishes to offer the IP Entry Capacity; and

(f) any other information as may be required by the Transporter (or if applicable the CPO Rules and Processes).

2.19.6 A Buyback Offer must be submitted in accordance with the timelines specified in the Buyback Invitation.

2.19.7 A Buyback Offer submitted in accordance with section 2.19.5 and section 2.19.6 shall be considered a **"Valid Buyback Offer"**.

2.19.8 A Buyback Offer not submitted in accordance with section 2.19.5 and section 2.19.6 shall be rejected and the Transporter shall notify the Shipper of such rejection.

2.19.9 In accordance with the OS Scheme and CMP Methodology Statement, in respect of a Gas Flow Day, the Transporter shall:

(a) decide whether to accept Valid Buyback Offers and/or purchase IP Entry Capacity pursuant to an Advance Buyback Agreement; and

(b) accept Valid Buyback Offers and, where applicable, Advance Buyback Offers which best address the operational needs of the NI Network, in order of least cost, and to an amount which it considers appropriate to maintain system integrity.

2.19.10 The Transporter may accept a Valid Buyback Offer or an Advance Buyback Offer in whole or in part with respect to:

(a) the amount of IP Entry Capacity, which may be less than the amount specified by the Shipper in its Buyback Offer or Advance Buyback Offer; and/or

(b) the IP Capacity Period which may be less than the IP Capacity Period specified by the Shipper in its Buyback Offer or Advance Buyback Offer.

2.19.11 Where the Transporter accepts a Buyback Offer or an Advance Buyback Offer (in whole or in part), it shall inform the Shipper of such acceptance by issuing a **"Buyback Notification"** which shall specify at least the following:

(a) the Buyback Offer or Advance Buyback Offer reference number (where applicable);

(b) the identity of the Shipper;

(c) the IP;

(d) the IP Capacity Period for which the IP Entry Capacity is to be purchased;

(e) the quantity of IP Entry Capacity purchased; and

(f) the unit price (in p/kWh) which shall be payable to the Shipper for the IP Entry Capacity, which shall be equal to the Buyback Offer Price specified by the Shipper in its Buyback Offer or as set out in the Advance Buyback Agreement.

2.19.12 The aggregate amount of IP Entry Capacity which the Transporter accepts to purchase pursuant to the Buyback Notifications in respect of a given Gas Flow Day may not be equal to the amount requested in a Buyback Invitation.

2.19.13 Where the Transporter issues a Buyback Notification, it shall reduce the amount of Available IP Entry Capacity of the Shipper by the amount specified in the Buyback Notification.

2.19.14 Notwithstanding any purchase of IP Entry Capacity in accordance with section 2.19.9(b), a Shipper shall remain liable for the payment of all PS Transmission Amounts in respect of its' Registered IP Entry Capacity regardless of the issuance of the Buyback Notification and section 2.19.15 shall apply.

2.19.15 Where a Shipper has received a Buyback Notification, the Shipper shall receive a Buyback Payment calculated as follows:

(a) the quantity of IP Entry Capacity being purchased as specified in the Buyback Notification; multiplied by

(b) the unit price specified in the Buyback Notification.

2.19.16 In the event that the Transporter is unable to secure a sufficient amount of IP Entry Capacity in accordance with section 2.19 to maintain system integrity, section 10 (*System Constraints, Exceptional Events and Emergencies*) may apply.

2.20 Firm Day Ahead Use-it-or-Lose-it

2.20.1 Once the Activation Test has been passed, the Transporter shall include in each Usage Report an assessment of whether or not the FDA UIOLI Criteria set out in the OS Scheme and CMP Methodology Statement have been met.

2.20.2 Where the FDA UIOLI Criteria are met the Transporter shall implement the FDA UIOLI Rules including by modification of the Delphi System and this Code as appropriate.

3. EXIT CAPACITY

3.1 Introduction and Definitions

3.1.1 A Shipper shall be entitled to apply for, be allocated and registered as holding Exit Capacity in the NI Network subject to and in accordance with this section 3 and where applicable subject to section 1.11.

3.1.2 In this Code:

(a) **"Exit Capacity"** means Firm capacity at an Exit Point which a Shipper may apply for, be allocated and registered as holding;

(b) **"Technical Exit Capacity"** is the maximum Exit Capacity at an Exit Point that the Transporter can offer to Shippers taking account of the integrity and operational requirements of the NI Network.

3.1.3 In this section 3, **"Firm"** refers to Exit Capacity which may not be subject to curtailment.

3.1.4 A Shipper's "**Registered Exit Capacity**" at an Exit Point is the Exit Capacity that a Shipper is registered as holding at that Exit Point in respect of a Gas Flow Day.

3.1.5 A Shipper's "**Available Exit Capacity**" at an Exit Point is the Exit Capacity that a Shipper holds at that Exit Point in respect of a Gas Flow Day after taking into account:

(a) any reduction of Exit Capacity in accordance with section 3.7;

(b) any surrender of Exit Capacity in accordance with section 3.8; and/or

(c) any Exit Capacity Transfers in accordance with section 3.9.

3.1.6 The Transporter:

(a) shall endeavour to maximise the level of Technical Exit Capacity at each Exit Point by acting in accordance with the provisions of this Code as a Reasonable and Prudent Operator; and

(b) shall act as a Reasonable and Prudent Operator in the manner in which it calculates and determines the level of Technical Exit Capacity at each Exit Point from time to time in accordance with this Code.

3.1.7 If any Dispute arises as to the Transporter's determination of the level of Technical Exit Capacity at an Exit Point, which is not first resolved by mediation in accordance with section 25, the Transporter or a Shipper may refer the matter to an Expert for an Expert Determination.

3.1.8 The Transporter shall notify Shippers not later than one month before the Mid Year Date and in each Ten Year Statement of its reasonable estimate of the level of the Technical Exit Capacity at each Exit Point in respect of future Gas Years.

3.2 Indicative Application for Exit Capacity

3.2.1 A Shipper may, from time to time, and a Prospective Shipper may provide the Transporter with details of:

(a) the amount of Exit Capacity that it anticipates it will wish to apply for; and

(b) the period and Exit Point in respect of which the Shipper or the Prospective Shipper anticipates it will wish to apply for Exit Capacity;

in the Prescribed Form (an "**Indicative Application for Exit Capacity**").

3.2.2 Within 5 Business Days of receipt of an Indicative Application for Exit Capacity the Transporter shall notify the Shipper or Prospective Shipper of the extent to which the Transporter anticipates it will be able to provide the Exit Capacity which the Shipper or Prospective Shipper has indicated it wishes to apply for.

3.2.3 The Transporter offers no guarantee that the Exit Capacity which it stated it anticipated would be available will be so available or available at all after an application for Exit Capacity is made and shall have no liability to the Shipper or Prospective Shipper to the extent that it is not so available. A Shipper or Prospective Shipper shall receive no priority in respect of an application for Exit Capacity under this section 3 as a result of the Transporter stating that it anticipates Exit Capacity will be available to that Shipper or Prospective Shipper.

3.3 Exit Capacity Application Requirements

3.3.1 A Shipper may apply to the Transporter for Exit Capacity at an Exit Point in accordance with this section 3.3 in respect of which it has an Exit Point Registration. An application for Exit Capacity shall be in accordance with this section 3.3 and section 3.4 or 3.6.

3.3.2 An application for Exit Capacity shall be made in the Prescribed Form (an "**Exit Capacity Application**") and shall specify:

(a) the amount of Exit Capacity applied for;

(b) the period (**"Exit Capacity Period"**) over which the Shipper wishes to be allocated and registered as holding Exit Capacity;

(c) whether or not the Shipper will accept an allocation of Exit Capacity of less than it has applied for;

(d) the Exit Point in respect of which the Exit Capacity is applied for;

(e) whether or not the Exit Capacity will be used for the purposes of supplying gas to a power station and if so to which power station; and

(f) any other information that the Transporter may reasonably require which shall include an indication of the daily profile that the Shipper reasonably anticipates it will typically nominate in respect of the Exit Point.

3.3.3 A Shipper may apply for Exit Capacity:

(a) no earlier than 2 Gas Years before the first Gas Year in which it requires Exit Capacity;

(b) no later than 10 Business Days (or any such shorter period as the Transporter may agree in relation to that application) before the first Day in the Month in which it requires Exit Capacity;

(c) for any duration up to Y + 15; and

(d) in multiples of one Gas Year, except in the Gas Year in which the Exit Capacity Application is made, in which case the Exit Capacity Application may be for each complete Month in the remainder of the Gas Year.

3.3.4 If, by virtue of the level of Exit Capacity for which a Shipper has applied in respect of any Gas Year, the Transporter believes that a Shipper has applied for Exit Capacity in respect of that Gas Year, with a view to gaining priority in respect of the allocation of Exit Capacity in accordance with section 3.5.3 the Transporter shall request the Shipper to provide the information referred to in section 3.3.5.

3.3.5 The Transporter shall, in accordance with section 3.3.4, request the Shipper to provide any of the information referred to in section 17.9.5 in respect of the utilisation, supply or shipment of gas in each of such Gas Years. The Shipper shall provide such information promptly after being requested to do so.

3.3.6 An Exit Capacity Application shall be rejected if:

(a) any requirement of section 3.3 is not complied with;

(b) subject to section 18.2, the Shipper does not have sufficient Provided Level of Credit Support;

(c) the Shipper fails to provide any of the information requested in section 3.3.5 within 20 Business Days of being requested to do so; or

(d) the Transporter receives a Direction from the Credit Committee, in accordance with paragraph 6.1(K) of the Terms of Reference, that it should be.

3.4 Application for Exit Capacity in future Gas Years

3.4.1 Not later than the Mid Year Date (or any such later date as the Transporter and the Authority may agree in relation to the relevant application) in each Gas Year a Shipper which has no Exit Capacity in a future Gas Year shall submit to the Transporter:

(a) an Exit Capacity Application in respect of any future Gas Years*;* or

(b) confirmation that it does not wish to reserve Exit Capacity in any future Gas Year.

3.4.2 If the Transporter does not receive any submission in accordance with section 3.4.1 a Shipper shall be deemed to have confirmed that it does not wish to reserve Exit Capacity in any future Gas Year.

3.4.3 Not later than the Mid Year Date (or any such later date as the Transporter and the Authority may agree in relation to the relevant application) in each Gas Year a Shipper which has Exit Capacity in a future Gas Year shall submit to the Transporter:

(a) confirmation that it does not wish to vary its Exit Capacity in any future Gas Year;

(b) an application for additional Exit Capacity in any future Gas Year; or

(c) an application to surrender its Exit Capacity in any future Gas Year.

3.4.4 If the Transporter does not receive any submission in accordance with section 3.4.3 a Shipper shall be deemed to have confirmed that it does not wish to vary its Exit Capacity in any future Gas Year.

3.5 Allocation of Exit Capacity in future Gas Years

3.5.1 If a Shipper applies to be allocated and registered as holding Exit Capacity:

(a) in any future Gas Year before the Mid Year Date in the Gas Year in which it applies, its Exit Capacity Application shall be treated in accordance with section 3.5.2 in the Gas Year in which it applies;

(b) in any future Gas Year after the Mid Year Date in the Gas Year in which it applies, its Exit Capacity Application shall be treated in accordance with section 3.5.2 in the next Gas Year unless the Transporter shall agree to treat its application as though it were submitted before the Mid Year Date in accordance with section 3.5.1(a);

(c) one or two Gas Years before the Gas Year in respect of which it is seeking Exit Capacity, its Exit Capacity Application shall be treated in accordance with section 3.5.2 in the Gas Year preceding the Gas Year in respect of which it is seeking Exit Capacity.

3.5.2 If the Shippers applying for Exit Capacity at an Exit Point in any future Gas Year apply, in aggregate, for an amount of Exit Capacity exceeding the Technical Exit Capacity available in that Gas Year then those Shippers which so applied and specified, in accordance with section 3.3.2(c):

(a) that they would not accept an allocation of Exit Capacity of less than they had applied for shall have no Exit Capacity allocated to them;

(b) that they would accept an allocation of Exit Capacity of less than they had applied for shall have Exit Capacity allocated to them in accordance with section 3.5.3 or 3.5.4.

3.5.3 The Transporter shall, subject to section 3.5.4, allocate Exit Capacity at an Exit Point to the Shippers referred to in section 3.5.2(b) according to the number of future Gas Years in respect of which the Shippers have applied for Exit Capacity at that Exit Point so that the Shipper applying for Exit Capacity:

(a) in the most number of Gas Years shall have its Exit Capacity Application met first to the extent that there is Technical Exit Capacity available at the relevant Exit Point;

(b) in the next most number of Gas Years shall have its Exit Capacity Application met second to the extent that there is Technical Exit Capacity available at the relevant Exit Point;

and so on.

3.5.4 If the Shippers referred to in section 3.5.2(b) apply for Exit Capacity at an Exit Point in an equal number of Gas Years such Shippers shall have their Exit Capacity Applications met by the Transporter pro rata to the amounts of Exit Capacity for which they have applied to the extent that there is Technical Exit Capacity available at the relevant Exit Point.

3.5.5 Where a Shipper is allocated Exit Capacity at an Exit Point in accordance with section 3.5.3 or 3.5.4 its' Registered Exit Capacity and Available Exit Capacity at that Exit Point shall be amended accordingly not later than 40 Business Days after the Mid Year Date, or such other date the Transporter may agree with the Authority, in the Gas Year in which the applications are made. The Exit Capacity so allocated shall be capable of being utilised (and the Shipper shall be liable for PS Transmission Amounts) with effect from the first Day of the Exit Capacity Period specified in section 3.3.2

3.6 Application for an allocation of Exit Capacity in the same Gas Year

3.6.1 If a Shipper applies for Exit Capacity at an Exit Point in the Gas Year in which its Exit Capacity Application is made Exit Capacity shall, subject to section 3.6.2 be allocated by the Transporter (on a first come first served basis) and the Shipper's Registered Exit Capacity and Available Exit Capacity shall be amended accordingly within 5 Business Days of receipt of an Exit Capacity Application. The Exit Capacity so allocated shall be capable of being utilised (and the Shipper shall be liable for PS Transmission Amounts) with effect from the first Day of the next Calendar Month following amendment of the Shipper's Registered Exit Capacity.

3.6.2 If, in any Gas Year, there is less Exit Capacity at the relevant Exit Point available than the amount of Exit Capacity for which a Shipper has applied in that Gas Year and the Shipper specified, in accordance with section 3.3.2(c) that:

(a) it will accept an allocation of Exit Capacity of less than it has applied for the Transporter shall allocate such Exit Capacity to such Shipper; or

(b) it will not accept an allocation of Exit Capacity of less than it has applied for no Exit Capacity shall be so allocated to such Shipper.

3.7 Annual Review of Exit Capacity

3.7.1 Not later than 30th April, the Transporter shall prepare an **"Exit Capacity Utilisation Report"** and submit it to the Authority in respect of the period from the commencement of the Gas Year to one Month before the Mid Year Date. The Exit Capacity Utilisation Report shall identify:

(a) any Shipper (a **"Relevant Shipper"**) which has a Final Exit Allocation at an Exit Point (a **"Relevant Exit Point"**) of less than 80% its Available Exit Capacity on each and every Day during the period of the report;

(b) for any Relevant Shipper, the Day during such period when the Shipper's Final Exit Allocation was the greatest (the **"Day of Greatest Allocated Quantity"**);

(c) whether a Relevant Shipper's Final Exit Allocation on the Day of Greatest Allocated Quantity would be less than 80% of its Available Exit Capacity on any Day (**"Relevant Day"**) in the next Gas Year (or any subsequent Gas Year).

3.7.2 Where a Relevant Shipper has been identified, the Transporter shall calculate whether, if, in respect of each Relevant Day at any Relevant Exit Point:

(a) the Available Exit Capacity of any Relevant Shipper was reduced by 20%;

(b) all applications for Exit Capacity in respect of the Relevant Exit Point, in accordance with section 3.3, were met; and

(c) all applications to surrender Exit Capacity, in accordance with section 3.8, were met

the aggregate level of Exit Capacity held by all Shippers at the Relevant Exit Point would increase, reduce or remain the same.

3.7.3 If such aggregate level of Exit Capacity would increase or remain the same, any Relevant Shipper's Registered Exit Capacity shall, subject to sections 3.7.5 to 3.7.10, be reduced by 20% if to do so would facilitate the achievement of the relevant objective as set out in condition 2.4.1 of the Licences (the "**Relevant Objective**").

3.7.4 If such aggregate level of Exit Capacity held by all Shippers would reduce, any Relevant Shipper's Registered Exit Capacity shall, subject to sections 3.7.5 to 3.7.9, be reduced pro-rata to the aggregate of the Relevant Shipper's Available Exit Capacity on the Relevant Day by such amount as would result in such level not reducing if to do so would facilitate the achievement of the Relevant Objective.

3.7.5 The Transporter shall, in accordance with condition 2.4.3 of the Licences, refer to the Authority for its determination the question of whether a reduction in any Relevant Shipper's Registered Exit Capacity would achieve the Relevant Objective.

3.7.6 If the Authority determines, taking into account any representations which the Authority receives from any Relevant Shipper, that the proposed reduction would achieve the Relevant Objective, the Transporter shall reduce any Relevant Shipper's Registered Exit Capacity by the amount proposed.

3.7.7 If the Authority determines that any such reduction would not so achieve the Relevant Objective, or makes no determination within 30 Business Days after the Mid Year Date, the Transporter shall not so reduce any Relevant Shipper's Registered Exit Capacity.

3.7.8 Any reduction shall only be proposed to the extent that it would not reduce a Relevant Shipper's Registered Exit Capacity on any Day in any Gas Year below a quantity of Exit Capacity equal to the Relevant Shipper's Final Exit Allocations on the Day of Greatest Allocated Quantity.

3.7.9 The Transporter shall not reduce any Relevant Shipper's Registered Exit Capacity, in accordance with this section 3.7, if all applications for Exit Capacity at the Relevant Exit Point, in accordance with section 3.4, can be met.

3.7.10 Where a reduction is required as a result of the application of this section 3.7, the Relevant Shipper's Registered Exit Capacity for the relevant Gas Year(s) shall be amended accordingly no later than 40 Business Days after the Mid Year Date.

3.8 Exit Capacity Surrender

3.8.1 A Shipper may apply to the Transporter to surrender its Exit Capacity in accordance with this section 3.8.

3.8.2 A Shipper may apply to surrender its Exit Capacity no later than the Mid Year Date in respect of the next Gas Year and at any time in respect of any Gas Year following the next Gas Year. A Shipper may only apply to surrender its Exit Capacity in respect of a whole Gas Year (or whole Gas Years). Any such application (an "**Exit Capacity Surrender Application**") shall specify:

(a) the amount of Exit Capacity which the Shipper applies to surrender;

(b) the Gas Year (or Gas Years) in respect of which the application is made;

(c) the Exit Point in respect of which the application is made;

(d) whether or not the Shipper will accept a surrender of Exit Capacity of less than it has applied for.

3.8.3 If in respect of any Gas Year, there are no Exit Capacity Applications or acceptance of any Exit Capacity Surrender Applications is not required or will not enable the Transporter to meet Shippers' Exit Capacity Applications, all Exit Capacity Surrender Applications shall be rejected.

3.8.4 If the Transporter has received Exit Capacity Applications in respect of any Gas Year, the Transporter may accept Exit Capacity Surrender Applications in accordance with section 3.8.6 in order to allocate Exit Capacity to Shippers who have submitted Exit Capacity Applications.

3.8.5 For each Exit Point, subject to section 3.8.7, the Transporter shall consider and accept or reject Exit Capacity Surrender Applications (if any) in respect of a Gas Year as follows:

(a) where the total amount of Exit Capacity applied for in Exit Capacity Applications exceeds the total quantity of Exit Capacity offered for surrender in Exit Capacity Surrender Applications, all surrenders of Exit Capacity shall be accepted;

(b) where the total amount of Exit Capacity applied for in Exit Capacity Applications is less than the total quantity of Exit Capacity offered for surrender in Exit Capacity Surrender Applications for that Gas Year:

(i) where a Shipper has indicated that it is not willing to accept surrender of part of the amount of its' Exit Capacity Surrender Application, that Exit Capacity Surrender Application shall be rejected; and

(ii) any Exit Capacity Surrender Applications which are not rejected under section 3.8.6(b)(i) shall be accepted pro-rata to the amount of Exit Capacity applied for in Exit Capacity Applications.

3.8.6 All Exit Capacity Surrender Applications not accepted in accordance with section 3.8.6 shall be rejected.

3.8.7 Where a Shippers' Exit Capacity Surrender Application is accepted (in whole or in part) in accordance with this section 3.8, its' Registered Exit Capacity in respect of the relevant Gas Year(s) shall be amended not later than 40 Business Days after the Mid Year Date in the Gas Year in which its Exit Capacity Surrender Application is made.

3.9 Secondary Transfer of Exit Capacity

3.9.1 A Transferor Shipper may arrange to transfer all or part of its' Available Exit Capacity at an Exit Point to a Transferee Shipper, subject to and in accordance with this section 3.9.

3.9.2 For the purposes of this Code, an **"Exit Capacity Transfer"** is a transfer of Exit Capacity in accordance with section 3.9.1.

3.9.3 An Exit Capacity Transfer may only be made:

(a) in respect of a complete Month (or complete Months) with effect from the first day of such Month (**"Exit Capacity Transfer Period"**); and

(b) to a Transferee Shipper which has an Exit Point Registration in respect of the relevant Exit Point.

3.9.4 In respect of an Exit Capacity Transfer or proposed Exit Capacity Transfer:

(a) the **"Transferred Exit Capacity"** is the Exit Capacity which is (or is to be) transferred; and

(b) the **"Transfer Exit Point"** is the Exit Point at which the Exit Capacity is to be transferred.

3.9.5 The Transporter shall reject an Exit Capacity Transfer where the Transferred Exit Capacity exceeds the Shipper's Available Exit Capacity on any Gas Flow Day in the Exit Capacity Transfer Period.

3.9.6 Exit Capacity may not be transferred from one Exit Point to another.

3.9.7 Where a Transferor Shipper proposes to make an Exit Capacity Transfer, each of the Transferor Shipper and the Transferee Shipper must notify the proposed Exit Capacity Transfer to the Transporter in writing specifying:

(a) the identity of the Transferor Shipper and the Transferee Shipper;

(b) that the notification is for the Transporter;

(c) the Transfer Exit Point;

(d) the amount of the Transferred Exit Capacity;

(e) the Exit Capacity Transfer Period;

(f) any other information required by the Transporter.

3.9.8 The Transporter shall accept a proposal for Exit Capacity Transfer if:

(a) the Transferor Shipper has sufficient Available Exit Capacity;

(b) the Transferee Shipper is different to the Transferor Shipper;

(c) notification of the proposed Exit Capacity Transfer is received by the Transporter from both the Transferor Shipper and the Transferee Shipper 10 Business Days prior to the start of the Exit Capacity Transfer Period.

3.9.9 A proposed Exit Capacity Transfer may be rejected by the Transporter if any requirement of this section 3.9 is not satisfied in relation to the Exit Capacity Transfer.

3.9.10 Where a proposal for Exit Capacity Transfer is accepted by the Transporter:

(a) it shall notify the Transferor Shipper and the Transferee Shipper no later than 5 Business Days prior to the start of the Exit Capacity Transfer Period;

(b) the Transferor Shipper's Available Exit Capacity shall be reduced by the amount of the Transferred Exit Capacity for the Exit Capacity Transfer Period;

(c) the Transferee Shipper's Available Exit Capacity shall be increased by the amount of the Transferred Exit Capacity for the Exit Capacity Transfer Period; and

(d) the Transferor Shipper shall remain liable to pay the Transporter PS Transmission Amounts associated with its Registered Exit Capacity.

3.10 Order of Allocation of Exit Capacity

The Transporter shall allocate Exit Capacity to Shippers submitting Exit Capacity Applications, utilising Exit Capacity available pursuant to this Code as follows:

(a) firstly, Exit Capacity which becomes available pursuant to section 3.8 (Exit Capacity Surrender);

(b) secondly, Exit Capacity which becomes available pursuant to the operation of procedures in section 3.7 (Annual Review of Exit Capacity); and

(c) thirdly, unsold Technical Exit Capacity.

3.11 Exit Capacity Ratchet

3.11.1 At an Exit Point other than a DN Exit Point, or a new Exit Point, if in respect of a Gas Flow Day in any Month M, subject to section 3.11.2, a Shipper is allocated a quantity of gas in excess of its' Available Exit Capacity at an Exit Point (a **"Ratchet Month"**), it shall be liable to pay a **Ratchet Charge** as calculated in accordance with section 3.11.1(c) and it shall be allocated and registered as holding an additional amount of Exit Capacity in accordance with the following:

(a) the amount by which the Shippers' Final Exit Allocation at the Exit Point exceeds the Shippers' Exit Capacity on any Gas Flow Day shall be a **"Ratchet Amount"**;

(b) from M+1 the Shipper shall be allocated an additional amount of Exit Capacity at the Exit Point, equal to the highest Ratchet Amount in the Ratchet Month, such additional Exit Capacity to be allocated to and registered as held by the Shipper until the end of the Gas Year;

(c) a Ratchet Charge (or **"'RC"**) will be payable calculated as follows:

$RC = RA_{max} \times P \times t$

where:

RA_{max} is the highest Ratchet Amount in the Ratchet Month;

P is the Forecast Postalised Annual Capacity Charge/12; and

t is the no of months (including M) since the start of the first month in which the Shipper has held Registered Exit Capacity at that Exit Point during the Gas Year, or where no Registered Exit Capacity has been held by the Shipper at that Exit Point during the Gas Year, the start of the Gas Year.

3.11.2 At a DN Exit Point (where in accordance with section 1.11 the Exit Capacity is held by a DNO):

(a) the Relevant DNO is liable to pay Ratchet Charges in respect of the DN Exit Point under this Code (as opposed to a Shipper at the DN Exit Point);

(b) the Ratchet Amount for the Relevant DNO will be determined in aggregate as follows:

$RA_{DN} = \sum \text{Final Exit Allocations}_{shippers} - ExCap_{DN}$

where:

$\sum \text{Final Exit Allocations}_{shippers}$ is the sum of all Shipper's Final Exit Allocations at the Exit Point; and

$ExCap_{DN}$ is the Exit Capacity of the Relevant DNO;

(c) from M+1 the Relevant DNO shall be allocated an additional amount of Exit Capacity at the Exit Point, equal to the highest Ratchet Amount in the Ratchet Month, such additional Exit Capacity to be allocated and registered as held by the Relevant DNO until the end of the Gas Year;

(d) the Ratchet Charge (for the Relevant DNO) shall be calculated as follows:

$RC_{DN} = RA_{DNmax} \times P \times t$

where:

RA_{DNmax} is the highest Ratchet Amount (for the Relevant DNO) in the Ratchet Month;

P is the Forecast Postalised Annual Capacity Charge/12; and

t is the no of months (including M) since the start of the Gas Year;

(e) individual Shippers shall not be liable to pay the Transporter Ratchet Charges (and shall not be allocated Exit Capacity) but nothing in this Code shall prevent a DNO applying charges under its own distribution network code.

3.11.3 Where a Shipper (including a Relevant DNO) is allocated additional Exit Capacity as a result of the application of this section 3.11 its Registered Exit Capacity shall be amended such that the increase takes effect from M+1.

Commissioning Ratchets

3.11.4 At a new Exit Point which commences commissioning and/or testing during a commissioning period of consecutive months (**"MCP"**);

(a) the amount by which the Shippers' Final Exit Allocation at the Exit Point exceeds the Shippers' Exit Capacity on any Gas Flow Day during a MCP shall be the **"Commissioning Ratchet Amount"**;

(b) the **"Commissioning Ratchet Charge"** shall be determined as

$CRC = CRA_{max} \times P \times t$

where:

CRA_{max} is the highest Commissioning Ratchet Amount during the given MCP;

P is the Forecast Postalised Annual Capacity Charge/12; and

t = the number of consecutive months (including the first and last month) in the given MCP during which commissioning and testing takes place; and

(c) this section 3.11.4 shall apply in respect of every MCP during which commissioning and/or testing takes place.

3.11.5 In respect of a new Exit Point which has completed commissioning, Ratchet Charges shall be determined in accordance with 3.11.6 with effect from the following date:

(a) in the case of a new Power Station Exit Point, the date on which the Connected Facilities are, or are to be, treated as entering commercial operation pursuant to a notice of full commercial operation (**"FON"**) or notice of limited commercial operation (**"LON"**) or notice of interim commercial operation (**"ION"**) or market readiness certificate (**"MRC"**) by SONI as provided by the Registered Shipper(s) under section 13.10; and

(b) in the case of a new Exit Point which is not a Power Station Exit Point, the date on which the Connected Facilities are, or are to be, treated as entering commercial operation

pursuant to an equivalent notice of full or partial commercial operation as provided by the Registered Shipper(s) to the Transporter under section 13.10.

3.11.6 In respect of a new Exit Point which has completed commissioning and testing:

(a) the amount by which the Shippers' Final Exit Allocation at the Exit Point exceeds the Shippers' Exit Capacity on any Gas Flow Day shall be the Ratchet Amount;

(b) the Ratchet Charge shall be determined as

$RC = RA_{max} \times P \times t$

where:

RA_{max} is the highest Ratchet Amount during the period t;

P is the Forecast Postalised Annual Capacity Charge/12; and

t = the number of months in the Gas Year since commercial operation commenced (determined in accordance with section 3.11.5), except where the month in which commercial operation commenced is also a month in which commissioning and testing took place, in which case t shall be the number of months in the Gas Year from the month immediately following the month in which commercial operation commenced;

(c) from the month immediately following the month in which commercial operation commenced the Shipper shall be allocated an additional amount of Exit Capacity at the Exit Point, equal to the highest Ratchet Amount in the Ratchet Month, such additional Exit Capacity to be allocated to and registered as held by the Shipper until the end of the Gas Year;

(d) for the avoidance of doubt, section 3.11.1 shall apply from the start of the Gas Year immediately following commissioning of a new Exit Point.

4. INCREMENTAL CAPACITY

4.1 Introduction and Definitions

4.1.1 The Transporter shall assess the demand for, offer and allocate Incremental Capacity for which user commitment is required in accordance with this section 4.

4.1.2 In this Code:

(a) **"Incremental Capacity"** means:

IP Entry Capacity that is, or is to be:

(i) provided via an increase in Technical IP Entry Capacity and/or via investment in physical infrastructure; and

(ii) allocated to Shippers subject to the positive outcome of an Economic Test;

and/or Firm Reverse Flow IP Exit Capacity that is, or is to be:

(i) provided via the provision of physical reverse flow at an Interconnection Point; and

(ii) allocated to Shippers subject to the positive outcome of an Economic Test;

(b) **"Firm Reverse Flow IP Exit Capacity"** means physical capacity at an Interconnection Point in the Reverse Flow Direction which is, or is to be, offered and allocated to Shippers on a Firm basis;

(c) **"Economic Test"** means a test which is, or is to be, applied to assess the economic viability of an Incremental Capacity Project, the parameters of which are set out in section 4.6.2;

(d) an **"Incremental Capacity Project"** is a project to increase the amount of Technical IP Entry Capacity at an existing Interconnection Point, deliver Firm Reverse Flow IP Exit Capacity at an existing Interconnection Point and/or establish a new Interconnection Point based on capacity allocation in an earlier Incremental Capacity Process;

(e) an **"Incremental Capacity Process"** is a process held in accordance with section 4.2 to assess the market demand for Incremental Capacity that includes:

(i) a non-binding phase in which Shippers may express and quantify their demand for Incremental Capacity; and

(ii) a binding phase in which Binding Conditional Bids and/or Binding Bids are requested from Shippers and Incremental Capacity is accordingly allocated to such Shippers if there is a positive outcome to the Economic Test;

(f) **"Binding Bids"** means bids submitted by Shippers for Incremental Capacity in an ICAM which are not subject to any conditions;

(g) **"Binding Conditional Bids"** means bids submitted by Shippers for Incremental Capacity in an ICAM which are subject to certain conditions as specified in section 4.5.5;

(h) **"Design Phase"** means the period during which the Transporter shall prepare a draft project proposal for publication in accordance with section 4.3;

(i) **"Incremental Capacity Project Solution"** means the solution for delivering Incremental Capacity determined during the Design Phase;

(j) **"Incremental Capacity Allocation Mechanism"** or **"ICAM"** means the allocation mechanism specified by the Transporter for the allocation of Incremental Capacity in accordance with section 4.5;

(k) **"f-factor"** means the proportion, approved by the Authority, of the present value of the estimated increase in the allowed revenue of the Transporter associated with the Incremental Capacity to be offered to Shippers which must be covered by the Total Bid Value made by Shippers in the ICAM;

(l) **"Potential Premium"** means an additional amount to be added to the Forecast Postalised Annual Capacity Charges for the relevant Gas Years to be specified by the Transporter subject to approval by the Authority.

4.1.3 For the avoidance of doubt, new capacity for which a final investment decision is taken without requiring user commitment shall be offered to Shippers as IP Capacity. If this new capacity includes Firm Reverse Flow IP Exit Capacity the provisions that apply to IP Entry Capacity in this Code shall apply mutatis mutandis to Firm Reverse Flow IP Exit Capacity.

4.2 Incremental Capacity Process

Market Demand Assessment

4.2.1 The Transporter shall assess market demand for Incremental Capacity in accordance with this section 4.2.

4.2.2 The Transporter shall assess market demand for Incremental Capacity in each odd-numbered year as soon as practicable after the Annual Yearly Auctions ("**Market Demand Assessment**").

4.2.3 The Transporter may carry out an additional assessment of market demand for Incremental Capacity in an even-numbered year ("**Ad-hoc Market Demand Assessment**") including in co-ordination with the Adjacent Transporter where relevant. Such Ad-hoc Market Demand Assessment:

(a) may commence at any time during the year;

(b) shall follow such timescales as shall be determined by the Transporter and notified to Shippers with the invitation to submit Non-Binding Demand Indications issued pursuant to section 4.2.4;

(c) shall be concluded before the start of the next Annual Yearly Auctions;

and the remaining provisions of this section 4, with the exception of the prescribed timescales, shall apply mutatis mutandis to any Ad-hoc Market Demand Assessment.

Invitation to submit Non-binding Demand Indications

4.2.4 When carrying out a Market Demand Assessment in accordance with section 4.2.2 or an Ad-hoc Market Demand Assessment in accordance with section 4.2.3, the Transporter shall invite Shippers to submit **"Non-binding Demand Indications"/"NBDIs"** as further described in section 4.2.5.

4.2.5 NBDIs shall express a Shipper's request for Incremental Capacity and shall specify at least the following:

(a) each IP at which the Shipper wishes to obtain Incremental Capacity;

(b) for each IP specified in section 4.2.5(a) the relevant side or sides of the IP on which Incremental Capacity is requested;

(c) the Gas Year(s) for which Incremental Capacity is requested;

(d) the amount of Incremental Capacity requested at each IP specified in section 4.2.5(a);

(e) relevant information about corresponding non-binding demand indications submitted, or being submitted, to the Adjacent Transporter to which the Shipper's request for Incremental Capacity is linked;

(f) any conditions which the Shipper wishes to specify in relation to its NBDI and the information it specifies pursuant to sections 4.2.5(a) to 4.2.5(e) which may include but not be limited to the conditions set out in section 4.5.5 ("**Conditional Demand Indications**").

4.2.6 The Transporter's invitation to submit NBDIs shall specify:

(a) any relevant fees which the Transporter may apply in relation to any activities arising from the submission of the NBDIs;

(b) the deadline for the submission of NBDIs which shall be no later than 8 weeks after the start of the Annual Yearly Auctions;

(c) any other information the Transporter considers to be relevant to the current Incremental Capacity Process or future Incremental Capacity Processes.

4.2.7 Any fees applied by the Transporter pursuant to section 4.2.6(a) shall be:

(a) reflective of the administrative costs associated with assessing NBDIs including costs associated with the Design Phase;

(b) approved in advance by the Authority;

(c) published on the Transporter's Website;

(d) payable at the time of submission of an NBDI;

(e) reimbursed to Shippers where there is a positive outcome of the Economic Test in respect of the relevant Incremental Capacity.

4.2.8 A Shipper may submit an NBDI after the deadline specified in section 4.2.6(b) (a **"Late NBDI"**).

4.2.9 At the sole discretion of the Transporter Late NBDIs may be considered:

(a) during the current Incremental Capacity Process; and/or

(b) during future Incremental Capacity Processes.

Market Demand Assessment Report

4.2.10 No later than 8 weeks after the start of the Annual Yearly Auctions the Transporter shall, in co-ordination with the Adjacent Transporter where relevant, commence the production of a report on its Market Demand Assessment (the "**Market Demand Assessment Report**").

4.2.11 The Market Demand Assessment Report shall take into account:

(a) whether the Ten Year Statement, any UK network development plan or national development plan relevant to the network of an Adjacent Transporter including the EUTYNDP indicate a demand requirement in a reasonable peak demand scenario which the offer of Incremental Capacity could fulfil;

(b) whether Yearly IP Entry Capacity at the relevant IP is sold out for the first Gas Year in which Incremental Capacity could be offered for the first time and the subsequent 3 Gas Years; and

(c) whether Conditional Demand Indications requesting Incremental Capacity for a sustained number of Gas Years have been received and all other economically efficient means of maximising the available Technical IP Entry Capacity have been exhausted.

4.2.12 The Market Demand Assessment Report shall include:

(a) the aggregated level of demand, including the direction and duration of such demand, for Incremental Capacity at an IP contained in NBDIs received by the deadline referred to in section 4.2.6(b);

(b) the aggregated level of demand, including the direction and duration of such demand, for Incremental Capacity at an IP contained in Late NBDIs submitted for the current Incremental Capacity Process which the Transporter has decided to include in the current Incremental Capacity Process;

(c) the aggregated level of demand, including the direction and duration of such demand, for Incremental Capacity at an IP contained in Late NBDIs submitted for previous Incremental Capacity Processes which were not considered within the previous Incremental Capacity Process;

(d) the aggregated level of demand for Incremental Capacity at an IP, including the direction and duration of such demand, which will be considered in the current Incremental Capacity Process;

(e) the types, and where available, the aggregated level of any Conditional Demand Indications received;

(f) whether or not an Incremental Capacity Project is to be initiated;

(g) where an Incremental Capacity Project is to be initiated in respect of an IP:

(i) whether technical studies will be conducted and if so, the level of demand, including the direction and duration of such demand, to be assessed;

(ii) provisional timelines for the completion of any technical studies and for the Incremental Capacity Project (including the Draft Project Proposal Consultation).

Responses to NBDIs

4.2.13 The Transporter shall respond to:

(a) Shippers who submitted an NBDI no later than 8 weeks after the deadline for submission of NBDIs; and

(b) Shippers who submitted a Late NBDI no later than 8 weeks after receipt.

4.2.14 The Transporter's response to Shippers pursuant to section 4.2.13 shall include at least the following information:

(a) whether the demand indicated can be considered by the Transporter in the current Incremental Capacity Process;

(b) whether sufficient demand has been indicated overall for the Transporter to consider the initiation of an Incremental Capacity Project;

(c) in the case of a Late NBDI:

(i) whether or not the Transporter will consider the demand in the current Incremental Capacity Process;

(ii) where applicable, the reasons for not including such demand in the current Incremental Capacity Process;

(iii) where applicable, in which future Incremental Capacity Process the Late NBDI will be considered.

4.2.15 The Market Demand Assessment Report shall be published by the Transporter on its Website no later than 16 weeks after the start of the Annual Yearly Auctions.

Design Phase

4.3 Design Phase, Technical Studies, Initial Design and Consultation

4.3.1 Where the Transporter initiates an Incremental Capacity Project in accordance with a Market Demand Assessment Report, the Design Phase shall start the day after publication of the Market Demand Assessment Report.

4.3.2 The Transporter shall, jointly with the Adjacent Transporter where relevant, conduct technical studies as required to design the Incremental Capacity Project Solution and confirm the amount of Incremental Capacity which may be offered.

4.3.3 The Transporter shall, jointly with the Adjacent Transporter where relevant, prepare a consultation on a draft project proposal **("Draft Project Proposal Consultation")** for publication no later than 12 weeks after the start of the Design Phase. The Draft Project Proposal Consultation shall cover at least the following elements:

(a) a description of the Incremental Capacity Project including a cost estimate;

(b) the amount of Incremental Capacity which will be offered to Shippers in the ICAM and the amount of Incremental Capacity which must be set aside to be offered in Annual Quarterly Auctions in accordance with section 4.5.4;

(c) details of the ICAM which will be utilised to offer the Incremental Capacity including:

(i) the applicable general terms and conditions for participation;

(ii) any collateral which will be required to be provided by a Shipper;

(iii) how possible delays in the delivery of the Incremental Capacity Project Solution will be addressed contractually;

(d) any further Late NBDIs received since the preparation of the Market Demand Assessment Report;

(e) whether the Incremental Capacity is likely to result in a sustained decrease in the utilisation of other non-depreciated gas infrastructure in the NI Network or the Interconnected System or along the same gas transport route;

(f) the estimated f-factor;

(g) the Forecast Postalised Annual Capacity Charge for each Gas Year for which Incremental Capacity is to be offered;

(h) any Potential Premium;

(i) the estimated total increase in allowed revenue associated with the Incremental Capacity;

(j) where applicable, the parameters of the Joint Economic Test and any other relevant details associated with its' application;

(k) any other details that the Transporter considers to be relevant; and

(l) the deadline for responses to the Draft Project Proposal Consultation which shall be a minimum of 1 month and no longer than 2 months after the date of publication.

4.4 Project Approval

4.4.1 Following the Draft Project Proposal Consultation in section 4.3 the Transporter shall, jointly with the Adjacent Transporter where relevant, prepare an Incremental Capacity Project Proposal taking into account responses to the consultation.

4.4.2 An Incremental Capacity Project Proposal shall include:

(a) the amount of Incremental Capacity to be offered;

(b) details of the ICAM which will be utilised to offer and allocate the Incremental Capacity including:

(i) the applicable general terms and conditions for participation;

(ii) any collateral which will be required to be provided by a Shipper;

(iii) how possible delays in the delivery of the Incremental Capacity Project Solution will be addressed contractually;

(iv) the reasons for using the ICAM;

(v) the conditions approved by the Transporter for the ICAM;

(c) timelines for the delivery of the Incremental Capacity Project Solution including any changes since the Draft Project Proposal Consultation, measures to prevent delays and measures to minimise the impact of delays;

(d) the parameters of the Economic Test;

(e) whether a duration of greater than 15 years may be required to be offered in order for the Economic Test to be passed.

4.4.3 Within 3 months of the deadline for responses to the Draft Project Proposal Consultation, or such longer period as may be required for the purposes of co-ordination with the Adjacent Transporter, the Transporter shall submit the Incremental Capacity Project Proposal to the Authority for approval and publish such Incremental Capacity Project Proposal on its Website.

4.4.4 Following receipt of the approval of the Authority, the Transporter shall publish:

(a) details of the Incremental Capacity Project Proposal as approved by the Authority including any amendments requested by the Authority and including the information specified in section 4.4.2 ("**Approved Project Proposal**");

(b) details of any contracts which may be offered in relation to the Incremental Capacity.

4.4.5 Where the Authority does not approve an Incremental Capacity Project Proposal the Transporter shall publish the relevant information as soon as reasonably practicable and the Incremental Capacity Project shall be terminated.

4.5 Incremental Capacity Allocation Mechanism

4.5.1 Subject to a positive outcome of the Economic Test, Incremental Capacity shall be allocated to Shippers in accordance with an ICAM which shall:

(a) provide Shippers the opportunity to submit Binding Conditional Bids and/or Binding Bids for allocations of Incremental Capacity;

(b) be operated in accordance with the details set out in the Incremental Capacity Project Proposal and this section 4.5;

(c) be co-ordinated with the Adjacent Transporter, where relevant;

(d) be approved by the Authority.

4.5.2 The ICAM shall cover a maximum of 15 years after the start of operational use of the Incremental Capacity, except where the Authority approves its application for an additional 5 years in order to allow the Economic Test to be passed.

Set Aside Rule

4.5.3 An amount of at least 10% and up to 20% of the Incremental Capacity must be set aside from the ICAM and offered no earlier than the Annual Quarterly IP Capacity Auction.

4.5.4 The amount of Incremental Capacity to be set aside shall be specified by the Transporter in the Draft Project Proposal Consultation, consulted upon in accordance with section 4.3 and subject to approval by the Authority in accordance with section 4.4.

Binding Conditional Bids

4.5.5 The ICAM may allow for Shippers to submit Binding Conditional Bids for Incremental Capacity which may be subject to conditions including but not limited to one or more of the following:

(a) commitments linking to commitments at another IP;

(b) commitments across a number of Gas Years;

(c) commitments which are conditional on the allocation of a specific or minimum amount of Incremental Capacity;

and where such conditions apply they shall be specified in the Approved Project Proposal.

4.5.6 An ICAM may allow for prioritisation of, inter alia, booking duration or bids for higher amounts of capacity for a yearly standard product, subject to approval by the Authority.

4.6 Economic Test

4.6.1 Once Binding Conditional Bids and/or Binding Bids have been received by the Transporter, it shall apply the Economic Test in accordance with this section 4.6.

4.6.2 The Economic Test shall consist of the following parameters:

(a) the present value of Binding Conditional Bids (or where applicable Binding Bids) calculated as the sum of the respective Forecast Postalised Annual Capacity Charges for the relevant Gas Years and a Potential Premium multiplied by the amount of Incremental Capacity for which Binding Conditional Bids (or where applicable Binding Bids) have been received ("**Total Bid Value**");

(b) the present value of the estimated increase in the allowed revenue of the Transporter associated with the Incremental Capacity being offered as approved by the Authority;

(c) the f-factor.

4.6.3 The **"Revenue Contribution Required"** shall be the f-factor multiplied by the value of the parameter in section 4.6.2(b).

4.6.4 The outcome of the Economic Test shall be:

(a) positive where the Total Bid Value is at least equal to the Revenue Contribution Required;

(b) negative where the Total Bid Value is less than the Revenue Contribution Required.

4.6.5 Where the outcome of the Economic Test is positive the Incremental Capacity Project shall be progressed by the Transporter to enable delivery of the Incremental Capacity Project Solution in accordance with the timescales set out in the Approved Project Proposal.

4.6.6 Where the outcome of the Economic Test is negative the Incremental Capacity Project shall be terminated.

4.6.7 Shippers shall be notified of the outcome of the Economic Test as soon as reasonably practicable following the ICAM and in any event before the start of the next Incremental Capacity Process.

Joint Application of the Economic Test

4.6.8 Where relevant the Transporter may jointly apply the Economic Test in conjunction with the Adjacent Transporter (a **"Joint Economic Test"**). Where this applies, the process steps for the application, and the parameters, of the Joint Economic Test shall be included in the Draft Project Proposal Consultation and subject to approval by the Authority.

5. DEMAND FORECAST INFORMATION AND AGGREGATE BALANCING INFORMATION

5.1 Introduction

5.1.1 In this Code:

(a) **"Forecasting Party"** means PTL, as so designated, pursuant to the provisions of its' Licence;

(b) **"Forecasting Party Agreement"** means an agreement between the Relevant DNOs and the Forecasting Party whereby the Relevant DNOs agree to provide Demand Forecast Information to the Forecasting Party;

(c) **"Demand Forecast Information"** means Daily NDM Forecasts, Daily Metered Demand Forecasts and Daily Shrinkage Nomination Quantities;

(d) **"Daily NDM Forecasts"** means the forecast demand for the non-daily metered supply meter points of a Shipper or its Affiliates as established pursuant to the Relevant DNO's distribution network code;

(e) **"Daily Metered Demand Forecasts"** means the forecast demand for the daily metered supply meter points of a Shipper or its Affiliates as established pursuant to the Relevant DNO's distribution network code; and

(f) **"Daily Shrinkage Nomination Quantities"** means the quantities which a Shipper is required to nominate pursuant to the Relevant DNO's distribution network code for the purposes of delivery of shrinkage gas to the Relevant DNO's distribution network.

5.1.2 It is acknowledged that:

(a) the Relevant DNOs are obliged pursuant to the terms of their respective licences to provide Daily NDM Forecasts to the Forecasting Party in accordance with the Forecasting Party Agreement; and

(b) the Relevant DNOs and the Forecasting Party have agreed that the provision of Daily Metered Demand Forecasts and Daily Shrinkage Nomination Quantities shall also be included in the information to be provided by DNOs to the Forecasting Party under the Forecasting Party Agreement on a reasonable endeavours basis; and

(c) Daily Metered Demand Forecasts are provided by shippers to the Relevant DNOs pursuant to their respective distribution network codes and can only be provided to the Forecasting Party to the extent that they are received by the Relevant DNOs.

5.1.3 Pursuant to the terms of the SSO Agreement, the obligations of the Forecasting Party under the Forecasting Party Agreement are performed by the Transporter via the Delphi System.

5.1.4 In respect of each Gas Flow Day:

(a) Demand Forecast Information is provided by the Relevant DNO to the Forecasting Party pursuant to the Forecasting Party Agreement;

(b) the Forecasting Party provides the Demand Forecast Information to the Transporter pursuant to the SSO Agreement; and

(c) Demand Forecast Information shall be provided by the Transporter to Shippers in accordance with this section 5.

5.2 Obligations of the Transporter regarding Demand Forecast Information

5.2.1 In respect of each Gas Flow Day, Demand Forecast Information, where available, shall be provided to Shippers via the Delphi System at the following times:

(a) on D-1, no later than 12:00;

(b) on D, no later than 13:00;

(c) on D, no later than 17:00;

and at any other time on D-1 or D where the Transporter receives updated Demand Forecast Information from the Forecasting Party, or for any other reason that the Transporter deems appropriate.

5.3 Aggregate Balancing Arrangements

5.3.1 In this Code:

(a) **"Information Sharing Agreement"** means the agreement between the Relevant DNOs and each of the Individual Transporters whereby the Relevant DNOs agree to provide Aggregate Balancing Information to the Transporter;

(b) **"DBEP Nomination"** means the quantity of gas flow nominated in a Biomethane Delivery Nomination or Biomethane Delivery Renomination (**"DBEP Renomination"**) to be delivered by a Shipper to a gas distribution network of a Relevant DNO;

(c) **"Transmission Delivery Nomination Required" or "TDNR"** means the Transmission Delivery Nomination Required or the Transmission Delivery Renomination Required in respect of each Shipper and each DN Exit Point as determined by the Relevant DNO pursuant to its distribution network code;

(d) **"NDM Allocation"** means the quantity allocated to a Shipper or its Affiliates as offtaken by non-daily metered supply meter points by the Relevant DNO pursuant to its distribution network code;

(e) **"DM Allocation"** means the quantity allocated to a Shipper or its Affiliates as offtaken by each daily metered supply meter point by the Relevant DNO pursuant to its distribution network code;

(f) **"DN Shrinkage Allocation"** means the quantity allocated to a Shipper for the purposes of delivery of shrinkage gas to the distribution network by the Relevant DNO pursuant to its distribution network code;

(g) **"DN Exit Allocation"** means the sum of a Shipper's NDM Allocation, DM Allocation(s) and Shrinkage Allocation in respect of a DN Exit Point determined by the Relevant DNO pursuant to its distribution network code;

(h) **"Biomethane Daily Quantity Delivered"** (or **"BDQD"**) means the quantity allocated to a Shipper as being delivered at biomethane entry points on a distribution network by the Relevant DNO pursuant to its distribution network code;

(i) **"Transmission Daily Quantity Delivered"** (or **"TDQD"**) means the quantity allocated to a Shipper as being delivered to the distribution network from the NI Network by the Relevant DNO pursuant to its distribution network code;

(j) **"Allocations Information"** means NDM Allocations, DM Allocations, DN Shrinkage Allocations, DN Exit Allocations, BDQDs and TDQDs; and each item of Allocations Information (and/or all of them collectively) in respect of a given Gas Flow Day shall be referred to as **"Initial"** at D+1 and **"Final"** at M+6;

(k) **"Aggregate Balancing Information"** means Daily DBEP Nominations, Daily TDNRs and Allocations Information.

5.3.2 In respect of each Gas Flow Day Aggregate Balancing Information is provided by the Relevant DNOs to the Transporter pursuant to the Information Sharing Agreement.

5.3.3 In respect of each Gas Flow Day, the Transporter shall determine a Shipper's **"Total Transmission Delivery Nomination Required"** or **"TTDNR"** as the sum of the Shipper's TDNRs in respect of each DN Exit Point and shall update such TTDNR with a **"Total Transmission Delivery Renomination Required"** on D-1 or D in accordance with section 5.4.

5.4 Provision of Nominations Information to Shippers

5.4.1 The Transporter shall provide DBEP Nominations, TDNRs and TTDNRs, where available, to Shippers via the Delphi System at the following times:

(a) on D-1, no later than 12:00

(b) on D, no later than 13:00;

(c) on D, no later than 17:00;

and at any other time on D-1 or D where the Transporter receives updated Demand Forecast Information from the Forecasting Party or Aggregate Balancing Information from the Relevant DNO, or for any other reason that the Transporter deems appropriate.

5.5 Provision of Allocations Information to Shippers

5.5.1 The Transporter shall provide the following information, where available, to Shippers via the Delphi System at the following times:

(a) Initial Allocations Information and Initial Adjusted T-DN Exit Allocation by the end of D+1;

(b) Final Allocations Information and Final Adjusted T-DN Exit Allocation by the end of M+10.

5.5.2 Subject to section 14.5, Allocations Information and Final Adjusted T-DN Exit Allocations shall not be amended following M+10 (or where other than M+10, the date of issue of the relevant PS Invoices and CC Invoices).

5.6 Liabilities in respect of Demand Forecast Information and Aggregate Balancing Information

5.6.1 In providing Demand Forecast Information and Aggregate Balancing Information to Shippers in accordance with this section 5 the Transporter will act as a Reasonable and Prudent Operator but shall not be liable as to any loss or liability incurred by a Shipper or otherwise to any Shipper in respect of, or in consequence of, anything done or omitted to be done by the Transporter under this section 5.

5.6.2 Each Shipper:

(a) undertakes to the Transporter that it will not make, raise or assert any claim or action of any kind against the Transporter with respect to any matters which relate directly or indirectly to the provision of Demand Forecast Information or Aggregate Balancing Information; and

(b) 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 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) above.

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.

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

6.1.6 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.

6.2.3 For the purposes of this Code, a Nomination is made by a Shipper where the Shipper has submitted a Nomination which has been confirmed or is deemed to be confirmed by the Transporter in accordance with this section 6.

6.2.4 References in this Code to a Nomination or a Trade Nomination **"prevailing"** at any time before or during the Gas Flow Day are to a Nomination as revised (in accordance with this section 6) up to that time.

6.2.5 For the purposes of this Code it shall be assumed that any change in the rate of delivery of gas to or offtake from the NI Network by a Shipper shall occur on the hour (the **"Hour Bar")**.

6.2.6 A Shipper shall always use its reasonable endeavours to submit accurate Nominations for the quantities in which and rates and times at which it intends or expects to deliver gas to or offtake gas from the NI Network each Day.

6.2.7 Any Nomination, Trade Nomination, communication or notification required to be made, submitted or given by a Party under this section 6 shall be made, submitted or given using the Delphi System and shall be a Delphi Communication for the purposes of this Code.

6.2.8 The Transporter shall provide a Shipper making an Exit Nomination in respect of more than one DN Exit Point with an advisory notice of its TTDNR determined in accordance with section 5.5 via the Delphi System.

6.2.9 For the avoidance of doubt, notwithstanding the provision of (or failure to provide) a TTDNR notice by the Transporter, a Shipper shall make its own Nominations in accordance with the provisions of this section 6 and a Shipper is advised but not required to ensure that its Nominations reflect the quantity in the TTDNR.

6.3 IP Nominations and Non-IP Nominations - General

6.3.1 (a) A Shipper may submit Nominations in respect of 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.

6.4 Double-Sided and Single-Sided IP Nominations

6.4.1 The provisions in sections 6.4.2 to 6.4.9 also apply to IP Renominations and references in those sections to IP Nominations include IP Renominations.

6.4.2 A **"Counterparty Shipper"** is a corresponding shipper on the Interconnected System which is to deliver to or offtake gas from the Interconnected System at an IP pursuant to the Adjacent Transporter's Rulebook; and a nomination submitted by a Counterparty Shipper to the Adjacent Transporter is a **"Counterparty IP Nomination"** and **"Counterparty IP Renomination"** shall be construed accordingly.

6.4.3 References in this section 6 to **"corresponding"** mean that the Shipper identifies the Counterparty Shipper in its IP Nomination and the Counterparty Shipper identifies the Shipper in its Counterparty IP Nomination.

6.4.4 A Shipper submitting an IP Nomination may have one or more Counterparty Shippers.

6.4.5 A Shipper and a Counterparty Shipper may be the same legal entity.

6.4.6 A Shipper must submit separate IP Nominations in respect of each of its' Counterparty Shippers (including where the Shipper is the Counterparty Shipper) for a Day and Flow Direction.

6.4.7 For the purposes of this section 6, an IP Nomination is either:

(a) **"Double-Sided"** where an IP Nomination is submitted by a Shipper to the Transporter and a separate corresponding Counterparty IP Nomination is submitted by the Counterparty Shipper to the Adjacent Transporter; or

(b) **"Single-Sided"** where an IP Nomination is submitted by a Shipper by way of a single communication to the Initiating Transporter;

and references to Double-Sided or Single-Sided IP Nominations shall be construed accordingly.

6.4.8 A Single-Sided IP Nomination operates both as an IP Nomination under this Code and as a corresponding Counterparty IP Nomination submitted by that Shipper as a Counterparty Shipper under the Adjacent Transporter's Rulebook.

6.4.9 For the avoidance of doubt:

(a) for a Single-Sided IP Nomination, the Shipper and Counterparty Shipper must be the same legal entity; and

(b) for a Double-Sided IP Nomination, the Shipper and Counterparty Shipper may be the same legal entity or they may be different legal entities.

6.5 Content, Timing and Submission of IP Nominations and IP Renominations

Content and Timing of IP Nominations

6.5.1 An IP Nomination must specify:

(a) the Gas Flow Day;

(b) the EIC of the Shipper;

(c) the IP;

(d) the IP Nomination Quantity (in kWh/d);

(e) the Counterparty Shipper;

(f) the Flow Direction;

(g) whether it is submitted as Single-Sided or Double-Sided.

6.5.2 IP Nominations may be submitted no earlier than 30 Days before the Gas Flow Day and no later than 13:00 on D-1.

6.5.3 IP Nominations will not be processed by the Transporter before 13:00 on D-1; and a Shipper may replace an IP Nomination already submitted before 13:00 on D-1 in accordance with section 6.5.2.

6.5.4 If a Shipper submits no IP Nominations by 13:00 on D-1 it shall be deemed to have made an IP Nomination with a IP Nomination Quantity of zero.

6.5.5 An IP Nomination submitted after 13:00 D-1 shall be treated as an IP Renomination.

6.5.6 After 13:00 on D-1 a Shipper may not withdraw, revise or replace an IP Nomination except by submitting an IP Renomination in accordance with sections 6.5.8 to 6.5.15.

6.5.7 An IP Nomination shall be confirmed no later than 15:00 on D-1 and shall be effective from 05:00 on the Gas Flow Day to which it refers.

Content and Timing of IP Renominations

6.5.8 An IP Nomination (including an IP Renomination) may be revised by an IP Renomination (and an IP Renomination may be revised by a subsequent IP Renomination) in accordance with sections 6.5.9 to 6.5.15.

6.5.9 A Shipper may submit an IP Renomination in order to nominate an IP Nomination Quantity which is either an increase or a decrease relative to the Shipper's prevailing IP Nomination or IP Renomination. All other details in the IP Renomination must remain as specified pursuant to section 6.5.1.

6.5.10 An IP Renomination may not be submitted before 15:00 on D-1.

6.5.11 The latest time for submission of an IP Renomination is 02:00 on the Gas Flow Day.

6.5.12 An IP Renomination shall specify the information required by section 6.5.1 (with only the IP Nomination Quantity changing).

6.5.13 An IP Renomination shall be effective from the Hour Bar 2 hours after the Hour Bar by which the IP Renomination was submitted.

6.5.14 An IP Renomination may not be submitted with a Negative Implied IP Nomination Flow Rate.

6.5.15 A **"Negative Implied IP Nomination Flow Rate"** means that in respect of an IP Renomination the Flow Rate, calculated according to the following calculation, is negative:

$$\text{Flow Rate} = \frac{(Q_n - \sum_{1...p} (DF_1 + DF_2 + \ldots\ldots DF_p))}{H_{rem}}$$

where, for a given IP Renomination p following a series of earlier IP Renominations:

DF_1 = Deemed Flow for IP Renomination 1 = $(CQ_1 / H_{rem}) \times H_{prev}$

DF_2 = Deemed Flow for IP Renomination 2 = $((CQ_1 - DF_1)/ H_{rem}) \times H_{prev}$

DF_p = Deemed Flow for IP Renomination p = $((CQ_p – (DF_1 + DF_2 + ... DF_o))/ H_{rem}) \times H_{prev}$

where:

CQ_1 = Confirmed IP Nomination Quantity in IP Renomination 1

CQ_2 = Confirmed IP Nomination Quantity in IP Renomination 2

CQ_p = Confirmed IP Nomination Quantity in IP Renomination p

and in respect of a given IP Renomination:

H_{prev} = number of hours for which the IP Renomination prevailed

H_{rem} = number of hours remaining between the effective time of the IP Renomination and the end of the Gas Flow Day

Submission of IP Nominations

6.5.16 The provisions in sections 6.5.17 to 6.5.21 also apply to IP Renominations and references in those sections to IP Nominations include IP Renominations.

6.5.17 In accordance with this section 6, for each Double-Sided IP Nomination there must be a corresponding Counterparty IP Nomination submitted by the Counterparty Shipper.

6.5.18 A Shipper may not have more than one prevailing Single-Sided IP Nomination and one prevailing Double-Sided IP Nomination in respect of an IP, Flow Direction and Day for each Counterparty Shipper.

Moffat Interconnection Point

6.5.19 At Moffat Interconnection Point, in in respect of both the Forward Flow Direction and the Reverse Flow Direction a Shipper may submit:

(a) a Double-Sided IP Nomination to the Transporter;

(b) a Single-Sided IP Nomination to the Adjacent Transporter in accordance with section 6.4.8 and section 6.5.20.

6.5.20 At Moffat Interconnection Point, in respect of Single-Sided IP Nominations:

(a) as Matching Transporter, the Transporter authorises a Shipper to submit Single-Sided IP Nominations to the Adjacent Transporter and will appoint the Adjacent Transporter as agent to receive such Nominations;

(b) a Shipper is responsible for arranging (as Counterparty Shipper under the Adjacent Transporter's Rulebook) for the submission of Single-Sided IP Nominations to the Adjacent Transporter;

(c) the sending of Single-Sided IP Nominations to the Adjacent Transporter shall be governed by and determined in accordance with the Adjacent Transporter's Rulebook.

South North Interconnection Point

6.5.21 At South North Interconnection Point, in respect of the Forward Flow Direction:

(a) a Double-Sided IP Nomination may not be submitted under this Code.

(b) a Shipper may submit a Single-Sided IP Nomination to the Transporter in accordance with section 6.4.8 and 6.5.23.

6.5.22 At South North Interconnection Point, in respect of the Reverse Flow Direction:

(a) a Shipper may submit a Double-Sided IP Nomination to the Transporter; and

(b) a Single-Sided IP Nomination may not be submitted under this Code.

6.5.23 At South North Interconnection Point, in respect of Single Sided IP Nominations

(a) as Initiating Transporter, the Transporter agrees to receive Single-Sided IP Nominations on behalf of the Adjacent Transporter and to be appointed by the Adjacent Transporter as agent to receive such Nominations;

(b) a Shipper is responsible for arranging (under the Adjacent Transporter's Rulebook) authorisation from the Adjacent Transporter to submit Single-Sided IP Nominations to the Transporter.

6.6 Matching

6.6.1 The provisions in sections 6.6.2 to 6.6.15 also apply to IP Renominations and references in those sections to IP Nominations include IP Renominations.

6.6.2 Where the Transporter is Matching Transporter in respect of an IP, the Transporter will:

(a) determine Processed IP Nomination Quantities;

(b) carry out the Matching Process; and

(c) determine Confirmed IP Nomination Quantities;

in accordance with this section 6.6 and may reject, revise or amend IP Nominations in accordance with section 6.7.

6.6.3 Where the Transporter is the Initiating Transporter in respect of an IP, the Transporter will determine Processed IP Nomination Quantities in accordance with this section 6.6 and may reject or revise IP Nominations in accordance with sections 6.7.1 to 6.7.13.

Processed and Confirmed IP Nomination Quantities

6.6.4 **"Processed IP Nomination Quantity"** means:

(a) in respect of an IP Nomination, the quantity determined by the Transporter under section 6.6.11(a) or 6.6.12(a);

(b) in respect of a corresponding Counterparty IP Nomination, the quantity determined by the Adjacent Transporter under the Adjacent Transporter's Rulebook.

6.6.5 **"Confirmed IP Nomination Quantity"** means in respect of an IP Nomination and a corresponding Counterparty IP Nomination, the quantity determined by Matching in accordance with section 6.6.11(b) or 6.6.12(b).

6.6.6 Once an IP Nomination has been Matched in accordance with section 6.6.11(b) or 6.6.12(b) the IP Nomination shall be treated as having been made for the Confirmed IP Nomination Quantity.

Matching Procedures and Rules

6.6.7 In relation to an IP, the Transporter and the Adjacent Transporter will establish and adopt **"Matching Procedures and Rules"** comprising:

(a) procedures for comparing the Processed IP Nomination Quantities respectively under each IP Nomination and corresponding Counterparty IP Nomination; and

(b) rules for determining, in any given circumstance affecting the NI Network or the Interconnected System, which of those Processed IP Nomination Quantities is to be determined as the Confirmed IP Nomination Quantity under each such Nomination.

6.6.8 References in this Code to **"Matching"** means the application of the Matching Procedures and Rules by the Matching Transporter pursuant to section 6.6.11(b) and **"Matched"** shall be construed accordingly.

6.6.9 In respect of:

(a) Moffat Interconnection Point, the Transporter will be the Matching Transporter and the Adjacent Transporter will be the Initiating Transporter;

(b) South North Interconnection Point, the Transporter will be the Initiating Transporter and the Adjacent Transporter will be the Matching Transporter.

6.6.10 The Transporter will publish the matching rules on its Website.

Processing and Matching Steps for IP Nominations

Moffat Interconnection Point

6.6.11 In relation to each IP Nomination in respect of Moffat Interconnection Point, whether submitted as a Single-Sided IP Nomination or a Double-Sided IP Nomination, the Transporter will, following 13:00 on D-1:

(a) determine, in respect of the IP Nomination, the Processed IP Nomination Quantity that will be used for Matching, which will be:

(i) if the IP Nomination is rejected, zero; or

(ii) the IP Nomination Quantity, unless sections 6.7.5 to 6.7.10, sections 6.7.11 to 6.7.13 or sections 6.7.14 to 6.7.21 apply; and

(b) pursuant to the Matching Procedures and Rules carry out the Matching process in respect of the IP Nomination and corresponding Counterparty IP Nomination to determine the Confirmed IP Nomination Quantity and notify the Adjacent Transporter of the Confirmed IP Nomination Quantity.

South North Interconnection Point

6.6.12 In relation to each IP Nomination in respect of South North Interconnection Point, whether submitted as a Single-Sided IP Nomination or a Double-Sided IP Nomination, the Transporter will, following 13:00 on D-1:

(a) determine, in respect of the IP Nomination, the Processed IP Nomination Quantity that will be used for Matching, which will be:

(i) if the IP Nomination is rejected, zero; or

(ii) the IP Nomination Quantity, unless sections 6.7.5 to 6.7.10 or sections 6.7.11 to 6.7.13 apply;

(b) notify the Adjacent Transporter of the Processed IP Nomination Quantities to be used for Matching.

Both Interconnection Points

6.6.13 For the avoidance of doubt:

(a) the Processed IP Nomination Quantity may be different from the IP Nomination Quantity; and

(b) the Confirmed IP Nomination Quantity may be different from the Processed IP Nomination Quantity.

6.6.14 The Confirmed IP Nomination Quantity may be revised in accordance with sections 6.7.5 to 6.7.10 and sections 6.7.11 to 6.7.13.

IP Nominated Quantities

6.6.15 The **"IP Nominated Quantity"** in respect of an IP Nomination or IP Renomination is the Confirmed IP Nomination Quantity under the IP Nomination or IP Renomination prevailing at the end of the Day.

6.7 Rejection, Confirmation, Revision and Amendment of IP Nominations

Rejection of IP Nominations and IP Renominations

6.7.1 The Transporter may reject:

(a) an IP Nomination if it does not comply with sections 6.5.1 to 6.5.7;

(b) an IP Renomination if it does not comply with sections 6.5.8 to 6.5.15;

(c) a Double-Sided IP Nomination if there is no corresponding Counterparty IP Nomination for Matching;

(d) either an IP Nomination or an IP Renomination if the Shipper does not have sufficient Provided Level of Credit Support

6.7.2 Where the Transporter rejects a Shipper's IP Nomination, the Shipper shall be deemed to have submitted an IP Nomination of zero.

6.7.3 Where the Transporter rejects a Shipper's IP Renomination the prevailing Confirmed IP Nomination Quantity in the previously accepted IP Nomination or IP Renomination shall apply.

Confirmation of IP Nominations and IP Renominations

6.7.4 The Transporter will notify a Shipper of the Confirmed IP Nomination Quantity in respect of each IP Nomination or IP Renomination by 2 hours after the Hour Bar by which it was submitted.

Revision of IP Nominations in Exceptional Events or Emergencies

6.7.5 The provisions in sections 6.7.6 to 6.7.10 also apply to IP Renominations and references in those sections to IP Nominations include IP Renominations.

6.7.6 The Transporter may revise IP Nominations, including Confirmed IP Nomination Quantities, where necessary in certain circumstances provided for in section 10 of this Code.

6.7.7 The Adjacent Transporter may revise corresponding Counterparty IP Nominations, including Confirmed IP Nomination Quantities, where necessary in certain circumstances provided for under the Adjacent Transporter's Rulebook.

6.7.8 Where the Transporter revises IP Nominations the revised IP Nomination Quantity shall not imply a Negative Implied IP Nomination Flow Rate as determined in accordance with section 6.5.15.

6.7.9 Where the Transporter revises IP Nominations in accordance with section 6.7.6 and/or the Adjacent Transporter revises corresponding Counterparty IP Nominations in accordance with section 6.7.7 then:

(a) the Transporter will inform a Shipper that its IP Nominations are to be revised;

(b) Matching (subject to section 6.7.10) shall be performed by the Matching Transporter with the revised IP Nominations;

(c) the Transporter will provide a Shipper with revised Confirmed IP Nomination Quantities that have been Matched within 2 hours;

(d) such Confirmed IP Nomination Quantities shall constitute a Flow Order under section 10.

6.7.10 The matching rules to be applied pursuant to section 6.7.9(b) may vary from the matching rules published in accordance with section 6.6.9.

Revisions to IP Nominations for Interruptible VRF IP Exit Capacity

6.7.11 The provisions in sections 6.7.12 to 6.7.13 apply to VRF IP Exit Renominations and references in those sections to VRF IP Exit Nominations include VRF IP Exit Renominations. Interruptible VRF IP Exit Capacity may be interrupted by the Transporter in the following circumstances:

(a) due to lack of availability of reverse flow capacity:

(i) in respect of Moffat Interconnection Point, under the GNI (UK) Transportation Agreement; or

(ii) in respect of South North Interconnection Point, under the Interconnection Agreement; and/or

(b) in an Emergency (in which case, for the avoidance of doubt, sections 6.7.5 to 6.7.10 also apply).

6.7.12 Where the Transporter is required to interrupt Interruptible VRF IP Exit Capacity in respect of a Gas Flow Day, it shall:

(a) inform Shippers as soon as possible that their VRF IP Exit Nominations are going to be curtailed;

(b) determine the total quantity of gas nominated under VRF IP Exit Nominations which is required to be curtailed (the **"Curtailment Quantity"**);

(c) make revisions to all Confirmed IP Nomination Quantities that relate to VRF IP Exit Nominations for the Gas Flow Day, which have been received by the most recent preceding Hour Bar, on a pro-rata basis such that the aggregate reduction in the quantity so nominated is equal to the Curtailment Quantity;

(d) perform Matching with the revised Confirmed IP Nomination Quantities;

(d) notify Shippers of their revised Confirmed IP Nomination Quantities that relate to VRF IP Exit Nominations and that have been Matched within 2 hours; and

(e) reject any VRF IP Exit Nominations submitted after the Hour Bar until section 6.7.13 applies.

6.7.13 Where there is no longer a requirement for VRF IP Exit Nominations to be curtailed under section 6.7.12, the Transporter will notify Shippers that VRF IP Exit Nominations may once again be submitted.

Amendment of IP Renominations in respect of Moffat Interconnection Point by the Transporter

6.7.14 In respect of Moffat Interconnection Point, in the event that GNI (UK) rejects, or the Transporter reasonably anticipates that GNI (UK) will reject, a request for a variation to the prevailing PTL Daily Profile under the terms of the GNI (UK) Transportation Agreement, the Transporter shall amend a Shipper's Eligible IP Renominations in accordance with sections 6.7.15 to 6.7.21.

6.7.15 **"Eligible IP Renominations"** are:

(a) the most recently received IP Renominations which have a corresponding Counterparty IP Renomination;

(b) only those IP Renominations which are in the same Direction of Change as the Aggregate Change renominated by all Shippers;

and, for the avoidance of doubt, the following shall not be Eligible IP Renominations;

(i) IP Renominations made or submitted in the opposite Direction of Change to the Aggregate Change renominated by all Shippers; and

(ii) IP Renominations made or submitted in respect of Balancing Gas.

6.7.16 For the purposes of section 6.7.15:

(a) the **"Aggregate Change"** is the difference between:

(i) the sum of the net quantity of all Shippers' IP Renominations; and

(ii) the sum of the net quantity of all Shipper's prevailing IP Nominations (and/or IP Renominations);

at the time at which the Transporter determines Eligible IP Renominations; which may be an increase or a decrease on the net quantity of all Shippers' prevailing IP Nominations (including IP Renominations);

(b) the **"Direction of Change"** refers to whether the Aggregate Change is an increase or a decrease on the sum of the net quantity of all Shippers' prevailing IP Nominations (including IP Renominations).

6.7.17 Where it is necessary to amend Eligible IP Renominations in accordance with section 6.7.14 the Transporter shall:

(a) calculate the **"IP Renomination Amendment Quantity"/"RAQ"** which is the aggregate amount by which Shippers' Eligible IP Renominations must be amended in order that the Transporter can submit a PTL Daily Profile to GNI (UK) which will be acceptable in accordance with the GNI (UK) Transportation Agreement;

(b) for each Shipper which has submitted an Eligible IP Renomination, calculate the quantity by which the IP Nomination Quantity in the Shipper's IP Renomination varies from its prevailing IP Nomination Quantity (the **"ΔRNQ$_s$"**) as follows:

$$\Delta RNQ_s = RNQ_s - PNQ_s$$

where:
"**RNQ$_s$"** = Shippers' IP Nomination Quantity in its Eligible IP Renomination; and

"PNQ$_s$" = Shippers' prevailing IP Nomination Quantity;

(c) for each ΔRNQ_s, calculate the Shipper's "**First Tier Quantity**"/"**ΔRNQ$_s^{tier1}$** " and the Shipper's **"Second Tier Quantity"/ "ΔRNQ$_s^{tier2}$"** as follows:

$$\Delta RNQ_s^{tier1} = |\Delta RNQ_s| - \Delta RNQ_s^{tier2}$$

where:
ΔRNQ_s^{tier2} is the lesser of
(i) 25% x PNQ_s and
(ii) $|\Delta RNQ_s|$

where $|\Delta RNQ_s|$ is the absolute value of ΔRNQ_s

and;

where a Shipper has a prevailing IP Nomination Quantity of zero, for the purposes of calculating the ΔRNQ_s^{tier2} only, the PNQ_s shall be deemed to be equal to the RNQ_s;

(d) calculate the "**Total First Tier Quantity**"/"**TT1Q**" which has been renominated by all Shippers as follows:

$$TT1Q = \sum \Delta RNQ_s^{tier1}$$

(e) calculate the "**Total Second Tier Quantity**"/"**TT2Q**" which has been renominated by all Shippers as follows:

$$TT2Q = \sum \Delta RNQ_s^{tier2}$$

6.7.18 Where the IP Renomination Amendment Quantity can be met in aggregate by amending the First Tier Quantities of Shippers as calculated in accordance with section 6.7.17(c) then the Transporter shall calculate each Shipper's **"Amended IP Renomination"/** "**ARN$_s$**" as follows:

where $|RAQ| \leq TT1Q$ then;

if $\Delta RNQ_s > 0$ then

$$ARN_s = RNQ_s - \frac{(\Delta RNQ_s^{tier1} \times |RAQ|)}{TT1Q}$$

and if $\Delta RNQ_s < 0$ then

$$ARN_s = RNQ_s + \frac{(\Delta RNQ_s^{tier1} \times |RAQ|)}{TT1Q}$$

where | RAQ | is the absolute value of RAQ.

6.7.19 Where the IP Renomination Amendment Quantity exceeds the Total First Tier Quantity, then the Transporter shall calculate the remaining IP Renomination Amendment Quantity which is required to be met by adjusting Shippers' Second Tier Quantities "**RAQ_{rem}**" as follows:

where | RAQ | > TT1Q

RAQ_{rem} = | RAQ | – TT1Q

and;

the Transporter shall calculate each Shipper's **ARN_s** as follows:

if $\Delta RNQ_s > 0$ then

$$ARN_s = RNQ_s - \frac{\Delta RNQ_s^{tier1}}{} - \frac{(\Delta RNQ_s^{tier2} \times RAQ_{rem})}{TT2Q}$$

and if $\Delta RNQ_s < 0$ then

$$ARN_s = RNQ_s + \frac{\Delta RNQ_s^{tier1}}{} + \frac{(\Delta RNQ_s^{tier2} \times RAQ_{rem})}{TT2Q}$$

6.7.20 The quantity in a Shipper's Amended IP Renominations shall be the Confirmed IP Nomination Quantity to be notified to the Adjacent Transporter under section 6.6.10(b).

6.7.21 Where IP Renominations are not Eligible IP Renominations, the Processed IP Nomination Quantity will be as determined by the Transporter under section 6.6.10(a).

6.8 Exit Nominations - General

6.8.1 A Shipper may submit Nominations in respect of a particular Exit Point provided that it has an Exit Point Registration in respect of that Exit Point.

6.8.2 In this Code:

(a) an **"Exit Nomination"** is a Nomination in respect of an Exit Point;

(b) an **"Exit Renomination"** means an Exit Nomination that revises an earlier Exit Nomination (including an Exit Renomination).

6.8.3 Under this Code, an Exit Nomination may be submitted in respect of:

(a) Stranraer Exit Point;

(b) Ballylumford Exit Point;

(c) Belfast Exit Point;

(d) Coolkeeragh Exit Point;

(e) Ten Towns Exit Point;

(f) West Exit Point;

(g) Kilroot Exit Point;

(h) Carrakeel Exit Point;

and, for the avoidance of doubt:

(i) Exit Nominations in respect of Belfast Exit Point shall include quantities of gas which may exit the NI Network at the Lisburn Offtake Point and the BGTL Belfast Offtake Points;

(ii) Exit Nominations in respect of West Exit Point shall include quantities of gas which may exit the NI Network at any or all of the West Offtake Points;

(iii) Exit Nominations in respect of Ten Towns Exit Point shall include quantities of gas which may exit the NI Network at any or all of the Ten Towns Offtake Points; and

(iiv) accordingly, separate Nominations in respect of Lisburn Offtake Point, BGTL Belfast Offtake Points, West Offtake Points or Ten Town Offtake Points may not be submitted.

6.9 Content, Timing and Submission of Exit Nominations and Exit Renomination

Content and Timing of Exit Nominations

6.9.1 An Exit Nomination must specify:

(a) the Gas Flow Day;

(b) the EIC of the Shipper;

(c) the Exit Point;

(d) the Exit Nomination Quantity (in kWh/d).

6.9.2 Exit Nominations may be submitted no earlier than 30 Days before the Gas Flow Day and no later than 13:00 on D-1.

6.9.3 Exit Nominations will not be processed by the Transporter before 13:00 on D-1; and a Shipper may replace an Exit Nomination already submitted before 13:00 on D-1 in accordance with section 6.9.2.

6.9.4 If a Shipper submits no Exit Nominations by 13:00 on D-1 it shall be deemed to have made an Exit Nomination with an Exit Nomination Quantity of zero.

6.9.5 An Exit Nomination submitted after 13:00 D-1 shall be treated as an Exit Renomination.

6.9.6 After 13:00 on D-1 a Shipper may not withdraw, revise or replace an Exit Nomination except by submitting an Exit Renomination in accordance with sections 6.9.8 to 6.9.15.

6.9.7 An Exit Nomination shall be confirmed no later than 15:00 on D-1 and shall be effective from 05:00 on the Gas Flow Day to which it refers.

Content and Timing of Exit Renominations

6.9.8 An Exit Nomination may be revised by an Exit Renomination and an Exit Renomination may be revised by a subsequent Exit Renomination in accordance with sections 6.9.9 to 6.9.15.

6.9.9 A Shipper may submit an Exit Renomination in order to nominate an Exit Nomination Quantity which is either an increase or a decrease relative to the Shipper's prevailing Exit Nomination or Exit Renomination. All other details in the Exit Renomination must remain as specified pursuant to section 6.9.1.

6.9.10 An Exit Renomination may not be submitted before 15:00 on D-1.

6.9.11 The latest time for submission of an Exit Renomination is 02:00 on the Gas Flow Day.

6.9.12 An Exit Renomination shall specify the information required by section 6.9.1 (with only the Exit Nomination Quantity changing).

6.9.13 An Exit Renomination shall be effective from the Hour Bar 2 hours after the Hour Bar by which the Exit Renomination was submitted.

6.10 Exit Nomination Quantities and Exit Nominated Quantities

6.10.1 In this Code:

(a) the **"Exit Nomination Quantity"** is the quantity nominated by a Shipper for offtake at an Exit Point in a particular Exit Nomination or Exit Renomination;

(b) the **"Exit Nominated Quantity"** is the Confirmed Exit Nomination Quantity (determined in accordance with section 6.11.4) in each of a Shipper's Exit Nominations or Exit Renominations prevailing at the end of the Gas Flow Day and may be either a DN Exit Nominated Quantity, an I&C Exit Nominated Quantity or a Power Station Exit Nominated Quantity;

(c) the **"DN Exit Nominated Quantity"** is the Confirmed Exit Nomination Quantity (determined in accordance with section 6.11.4) in each of a Shipper's Exit Nominations or Exit Renominations in respect of a given DN Exit Point;

(d) the **"Power Station Exit Nominated Quantity"** is the Confirmed Exit Nomination Quantity (determined in accordance with section 6.11.4) in each of a Shipper's Exit Nominations or Exit Renominations in respect of a given Power Station Exit Point;

(e) the **"I&C Exit Nominated Quantity"** is the Confirmed Exit Nomination Quantity (determined in accordance with section 6.11.4) in each of a Shipper's Exit Nominations or Exit Renominations in respect of a given I&C Exit Point.

6.10.2 Subject always to section 13.2, to the extent only that there is an instantaneous loss of electrical generation infeed in Northern Ireland or the Republic of Ireland or significant disturbance on the electrical transmission system (which is an electrical transmission system operating equal to or above 110 kVA) in Northern Ireland, including the Moyle interconnector, or the Republic of Ireland which gives rise to a need for any power station connected to the NI Network to ramp-up its offtake rate:

(a) any Shipper nominating in respect of a Power Station Exit Point shall be relieved of any obligation it has under this Code to provide an Exit Nomination or an Exit Renomination in advance of such ramp-up; and

(b) in the case of any such ramp-up occurring after 02:00 hours on any Day (but not otherwise), any Imbalance Charge which any Shipper nominating in respect of a Power Station Exit Point shall incur in respect of such Day shall be a Modified Imbalance Charge;

provided that in the case of (a) and/or (b) above such Shipper shall (i) nominate appropriately as soon as practicable after such ramp-up occurring; and (ii) provide reasonable evidence to the Authority and the Transporter of why such need to ramp-up arose within 24 hours of such ramp-up occurring.

6.11 Rejection, Confirmation and Revision of Exit Nominations and Exit Renominations

Rejection of Exit Nominations and Exit Renominations

6.11.1 The Transporter may reject:

(a) an Exit Nomination if it does not comply with sections 6.9.1 to 6.9.7;

(b) an Exit Renomination if it does not comply with sections 6.9.8 to 6.9.15;

(c) either an Exit Nomination or an Exit Renomination if the Shipper does not have sufficient Provided Level of Credit Support.

6.11.2 Where the Transporter rejects a Shipper's Exit Nomination the Shipper shall be deemed to have submitted an Exit Nomination of zero.

6.11.3 Where the Transporter rejects a Shipper's Exit Renomination the prevailing Confirmed Exit Nomination Quantity in the previously accepted Exit Nomination or Exit Renomination shall apply.

Confirmation of Exit Nominations and Exit Renominations

6.11.4 Where:

(a) an Exit Nomination is not rejected in accordance with section 6.11.1(a) or revised in accordance with sections 6.11.5 to 6.11.7, the Transporter shall notify the Shipper that it's Exit Nomination is confirmed by 15:00 on D-1;

(b) an Exit Renomination is not rejected in accordance with section 6.11.1(b) or revised in accordance with sections 6.11.5 to 6.11.7 the Transporter shall notify the Shipper that it's Exit Renomination is confirmed within 2 hours of the Hour Bar by which the Exit Renomination was submitted;

and the quantity in the Exit Nomination or Exit Renomination shall be the **"Confirmed Exit Nomination Quantity"**.

Revision of Exit Nominations in Exceptional Events or Emergencies

6.11.5 The provisions in section 6.11.6 to 6.11.7 also apply to Exit Renominations and references in those sections to Exit Nominations include Exit Renominations.

6.11.6 The Transporter may revise Exit Nominations, including Exit Nominations containing Confirmed Exit Nomination Quantities, in certain circumstances provided for in section 10 of this Code.

6.11.7 Where the Transporter revises Exit Nominations in accordance with section 6.11.6 then:

(a) the Transporter will inform a Shipper that its Exit Nominations are to be revised;

(b) the Transporter will notify the Shipper of its' revised Exit Nomination Quantities as soon as reasonably practicable and within 2 hours of the Hour Bar after which it has revised such Exit Nominations;

(c) the quantity in such revised Exit Nominations shall be the Confirmed Exit Nomination Quantity; and

(d) such revised Exit Nomination shall constitute a Flow Order under section 10.

6.12 Offtake Profile

6.12.1 Where necessary, the Transporter may request a Shipper to provide a Profile Nomination in respect of an Exit Point. Where the Transporter requests a Shipper to provide a Profile Nomination, the Shipper shall continue to submit Profile Nominations until advised by the Transporter that such Profile Nominations are no longer required. Such Profile Nomination shall be in the form prescribed by the Transporter and shall specify the nominated hourly rate of offtake of the Shipper at that Exit Point, for a given Gas Flow Day or Gas Flow Days.

6.12.2 Whilst it is the intention that the Transporter shall accommodate a profiled rate of offtake where circumstances permit (whether nominated in accordance with 6.12.1 or otherwise), the Transporter shall have no obligation to deliver a quantity of gas other than at a Uniform Offtake Rate.

6.13 Trade Nominations

6.13.1 Where two Shippers agree to do so they may submit, in respect of any Day, partnering Trade Nominations in accordance with this section 6.13.

6.13.2 In this section:

(a) a **"Trade Nomination"** is a nomination by a Shipper to the Transporter in respect of a quantity of gas to be transferred to another Shipper at the Trading Point;

(b) a **"Trade Renomination"** is a Trade Nomination that revises an earlier Trade Nomination (including a Trade Renomination).

(c) a **"Trade Buy Nomination"** is a Trade Nomination or Trade Renomination to acquire a quantity of gas at the Trading Point;

(d) a **"Trade Sell Nomination"** is a Trade Nomination or Trade Renomination to dispose of a quantity of gas at the Trading Point;

(e) a **"Trade Nomination Quantity"** is the quantity of gas nominated in a particular Trade Nomination or Trade Renomination;

(f) **"Confirmed Trade Quantity"** is the Trade Nomination Quantity in a Confirmed Trade Nomination;

(g) **"Confirmed Trade Nomination**" is a Trade Nomination or Trade Renomination which is not rejected pursuant to sections 6.13.17 to 6.13.19;

(h) a **"Trading Counterparty"** is the Shipper which is the counterparty to a Trade Nomination or Trade Renomination which must be a different entity from the Shipper submitting the Trade Nomination or Trade Renomination.

6.13.3 A Shipper must have a Trading Point Registration in order to submit a Trade Nomination.

6.13.4 A Shipper may submit a Trade Nomination irrespective of whether it submits any IP Nomination or any Exit Nomination in respect of the Day for which the Trade Nomination is submitted.

6.13.5 For the purposes of the Code, a Trade Nomination or Trade Renomination is made by a Shipper where the Shipper has submitted a Trade Nomination which has not been rejected by the Transporter.

6.13.6 For the purposes of the Code, a Trade Buy Nomination is **"partnering"** to a Trade Sell Nomination (and vice versa) when:

(a) both the Trade Buy Nomination and the Trade Sell Nomination refer to an equal Trade Nomination Quantity; and

(b) the Shipper identifies the Trading Counterparty and the Trading Counterparty identifies the Shipper in their respective Trade Nominations.

6.13.7 For the avoidance of doubt, a Shipper may only submit one partnering Trade Nomination for each Trading Counterparty in respect of each Gas Flow Day (which may be revised by partnering Trade Renominations).

Content, Timing and Submission of Trade Nominations and Trade Renominations

6.13.8 A Trade Nomination and a Trade Renomination must specify:

(a) the Gas Flow Day;

(b) the EIC of the Shipper;

(c) whether the Trade Nomination is a Trade Buy Nomination or a Trade Sell Nomination;

(d) the Trade Nomination Quantity (in kWh/d);

(e) the Trading Counterparty.

6.13.9 A Trade Nomination may be submitted no earlier than 30 Days before the Gas Flow Day and no later than 13:00 on D-1.

6.13.10 A Trade Nomination shall be effective from 05:00 on the Gas Flow Day to which it relates.

6.13.11 A Trade Nomination submitted after 13:00 D-1 shall be treated as a Trade Renomination.

6.13.12 After 13:00 on D-1 a Shipper may not withdraw, revise or replace a Trade Nomination except by submitting a Trade Renomination in accordance with sections 6.13.13 to 6.13.16.

6.13.13 A Trade Nomination may be revised by a subsequent Trade Renomination (and a Trade Renomination may be revised by a subsequent Trade Renomination) in accordance with sections 6.13.14 to 6.13.16.

6.13.14 A Shipper may submit a Trade Renomination in order to nominate a Trade Nomination Quantity which is either an increase or a decrease relative to the Shipper's prevailing Trade Nomination or Trade Renomination with a given Trading Counterparty. All other details in the Trade Renomination must remain as specified pursuant to section 6.13.8 subject to section 6.13.16.

6.13.15 The earliest time for submission of a Trade Renomination is 13:00 D-1 and the latest time for submission of a Trade Renomination is 02:00 on the Gas Flow Day.

6.13.16 A Trade Renomination shall specify the information required by section 6.13.8 (with only the Trade Nomination Quantity changing).

Processing, Acceptance and Rejection of Trade Nominations and Trade Renominations

6.13.17 The Transporter will normally process Trade Nominations and Trade Renominations within 30 minutes of submission (**"Trade Processing Time"**).

6.13.18 Trade Nominations and/or Trade Renominations which:

(a) do not comply with the requirements of section 6.13.8 or 6.13.16 as applicable;

(b) do not have a partnering Trade Nomination or Trade Renomination as applicable;

shall be rejected within 30 minutes of submission.

6.13.19 Trade Nominations and Trade Renominations which are not rejected shall be deemed to be Confirmed Trade Nominations and to be effective from the end of the Trade Nomination Processing Time.

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.

7.1.4 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.

7.1.5 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.

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

7.2 IP Allocations, Non-IP Allocations and DBEP 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) a **"DBEP Entry Allocation"** is a quantity of gas allocated to a Shipper at a DBEP by the Transporter pursuant to a Shipper's DBEP Nomination;

(f) an **"Entry Allocation"** is an IP Entry Allocation, a Non-IP Entry Allocation and/or a DBEP Entry Allocation and **"Entry Allocations"** shall be construed accordingly;

(g) 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;

(h) 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;

(i) 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);

(j) a **"Non-OBA Day"** is a Day on which the whole of the Entry Quantity is allocated amongst Shippers in accordance with section 7.2.5 and section 7.2.10;

(k) 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 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.

Determination of DBEP Entry Allocations

7.2.11 In respect of a Gas Flow Day, the quantity of a Shipper's DBEP Entry Allocation at a DBEP shall be equal to the quantity of the Shipper's BDQD provided by the Relevant DNO in accordance with section 5.

7.3 Initial IP Entry Allocations, Final IP Entry Allocations, Initial VRF IP Exit Allocations Final VRF IP Exit Allocations, Initial Non-IP Entry Allocations, Final Non-IP Entry Allocations, Initial DBEP Entry Allocations and Final DBEP 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"**).

7.3.5 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"**).

7.3.6 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"**).

7.3.7 For the avoidance of doubt, subject to section 7.3.9:

(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;

(c) there shall be no difference between Initial VRF IP Exit Allocations and Final VRF IP Exit Allocations.

7.3.8 A Shipper may not amend its Initial IP Entry Allocations, Initial Non-IP Entry Allocations or Initial VRF IP Exit Allocations.

7.3.9 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.

7.3.10 The Transporter shall determine and provide a Shipper with an initial DBEP Entry Allocation by the end of D+1 (**"Initial DBEP Entry Allocation"**).

7.3.11 The Transporter shall determine and provide a Shipper with a final DBEP Entry Allocation by M+10 (**"Final DBEP Entry Allocation"**).

7.3.12 Final IP Entry Allocations, Final Non-IP Entry Allocations, Final VRF IP Exit Allocations and Final DBEP Entry 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:

Aggregate NI Entry Allocation $_D$ = ∑ Final IP Entry Allocations $_D$ + Σ Final DBEP Entry Allocations $_D$ + ∑ Trade Buy Allocations $_D$

where:

∑ 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

Σ Final DBEP Entry Allocations $_D$ means the sum of a Shipper's Final DBEP Entry Allocation at each DBEP in respect of the Gas Flow Day; and

∑ 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:

Aggregate NI Entry Allocation $_D$ = Final Non-IP Entry Allocation + ∑ 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;

(a) **"Initial Aggregate NI Entry Allocation"** by the end of D+5

(b) **"Final Aggregate NI Entry Allocation"** by the end of M+10.

7.5 Exit Allocations

7.5.1 In this Code an **"Exit Allocation"** is the quantity of gas allocated to a Shipper by the Transporter in respect of a Gas Flow Day and an Exit Point, in accordance with this section 7, pursuant to a Shipper's Exit Nomination.

Determination of Power Station Exit Allocations

7.5.2 In respect of each Power Station Exit Point, the Transporter shall allocate the Exit Quantity at the Power Station Exit Point among the Shippers who have submitted Exit Nominations in

respect of that Exit Point for a Gas Flow Day and provide an initial Exit Allocation by the end of D+1 (**"Initial Power Station Exit Allocation"**).

7.5.3 Each Initial Power Station Exit Allocation shall become a final Power Station Exit Allocation, **(**a **"Final Power Station Exit Allocation")** subject to sections 7.5.5 and 14.5, at 16:00 on D+5.

7.5.4 Final Power Station Exit Allocations shall, subject to section 14 *(Measurement and Testing),* be binding upon a Shipper.

7.5.5 An Initial Power Station Exit Allocation is subject to any adjustment which the Transporter reasonably determines is necessary in order to correct any error made in the application of section 7.5.2 of this Code.

Determination of Exit Allocations at an I&C Exit Point

7.5.6 In respect of an I&C Exit Point, the Transporter shall allocate the Exit Quantity at the I&C Exit Point among the Shippers who have submitted Exit Nominations in respect of that I&C Exit Point for a Gas Flow Day and provide an initial Exit Allocation by the end of D+1 (**"Initial I&C Exit Allocation"**).

7.5.7 Each Initial I&C Exit Allocation shall become a final I&C Exit Allocation, **(**a **"Final I&C Exit Allocation")** subject to sections 7.5.9 and 14.5, at 16:00 on D+5.

7.5.8 Final I&C Exit Allocations shall, subject to section 14 *(Measurement and Testing),* be binding upon a Shipper.

7.5.9 An Initial I&C Exit Allocation is subject to any adjustment which the Transporter reasonably determines is necessary in order to correct any error made in the application of section 7.5.6 of this Code.

Determination of DN Exit Allocations

7.5.10 Under the Aggregate Balancing Arrangements the Transporter deems a Shipper's Exit Allocation at a DN Exit Point to be equal to the DN Exit Allocation provided by the Relevant DNO pursuant to the Information Sharing Agreement as set out in section 5.

7.5.11 Under this Code the Transporter shall treat a Shipper's DN Exit Allocation at a DN Exit Point provided by the Relevant DNO as:

(a) an **"Initial DN Exit Allocation"** at D+1;

(b) a **"Final DN Exit Allocation"** at M+10.

7.5.12 A Shipper's Final DN Exit Allocation is included in the Shipper's Aggregate NI Exit Allocations in accordance with section 7.9 and accordingly in the determination of the Shipper's Aggregate NI Imbalance in accordance with section 8 and shall be binding upon a Shipper.

7.6 Determination of Adjusted T-DN Exit Allocations

7.6.1 For the purposes of determining commodity charges under section 17.5.2(a)(ix) the Transporter shall determine a Shipper's **"Adjusted T-DN Exit Allocation"** at a DN Exit Point as shown below:

Adjusted T-DN Exit Allocation = DN Exit Quantity x (Final TDQD for the Shipper)

(Σ Final TDQD for all Shippers)

where **"DN Exit Quantity"** means the Exit Quantity at the DN Exit Point determined by the Transporter with reference to Measurement Equipment in accordance with section 14.

7.6.2 Under this Code the Transporter shall treat a Shipper's Adjusted T-DN Exit Allocation as:

(a) an **"Initial Adjusted T-DN Exit Allocation"** at D+1;

(b) a **"Final Adjusted T-DN Exit Allocation"** at M+10.

7.6.3 For the avoidance of doubt, a Shipper's Adjusted T-DN Exit Allocation is not included in a Shipper's Aggregate NI Exit Allocation in accordance with section 7.9 nor in a Shipper's Aggregate NI Imbalance under section 8.

7.6.4 Final Adjusted T-DN Exit Allocations shall be binding upon a Shipper.

7.7 Default DN Exit Allocations

7.7.1 In the event that Allocations Information is not received on time from a Relevant DNO for a Gas Flow Day:

(a) firstly, the Transporter shall make reasonable endeavours to obtain the information or otherwise determine Final DN Exit Allocations based on the best information available to the Transporter in respect of the Gas Flow Day; and

(b) secondly, the Transporter may, at its sole discretion, determine a **"Default DN Exit Allocation"** for each Shipper in respect of the DN Exit Point as shown below:

Default DN Exit Allocation =

$$\text{DN Exit Quantity} \times \frac{\text{(Final Exit Nominated Quantity for the Shipper)}}{\text{(}\Sigma\text{ Final Exit Nominated Quantity for all Shippers)}}$$

7.7.2 Where the Transporter determines a Default DN Exit Allocation for a Shipper under section 7.7.1 they shall be used in the determination of that Shipper's:

(a) Final Aggregate NI Exit Allocation; and/or

(b) Final Adjusted T-DN Allocation;

in each case as the circumstances require and shall be binding upon a Shipper.

7.8 Offtake Points

For the avoidance of doubt, Shippers shall not receive individual Exit Allocations in respect of Lisburn Offtake Point, BGTL Belfast Offtake Points, West Offtake Points or Ten Towns Offtake Points.

7.9 Aggregate NI Exit Allocations

7.9.1 In respect of a Gas Flow Day, the Transporter shall determine a Shipper's Aggregate NI Exit Allocation in accordance with this section 7.9.

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:

$$\text{Aggregate NI Exit Allocation}_D = \sum \text{Final Power Station Exit Allocations}_D + \sum \text{Final I\&C Exit Allocations}_D + \sum \text{Final DN Exit Allocations}_D + \sum \text{Final VRF IP Exit Allocations}_D + \sum \text{Trade Sell Allocations}_D$$

where:

$\sum$ Final Power Station Exit Allocations $_D$ means the sum of a Shipper's Final Power Station Exit Allocations at each Power Station Exit Point in respect of the Gas Flow Day;

$\sum$ Final I&C Exit Allocations $_D$ means the sum of a Shipper's Final I&C Exit Allocations at each I&C Exit Point in respect of the Gas Flow Day;

$\sum$ Final DN Exit Allocations $_D$ means the sum of a Shipper's Final DN Exit Allocations at each DN Exit Point in respect of the Gas Flow Day;

$\sum$ 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

$\sum$ 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).

7.9.3 The Transporter will provide a Shipper with its:

(a) **"Initial Aggregate NI Exit Allocation"** by D+5; and

(b) **"Final Aggregate NI Exit Allocation"** by the end of M+10.

7.10 Trade Allocation Rules

7.10.1 A **"Trade Allocation"** is the quantity of gas allocated to a Shipper in respect of a Gas Flow Day pursuant to a Confirmed Trade Nomination, and may be either a Trade Buy Allocation or a Trade Sell Allocation.

7.10.2 The Transporter shall provide Trade Allocations to each Shipper by D+5.

7.10.3 The quantity of gas allocated to each Shipper pursuant to each Confirmed Trade Nomination prevailing at the end of the Gas Flow Day shall be determined by the Transporter as being equal to the Confirmed Trade Quantity in such Confirmed Trade Nomination.

7.10.4 Where a Shipper and its Trading Counterparty have been allocated Confirmed Trade Quantities:

(a) the Shipper which made the Trade Buy Nomination (the **"Trade Buyer"**) will be allocated the Confirmed Trade Quantity as a **"Trade Buy Allocation"**; and

(b) the Shipper which made the Trade Sell Nomination (the **"Trade Seller"**) will be allocated the Confirmed Trade Quantity as a **"Trade Sell Allocation"**.

7.10.5 For the avoidance of doubt, in respect of a Gas Flow Day:

(a) a Trade Buy Allocation will be included in a Shipper's Aggregate NI Entry Allocation in accordance with section 7.4; and

(b) a Trade Sell Allocation will be included in a Shipper's Aggregate NI Exit Allocation in accordance with section 7.9.

7.10.6 Where gas is traded at the Trading Point pursuant to Trade Allocations, title to the Confirmed Trade Quantity shall be deemed to transfer at the Trading Point:

(a) from PTL to the Trade Seller;

(b) from the Trade Seller to the Trade Buyer:

(c) from the Trade Buyer to PTL.

8. BALANCING AND SCHEDULING CHARGES

8.1 Introduction and definitions

8.1.1 The Transporter shall perform all calculations in relation to imbalance, scheduling and unauthorised flow charges in accordance with this section 8 and shall invoice for the associated charges in accordance with this section 8, section 9 and section 17 of this Code.

8.1.2 In this Code:

(a) **"Daily Gas Price"** shall:

(i) firstly, be equal to the System Average Price (as defined in the GB Uniform Network Code) on the relevant Day;

(ii) secondly, where for any Day the System Average Price is not available the Daily Gas Price for that Day shall be equal to the arithmetic mean of the System Average Price for each of the 7 preceding Days; and

(iii) lastly, where for any Day for any reason the System Average Price is not available under section 8.1.2(a)(i) or calculated under section 8.1.2(a)(ii), or if it is disputed, be such alternative price as the Transporter may reasonably determine.

(b) **"Imbalance Charge"** means the charge payable to a Shipper in respect of a Positive Imbalance or the charge payable by a Shipper in respect of a Negative Imbalance;

(c) **"Aggregate NI Imbalance"** or **"ANII"** means, for each Shipper in respect of a Gas Flow Day D, the difference between its Aggregate NI Entry Allocation and its Aggregate NI Exit Allocation;

(d) a **"Negative Imbalance"** is where a Shipper's Aggregate NI Entry Allocation is less than its' Aggregate NI Exit Allocation on a Gas Flow Day D;

(e) a **"Positive Imbalance"** is where a Shipper's Aggregate NI Entry Allocation is greater than its' Aggregate NI Exit Allocation on a Gas Flow Day D; and

(f) an **"Imbalance"** is the position (either negative as defined in section 8.1.2(d) or positive as defined in section 8.1.2(e)) of the Shipper.

8.1.3 A Shipper shall use its reasonable endeavours to ensure that its' Imbalance position shall be zero on any Gas Flow Day D.

8.2 Imbalance Tolerance

Imbalance Tolerance Percentage

8.2.1 Within 10 Business Days of providing a Downstream Load Statement in respect of an Exit Point in accordance with section 22.9, a Shipper shall be informed by the Transporter of its weighted average tolerance, expressed as a percentage, using the information contained in

the Downstream Load Statement as set out below (a Shipper's "**Imbalance Tolerance Percentage**" or **"ITP"**):

$$ITP\ (as\ \%) = \frac{100}{TC_{vm}} \times (a + b + c + d)$$

where:

a = $\sum C_{vm} \times C_f$ for Un1

b = $\sum C_{vm} \times C_f$ for Un2;

c = $\sum C_{vm} \times C_f$ for Un3;

d = $\sum C_{vm} \times C_f$ for Un4;

$\sum C_{vm}$ = the maximum quantity in kWh/d which may reasonably be required to supply all of the Shippers' demand in the relevant downstream load category listed in column (2) in the table below (a **"Downstream Load Category"**) at all Exit Points on a Gas Flow Day D as set out in the relevant Downstream Load Statement;

TC_{vm} = aggregate of each $\sum C_{vm}$ of each Downstream Load Category;

Un = the number identifying the Downstream Load Category listed in column (1) of the table below; and

C_f = Downstream Load Category weighting factor listed in column (3) of the table below.

Imbalance Tolerance Table

(1)	(2)	(3)
Number identifying Downstream Load Category (Un)	Downstream Load Category	Downstream Load Category weighting (C_f)
1	Power generation consumers	2%
2	Downstream consumers whose loads are greater than or equal to 1,465,416,000 kWh/annum and are not power generation consumers	2%
3	Downstream consumers whose loads are greater than or equal to 2,196,000 kWh/annum but less than 1,465,416,000 kWh/annum (generally classified in a DNO's distribution network code as daily metered consumers)	3%

4	Downstream consumers whose loads are less than 2,196,000 kWh/annum (generally classified in a DNO's distribution network code as non-daily metered consumers)	5%

8.2.2 Within 10 Business Days of providing a revised Downstream Load Statement in accordance with section 22.9, the Transporter shall provide a Shipper with a recalculated Imbalance Tolerance Percentage in accordance with section 8.2.1.

Imbalance Tolerance Quantity

8.2.3 In respect of a Gas Flow Day D, a Shipper's **"Imbalance Tolerance Quantity"** or **"ITQ"** shall be determined by the Transporter by applying the ITP to the sum of a Shipper's Final Power Station Exit Allocations, Final DN Exit Allocations and its Final VRF IP Exit Allocations calculated as:

$$ITQ = ITP \times \sum \text{Final Power Station Exit Allocations}_D + \sum \text{Final DN Exit Allocations}_D + \sum \text{Final VRF IP Exit Allocations}_D$$

8.2.4 Where a Shipper's Aggregate NI Imbalance exceeds its ITQ in respect of a Gas Flow Day D, the Shipper's **"Marginal Imbalance Quantity"** or **"MIQ"** shall be determined as:

MIQ = Aggregate NI Imbalance - ITQ.

8.2.5 Where a Shipper's Aggregate NI Imbalance is less than or equal to its ITQ in respect of a Gas Flow Day D the Shipper's MIQ shall be zero and the Shipper's **"Quantity Within Tolerance"** or **"QWT"** shall be determined as:

QWT = Aggregate NI Imbalance

8.3 Imbalance Charges

8.3.1 Imbalance Charges shall be calculated, subject to section 8.1.1, in accordance with this section 8.3.

8.3.2 On any Gas Flow Day D on which a Shipper has a Positive Imbalance, an Imbalance Charge shall be payable to it equal to the sum of:

(a) QWT x Daily Gas Price; plus

(b) MIQ x $P_{smps,}$

where P_{smps} is the lower of:

(i) the Daily Gas Price multiplied by 0.9; or

(ii) the System Marginal Sell Price on the relevant Gas Flow Day D (as defined in the GB Uniform Network Code).

8.3.3 On any Gas Flow Day D on which a Shipper has a Negative Imbalance, it shall pay an Imbalance Charge equal to the sum of:

(a) QWT x Daily Gas Price; plus

(b) MIQ x P_{smpb}

where P_{smpb} is the higher of:

(i) the Daily Gas Price multiplied by 1.1; or

(ii) the System Marginal Buy Price on the relevant Gas Flow Day D (as defined in the GB Uniform Network Code).

8.3.4 If a Shipper has a Negative Imbalance and/or Positive Imbalance which exceeds its ITQ either, on 4 or more consecutive Days, or on any 6 Days in any Month, its ITP shall be reduced by one half, until such time as the Shipper has avoided a Negative Imbalance and/or Positive Imbalance for 5 consecutive Days when its ITP shall be reinstated at the original level.

8.3.5 Where a Shipper is eligible to pay a Modified Imbalance Charge in accordance with section 6.10.2(b), the Modified Imbalance Charge shall be determined in accordance with the formula set out in section 8.2.1 save that the C_f value shall be equal to 100% for the purposes of determining the Modified Imbalance Charge.

System Clearing Contract

8.3.6 For the purposes of sections 8.3.7 to 8.3.11 a **"System Clearing Contract"** is a contract between the Transporter and a Shipper, established pursuant to section 8.3.8 of this Code, pursuant to which a quantity of gas (which is or was or is not or was not treated as delivered to or offtaken from the NI Network) is deemed to be purchased and/or sold.

8.3.7 In relation to a System Clearing Contract the **"Buyer"** and the **"Seller"** respectively are the parties (the Transporter or the Shipper) treated as buying and selling gas under the contract.

8.3.8 The quantity of gas comprising a Shipper's Aggregate NI Imbalance in respect of a Gas Flow Day shall be deemed as sold or purchased (as applicable) pursuant to a System Clearing Contract, the basis of which is as follows:

(a) where a Shipper has a Positive Imbalance:

(i) the Seller is the Shipper and the Buyer is the Transporter; and

(ii) the charge in respect of the System Clearing Contract is the Imbalance Charge payable by the Transporter to the Shipper in accordance with section 8.3.2; and

(b) where a Shipper has a Negative Imbalance:

(i) the Seller is the Transporter and the Buyer is the Shipper; and

(ii) the charge in respect of the System Clearing Contract is the Imbalance Charge payable by the Shipper to the Transporter in accordance with section 8.3.3.

8.3.9 The System Clearing Contract shall be deemed to have been performed fully except as to payment which is dealt with in section 8.3.10.

8.3.10 The charges determined in accordance with section 8.3.2 and section 8.3.3 in respect of a Gas Flow Day and paid in accordance with section 17 shall be treated as payment from the Buyer to the Seller under the System Clearing Contract and the Shipper's Aggregate NI Imbalance for that Gas Flow Day shall be extinguished by the System Clearing Contract.

8.3.11 Title to the relevant quantity of gas shall be deemed to be transferred from the Seller to the Buyer under the System Clearing Contract.

8.4 Scheduling Charges

8.4.1 Scheduling Charges shall be calculated by the Transporter, in accordance with this section 8.4.

8.4.2 A scheduling charge (a **"Scheduling Charge"**) may be payable by a Shipper in respect of each DN Exit Point, each I&C Exit Point and each Power Station Exit Point (but not at VRF IP Exit Points) as set out below.

8.4.3 For each Gas Flow Day D, in respect of an Exit Point, a Shipper's **"Scheduling Difference"** shall be determined as follows:

in respect of a DN Exit Point:

$SD_{DN\ Exit\ Point} = |\ \text{Final TDQD - DN Exit Nominated Quantity}\ |$

and in respect of an I&C Exit Point:

$SD_{ICEP} = |\ \text{Final I\&C Exit Allocation – I\&C Exit Nominated Quantity}\ |$

and

in respect of a Power Station Exit Point:

$SD_{PSEP} = |\ \text{Final Power Station Exit Allocation - Power Station Exit Nominated Quantity}\ |$

where:

$SD_{DN\ Exit\ Point}$ means the Scheduling Difference in respect of a given DN Exit Point;

SD_{ICEP} means the Scheduling Difference in respect of a given I&C Exit Point;

and

SD_{PSEP} means the Scheduling Difference in respect of a given Power Station Exit Point.

8.4.4 For each Gas Flow Day D, in respect of each Exit Point for each Shipper a **"Scheduling Tolerance Percentage"** or "**STP"** shall be determined, expressed as a percentage, as:

$$STP_{Exit\ Point}\ (\text{as a \%}) = \frac{100}{TC_{vm}} \times (a+b+c+d)$$

where:

a = C_{vm} x C_f for Un1;

b = C_{vm} x C_f for Un2;

c = C_{vm} x C_f for Un3;

d = C_{vm} x C_f for Un4;

C_{vm} = the maximum quantity in kWh/d which may reasonably be required to supply all of the Shippers demand in the relevant Downstream Load Category at the Exit Point on a Gas Flow Day D as set out in the relevant Downstream Load Statement;

TC_{vm} = aggregate of each C_{vm} of each Downstream Load Category;

Un = the number identifying the Downstream Load Category listed in column (1) of the table below; and

C_f = Downstream Load Category weighting factor listed in column (3) of the table below.

Scheduling Tolerance Table

(1)	(2)	(3)
Number identifying Downstream Load Category (Un)	Downstream load category	Downstream Load Category weighting (C_f)
1	Power generation consumers	3%
2	Downstream consumers whose loads are greater than or equal to 1,465,416,000 kWh/annum and are not power generation consumers	3%
3	Downstream consumers whose loads are greater than or equal to 2,196,000 kWh/annum but less than 1,465,416,000 kWh/annum (generally classified in a DNO's distribution network code as daily metered consumers)	10%
4	Downstream consumers whose loads are less than 2,196,000 kWh/annum (generally classified in a DNO's distribution network code as non-daily metered consumers)	20%

8.4.5 For any Gas Flow Day D in respect of a given Exit Point, a Shipper's **"Scheduling Tolerance Quantity"** shall be determined by multiplying the relevant STP for the Exit Point by the relevant Final Exit Allocation as follows:

in respect of a given DN Exit Point:

$STQ_{DN\ Exit\ Point} = STP_{Exit\ Point} \times$ Final TDQD

and

in respect of a given I&C Exit Point:

$STQ_{ICEP} = STP_{Exit\ Point} \times$ Final I&C Exit Allocation

and in respect of a given Power Station Exit Point:

$STQ_{PSEP} = STP_{Exit\ Point} \times$ Final Power Station Exit Allocation

where:

$STQ_{DN\ Exit\ Point}$ is the Scheduling Tolerance Quantity in respect of a given DN Exit Point;

and

STQ_{ICEP} is the Scheduling Tolerance Quantity in respect of a given I&C Exit Point;

and

STQ_{PSEP} is the Scheduling Tolerance Quantity in respect of a given Power Station Exit Point.

8.4.6 For any Gas Flow Day D, a Shipper's Scheduling Charge shall be determined as follows:

in respect of a given DN Exit Point:

Scheduling Charge = $(SD_{DN\ Exit\ Point} - STQ_{DN\ Exit\ Point}) \times (5\% \times$ Daily Gas Price$)$

and in respect of a given I&C Exit Point:

Scheduling Charge = $(SD_{ICEP} - STQ_{ICEP}) \times (5\% \times$ Daily Gas Price$)$

and in respect of a given Power Station Exit Point:

Scheduling Charge = $(SD_{PSEP} - STQ_{PSEP}) \times (5\% \times$ Daily Gas Price$)$

8.4.7 The **"Total Scheduling Charge"** payable by a Shipper in respect of a Gas Flow Day shall be the sum of its' Scheduling Charges at all Exit Points.

8.4.8 For the avoidance of doubt, Scheduling Charges shall not be payable by a Shipper in respect of its STQ.

8.5 Unauthorised Flow Charges

8.5.1 Unauthorised Flow Charges shall, be calculated by the Transporter, subject to section 8.1.3, in accordance with this section 8.5.

8.5.2 If a Flow Order is issued in relation to an Exceptional Event or an Emergency and a Shipper's Final Exit Allocation in respect of an Exit Point exceeds its Exit Nominated Quantity in respect of that Exit Point (as it may be reduced by a Flow Order from time to time) by 3% or more an unauthorised flow charge (an "**Unauthorised Flow Charge**") shall be imposed which shall be calculated in accordance with the following:

"UFC" = the value which shall be calculated for any day in question in respect of Shipper's in accordance with the following formula:

$$\frac{(FPACapCt)}{365} \times 10 \times UF$$

"UF" = the amount, if any, by which the Final Exit Allocation in respect of an Exit Point for Shippers, in respect of any Exceptional Event and in respect of which the Transporter has issued a Flow Order, exceeds its Exit Nominated Quantity in respect of that Exit Point (as it may be reduced by a Flow Order from time to time) by 3% or more of such Exit Nominated Quantity;

FPACapCt = the Forecast Postalised Annual Capacity Charge.

8.5.3 An Unauthorised Flow Charge may be payable by any Shipper submitting a Nomination in respect of an Exit Point to which a Flow Order relates whether or not the Shipper had submitted a Nomination before the relevant Flow Order was issued.

9. BALANCING AND SHRINKAGE GAS

9.1 Introduction and Definitions

9.1.1 In this Code:

(a) **"Own Use Gas"** is gas which is used by the Transporter in the operation of the NI Network or any localised part thereof;

(b) **"Shrinkage Gas"** is gas, of any amount, which is Own Use Gas or gas which is lost or otherwise unaccounted for, from the NI Network or any part of the NI Network;

(c) **"Balancing Gas"** is gas reasonably required to achieve the physical balance of the NI Network or any localised part thereof.

9.2 Balancing Gas Procurement

9.2.1 In accordance with the SOA, the Transporter shall procure the purchase of or procure the sale of Balancing Gas including that which is considered reasonably necessary to provide gas to make up Shrinkage Gas.

9.2.2 The Transporter shall use reasonable endeavours to procure the purchase and sale of Balancing Gas upon the most competitive terms and conditions reasonably available.

9.2.3 In this Code:

(a) **"Balancing Gas Services"** means services made available to the Transporter which enables it to purchase or sell Balancing Gas, as required for any Gas Flow Day, from time to time;

(b) **"Balancing Gas Contract"** means a contract for the purchase or sale of Balancing Gas as described in section 9.2.4;

(c) **"Balancing Gas Framework Agreement"** means either the Balancing Gas Sell Framework Agreement or the Balancing Gas Buy Framework Agreement and "**Balancing Gas Framework Agreements**" means both of them;

(d) **"Balancing Gas Buy Framework Agreement"** means a framework agreement for the purchase of Balancing Gas for the NI Network issued as a result of a Tender;

(e) **"Balancing Gas Sell Framework Agreement"** means a framework agreement for the sale of Balancing Gas for the NI Network issued as a result of a Tender;

(f) **"Balancing Gas Provider"** means a Framework Member or a party who provides Balancing Gas Services to the Transporter pursuant to a Balancing Gas Contract entered into in accordance with section 9.2.7 of this Code;

(g) **"Framework Member"** means a Shipper or another party which is a party to a Balancing Gas Framework Agreement;

(h) **"Tender"** means an annual tender procedure carried out by the Transporter pursuant to and the SOA to procure Balancing Gas Services;

(i) **"Ranked Order"** means the order in which Balancing Gas Contracts have been awarded in respect of a given Gas Year pursuant to the arrangements in a Tender.

9.2.4 For the purposes of this Code, a Balancing Gas Contract may be any of the following:

(a) a **"Locational (Moffat) Primary Balancing Gas Buy Contract"** is a Balancing Gas Contract for the purchase of Balancing Gas at the Moffat IP Entry Point;

(b) a **"Non-locational Balancing Gas Sell Contract"** is a Balancing Gas Contract for the sale of Balancing Gas at the Trading Point;

(c) a **"Trading Point Primary Balancing Gas Buy Contract (with physical delivery via the Moffat IP Entry Point)"** is a Balancing Gas Contract for the purchase of Balancing Gas at the Trading Point with physical delivery via the Moffat IP Entry Point;

(d) a **"Trading Point Secondary Balancing Gas Buy Contract (with physical delivery via the South North IP Entry Point"** is a Balancing Gas Contract for the purchase of Balancing Gas at the Trading Point with physical delivery via the South North IP Entry Point;

(e) any other form of contract that the Transporter considers appropriate from time to time.

9.2.5 The Transporter shall, in accordance with the SOA, conduct an annual Tender for the procurement of Balancing Gas Services as a result of which parties, including Shippers, may become members of one or both of the Balancing Gas Framework Agreements.

9.2.6 Under the Balancing Gas Framework Agreements, one or a number of Balancing Gas Contracts will be entered into between the Transporter and the Framework Members.

9.2.7 Nothing herein shall prevent the Transporter from time to time procuring Balancing Gas Services, as may be reasonably necessary to achieve the physical balance of the NI Network, or any part thereof, by means other than a Tender and using whatever form of Balancing Gas Contract it deems appropriate.

9.3 Operational use of Balancing Gas Contracts

9.3.1 This section 9.3 sets out how Balancing Gas Contracts will be utilised on any given Gas Flow Day.

9.3.2 Where Balancing Gas Services have been procured by means other than a Tender, for the purposes of this section 9.3 the Transporter shall treat any such Balancing Gas Contract as though it has the last place in the Ranked Order, including where the provisions of section 9.3.8 have been applied.

9.3.3 When calling on Balancing Gas Contracts on any given Gas Flow Day, subject to section 9.3.4, the Transporter intends to utilise the Balancing Gas Contracts in accordance with the Ranked Order so that:

(a) the first-ranked Balancing Gas Contract shall be called on up to the maximum quantity of Balancing Gas available for sale or purchase (as the case may be) under that Balancing Gas Contract;

(b) if there is a further requirement for Balancing Gas, the second-ranked Balancing Gas Contract shall be called on up to the maximum quantity of Balancing Gas available for sale or purchase (as the case may be) under that Balancing Gas Contract; and

so on, utilising the maximum quantity of Balancing Gas specified in each Balancing Gas Contract in Ranked Order.

9.3.4 Notwithstanding section 9.3.3 above, the Transporter shall not be required to utilise Balancing Gas Contracts in the Ranked Order in the following operational circumstances:

(a) when it is preferable for the Transporter due to a time dependent requirement to alter pressures on the NI Network, to call on one particular Balancing Gas Contract pursuant to which a large quantity of Balancing Gas can be purchased or sold;

(b) when the location of the balancing action is a priority; and

(c) any other operational reason where the Transporter, acting as Reasonable and Prudent Operators, consider it necessary; and

in such circumstances, the order in which Balancing Gas Contracts are utilised is entirely at the discretion of the the Transporter.

9.3.5 The Transporter will communicate with the relevant Balancing Gas Provider to request the purchase or sale of Balancing Gas on any given Gas Flow Day in accordance with the terms of its Balancing Gas Contract.

9.3.6 If a Balancing Gas Provider is unable to take delivery of or make delivery of (as the case may be) the full quantity of Balancing Gas requested by the Transporter in accordance with a Balancing Gas Contract, the Transporter shall call on the next-ranked Balancing Gas Contract in the Ranked Order.

9.3.7 If all the Balancing Gas Contracts have been called upon in accordance with section 9.3.3 and there is still an outstanding requirement for Balancing Gas:

(a) the Transporter will return to the top of the Ranked Order and proceed down the Balancing Gas Providers who initially were unable to take delivery of or make delivery of (as the case may be) the maximum quantity of Balancing Gas pursuant to the relevant Balancing Gas Contract, and request each such Balancing Gas Provider to specify what, if any, quantity (which should be more than the minimum contract quantity set out in the Balancing Gas Contract) it is able to take delivery of or make delivery of (as the case may be), and again proceed down the Ranked Order utilising the available quantities; and

(b) if this is still insufficient, then the Transporter shall be entitled to:

(i) request Balancing Gas Providers who have not been able to take delivery of or make delivery of (as the case may be) quantities requested (in Ranked Order) to

confirm whether they can offer a quantity less than the minimum contract quantity (as set out in the relevant Balancing Gas Contract); and/or

(ii) make day-ahead requests for Balancing Gas (starting at the top of the Ranked Order),

again, in both cases, utilising the Ranked Order, in order to ensure that the requirement for Balancing Gas is met.

9.3.8 Failure to take delivery of or make delivery of (as the case may be) Balancing Gas when requested constitutes grounds for termination of a Framework Member's Balancing Gas Contract in accordance with the terms of the Balancing Gas Contract. In addition to the termination rights arising under the Balancing Gas Contracts, that failure to take delivery of or make delivery of Balancing Gas (as the case may be) shall entitle the Transporter in each case at its' sole discretion, to put any such Framework Member's Balancing Gas Contract (and any other contracts that the party may hold) to the bottom of the Ranked Order (but above any Balancing Gas Contracts procured by means other than a Tender) for a period up to the remaining duration of the Balancing Gas Framework Agreement. A return to the Balancing Gas Contract's original position in the Ranked Order shall be at the discretion of the Transporter.

9.3.9 Where, pursuant to section 9.3.8, the Transporter moves a Balancing Gas Contract to the bottom of the Ranked Order, the Transporter will inform the relevant Framework Member accordingly.

9.3.10 For the avoidance of doubt, nothing in section 9.3.8 and 9.3.9 shall affect the right of the Transporter to terminate a Framework Member's Balancing Gas Contract for a failure to take delivery of or make delivery of Balancing Gas (as the case may be) when so requested in accordance with the terms of the Balancing Gas Contract.

9.3.11 Failure to take delivery of or make delivery of Balancing Gas (as the case may be) when requested may affect a Balancing Gas Provider's ability to submit tenders in response to future competitive tendering procedures conducted the Transporter in relation to the procurement of Balancing Gas Services.

9.4 EPSA Procurement and Use

9.4.1 In this Code:

(a) **"Entry Point Switching Agreement" or "EPSA"** is an agreement for entry point flow switching between the Transporter and an EPSA Provider;

(b) **"EPSA Charges"** are the costs associated with an EPSA;

(c) an **"EPSA Provider"** is a Shipper which is the counterparty to an EPSA, and the plural shall be construed accordingly;

(d) **"EPS Quantity"** is the quantity of gas which is switched from Moffat IP Entry Point to South North IP Entry Point pursuant to an EPSA.

9.4.2 From time to time, in accordance with the SOA, the Transporter may procure the provision of an entry point switching service from one or more EPSA Providers.

9.4.3 The Transporter shall use reasonable endeavours to procure the entry point switching service upon the most competitive terms and conditions reasonably available.

9.4.4 The Transporter may utilise an EPSA to try to prevent a System Constraint and/or in the event of a System Constraint in accordance with section 10.

9.4.5 For the avoidance of doubt, an EPSA shall not be utilised as a Balancing Gas Contract and shall not form part of the Ranked Order.

9.5 NI Postalised Network Disbursement Bank Account

9.5.1 The Transporter shall procure the set up and operation of the NI Postalised Network Disbursement Bank Account and shall procure the administration of the NI Postalised Network Disbursement Bank Account in accordance with the SOA Agreement. In respect of each Month:

(a) the following shall be paid into the NI Postalised Network Disbursement Bank Account:

(i) all Imbalance Charges, Scheduling Charges and Unauthorised Flow Charges paid by each Shipper;

(ii) all monies received from the sale of Balancing Gas;

(iii) monies received from a Shipper in respect of the costs and expenses of the Verifying Accountant in accordance with section 10;

(iv) Disbursement Amounts received from Shippers;

(v) any interest received in respect of payments required to be paid into the NI Postalised Network Disbursement Bank Account; and

(vi) any other monies which the Transporter reasonably determines should be credited thereto.

(b) the following shall be paid from the NI Postalised Network Disbursement Bank Account:

(i) all Imbalance Charges payable to each Shipper;

(ii) all monies paid for the purchase of Balancing Gas;

(iii) all EPSA Charges;

(iv) all monies to be paid as a result of the determination of a Verifying Accountant under section 10;

(v) the costs and expenses of the Verifying Accountant in accordance with section 10;

(vi) all costs of administration of the NI Postalised Network Disbursement Bank Account;

(vii) any interest payable in respect of the NI Postalised Network Disbursement Bank Account or in respect of amounts to be discharged therefrom;

(viii) Disbursement Amounts payable to Shippers; and

(ix) any other monies which the Transporter reasonably determines should be so debited.

9.5.2 The Disbursement Amount payable to or by each Shipper shall be calculated in accordance with section 9.8.

9.6 Provision of information relating to Balancing Gas, Shrinkage Gas and the EPSA

9.6.1 The Transporter shall notify each Shipper, after each Gas Year, in the Ten Year Statement of:

(a) the quantity and cost of the Balancing Gas purchased or sold in that Gas Year;

(b) its estimate, acting as a Reasonable and Prudent Operator, of what proportion of such Balancing Gas was Shrinkage Gas;

(c) its estimate, acting as a Reasonable and Prudent Operator, of the level of Shrinkage Gas in the next Gas Year; and

(d) the total EPS Quantity and the total EPSA Charges for the Gas Year.

9.6.2 The Transporter shall notify each Shipper after each Month of:

(a) the quantity, cost and date of each sale and purchase of Balancing Gas on the NI Network in that Month; and

(b) the total EPS Quantity and the total EPSA Charges in that Month.

9.7 Transporter Shipping Balancing Gas

9.7.1 Notwithstanding any other provision of this Code the Transporter may, in respect of any Balancing Gas which the Transporter shall ship on the NI Network:

(a) enter a Nomination, Renomination, Trade Nomination and/or a Trade Renomination;

(b) be deemed to receive an Initial IP Entry Allocation, Initial Exit Allocation, Final IP Entry Allocation, Final Exit Allocation and/or a Trade Allocation; and

(c) be deemed to be liable for or make claims for Off-Spec Gas or Non-Compliant Gas;

in accordance with the relevant section of this Code as though the Transporter were a Shipper, but solely for such purposes provided that the Transporter will not be liable for PS Transmission Amounts or PS Code Charges for gas nominated pursuant to this section 9.7.

9.8 Calculation of Disbursement Amounts

9.8.1 Disbursement Amounts shall be calculated by the Transporter in accordance with this section 9.8, subject to section 9.5, and invoiced in accordance with section 17. For the purposes of this Code, in respect of each Month:

(a) a Shipper's **"Aggregate Throughput"** shall be determined as the sum of a Shipper's Aggregate NI Entry Allocations and the Shipper's Aggregate NI Exit Allocations for that Month;

(b) the **"Total System Aggregate Throughput"** shall be determined as the sum of all Shippers' Aggregate NI Entry Allocations and all Shippers' Aggregate NI Exit Allocations for that Month; and

(c) for each Shipper, a **"Disbursement Ratio"** shall be determined as:

$$\text{Disbursement Ratio}_{\text{Shipper}} = \frac{\text{Aggregate Throughput}_{\text{Shipper}}}{\text{Total System Aggregate Throughput}}$$

(d) **"Balancing Gas Costs"** means the costs (or as the case may be, revenues) associated with the purchase or sale of Balancing Gas in accordance with this section 9.

9.8.2 For each Shipper, in respect of each Month, a **"Disbursement Amount"** (payable from or payable to a Shipper) shall be determined as the sum of:

(a) net $\sum$Imbalance Charges x Disbursement Ratio $_{\text{Shipper}}$

(b) $\sum$Scheduling Charges x Disbursement Ratio $_{\text{Shipper}}$

(c) $\sum$Unauthorised Flow Charges x Disbursement Ratio $_{\text{Shipper}}$

(d) net $\sum$Balancing Gas Costs x Disbursement Ratio $_{\text{Shipper}}$

(e) $\sum$EPSA Charges x Disbursement Ratio $_{\text{Shipper}}$

where, in each case, the totals are for all Shippers on the NI Network for the preceding Month and charge amounts shall be calculated including VAT on the sum of the Disbursement Amount.

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;
(iii) an Excess Exit Nominations Day; and
(iv) an Excess Entry 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 Exit 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) **"Excess Entry Nominations Day"** means a Gas Flow Day where the IP Entry Nominations in respect of that Gas Flow Day exceed the System Capability on that Gas Flow Day or in any hours on that Gas Flow Day where there is no operational constraint in respect of the NI Network;

(g) **"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, an Excess Exit Nominations Day and an Excess Entry Nominations Day and where section 6.7.14 applies;

(h) **"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;

(i) **"Power Station Nominations"** means Nominations and Renominations in respect of Power Station Exit Points;

(j) **"DN Exit Point Nominations"** means Nominations and Renominations in respect of DN Exit Points;

(k) **"I&C Exit Nominations"** means Nominations and Renominations in respect of I&C Exit Points:

(l) **"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;

(m) **"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;

(n) **"Revised I&C Exit Nominations"** means Nominations in respect of I&C 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.

System Constraints

10.2 NI-wide Constraints and Localised Constraints

10.2.1 A System Constraint may be either an NI-wide Constraint or a Localised Constraint, as determined by the Transporter in its sole discretion.

10.2.2 In this Code:

(a) an **"NI-wide Constraint"** means a System Constraint affecting all Exit Points;

(b) a **"Localised Constraint"** means a System Constraint affecting one or more Exit Points (but not all Exit Points) in one or more locations on the NI Network;

(c) **"Exit Point Capacity Shortfall"** means, where there is a Localised Constraint in respect of a specific Exit Point, the quantity by which the aggregate of all Shipper's Exit Nominated Quantities in respect of such Exit Point exceeds the System Capability;

(d) **"System Capacity Shortfall"** means, where there is a Localised Constraint in respect of more than one Exit Point, the quantity by which the aggregate of all Shipper's Exit Nominated Quantities in respect of all Affected Exit Points exceeds the System Capability;

(e) **"Affected Exit Point"** means an Exit Point where there is a Localised Constraint;

(f) **"Affected Exit Points"** means

(i) more than one Exit Point where there is a Localised Constraint; or

(ii) in the event of an NI-wide Constraint, all Exit Points on the NI Network.

10.2.3 The Transporter shall determine, in its sole discretion, whether a System Constraint is a Reduced Capacity Day, Reduced Profile Day, an Excess Exit Nominations Day or an Excess Entry Nominations Day.

10.2.4 The Transporter may, but shall not be obliged to, call upon an EPSA (to require an EPSA Provider to switch all or part of its IP Entry Nominations from Moffat IP Entry Point to South North IP Entry Point) before making a System Constraint Declaration pursuant to section 10.3.

10.2.5 Where the Transporter calls upon an EPSA (in accordance with section 10.2.4 or otherwise) it shall notify each Shipper that an EPSA has been called upon (an **"EPSA Declaration"**) specifying:

(a) the relevant Gas Flow Day(s);

(b) the reason for calling upon an EPSA; and

(c) any other information that the Transporter considers appropriate.

10.3 Declaration of a System Constraint

10.3.1 This section 10.3 applies to both NI-wide Constraints and Localised Constraints.

10.3.2 Where the Transporter determines that there is, or predicts that there will be, a System Constraint in respect of a given Gas Flow Day, the Transporter shall declare a System Constraint (a **"System Constraint Declaration"**) to:

(a) each Shipper;

(b) each DNO; and

(c) SONI.

10.3.3 A System Constraint Declaration shall specify:

(a) the type of System Constraint;

(b) the Gas Flow Day to which it refers:

(c) whether the System Constraint is an NI-wide Constraint or a Localised Constraint;

(d) confirmation of the date and time of issuing;

(e) the Interconnection Point and/or Exit Points affected or likely to be affected;

(f) where it is known, the expected time of the end of the System Constraint;

(g) whether or not an EPSA has been called upon; and

(h) such information concerning the reason for the System Constraint Declaration as the Transporter considers appropriate which may include for example, whether Renominations at an alternative Interconnection Point by Shippers other than the EPSA Provider may assist in averting the System Constraint.

10.3.4 A System Constraint Declaration issued in accordance with section 10.3.2 is for information purposes only and does not constitute a Flow Order.

10.3.5 In the event of a System Constraint, the Transporter shall be entitled to take, at any time it considers appropriate, such steps in accordance with section 10.4 and section 10.5 (regardless of whether it has called upon an EPSA or requested or received Revised Power Station Nominations) as it considers necessary, acting as a Reasonable and Prudent Operator, to maintain the safe operation of the NI Network and where applicable, avoid an Emergency. The taking of any step in accordance with sections 10.4 and 10.5 shall not preclude the Transporter from taking any other step under those sections and/or the remainder of this section 10.

10.3.6 Notwithstanding the absolute discretion of the Transporter under section 10.3.5 to take steps in whatever order it considers necessary, in the event of an NI-wide System Constraint the default order of Exit Points for which Revised Nominations shall be requested, or Flow Orders shall be issued, shall be as follows:

(a) Power Station Exit Points;

(b) I&C Exit Points;

(c) DN Exit Points.

10.4 NI-wide Constraints

10.4.1 In the event of an NI-wide Constraint in respect of a given Gas Flow Day, the Transporter may:

(a) call upon an EPSA (to require an EPSA Provider to switch all or part of its IP Entry Nominations from Moffat IP Entry Point to South North IP Entry Point);

(b) request Revised Power Station Nominations in accordance with section 10.4.2 where, at any time on D-1 or on D, the Transporter considers that the reduction of Power Station Nominations may avert the System Constraint and where time permits;

(c) issue a Flow Order to reduce Power Station Nominations in accordance with section 10.4.3 where:

(i) the Transporter has requested Revised Power Station Nominations but not received such Revised Power Station Nominations by the time specified in its request; or

(ii) in the reasonable opinion of the Transporter, there is insufficient time to request Revised Power Station Nominations;

(d) request Revised DN Exit Point Nominations in accordance with section 10.4.6 where at any time on D-1 or on Day D, in addition to or instead of reducing Power Station

Nominations or I&C Exit Nominations, the Transporter considers that the reduction of DN Exit Point Nominations may avert the System Constraint and where time permits;

(e) issue a Flow Order to reduce DN Exit Point Nominations in accordance with section 10.4.7 where:

(i) the Transporter has requested Revised DN Exit Point Nominations but not received such Revised DN Exit Point Nominations by the time specified in its request; or

(ii) in the reasonable opinion of the Transporter, there is insufficient time to request Revised DN Exit Point Nominations;

(f) request Revised I&C Exit Nominations in accordance with section 10.4.10 where at any time on D-1 or on Day D, in addition to or instead of reducing Power Station Nominations or DN Exit Point Nominations, the Transporter considers that the reduction of I&C Exit Nominations may avert the System Constraint and where time permits;

(g) issue a Flow Order to reduce I&C Exit Nominations in accordance with section 10.4.11 where:

(j) the Transporter has requested Revised I&C Exit Nominations but not received such Revised I&C Exit Nominations by the time specified in its request; or

(ii) in the reasonable opinion of the Transporter, there is insufficient time to request Revised I&C Exit Nominations.

Requesting Revised Power Station Nominations

10.4.2 Where, pursuant to section 10.4.1(b), the Transporter wishes to request Revised Power Station Nominations, the Transporter shall promptly inform SONI of:

(a) the reduction in capacity utilised on the NI Network which it believes will, if achieved through Revised Power Station Nominations, avert the System Constraint;

(b) the time by which it believes that such Revised Power Station Nominations will have to be submitted in order that the Transporter will not have to issue a Flow Order to avert the System Constraint; and

(c) whether the Transporter believes that the System Constraint has arisen as a result of:

(i) a Reduced Capacity Day or a Reduced Profile Day; or

(ii) an Excess Exit Nominations Day or an Excess Entry Nominations Day.

Flow Orders for Power Stations

10.4.3 Where, pursuant to section 10.4.1(c), the Transporter wishes to ensure a reduction in Power Station Nominations, it shall by issuing a Flow Order:

(a) require that Shippers submit no further Exit Nominations, Exit Renominations or Profile Nominations (other than any Exit Renominations or Profile Nominations of a reduced Nominated Quantity, which may continue to be made) on D-1 or on Day D in respect of

the relevant Gas Flow Day for any Power Station Exit Points identified in such Flow Order; and

(b) reduce those Exit Nominations, Exit Renominations or Profile Nominations which have been submitted (whether or not confirmed by the Transporter) in respect of the relevant Gas Flow Day up until the time by which the Transporter required that no further Exit Nominations, Exit Renominations or Profile Nominations be submitted in accordance with section 10.4.3(a) above, to an extent which the Transporter believes will avert the System Constraint, in accordance with the principles in section 10.4.4.

10.4.4 For the purposes of section 10.4.3(b), the Transporter shall reduce Exit Nominations or Exit Renominations in the following order:

(a) on the first occasion on which the Transporter declares a System Constraint, by applying (x) below;

(b) on the second occasion on which the Transporter declares a System Constraint, by applying (y) below;

(c) on the third such occasion on which the Transporter declares a System Constraint, by applying (z) below;

(d) on the fourth such occasion on which the Transporter declares a System Constraint, by applying (x) below;

(e) on the fifth such occasion on which the Transporter declares a System Constraint, by applying (y) below;

(f) on the sixth such occasion on which the Transporter declares a System Constraint, by applying (z) below;

and so on in sequence, where (x), (y) and (z) shall be as follows:

(x) each Exit Nomination in respect of Kilroot Exit Point shall be reduced pro rata to the sum of the Nominated Quantities in all such Exit Nominations; and/or each Profile Nomination shall be reduced pro rata to all such Profile Nominations, to the extent that the Transporter believes will avert the System Constraint;

(y) each Exit Nomination in respect of Coolkeeragh Exit Point shall be reduced pro rata to the sum of the Nominated Quantities in all such Exit Nominations; and/or each Profile Nomination shall be reduced pro rata to all such Profile Nominations, to the extent that the Transporter believes will avert the System Constraint;

(z) each Exit Nomination in respect of Ballylumford Exit Point shall be reduced pro rata to the sum of the Nominated Quantities in all such Exit Nominations; and/or each Profile Nomination shall be reduced pro rata to all such Profile Nominations, to the extent that the Transporter believes will avert the System Constraint;

but nothing in this section 10.4.4 shall prevent the Transporter issuing a Flow Order in respect of any or all of the Power Station Exit Points at the same time, or in a different order, to the extent that the Transporter, acting as a Reasonable and Prudent Operator, considers that it is operationally beneficial to do so to avert the System Constraint.

10.4.5 For the avoidance of doubt:

(a) the Transporter shall not be required to notify SONI if, in the Transporter's reasonable opinion, there is insufficient time for Revised Power Station Nominations to be submitted

before the Transporter would have to issue a Flow Order to avert a System Constraint; and

(b) a System Constraint may have a duration which is longer than one Gas Day and references in section 10.4.4 to an 'occasion' shall be treated as each referring to a separate occasion on which a System Constraint is declared.

Requesting Revised DN Exit Point Nominations

10.4.6 Where, pursuant to section 10.4.1(d), the Transporter wishes to request a reduction in DN Exit Point Nominations, it shall promptly inform the DNOs of:

(a) the reduction in capacity utilised on the NI Network which it believes will, if achieved through Revised DN Exit Point Nominations, avert the System Constraint;

(b) the time by which it believes that such Revised DN Exit Point Nominations will have to be submitted in order that the Transporter will not have to issue a Flow Order to avert the System Constraint; and

(c) whether the Transporter believes that the System Constraint has arisen as a result of:

(i) a Reduced Capacity Day or a Reduced Profile Day; or

(ii) an Excess Exit Nominations Day or an Excess Entry Nominations Day.

Flow Orders for DN Exit Points

10.4.7 Where, pursuant to section 10.4.1(e), the Transporter wishes to ensure a reduction in DN Exit Point Nominations, it shall by issuing a Flow Order:

(a) require that no further Exit Nominations in respect of DN Exit Points are submitted (other than any Exit Renominations or Profile Nominations of a reduced Nominated Quantity, which may continue to be made) on D-1 or on Day D in respect of the relevant Gas Day D for any DN Exit Points identified in such Flow Order; and

(b) reduce those Exit Nominations or Exit Renominations which have been submitted (whether or not confirmed by the Transporter) in respect of the relevant Gas Flow Day up until the time by which the Transporter required that no further Exit Nominations or Exit Renominations or Profile Nominations be submitted in accordance with section 10.4.7(a) above, to an extent which the Transporter believes will avert the System Constraint, in accordance with the principles in section 10.4.8.

10.4.8 For the purposes of section 10.4.7(b), where the Transporter issues a Flow Order in respect of DN Exit Points:

(a) each DN Exit Point Nomination shall be reduced pro rata to all such DN Exit Nominations in respect of Affected Exit Points by an amount equal to the System Capacity Shortfall less any reduction achieved in respect of Power Station Nominations and/or I&C Exit Nominations; and/or

(b) each Profile Nomination in respect of a DN Exit Point shall be reduced pro rata to all such Profile Nominations in respect of Affected Exit Points by an amount equal to the System Capacity Shortfall less any reduction achieved in respect of Power Station Nominations and/or I&C Exit Nominations.

10.4.9 The Transporter shall communicate any Flow Order in respect of a DN Exit Point to the DNOs for information purposes only.

Requesting Revised I&C Exit Nominations

10.4.10 Where, pursuant to section 10.4.1(f), the Transporter wishes to request Revised I&C Exit Nominations, the Transporter shall promptly inform the Shippers at I&C Exit Points of:

(a) the reduction in capacity utilised on the NI Network which it believes will, if achieved through Revised I&C Exit Nominations, avert the System Constraint;

(b) the time by which it believes that such Revised I&C Exit Nominations will have to be submitted in order that the Transporter will not have to issue a Flow Order to avert the System Constraint; and

(c) whether the Transporter believes that the System Constraint has arisen as a result of:

(i) a Reduced Capacity Day or a Reduced Profile Day; or

(ii) an Excess Exit Nominations Day or an Excess Entry Nominations Day.

Flow Orders for I&C Exit Nominations

10.4.11 Where, pursuant to section 10.4.1(g), the Transporter wishes to ensure a reduction in I&C Exit Nominations, it shall by issuing a Flow Order:

(a) require that no further Exit Nominations in respect of I&C Exit Points are submitted (other than any Exit Renominations or Profile Nominations of a reduced Nominated Quantity, which may continue to be made) on D-1 or on Day D in respect of the relevant Gas Day D for any I&C Exit Points identified in such Flow Order; and

(b) reduce those Exit Nominations or Exit Renominations which have been submitted in respect of I&C Exit Points (whether or not confirmed by the Transporter) in respect of the relevant Gas Flow Day up until the time by which the Transporter required that no further Exit Nominations or Exit Renominations or Profile Nominations be submitted in accordance with section 10.4.11(a) above, to an extent which the Transporter believes will avert the System Constraint, in accordance with the principles in section 10.4.12.

10.4.12 For the purposes of section 10.4.11(b), where the Transporter issues a Flow Order in respect of I&C Exit Points:

(a) each I&C Exit Nomination shall be reduced pro rata to all such I&C Exit Nominations in respect of Affected Exit Points by an amount equal to the System Capacity Shortfall less any reduction achieved in respect of Power Station Nominations and/or DN Exit Point Nominations; and/or

(b) each Profile Nomination in respect of an I&C Exit Point shall be reduced pro rata to all such Profile Nominations in respect of Affected Exit Points by an amount equal to the System Capacity Shortfall less any reduction achieved in respect of Power Station Nominations and/or DN Exit Point Nominations.

10.5 Localised Constraints

Flow Orders for Localised Constraints

10.5.1 In the event of a System Constraint Declaration in respect of a Localised Constraint in respect of a given Gas Flow Day, where the Transporter considers, at any time on D-1 or D,

that a reduction in Exit Point Nominations in respect of the Affected Exit Point or Affected Exit Points is required to avert the System Constraint, it may, by issuing a Flow Order:

(a) require that no further Exit Nominations, Exit Renominations or Profile Nominations in respect of the Affected Exit Point or Affected Exit Points are submitted (other than any Exit Renominations or Profile Nominations of a reduced Nominated Quantity, which may continue to be made) on D-1 or on Day D in respect of the relevant Gas Flow Day for any Affected Exit Point or Affected Exit Points identified in such Flow Order; and

(b) reduce those Exit Nominations, Exit Renominations or Profile Nominations which have been submitted (whether or not confirmed by the Transporter) in respect of the Affected Exit Point or Affected Exit Points for the relevant Gas Flow Day up until the time by which the Transporter required that no further Exit Nominations or Exit Renominations or Profile Nominations be submitted in accordance with section 10.5.1(a) above, to an extent which the Transporter believes will avert the System Constraint, in accordance with the principles in section 10.5.2 and section 10.5.3 as applicable.

Localised Constraint affecting a single Exit Point

10.5.2 Where there is an Exit Point Capacity Shortfall at a particular Exit Point and the Transporter issues a Flow Order in respect of the Affected Exit Point:

(a) each Exit Nomination in respect of the Affected Exit Point shall be reduced pro rata to all such Exit Nominations in respect of such Affected Exit Point by an amount equal to the Exit Point Capacity Shortfall; and/or

(b) each Profile Nomination in respect of the Affected Exit Point shall be reduced pro rata to all such Profile Nominations in respect of such Affected Exit Point by an amount equal to the Exit Point Capacity Shortfall.

Localised Constraint affecting more than one Exit Point

10.5.3 Where there is a System Capacity Shortfall in respect of Affected Exit Points, and the Transporter issues a Flow Order in respect of the Affected Exit Points:

(a) firstly, any Power Station Nominations shall be reduced to the extent necessary to avert the System Capacity Shortfall: and

(b) secondly, where there remains a System Capacity Shortfall:

(i) each Exit Point Nomination in respect of an Affected Exit Point shall be reduced pro rata to all such Exit Nominations in respect of all Affected Exit Points by an amount equal to the System Capacity Shortfall; and/or

(ii) each Profile Nomination in respect of an Affected Exit Point shall be reduced pro rata to all such Profile Nominations in respect of all Affected Exit Points by an amount equal to the System Capacity Shortfall.

Localised Constraint affecting Moffat IP Entry Point

10.5.4 Where there is or, in the opinion of the Transporter, there is likely to be an Excess Entry Nominations Day and/or a Reduced Capacity Day in respect of Moffat IP Entry Point, or otherwise at its sole discretion, the Transporter may call upon an EPSA (to require an EPSA Provider to switch all or part of its IP Entry Nominations from Moffat IP Entry Point to South North IP Entry Point) in order to manage or avert the Localised Constraint. For the avoidance of doubt, calling upon an EPSA does not constitute a Flow Order.

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, 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, 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 section 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.

10.10 Emergency Contacts

10.10.1 Each Shipper shall provide to the Transporter:

(a) a single telephone number and facsimile number, and an email address, at which the Transporter may contact, 24 hours a Day and on each Day of a Gas Year, in an Emergency for any purpose pursuant to this section 10:

(i) a representative of the Shipper; and

(ii) a representative of any End User at an Exit Point (other than a DN Exit Point) in respect of which a Shipper has an Exit Point Registration; and

(b) the name(s), title(s) and addresses of such representatives.

10.10.2 The details required under section 10.10.1 shall be provided by a Prospective Shipper before becoming a Shipper and where a Shipper submits an application for an Exit Point Registration in respect of an Exit Point and shall at all times be maintained up to date. A Shipper shall notify the Transporter of any change in such details promptly and, where possible, in advance of such change.

10.10.3 Each representative referred to in section 10.10.1(a)(i) and (ii) above shall be a person having appropriate authority and responsibilities within a Shipper's or an End User's organisation (as appropriate) to act as the primary contact for the Transporter in the event of an Emergency.

10.10.4 If a Shipper does not provide such details, or cannot be contacted when required at the contact point referred to in section 10.10.1, the Transporter may, having taken any steps to contact the relevant Shipper or End User as would a Reasonable and Prudent Operator and without prejudice to the generality of this section 10, discontinue the offtake by such Shipper of Gas. In such circumstances, the Transporter shall not be liable for and the Shipper shall indemnify the Transporter in respect of, any costs incurred in connection with such discontinued offtake of gas.

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 Registration in respect of an affected Exit Point 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.

10.13 Exit Control in an Emergency

10.13.1 Where Emergency Steps include the reduction or discontinuance of the offtake of gas at an Exit Point, the Transporter shall first seek voluntary reductions by Shippers and, if the Transporter cannot achieve the requisite reduction voluntarily, it shall endeavour to reduce offtake from the NI Network, in so far as is practicable, in the following order (the **"Priority Order"**), to the extent that gas made available for offtake at the Exit Point is supplied to:

(a) power generation consumers;

(b) consumers whose loads are greater than or equal to 1,465,416,000 kWh/annum other than power generation consumers;

(c) consumers whose loads are greater than or equal to 733,000 kWh/annum but less than 1,465,416,000 kWh/annum;

(d) consumers whose loads are less than 733,000 kWh/annum.

10.13.2 The Transporter shall endeavour, in so far as it is practicable, to treat each Exit Point equally within each category of consumer in accordance with section 10.13.1.

10.13.3 In so reducing offtake, the Transporter shall give due consideration, upon notice from a Shipper and, where practicable, so as to enable End Users to discontinue offtake in such a manner as to preserve so far as possible essential services, or to allow the End User to change to alternative fuels (where practicable).

10.13.4 Where, pursuant to the Emergency, the Transporter instructs a Shipper to give any notification or communication to an End User or supplier, the Shipper shall comply with that instruction.

10.13.5 Without prejudice to the Transporter's ability to take any Emergency Steps, the Transporter may take steps physically to isolate any Exit Point where a Shipper does not comply with any instruction given under this section 10.

10.13.6 The order in which, following an Emergency, offtake of gas at Exit Points is restored shall, so far as is practicable, be the reverse of the Priority Order.

10.14 Consequences of Emergency

10.14.1 The Transporter shall take steps to restore gas transportation and normal operation of the NI Network as soon as reasonably practicable after an Emergency.

10.14.2 Notwithstanding sections 8.4 and 8.5 respectively, the Transporter shall not impose any Scheduling Charge in respect of any Shipper which complies with any Emergency Step (taking into account any amendment or cancellation of an Emergency Step made pursuant to section 10.9.7) with which it is required to comply in respect of the duration of the Emergency.

10.14.3 If a Shipper's compliance with any Emergency Step shall give rise to:

(a) a Positive Imbalance the Transporter shall, notwithstanding section 8.3.2, pay to the Shipper; or

(b) a Negative Imbalance the Transporter shall, notwithstanding section 8.3.3, charge the Shipper,

the value of the amount of the Shipper's Imbalance at the Daily Gas Price, whether or not the Imbalance Tolerance Quantity has been exceeded.

10.14.4 If:

(a) a Shipper's compliance with any Emergency Step shall give rise to a Positive Imbalance; and

(b) the Shipper claims that the amount payable to it in accordance with section 10.14.3(a) in respect of Balancing Gas is less than the price which it has paid in respect of the relevant gas (a "**Shortfall in Price**") and requests that such Shortfall in Price be verified,

the Transporter shall promptly appoint from a nationally recognised firm of Chartered Accountants, an independent chartered accountant to verify the extent to which there was a Shortfall in Price and the Shortfall in Price was suitably evidenced and to notify the Transporter of its findings (a "**Verifying Accountant**").

10.14.5 The relevant Shipper shall provide the Verifying Accountant with such access to its books and records as the Verifying Accountant may reasonably require for the purposes of making such verification after the Verifying Accountant has provided the Shipper with any reasonable confidentiality undertaking which the Shipper may have required.

10.14.6 The costs and expenses of the Verifying Accountant shall be paid by the Transporter from the NI Postalised Network Disbursement Bank Account.

10.14.7 If the Verifying Accountant determines that the Shortfall in Price is:

(a) more than £2,000, the Transporter shall pay to the relevant Shipper the Shortfall in Price from the NI Postalised Network Disbursement Bank Account (as though it were monies paid by the Transporter to purchase Balancing Gas in accordance with section 9.5.1(b)(ii)); or

(b) less than £2,000, the relevant Shipper shall:

(i) receive no payment in respect of the Shortfall in Price; and

(ii) pay to the NI Postalised Network Disbursement Bank Account an amount equal to the costs and expenses of the Verifying Accountant.

10.14.8 The Transporter and the Shippers acknowledge that during an Emergency it may be necessary for each of them to divert resources from other activities which may potentially result in a temporary impairment of their abilities subsequently to perform their respective obligations pursuant to this Code and acknowledge that any such impairment resulting from such diversion of resources may be regarded as Force Majeure for the purposes of section 20 (*Force Majeure*).

10.14.9 A Shipper agrees and acknowledges that all gas used or lost in connection with an Emergency, shall be treated as Shrinkage Gas.

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 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.

10.16 Emergency procedures

10.16.1 A Shipper shall co-operate with the Transporter in relation to the testing of the Transporter's emergency procedures provided that this shall not extend to a Shipper taking Emergency Steps.

10.17 ROI System

10.17.1 The Transporter may agree with the Adjacent Transporter at the South North Interconnection Point the Emergency procedures to be taken with respect to the ROI System and or the NI Network in the event of an Emergency affecting the NI Network or an emergency affecting the ROI System (as the case may be). The Transporter shall not be in breach of this Code or any obligation pursuant to this Code to the extent the Transporter takes action as may be required pursuant to any such Emergency Procedures agreed with such Adjacent Transporter.

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 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 Entry Point

11.2.1 All gas delivered or tendered for delivery to the NI Network at an 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 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 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 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 Entry Point each Shipper which receives an IP Entry Allocation or Non-IP Entry Allocation at that Entry Point shall pay to the Transporter the proportion that its Final IP Entry Allocation or Non-IP Entry Allocation at the Entry Point on the Day bears to the sum of all Shippers' Final IP Entry Allocations and/or Non-IP Entry Allocations at the Entry Point on the Day of the amount set out in section 11.3.5. Where only one Shipper has Entry Allocations at an 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 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 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.

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.

12.2 Title and risk at Internal Connection Points

12.2.1 At an Internal Connection Point, subject to section 12.2.3, to the extent that it is necessary to determine the same, the proportions in which Shippers shall be treated as;

(a) putting such gas into the Downstream System from the Upstream System; and

(b) having title and risk in such gas;

shall be determined by calculating the net quantities attributable to each Shipper resulting from Shippers Nominations at the Interconnection Points and/or Exit Points on the relevant system and/or across the NI Network as a whole, as the circumstances require.

12.2.2 Where there is physical reverse flow at an Internal Connection Point, to the extent that it is necessary to determine the same, the proportions in which Shippers shall be treated as;

(a) putting gas into the Upstream System from the Downstream System; and

(b) having title and risk in such gas;

shall be determined by calculating the net quantities attributable to each Shipper resulting from Shippers Nominations at the Interconnection Points and/or Exit Points on the relevant system and/or across the NI Network as a whole, as the circumstances require.

12.3 Title and risk on exit from the NI Network

12.3.1 Title and risk in gas made available for offtake from the NI Network at an Exit Point or VRF IP Exit Point by the Transporter shall transfer to the Shipper at the relevant Exit Point or VRF IP Exit Point.

12.3.2 To the extent that it is necessary to determine, title and risk to gas on exit at the NI Gas Transmission Network at a DN Exit Point shall be transferred from the Transporter to a Shipper in proportion to its Final Transmission Daily Quantity Delivered as determined by the Relevant DNO.

12.3.3. To the extent that it is necessary to determine at a DN Exit Point, where a Shipper with a DBEP Registration has an individual position in respect of a Gas Flow Day such that its Final DBEP Entry Allocation exceeds its Final DN Exit Allocation for the relevant distribution network, it shall be treated as putting gas into the NI Gas Transmission Network at that DN Exit Point and simultaneously transferring title and risk in such quantity of gas to the Transporter. The quantity for which the Shipper is treated as transferring title and risk to gas in the NI Gas Transmission Network as a result of this provision shall be determined by calculating the quantity which is the difference between the Shipper's DN Exit Allocation and the Shipper's DBEP Entry Allocation in respect of the relevant distribution network.

12.3.4 The Transporter warrants to the Shipper that subject to section 12.3.6:

(a) it shall have title to all gas which it makes available for offtake from the NI Network at an Exit Point or VRF IP Exit Point; and

(b) all such gas 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 it is made available for offtake from the NI Network.

12.3.5 The Transporter shall, subject to section 12.3.6, indemnify a Shipper and hold it harmless against any Indemnified Liabilities suffered or incurred by or made or brought against the Shipper in consequence of any breach by the Transporter of either of the warranties in section 12.3.4.

12.3.6 The Transporter offers no warranty under section 12.3.4 or indemnity under section 12.3.5 to the extent that any Shipper is in breach of either of the warranties given in section 12.1.2.

13. EXIT REQUIREMENTS

13.1 Introduction and Definitions

13.1.1 This section 13 sets out the terms upon which a Shipper shall be entitled to offtake gas from the NI Network at an Exit Point including, for the avoidance of doubt, where a Network Exit Agreement is in force in accordance with section 13.9.

13.1.2 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 offtaking gas.

13.1.3 Shippers acknowledge that, as no physical flows of gas out of the NI Network are permitted at a VRF IP Exit Point, gas offtake conditions as set out in the remainder of this section 13 are not required at and do not apply in relation to VRF IP Exit Points.

13.1.4 Nothing in this Code shall prevent the Transporter from exercising any statutory and/or regulatory entitlement or discharging any statutory and/or regulatory duty whether under the Code or under any applicable legislation or Directive which may involve the disconnection of or refusal to convey gas, or to allow gas to be conveyed, to any End User's Facilities.

13.1.5 At each Exit Point there shall be installed, operated and maintained an offtake point meter installation for measuring and registering the quantity of gas offtaken from the NI Network at such Exit Point in accordance with the provisions of section 14. Such equipment shall enable provision of real time metering data at the Exit Point to the Transporter.

13.1.6 For the avoidance of doubt, references in this section 13 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.

13.2 Shipper Offtake Provisions

13.2.1 A Shipper shall not:

(a) vary the rate of offtake gas from any Exit Point by more than the ramp rate in respect of that Exit Point set out in part I of Appendix 4; or

(b) exceed the Maximum Offtake Rate in respect of any Exit Point as set out in part 1 of Appendix 4.

13.2.2 If a Shipper does so:

(a) offtake at a rate which exceeds such ramp rate; or

(b) exceed such Maximum Offtake Rate;

the Transporter may take any steps available to it to secure a reduction in the rate of the offtake of gas from the NI Network at the Exit Point by the Shipper or discontinue it.

13.2.3 The Transporter shall notify a Shipper, as soon as reasonably practicable, that it proposes to take, or it has taken (as appropriate), the steps referred to in section 13.2.2.

13.3 Offtake pressure

13.3.1 The Transporter shall, subject to section 13.3.10 and 13.3.12, make gas available for offtake from the NI Network at an Exit Point to a Shipper at a pressure of no less than that set out in part 1 of Appendix 4 in respect of each Exit Point (the **"Minimum Pressure"**).

13.3.2 A Shipper may request that the Transporter makes all gas available for offtake from the NI Network at any Exit Point in respect of which it has an Exit Point Registration at a pressure exceeding the Minimum Pressure ("**Enhanced Pressure**") not later than 35 Business Days before it requires the Enhanced Pressure to be available.

13.3.3 The Transporter shall:

(a) agree to provide such Enhanced Pressure on the date requested or offer to provide it as soon as practicable after such date, unless it determines, as a Reasonable and Prudent Operator, that it should not do so taking into account the following:

(i) the pressure which may be provided to the Transporter pursuant to the Interconnection Agreement (in respect of South North Interconnection Point) and the GNI (UK) Transportation Agreement (in respect of Moffat Interconnection Point);

(ii) the Transporter's reasonable forecast of allocations at all Exit Points over the next 36 months;

(iii) the Transporter's reasonable forecast of Profile Nominations at all Exit Points over the next 36 months; and

(iv) the physical capability of the NI Network to accommodate pressure; and

(v) the result of network analysis based on likely demand scenarios;

(b) notify the Shipper of the availability of the Enhanced Pressure within 25 Business Days of receiving the Shipper's request, including a list of conditions applicable to the availability of Enhanced Pressure (the **"Applicable Conditions"**).

13.3.4 If the Transporter:

(a) notifies the Shipper that it shall provide the Enhanced Pressure on the date requested the Shipper shall be entitled to the Enhanced Pressure in accordance with and subject to any Applicable Conditions with effect from such date;

(b) offers to provide the Shipper with Enhanced Pressure:

(i) at a date later than the date requested; and/or

(ii) subject to any Applicable Conditions;

the Shipper shall, within 5 Business Days of receiving the Transporter's offer, confirm to the Transporter whether or not it requires the Enhanced Pressure on such date and/or subject to any Applicable Conditions and, if it notifies the Transporter that it does, the Shipper shall be

entitled to the Enhanced Pressure with effect from such date and/or subject to any Applicable Conditions.

13.3.5 The Shipper shall, with effect from the date on which the Enhanced Pressure is made available, pay a charge in respect of the provision of the Enhanced Pressure at an Exit Point. The charge shall be equal to any additional costs payable by the Transporter to any Upstream Transporter as a result of the Transporter providing the Enhanced Pressure calculated on a monthly basis in accordance with the following formula:

Enhanced Pressure charge = (SAQ /TAQ) x AC

where:

AC = the aggregate of any additional costs, reasonably incurred by the Transporter as a result of the Transporter obtaining the pressure and/or services which the Transporter determines are necessary to enable the Transporter to provide any Shippers with Enhanced Pressure at the Exit Point;

SAQ = the Final Exit Allocation of a Shipper requesting the Enhanced Pressure at the Exit Point.

TAQ = the total Final Exit Allocations of all Shippers at the Exit Point

provided that where the Shipper or Shippers requiring Enhanced Pressure at the Exit Point have Final Exit Allocations of zero, the Enhanced Pressure charge shall be allocated equally among all Shippers which have an Exit Point Registration at the Exit Point.

13.3.6 The Transporter may, at any time, upon giving any Shipper which is entitled to Enhanced Pressure not less than 2 year's notice, withdraw or reduce the availability of its Enhanced Pressure if:

(a) there is insufficient pressure available on the NI Network to meet the requirements of other Shippers, from time to time, for Enhanced Pressure; and

(b) the allocation, in a non discriminatory manner, of the pressure which is available requires that the Transporter withdraws or reduces the availability such Enhanced Pressure from such Shipper.

13.3.7 A Shipper may require that the Transporter withdraws the availability of Enhanced Pressure not later than 10 Business Days before it requires that such service is withdrawn whereupon such service shall be withdrawn.

13.3.8 A Shipper's obligation to pay a charge for Enhanced Pressure shall cease or reduce when the Transporter withdraws or reduces, respectively, the availability of any Enhanced Pressure.

13.3.9 The Transporter shall, when notifying a Shipper of any determination in accordance with section 13.3.3 (a) that the provision of Enhanced Pressure is acceptable, notify all other Shippers which have an Exit Point Registration in respect of the Exit Point of such determination. The Transporter shall, after receiving notification by a Shipper in accordance with section 13.3.3 (b) that the Shipper wishes to receive Enhanced Pressure, notify all other Shippers which have an Exit Point Registration in respect of the Exit Point of such notification. It is agreed, for the avoidance of doubt, that, whilst any such other Shipper may

receive the Enhanced Pressure, such Shipper shall, unless it requests an Enhanced Pressure in accordance with this section 13, only be entitled to receive the Minimum Pressure at the Exit Point.

13.3.10 Notwithstanding any other provision of this Code, the Transporter shall, subject to section 13.3.11, be relieved of its obligation to make gas available:

(a) at the Minimum Pressure, an Enhanced Pressure or at all, to the extent that it is prevented from doing so by reason of:

(i) any failure of any Upstream Transporters to provide sufficient pressure at an Interconnection Point to enable the Transporter to provide the Minimum Pressure;

(ii) any failure of the NI Network other than as a result of the Wilful Misconduct of the Transporter; or

(iii) the pressure of the gas immediately downstream of the Exit Point exceeding the Minimum Pressure; or

(b) at an Enhanced Pressure to the extent that it is prevented from doing so by reason of:

(i) the aggregate measured offtake quantity in each hour of all Shippers at an Exit Point varying from the aggregate of such Shipper's Profile Nominations in respect of the relevant hour by more than the Imbalance Tolerance Percentage at the Exit Point; or

(ii) the aggregate of all Shippers' Final Exit Allocations at an Exit Point on a Day varying from the aggregate of such Shipper's Nominations at the Exit Point by more than the Imbalance Tolerance Percentage at the Exit Point.

13.3.11 The Transporter shall take such steps, as would a Reasonable and Prudent Operator, to require that any Upstream Transporter makes available to the Transporter the maximum pressure to which the Transporter is entitled under either the Interconnection Agreement or the GNI (UK) Transportation Agreement, as applicable.

13.3.12 Where at any time, by reason of any building, mining or engineering developments or changes in population density, in the vicinity of any part of the NI Network, it is not, or ceases, or will cease to be, feasible safely or in accordance with any Recognised Standard to maintain at any Exit Point a pressure of at least the Minimum Pressure, or the Enhanced Pressure (as appropriate) applicable at the time in accordance with this section 13.3.12:

(a) the Transporter shall, subject to section 13.3.13, as soon as reasonably practicable after becoming aware that, by reason of such circumstances, such pressure cannot be maintained, so inform the Shipper specifying the date with effect from which it will be necessary to reduce such pressure and the reduced pressure which can, after such date, be so maintained; and

(b) with effect from the date specified by the Transporter, the reduced pressure so specified shall be the Minimum Pressure, or the Enhanced Pressure (as appropriate).

13.3.13 The Transporter shall, if requested, discuss with any Shipper which would be affected by a reduction in pressure in accordance with section 13.3.12 and whether reinforcing any part of

the NI Network would avoid the need to so reduce pressure and how the cost of any reinforcement may be recovered.

13.3.14 Subject to section 15 (*Maintenance*), the Transporter shall act as a Reasonable and Prudent Operator in endeavouring not to schedule operations which would result in the NI Network pressures falling to operationally unacceptable levels or which would otherwise jeopardise the integrity of the NI Network and the ability of the Transporter to provide transportation services.

13.3.15 The Minimum Pressure in respect of an Exit Point shall be measured at the Exit Point.

13.3.16 For the avoidance of doubt, failure to comply with the pressure requirements of this section 13.3 shall not render (or be deemed to render) gas Off-Spec Gas for the purposes of section 13.4.

13.4 Gas Specification on exit

13.4.1 Provided that all gas delivered into the NI Network is in accordance with the Gas Specification, the Transporter shall endeavour to make gas available for offtake in accordance with the Gas Specification.

13.4.2 If all gas delivered into the NI Network is in accordance with the Gas Specification, but does not conform to the Gas Specification when made available for offtake by a Shipper from the NI Network at an Exit Point (**"Off-Spec Gas"**), the Shipper may, from time to time, until such time as the gas so made available for offtake complies with the Gas Specification, in its discretion:

(a) offtake or continue to offtake such Off-Spec Gas; or

(b) decline to offtake or to continue to offtake such Off-Spec Gas.

13.4.3 Where Off-Spec Gas has been offtaken on any Day from the NI Network, the liability of the Transporter to each Shipper shall be limited to an amount determined in accordance with section 13.4.4.

13.4.4 The amount payable by the Transporter to a Shipper under this section 13.4 shall be treated as an Eligible Pass-Through Cost in accordance with the PTL Licence, WTL Licence or BGTL Licence, or an Unforeseen Operating Expenditure in accordance with the GNI (UK) Licence, as the context requires, and be the lesser of:

(a) any reasonable costs and expenses properly incurred by the Shipper as a result of the offtake of Off-Spec Gas by the Shipper at an Exit Point; and

(b) an amount equal to 10% of the quantity of Off-Spec Gas that is allocated to the Shipper on such Day at the Exit Point multiplied by the Daily Gas Price.

13.4.5 When a Shipper first becomes aware that Off-Spec Gas is being, or has been, made available for offtake from the NI Network at an Exit Point on any Day the Shipper shall, as soon as reasonably practicable, notify the Transporter specifying:

(a) the relevant Exit Point and the Day or Days on which Off-Spec Gas was offtaken from 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 13.4.4 and the person to whom and purposes for which, they were incurred; and

(d) the total quantity of Off-Spec Gas referred to in section 13.4.2 and the Shipper's offtake proportion.

13.5 Gas offtaken for compressors

13.5.1 Where a Shipper uses, or procures that an End User uses, gas offtaken from the NI Network at an Exit Point for supplying a compressor the Shipper shall if so required by the Transporter by notice, fix in a suitable position and keep in use an appliance provided by the Shipper which shall effectively prevent pressure fluctuation in the NI Network and any other inconvenience or danger being caused to the Transporter, the NI Network, any Shipper or any End User.

13.5.2 Where a Shipper is required by this section 13.5 to keep in use any such appliance the Shipper shall at its own expense keep it in proper order and repair and replace it if it is not in proper order or repair.

13.5.3 If the Shipper defaults in complying with any provision of this section 13.5 the Transporter may suspend offtake of gas by a Shipper at the relevant Exit Point and shall not be required to resume the supply of such gas until the default has been remedied to the reasonable satisfaction of the Transporter.

13.6 Discontinuance of supply at Exit Point

13.6.1 If any Shipper:

(a) uses, or an End User, for whom the Shipper has procured gas, uses, gas offtaken from the NI Network at an Exit Point other than as a Reasonable and Prudent Operator or other than in accordance with this Code or deals with offtaken gas so as to interfere with the efficient transportation or offtake of gas by any other Shipper; or

(b) inputs Non-Compliant Gas into the NI Network;

the Transporter may discontinue the supply of gas to the Exit Point until the interference is remedied to the satisfaction of the Transporter.

13.7 Access rights and Shipper indemnity

13.7.1 A Shipper shall, subject to section 13.7.2, procure that the Transporter shall have the right of access to any Connected Facilities at any Exit Point in respect of which the Shipper has an Exit Point Registration without charge, for the purpose of exercising its rights in accordance with the relevant sections of this Code. A Shipper shall procure that such access may be

obtained safely at all reasonable times, save in the case of an Emergency, when such access shall be procured safely at any time.

13.7.2 A Shipper shall not be obliged to procure that the Transporter shall have the access referred to in section 13.7.1 where the End User has granted the Transporter rights of access for such purposes.

13.7.3 A Shipper shall, subject to section 13.4.4 (a) and section 13.7.4, indemnify the Transporter and hold it harmless from and against any and all Indemnified Liabilities suffered or incurred by the Transporter as a result of any claim or action brought by any person (including itself or any End User) offtaking gas, directly or indirectly, from the NI Network at an Exit Point shipped by that Shipper arising, directly or indirectly, as a result of an event or occurrence downstream of an Exit Point.

13.7.4 A Shipper shall not be obliged to indemnify the Transporter, in accordance with section 13.7.3, to the extent that the liability of the Transporter arises in respect of a supply of gas as result of the Transporter's negligence or Wilful Misconduct.

13.8 Connected Facilities

13.8.1 The Transporter and a Shipper shall consult and cooperate with a view to ensuring that the objective in section 13.8.2 is achieved.

13.8.2 The objective is to ensure that in all material respects the Transporter's Facilities at an Exit Point and the adjacent Connected Facilities, are and will continue to be technically and operationally compatible as facilities by which the NI Network may safely be connected. In the case of Connected Facilities owned by a person other than the Shipper the Shipper alone shall have the responsibility of consulting and co-operating with such downstream owner and/or downstream operator of the Connected Facilities with a view to ensuring that this objective is achieved.

13.8.3 Where, by reason of any modification, other than a modification made to comply with any Legal Requirement, made or to be made by the Transporter to the Transporter's Facilities at the Exit Point or by a Shipper or such downstream owner and/or downstream operator in respect of the Connected Facilities, the objective in section 13.8.2 ceases or will cease to be satisfied:

(a) the Transporter, in the case of a modification made by the Transporter; and

(b) the Shipper in the case of a modification made by it or such downstream owner and/or downstream operator;

shall promptly reimburse to the other any material expenditure demonstrated to have been reasonably incurred by the other for the purposes of ensuring that the objective continues to be or is again satisfied. In case of more than one Shipper offtaking gas from the Connected Facilities such Shippers shall reimburse the Transporter such expenditure in 6 equal Monthly instalments at the end of each Month commencing at the end of the Month in which such expenditure is incurred so that each such Shipper bears its pro rata share of each instalment based upon its Final Exit Allocations at the relevant Exit Point during the Month that each such instalment is recoverable.

13.8.4 Any such expenditure reimbursed by the Transporter shall be a Licensee Unpredictable Operating Cost 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.

13.8.5 The Transporter and each relevant Shipper shall be entitled, upon reasonable notice to inspect the other's facilities at or adjacent to the Exit Point for the purposes of determining whether the objective in section 13.8.2 is satisfied or any expenditure has been incurred in accordance with section 13.8.3. In case of Connected Facilities owned by a person other than the Shipper the Shipper shall ensure that the Transporter shall be entitled, upon reasonable notice to inspect such other's facilities at or adjacent to the Exit Point for both such purposes.

13.8.6 Without prejudice to any other agreement between the Transporter and a Shipper in respect of the installation of the Transporter's Facilities at the Exit Point or a Shipper's Connected Facilities, subject to sections 13.8.2, 13.8.3 and 13.8.5, nothing in this Code shall impose any obligations upon, or take effect as a warranty by, either the Transporter or the Shipper in relation to its system and neither the Transporter or the Shipper shall be liable to the other in respect of any failure or malfunction thereof.

13.9 Network Exit Agreements

13.9.1 For the purposes of the Code, a **"Network Exit Agreement"** is an agreement between the Transporter and the downstream operator of Connected Facilities which are, or are to be, connected to the NI Network at an Exit Point;

13.9.2 Without prejudice to section 13.8, in respect of a new Exit Point at which there are Connected Facilities, the Transporter shall enter into a Network Exit Agreement with the downstream operator of the Connected Facilities. Where there are multiple Connected Facilities at a new Exit Point a Network Exit Agreement may be multi-party between the Transporter and all the downstream operators in respect of that Exit Point.

13.9.3 For the purposes of the Code, **"Network Exit Provisions"** are provisions contained in a Network Exit Agreement which relate to the offtake of gas at an Exit Point in addition to the provisions of this section 13.

13.9.4 A Network Exit Agreement may contain provisions in addition to Network Exit Provisions and Network Exit Provisions may differ between Exit Points.

13.9.5 Where the Transporter has entered into, or intends to enter into, a Network Exit Agreement in respect of an Exit Point a Shipper shall not be entitled to offtake gas at any time at the Exit Point unless the Network Exit Provisions are in force.

13.9.6 A Shipper shall not be required, nor be entitled, to be party to a Network Exit Agreement.

13.9.7 A Shipper applying for an Exit Point Registration in respect of an Exit Point at which a Network Exit Agreement is, or is to be, in force, shall be responsible for obtaining and shall be deemed to have obtained and be fully informed of the applicable Network Exit Provisions,

13.9.8 The existence of a Network Exit Agreement shall not relieve Shippers of any obligations under the Code and the Transporter shall not be required to secure in a Network Exit Agreement any remedy against the downstream owner and/or downstream operator of the

Connected Facilities nor be required to take steps to enforce any provision of a Network Exit Agreement.

13.9.9 The Transporter shall be entitled to enter into a Network Exit Agreement in respect of any point at which there are Connected Facilities.

13.9.10 Notwithstanding section 13.9.9, nothing in the Code shall require the Transporter to enter into a Network Exit Agreement in respect of an Exit Point which is not a new Exit Point.

13.9.11 A Network Exit Agreement may only be modified by agreement pursuant to its terms between the Transporter and the other parties to the Network Exit Agreement.

13.9.12 Shippers acknowledge that where the Transporter has entered into a Network Exit Agreement:

(a) the measurement of quantities offtaken at the Exit Point shall be determined in accordance with the relevant Network Exit Provisions; and

(b) the Transporter shall be entitled to operate the Exit Point, including suspending or ceasing the delivery of gas, in accordance with the terms of the Network Exit Agreement and shall not be in breach of the Code by so doing.

Network Exit Provisions

13.9.13 The Network Exit Provisions contained in a Network Exit Agreement:

(a) shall specify the point of offtake in respect of the Exit Point;

(b) shall specify the values for the parameters set out in Appendix 4;

(c) shall specify the components of Measurement Equipment required to be installed;

(d) shall specify the standards, methods and procedures for determining volume and quantity of gas offtaken each day;

(e) shall specify that the quantity of gas offtaken is determined by the Measurement Equipment;

(f) shall specify relevant communications and operating procedures between the Transporter and the downstream operator of the Connected Facilities;

(g) shall specify rights of access to the Measurement Equipment for the Transporter and a Shipper with an Exit Point Registration in respect of the Exit Point;

(h) may set out matters relating to planning, and the offtake of gas for, commissioning and testing purposes including in accordance with section 13.10;

(i) may include the basis for determining pressure and composition of the gas offtaken;

(j) may include provisions which require other plant or equipment to be installed;

(k) may include provisions under which the Network Exit Provisions are to be suspended or terminated;

(l) shall specify that where the Network Exit Provisions are suspended or terminated, the delivery of gas at the Exit Point may be suspended or ceased and in such cases the Transporter shall not be in breach of its obligation under this Code to deliver gas.

13.10 Exit Point Commissioning Arrangements

13.10.1 There must be a Shipper with an Exit Point Registration in respect of a new Exit Point in advance of commissioning.

13.10.2 The Shipper(s) with an Exit Point Registration in respect of a new Exit Point shall procure and nominate the quantities of gas required for commissioning and testing and the Transporter shall be entitled to make Nominations and Allocations, including on behalf of the Shipper(s), and/or adjust Nominations made by such Shipper(s) in order that such gas is accounted for under this Code including, for the avoidance of doubt, in accordance with section 8 *(Balancing and Scheduling Charges)*.

13.10.3 No later than 30 Business Days before the commencement of commissioning of a new Exit Point, the Transporter shall hold a commissioning planning meeting with the Shipper(s) holding a Registration at the Exit Point and the downstream operator of the Connected Facilities at the new Exit Point in order to agree:

(a) the schedule of expected commissioning period(s) over which commissioning shall be permitted to take place;

(b) the dates any other testing activities may occur; and/or

(c) arrangements for pre-notification of such testing dates;

(d) arrangements for operational communications;

(e) any special arrangements for ramp rates, minimum and maximum flow rates to be used during commissioning and testing;

(f) the quantities of gas required to be procured and nominated by or on behalf of the Shipper(s) in accordance with section 13.10.2.

13.10.4 The Shipper(s) holding a Registration at a new Power Station Exit Point shall notify the Transporter as soon as reasonably practicable of the Gas Flow Day on which the Connected Facilities are, or are to be, treated as entering commercial operation pursuant to a FON (or LON or ION or MRC as applicable) issued by SONI and the Transporter may take such other steps as it deems appropriate to verify the commencement of full or partial commercial operation.

13.10.5 The Shipper(s) holding a Registration at a new Exit Point which is other than a Power Station Exit Point shall notify the Transporter as soon as reasonably practicable of the Gas Flow Day on which full or partial commercial operation commences and the Transporter may take such other steps as it deems appropriate to verify the commencement of full or partial commercial operation.

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 sections 14.5 and 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 per cent for volume and/or +/-1.1 per cent for energy over the normal operating range for which the Measurement Equipment is designed and operated and such level of uncertainty is to be calculated using the method specified in ISO 5168 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.

14.1.3 The Measurement Equipment at an Exit Point shall be compliant generally with the requirements outlined in IGEM/GM/4 *(Flow-metering practices. Inlet pressure exceeding 38 bar and not exceeding 100 bar)* and specifically ISO 5167/9951/17089 as applicable and energy calculations shall be in accordance with ISO 6976 1995 or 2016.

Entry Points

14.2 Entry Quantity at an Entry Point

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.

14.2.4 In the absence of the provision of a PTL Forward Flow Allocation in accordance with section 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.

Exit Points

14.4 Exit Quantity at an Exit Point

14.4.1 The quantity of gas delivered at an Exit Point (in each case an **"Exit Quantity"**) shall, subject to section 14.5, be determined by the Transporter using readings taken from the Measurement Equipment at the Exit Point in accordance with section 1.10.

14.5 Adjustment to the Exit Quantity

14.5.1 If it is determined by the Transporter that the Measurement Equipment at an Exit Point has registered beyond the Permitted Range (whether under or over recording the quantity of gas offtaken), the Measurement Equipment at that Exit Point shall be assumed to have registered beyond the Permitted Range during the latter half of the period since it was last validated except where it is proven that the Measurement Equipment began to register beyond the Permitted Range on some other date, in which case such other date shall be taken.

14.5.2 A Final Exit Allocation or Final T-DN Adjusted Allocation shall be adjusted in respect of any Day (an "**Exit Point Adjustment Day**") as set out below if:

(a) it is determined by the Transporter that the Measurement Equipment at an Exit Point has registered beyond the Permitted Range in accordance with section 14.5.1 (such amount beyond the Permitted Range being known as an "**Exit Point Adjustment Quantity**"); or

(b) the Transporter reasonably determines that there has been an error in the allocation of the Exit Quantity determined to have been delivered at any Exit Point as a result of the incorrect application of section 7.5, 7.6 or 7.7;

(c) the Transporter shall, before 16:00 hours on D+5, deem a quantity to have flowed in accordance with section 14.8.

14.5.3 In the case of an Exit Point Adjustment Quantity being determined in accordance with section 14.5.2(a) after M+10, Final Exit Allocations and Final Adjusted T-DN Allocations shall be adjusted in accordance with the following:

(a) Final Power Station Exit Allocations shall be adjusted by allocating the Exit Point Adjustment Quantity pro rata to the proportion in which gas was allocated to Shippers before the adjustment;

(b) Final I&C Exit Allocations shall be adjusted by allocating the Exit Point Adjustment Quantity pro rata to the proportion in which gas was allocated to Shippers before the adjustment;

(c) in relation to Final DN Exit Allocations made under section 7.5.11 the Exit Point Adjustment Quantity shall be recovered in accordance with the distribution network code of the Relevant DNO and there shall be no adjustment to DN Exit Allocations under this Code and consequently no adjustment to PS Code Charges in relation to such Exit Point Adjustment Quantity;

(d) in relation to Final Adjusted T-DN Exit Allocations made under section 7.6.4, the Final Adjusted T-DN Exit Allocation shall be adjusted by allocating the Exit Point Adjustment Quantity pro rata to the proportion in which gas was allocated to Shippers before the adjustment; and

(e) in relation to any Default DN Exit Allocation made under section 7.7.1;

(i) where Allocations Information from the Relevant DNO is still unavailable, the Exit Allocation shall be adjusted by allocating the Exit Point Adjustment Quantity pro rata to the proportion in which gas was allocated to Shippers before the adjustment; and

(ii) where Allocations Information is available, DN Exit Allocations shall be determined by the application of section 7.6.1.

14.5.4 In the case of an error being identified in accordance with section 14.5.2(b) after M+10, the Exit Quantity shall be allocated correctly in accordance with section 7.5, 7.6 or 7.7 as applicable.

14.5.5 Where the Transporter deems a quantity to have flowed as referred to in section 14.5.2(c) after M+10 the Exit Quantity so determined shall be allocated in accordance with section 7.5, section 7.6 (in respect of Adjusted T-DN Exit Allocations) or, if applicable, section 7.7 (in respect of Default DN Exit Allocations).

14.6 Adjustment of charges

14.6.1 If there is an Adjusted Final Allocation at Exit, the Transporter shall:

(a) recalculate any PS Transmission Amounts and/or any PS Code Charges which it has made in respect of the Exit Point Adjustment Day on the basis that gas is deemed to have been allocated in accordance with the Adjusted Final Allocation at Exit in respect of the Exit Point Adjustment Day; and

(b) recover any underpayment from and repay any overpayment to the Shippers accordingly in the next invoice issued to the Shipper following such recalculation.

14.7 Validation of Exit Point Measurement Equipment

14.7.1 The Transporter shall validate Measurement Equipment or procure the validation of Measurement Equipment at each Exit Point at least once in each Gas Year.

14.7.2 A Shipper may at any time request a validation of the Measurement Equipment at any Exit Point in respect of which it has an Exit Point Registration in which case the Transporter shall use reasonable endeavours to ensure that such validation shall be carried out as soon as reasonably practicable.

14.7.3 Each Shipper agrees and acknowledges that all costs and expenses incurred in connection with any validation requested by the Shipper in accordance with section 14.7.2 shall, if it is found that the accuracy of the Measurement Equipment is within the Permitted Range, be borne by the Shipper which requested the validation of the Measurement Equipment.

14.7.4 If a validation, in accordance with this section 14, determines that the Measurement Equipment at an Exit Point registered beyond the Permitted Range the Measurement Equipment shall be adjusted or replaced, as necessary, to read within the Permitted Range and centrally and accurately where this is technically possible with the existing Measurement Equipment.

14.7.5 Any validation of the Measurement Equipment at an Exit Point shall be conducted by or on behalf of the Transporter. The Transporter shall give reasonable advance notice of such validation to any Shipper which requested it.

14.7.6 The Transporter shall provide a report of the validation to such Shipper within 10 Business Days of the validation stating the results of the validation. Such validation shall be binding on

both the Transporter and such Shipper (even if the Shipper does not attend) unless the Transporter or such Shipper disputes the validation within 15 Business Days of receipt of such validation report. In the event that such dispute is not resolved within a further 15 Business Days the Transporter or such Shipper may refer the matter to an Expert for Expert Determination in accordance with section 25.4.

14.8 Absence of reliable readings at an Exit Point

14.8.1 In the absence of reliable readings from the Measurement Equipment at an Exit Point, or if any of the Measurement Equipment at an Exit Point fails to function, the Transporter shall deem that the quantity of gas flowing through such Measurement Equipment was equal to the aggregate of the Exit Nominated Quantities in respect of such Exit Point unless, in the Transporter's reasonable opinion, a more accurate determination of the quantity of gas flowing through such Measurement Equipment would be achieved by the Transporter:

(a) using appropriate gas engineering technology; or

(b) relying on any written evidence of such quantities presented by a Shipper before 16:00 hours on D+5.

14.9 Access to Exit Point Measurement Equipment

The Transporter shall use reasonable endeavours to ensure that a Shipper shall have a right of access to the Measurement Equipment at any Exit Point in respect of which it has an Exit Point Registration, for any reasonable purpose at reasonable times, at its own risk and on giving reasonable notice to the Transporter.

14.10 Additional Exit Point information

14.10.1 If requested by a Shipper, the Transporter shall, to the extent that it is available, provide the Shipper with the following data from the Exit Point in respect of which it has an Exit Point Registration, in respect of such offtaken gas, as soon as the same is reasonably available:

(a) instantaneous Flow Rate;

(b) cumulative volume;

(c) instantaneous energy rate;

(d) cumulative energy; and

(e) Calorific Value.

14.10.2 The Transporter shall provide such information without cost to the Shipper to the extent that the Transporter is able to provide such information without incurring a material cost.

15. MAINTENANCE

15.1 Introduction and Definitions

15.1.1 The Transporter shall maintain the NI Network in accordance with:

(a) the provisions of this Code;

(b) to the standard of a Reasonable and Prudent Operator; and

(c) all Legal Requirements.

15.1.2 For the purposes of this Code:

(a) **"Maintenance"** shall include any inspection, repair, replacement, reinstatement, reinforcement, re-commissioning, upgrade or extension of any part of the NI Network and shall include any works preparatory to such maintenance or required for the return to service of a part of the NI Network after such maintenance;

(b) **"Maintenance Days"** means the Days, whether consecutive or not, nominated by the Transporter pursuant to this section 15, as Days during which acceptance of gas for delivery to or making gas available for offtake from that part of the NI Network as may be subject to maintenance, may be reduced (if necessary down to zero) and/or where flows may be required at certain rates over certain periods due to Maintenance including In-line Inspection Maintenance on the NI Network; and

(c) **"Scheduled Maintenance"** means Maintenance carried out during a Maintenance Day;

(d) **"In-line Inspection Maintenance"** means Maintenance carried out for the purposes of pipeline inspection operations.

15.1.3 In this section 15, references to an Exit Point shall include, where applicable, any Offtake Points comprised in such Exit Point in accordance with sections 1.8.3 and 1.8.4.

15.2 Maintenance Planning

15.2.1 A Shipper shall provide the Transporter, as soon as reasonably practicable, with the information the Transporter may reasonably require to:

(a) plan the Maintenance of the NI Network;

(b) comply with its obligations set out in section 15.1.1; and

(c) prepare Maintenance Programmes.

15.2.2 Subject to section 15.2.3, the Transporter shall prepare a **"Forward Programme for In-Line Inspection Maintenance"** setting out the anticipated annual schedule for In-Line Inspection Maintenance.

15.2.3 The Forward Programme for In-Line Inspection Maintenance may be reviewed and, where necessary, updated by the Transporter at the start of each Gas Year and shall set out the specific Gas Flow Days over which In-line Inspection Maintenance shall be performed during that Gas Year, such days to be Maintenance Days to be included in the Maintenance Programme established under section 15.2.4.

15.2.4 The Transporter shall establish a maintenance programme each Gas Year (the **"Maintenance Programme"**) in respect of any Exit Point at which Scheduled Maintenance will be carried out. The Maintenance Programme shall specify which Days in the Gas Year shall be Maintenance Days at the affected Exit Point and the extent to which such Exit Point shall be affected. Scheduled Maintenance (other than In-line Inspection Maintenance) shall only be carried out between April and September unless there is a Legal Requirement or a requirement of any Competent Authority that such Maintenance be carried out at any alternative time.

15.2.5 The Transporter shall plan any Scheduled Maintenance in accordance with the SOA and to:

(a) minimise disruption to the NI Network in as cost-effective, efficient and commercially prudent manner as is practicable; and

(b) co-ordinate it, where practicable, with the maintenance of the NTS, the GNI (UK) Upstream System, the ROI System and the relevant Exit Point or Interconnection Point;

(c) accord with the Interconnection Agreement, Tripartite Agreement and any DNO Interoperator Agreements.

15.3 Timetable

15.3.1 Any Shipper with an Exit Point Registration in respect of an Exit Point at which Scheduled Maintenance is proposed shall, meet with the Transporter at a mutually convenient time to discuss the Maintenance Programme for the following Gas Year with a view to concluding such consultations before 30 September. A Shipper may, in the course of such discussions, notify the Transporter of the maintenance programmes in relation to any facilities downstream of an Exit Point.

15.3.2 The Transporter shall issue the Maintenance Programme to any Shipper with an Exit Point Registration in respect of an Exit Point at which Scheduled Maintenance is to be carried out in Y+1 by the end of Gas Year Y.

15.4 Maintenance Limits

15.4.1 The Transporter shall be entitled to carry out Scheduled Maintenance on the NI Network on the number of Maintenance Days in respect of each Exit Point set out in part I of Appendix 4, without prejudice to the rights of the Transporter to carry out any additional unscheduled Maintenance which may be considered by the Transporter to be necessary and/or prudent in relation to the operation of the NI Network, subject to the Transporter having given each affected Shipper such notice as is reasonably practicable.

15.4.2 The Transporter may, without prejudice to a Shipper's rights under section 19.1 and 19.2, revise the nature, timing and duration of any Scheduled Maintenance by providing for additional Maintenance Days and/or by varying the date, period or extent of any Scheduled

Maintenance by giving any affected Shipper not less than 30 Business Days' notice unless a shorter period of notice is agreed by the affected Shipper.

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.

16. SHIPPER FORECAST INFORMATION AND THE TEN YEAR STATEMENT

16.1 Ten Year Statement

16.1.1 In this Code a **"Ten Year Statement"** is a statement, required to be prepared by the Transporter pursuant to condition 2.13 of the Licences and any direction of the Authority pursuant thereto, containing:

(a) the likely developments to the NI Network which the Transporter reasonably anticipates will be taken into account in determining the calculation of Charges on the NI Network; and

(b) any other further information which the Transporter may decide is appropriate,

or any revision to the most recently published Ten Year Statement.

16.1.2 The Transporter shall consult with Shippers and the Authority from time to time as to the form of the Ten Year Statement and shall not include details of an individual Shipper's forecast of throughput or actual throughput or holding of capacity on any part of the NI Network without that Shipper's consent (which shall not be unreasonably withheld or delayed).

16.1.3 Each Gas Year, for the purposes of enabling the Transporter to prepare the Ten Year Statement, the Transporter shall send a questionnaire to Shippers, in such form as may be determined by the Transporter, requesting information on the Shipper's forecasts for supply and demand (and the assumptions on which these forecasts are based).

16.1.4 A Shipper shall complete the questionnaire provided under section 16.1.4 and submit it to the Transporter by the date specified in the questionnaire.

16.1.5 The information to be provided by a Shipper pursuant to section 16.1.5 shall be treated as having been requested by the Transporter for the purposes of the standard condition of the Shipper's Gas Supply Licence which obliges the Shipper to provide information to a Licence holder to enable such Licence holder to draw up plans for, inter alia, the safe operation of its system.

16.1.6 If a Shipper intends, pursuant to the conditions in the Shipper's Gas Supply Licence which are equivalent to standard condition 2.16.2 of Gas Supply Licences approved 12 May 1997, to refuse to provide any item of information requested by the Transporter, the Shipper undertakes promptly:

(a) to inform the Transporter of such intention;

(b) if requested by the Transporter, to discuss with the Transporter whether there is a form in which the information can be provided or alternative information which can be provided;

(c) if requested by the Transporter, to refer or co-operate with the Transporter in referring its refusal to the Authority for determination under that Gas Supply Licence condition.

16.1.7 The Transporter shall not be liable pursuant to this Code or otherwise to any Shipper in relation to any estimate, forecast or other information contained in or omitted from a Ten Year Statement, and nothing contained in it shall oblige the Transporter to undertake any reinforcement of the NI Network.

16.1.8 Except as provided for or referred to in this Code, the Transporter is not party to any agreement for the sale of gas offtaken from the NI Network, or the purchase of gas delivered to the NI Network; and accordingly the Transporter depends on the information provided by persons who are party to such agreements, and on other sources of information, in estimating under this section 16 demand and availability of gas for supply.

16.1.9 A Shipper shall, in so far as it is practicable, co-operate with and provide reasonable assistance to the Transporter in obtaining information requested from persons not bound by this Code, including the Upstream Transporters, Upstream Shippers, persons from whom the Shipper has contracted to purchase gas and End Users.

16.1.10 Nothing in this section 16 shall exempt a Shipper from the requirement to provide and update Downstream Load Statements where it is required to do so in accordance with section 22.9.

16.1.11 The Transporter shall furnish the Authority with a draft Ten Year Statement in each Gas Year no later than the first Business Day in August containing any revisions to the previous years' Ten Year Statement. The Transporter shall amend the draft Ten Year Statement in line with any requirements specified by the Authority and publish the final version on its website by the last Business Day in September.

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 15th 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 10th 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 1st 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;

(d) the quantity of gas which the Shipper forecasts it will flow at each Exit Point; and

(e) the quantity of gas which the Shipper forecasts it will flow at each DBEP.

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 the Authority and/or any other reasonable purpose.

Duty to provide forecasts and information relating to the calculation of the Postalised Charges for Future Gas Years

16.2.8 A Shipper shall use its reasonable endeavours to ensure that all forecasts and information supplied in accordance with section 16.2.4 are as accurate as possible having regard to the information and forecasts available to that Shipper and shall provide with such forecasts a full breakdown and reasoning as to how it has calculated those forecasts.

16.2.9 A Shipper shall promptly submit to the Transporter any further information, explanation and access to relevant documents and records, in each case as the Transporter reasonably requires in respect of the Forecast Supplier Quantity in order to satisfy its obligation to present similar information under Condition 2A.2.3.1 of the Licences.

16.3 Provision of Quarterly Information to the Authority and to Shippers

16.3.1 The Transporter is required pursuant to condition 2A.2.3.3 of the Licences to provide quarterly information to the Authority and to advise the Authority on any suspected material inaccuracy in the information provided under section 16.2. Such information shall be provided by the Transporter to the Authority no later than the 10th Business Day after the end of each Quarter in a Gas Year.

16.3.2 The Transporter is required pursuant to condition 2A.2.3.3 of the Licences to publish quarterly information to Shippers. Such information shall be provided to Shippers in accordance with the requirements in that Licence condition.

17. CHARGES, PAYMENT AND TAX

17.1 Introduction

17.1.1 The Transporter, acting in accordance with the terms of the SSO Agreement shall issue a monthly invoice to each Shipper setting out:

(a) the PS Transmission Amounts that the Shipper owes to the Transporter and/or the PS Transmission Amounts that the Transporter owes to the Shipper in accordance with the Licences; and

(b) any PS Code Charges and any other relevant charges that the Shipper owes to the Transporter and/or the Transporter owes to the Shipper;

in accordance with this section 17.

17.1.3 All monies due under the Licences and this Code shall be invoiced and payable in accordance with this section 17.

17.1.4 A Shipper shall, notwithstanding any failure by the Transporter to deliver gas for offtake from the NI Network in accordance with this Code or the Licences for whatsoever reason, be obliged to pay charges and amounts which it has agreed to pay in accordance with section 17.2 of this Code, subject only to section 10.14.

17.1.5 For the avoidance of doubt, pursuant to section 2.4.6, the Transporter shall not invoice any amounts in respect of Interconnected System Capacity.

17.1.6 For the purposes of this section 17:

(a) Shippers (other than DNOs and the Stranraer Shipper) are required to pay or are entitled to receive, as the case may be, both PS Transmission Amounts and PS Code Charges;

(b) DNOs are required to pay or are entitled to receive, as the case may be, PS Transmission Amounts but not PS Code Charges;

(c) subject to section 17.5.5, the Stranraer Shipper is required to pay or is entitled to receive, as the case may be:

(i) PS Transmission Amounts, but such amounts are to be paid to or from the Transporter's Account and not to or from the PoT Account; and

(ii) PS Code Charges;

(d) PS Transmission Amounts (other than those payable by the Stranraer Shipper) are required to be paid to or from the PoT Account; and

(e) PS Code Charges are required to be paid to or from the NI Network Postalised Disbursements Account.

17.2 Shipper payment obligations

17.2.1 A Shipper undertakes to pay to the Transporter:

(a) those elements of the PS Transmission Amounts which the Transporter is entitled to recover from that Shipper in accordance with the Licences; and

(b) the PS Code Charges which the Transporter is entitled to recover from that Shipper in accordance with this Code;

(c) any other payments which the Transporter is entitled to recover from that Shipper in accordance with the Licences or this Code.

17.3 Transporter payment obligations

17.3.1 The Transporter undertakes to pay to a Shipper:

(a) the amount of any Reconciliation Payment and account for Debt Repayment (or equivalent in the case of the Stranraer Shipper) due to the Shipper in accordance with the Licences;

(b) the PS Code Charges which the Shipper is entitled to receive from the Transporter in accordance with this Code; and

(c) any payments which the Shipper is entitled to receive from the Transporter in accordance with the Licences or this Code.

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.

17.4.3 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.

17.4.4 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.

17.4.5 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.

17.4.6 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.

17.4.8 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.

17.5 Content of PS Invoice

17.5.1 Each invoice which the Transporter issues to a Shipper in accordance with this section 17 in respect of PS Transmission Amounts, together with any attachments thereto (a **"PS Invoice"**), shall set out the following:

(a) the identity of the Shipper;

(b) the period to which the PS Invoice relates;

(c) the information required to be stated in sections 17.5.2, 17.5.3 and 17.5.4; and

(d) a unique number by which the PS Invoice may be identified.

17.5.2 Each PS Invoice shall itemise the amounts due in respect of PS Transmission Amounts payable by that Shipper to the Transporter, or by the Transporter to that Shipper, and in either case, in accordance with the Licences, by detailing, on a separate line, any sums due for each of the following:

(a) (i) Monthly Postalised Yearly IP Entry Capacity Payment;

(ii) Monthly Postalised Exit Capacity Payment;

(iii) Monthly Postalised Quarterly IP Entry Capacity Payment;

(iv) Monthly Postalised Monthly IP Entry Capacity Payment;

(v) Monthly Postalised Daily IP Entry Capacity Payment;

(vi) Monthly Postalised Interruptible VRF IP Exit Capacity Payment;

(vii) IP Entry Capacity Overrun Payment;

(viii) Exit Ratchet Payment;

(ix) Monthly Postalised Commodity Payment;

(x) Supplemental Payment;

(xi) Auxiliary Payment;

(xii) Debt Payment;

(xiii) Reconciliation Payment payable by the Shipper to the Transporter;

(xiv) Reconciliation Payment payable by the Transporter to the Shipper;

(xv) Debt Repayment payable by the Transporter to the Shipper;

(xvi) Buyback Payments payable by the Transporter to the Shipper; and

(xvii) Incentive Scheme Payments payable by the Transporter to the Shipper,

(known collectively as **"PS Transmission Amounts"**)

(b) the amount of VAT payable in accordance with sections 17.5.3(c) and 17.5.4(c); and

(c) the amount of tax payable in accordance with sections 17.5.3(d), 17.5.4(d) and 17.12,

provided that if any payment of PS Transmission Amounts due to the Transporter under this Code remains unpaid after the Due Date a PS Invoice shall be accompanied by: (i) a statement setting out the amount so overdue; and (ii) an invoice of the amount of interest due on such overdue amount calculated to the date of the invoice.

17.5.3 Notwithstanding section 17.2, but subject to section 17.5.4, the total amount payable by the Shipper in respect of PS Transmission Amounts shall be stated in the PS Invoice and shall be calculated in accordance with this section 17.5.3 as:

(a) the sum of the amounts detailed in sections 17.5.2(a)(i), (ii), (iii), (iv), (v), (vi), (vii), (viii), (ix), (x), (xi), (xii) and (xiii); less

(b) the sum of the amounts detailed in sections 17.5.2(a)(xiv), (xv), (xvi), and (xvii); plus

(c) the applicable VAT; plus

(d) any tax payable on the sum of (a) less (b) in accordance with section 17.12 (apart from that payable under (c)).

17.5.4 Notwithstanding section 17.2, but subject to section 17.11.1, where the sum of the figures referred to in section 17.5.3(a) less those figures referred to in section 17.5.3(b) is a negative value, this section 17.5.4 shall apply instead of section 17.5.3 so that the total amount payable by the Transporter in respect of PS Transmission Amounts shall be stated in the PS Invoice and shall be calculated in accordance with this section 17.5.4 as:

(a) the sum of the amounts detailed in sections 17.5.2(a)(xiv), (xv), (xvi), and (xvii) ; less

(b) the sum of the amounts detailed in sections 17.5.2(a)(i), (ii), (iii), (iv), (v), (vi), (vii), (viii), (ix), (x), (xi), (xii) and (xiii); plus

(c) the applicable VAT; plus

(d) any tax payable on the sum of (a) less (b) in accordance with section 17.12 (apart from that payable under (c)).

17.5.5 The provisions of this section 17.5 shall be applied, mutatis mutandis, to the Stranraer Shipper and adjusted to reflect those charges which the Transporter is entitled to recover from or required to pay to the Stranraer Shipper in accordance with the PTL Licence.

Deferred Buyback Payments

17.5.6 The Transporter shall be entitled to defer in whole or in part a Buyback Payment payable to a Shipper where any amount ("**Unpaid OS Amount**") (which amount was included in the calculation of the applicable Buyback Cap) payable to the Transporter has not been received in accordance with the provisions of this Code or where applicable, the NI Network Incentive Payments Procedure. The amount of any Buyback Payments which are deferred (**"Deferred Buyback Payments"**) shall be identified as such in the relevant PS Invoice.

17.5.7 A Deferred Buyback Payment shall cease to be a Deferred Buyback Payment and shall again be a Buyback Payment when the Transporter receives the relevant Unpaid OS Amount. The Transporter shall pay the amount of the former Deferred Buyback Payment in accordance with the next PS Invoice issued to the Shipper or at such earlier date as the Transporter determines.

17.6 Content of CC Invoice

17.6.1 Each invoice which the Transporter issues to a Shipper in accordance with this section 17 in respect of PS Code Charges, together with any attachments thereto (a "**CC Invoice**"), shall set out the following:

(a) the identity of the Shipper;

(b) the period to which the CC Invoice relates;

(c) the information required to be stated in sections 17.6.2, 17.6.3 and 17.6.4, and

(d) a unique number by which the CC Invoice may be identified.

17.6.2 Each CC Invoice shall itemise the amounts due in respect of PS Code Charges payable by that Shipper to the Transporter, or by the Transporter to that Shipper, by detailing, on separate lines, any sums due from or to the Shipper for each of the following:

(a) amounts which the Transporter shall credit to or debit from the NI Postalised Network Disbursement Bank Account as set out in section 9.4;

(b) Outstanding PS Code Charges;

(c) Enhanced Pressure charges;

(d) any other sums payable under the Code by or to the Shipper; including any other sums payable under this Code (save PS Transmission Amounts) and which amounts are not pursuant to this Code to be credited to or debited from the NI Postalised Network Disbursement Bank Account;

(e) the amount payable in accordance with section 17.6.3(c); and

(f) for the avoidance of doubt, the CC invoice shall identify separately those amounts which are to be credited by the Shipper to the NI Postalised Network Disbursement Bank Account and those amounts which are to be credited by the Shipper to the Transporter.

17.6.3 Subject to section 17.6.4, the total amount payable by the Shipper in respect of PS Code Charges, shall be stated in the CC Invoice and shall be calculated as follows:

(a) the sum of the amounts detailed in section 17.6.2(a) which are due to the Transporter; less

(b) the sum of the amounts detailed in section 17.6.2(a) which are due to the Shipper; plus

(c) the applicable VAT.

17.6.4 Where the sum of section 17.6.3(a) less 17.6.3(b) is a negative value, this section 17.6.4 shall, subject to section 17.11.1, apply instead of section 17.6.3 so that the total amount payable by the Transporter to the Shipper in respect of PS Code Charges shall be stated in the CC Invoice and shall be calculated as follows:

(a) the sum of the amounts detailed in section 17.6.2(a) which are payable to the Shipper; less

(b) the sum of the amounts detailed in section 17.6.2(a) which are payable to the Transporter; plus

(c) the applicable VAT.

17.7 Outstanding PS Code Charges

17.7.1 The Transporter shall be entitled to recover monies in respect of all PS Code Charges due and owing from a Shipper in accordance with section 17.7.2 from all other Shippers in accordance with this section 17.7.

17.7.2 If any payment of PS Code Charges due to the Transporter under this Code, remains unpaid in whole or in part, after:

(a) the Due Date; and

(b) the Transporter has taken any steps available to it under this Code and all other reasonable steps to secure its recovery having taken into account any Directions of the Credit Committee in respect of the debt,

the Transporter shall, subject to section 17.7.6, be entitled to recover the outstanding payment (the "**Outstanding PS Code Charges**" which expression shall include any sum which the Transporter is entitled to recover in accordance with this section 17.7) in accordance with sections 17.7.3, 17.7.4 and 17.7.5.

17.7.3 The Transporter shall:

(a) be entitled to recover from a Shipper a proportion of the aggregate of all Outstanding PS Code Charges, together with interest on such amount from any Due Date until the date of payment at BoEBR plus 0.75% compounded monthly, in the next Gas Year in 12 equal instalments not later than 10 Business Days after the end of each Month; and

(b) deposit any such Outstanding PS Code Charges recovered from a Shipper in a separate interest bearing account and apply all sums, including interest, in such account in accordance with section 17.7.7.

17.7.4 The proportion of such amount that the Transporter shall recover from each Shipper shall be the proportion that the relevant Shipper's Aggregate Throughput in respect of the Month in respect of which the relevant payment was not made bears to the Total System Aggregate Throughput in respect of such Month provided that, in any Month in which such quantities shall all be zero (0), each Shipper shall be deemed to have a Final Exit Allocation of one (1) kWh in relation to each Exit Point in respect of which it has an Exit Point Registration and each IP in respect of which it has an IP Registration.

17.7.5 In the case of a liquidator, receiver or an administrator or an examiner being appointed over any part of the assets of a Shipper or any event similar, equivalent or analogous to any of such events occurring in relation to the Shipper in Great Britain or any other jurisdiction, any payment due to the Transporter under this Code in respect of PS Code Charges remaining unpaid after the Due Date shall, upon such event occurring, be an Outstanding PS Code Charge recoverable in accordance with this section 17.7.

17.7.6 The Transporter shall, to the extent that it recovers any Outstanding PS Code Charges from a Shipper in respect of which it subsequently receives a payment under a liquidation or administration, pay an amount equal to such payment received to the Shippers from which the Outstanding PS Code Charges was recovered pro rata to the proportions in which the Outstanding PS Code Charges was recovered provided that no Shipper shall be

entitled to receive any sum greater than the amount it actually paid to the Transporter in respect of such Outstanding PS Code Charges.

17.7.7 A Shipper acknowledges that the Transporter shall, and the Transporter agrees to, apply all sums deposited in and interest earned on the account referred to in section 17.7.3(b) in making an immediate payment of the Outstanding PS Code Charges due to the Transporter; or shall credit the relevant amounts to the NI Postalised Network Disbursement Bank Account.

17.8 Periods of Invoicing

17.8.1 Each Month the Transporter shall, as soon as reasonably practicable and in any event not later than the 10th Business Day after the end of each Month (the “Invoice Day”), issue a PS Invoice and a CC Invoice to each Shipper as appropriate in accordance with section 17.1.6.

17.9 Payment

17.9.1 A Shipper (other than the Stranraer Shipper) shall:

(a) pay to the PoT Account any balance specified in a PS Invoice in accordance with section 17.5.3 by the Due Date provided that this obligation shall not be satisfied by any payment by a Shipper to the Transporter of any such balance specified in a PS Invoice; and

(b) pay to the Transporter any balance specified in a CC Invoice in accordance with section 17.6.3 by the Due Date.

17.9.2 The Stranraer Shipper shall:

(a) pay to the Transporter’s Account any balance specified in a PS Invoice in accordance with section 17.5.3 by the Due Date provided that this obligation shall not be satisfied by any payment by the Stranraer Shipper to the Transporter of any such balance specified in a PS Invoice; and

(b) pay to the Transporter any balance specified in a CC Invoice in accordance with 17.6.3 by the Due Date.

17.9.3 The Transporter shall:

(a) pay to a Shipper any balance specified in a PS Invoice in accordance with section 17.5.4 by the 8th Business Day following the Due Date; and

(b) pay to the Shipper any balance specified in a CC Invoice in accordance with section 17.6.4 by the 8th Business Day following the Due Date.

17.9.4 All payments made under this Code to:

(a) the PoT Account shall be made in Pounds Sterling by direct bank transfer or equivalent instantaneous transfer of funds to the following, or such other account of which the Transporter may, from time to time, give a Shipper written notice:

Account name: Postalisation Trustee Account

Bank: [*to be notified in writing*]

Sort Code: [*to be notified in writing*]

Account number: [*to be notified in writing*]

(b) the NI Postalised Network Disbursement Bank Account shall be made in Pounds Sterling by direct bank transfer or equivalent instantaneous transfer of funds to the following, or such other account of which the Transporter may, from time to time, give a Shipper written notice:

Account name: The Disbursement Account

Bank: [*to be notified in writing*]

Sort Code: [*to be notified in writing*]

Account number: [*to be notified in writing*]

(c) the Transporter's Account shall be made in Pounds Sterling by direct bank transfer or equivalent instantaneous transfer of funds to such account as the Transporter may from time to time give a Shipper written notice of:-

Account Name: [to *be notified in writing*].

17.9.5 Any payment under this Code to a Shipper shall be made in Pounds Sterling by direct bank transfer or equivalent instantaneous transfer of funds to such place in the United Kingdom of which the Shipper may, from time to time, give the Transporter written notice.

17.9.6 All amounts payable under this Code shall be paid:

(a) free and clear of any restriction, reservation or condition; and

(b) except to the extent, if any, required by law or expressly required under this Code, without deduction or withholding in respect of tax or on account of any amount due or to become due to the paying party, whether by way of set-off, counterclaim or otherwise.

17.10 Interest

17.10.1 If a Shipper or the Transporter fails to pay any sum due in accordance with this section 17 on the Due Date (other than payments which are notified by a Shipper as being the subject of a bona fide dispute in accordance with section 17.11.3), interest on such overdue

amount shall accrue, both before and after judgement, at BoEBR plus 3% compounded monthly from the Due Date until the date payment is made.

17.11 Set off and disputed invoices

17.11.1 The Transporter shall be entitled to set off against any repayment due to a Shipper any amounts outstanding for payment by that Shipper to the Transporter in respect of PS Transmission Amounts.

17.11.2 Where any sum invoiced in a PS Invoice is the subject of a dispute (whether bona fide or not) the Shipper or the Transporter shall pay the full amount of the PS Invoice without set off or withholding. The Transporter and/or, where applicable, the Shipper shall after settlement of the dispute, pay any amount agreed or determined to be payable within 7 days of such agreement or determination and interest on such amount shall accrue and be payable from the Due Date to the date of payment (both before and after any judgement) at BoEBR plus 3% compounded monthly from such Due Date until the date payment is made.

17.11.3 Where any sum invoiced in a CC Invoice is the subject of a bona fide dispute and the Shipper provides the Transporter with full details of the reasons as to why the disputed portion is disputed within 14 Business Days of receipt by the Shipper of the CC Invoice to which the dispute relates, the Shipper or the Transporter, whichever is applicable, shall:

(a) pay the undisputed portion of the CC Invoice by the Due Date; and

(b) after settlement of the dispute, pay any amount agreed or determined to be payable within 7 days of such agreement or determination and interest on such amount shall accrue and be payable from the Due Date to the date of payment (both before and after any judgement) at BoEBR plus 3% compounded monthly from such Due Date until the date payment is made.

17.12 Taxes and withholdings

17.12.1 If, in respect of any payment to be made to the PoT Account or to the Transporter by a Shipper, any deduction or withholding is required to be made by the law of any country other than a country of the United Kingdom, the Shipper shall:

(a) ensure that the amount of such withholding or deduction does not exceed the minimum so required; and

(b) forthwith pay into the PoT Account or to the Transporter, as appropriate, such additional amounts as will ensure that the net aggregate amount received into the PoT Account or by the Transporter will be equal to that which would have been received had no deduction or withholding been made.

17.12.2 All amounts expressed as payable by a Shipper under this Code are exclusive of Value Added Tax and accordingly the Shipper shall pay Value Added Tax where payable in respect of and in addition to any such amount.

17.12.3 A Shipper shall be responsible for the payment of any taxes, duties or other levies imposed on the Transporter, whether or not at the time of entering into this Code, in relation to the delivery, transportation, offtake, supply, or other disposition of its gas in connection with this Code other than the corporation tax payable by the Transporter.

17.12.4 A Shipper shall indemnify, keep indemnified and hold harmless the Transporter from and against any and all Indemnified Liabilities arising in connection with the taxes, duties or other levies for which the Shipper is responsible in accordance with section 17.12.3 and any fines, penalties, or interest which may be charged to or claimed or demanded from the Transporter in connection with the non-payment or delayed payment of such taxes by the Shipper.

17.12.5 A PS Invoice and a CC Invoice shall include the amount of any fiscal imposts, taxes, VAT (or similar imposts), duties or levies imposed, whether or not in effect at the time of the parties entering into this Code, upon delivery, transportation, offtake, supply, appropriation or other disposition of a Shipper's gas.

17.12.6 If the Transporter is required to pay any sum to a Shipper in accordance with this Code it shall be entitled to deduct from such sum any amount that it is legally required to deduct and shall provide reasonable details of any amount so deducted.

17.13 Audit

17.13.1 A Shipper may, upon reasonable notice and during reasonable hours, subject to section 23 (*Confidentiality*) and any obligations of confidentiality to which the Transporter is subject, have an independent auditor of international repute examine the books and records of the Transporter to the extent necessary to verify the accuracy of any accounting statement, charge or computation made in accordance with this Code provided that:

(a) the Shipper has exercised its right under this section 17.13 by giving written notice to the Transporter whilst it is, or within 24 months of it ceasing to be, a Shipper;

(b) such books and records need not be preserved longer than a period of 6 years after the end of the Gas Year to which such books or records refer unless they relate to an existing dispute, in which case they will be retained until the end of such dispute; and

(c) if such verification reveals any such inaccuracy the Transporter shall, within 40 Business Days after such inaccuracy is established, issue to the Shipper a statement showing all necessary adjustments to the accounting statement, charge or computation and the Transporter or the Shipper shall, within 14 Business Days after the date of such statement make payment to the other party of the sum (if any) so due to that party.

17.13.2 The cost of any such audit shall be borne by the Shipper which requested it unless any such audit shall show an adjustment is necessary giving rise to a lesser charge to the Shipper than had been charged (an "**Adjustment Amount"**) in which case the reasonable costs of such an audit shall be treated as Licensee Unpredictable Operating Costs in accordance with the PTL Licence, the WTL Licence or the BGTL Licence, or as Unforeseen Operating Expenditure in accordance with the GNI (UK) Licence, as the context requires, provided that:

(a) such audit costs do not exceed the Adjustment Amount; and

(b) the Adjustment Amount in aggregate exceeds £25,000 (adjusted at the start of each Gas Year in line with the arithmetic annual average value for the previous 12 months of the CPI published by the Office of National Statistics each month in respect of all items).

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 on the NI Network (including the Stranraer Shipper if applicable) shall be calculated; and

(c) the Incentive Scheme Payments payable to the Transporter shall be calculated.

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;

(e) the **"Credit Period"** means Gas Year Y, or where a Credit Application is received within Gas Year Y or a Shipper's Required Level of Credit Support or Provided Level of Credit Support is reassessed within Gas Year Y, the remainder of that Gas Year Y.

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 sections 18.8.2 and 18.8.3.

18.1.3 The Transporter shall provide a Credit Application Form to each Shipper:

(a) each Gas Year by the 1st Business Day in June; and

(b) within a Gas Year, where a re-assessment is required pursuant to one or more of sections 18.8.2 (b) to (e) or where a Shipper requests a re-assessment pursuant to section 18.8.2(f) in respect of such Gas Year.

18.1.4 A Shipper shall complete and submit the Credit Application Form to the Transporter:

(a) in respect of section 18.1.2(a) by no later than the 10th Business Day in July; and

(b) in respect of section 18.1.2(b), by the 10th Business Day in the Month, otherwise it will be considered at the Monthly Reassessment in the following Month,.

18.1.5 A Prospective Shipper:

(a) may request a Credit Application Form and submit its' completed form to the Transporter at any time;

(b) where section 18.2.1 applies, may request a Required Level of Credit Support of zero in accordance with the remainder of section 18.2.

18.1.6 A Shipper or a Prospective Shipper shall provide, together with its Credit Application Form, a copy of its most recent audited accounts and such further information as the Transporter may reasonably require for the purposes of determining a Prospective Shipper's or Shipper's Required Level of Credit Support.

Credit Processes

18.1.7 On receipt of a Credit Application:

(a) the Transporter shall calculate the Required Level of Credit Support in accordance with section 18.3;

(b) the Transporter shall notify the Shipper (or Prospective Shipper) of the Required Level of Credit Support in accordance with section 18.4;

(c) the Shipper (or Prospective Shipper) shall place its Provided Level of Credit Support and notify the Transporter using a PLCS Form in accordance with sections 18.5 and 18.6; and

(d) the Transporter shall determine whether the Required Level of Credit has been established in accordance with section 18.7.

18.1.8 By the 15th Business Day of each Month the Transporter shall reassess a Shipper's Required Level of Credit Support and Provided Level of Credit Support in accordance with section 18.8.1.

18.1.9 At any time within a Gas Year:

(a) a Shipper may voluntarily increase its Provided Level of Credit Support by submitting a PLCS Adjustment Form in accordance with section 18.6.8;

(b) the Transporter shall reassess a Shipper's Required Level of Credit Support in accordance with section 18.8.2;

(c) the Transporter shall reassess a Shipper's Provided Level of Credit Support in accordance with section 18.8.3;

(d) where a Shipper requests a reassessment of its Required Level of Credit Support in accordance with section 18.8.2(f) the Transporter shall treat such request as a new Credit Application;

(e) the Transporter may draw down on a Shipper's Provided Level of Credit Support in accordance with section 18.9;

(f) the Transporter may convene a meeting of the Credit Committee in accordance with section 18.10;

(g) where a Shipper does not have an established Required Level of Credit Support in accordance with section 18.7:

(i) a Shipper's bids on the Capacity Platform may be rejected in accordance with section 2.6 and section 18.7.7;

(ii) the Transporter may reject any Exit Capacity Application by such Shipper in accordance with section 3.3.6;

(iii) the Transporter may reject IP Nominations by such Shipper in accordance with section 6.7; and

(iv) the Transporter may reject Exit Nominations by such Shipper in accordance with section 6.11

(v) the Transporter may reject a request for a further Registration under section 22;

and the Transporter may revoke access to the Delphi System and the Capacity Platform accordingly.

Duration of Credit Support

18.1.10 The Required Level of Credit Support for a given Gas Year Y shall apply in respect of the following Charges relating to Gas Year Y:

(a) IP Entry Capacity Charges in respect of the Gas Year which are incurred in Capacity Auctions ahead of Gas Year Y and which become payable during Gas Year Y;

(b) Charges incurred during any Month in Gas Year Y which become payable during Gas Year Y;

(c) Charges incurred during any Month in Gas Year Y which become payable following the end of the Gas Year Y; and

(c) Reconciliation Payments payable by the Shipper to the Transporter for Gas Year Y.

18.1.11 A Shipper may request to reduce its Provided Level of Credit Support for Gas Year Y during the Gas Year in accordance with section 18.6.8 provided always that a Shipper shall maintain its Provided Level of Credit Support for Gas Year Y at the Required Level of Credit Support for such Credit Period until such time as the Shipper has paid all amounts which fall due to be paid by it in respect of Gas Year Y.

18.1.12 Subject to the terms of the relevant Provided Level of Credit Support placed by a Shipper, where a Shipper:

(a) has an established Provided Level of Credit Support in respect of Gas Year Y+1, the Transporter may take account of such credit in respect of any Charges for Gas Year Y;

(b) has an established Provided Level of Credit Support in respect of Gas Year Y, the Transporter may take account of such credit in respect of Auctions for Short Term Capacity Products for Gas Year Y+1 which take place during Gas Year Y,

and in each case section 18.6.10 shall apply.

18.1.13 Pursuant to section 18.1.12, a Shipper may notify the Transporter in writing if it does not want:

(a) a Provided Level of Credit Support for Gas Year Y+1 to be taken into account for Charges in relation to Gas Year Y; or

(b) a Provided Level of Credit Support for Gas Year Y to be taken into account for Charges for Forecast Short Term Charges for Gas Year Y+1.

18.2 Application for a Required Level of Credit Support of zero on accession to the Code

18.2.1 Where a Prospective Shipper applies to become a Shipper under this Code prior to 30th September in Y-1 but only anticipates reserving Exit Capacity and/or IP Capacity for Gas Year Y or subsequent Gas Years, the Prospective Shipper may submit a Credit Application requesting a Required Level of Credit Support of zero in respect of Y-1.

18.2.2 If a Prospective Shipper requests a Required Level of Credit Support of zero in accordance with section 18.2.1 the Prospective Shipper shall:

(a) provide information accompanying its Credit Application setting out the relevant Gas Year(s) for which the Shipper anticipates reserving Exit Capacity and/or IP Capacity;

(b) use reasonable endeavours to provide accurate forecast information on its Credit Application in respect of the relevant Gas Year(s) referred to in section 18.2.2(a) and any future Gas Years requested by the Transporter in respect of the Credit Application; and

(c) provide any such alternative evidence of credit worthiness as the Transporter may deem appropriate for the purposes of becoming a Shipper under this Code ("**Alternative Evidence of Credit Worthiness**").

18.2.3 The Transporter shall inform the Prospective Shipper if its request for a Required Level of Credit Support of zero for Y-1 has been accepted.

18.2.4 For the avoidance of doubt, if the Prospective Shipper's request for a Required Level of Credit Support of zero for Y-1 is accepted by the Transporter:

(a) the Prospective Shipper shall not be required to place any Provided Level of Credit Support for Y-1;

(b) when the Prospective Shipper becomes a Shipper it is required to submit Shipper Forecast Information Requests in respect of Gas Year Y and Gas Years thereafter in accordance with section 16 and the provisions of this Code shall have full force and effect from the effective date of the Shipper's executed Accession Agreement in accordance with section 22.2.5; and

(c) such Shipper shall not be entitled to submit Nominations in respect of Y-1.

18.2.5 Where a Shipper subsequently wishes to reserve and utilise Exit Capacity and/or IP Capacity in Y-1 for which it has a Required Level of Credit Support of zero, it shall promptly request and submit a revised Credit Application to the Transporter.

18.3 Calculation of the Required Level of Credit Support

18.3.1 In this Code:

(a) **"Rolling Average PS Code Charge**" means:

(i) the sum of all Shippers' PS Code Charges incurred during the Relevant 12-month Period; divided by

(ii) the sum of the Average Total System Aggregate Throughput during the Relevant 12-month Period;

(b) **"Relevant 12-month Period"** means the 12-month period for which CC Invoices have been issued immediately preceding the Day on which the Rolling Average PS Code Charge is calculated;

(c) **"Average Total System Aggregate Throughput"** means the Total System Aggregate Throughput divided by 2;

(d) **"Commodity Value of Trades"** means:

(i) the forecast total quantity of Trade Buy Nominations that the Trader will submit in Gas Year Y; multiplied by

(ii) the Rolling Average PS Code Charge;

(e) **"Forecast Supplier Quantity"** has the meaning given to it in the Licences and, for the avoidance of doubt, such forecast does not include quantities of gas nominated to be offtaken at a VRF IP Exit Point;

(f) **"Forecast VRF IP Exit Quantity"** means the quantity of gas that a Shipper estimates it will nominate to be offtaken at a VRF IP Exit Point in respect of Gas Year Y;

(g) **"Total Forecast Commodity Quantity"** means the sum of Forecast Supplier Quantity and Forecast VRF IP Exit Quantity; and

(h) **"Forecast IP Entry Nominations"** means the quantity of gas that a Shipper estimates it will nominate to be delivered at IP Entry Points in respect of Gas Year Y;

(i) **"Forecast Trade Buy Nominations"** means the forecast total quantity of Trade Buy Nominations that a Shipper will submit in Gas Year Y;

(j) **"Forecast Trade Sell Nominations"** means the forecast total quantity of Trade Sell Nominations that a Shipper will submit in Gas Year Y;

(k) **"Forecast DBEP Nominations"** means the quantity of gas that a Shipper estimates it will nominate to deliver at a DBEP under the distribution network codes;

(l) **"Forecast Aggregate Throughput"** means, in respect of a Shipper:

(i) the sum of the Shipper's Forecast IP Entry Nominations, Forecast Daily DBEP Nominations and the Shipper's Forecast Trade Buy Nominations; plus

(i) the sum of the Shipper's Forecast VRF IP Exit Quantity, the Shipper's Forecast Supplier Quantity and the Shipper's Forecast Trade Sell Nominations;

(m) **"Forecast Average Throughput"** means, in respect of a Shipper, the Shipper's Forecast Aggregate Throughput divided by 2;

(n) **"Forecast Reconciliation Payment"** means the amount forecast to be paid to, or to be paid by, a Shipper in respect of Year-End Postalised Charges for Gas Year Y.

Components of the Required Level of Credit Support for Shippers

18.3.2 In respect of a Credit Period, the Required Level of Credit Support that a Shipper or Prospective Shipper shall be required to establish shall be of a value equal to 80 per cent of the sum of:

(a) a forecast of the Forecast Postalised Charges that the Shipper or Prospective Shipper will incur during the Credit Period on the NI Network calculated in accordance with section 18.3.6; plus

(b) a forecast of the PS Code Charges that the Prospective Shipper or Shipper will incur during the Credit Period on the NI Network calculated in accordance with section 18.3.7; plus

(c) any amounts in respect of the Credit Period which have been incurred but which are not yet due for payment; plus

(d) any overdue PS Transmission Amounts and Outstanding PS Code Charges in respect of the Credit Period.

Components of the Required Level of Credit Support for Traders

18.3.3 In respect of a Credit Period, the Required Level of Credit Support that a Trader shall be required to establish shall be of a value equal to 80 per cent of the Traders' Commodity Value of Trades plus any amounts incurred but not yet due for payment and any Outstanding PS Code Charges.

18.3.4 For the avoidance of doubt (in respect of a Shipper who may also trade at the Trading Point):

(a) section 18.3.3 shall not apply to a Shipper who has an IP Registration or an Exit Point Registration and who intends to make IP Nominations and/or Exit Nominations in Gas Year Y and the Required Level of Credit Support for such a Shipper shall be determined solely in accordance with section 18.3.2; and

(b) such a Shipper shall not be required to establish the Required Level of Credit Support set out in section 18.3.3 in addition to the Required Level of Credit Support set out in section 18.3.2.

Calculation of Forecast Postalised Charges

18.3.5 In respect of a Credit Period, in order to calculate the Forecast Postalised Charges that a Shipper or Prospective Shipper is likely to incur in relation to the Credit Period the Transporter shall first determine:

(a) its forecast of the Shipper's or Prospective Shipper's Total Forecast Commodity Quantity as the higher of:

(i) the Shipper's or Prospective Shipper's estimated Total Forecast Commodity Quantity as set out in its Credit Application; and

(ii) the Total Forecast Commodity Quantity which the Transporter reasonably estimates that the Shipper or Prospective Shipper will nominate to be offtaken from the NI Network during the Credit Period; and

(b) its forecast of the Shipper's or Prospective Shipper's IP Capacity and Exit Capacity as the higher of:

(i) the Shipper's or Prospective Shipper's forecast of IP Capacity and Exit Capacity it will hold during the Credit Period as set out in its Credit Application; and

(ii) the IP Capacity and Exit Capacity which the Transporter reasonably estimates that the Shipper or Prospective Shipper will hold during the Credit Period;

and

(c) from the 15th Business Day in August in Gas Year Y only, its forecast of the Shipper's or Prospective Shipper's Forecast Reconciliation Payment which the Transporter reasonably estimates shall be payable by the Shipper for such Gas Year Y.

18.3.6 The Transporter shall calculate the Shipper's or Prospective Shipper's total Forecast Postalised Charges in respect of a Credit Period as the sum of the Forecast Postalised Charges that will be payable in respect of:

(a) the volume of gas estimated to be nominated to be offtaken by the Shipper or Prospective Shipper in the Credit Period as determined in accordance with section 18.3.5(a); and

(b) the IP Capacity and Exit Capacity estimated to be held by the Shipper or Prospective Shipper in the Credit Period as determined in accordance with section 18.3.5(b); and

(c) from the 15th Business Day in August until the end of the Gas Year Y only, the Shipper's or Prospective Shipper's Forecast Reconciliation Payment which will be payable by the Shipper to the Transporter for Gas Year Y,

in accordance with the Licences.

Calculation of Forecast PS Code Charges

18.3.7 In respect of a Credit Period, the Transporter shall calculate the forecast PS Code Charges that a Shipper or Prospective Shipper is likely to incur in the Credit Period as an amount equal to the value of the Shipper's Forecast Average Throughput for the Credit Period multiplied by the Rolling Average PS Code Charge.

No Requirement for Credit Support for IP Capacity Transfers and Exit Capacity Transfers

18.3.8 For the avoidance of doubt, the Transporter shall have no obligations or liability in relation to credit support for:

(a) IP Capacity Transfers and/or Exit Capacity Transfers; and

(b) transfers of gas between Shippers at the Trading Point,

and such matters shall be addressed directly between Shippers.

Calculation of Short Term Required Level of Credit Support

18.3.9 In this Code:

(a) "**Forecast Short Term Charges**" means the forecast charges for Short Term Capacity Products;

(b) "**Forecast Other Charges**" comprises forecast charges for:

(i) Forecast Postalised Commodity Charges;

(ii) Exit Capacity;

(iii) Yearly IP Entry Capacity; and

(iv) PS Code Charges;

(c) "**Short Term Capacity Products**" means Monthly IP Entry Capacity, Daily IP Entry Capacity, Quarterly IP Entry Capacity and Interruptible VRF IP Exit Capacity.

18.3.10 Where a Shipper forecasts in its Credit Application that it will use Short Term Capacity Products, the Transporter shall calculate the minimum value of the Shipper's total Required Level of Credit Support which is required to cover Forecast Short Term Charges (**"$STRLCS_{min}$"**) in accordance with section 18.3.11.

18.3.11 The Transporter shall calculate the $STRLCS_{min}$ as the sum of 80 per cent of the Forecast Short Term Charges in respect of each IP Entry Point during the Credit Period. Any statement of the $STRLCS_{min}$ shall set out the relevant components for each IP Entry Point.

18.4 Determination and Notification of the Required Level of Credit Support by the Transporter

18.4.1 By no later than the 10th Business Day in August in each Gas Year Y, , the Transporter shall determine and inform a Shipper (including a Trader) of its' Required Level of Credit Support for Gas Year Y+1 by providing a form setting out:

(a) the total Required Level of Credit Support;

(b) the $STRLCS_{min}$ (if applicable); and

(c) to what extent the Required Level of Credit Support may be met through the provision of Unsecured Credit Support and the amount, if any, of Secured Credit Support required to make up any deficiency,

in the Prescribed Form (a **"RLCS Form"**).

18.4.2 Subject to section 18.4.3, following any reassessment by the Transporter of a Shipper's Required Level of Credit Support (including a Monthly Reassessment), where the Transporter determines that a Shipper has an insufficient Provided Level of Credit Support, it shall provide the Shipper with a revision to the RLCS Form (a **"Revised RLCS Form"**) within 1 Business Day. For the avoidance of doubt, the Transporter shall not notify a Shipper of any reduction in the Required Level of Credit Support identified in a Monthly Reassessment.

18.4.3 On receipt of any submission of a revised Credit Application within a Gas Year, the Transporter shall provide a Shipper with a Revised RLCS Form within 1 Business Day of the next Monthly Reassessment immediately following receipt of such revised Credit Application.

18.4.4 If for any given Gas Year Y, the Transporter forecasts, pursuant to section 18.3, that a Shipper's Forecast Postalised Charges will be zero, the Transporter may determine that the Shipper's Required Level of Credit Support shall be zero and such Shipper shall not be required to place any Provided Level of Credit Support for that Gas Year Y, provided always that if a Shipper subsequently wishes to reserve and utilise Exit Capacity and/or Short Term Capacity Products in that Gas Year Y the Shipper shall promptly submit a revised Credit Application to the Transporter.

18.5 Placing a Provided Level of Credit Support

18.5.1 A Shipper shall place a Provided Level of Credit Support that is at least equal to its total Required Level of Credit Support in a form that is acceptable to the Transporter in accordance with Annex A18, notwithstanding the subdivision of the Provided Level of Credit Support for Forecast Short Term Charges and Forecast Other Charges under sections 18.5.2 and 18.5.3. For the avoidance of doubt, a Shipper may place a Provided Level of Credit Support that is greater than its Required Level of Credit Support.

Treatment of Short Term Provided Level of Credit Support

18.5.2 Where the Transporter has determined a $STRLCS_{min}$ in accordance with section 18.3.10 and 18.3.11, part of a Shipper's Provided Level of Credit Support shall be treated as being provided for credit support in relation to Forecast Short Term Charges (the **"STPLCS"**). The STPLCS must be equal to or greater than the $STRLCS_{min}$ at all times.

18.5.3 That part of the Provided Level of Credit Support which is not treated as being the STPLCS shall be treated as being provided for credit support in relation to Forecast Other Charges (the **"OCPLCS"**).

18.6 Timescales for placing or updating a Provided Level of Credit Support and notifying the Transporter

Timescales for initial placement of Provided Level of Credit Support for the Gas Year Y

18.6.1 Subject to section 18.1.11, a Shipper shall place or update its Provided Level of Credit Support for Gas Year Y with the Transporter by no later than the 3rd Business Day in September in Y-1.

18.6.2 A Shipper or Prospective Shipper placing a Provided Level of Credit Support with the Transporter in respect of Gas Year Y shall submit a form to the Transporter specifying:

(a) the total value of the Provided Level of Credit Support which is being provided (which may be greater than the Required Level of Credit Support);

(b) the means by which the Provided Level of Credit Support is being provided, including the value of any Unsecured Credit Support and the duration of any time-limited component of the Provided Level of Credit Support; and

(c) where the Provided Level of Credit Support exceeds the Required Level of Credit Support, the Shipper's requested split of the Provided Level of Credit Support between the STPLCS and the OCPLCS;

(d) the Shipper's requested split of the STPLCS between IP Entry Points,

in the Prescribed Form (a **"PLCS Form"**), provided always that the STPLCS must not be less than the $STRLCS_{min}$ as determined in accordance with sections 18.3.10 and 18.3.11.

Timescales for updates to the Provided Level of Credit Support

18.6.3 Where section 18.4.2 or section 18.4.3 applies, a Shipper shall update its Provided Level of Credit Support within 5 Business Days of the issuance of a Revised RLCS Form by the Transporter.

Within Year Changes to the Provided Level of Credit Support - PLCS Adjustment

Increases

18.6.4 For the avoidance of doubt, where the Transporter determines the $STPLCS_{min}$, it shall not include any amounts in respect of any Auction Premium which a Shipper may choose to bid in an Auction.

18.6.5 At any time within Gas Year Y, if a Shipper wishes to increase its Provided Level of Credit Support in order to establish a higher level of Provided Level of Credit Support than its Required Level of Credit Support for the purposes of bidding an Auction Premium or for any other reason, then it shall submit a PLCS Adjustment Form in accordance with section 18.6.8.

Reductions

18.6.6 A Shipper may reduce its Provided Level of Credit Support during the Gas Year in respect of the Credit Period if it has submitted a new Credit Application Form to the Transporter and the Transporter has provided the Shipper with a Revised RLCS Form confirming the reduction in the Required Level of Credit Support for such Credit Period.

18.6.7 Where 18.6.6 applies, a Shipper may reduce its Provided Level of Credit Support by submitting a PLCS Adjustment Form to the Transporter in accordance with section 18.6.8.

Process for updates to the Provided Level of Credit Support

18.6.8 Where section 18.6.5 or 18.6.7 applies, a Shipper may amend its Provided Level of Credit Support by submitting a form to the Transporter specifying:

(a) the reduction in, or the additional value of, Provided Level of Credit Support and the resulting total Provided Level of Credit Support;

(b) the means by which the Provided Level of Credit Support is being provided, including the value of any Unsecured Credit Support and the duration of any time-limited component of the Provided Level of Credit Support; and

(c) the Shipper's requested split of the Provided Level of Credit Support between the STPLCS and the OCPLCS: and

(d) the Shipper's requested split of the STPLCS between IP Entry Points,

in the Prescribed Form (a **"PLCS Adjustment Form"**), provided always that the STPLCS must not be less than the $STRLCS_{min}$ as determined in accordance with sections 18.3.10 and 18.3.11.

18.6.9 If at any time a Shippers' Provided Level of Credit Support exceeds its Required Level of Credit Support and it has not specified the split of Provided Level of Credit Support between the STPLCS and the OCPLCS in accordance with:

(a) sections 18.6.2(c) and 18.6.2(d); or

(b) sections 18.6.8(c) and 18.6.8(d),

the Transporter shall deem the Provided Level of Credit Support to be split in the proportion to the ratio of the Shippers' Forecast Short Term Charges (in respect of each IP Entry Point) and Forecast Other Charges and update the Capacity Platform accordingly.

18.6.10 Pursuant to section 18.8.1 or otherwise, where at any time a Shipper has a concurrent Required Level of Credit Support for Gas Year Y and for Gas Year Y+1, a Shipper's

Provided Level of Credit Support shall be deemed by the Transporter to have been placed in respect of Gas Year Y and any excess Provided Level of Credit Support shall be deemed to have been placed in respect of Gas Year Y+1, unless otherwise notified by the Shipper in writing.

18.7 Determination of whether the Required Level of Credit Support has been established

18.7.1 The Required Level of Credit Support shall be established when the Transporter:

(a) verifies the information provided in the PLCS Form or PLCS Adjustment Form; and

(b) is satisfied that Provided Level of Credit Support at least equal to the Required Level of Credit Support has been placed.

Such determination may take up to 5 Business Days.

18.7.2 A Shipper or Prospective Shipper whose Provided Level of Credit Support is less than its Required Level of Credit Support from time to time (including where the Transporter makes a determination to that effect) shall, within 10 Business Days from the issue of a Revised RLCS Form by the Transporter, provide such additional security as is required to meet the Required Level of Credit Support, failing which (a **"Level of Provided Credit Default"**, or "**LPC Default**") the Transporter may exercise any rights which are or become available to it under section 18.9.2 and, in the case of:

(a) a Prospective Shipper, its Credit Application shall be rejected; and

(b) a Shipper, the Transporter shall convene a meeting of the Credit Committee in accordance with section 18.10.1(c).

Placement of the STPLCS on the Capacity Platform

18.7.3 Monitoring of the STPLCS shall be carried out on the Capacity Platform by the Capacity Platform Operator and such activity is not within the scope of the Delphi System.

18.7.4 Each September, where a Shipper has Forecast Short Term Charges, following receipt of a PLCS Form submitted in accordance with section 18.6.2 and once the Transporter is satisfied that a Required Level of Credit Support has been established in accordance with section 18.7.1, the Transporter shall record the amount of the STPLCS on the Capacity Platform within 5 Business Days.

18.7.5 If, at any time during a Gas Year, the Transporter

(a) receives a PLCS Adjustment Form from a Shipper; or

(b) otherwise determines that the STPLCS recorded on the Capacity Platform should be updated;

the Transporter shall, once it is satisfied that the Required Level of Credit Support has been established by the Shipper, update the Capacity Platform with the revised STPLCS within 5 Business Days.

18.7.6 The Capacity Platform Operator shall monitor the value of the STPLCS and the value of a Shipper's Bids in any given Auction of Short Term Capacity Products ("**Short Term Auction**") and determine (in accordance with the CPO Rules and Processes) whether or not the value of the STPLCS constitutes a sufficient Provided Level of Credit Support for a Shipper's Bids in a Short Term Auction in accordance with sections 2.8.24 or 2.9.14 as applicable.

18.7.7 Where in any Short Term Auction a Shipper's STPLCS does not constitute a sufficient Provided Level of Credit Support for any particular Bid, such Bid and any further Bids in any Short Term Auction may be rejected by the Capacity Platform Operator, acting pursuant to section 2.6.3, until such time as:

(a) the Shipper notifies the Transporter that it wishes to increase its STPLCS in accordance with section 18.6.8;

(b) the Transporter is satisfied that sufficient STPLCS is established in accordance with section 18.7.1; and

(c) the Transporter updates the Capacity Platform with the revised STPLCS in accordance with section 18.7.5.

18.7.8 The Transporter shall not monitor, and has no obligation to monitor, whether or not Bids are rejected on the Capacity Platform pursuant to section 18.7.7.

18.7.9 Any Bid rejection by the Capacity Platform Operator under sections 2.8.25 or 2.9.15 shall be final and binding.

18.8 Reassessment of Required Level of Credit Support and Provided Level of Credit Support

Monthly Reassessments

18.8.1 By the 15th Business Day in each Month, the Transporter shall carry out a reassessment (a **"Monthly Reassessment"**) of the Required Level of Credit Support and the Provided Level of Credit Support in respect of each Shipper. For such Monthly Reassessment, in respect of the relevant Credit Period, the Transporter shall:

(a) confirm that any invoices falling due in accordance with section 17 have been paid;

(b) recalculate the remaining Forecast Postalised Charges and the Forecast PS Code Charges for the Credit Period;

(c) redetermine the Required Level of Credit Support for the Credit Period in accordance with section 18.3;

(d) review the Provided Level of Credit Support and determine whether the Required Level of Credit Support has been established in accordance with section 18.7.1,

and for the purposes of updating the STPLCS recorded on the Capacity Platform, at the Monthly Reassessment in July and August in any given Gas Year Y, the Transporter shall make an initial estimate of a Shipper's $STRLCS_{min}$ for Gas Year Y+1 (**"Initial $STRLCS_{min}$**

Estimate") in accordance with section 18.3, based on the best available information to the Transporter and sections 18.1.12 and 18.6.10 shall apply.

Reassessments at any other time

18.8.2 The Transporter will reassess a Shipper's Required Level of Credit Support in any of the following circumstances:

(a) annually by no later than the 10th Business Day in August;

(b) a Shipper gaining an additional Exit Point Registration or an additional IP Registration;

(c) a Shipper seeking to acquire additional Exit Capacity from the Transporter;

(d) a Shipper's total Forecast Postalised Charges and Forecast PS Code Charges exceeding the level determined on the basis of its Credit Application including, for the avoidance of doubt, as a result of changes in the Rolling Average PS Code Charge;

(e) the Credit Committee directing the Transporter to make a re-assessment; or

(f) on request (by way of a revised Credit Application) from that Shipper at any time.

18.8.3 The Transporter will reassess a Shipper's Provided Level of Credit Support in any of the following circumstances:

(a) annually by no later than the 5th Business Day in September;

(b) in the event of any form of Unsecured Credit Support being disallowed by the Credit Committee;

(c) a period of 1 month before the expiry of a guarantee or any form of Secured Credit Support provided by or for such Shipper unless, before the start of such period, that guarantee or Secured Credit Support is renewed to the satisfaction of the Transporter on substantially the same terms for an extended term;

(d) a downgrading in the Shipper's, its guarantor's or any issuer of a letter of credit's credit rating or there being a material adverse change in the Shipper's, its guarantor's or any issuer of a letter of credit's Accounting Ratios from time to time;

(e) the Credit Committee directs the Transporter to make a reassessment; or

(f) where a Shipper submits a PLCS Adjustment Form at any time within the Gas Year.

18.8.4 Such reassessments of a Shipper's Required Level of Credit Support and Provided Level of Credit Support shall be conducted in accordance with the preceding provisions of this section 18 as if a new Credit Application were submitted on the date of occurrence of any of the events specified in section 18.8.

18.8.5 If at any time, the Transporter assesses that the Provided Level of Credit Support is less than the Required Level of Credit Support (including pursuant to this section 18.8) then the Transporter shall request additional Provided Level of Credit Support in accordance with section 18.4.2.

18.9 Drawing on credit support

18.9.1 If there is a downgrading in credit rating as described in section 18.8.3(d), the relevant Shipper shall (if the Transporter determines that the Shipper's Provided Level of Credit Support is less than the Required Level of Credit Support) comply with its obligations under section 18.7.2.

18.9.2 The Transporter shall be entitled to make a demand up to the full amount under a letter of credit referred to in section A18.1(d) or a guarantee referred to in section A18.1(b) or A18.1(d) or draw on cash deposits referred to in section A18.1(c) in any of the following circumstances:

(a) a non-payment of any amount due by the relevant Shipper under the Code in respect of PS Transmission Amounts (a "**Transmission Amounts Default**", or an **"TA Default")**; or

(b) a non-payment of any amount in respect of PS Code Charges due by the relevant Shipper under the Code (a "**Code Charges Default**", or an **"CC Default"**); or

(c) the issuer of the guarantee or letter of credit ceases to hold the minimum credit rating specified in section A18.1(b) or A18.1(d) respectively and the Shipper does not comply with its obligations under section 18.7.2; or

(d) if:

(i) a guarantee referred to in section A18.1(b) or A18.1(d) or a letter of credit has been delivered for a Shipper pursuant to the Code; and

(ii) such guarantee or letter of credit (or replacement or extension thereof) has a scheduled expiry date earlier than the date which falls 50 days after the end of the period for which IP Capacity or Exit Capacity has been booked by the Shipper; and

(iii) the Shipper fails to procure that, not later than 1 month prior to the scheduled date of expiry of such guarantee or letter of credit (or of any replacement or extension), the Transporter is the beneficiary of such level of Secured Credit Support as is (when aggregated with the part of the relevant Shipper's Required Level of Credit Support which at that time is met through the provision of Unsecured Credit Support) equal to the Shipper's Required Level of Credit Support,

always provided that if a demand is made under section 18.9.2(a) or (b) above, such demand may not exceed the amount of the relevant non-payment.

18.9.3 The Transporter shall procure that the amount paid under a guarantee or letter of credit following any demand thereunder and where applicable, the relevant amount of a deposit held in accordance with section A18.1(c):

(a) in respect of PS Transmission Amounts shall be paid into the PoT Account (except in the case of the Stranraer Shipper in which case such amount shall be paid into the Transporter's Account);

(b) in respect of Outstanding PS Code Charges shall be paid into the NI Postalised Network Disbursement Bank Account;

unless such amount exceeds (the amount of any such excess, being the "**Excess Amount**") the PS Transmission Amounts and/or Outstanding PS Code Charges overdue for payment by the Shipper at the time of such payment, in which case an amount equal to the overdue PS Transmission Amounts shall be paid into the PoT Account and/or in the case of Outstanding PS Code Charges an amount equal to the Outstanding PS Code Charges shall be paid into the NI Postalised Network Disbursement Bank Account.

18.9.4 Any Excess Amount shall be paid into a designated bank account of the Transporter in accordance with section 18.9.5

18.9.5 For the purposes of section 18.9.4:

(a) the Transporter shall procure that any balance of an Excess Amount which remains after the making of the payment described in section 18.9.3 shall be credited to an interest bearing account of the Transporter in the United Kingdom (which may include other Shipper's Excess Amounts);

(b) such Excess Amount (and all interest thereon) shall be held on trust by the Transporter for the benefit of the Shipper and the Transporter in accordance with the provisions of this section 18.9.5;

(c) the Transporter shall be entitled to withdraw all or part of the Excess Amount and apply the same in each of the circumstances where the Transporter would otherwise have been entitled to make a demand under a letter of credit or guarantee pursuant to section 18.9.2 had such an instrument been issued in its favour at such time but in no other circumstances.

(d) if notwithstanding section 18.9.5(c) the Transporter withdraws all or part of the Excess Amount other than in such circumstances, the Transporter shall reimburse the same to the Shipper on demand, with interest at BoEBR plus 1% from the date of withdrawal to the date of such reimbursement;

(e) if at any time at which monies are so held by the Transporter on trust for the Shipper pursuant to this section 18.9.5 the Shipper provides to the Transporter a guarantee, a cash deposit or a letter of credit for the amount then held on such trust which conforms with the provisions of section A18.1(b), A18.1(c) or A18.1(d) respectively, then the Transporter shall return to the Shipper all monies then so held by the Transporter on such trust;

(f) if at any time following a Shipper ceasing to be a Party to this Code there are no amounts due and payable by the Shipper which are unpaid and no Party to the Code remains under any obligation actual or contingent the observance or performance of which would give rise to an obligation on the Shipper to make a payment under the Code any monies then held by the Transporter on trust pursuant to this section 18.9.5 shall be returned to the Shipper; and

(g) the perpetuity period under the rule against perpetuities, if applicable to any trust arising pursuant to this section, shall be the period of 125 years from the date of such trust arising.

18.9.6 For the avoidance of doubt, the Transporter is entitled to recover monies in respect of Outstanding PS Code Charges in accordance with section 17.7.

18.10 Credit Committee

18.10.1 Without limitation to any Party's rights and obligations to call meetings of the Credit Committee under other sections of this Code, the Transporter shall convene a Credit Committee meeting if any Shipper defaults in any of the following circumstances:

(a) an TA Default;

(b) an CC Default; and/or

(c) if an LPC Default occurs in relation to that Shipper;

provided that in the event of an TA Default or an CC Default, at the sole discretion of the Transporter, the Transporter may first take any reasonable steps it sees fit to seek satisfactory resolution of the TATP Default or CC Default by the defaulting Shipper and defer convening a Credit Committee meeting by no more than 5 Business Days to allow for such resolution.

18.10.2 If the Transporter or a Shipper reasonably believes that a Shipper or Prospective Shipper should not be allowed to provide or to continue to provide any or all of its Provided Level of Credit Support by way of Unsecured Credit Support on the basis that allowing such support by such means would result in an unacceptable material increase in risk to the economic security of the Postalised System (an "**US Default**"), the Transporter may at any time, or shall upon receipt of a written request from a Shipper, call a Credit Committee meeting to propose that the Credit Committee give a Direction disallowing that Shipper or Prospective Shipper from being able to provide all or any of its Provided Level of Credit Support by way of Unsecured Credit Support.

18.10.3 If the Transporter or a Shipper reasonably believes that failure by the Transporter to re-assess a Shipper's Required Level of Credit Support and/or Shipper's Provided Level of Credit Support would result in an unacceptable material increase in risk to the security of the Postalised System, the Transporter may at any time, or shall upon receipt of a written request from a Shipper, call a Credit Committee meeting to propose that the Credit Committee give a Direction requiring such re-assessment.

18.10.4 The Transporter and each Shipper shall use reasonable endeavours to ensure that the Credit Committee shall operate and shall conduct itself in accordance with the Terms of Reference.

18.10.5 The Transporter and each Shipper shall promptly and fully comply with all Directions of the Credit Committee (including but not limited to the execution of any documents and performance of any actions required for the enforcement of any security provided by the Shipper, if instructed in the relevant Direction) provided that, where such Directions require the approval of the Authority, such approval has been given expressly in writing.

18.11 Duty to provide forecasts and information

18.11.1 A Shipper shall provide the forecasts and information detailed in a Credit Application under this section 18 to the Transporter and such forecasts and information shall be utilised in relation to the calculation of a Shipper's Required Level of Credit Support in accordance with this section 18.

18.11.2 A Shipper shall use its reasonable endeavours to ensure that all forecasts and information supplied in accordance with section 18.11.1 are as accurate as possible having regard to the information and forecasts available to that Shipper and shall provide with such forecasts a full breakdown and reasoning as to how it has calculated those forecasts.

A18: Annex to Section 18 – Acceptable forms of Credit Support

A18.1 A Shipper or a Prospective Shipper may elect to place credit support in any one or more of the following ways:

(a) subject to section A18.4, provision of security by way of "long term" Baa or higher investment grade rating as defined by Moody's, an Equivalent Rating from an Equivalent Agency, or, if the Securer does not hold a credit rating by way of an Equivalent Rating based on the Accounting Ratios specified in section A18.6;

(b) subject to sectionA18.4, provision of security given by way of guarantee from a Government or other entity (which entity is empowered to give such guarantee) in each case holding at least a "long term" Baa investment grade as defined by Moody's, an Equivalent Rating from an Equivalent Agency, or, if the Securer does not hold a credit rating by way of an Equivalent Rating based on the Accounting Ratios specified in section A18.6, which guarantee must, in any event, be given substantially in the form of the guarantee set out in Appendix 5 and, if so requested by the Transporter, be supported by a Legal Opinion, or by way of the relevant Government or other entity, being a party to the relevant Accession Agreement with payment obligations in respect of the entire consideration and other liabilities there under and under the Code;

(c) provision of security given by way of a cash deposit which shall be:

(i) paid into a designated bank account of the Transporter in the United Kingdom (which may include other Shipper's cash deposits);

(ii) held on trust by the Transporter for the benefit of the Shipper and the Transporter in accordance with the provisions of this section A18.1(c);

(iii) used by and revert in title to the Transporter in the event of Shipper default in accordance with section 18.9.2 to the extent of amounts accrued and due to the Transporter from the Shipper (whether or not invoiced);

(iv) repaid in full to the Shipper (to the extent not used by the Transporter pursuant to section A1(c)(iii) above) in the event that:

(a) an alternative Provided Level of Credit Support is placed by the Shipper in accordance with the terms of this Annex A18 and the Transporter subsequently determines that the Required Level of Credit Support has been established; or

(b) the Shipper ceases to be a Party to this Code and there are no amounts due and payable by the Shipper which are unpaid and no Party to the Code remains under any obligation actual or contingent the observance or performance of which would give rise to an obligation on the Shipper to make a payment under the Code;

(v) the perpetuity period under the rule against perpetuities, if applicable to any trust arising pursuant to this section, shall be the period of 125 years from the date of such trust arising.

(d) provision of security given by way of a guarantee or irrevocable standby letter of credit issued by a UK branch of a financial institution with a long term credit rating of not less than A3 as defined by Moody's or an Equivalent Rating from an Equivalent Agency, issued in favour of the Transporter in the form set out in Appendix 5 parts I and II respectively or such other form as the Transporter may agree and, if so requested by the Transporter, security given by way of a guarantee shall be supported by a Legal Opinion;

where "**Equivalent Agency**" means Fitch, IBCA, or Standard and Poors and "**Equivalent Rating**" shall be construed accordingly.

Secured and Unsecured Credit

A18.2 Security given by way of any of the methods described in section A18.1(a) or section A18.1(b) is "**Unsecured Credit Support**", and security given by way of any of the methods described in section A18.1(c) or section A18.1(d) is "**Secured Credit Support**".

A18.3 For the avoidance of doubt:

(a) a Shipper may use more than one of the methods in section A18.1 to place its' Provided Level of Credit Support provided that the total value of security placed is at least equal to its' Required Level of Credit Support; and

(b) a Provided Level of Credit Support may be placed using both Secured Credit Support and Unsecured Credit Support subject to sections A18.4, A18.5 and A18.13.

Maximum Allowed Unsecured Credit

A18.4 The maximum amount of credit which the Transporter may grant to a Shipper or Prospective Shipper based on Unsecured Credit Support (**"Maximum Allowed Unsecured Credit"**) shall be limited to a value equal to the lower of:

(a) 10% of the Securer's Net Assets; and

(b) either:

(i) the amount listed in the table set out in section A18.5 under the column heading "Maximum Allowed Unsecured Credit" on the row corresponding to that Securer's credit rating; or

(ii) the amount listed in the table set out in section A18.5 under the column heading "Maximum Allowed Unsecured Credit" on the row corresponding to that Securer's Notional S&P Credit Rating as determined by the Transporter in accordance with section A18.7,

where the "**Securer**" is the Shipper or Prospective Shipper (whichever is applicable) if the Unsecured Credit Support is provided under section A18.1(a), or the guarantor if the Unsecured Credit Support is provided under section A18.1(b).

A18.5 Maximum Allowed Unsecured Credit shall be determined in accordance with the following table:

Moody's Credit Rating	**Standard & Poor Credit Rating**	**Fitch**	**Maximum Allowed Unsecured Credit (£)**
Aaa	AAA	AAA	30,000,000
Aa	AA	AA	22,000,000
A	A	A	16,000,000
Baa	BBB	BBB	10,000,000

and numerical or other modifiers to Moody's Credit Rating, Fitch's Credit Rating or Standard & Poor's Credit Rating shall be disregarded.

A18.6 Unsecured Credit Support provided by a Securer under sections A18.1(a) and/or section A18.1(b) by way of Accounting Ratio shall be assigned a Notional S&P Credit Rating in accordance with the following tables and section A18.7:

(a) Ratio ranges for Transmission Utilities

Ratio ranges for Transmission Utilities			
Accounting Ratio	Notional S&P Credit Rating		
	AA	A	BBB
FFO Interest Coverage	above 3.3	above 2.0 to 3.3	1.5 to 2.0
FFO to Total Debt (%)	above 15	above 10 to 15	5 to 10

(b) Ratio ranges for Distribution Utilities and Supplier Utilities

Ratio ranges for Distribution Utilities and Supplier Utilities			
Accounting Ratio	Notional S&P Credit Rating		
	AA	A	BBB
FFO Interest Coverage	above 5.0	above 3.0 to 5.0	2.0 to 3.0
FFO to Total Debt (%)	above 28	above 15 to 28	8 to 15

(c) Ratio ranges for Integrated Utilities

Ratio ranges for Integrated Utilities			
Accounting Ratio	Notional S&P Credit Rating		
	AA	A	BBB
FFO Interest Coverage	above 3.8	above 2.7 to 3.8	1.7 to 2.7
FFO to Total Debt (%)	above 20	above 15 to 20	7 to 15

(d) Ratio ranges for Generation Utilities

Ratio ranges for Generation Utilities			
Accounting Ratio	Notional S&P Credit Rating		
	AA	A	BBB
FFO Interest Coverage	above 5.5	above 3.9 to 5.5	2.5 to 3.9
FFO to Total Debt (%)	above 35	above 20 to 35	10 to 20

(e) In this Code:

(i) **"FFO Interest Coverage"** means the ratio of profit after tax from continuing operations plus depreciation, amortisation, deferred income taxes and other non-cash items and gross interest, to gross interest (including inter-company interest whether or not paid); and

(ii) **"FFO to Total Debt"** means the profit after tax from continuing operations plus depreciation, amortisation, deferred income taxes and other non-cash items divided by total debt (including all inter-company debt), expressed as a percentage.

A18.7 The Transporter, acting reasonably, and taking into account a Securer's submissions under section A18.8(c), shall decide which Utility Categorisation applies to the Securer, shall reference the applicable table in section A18.6(a), (b), (c) or (d) accordingly and:

(a) in the event that both the FFO Interest Coverage ratio and the FFO to Total Debt ratio for that Securer yield values that fall within the ranges listed under the same Notional S&P Credit Rating column value, shall ascribe to the Securer that Notional S&P Credit Rating; or

(b) in the event that the FFO Interest Coverage ratio and the FFO to Total Debt ratio for that Securer yield values that do not fall within the ranges listed under the same Notional S&P Credit Rating, shall ascribe to the Securer that Notional S&P Credit Rating that will yield the lower Maximum Allowed Unsecured Credit value.

A18.8 A Securer providing, or intending to provide Unsecured Credit Support by way of an Accounting Ratio, shall provide the Transporter with the following information at the same time as, and each time that, it provides the Transporter with a Credit Application:

(a) its most recently published set of annual audited accounts;

(b) calculations of the Accounting Ratios specified in section A18.6 cross referenced to such accounts;

(c) a submission requesting one of the Utility Categorisations in section A18.6 to be applied to it, based on the information set out in its annual audited accounts; and

(d) any other information that the Transporter might reasonably request.

A18.9 The Transporter shall provide to each Shipper and to the Authority on the request of the Credit Committee and on the demand of any Shipper within 10 Business Days, a list of all Shippers that meet some or all of their Required Level of Credit Support through the provision of Unsecured Credit Support detailing the form of that Unsecured Credit Support,

the extent to which it is provided and any information provided along with the Credit Application by each such Shipper.

A18.10 The Transporter may at any time, or shall upon receipt of a written request from a Shipper, call a Credit Committee meeting in accordance with section 18.10.2, to request that a Shipper or Prospective Shipper be disallowed from satisfying all or any part of its Required Level of Credit Support through the provision of all or any form of Unsecured Credit Support.

A18.11 Where a Shipper provides any form of Unsecured Credit Support as security it shall notify the Transporter immediately of any downgrading of the Securer's credit rating or material adverse change in the Securer's Accounting Ratios or any event of which it becomes aware which is likely to result in such downgrading or change from time to time.

A18.12 If the Maximum Allowed Unsecured Credit permitted under section A18.4 is less than the Required Level of Credit Support notified to the Shipper in accordance with section 18.4, the Shipper shall provide an amount of Secured Credit Support equal to at least the difference between those two figures.

Maximum allowed secured credit

A18.13 The maximum amount of credit which the Transporter may grant to a Shipper or Prospective Shipper based on Secured Credit Support shall be limited to the value of the Secured Credit Support.

19. LIABILITIES AND INDEMNITIES

19.1 Failure to deliver Exit Nominated Quantity

19.1.1 If a Shipper's Exit Allocation at an Exit Point is greater or less than its Exit Nominated Quantity in respect of that Exit Point on any Day (a **"Mismatched Delivery"**) the Shipper may, subject to this section 19.1, if the Mismatched Delivery occurs solely as a result of:

(a) the negligence of the Transporter in connection with the provision of, or failure to provide, the service to which this Code relates claim from the Transporter an amount calculated as follows:

$$R = (U - 2\%) \times \frac{A \times 0.8}{365} \times \frac{B}{C}$$

(b) the Wilful Misconduct of the Transporter claim from the Transporter in connection with the provision of, or failure to provide, the service to which this Code relates an amount calculated as follows:

$$R = (U - 2\%) \times \frac{A \times 0.8}{365} \times \frac{B}{C} \times 1.5$$

where in (a) and (b):

R **=** the amount due to the Shipper in pounds;

U = the percentage by which the Shipper's Exit Allocation on any Day is more or less than its Exit Nominated Quantity in respect of such Day;

A = is the Average Transporter Revenue at the time of the act of the Mismatched Delivery;

B = the aggregate Exit Capacity of the Shipper (reserved prior to the date on which the Mismatched Delivery occurred) in respect of the Gas Flow Day on which the Mismatched Delivery occurred;

C = the aggregate of the Exit Capacity of all Shippers holding Exit Capacity (reserved prior to the date on which the Mismatched Delivery occurred) in respect of the Gas Flow Day on which the Mismatched Delivery occurred;

provided that in no event shall a Shipper be entitled to claim an amount under both (a) and (b) above and provided further that such claim shall be subject always to section 19.7, and provided always that where there are no Shippers holding Exit Capacity (C is zero) in respect of the Exit Point, then this section 19.1 shall not apply.

19.1.2 A Shipper's Exit Nominated Quantity in respect of an Exit Point shall, for the purposes of section 19.1, be the Exit Nominated Quantity prevailing:

(a) before any reduction to the Exit Nominated Quantity prescribed by a Flow Order where the reduction was necessary as a result of the negligence or Wilful Misconduct of the Transporter;

(b) after any reduction to the Exit Nominated Quantity prescribed by a Flow Order where the reduction was not necessary as a result of the negligence or Wilful Misconduct of the Transporter.

19.1.3 A Shipper's Exit Allocation in respect of an Exit Point shall, for the purposes of section 19.1, be the quantity in its Final Exit Allocation.

19.1.4 A Shipper agrees and acknowledges, for the avoidance of doubt, that a Mismatched Delivery shall not have occurred, for the purposes of section 19.1.1 in the following, amongst other, circumstances:

(a) if such a Mismatched Delivery shall have occurred in any circumstance where the Transporter is relieved (in accordance with section 13.3.10) of its obligation to provide pressure, during Scheduled Maintenance, or where the Transporter is relieved (in accordance with section 20 (Force Majeure)) of its obligations under this Code; or

(b) where an Exceptional Event has been declared, if the Transporter declared such Exceptional Event for any reason other than as a result of its negligence or Wilful Misconduct.

19.2 Liability in relation to a VRF IP Exit Nomination

19.2.1 Each Shipper:

(a) acknowledges that the Transporter shall have no liability for and undertakes to the Transporter that it will not make, raise or assert any claim or action of any kind against the Transporter or an Adjacent Transporter with respect to any matters which relate directly or indirectly to:

(i) any arrangements which are in place at any time or from time to time in relation to the interruptible virtual reverse flow service at the Moffat VRF IP Exit Point and/or the South North VRF IP Exit Point which is made available pursuant to this Code, including, for the avoidance of doubt, the exercise or performance of any right or obligation pursuant to such arrangements; or

(ii) any VRF IP Exit Nomination; or

(iii) otherwise to the provision by the Transporter of an interruptible virtual reverse flow service to that Shipper pursuant to this Code or the said arrangements; and

(b) 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) above.

19.3 Shrinkage Gas

19.3.1 If there is Shrinkage Gas which results solely from the negligence or Wilful Misconduct of the Transporter the Shipper's sole remedy against the Transporter at common law, in equity or otherwise shall be to claim the lesser of:

(a) the proportion of a Shipper's Imbalance Charges and Balancing Gas costs that are attributable to Shrinkage Gas; or

(b) $£20,000 \times \frac{RPI_n}{RPI_o}$

19.4 Other breach by the Transporter

19.4.1 Any claim which a Shipper may make against the Transporter in respect of any breach by the Transporter of a provision of or other act or omission of the Transporter in relation to this Code, which is not made in accordance with section 19.1.1, shall not exceed in any Gas Year the following:

$£20,000 \times \frac{RPI_n}{RPI_o}$

19.5 Sole liability and remedy

19.5.1 The Transporter's sole liability to the Shipper and the Shipper's sole remedy against the Transporter at common law, in equity or otherwise in relation to or in connection with the provision of or failure to provide transportation services pursuant to this Code whether as a result of a failure by the Transporter to act as a Reasonable and Prudent Operator, a breach of this Code or the negligence or Wilful Misconduct of the Transporter or otherwise shall be as stated in sections 12.3.4, 19.1, and 19.2, 19.3 and 19.4.

19.6 Aggregate liability to all Shippers

19.6.1 Notwithstanding any of the preceding provisions of this section 19, a Shipper agrees and acknowledges that the aggregate liability of the Transporter to any and all of the Shippers in respect of all losses and/or damages incurred by any and all of them in respect of each Gas Year (including such loss or damage as is specifically referenced in this Code and for which compensation is specifically provided therein) and which (with the exception of a liability of the Transporter to a Shipper in accordance with section 19.9) arises directly as a result of:

(a) any failure by the Transporter to act as a Reasonable and Prudent Operator in connection with this Code;

(b) any breach by the Transporter of any of its obligations under this Code;

(c) the negligence or Wilful Misconduct of the Transporter in connection with this Code;

or otherwise in connection with this Code, shall in no circumstances exceed, in aggregate, a maximum annual cap equal to 2% of the Average Transporter Revenue in respect of each Gas Year.

19.6.2 If the Transporter agrees in writing (acting by way of the Transporter's General Manager), or if an Expert or a court determines, that the Transporter has incurred a liability to a Shipper in respect of a matter referred to in section 19.6.1 in a Gas Year, the Transporter and each Shipper agrees that such liability shall be treated in accordance with section 19.6.3.

19.6.3 The Transporter shall, subject to section 19.6.4, pay any such sums properly due to Shippers in respect of any liability referred to in section 19.6.2 in the first invoice issued in the next Gas Year together with interest on such payment from the date that the liability was incurred until the date of payment at BoEBR plus 1%.

19.6.4 The Transporter shall, to the extent that any sums due to Shippers in accordance with section 19.6.3 in aggregate exceed two percent of the Average Transporter Revenue pro rata payments due to Shippers such that the total payments do not exceed two percent of the Average Transporter Revenue.

19.7 Exclusive remedies

19.7.1 Save as expressly provided elsewhere in this Code, the liabilities of the Transporter set out in this section 19 shall constitute the entire liability of the Transporter to the Shipper in respect of the matters to which this section 19 relates and the Transporter's obligations under this Code (whether arising under contract, tort (including negligence and nuisance) or misrepresentation (other than fraudulent misrepresentation) or howsoever else arising) and shall be in lieu of any and all other rights, claims or remedies which a Shipper may possess howsoever arising. In the event of any conflict between the provisions of this section 19 and the other provisions of this Code this section 19 shall prevail.

19.7.2 For the avoidance of doubt, nothing in this section 19 shall prevent the Transporter or any Shipper from or restrict it in enforcing any obligation (including suing for a debt) owed to it under or pursuant to the Code.

19.8 Consequential loss

19.8.1 Neither the Transporter nor a Shipper nor any of their respective officers, employees or agents shall in any circumstances be liable, whether in contract or tort, for any breach of, or otherwise in relation to, this Code in respect of any Consequential Loss:

19.9 Liability for death/injury

19.9.1 Nothing in this Code shall exclude or limit the liability of the Transporter or a Shipper for death or personal injury resulting from its negligence or that of any of its officers, employees or agents.

19.10 Pre-estimate of loss

19.10.1 Where any provision of this Code provides for any amount to be payable by the Transporter or a Shipper upon or in respect of its breach of any provision of this Code, the Transporter and each Shipper agrees and acknowledges that the remedy conferred by such provision is exclusive of and is in substitution for any remedy in damages in respect of such breach or the event or circumstances giving rise thereto and has been the subject of discussion and negotiation, and the amount provided to be payable is reasonable and represents no more than a genuine pre-estimate of the loss of either the Transporter or the Shipper to which such amount is payable.

19.11 Mitigation of loss

19.11.1 Each of the Transporter and a Shipper shall use reasonable endeavours to mitigate the loss and/or damage (if any) incurred by them:

(a) in the case of loss and/or damage suffered by the Transporter, as a result of a breach by a Shipper of its obligations under this Code, whether arising from its negligence or tortious act(s) or omission(s) or otherwise howsoever arising as a result of the said breach; and

(b) in the case of loss and/or damage suffered by a Shipper as a result of a breach by the Transporter or another Shipper of their respective obligations under this Code whether arising from their respective negligence or tortious acts(s) or omission(s) or otherwise howsoever arising as a result of the said breach.

19.12 No liability

The Transporter, for the avoidance of doubt, shall not be liable for the consequences of any decision taken by the Transporter acting as a Reasonable and Prudent Operator in accordance with this Code, including, without limitation, any decision to withhold, reduce or limit any quantity of gas made available for off-take by a Shipper as a consequence of the Transporter performing its duties and obligations pursuant to this Code, including as a result of a Shipper's acts or omissions, or being misinformed by a Shipper.

19.13 Severability

Each sub-section in this section 19 shall;

(a) be construed as a separate and severable contract term, and if one or more of such sub-sections is held to be invalid, unlawful or otherwise unenforceable the other or others of such sub-sections shall remain in full force and effect shall continue to bind the Parties;

(b) survive termination of this Code pursuant to section 21; and

(c) in respect of a Retiring Shipper survive that Retiring Shipper ceasing to be Shipper pursuant to section 22.

19.14 The Transporter to indemnify Shippers

19.14.1 Save as expressly provided elsewhere in this Code, the Transporter shall be liable to each Shipper for and indemnify, defend and hold harmless each Shipper from and against any and all Indemnified Liabilities, in respect of:

(a) injury to or sickness, disease or death of any of the Transporter's own officers, directors, employees and agents and/or those of its Affiliates, contractors, sub-contractors; and

(b) damage to or loss of property of the Transporter, or the property of its Affiliates, contractors, sub-contractors and its and their respective officers, directors, employees and agents howsoever arising in respect of this Code including out of the Shippers breach of this Code, or the Shipper's breach of statutory duty in respect of this Code or from the negligence of the Shipper save to the extent that any Indemnified Liabilities arise from the Wilful Misconduct of the Shipper.

19.15 Shippers to indemnify the Transporter

19.15.1 Save as expressly provided elsewhere in this Code, each Shipper shall be liable to the Transporter for and indemnify, defend and hold harmless the Transporter from and against any and all Indemnified Liabilities, in respect of:

(a) injury to or sickness, disease or death of any of the Shipper's own officers, directors, employees and agents and/or those of its Affiliates, contractors, sub-contractors;

(b) damage to or loss of property of each Shipper or the property of its Affiliates, contractors, sub-contractors and its and their respective officers, directors, employees and agents howsoever arising in respect of this Code including out of the Transporter's breach of this Code or the Transporter's breach of statutory duty in respect of this Code or from the negligence of the Transporter save to the extent that any Indemnified Liabilities arise from the Wilful Misconduct of the Transporter; and

(c) any claim against the Transporter made by any consumer to which a Shipper supplies gas and any producer from which such Shipper procures gas in respect of any loss or damage incurred or claimed to have been incurred by such consumer or producer in respect of any failure by the Transporter to accept the delivery of, or make available for offtake, gas.

19.16 Insurance

19.16.1 The Transporter shall effect and maintain throughout the life of this Code and each Shipper shall effect and maintain for so long as it is a Shipper insurance policies which shall include:

(a) general third party insurance with a limit per occurrence or series of occurrences arising from one event of not less £10,000,000 (ten million pounds sterling); and

(b) insurance of not less than the greater of that required by applicable workmen's compensation or employer's liability legislation from time to time and £5,000,000 (five million pounds sterling) per occurrence or series of occurrences arising from any one event.

19.16.2 The Transporter and each Shipper shall each ensure that its insurers include in their insurance policies to be obtained under section 19.16.1 (a) contain a waiver of the subrogation rights of its insurer in respect of the matters indemnified in sections 19.14 and 19.15 respectively for the benefit of the other Party except in the case of the Wilful Misconduct of the Transporter or each Shipper (as appropriate) and provide evidence of this to the other Party on request.

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

(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

(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), (b) or (c) above.

19.18 Bringing a claim

19.18.1 If a Shipper wishes to bring a claim under this Code it shall give written notice to the Transporter's General Manager setting out the nature and full particulars of its claim together with any relevant supporting documentation.

19.18.2 The Transporter's General Manager shall, in accordance with the provisions of this section 19, attempt to resolve the claim in good faith.

19.18.3 If a Dispute arises in relation to the Shipper's claim which cannot be agreed between the Transporter's General Manager and the Shipper, the provisions of clause 25 of this Code shall apply.

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) 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.

20.2 Relief from obligations

Subject to section 20.3 and without prejudice to any other provisions of this Code limiting or restricting the liability of the Affected Party, if by reason of an event of Force Majeure, the Affected Party is rendered unable wholly or in part to carry out its obligations under this Code then its obligations shall be suspended to the extent the Affected Party's ability to perform is hindered by the Force Majeure event.

20.3 No relief

20.3.1 A Force Majeure event shall not relieve a Party from any liability or obligation to:

(a) make payments due under this Code save to the extent that the failure to pay money is caused by a Force Majeure event affecting all reasonable means of payment, in which case, upon the cessation of the Force Majeure event, the Affected Party shall pay these unpaid monies together with interest on them at the rate of BoEBR calculated from the due date for payment to the actual date of payment; or

(b) give any notice due under this Code.

20.4 Report of Force Majeure event

20.4.1 Following any occurrence of a Force Majeure event the Affected Party shall as soon as reasonably practicable, but in any event within 21 days of the occurrence of the Force Majeure event, notify the Other Party in writing of the occurrence and nature of the Force Majeure event, the expected duration thereof, (insofar as the same can reasonably be assessed), and the obligations of the Affected Party which are affected by such Force Majeure event and from time to time thereafter provide to the Other Party reasonable details of:

(a) developments in the matters so notified, and

(b) the steps being taken by the Affected Party (using reasonable efforts in accordance with the standards of a Reasonable and Prudent Operator) to overcome the Force Majeure event or its effects and to resume performance of its relevant obligations; and

(c) any other information as the Other Party may reasonably request;

provided always that any relevant information which cannot be made available within the said 21 day period shall be supplied as soon as it is available and that the Affected Party shall not be prevented from using such information in support of its Force Majeure claim.

20.5 Resumption of obligations

Any Party whose failure to perform obligations has been relieved under the provisions of this section 20, shall resume the performance of such obligations as soon as reasonably practicable after the removal of the cause(s) of such failure and shall notify the Other Party prior to its resumption.

21. TERMINATION

21.1 Introduction

21.1.1 A Shipper agrees that it shall cease to be a Party to this Code in accordance with this section 21 or section 22.10. Upon ceasing to be a Party to this Code it shall no longer be a Shipper and the Shipper and the Transporter shall no longer be bound in relation to each other by this Code except to the extent set out in sections 21.5, 22.10.5 and 22.10.6.

21.1.2 For the avoidance of doubt, references in this section 21 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.

21.2 Termination by the Transporter

21.2.1 The Transporter shall declare a "**Termination Default**", if the Shipper:

(a) fails to pay any sum due to the Transporter under a CC Invoice which is not the subject of a bona fide dispute in accordance with section 17.11:

(i) by the Second Due Date provided that the Transporter shall have given the Shipper not less than 5 Business Days' written notice that such payment is overdue; or

(ii) by the Due Date on 3 or more occasions in respect of 3 or more separate CC Invoices;

(b) fails to pay any sum due to the Transporter under a PS Invoice:

(i) by the Second Due Date provided that the Transporter shall have given the Shipper not less than 5 Business Days' written notice that such payment is overdue; or

(ii) by the Due Date on 3 or more occasions in respect of 3 or more separate PS Invoices;

(c) having failed to submit a Nomination or Trade Nomination to the Transporter for a period exceeding 12 months, does not hold at the relevant time any Exit Capacity and/or IP Capacity, provided that the Transporter shall have first consulted with the Shipper and obtained its agreement or the agreement of the Authority to such termination;

(d) other than a DNO or the Stranraer Shipper, having an Exit Point Registration in respect of an Exit Point in Northern Ireland or an IP Registration, ceases to hold a valid Gas Supply Licence unless that Shipper has prior written consent from the Authority to either:

(i) hold Exit Capacity and/or IP Capacity; or

(ii) have entitlement to utilise the NI Network as if it had a Gas Supply Licence,

provided that the Shipper submits to the Transporter a copy of such consent from the Authority;

(e) in the case of a DNO or the Stranraer Shipper, having a Registration without a valid Gas Supply Licence and on the basis that the Shipper has prior written consent from the Authority to either:

(i) hold Exit Capacity and/or IP Capacity; or

(ii) have entitlement to utilise the NI Network as if it had a Gas Supply Licence,

ceases to hold the relevant consent from the Authority.

(f) is in LPC Default; or

(g) is otherwise in breach of its obligations under this Code and section 21.3.1 applies and such breach is referred to the Credit Committee in accordance with the provisions of section 21.3.1.

21.2.2 Within 2 Business Days of a Termination Default occurring, the Transporter shall send a Meeting Notice in accordance with paragraph 3 of the Terms of Reference convening a meeting of the Credit Committee and asking for Directions regarding the Termination Default.

21.2.3 Notwithstanding the foregoing, where, within 15 Business Days of the date on which the Meeting Notice was sent by the Transporter under section 21.2.2, the Credit Committee has failed to decide Directions in respect of that Termination Default, the Transporter shall be entitled, with the Authority's consent, to give the Shipper a Termination Notice stating that the Shipper will cease to be a Party to the Code from the date specified in the Termination Notice.

21.2.4 Without limiting any other rights which the Transporter has under this Code, the Transporter shall be entitled to issue a Termination Notice with effect from:

(a) the date specified in a relevant Direction of the Credit Committee;

(b) where a relevant Direction has been given but no date for termination is specified, forthwith;

(c) where the Termination Default occurs under section 212.1(c) with the relevant Shipper's consent, forthwith; and

(d) if any of the Licences are terminated, forthwith.

21.3 Termination for breach

Breach to be referred to the Credit Committee

21.3.1 Save for where section 21.2.1(a) to (f) or section 21.3.7 applies, if a Shipper is in breach of any of its obligations under this Code and that breach gives rise to a material increase in

credit risk for Shippers, the Transporter may request, by sending a Meeting Notice in accordance with paragraph 3 of the Terms of Reference, that the Credit Committee allow the Transporter to serve a Termination Notice on the Shipper, provided that such referral to the Credit Committee may only be made where the relevant breach itself (and not any resulting termination) gives rise to a material increase in credit risk for Shippers.

21.3.2 Subject to sections 21.3.1 and 21.3.4, at a meeting convened pursuant to section 21.3.1 the Credit Committee may direct the Transporter to send the Shipper a Termination Notice specifying the date on which the Shipper shall cease to be a Party to the Code.

21.3.3 If the breach, the subject of the Meeting Notice sent in accordance with section 21.3.1, is in the opinion of the Credit Committee capable of being remedied as determined in a Direction, the Termination Notice shall set out in reasonable detail:

(a) the alleged breach;

(b) the remedy required to be taken and the period within which the breach is required to be remedied, which period shall be of such length as a Reasonable and Prudent Operator would require in order to remedy the breach taking into account (where appropriate) the availability of Maintenance Days and shall not, in any event, be less than 30 Business Days; and

(c) the date on which the Shipper shall cease to be a Party to the Code if the relevant breach has not been remedied within the period specified in such Direction or in the Termination Notice in accordance with (b), above.

21.3.4 If the breach, the subject of the Meeting Notice sent in accordance with section 21.3.1, is not, in the opinion of the Credit Committee, capable of being remedied as determined in a Direction, the Termination Notice may, with the Authority's consent, specify that the Shipper shall cease to be a Party to the Code forthwith or on any date thereafter.

21.3.5 Notwithstanding the foregoing, where, within 15 Business Days of the date on which the Meeting Notice was sent by the Transporter under section 21.3.1, the Credit Committee has failed to decide Directions in respect of the alleged breach, the Transporter shall be entitled, with the Authority's consent, to issue a Termination Notice specifying the date on which the Shipper shall cease to be a Party to the Code.

Other Breaches

21.3.6 Save for where section 21.2.1 or section 21.3.1 apply, if a Shipper is in breach of any of its obligations under this Code, and that breach has a material adverse effect on:

(a) the Transporter; or

(b) where the Transporter determines that the breach by the Shipper has a material adverse effect on any other Shipper which has acceded to this Code;

the Transporter may issue a Termination Notice to the Shipper, subject to section 21.3.8, specifying the date on which the Shipper shall cease to be a Party to the Code. For the avoidance of doubt, this section 21.3.7 may not be invoked if the breach gives rise to a material increase in credit risk for Shippers in which case section 21.3.1 should be invoked.

21.3.7 If the breach, the subject of the Termination Notice sent in accordance with section 21.3.7, is in the opinion of the Transporter capable of being remedied, the Termination Notice shall set out in reasonable detail:

(a) the alleged breach;

(b) the remedy required to be taken and the period within which the breach is required to be remedied, which period shall be of such length as a Reasonable and Prudent Operator would require in order to remedy the breach taking into account (where appropriate) the availability of Maintenance Days and shall not, in any event, be less than 30 Business Days; and

(c) the date on which the Shipper shall cease to be a Party to the Code if the relevant breach has not been remedied within the period specified in the Termination Notice in accordance with (b), above.

21.3.8 If the breach the subject of the Termination Notice sent in accordance with section 21.3.7 is not, in the opinion of the Transporter, capable of being remedied the Transporter shall be entitled, with the Authority's consent, to issue a Termination Notice specifying the date on which the Shipper shall cease to be a Party to the Code.

21.4 Termination on Insolvency

21.4.1 The Transporter shall be entitled to issue a Termination Notice specifying that a Shipper will cease to be a Party to the Code in the event that:

(a) an encumbrancer takes possession of, or a liquidator, receiver or an administrator or examiner is appointed over any part of the assets of the Shipper or any security granted by the Shipper becomes enforceable;

(b) the Shipper is unable to pay its debts as they fall due or suspends making payments (including without limitation payments of principal or interest with respect to all or any class of its debts);

(c) the Shipper suffers a distress, execution, sequestration or other process being levied or enforced upon or sued or against all or any substantial part of its assets, rights or revenues which is not discharged, stayed, or dismissed within 30 Business Days;

(d) the Shipper ceases to carry on its business or a substantial part of its business (unless, such cessation is intended to be, and is, temporary and occasioned as a consequence of a Force Majeure event); or

(e) any event similar, equivalent or analogous to any of the events specified in this section 21.4 occurs in relation to the Shipper in any jurisdiction;

provided that in the event that an administrator has been appointed over any part of the assets of the Shipper (an **"Administration Default"**) a Direction of the Credit Committee shall have first been sought and fully complied with.

21.5 Consequences of termination

21.5.1 A Shipper ceasing to be Party to this Code in accordance with this section 21.5.1, shall not extinguish or relieve either the Shipper or the Transporter from the performance of any obligation accrued under this Code as at the date the Shipper ceases to be Party to this Code.

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 BoEBR.

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 5th 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 BoEBR plus 3% compounded monthly from the date specified in section 21.5.4 until the date payment is made.

21.6 Consequences of termination in respect of capacity

21.6.1 In this Code:

(a) a "**Terminating Shipper**" means a Shipper who ceases to be a Party to this Code pursuant to sections 21.2, 21.3 or 21.4 of this Code;

(b) an "**Election Notice**" is a notice provided to a Transferee Shipper in accordance with section 21.6.2(a) whereby the Transferee Shipper may elect to become registered as holding IP Capacity and/or Exit Capacity which was the subject of an IP Capacity Transfer or an Exit Capacity Transfer;

21.6.2 Where a Terminating Shipper is a Transferor Shipper:

(a) the Transporter shall notify the Transferee Shipper as soon as reasonably practical and no later than 5 Business Days after issuing a Termination Notice and provide the Transferee Shipper with an Election Notice and details of the PS Transmission Amounts payable in respect of the IP Capacity that was subject to the IP Capacity Transfer and/or the Exit Capacity that was subject to the Exit Capacity Transfer;

(b) the Transferee Shipper may elect to become registered as holding all or part of the IP Capacity that was subject to the IP Capacity Transfer and/or the Exit Capacity that was subject to the Exit Capacity Transfer, by returning the Election Notice to the Transporter within 2 Business Days of receipt specifying the relevant amount of IP Capacity and the IP Capacity Period and/or the relevant amount of Exit Capacity and the Exit Capacity Period which the Transferee Shipper elects to become registered as holding;

(c) where the Transferee Shipper elects to become registered as holding the IP Capacity and/or Exit Capacity referred to in the Election Notice, its Registered IP Capacity or Registered Exit Capacity, as applicable, shall be increased by the amount and for the period specified in the Election Notice, and it shall be liable for all charges payable in respect of such IP Capacity or Exit Capacity from the date the Terminating Shipper ceases to be a Party to this Code;

(d) where the Transferee Shipper does not elect to become registered as holding the IP Capacity and/or Exit Capacity referred to in the Election Notice, the IP Capacity Transfer or Exit Capacity Transfer, as applicable, shall lapse and the Terminating

Shipper shall remain liable for all PS Transmission Amounts payable as determined in accordance with section 21.5.2;

(e) PS Transmission Amounts payable shall be determined by reference to the applicable Payable IP Capacity Price for the IP Capacity Period or the applicable Payable Exit Capacity Price for the Exit Capacity Period, as applicable, (including any Premium bid by the Transferor Shipper).

21.6.3 Where a Terminating Shipper is a Transferee Shipper:

(a) the Transporter shall notify the Transferor Shipper as soon as reasonably practical and within 5 Business Days after giving a Termination Notice to the Transferee Shipper; and

(b) with effect from the date the Terminating Shipper ceases to be Party to the Code, the applicable IP Capacity Transfer and/or Exit Capacity Transfer shall lapse and the Available IP Capacity and/or Available Exit Capacity of the Transferor Shipper will be increased by the amount and for the IP Capacity Period and/or Exit Capacity Period of the IP Capacity Transfer and/or Exit Capacity Transfer.

21.7 Return of IP Capacity and/or Exit Capacity to the market

21.7.1 Pursuant to section 21.5.2(b)(iii)(aa), to the extent that the Transporter determines that it may be able to mitigate loss by making IP Capacity and/or Exit Capacity available to other Shippers, it shall:

(a) offer such IP Capacity and/or Exit Capacity to other Shippers in accordance with this section 21.7; and

(b) reduce its estimate of PS Transmission Amounts payable by the Terminating Shipper accordingly.

21.7.2 Where section 21.7.1 applies in respect of IP Capacity or the Transporter is otherwise directed by the Authority to release a quantity of IP Entry Capacity for a certain IP Capacity Period, then:

(a) it shall add the amount of such IP Entry Capacity to the Unsold Technical IP Capacity at the IP in the next available Auctions for the relevant IP Capacity Period; and

(b) for the avoidance of doubt, such IP Entry Capacity will be allocated in accordance with section 2.16.8 as Unsold Technical IP Entry Capacity.

21.7.3 Where section 21.7.1 applies in respect of Exit Capacity, the Transporter shall:

(a) add the amount of such Exit Capacity to the unsold Technical Exit Capacity for the relevant Exit Capacity Period; and

(b) for the avoidance of doubt, such Exit Capacity will be allocated in accordance with section 3.10 as unsold Technical Exit Capacity.

21.8 Notification to the Adjacent Transporter

21.8.1 Where a Terminating Shipper holds Bundled IP Capacity, the Transporter will inform the Adjacent Transporter and the amount of Bundled IP Capacity held by the Terminating Shipper.

21.9 Notification to the Relevant DNO

21.9.1 Where a Terminating Shipper holds a DBEP Registration, the Transporter will inform the Relevant DNO.

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

22.1 Introduction

22.1 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, DBEP, 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, DBEPs, 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.

Provision of information

22.2.2 Within 5 Business Days of receipt of an application under section 22.2.1 the Transporter will provide any Prospective Shipper with:

(a) a copy of the Framework Agreement;

(b) an Accession Agreement (for signature by the Prospective Shipper);

(c) a company information form to complete;

(d) a Shipper Forecast Information Request form;

(e) a Credit Application form;

(f) application forms for an IP Registration, Exit Point Registration, DBEP Registration and/or Trading Point Registration, as appropriate in accordance with the notice given under section 22.2.1;

(g) a copy of the Code, Modification Rules, the most recent Ten Year Statement and other such information as the Transporter believes is appropriate;

(h) a 24 hour emergency contacts form;

(i) introductory information concerning access to the IT systems of the Transporter;

(j) where a Prospective Shipper wishes to utilise an IP Entry Point or VRF IP Exit Point, introductory information concerning access to the Capacity Platform.

22.2.3 A Prospective Shipper shall provide to the Transporter:

(a) the Accession Agreement, signed by the Prospective Shipper for execution by the Transporter;

(b) a copy (certified by a duly authorised officer as true) of a board resolution of the Prospective Shipper approving the execution, delivery and performance of the Accession Agreement;

(c) a completed Shipper Forecast Information Request form;

(d) confirmation of its Provided Level of Credit Support (which must be equal to or greater than the Prospective Shipper's Required Level of Credit Support) or where section 18.2 applies, the Alternative Evidence of Credit Worthiness requested by the Transporter;

(e) completed 24 hour emergency contact information form; and

(f) a copy of its Gas Supply Licence (or where appropriate, a copy of consent from the Authority to utilise the NI Network as if the party had a Gas Supply Licence).

Accession to the Framework Agreement

22.2.4 When the Transporter is satisfied that the Prospective Shipper has satisfied the requirements of sections 22.2.1 to 22.2.3 it shall within 5 Business Days execute the Accession Agreement and provide a copy to the Prospective Shipper.

22.2.5 A Prospective Shipper shall become a Shipper (and a party to the Framework Agreement and Party to this Code) on the effective date of the executed Accession Agreement.

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, DBEP 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, 22.6 and 22.7 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 DBEP 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, 22.6 and 22.7.

22.3.3 A Shipper or Prospective Shipper wishing to utilise either an Exit Point or a DBEP 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 for an IP Entry Point;

(b) an Exit Point Registration and a Trading Point Registration;

(c) an IP Registration and a Trading Point Registration;

(d) a DBEP Registration and an IP Registration for a VRF IP Exit Point; or

(e) a DBEP 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 22.3.3.

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.

22.4 IP Registration Requirements

22.4.1 An application for an IP Registration (**"IP Registration Application"**) shall specify the following:

(a) the EIC of the Shipper or Prospective Shipper;

(b) the IP for which an IP Registration is requested;

(c) the date from which the Shipper or Prospective Shipper wishes to start utilising the IP (which shall be at least 10 Business Days from receipt of the IP Registration Application by the Transporter);

(d) whether the Shipper or Prospective Shipper wishes to utilise the IP Entry Point, the VRF IP Exit Point or both;

(e) confirmation that the Shipper or Prospective Shipper has entered into the relevant agreement with the Capacity Platform Operator for use of the Capacity Platform;

(f) details of the individuals in the Shipper organisation which are authorised to participate on the Capacity Platform on its behalf, each of whom shall be classed as an **"Authorised Person"**; and

(g) the identity (including EIC) of any Counterparty Shippers;

(h) whether or not, in the case of an existing Shipper, it will be required to increase its' Provided Level of Credit Support.

22.4.2 In order to validate an IP Registration Application, the Transporter will:

(a) verify that the applicant is a Shipper;

(b) verify the information provided in section 22.4.1;

(c) verify that the Shipper has applied for a pair of Registrations in accordance with section 22.3.4; and

(d) verify that the Shipper's Provided Level of Credit Support is equal to or greater than its Required Level of Credit Support.

22.4.3 When the Transporter is satisfied that the Shipper has met the requirements for IP Registration in this section 22.4, it shall provide the IP Registration to the Shipper within 5 Business Days.

22.4.4 Where there is any change in any Authorised Person notified by the Shipper to the Transporter in accordance with section 22.4.1 (f) the Shipper must notify the Transporter as soon as possible.

22.4.5 Where there is any change in, or addition to, the Counterparty Shippers notified by the Shipper to the Transporter in accordance with section 22.4.1 (g) the Shipper must notify the Transporter as soon as possible.

22.5 Exit Point Registration Requirements

22.5.1 An application for an Exit Point Registration (**"Exit Point Registration Application"**) shall specify the following:

(a) the EIC of the Shipper/Prospective Shipper;

(b) the Exit Point for which an Exit Point Registration is requested;

(c) the date from which the Shipper or Prospective Shipper wishes to start utilising the Exit Point which shall be at least 10 Business Days from receipt of the Exit Point Registration Application by the Transporter;

(d) where the Exit Point Registration Application is in relation to a DN Exit Point and/or Stranraer Exit Point, a Downstream Load Statement (which sets out the End Users statement of the maximum quantity in kwh/d which may reasonably be required to supply the relevant Downstream Load Category);

(e) whether or not the Shipper will be required to increase its' Provided Level of Credit Support; and

(f) 24 hour emergency contact information.

22.5.2 In order to validate an Exit Point Registration Application, the Transporter will:

(a) verify that the applicant is a Shipper;

(b) verify the information provided in section 22.5.1;

(c) verify that the Shipper has applied for a pair of Registrations in accordance with section 22.3.4; and

(d) verify that the Shipper's Provided Level of Credit Support is equal to or greater than its' Required Level of Credit Support.

22.5.3 Where the Transporter is satisfied that the Shipper has met the requirements for an Exit Point Registration in this section 22.5, it shall provide the Exit Point Registration to the Shipper within 5 Business Days.

22.5.4 Downstream Load Statements provided to the Transporter in accordance with section 22.5.1 above must be updated to maintain their accuracy in accordance with section 22.9.3.

22.6 DBEP Registration Requirements

22.6.1 An application for a DBEP Registration (**"DBEP Registration Application"**) shall specify the following:

(a) the EIC of the Shipper/Prospective Shipper;

(b) the DBEP for which a DBEP Registration is requested;

(c) the date from which the Shipper or Prospective Shipper wishes to start utilising the DBEP which shall be at least 10 Business Days from receipt of the DBEP Registration Application by the Transporter;

(d) whether or not the Shipper will be required to increase its Provided Level of Credit Support; and

(e) 24 hour emergency contact information.

22.6.2 In order to validate a DBEP Registration Application, the Transporter will:

(a) verify that the applicant is a Shipper;

(b) verify the information provided in section 22.6.1;

(c) verify that the Shipper has applied for a pair of Registrations in accordance with section 22.3.4;

(d) verify that the Shipper's Provided Level of Credit Support is equal to or greater than its' Required Level of Credit Support; and

(e) verify that the applicant has made a corresponding request to the Relevant DNO to be a registered user at the DBEP under the Relevant DNOs distribution network code.

22.6.3 Where the Transporter is satisfied that the Shipper has met the requirements for a DBEP Registration in this section 22.6 it shall provide the DBEP Registration to the Shipper within 5 Business Days.

22.7 Trading Point Registration Requirements

22.7.1 An application for a Trading Point Registration (**"Trading Point Registration Application"**) shall specify:

(a) the EIC of the Shipper or Prospective Shipper;

(b) the date from which the Shipper or Prospective Shipper wishes to start utilising the Trading Point (which shall be at least 10 Business Days from receipt of the Trading Point Registration Application by the Transporter);

(c) whether or not, in the case of an existing Shipper, it will be required to increase it's Provided Level of Credit Support.

22.7.2 In order to validate a Trading Point Registration Application, the Transporter will:

(a) verify that the applicant is a Shipper;

(b) verify the information provided in section 22.7.1;

(c) verify that the Shipper's Provided Level of Credit Support is equal to or greater than it's Required Level of Credit Support.

22.7.3 Where the Transporter is satisfied that the Shipper has satisfied all the requirements for a Trading Point Registration in this section 22.7, it shall provide the Trading Point Registration to the Shipper within 5 Business Days.

22.8 De-Registration

22.8.1 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.

22.8.2 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.

22.8.3 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.

22.8.4 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 not to be terminated before the last day on which it holds IP Entry Capacity and/or VRF IP Exit Capacity at the IP.

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

22.8.6 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.

22.8.7 A Shipper may terminate a DBEP Registration by giving the Transporter 10 Business Days' written notice that it wishes to so terminate its Registration and the Transporter will inform the Relevant DNO accordingly.

22.8.8 Where a Shipper with a DBEP Registration ceases to be registered at the corresponding point under the distribution network code, the Relevant DNO will inform the Transporter and the Transporter will de-register the Shipper at the DBEP with immediate effect.

22.8.9 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.

Downstream Load Statements

22.9 Downstream Load Statements

22.9.1 In relation to a DN Exit Point and Stranraer Exit Point, a Shipper shall be required to provide the Transporter with a statement in the Prescribed Form (a **"Downstream Load Statement"**) in respect of an Exit Point before it may obtain an Exit Point Registration in respect of that Exit Point.

22.9.2 A Shipper at a DN Exit Point or Stranraer Exit Point shall provide the Transporter with a revised Downstream Load Statement 15 Business Days before each Mid Year Date and 15 Business Days before the end of the Gas Year. The Transporter shall inform any new

Shipper whether or not they are required to submit a revised Downstream Load Statement in accordance with this section 22.9.2 immediately preceding the date of their initial Downstream Load Statement submission.

22.9.3 A Shipper or a Prospective Shipper shall, if it becomes aware that any information in a Downstream Load Statement is incorrect, provide the Transporter on 10 Business Days' notice with a revised Downstream Load Statement which is accurate. References in this Code to a Downstream Load Statement are to the latest revised Downstream Load Statement from time to time.

22.9.4 A Downstream Load Statement, shall contain the End User's statement of the maximum quantity in kWh/day which may reasonably be required to supply the relevant Downstream Load Category.

22.9.5 A Shipper shall, if requested by the Transporter, provide to the Transporter any information relating to their actual Downstream Load, over a given period of time.

22.9.6 At the discretion of the Transporter, this section 22.9 shall not apply in respect of any Shipper, or Prospective Shipper, that does not have a Gas Supply Licence, but does with the Authority's prior written consent to either:

(a) hold Exit Capacity; or

(b) have entitlement to utilise the NI Network as if it had a Gas Supply Licence;

provided that the Shipper submits to the Transporter a copy of such consent from the Authority.

Retirement

22.10 Retirement from the Code

22.10.1 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 22.10 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.

22.10.2 The Transporter shall respond to the Retiring Shipper, within 25 Business Days of receiving the application referred to in section 22.10.1, 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.

22.10.3 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 22.10.2, 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 22.10.2, 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 22.10.2 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 22.10.

22.10.4 Upon the Retiring Shipper ceasing to be a Party to the Code in accordance with this section 22.10, 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 22.10.5 and 22.10.6.

22.10.5 A Retiring Shipper ceasing to be a Party to the Code in accordance with this section 22.10 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.

22.10.6 The Retiring Shipper shall pay any sums due in accordance with section 22.10.5 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.

22.10.7 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.

22.10.8 Where a Retiring Shipper which holds Bundled IP Entry Capacity makes an application to cease to be a Party to the Code under section 22.10.1, the Transporter shall inform the Adjacent Transporter.

22.10.9 Where a Retiring Shipper with a DBEP Registration makes an application to cease to be a Party to the Code under section 22.10.1, the Transporter shall inform the Relevant DNO.

23. CONFIDENTIALITY

23.1 Definitions

23.1.1 In this Code

(a) **"Confidential Information"** means:

(i) in relation to the Transporter:

(1) any information relating to the affairs of a Shipper; or

(2) the terms of each Ancillary Agreement (other than the Code) in relation to each Shipper; and

(ii) in relation to the Shipper, any information relating to the Transporter or another Shipper, or the terms of its Ancillary Agreements (other than the Code),

obtained in connection with this Code, other than its terms, which for the avoidance of doubt includes (but is not limited to) information obtained from/by a DNO, an Adjacent Transporter or the Capacity Platform Operator;

(b) **"Disclosing Party"** means the Party disclosing Confidential Information to a Receiving Party;

(c) **“Permitted Purpose”** means any purpose related to a Party’s participation in this Code including in relation to the preparation of the Ten Year Statement; and

(d) **"Receiving Party"** means the Party to which Confidential Information is disclosed by a Disclosing Party.

23.2 Confidentiality

A Receiving Party shall not, except as provided in section 23.3 and 23.4, disclose any Confidential Information to any other person, or use any Confidential Information other than for the Permitted Purpose, without the prior written consent of the Disclosing Party.

23.3 Exceptions

23.3.1 Section 23.2 shall not apply to any Confidential Information which:

(a) at, or after, the time of disclosure becomes part of the public domain (other than by reason of a breach of this Code by the Receiving Party);

(b) is known by the Receiving Party at the time it obtains the Confidential Information (save where the information is known by the Receiving Party as a result of it having previously been disclosed by the Disclosing Party to it);

(c) is lawfully acquired by the Receiving Party from a third party otherwise than in breach of an obligation of confidentiality;

(d) is required to be discharged to holders of conveyance licences for the purpose of the operation or management of the NI Postalised Network Disbursement Bank Account; or

(e) is required to be disclosed to an Adjacent Transporter at an Interconnection Point.

23.4 Rights of disclosure

23.4.1 A Receiving Party may disclose Confidential Information without the prior written consent of the Disclosing Party:

(a) to any employees, officers, directors, professional advisors and consultants of the Receiving Party to the extent that the disclosure is necessary in connection with the Permitted Purpose;

(b) to any of its Affiliates, or any person holding more than 25% of the issued share capital of the Receiving Party or any of that persons Affiliates, to the extent that the disclosure is necessary in connection with the Permitted Purpose;

(c) to any bona fide prospective transferee of more than 25 % of the issued share capital of the Receiving Party or any of its Affiliates;

(d) to any bank or financial institution from which the Receiving Party is seeking or obtaining finance to the extent that the disclosure is necessary in connection with such finance;

(e) to any person appointed as Expert pursuant to this Code to the extent reasonably necessary for the performance of his duties to the extent required by law or by the order of any court having competent jurisdiction over the Receiving Party or the regulations of a recognised stock exchange or requested by any Competent Authority; and

(f) to the extent required by law or by the order of any court having competent jurisdiction over the Receiving Party or the regulations of a recognised stock exchange or requested by any Competent Authority.

23.4.2 A Receiving Party shall:

(a) ensure that any person to whom the Receiving Party discloses information under sections 23.4.1 (a) to (e) complies with the obligations of this section 23.1 to 23.5 as if that person were a Party to the fullest extent practicable; and

(b) obtain from any person to whom the Receiving Party discloses information under sections 23.4.1 (c), (d) or (e) an undertaking in favour of the Disclosing Party to do so.

23.4.3 The Transporter may disclose Confidential Information without the prior written consent of the Disclosing Party to:

(a) an Adjacent Transporter where such disclosure is provided for or contemplated by this Code, the Tripartite Agreement or the Interconnection Agreement;

(b) the Capacity Platform Operator and section 2.6.9 shall apply; and

(c) a DNO in connection with the operation of the Aggregate Balancing Arrangements.

23.5 Survival

Whether a Party ceases or continues to be bound by this Code its obligations of confidentiality under this Code shall remain in force in relation to any Confidential Information until such information is in the public domain or acquired, known or developed by the relevant Receiving Party in accordance with section 23.3.

23.6 Data Ownership

23.6.1 Any data which is processed, recorded or maintained in respect of the NI Network shall belong to the Transporter, and subject to the provisions of this Code, the Transporter may use such data in such manner as the Transporter sees fit.

23.6.2 If a Shipper provides the Transporter with data the Shipper hereby grants to the Transporter a perpetual non-exclusive, royalty free licence in respect of such data and all intellectual property rights in it to use, copy and adopt and deal with such data for purposes of the performance and implementation of this Code and other purposes contemplated by this Code but not otherwise. Section 23.6.1 applies to any data derived from such data and all compilations created by or on behalf of the Transporter of such data.

23.6.3 If the Transporter provides or makes available data to a Shipper, the Shipper shall be entitled to use such data without charge for the purposes of the performance and the implementation of this Code and for other purposes contemplated by this Code, but not otherwise.

24. GENERAL

Communications

24.1 Gas Transportation Management and Billing System: Delphi

24.1.1 The Transporter proposes to establish an information exchange system for the purposes of supporting the implementation of this Code or any operational procedures established in respect of this Code or the operation of the NI Network ("**Delphi System**").

24.1.2 The Transporter may, from time to time, prescribe which communications shall be made by the Parties in respect of this Code or the operation of the NI Network using the Delphi System ("**Delphi Communication**") and the form of any Delphi Communication.

24.1.3 Subject to section 24.2, if the Transporter does so prescribe that a communication shall be a Delphi Communication and does so prescribe the form of the Delphi Communication, the communication may only be given by a Shipper by that means and in that form and any communication given by a Shipper by any other means or in any other form shall be deemed to have not been given for the purposes of this Code or the operation of the NI Network.

24.1.4 The Transporter and each Shipper agrees that any Delphi Communication shall have legal effect for the purposes of this Code.

24.1.5 The Delphi System may, upon giving a Shipper reasonable notice, be reasonably modified from time to time by the Transporter.

24.1.6 Where the Shipper uses an agent or other parties for the provision or submission of data, the Shipper shall ensure that such parties adhere to the provisions of sections 24.1, 24.2, 24.3 and 24.4.

24.2 Failure of Delphi System

24.2.1 The Transporter may, acting as a Reasonable and Prudent Operator, by firstly consulting with and then notifying any Shipper that would be affected, suspend the giving of any communication by the Delphi System for so long as the Transporter shall prescribe. In this event any communication in relation to the Code shall be given:.

(a) by email to the addressee's email address specified in writing by the addressee;

(b) at the time such communication would normally be required by the Delphi System or by such other alternative acceptable timescales that the Transporter has prescribed;

and such communications shall be deemed to have been delivered at the time of receipt by the sender of a delivery receipt.

24.2.2 A Shipper may request the Transporter to suspend the giving of any communication by the Delphi System where it considers access to it is prevented or restricted. The Transporter shall suspend the giving of any communication by the Delphi System if, acting as a Reasonable and Prudent Operator, it believes the request of the Shipper to be reasonable.

24.2.3 The Shipper shall at the request of the Transporter provide any information reasonably requested by the Transporter in order to investigate, diagnose, test the Delphi System or repair any faults.

24.2.4 The Transporter may plan outages for maintenance of the Delphi System at any time, but will endeavour to minimise the business impact of such outages to Shippers. The Transporter will endeavour to give Shippers at least 10 Business Days prior notice of any such planned outage together with, where possible, an estimate of the expected duration of such outage.

24.3 Licence to use Delphi System

24.3.1 Subject to section 24.1 the Transporter licences a Shipper, for the purposes contemplated by this Code, but not otherwise:

(a) to have access to and use the Delphi System; and

(b) to make use of any manual or other materials provided by the Transporter in respect of the Delphi System;

(collectively the "**Licensed Software and Materials**") provided that a Shipper shall only use the Licensed Software and Materials for its own internal purposes and for its business operations.

24.3.2 The licence granted in section 24.3.1 to a Shipper is royalty free, non-exclusive and non-transferable and shall terminate automatically upon that Shipper ceasing to be a Shipper for any reason.

24.3.3 The Licensed Software and Materials and all copyright and other intellectual property rights of whatever nature in the Licensed Software and Materials are and shall at all times remain, as between the Transporter and a Shipper, the property of the Transporter or the software licensor.

24.3.4 A Shipper shall not:

(a) use the Licensed Software and Materials other than as permitted in accordance with section 24.3.1;

(b) copy the Licensed Software and Materials;

(c) sub-license the use of the Licensed Software and Materials;

(d) except as may be permitted by law, de-compile, disassemble or modify the whole or any part of the Licensed Software and Materials;

without the prior written consent of the Transporter permit any unauthorised party to use the Licensed Software and Materials.

24.3.5 If through the Delphi System a Shipper obtains or receives unauthorised access to information concerning another Shipper, or receives a communication sent to another Shipper, the receiving Shipper will promptly so inform the Transporter and will close the screen on which such information or communication appears or delete the same from its equipment without making any copy of it (and destroying any copy accidentally made) and make no further use of it.

24.4 Provision and return of Licensed Software and Materials

24.4.1 The Transporter shall provide access to the Licensed Software and Materials to a Shipper promptly after it becoming a Shipper.

24.4.2 The Transporter may make a reasonable charge for any additional access to the Licensed Software and Materials or training requested by a Shipper.

24.4.3 The Transporter shall have no obligation to provide a Shipper with computer hardware, telephone lines or equipment to secure access to the Delphi System.

24.4.4 If a Shipper ceases to be entitled to use the Delphi System for any reason it shall cease to use the Licensed Software and Materials and ensure that its employees and other representatives discontinue access to and use of the Delphi System.

24.5 Notices

24.5.1 Any notice (other than a Delphi Communication) given or made by a Party under this Code shall be:

(a) in writing and in English and shall be delivered:

(i) by hand to the addressee; or

(ii) by first class prepaid letter to the address of the addressee; or

(iii) by email to the addressee's email address specified in writing by the addressee;

or to such other address or email address as may be notified by a Party to the other from time to time in writing for this purpose;

(b) deemed to have been given or made and delivered,

(i) if by hand, at the time the notice is left at the relevant address; or

(ii) if by letter, on the second Business Day after posting;

(iii) if by email transmission between the hours of 09:00 and 17:00 on Monday to Friday, at the time of receipt by the sender of a delivery receipt and otherwise at 09:00 on the next Business Day after transmission;

(c) marked clearly and conspicuously for the attention of the Transporter's General Manager, in the case of the Transporter, or the Shipper (as appropriate); and

(d) for the avoidance of doubt, pursuant to the SSO Agreement the Transporter's General Manager is authorised to give and receive notices on behalf of the Transporter and notices given or made by or to the Transporter under this Code shall be given to or made by the Transporter's General Manager only.

24.5.2 The Parties shall agree procedures for giving operational communications.

Other general sections

24.6 Appointment by the Transporter

The Transporter shall have the right to appoint a third party to carry out any operational and/or administrative function of the Transporter under this Code. In such circumstances,

the Transporter shall remain liable to the Shipper in relation to such operational and administrative functions as if those functions had been carried out by the Transporter itself, subject always to section 19 of this Code.

24.7 Waiver

24.7.1 No delay by or omission of any Party in exercising any right, power, privilege or remedy under this Code, shall operate to impair such right, power, privilege or remedy or be construed as a waiver of it.

24.7.2 Any single or partial exercise of any such right, privilege or remedy shall not preclude any other or future exercise thereof or the exercise of any other right, power, privilege or remedy.

24.8 Severance

If any provision of this Code, is or becomes invalid, unenforceable or illegal, or is declared to be invalid, unenforceable or illegal by any court of competent jurisdiction or by order of any other Competent Authority, such invalidity, unenforceable or illegality shall not prejudice or affect the remaining provisions of this Code which shall continue in full force and effect notwithstanding the same.

24.9 Entire Agreement

24.9.1 Subject to section 24.9.3, this Code (which for the avoidance of doubt includes the Framework Agreement and any Accession Agreement), as respects the Parties to them, contain or expressly refer to the entire agreement between the Parties with respect to their subject matter, and supersede all previous agreements or understandings between the Parties with respect thereto; and any warranty, condition or other term implied at law or by custom is (to the fullest extent permitted by law) expressly excluded from them.

24.9.2 The Transporter and a Shipper acknowledge that in entering into the Framework Agreement and any Accession Agreement they do not rely on any representation, warranty or other understanding not expressly contained in this Code, the Framework Agreement or such Accession Agreement.

24.9.3 Nothing contained in a document (other than the Framework Agreement and any Accession Agreement) referred to in this Code, beyond what is expressly contemplated by this Code as being contained in such document or is necessary for the purposes of giving effect to a provision of this Code, shall modify or have any effect for the purposes of this Code or be construed as relevant to the interpretation of this Code unless the Authority approves such document in writing.

24.10 Gas users or shippers

Nothing in this Code, shall be construed as imposing upon the Transporter any obligation or duty to or enforceable by a user or a shipper of gas downstream of the NI Network, except if such user or shipper is a Party to this Code and no Shipper shall make any commitment to any such user or shipper binding on or purporting to bind the Transporter.

24.11 Third party rights

A person who is not a party to this Code shall have no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Code or Ancillary Agreement expressed to be supplemental hereto notwithstanding that any such term may purport to confer or may be construed as conferring a benefit on such third party. The provisions of this section 24.11 shall not affect any right or remedy of such third party which exists or is available apart from the Contracts (Rights of Third Parties) Act 1999.

24.12 Assignment

24.12.1 Subject to section 24.12.4 and 24.12.5 a Shipper may assign its rights under this Code:

(a) to an Affiliate (the definition of Affiliate shall be amended for these purposes so that a shareholding of $33^1/_3$% shall be considered to be control of the Shipper), provided that the assigning Shipper shall continue to be bound by and liable under this Code;

(b) subject to section 24.12.5 with the prior agreement in writing of the Transporter, which shall not unreasonably be withheld, to any person.

24.12.2 Except as provided in section 24.12.1, or otherwise expressly provided in this Code, a Shipper shall not assign or transfer and shall not purport to assign or transfer any of its rights or obligations under this Code.

24.12.3 No assignment shall be made to a person unless, where the assigning Shipper has an IP Registration or an Exit Point Registration in respect of an Interconnection Point or an Exit Point on the NI Network, that person holds a Gas Supply Licence;

24.12.4 Where a Shipper assigns its rights under this Code to a person (including a $33^1/_3$% Affiliate) pursuant to section 24.12.1 it shall be a condition precedent to such assignment that such person shall:

(a) enter into an agreement in the Prescribed Form with the Transporter covenanting to be bound by this Code;

(b) satisfy the requirements of section 22.2.3(b)-(f) of this Code.

24.12.5 Where a Shipper assigns its rights under this Code to a person pursuant to section 24.12.1 the assigning Shipper shall be released from its obligations under this Code arising after the time at which the assignment is effective, but shall remain liable for any obligations accruing up to such time.

24.12.6 A reference in this Code to a Shipper shall include a reference to that Shipper's assigns.

24.12.7 The Transporter may assign its rights in accordance with section 1.3.12 of this Code.

24.13 Shipper Agents

A Shipper shall be entitled, by notice in writing to the Transporter, to require that the Transporter receives all notices from and gives all notices to and otherwise communicates

with the nominated agent of such Shipper (and not such Shipper) for all purposes under sections 6, 7 and 10 of this Code provided that such Shipper shall remain liable to the Transporter in respect of the performance of all of its obligations under this Code.

24.14 Definitions and interpretations

Unless the context otherwise requires, the definitions and rules of interpretation in Appendix 1 shall apply to this Code.

25. GOVERNING LAW AND DISPUTE RESOLUTION

25.1 Governing Law

This Code will be governed by and construed in accordance with the laws of Northern Ireland.

25.2 Dispute Resolution

25.2.1 In this Code a **"Dispute"** means any controversy, claim or dispute arising out of or in connection with this Code.

25.2.2 Subject to section 25.2.4, if a Dispute arises, it shall be referred, upon written notice from the Transporter to a Shipper or vice versa as the context requires (a **"Dispute Notice"**), to mediation in accordance with section 25.3.

25.2.3 A Dispute which is not resolved by mediation within 30 Business Days of the date of the Dispute Notice shall, subject to section 25.2.4 and 25.4, be settled by the courts of Northern Ireland in accordance with section 25.5.

25.2.4 Where this Code provides or the Transporter and a Shipper have agreed that a Dispute is to be resolved by the determination of an Expert, it shall be settled by the Expert in accordance with section 25.4 (**"Expert Determination"**).

25.2.5 For the purposes of this section 25, in relation to Disputes the Transporter shall act by way of the Transporter's General Manager or the appointed representative of the Transporter's General Manager.

25.3 Mediation

If a Dispute arises (other than a Dispute being determined by an Expert) the Transporter and a Shipper shall attempt to settle it in accordance with the Centre for Dispute Resolution's (CEDR) Model Mediation Procedure.

25.4 Expert Determination

25.4.1 The procedure for the appointment of an Expert shall be as follows:

(a) the Transporter and a Shipper shall attempt to agree on the appointment of a single Expert to settle the Dispute;

(b) if within 15 Business Days of the date of the Dispute Notice the Transporter and a Shipper have been unable to agree on the choice of an Expert, any Party may inform the President of the Institution of Gas Engineers and Managers (the "**President of the IGEM**") of the nature and complexity of the Dispute and request them to appoint a single Expert for the determination of the Dispute within 30 Business Days of the date of the Dispute Notice, and in doing so the President of the IGEM may take such independent advice as they think fit;

(c) if the President of the IGEM does not exist at the time of such request, refuses to make such an appointment, or fails to do so within 30 Business Days of the Dispute Notice, the Transporter or the Shipper may then apply to the President of the Law Society of Northern Ireland who shall appoint an Expert within 15 Business Days of being requested to do so;

(d) upon the Expert being agreed upon or appointed in accordance with this section 25.4 the Transporter and a Shipper shall immediately notify the Expert of their appointment and shall request them to confirm within 5 Business Days whether or not they are willing and able to accept the appointment and, if they accept the appointment, to confirm their independence. If no Expert can be appointed pursuant to section 25.4, the Dispute shall be finally settled by the courts of Northern Ireland in accordance with section 25.5.

25.4.2 The Expert shall be a person suitably qualified by education, experience and/or training to determine the Dispute.

25.4.3 The Expert shall be entitled to:

(a) seek such independent professional (including legal) and/or technical advice; and

(b) obtain secretarial assistance, as they may reasonably consider necessary.

25.4.4 The Expert and their assistants (if any) shall, as a prerequisite to the Expert's appointment, enter into a confidentiality undertaking with the Transporter and the Shipper in the same terms, *mutatis mutandis*, as required by section 23 (*Confidentiality*) and pursuant to which the Expert and their assistants (if any) shall keep the fact that the Expert Determination is taking place and its outcome confidential.

25.4.5 The Expert shall confirm to the Transporter and the Shipper before their appointment that they do not hold any interest or duty which would or potentially would conflict with the performance of their duties as an Expert.

25.4.6 If after their appointment the Expert becomes aware of any interest or duty which does so conflict or potentially conflicts, the Expert shall inform the Transporter and the Shipper forthwith of such conflict giving full details of it.

25.4.7 Any Party may within 5 Business Days of the disclosure of any such conflict object to the appointment or continued appointment of an Expert, in which case the Expert shall not be or shall cease to be appointed and a new Expert shall be selected and appointed in accordance with this section 25.4 (and the rejected Expert shall not be nominated for such selection).

25.4.8 The Transporter and the Shipper shall keep the fact that the Expert Determination is taking place and its outcome confidential provided that a Shipper may disclose the outcome to any of its customers to the extent that it demonstrates to the Transporter that it reasonably requires to do so provided further that any such Shipper shall ensure that any such customer complies with the obligations of section 23.1 to 23.5 as if that customer were a Party and following any request by the Transporter, obtains from that customer an undertaking in favour of the Transporter to do so.

25.4.9 Any and all communications between the Transporter, the Shipper and the Expert shall be made or confirmed in writing and a copy of such communications shall be provided simultaneously to the Transporter and the Shipper. No meeting between the Expert and the Transporter or the Shipper shall take place unless the Transporter and the Shipper have been given a reasonable opportunity to attend.

25.4.10 The terms of reference of the Expert shall include the following:

(a) that the Expert shall, as soon as reasonably practicable after the confirmation of their appointment, call the Transporter and the Shipper to a meeting (which shall, together with all other meetings, be held in Northern Ireland) at which they shall clarify, and, if necessary, define the Dispute and give directions as to the future conduct of the Dispute;

(b) that the Expert may, from time to time give such directions as they see fit;

(c) that the Transporter and the Shipper shall be entitled to supply data and information and make submissions to the Expert and that the Expert shall make their determination as soon as reasonably practicable and in any event within 30 Business Days of his appointment or such other time as agreed in writing by the Transporter and the Shipper;

(d) that the Expert shall give full written reasons for their determination and shall furnish the Transporter and the Shipper with a draft of his proposed determination; and

(e) that the Transporter and the Shipper shall be entitled to make representations to the Expert within 7 Business Days after the receipt of the draft of the Expert's proposed determination.

25.4.11 If an Expert becomes unwilling or unable to act, or does not act, in the matter in respect of which they are appointed, then another Expert shall be appointed in accordance with the procedure set out in section 25.4.1.

25.4.12 If, within a reasonable period, but in any event not later than 90 Business Days after the acceptance of their appointment, the Expert has not made their determination, then, at the request of any of the Transporter or the Shipper, another Expert shall be appointed in accordance with section 25.4.1 and, on acceptance of such appointment, the appointment of the previous Expert shall cease unless (prior to the date when the new Expert accepts his appointment) the Expert has made their determination, in which case such determination shall be binding and the instructions of the new Expert shall be withdrawn.

25.4.13 Subject to section 25.6, the costs and expenses of the Expert, any independent advisers to the Expert and any costs of their appointment (if they are appointed by the President of the IGEM or the President of the Law Society of Northern Ireland) shall be borne equally by the Transporter and the Shipper, but each Party shall bear its own costs.

25.4.14 An Expert appointed under this section 25.4 shall act as an expert and not as an arbitrator and the provisions of the Arbitration Act 1996 and any amendments or supplements to or re-enactments of them shall not apply to their determination.

25.4.15 The Expert's final determination shall be final and binding on the Transporter and the Shipper except in the event of fraud or where such final determination is so clearly

erroneous on its face that it would be unconscionable for it to stand, in which case another Expert may be appointed in accordance with the provisions of section 25.4.1.

25.5 Courts of Northern Ireland

25.5.1 Subject to the provisions of this section 25, the Transporter and a Shipper irrevocably agree that the courts of Northern Ireland shall have exclusive jurisdiction to settle any Dispute which may arise out of or in connection with this Code.

25.5.2 Each Party irrevocably waives any objection which it may have to the laying of the venue of any proceedings in the courts of Northern Ireland and any claim that any such proceedings have been brought in an inconvenient forum and further irrevocably agrees that a judgement in any proceedings brought in the courts of Northern Ireland shall be conclusive and binding upon such Party and may be enforced in the courts of any other jurisdiction.

25.5.3 For the avoidance of doubt, pursuant to the SSO Agreement, the Transporter's General Manager has been appointed to accept service of any notifications relating to legal proceedings on behalf of the Transporter in any proceedings in Northern Ireland.

25.6 Costs of Dispute

The Transporter's costs arising out of a Dispute shall be treated as Eligible Pass-Through Costs in accordance with the PTL Licence, the WTL Licence or the BGTL Licence, or Unforeseen Operating Expenditure in accordance with the GNI (UK) Licence, as the context requires, unless an Expert or court directs that the Transporter has failed to act as a Reasonable and Prudent Operator

26. SOUTH SECTION

26.1 Introduction and Definitions

26.1.1 This section 26 sets out the supplemental provisions which apply in relation to the section of the GNI (UK) System which is physically located in the Republic of Ireland and extends from Northern Ireland to the South North Interconnection Point (the **"South Section"**).

26.1.2 For the avoidance of doubt, for the purposes of this Code:

(a) the South Section forms a part of the GNI (UK) System under this Code;

(b) the ROI System Exit Point is located on the South Section; and

(c) the Individual Transporter with operational responsibility for the South Section is GNI (UK).

26.1.3 In this section 26:

(a) **"CRU Transmission Licence"** means the gas transmission licence issued to GNI (UK) from time to time by the CRU with respect to the operation of the South Section;

(b) **"Commission for Regulation of Utilities"** or **"CRU"** means the body established pursuant to Section 8 of the electricity regulation act 1999 of the Republic of Ireland as amended from time to time and having responsibility for, inter alia, regulation of gas in the Republic of Ireland or other such body as may have such responsibility from time to time;

(c) **"National Gas Emergency Manager"** or **"NGEM"** means the party designated as such in respect of the Republic of Ireland pursuant to the provisions of Section 19(b) of the Gas (Interim) (Regulation) Act 2002 (as amended) of the Republic of Ireland;

(d) **"Natural Gas Emergency Plan"** or **"NGEP"** means the plan published as such pursuant to the Gas (Interim) (Regulation) Act 2002 of the Republic of Ireland;

(e) **"ROI Shipping Licence"** means a licence to ship gas issued by the CRU pursuant to the provisions of the Gas (Interim) (Regulation) Act 2002 (Ireland) as amended from time to time;

(f) **"South Section Shipper"** means a Shipper which has an IP Registration in respect of the South North Interconnection Point;

(g) **"Joint Emergency Procedures"** means procedures relating to emergencies agreed from time to time between the NINEC and NGEM.

26.1.4 It is acknowledged that GNI (UK) must comply with the CRU Transmission Licence.

26.1.5 It is acknowledged that each South Section Shipper must hold an ROI Shipping Licence and comply with it.

26.1.6 At the ROI System Exit Point:

(a) the offtake of gas from the NI Network is governed under the Use of System Agreement in accordance with section 1.13;

(b) there is no requirement for Registration;

(c) there is no South Section Shipper under this Code.

26.2 Additional Requirements for Registration at South North Interconnection Point

26.2.1 In addition to the requirements of section 22.4 of this Code a Shipper or Prospective Shipper wishing to make an application for an IP Registration at South North Interconnection Point must submit evidence that the Shipper or Prospective Shipper holds an ROI Shipping Licence to the Transporter.

26.3 Additional Provisions for Emergencies in respect of the South Section

26.3.1 Where the Transporter determines that an Emergency declared in accordance with section 10.8 of this Code (and without prejudice to section 10.17 of this Code and any emergency procedures referred to therein) affects the South Section (including, for the avoidance of doubt, the ROI System Exit Point and the South North Interconnection Point) the Transporter shall notify the NGEM of such Emergency.

26.3.2 The Transporter shall for the purposes of this Code and without limiting any other rights or entitlements of the Transporter with respect to Emergencies determine that an Emergency exists in respect of the South Section in accordance with the lawful directions of the NGEM and the NGEP.

26.3.3 For the avoidance of doubt the Transporter and each South Section Shipper shall comply with the lawful directions of the NGEM:

(a) where an Emergency is declared in accordance with the instructions and / or directions of the NGEM; and / or

(b) where an Emergency affects the South Section; and / or

(c) to avoid or reduce the risk of an Emergency affecting the South Section.

26.3.4 Where the Transporter notifies Emergency Steps in respect of the South Section pursuant to section 10.9 of this Code the Transporter shall act in accordance with the directions or instructions of the NGEM and in accordance with the NGEP (where applicable).

26.3.5 In addition to where otherwise required by the Transporter a South Section Shipper shall also take Emergency Steps (where applicable) notified by the Transporter pursuant to a direction of the NGEM (which may be communicated through the Transporter).

26.3.6 It is acknowledged that an Emergency affecting the South Section may also affect other parts of the NI Network (and vice versa) and the Transporter and South Section Shippers shall use reasonable endeavours to implement both the directions of NGEM and NINEC to the extent reasonably practicable, it being acknowledged that:

(a) NINEC has statutory responsibility in respect of emergencies affecting the NI Network (excluding the South Section);

(b) NGEM has statutory responsibility in respect of emergencies affecting the South Section;

(c) the Transporter and each South Section Shipper must comply with the directions of the NGEM and act in accordance with the NGEP in relation to the South Section; and

(d) the Transporter and each South Section Shipper must comply with the Joint Emergency Procedures.

26.3.7 Any act or omission by the Transporter and/or any South Section Shipper taken pursuant to the instructions of the NGEM or in accordance with the NGEP shall not constitute a breach of any other provision of this Code.

26.4 Non-Compliant Gas

26.4.1 For the avoidance of doubt, if at any point gas which is delivered or tendered for delivery at the South North IP Entry Point is Non-Compliant Gas the Transporter, at its discretion, may until such time as the gas is delivered or tendered for delivery complies with the Gas Specification:

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

(b) subject to any Legal Requirement accept delivery of all or part of such Non-Compliant Gas.

26.5 Termination and Suspension where a South Section Shipper ceases to hold an ROI Licence

26.5.1 Without prejudice to any other rights of the Transporter (including the right to declare a Termination Default in accordance with section 21.2 of this Code and/or the right to issue a Termination Notice) if a South Section Shipper is in breach of this section 26 or ceases to hold an ROI Shipping Licence, the Transporter may:

(a) by notice in writing **("Suspension Notice (South Section)"**) to the South Section Shipper suspend or limit any right or rights of the South Section Shipper in respect of transportation of gas on the South Section including the South Section Shipper's right to submit applications for IP Capacity at the South North IP Entry Point or the South North IP VRF Exit Point, the South Section Shipper's rights to submit Nominations and/or Renominations at or in respect of the South North IP Entry Point and/or the South North VRF IP Exit Point or propose Capacity Trades at the South North IP Entry Point, in each case as identified in the Suspension Notice (South Section); and/or

(b) suspend or limit the right of the South Section Shipper to tender gas for delivery to or offtake gas from the NI Network at the South North IP Entry Point or South North IP VRF Exit Point;

and where a South Section Shipper’s right to submit Nominations is suspended, any Nominations which the South Section Shipper submits shall be rejected.

26.5.2 Any Suspension Notice (South Section) given in accordance with section 26.5.1 of this section 26 shall have immediate effect upon issue or shall have effect from such time as may be

specified in the Suspension Notice (South Section) subject in each case to the instruction of the CRU in consultation with the Authority.

26.5.3 The Transporter shall if the Transporter is provided with reasonable evidence that the South Section Shipper has obtained an ROI Shipping Licence; or where the Transporter is reasonably satisfied that the South Section Shipper has taken or is taking such action as is appropriate to procure an ROI Shipping Licence either;

(a) limit the effect of the Suspension Notice (South Section); or

(b) by notice to the South Section Shipper (the "Suspension Cancellation Notice") cancel the Suspension Notice (South Section);

and any such Suspension Cancellation Notice shall have immediate effect upon issue or shall have such effect from such time as may be specified in the Suspension Cancellation Notice;

26.5.4 The Transporter shall not issue a Suspension Cancellation Notice unless:

(a) the South Section Shipper has provided to the Transporter evidence that the South Section Shipper has obtained the relevant ROI Shipping Licence; or

(b) with the consent of the CRU in consultation with the Authority.

26.6 Status and Priority of this section

This section 26 is supplemental to and not in substitution for any other provisions of this Code. Where the Transporter or a South Section Shipper (as the case may be) takes, or omits to take, any action in accordance with this section 26 the Transporter or the South Section Shipper (as the case may be) shall not thereby be in breach of any other provision of this Code.

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 the Stranraer Interoperator Agreement;

(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 approval by the Authority of a further term of the Stranraer Interoperator Agreement and/or amendment of the quantity of capacity allocated under it 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 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, 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 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 shall apply from the 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.

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.

27.3.4 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 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.

27.4.4 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 27.3.4) 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

27.4.5 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.

27.4.6 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.

27.4.7 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 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_{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.

APPENDIX 1
DEFINITIONS AND INTERPRETATIONS

Part I - Definitions

"Accession Agreement"	means an agreement between the Transporter and a Prospective Shipper, in the form set out in the Framework Agreement, pursuant to which a Prospective Shipper becomes a party to the Framework Agreement.
"Accounting Ratios"	means FFO Interest Coverage and FFO to Total Debt;
"Activation Test"	has the meaning given to it in section 2.16.1(b);
"Additional IP Entry Capacity"	has the meaning given to it in section 2.16.6;
"Ad-hoc Market Demand Assessment"	has the meaning given to it in section 4.2.3;
"Adjacent Bundling Request"	has the meaning given to it in section 2.11.9;
"Adjacent Transporter" or **"Adjacent Transporters"**	has the meaning given to it in section 1.7.1(f);
"Adjacent Transporter's Rulebook"	has the meaning given to it in section 2.3.11;
"Adjusted Final Allocation at Exit"	has the meaning given to it in section 14.1.1 (a);
"Adjustment Amount"	has the meaning given to it in section 17.13.2;
"Adjusted T-DN Exit Allocation"	has the meaning given to it in section 7.6.1;
"Administration Default"	has the meaning given to it in section 21.4.1;
"Advance Buyback Agreement"	has the meaning given to it in section 2.19.2;
"Advance Buyback Offer"	means a Buyback Offer which is made available to the Transporter as a result of an Advance Buyback Agreement **and "Advance Buyback Offers"** shall be construed accordingly;
"Affected Exit Point"	has the meaning given to it in section 10.2.2(e);
"Affected Exit Points"	has the meaning given to it in section 10.2.2(f);
"Affected Party"	has the meaning given to it in section 20.1.1;
"Affiliate"	in relation to any Party means a company which is either a holding company or a subsidiary of such Party or a company or corporation

	which is a subsidiary of a holding company of which such Party is also a subsidiary and the words **"Holding Company"** and **"Subsidiary"** shall have the same meaning given to them, regardless of the place of incorporation of the Party, in section 1159 of the Companies Act 2006 as amended from time to time save that the expression in the **section "a majority"** shall be deemed to be **"one half"** and **"Affiliates"** shall be construed accordingly;
"Aggregate Allocable Irish-Side Capacity"	has the meaning given to it in section 2.4.17;
"Aggregate Balancing Arrangements"	has the meaning given to it in section 1.7.5(a);
"Aggregate Balancing Information"	has the meaning given to it in section 5.3.1(k);
"Aggregate Bid Quantity"	has the meaning given to it in section 2.8.3(c);
"Aggregate Change"	has the meaning given to it in section 6.7.16(a);
"Aggregate NI Entry Allocation"	has the meaning given to it in section 7.4.2 and **"Aggregate NI Entry Allocations"** shall be construed accordingly;
"Aggregate NI Exit Allocation"	has the meaning given to it in section 7.9.2 and **"Aggregate NI Exit Allocations"** shall be construed accordingly;
"Aggregate NI Imbalance" or "ANII"	has the meaning given to it in section 8.1.2(c);
"Aggregate Surrender Quantity"	has the meaning given to it in section 2.17.2(f);
"Aggregate Throughput"	has the meaning given to it in section 9.8.1(a);
"Aggregate VRF IP Exit Nominated Quantity"	has the meaning given to it in section 7.2.1(k);
"Aggregate VRF IP Exit Quantity"	has the meaning given to it in section 14.1.1(h);
"Allocable IP Entry Capacity"	has the meaning given to it in section 2.7.3;
"Allocable VRF IP Exit Capacity"	has the meaning given to it in section 2.7.4;
"Allocations Information"	has the meaning given to it in section 5.3.1(j);

"Alternative Evidence of Credit Worthiness"	has the meaning given to it in section 18.2.2(c);
"Amended IP Renomination"/ "ARNs"	has the meaning set out in section 6.7.18 **and "Amended IP Renominations"** shall be construed accordingly;
"Ancillary Agreement"	means an agreement between the Transporter and one or more Shippers setting out any terms of a transportation arrangement in relation to the NI Network entered into pursuant to any provisions to this Code which contemplates that such an Agreement may be entered into;
"Annual Quarterly Auctions"	has the meaning given to it in section 2.5.1(b);
"Annual Yearly Auctions"	has the meaning given to it in section 2.5.1(a);
"Applicable Conditions"	has the meaning given to it in section 13.3.3 (b);
"Approved Project Proposal"	has the meaning given to it in section 14.4.4;
"Ascending Clock Auction"	has the meaning given to it in section 2.8.2;
"Auction" or **"Auctions"**	has the meaning given to it in section 2.4.2(a);
"Auction Allocated Quantity"	has the meaning given to it in section 2.4.2(f);
"Auction Calendar"	has the meaning given to it in section 2.4.2(b);
"Auction Date"	has the meaning given to it in section 2.8.3(a);
"Auction Information"	has the meaning given to it in section 2.4.2(c);
"Auction Information Time"	has the meaning given to it in section 2.4.2(d);
"Auction Premium"	has the meaning given to it in section 2.4.2(e);
"Auction Quantity"	has the meaning given to it in section 2.4.2(h);
"Auction Year"	has the meaning given to it in section 2.4.2(g);
"Authorised Person"	has the meaning given to it in section 22.4.1(f) and **"Authorised Persons"** shall be construed accordingly;
"Authority"	means the Northern Ireland Authority for Utility Regulation;
"Automatic Bidding"	has the meaning given to it in section 2.4.2(i);
"Auxiliary Payment"	shall have the meaning given to it in the Licences;

"Available Exit Capacity"	has the meaning given to it in section 3.1.5;
"Available IP Capacity"	has the meaning given to it in section 2.3.18;
"Available IP Entry Capacity"	has the meaning given to it in section 2.3.19;
"Average Total System Aggregate Throughput"	has the meaning given to it in section 18.3.1(c);
"Average Transporter Revenue"	means the average of (i) PTL's Total Allowed Transmission Revenue; (ii) BGTL's Total Allowed Transmission Revenue; (iii) WTL's Total Allowed Transmission Revenue; and (iv) GNI (UK)'s Total Allowed Conveyance Revenue; each as defined and calculated pursuant to their respective Licences;
"Balancing Gas"	has the meaning given to it in section 9.1.1(c);
"Balancing Gas Buy Framework Agreement"	has the meaning given to it in section 9.2.3(d);
"Balancing Gas Contract"	has the meaning given to it in section 9.2.3(b);
"Balancing Gas Costs"	has the meaning given to it in section 9.8.1(d);
"Balancing Gas Framework Agreement"	has the meaning given to it in section 9.2.3(c);
"Balancing Gas Provider"	has the meaning given to it in section 9.2.3(f);
"Balancing Gas Sell Framework Agreement"	has the meaning given to it in section 9.2.3(e);
"Balancing Gas Services"	has the meaning given to it in section 9.2.3(a);
"Ballylumford Exit Point"	has the meaning given to it in section 1.8.3(i);
"Ballylumford Internal Connection Point"	has the meaning given to it in section 1.9.3(a)
"bar"	has the meaning given to it in ISO 80000-1:2009;
"Belfast DBEP"	has the meaning given to it in section 1.7.6(a);

"Belfast Exit Point"	has the meaning given to it in section 1.8.3(b);
"Belfast Gas System"	has the meaning given to it in section 1.5.2(f);
"Belfast Metering Agreement"	means a deed of agreement made between PTL and BGTL relating to the use of certain meter reading equipment;
"BGTL"	has the meaning given to it in section 1.2.2(c);
"BGTL Belfast Offtake Points"	has the meaning given to it in section 1.8.3(d);
"BGTL Licence"	means the Licence granted to BGTL;
"Bid"	has the meaning given to it in section 2.4.2(j) and **"Bids"** shall be construed accordingly;
"Bid Price"	has the meaning given to it in section 2.9.3;
"Bid Quantity"	has the meaning given to it in section 2.4.2(k);
"Bid Round"	has the meaning given to it in section 2.4.2(l);
"Bid Round Price"	has the meaning given to it in section 2.8.3(b);
"Bid Window"	has the meaning given to it in section 2.4.2(m);
"Binding Bids"	has the meaning given to it in section 4.1.2(f);
"Binding Conditional Bids"	has the meaning given to it in section 4.1.2(g);
"Biomethane Daily Quantity Delivered" (or **"BDQD"**)	has the meaning given to it in section 5.3.1(h);
"Biomethane Delivery Nomination"	has the meaning given to it in the Relevant DNOs distribution network code;
"Biomethane Delivery Renomination"	has the meaning given to it in the Relevant DNOs distribution network code;
"BoEBR"	means the rate which is the applicable Bank of England base rate(s) for sterling as published by the Bank of England. Where this rate changes during the period over which unpaid amounts are outstanding the relevant rate shall be applied in respect of the relevant days during the period in which the payment remains outstanding (and should this rate be less than zero for any period it shall be deemed to be equal to zero for the relevant period) for the purposes of calculating interest payments in accordance with this Code;

"$BPRBR_{-1}$"	has the meaning given to it in section 2.8.5(a);
"BPR_{LPFBR}"	has the meaning given to it in section 2.8.5(b);
"Bundled"	has the meaning given to it in section 2.3.10(a);
"Bundled Auction"	has the meaning given to it in section 2.4.3(a) and **"Bundled Auctions"** shall be construed accordingly;
"Business Day"	means a day (other than a Saturday or Sunday or bank holiday) on which banks are generally open for business in Belfast;
"Buyback Cap"	has the meaning given to it in the NI Network Incentive Payments Procedure;
"Buyback Invitation"	has the meaning given to it in section 2.19;
"Buyback Notification"	has the meaning given to it in section 2.19.11 and **"Buyback Notifications"** shall be construed accordingly;
"Buyback Offer"	has the meaning given to it in section 2.19.5 and **"Buyback Offers"** shall be construed accordingly;
"Buyback Offer Price"	has the meaning given to it in section 2.19.5(e);
"Buyback Payment"	means a payment which shall be payable by the Transporter to a Shipper in respect of IP Capacity in accordance with the OS Scheme and **"Buyback Payments"** shall be construed accordingly;
"Buyer"	has the meaning given to it in section 8.3.7;
"Calorific Value"	means that number of Megajoules produced by the complete combustion at a constant absolute pressure of 1.01325 bar of 1 Cubic Meter of gas at a temperature of 15º C with excess air at the same temperature and pressure as the gas when the products of combustion are cooled at 15º C and when the water formed by combustion is condensed to the liquid state and the products of combustion contain the same total mass of water vapour as the gas and air before combustion; and for the avoidance of doubt calorific value shall be REAL as defined in ISO 6976:2016;
"Capacity Platform"	has the meaning given to it in section 2.6.1;
"Capacity Platform Operator"	has the meaning given to it in section 2.6.1;
"Carrakeel Exit Point"	has the meaning given to it in section 1.8.3(n);
"Carrickfergus Internal Connection Point"	has the meaning given to it in section 1.9.3(b);
"Carry Forward"	has the meaning given to it in section 2.9.11(f);

“CC Invoice”	has the meaning given to it in section 17.6.1 and “CC Invoices” shall be construed accordingly
“Charges”	means any charge payable to/from the Transporter either under the Licences or this Code;
“Charging Methodology Statement”	is the document of that name in a form from time to time approved by the Authority and published by the Transporter in a manner so approved which sets out the basis for the calculation of Charges;
“Class”	has the meaning given to it in section 2.3.8;
“Clearing Price”	has the meaning given to it in section 2.4.2(n);
“Closes”/“Close”/“Closed”/ Closing”	has the meaning given to it in section 2.8.3(e);
“CMP Activation Date”	has the meaning given to it in Section 2.16.1(c);
“CMP Sections”	has the meaning given to it in Section 2.16.1(a);
“Code” or “Transportation Code”	means this code governing the relationship between the Transporter and a Shipper in relation to the transportation of gas on the NI Network and in accordance with section 1.1.2 all references to the Code shall include the Framework Agreement and where applicable any Accession Agreement;
“Code Charges Default” or “CC Default”	has the meaning given to it in section 18.9.2(b);
“Code Modification”	means a modification to the Code in accordance with the Modification Rules;
“Commission for Regulation of Utilities” or “CRU”	has the meaning given to it in section 26.1.3(b);
“Commissioning Ratchet Amount”	has the meaning given to it in section 3.11.4(a);
“Commissioning Ratchet Charge” / “CRC”	has the meaning given to it in section 3.11.4(b);
“Commodity Value of Trades”	has the meaning given to it in section 18.3.1(d);
“Competent Authority”	means the Authority, the Office of Gas and Electricity Markets in Great Britain, or any local, national or supra-national agency, authority, department, inspectorate, official, court, tribunal or public or statutory person (whether autonomous or not) which has

	jurisdiction over the Individual Transporters or a Shipper regarding the subject matter of this Code;
"Competing Capacity"/ "CC"	has the meaning given to it in section 2.8.44(a);
"Conditional Demand Indications"	has the meaning given to it in section 4.2.5(f);
"Confidential Information"	has the meaning given to it in section 23.1.1(a);
"Confirmed Exit Nomination Quantity"	has the meaning given to it in section 6.11.4 **and "Confirmed Exit Nomination Quantities"** shall be construed accordingly;
"Confirmed IP Nomination Quantity"	has the meaning given to it in section 6.6.5 and **"Confirmed IP Nomination Quantities"** shall be construed accordingly;
"Confirmed Trade Nomination"	has the meaning given to it in section 6.13.2(g) and **"Confirmed Trade Nomination Quantities"** shall be construed accordingly;
"Confirmed Trade Quantity"	has the meaning given to it in section 6.13.2(f) and **"Confirmed Trade Quantities"** shall be construed accordingly;
"Congestion Management Procedures" or "CMP"	means the arrangements for surrender of IP Entry Capacity, purchase of IP Entry Capacity by the Transporter and Long Term Use it or Lose it;
"Connected Facilities"	means the facilities immediately downstream of an Exit Point whether or not owned by a Shipper;
"Consequential Loss"	losses, damages and expenses (including legal expenses) whether or not foreseeable in respect of loss of use of property, loss of contract, profit, production (other than unavoidable loss of production directly caused by a Party) or revenue, or goodwill or business interruption, or other economic or indirect or consequential losses, or increased costs of working of either Party (and/or third party's) or increased or additional costs in respect of the procurement or conveyance of gas or loss arising from the liability of the other Party to any person howsoever caused and whenever arising under or in connection with the Code;
"Conversion"	has the meaning given to it in section 2.10.2(a);
"Conversion Confirmation Notice"	has the meaning given to it in section 2.10.2(d);
"Conversion Month"	has the meaning given to it in section 2.10.2(e);

"Conversion Request"	has the meaning given to it in section 2.10.2(b);
"Conversion Request Deadline"	has the meaning given to it in section 2.10.2(c);
"Coolkeeragh Exit Point"	has the meaning given to in section 1.8.3(j);
"Counterparty IP Nomination"	has the meaning given to it in section 6.4.2 and **"Counterparty IP Nominations"** shall be construed accordingly;
"Counterparty IP Renomination"	has the meaning given to it in section 6.4.2 and **"Counterparty IP Renominations"** shall be construed accordingly;
"Counterparty Shipper"	has the meaning given to it in section 6.4.2 and **"Counterparty Shippers"** shall be construed accordingly;
"CPI"	means the General Index of Consumer Prices – All Items (1996 = 100) as published in the Office of National Statistics **"Monthly Digest of Statistics"** (Series Identifier CHVJ) or, if such index is no longer published, such comparable alternative as the Authority deems appropriate;
"CPO Activities"	has the meaning given to it in section 2.6.3;
"CPO Rules and Processes"	has the meaning given to it in section 2.6.8(a);
"Credit Application"	has the meaning given to it in section 18.1.1(c);
"Credit Application Form"	has the meaning given to it in section 18.1.1(d);
"Credit Committee"	has the meaning given in the Terms of Reference;
"Credit Period"	has the meaning given to it in section 18.1.1(e);
"CRU Transmission Licence"	has the meaning given to it in section 26.1.3(a);
"Curtailment Quantity"	has the meaning given to it in section 6.7.12(b);
"D"	means a given Gas Flow Day;
"D-1"	means the Day before D;
"D+1"	means the Day after D;
"D+5"	means the fifth Day after D;
"Daily Gas Price"	has the meaning given to it in section 8.1.2 (a);
"Daily IP Entry Capacity"	has the meaning given to it in section 2.3.2(c);

"Daily Metered Demand Forecasts"	has the meaning given to it in section 5.1.1(e);
"Daily NDM Forecasts"	has the meaning given to it in section 5.1.1(d);
"Daily Shrinkage Nomination Quantities"	has the meaning given to it in section 5.1.1(f);
"Day"	means a period beginning at 05:00 hours on any day and ending at 05:00 hours on the following day and **"Daily"** shall be construed accordingly;
"Day of Greatest Allocated Quantity"	has the meaning given to it in section 3.7.1(b);
"DBEP Entry Allocation"	has the meaning given to it in section 7.2.1(e);
"DBEP Nomination"	has the meaning given to it in section 5.3.1(b);
"DBEP Registration Application"	has the meaning given to it in section 22.6.1;
"DBEP Renomination"	has the meaning given to it in section 5.3.1(b);
"Debt Payment"	has the meaning given to it in the Licences;
"Debt Repayment"	has the meaning given to it in the Licences;
"Default DN Exit Allocation"	has the meaning given to it in section 7.7.1(b);
"Deferred Buyback Payments"	has the meaning given to it in section 17.5.6 and **"Deferred Buyback Payment"** shall be construed accordingly;
"Delivery Characteristics"	means the characteristics of gas delivered or tendered for delivery to the NI Network in respect of which Gas Specification apply;
"Delphi System"	has the meaning given to it in section 24.1.1;
"Delphi Communication"	has the meaning given to it in section 24.1.2;
"Demand Forecast Information"	has the meaning given to it in section 5.1.1(c);
"Derryhale Internal Connection Point"	has the meaning given to in section 1.9.3(d);
"Design Phase"	has the meaning given to it in section 14.1.2(h);
"Direction of Change"	has the meaning given to it in section 6.7.16(b);

"Directions"	means any direction made by the Credit Committee in accordance with the Terms of Reference and **"Direction"** shall be construed accordingly;
"Directive"	means any present or future directive, regulation, request, requirement, instruction, code of practice, direction or rule of any Competent Authority (but only, if not having the force of law, if it is reasonable in all the circumstances for it to be treated as though it had legal force), and any modification, extension or replacement thereof;
"Disbursement Amount"	has the meaning given to it in section 9.8.2 and **"Disbursement Amounts"** shall be construed accordingly;
"Disbursement Ratio"	has the meaning given to it in section 9.8.1(c);
"Disclosing Party"	has the meaning given to it in section 23.1.1(b);
"Dispute"	has the meaning given to it in section 25.2.1;
"Dispute Notice"	has the meaning given to it in section 25.2.2;
"Distribution Biomethane Entry Point" (or **"DBEP"**)	has the meaning given to it in section 1.7.5(b);
"Distribution Network Operator"/"DNO"	has the meaning given to it in section 1.4.1(b);
"Distribution Utility"	means a utility that operates in a smaller service area than a Transmission Utility with increased exposure to the local market conditions and that delivers gas to customers at a level that can be used in homes and businesses and **"Distribution Utilities"** shall be construed accordingly;
"DM Allocation"	has the meaning given to it in section 5.3.1(e);
"DN Exit Allocation"	has the meaning given to it in section 5.3.1(g);
"DN Exit Nominated Quantity"	has the meaning given to it in section 6.10.1(c);
"DN Exit Point"/ "DN Exit Points	has the meaning given to it in section 1.8.2(b);
"DN Exit Point Nominations"	has the meaning given to it in section 10.1.2(j);
"DN Exit Quantity"	has the meaning given to it in section 7.6.1;
"DNO Interoperator Agreements"	has the meaning given to it in section 1.11.6;
"DN Shrinkage Allocation"	has the meaning given to it in section 5.3.1(f);

"Double-Sided"	has the meaning given to it in section 6.4.7(a);
"Downstream Load Category"	has the meaning given to it in section 8.2.1 and **"Downstream Load Category No 1"** and so on shall be construed accordingly;
"Downstream Load Statement"	has the meaning given to it in section 22.9;
"Downstream Transporter"	has the meaning given to it in section 1.9.3(f);
"Draft Project Proposal Consultation"	has the meaning given to it in section 4.3.3;
"Due Date"	means the date on which payment of an invoice in respect of any PS Transmission Amounts and PS Code Charges falls due, being the 10th Business Day in the month next after the month in which the relevant invoice was issued and for the purpose of section 16 has the meaning therein;
"ECB Rate"	has the meaning given to it in section 2.4.9;
"Economic Test"	has the meaning given to it in section 4.1.2(c);
"Effective Surrender Quantity"	has the meaning given to it in section 2.17.13;
"EIC"	means a European identity code which Shippers shall be required to use to identify their organisation on the Capacity Platform and on the Delphi System;
"Election Notice"	has the meaning given to it in section 21.6.1(b);
"Eligible IP Renominations"	has the meaning given to it in section 6.7.15 **and "Eligible IP Renomination"** shall be construed accordingly;
"Eligible Pass-Through Cost"	has the meaning given to it in the PTL Licence, the WTL Licence and the BGTL Licence;
"Emergency"	has the meaning given to it in section 10.8.3;
"Emergency Steps"	has the meaning given to it in section 10.9.1;
"End Users"	means third parties who have entered into an agreement with a Shipper to purchase and/or utilise gas to be offtaken from the NI Network by that Shipper at an Exit Point and **"End User"** shall be construed accordingly;

"End User's Facilities"	means any facilities, equipment or other property of an End User, or of a Shipper downstream of the Exit Point(s), in respect of which gas is offtaken from the NI Network at such Exit Point(s), which gas is to be used in respect of such End User's Facilities (including any plant or equipment in which gas is compressed or otherwise treated before being consumed);
"Enhanced Pressure"	has the meaning given to it in section 13.3.2;
"Entry Allocation"/ "Entry Allocations"	has the meaning given to it in section 7.2.1(f);
"Entry Point"/ "Entry Points"	has the meaning given to it in section 1.7.1(e);
"Entry Point Switching Agreement" or "EPSA"	has the meaning given to it in section 9.4.1(a);
"EPSA Charges"	has the meaning given to it in section 9.4.1(b);
"EPSA Declaration"	has the meaning given to it in section 10.2.5;
"EPSA Provider"	has the meaning given to it in section 9.4.1(c);
"EPS Quantity"	has the meaning given to it in section 9.4.1(d);
"Entry Quantity"	has the meaning given to it in section 14.1.1(g);
"Equivalent Agency"	has the meaning given to it in Annex A18.1;
"Equivalent Interconnected System Capacity"	has the meaning given to it in section 2.3.12(c);
"Equivalent Rating"	has the meaning given to it in Annex A18.1;
"Euro-based Auction"	has the meaning given to it in section 2.4.8;
"EUTYNDP"	means the ten-year network development plan of the European Union;
"Evolve"	means SGN Evolve Network Ltd, a company incorporated in England and Wales with company number 08822715;
"Evolve Distribution Network"	means the gas distribution network owned and operated by Evolve;
"Exceptional Event"	has the meaning given to it in section 10.1.2(g);
"Excess Amount"	has the meaning given to it in section 18.9.3;
"Excess Entry	

Nominations Day"	has the meaning given to it in section 10.1.2(f);
"Excess Exit Nominations Day"	has the meaning given to it in section 10.1.2(e);
"Exit Allocation"	has the meaning given to it in section 7.5.1 and **"Exit Allocations"** shall be construed accordingly;
"Exit Capacity"	has the meaning given to it in section 3.1.2(a);
"Exit Capacity Application"	has the meaning given to it in section 3.3.2 and **"Exit Capacity Applications"** shall be construed accordingly;
"Exit Capacity Period"	has the meaning given to it in section 3.3.2(b);
"Exit Capacity Surrender Application"	has the meaning given to it in section 3.8.2 and **"Exit Capacity Surrender Applications"** shall be construed accordingly;
"Exit Capacity Transfer"	has the meaning given to it in section 3.9.2 and **"Exit Capacity Transfers"** shall be construed accordingly;
"Exit Capacity Transfer Period"	has the meaning given to it in section 3.9.3(a);
"Exit Capacity Utilisation Report"	has the meaning given to it in section 3.7.1;
"Exit Nomination"	has the meaning given to it in section 6.8.2(a) and **"Exit Nominations"** shall be construed accordingly;
"Exit Nominated Quantity"	has the meaning given to it in section 6.10.1(b) and **"Exit Nominated Quantities"** shall be construed accordingly;
"Exit Nomination Quantity"	has the meaning given to it in section 6.10.1(a) and **"Exit Nomination Quantities"** shall be construed accordingly;
"Exit Point"/"Exit Points"	has the meaning given to it in section 1.8.2(a);
"Exit Point Adjustment Day"	has the meaning given to it in section14.5.2;
"Exit Point Adjustment Quantity"	has the meaning given to it in section 14.5.2(a);
"Exit Point Capacity Shortfall"	has the meaning given to it in section 10.2.2(c);
"Exit Point	

Registration"	means a registration issued by the Transporter evidencing that the Shipper is registered at the Exit Point;
"Exit Point Registration Application"	has the meaning given to it in section 22.5;
"Exit Quantity"	has the meaning given to it in section 14.4.1;
"Exit Renomination"	has the meaning given to it in section 6.8.2(b) and **"Exit Renominations"** shall be construed accordingly;
"Expert"	means a person appointed in accordance with section 25.4.1 to resolve a Dispute;
"Expert Determination"	has the meaning given to it in section 25.2.4;
"Fallback IP Entry Allocation Rule"	has the meaning given to it in section 7.2.5;
"FDA UIOLI"	means the firm day-ahead use-it-or-lose-it mechanism set out in point 2.2.3 of Annex 1 to Regulation (EC) No. 715 / 2009, as amended by a commission decision of 24 August 2012 and (as a component of Retained EU Law) as amended by Schedule 2 of the Electricity and Gas etc. (Amendment etc.) (EU Exit) Regulations 2019 and section 3 of the Electricity and Gas etc, (Amendment)(EU Exit) Regulations 2020;
"FDA UIOLI Criteria"	means the criteria for FDA UIOLI set out in the OS Scheme and CMP Methodology Statement;
"FDA UIOLI Rules"	means the rules for the implementation of FDA UIOLI as set out in the OS Scheme and CMP Methodology Statement;
"f-factor"	has the meaning given to it in section 4.1.2(k);
"FFO Interest Coverage"	has the meaning given to it in Annex A18.6(e)(i);
"FFO to Total Debt"	has the meaning given to it in Annex A18.6(e)(ii);
"FPACapCt"	has the meaning given to it in section 8.5.2;
"Final Adjusted T-DN Exit Allocation"	has the meaning given to it in section 7.6.2(b);
"Final Aggregate NI Entry Allocation"	has the meaning given to it in section 7.4.4(b);
"Final Aggregate NI Exit Allocation"	has the meaning given to it in section 7.9.3(b);
"Final DBEP Entry	

Allocation”	has the meaning given to it in section 7.3.11;
"Final DN Exit Allocation”	has the meaning given to it in section 7.5.11(b);
“Final Exit Allocation”	means either a Final Power Station Exit Allocation, Final I&C Exit Allocations or Final DN Exit Allocation (or all of them) as the context requires and **“Final Exit Allocations”** shall be construed accordingly;
“Final I&C Exit Allocation”	has the meaning given to it in section 7.5.7;
“Final IP Entry Allocation”	has the meaning given to it in section 7.3.2 and **“Final IP Entry Allocations”** shall be construed accordingly;
“Final Non-IP Entry Allocation”	has the meaning given to it in section 7.3.4;
“Final Power Station Exit Allocation”	has the meaning given to it in section 7.5.3;
“Final VRF IP Exit Allocation”	has the meaning given to it in section 7.3.6 and **“Final VRF IP Exit Allocations”** shall be construed accordingly;
“Firm”	has the meaning given to it in section 2.3.3 so far as it relates to IP Capacity and section 3.1.3 so far as it relates to Exit Capacity;
“Firm Reverse Flow IP Exit Capacity”	has the meaning given to it in section 4.1.2(b);
“Firmus”	means Firmus Energy (Distribution) Limited a company incorporated in England and Wales with company number 05375370;
“Firmus Distribution Network”	means the gas distribution network owned and operated by Firmus;
“First Round Allocation”	has the meaning given to it in section 2.9.25(b);
“First Time Undersell”	has the meaning given to it in section 2.8.3(d);
“First Time Undersell Bid Round”	has the meaning given to it in section 2.8.4(a);
“Flow Direction”	has the meaning given to it in section 2.2.1(a);
“Flow Order”	has the meaning given to it in section 10.1.2 (h);
“Flow Rate”	means the instantaneous rate of flow of gas expressed in kW;
“FON"	has the meaning given to it in section 3.11.5;
“Forecasting Party”	has the meaning given to it in section 5.1.1 (a);
“Forecasting Party	

Agreement"	has the meaning given to it in section 5.1.1 (b);
"Forecast Aggregate Throughput"	has the meaning given to it in section 18.3.1(l);
"Forecast Average Throughput"	has the meaning given to it in section 18.3.1(m);
"Forecast DBEP Nominations"	has the meaning given to it in section 18.3.1(k);
"Forecast IP Entry Nominations"	has the meaning given to it in section 18.3.1(h);
"Forecast Other Charges"	has the meaning given to it in section18.3.9(b);
"Forecast Postalised Annual Capacity Charge"	means the charge for annual capacity determined in accordance with the Licences and the Charging Methodology Statement;
"Forecast Postalised Charges"	has the meaning given to it in the Licences;
"Forecast Postalised Commodity Charge"	has the meaning given to it in the Licences and **"Forecast Postalised Commodity Charges"** shall be construed accordingly;
"Forecast Reconciliation Payment"	has the meaning given to it in section 18.3.1(n);
"Forecast Short Term Charges"	has the meaning given to it in section 18.3.1(e);
"Forecast Supplier Quantity"	has the meaning given to it in section 18.3.1(e);
"Forecast Trade Buy Nominations"	has the meaning given to it in section 18.3.1(i);
"Forecast Trade Sell Nominations"	has the meaning given to it in section 18.3.1(j);
"Forecast VRF IP Exit Quantity"	has the meaning given to it in section 18.3.1(f);
"Force Majeure"	has the meaning given to it in section 20.1.1;
"Forward Flow Direction"	has the meaning given to it in section 2.2.1(b);
"Forward Programme for In-Line Inspection Maintenance"	has the meaning given to it in section 15.2.2;

"Framework Agreement"	has the meaning given to it in section 1.1.1;
"Framework Member"	has the meaning given to it in section 9.2.3(g) and **"Framework Members"** shall be construed accordingly;
"FTU Bid Round"	has the meaning given to it in section 2.8.4(a);
"gas"	means any hydrocarbons or mixture of hydrocarbons and all associated gases consisting primarily of methane which at 150C and at atmospheric pressure is (or are) predominantly in a gaseous state;
"Gas Flow Day"	means, in relation to the application of any provision of this Code, the Day in relation to deliveries, offtakes or flow of gas or other operations on which such provision is to apply and **"Gas Flow Days"** shall be construed accordingly;
"Gas Products and Time Factors Table"	has the meaning given to it in the Licences;
"Gas Specification"	has the meaning given to it in section 11.3.1;
"Gas Supply Licence"	means a licence to supply gas granted under Article 8 (1) (c) of the gas (Northern Ireland) Order 1996;
"Gas Year"	shall mean the period of time beginning at 05:00 hours from 1 October in any calendar year to 05:00 hours on 1 October in the next succeeding calendar year and **"Gas Years"** and **"Yearly"** shall be construed accordingly;
"GB Uniform Network Code"	means the network code as in force from time to time, which governs the operation of the NTS in Great Britain, such network code having been prepared pursuant to the public gas transporters licence granted or treated as granted pursuant to section 7 of the Gas Act 1986, as amended from time to time (and which licence is held by National Grid Gas plc as at May 2012);
"GB Allocable Capacity"	has the meaning given to it in section 2.4.15;
"GB - NI Auction"	has the meaning given to it in section 2.4.14;
"GB - ROI Auction"	has the meaning given to it in section 2.4.14;
"Generation Utility"	means a utility involved in the production of electricity and **"Generation Utilities"** shall be construed accordingly;
"GNI"	means Gas Networks Ireland, a company incorporated in the Republic of Ireland with registered number 555744 which is responsible for the transportation of gas in the ROI System;
"GNI (UK)"	has the meaning given to it in section 1.2.2(e);

“GNI (UK) Licence”	means the Licence granted to GNI (UK);
“GNI (UK) System”	has the meaning given to it in section 1.5.2(g);
“GNI (UK) Upstream”	means GNI (UK) in its capacity as the operator or the GNI (UK) Upstream System;
“GNI (UK) Upstream System”	has the meaning given to it in section 1.5.2(d);
“GNI (UK) Transportation Agreement”	has the meaning given to it in section 1.5.2(e);
“Haynestown Offtake Point”	has the meaning given in section 1.8.3(m);
“Hour Bar”	has the meaning given to it in section 6.2.5;
“I&C Exit Nominated Quantity”	has the meaning given to it in section 6.10.1(e);
"I&C Exit Nominations”	has the meaning given to it in section 10.1.2(k);
“I&C Exit Point”	has the meaning given to it in section 1.8.2(d);
“Imbalance”	has the meaning given to it in section 8.1.2(f);
“Imbalance Charge”	has the meaning given to it in section 8.1.2(b) and **“Imbalance Charges”** shall be construed accordingly;
“Imbalance Tolerance Percentage” or “ITP”	has the meaning given to it in section 8.2.1;
“Imbalance Tolerance Quantity” or “ITQ”	has the meaning given to it in section 8.2.3;
“Incentive Scheme Payments”	means payments which shall be payable by the Transporter to a Shipper in accordance with the OS Scheme;
“Incremental Capacity”	has the meaning given to it in section 4.1.2(a);
“Incremental Capacity Allocation Mechanism”/ “ICAM”	has the meaning given to it in section 4.1.2(j);
“Incremental Capacity Process”	has the meaning given to it in section 4.1.2(e);
“Incremental Capacity Project”	has the meaning given to it in section 4.1.2(d);
“Incremental Capacity Project Solution”	has the meaning given to it in section 4.1.2(i);

"Indemnified Liabilities"	means liabilities, actions, proceedings, claims, losses, costs, demands, damages, expenses and fines of every kind and nature, including legal expenses;
"Indicative Application for Exit Capacity"	has the meaning given to it in section 3.2.1;
"Indicative Withdrawal Notice"	has the meaning given to it in section 2.18.4;
"Individual Transporter"/ "Individual Transporters"	has the meaning given to it in section 1.2.2(a);
"Information Sharing Agreement"	has the meaning given to it in section 5.3.1(a);
"Initial Adjusted T-DN Exit Allocation"	has the meaning given to it in section 7.6.2(a);
"Initial Aggregate NI Entry Allocation"	has the meaning given to it in section 7.4.4(a);
"Initial Aggregate NI Exit Allocation"	has the meaning given to it in section 7.9.3(a);
"Initial DBEP Entry Allocation"	has the meaning given to it in section 7.3.10;
"Initial DN Exit Allocation"	has the meaning given to it in section 7.5.11(a);
"Initial Exit Allocation"	means either an Initial Power Station Exit Allocation, Initial I&C Exit Allocation or Initial DN Exit Allocation (or all of them) as the context requires and **"Initial Exit Allocations"** shall be construed accordingly;
"Initial I&C Exit Allocation"	has the meaning given to it in section 7.5.6**;**
"Initial IP Entry Allocation"	has the meaning given to it in section 7.3.1 and **"Initial IP Entry Allocations"** shall be construed accordingly;
"Initial Non-IP Entry Allocation"	has the meaning given to it in section 7.3.3;
"Initial Power Station Exit Allocation"	has the meaning given to it in section 7.5.2;
"Initial $STRLCS_{min}$ Estimate"	has the meaning given to it in section 18.8.1**;**

"Initial VRF IP Exit Allocation"	has the meaning given to it in section 7.3.5 and **"Initial VRF IP Exit Allocations"** shall be construed accordingly;
"Initiating Transporter"	means either the Transporter or the Adjacent Transporter, as agreed between them and approved by the Authority, and who is responsible for receiving Single-Sided Nominations and passing them on to the Matching Transporter;
"In-line Inspection Maintenance"	has the meaning given to it in section 15.1.2(d);
"Integrated Utility"	means a utility which operates both as a Distribution Utility and Transmission Utility and **"Integrated Utilities"** shall be construed accordingly;
"Intended Withdrawal Notice"	has the meaning given to it in section 2.18.7(c);
"Interconnected System"	has the meaning given to it in section 2.3.12(a);
"Interconnected System Capacity"	has the meaning given to it in section 2.3.12(b);
"Interconnection Agreement"	means the agreement in relation to arrangements at the South North Interconnection Point between GNI (UK) and GNI dated 29th April 2016;
"Interconnection Point" / "IP"/ "IP Interconnection Points"	has the meaning given to it in section 1.7.1(a);
"Internal Connection Point"/ "Internal Connection Points"	has the meaning given to it in section 1.9.1;
"Interruptible"	has the meaning given to it in section 2.3.3;
"Interruptible Rolling Day-Ahead Auctions"	has the meaning given to it in section 2.5.1(e);
"Interruptible VRF IP Exit Capacity"	has the meaning given to it in section 2.3.2(g);
"Invoice Day"	has the meaning given to it in Section 17.8.1;
"ION"	has the meaning given to it in section 3.11.5;
"IP Allocation"	has the meaning given to it in section 7.2.1(a) and **"IP Allocations"** shall be construed accordingly;
"IP Capacity"	has the meaning given to it in section 2.3.2(a);
"IP Capacity Duration"	has the meaning given to it in section 2.3.6 **and "IP Capacity Durations"** shall be construed accordingly;

"IP Capacity Period"	has the meaning given to it in section 2.3.9;
"IP Capacity Product"	means as described in the Gas Products and Time Factors Table;
"IP Capacity Transaction"	has the meaning given to it in section 2.3.4;
"IP Capacity Transfer"	has the meaning given to it in section 2.12.2 and **"IP Capacity Transfers"** shall be construed accordingly;
"IP Capacity Transfer Period"	has the meaning given to it in section 2.12.4(b);
"IP Entry Allocation"	has the meaning given to it in section 7.2.1(b) and **"IP Entry Allocations"** shall be construed accordingly;
"IP Entry Capacity"	has the meaning given to it in section 2.3.2(b);
"IP Entry Capacity Overrun Payment"	means the sum of the Overrun Charges due for each day in Month M for which the invoice is payable, as described in the Charging Methodology Statement;
"IP Entry Nomination"	has the meaning given to it in section 6.3.2(b) and **"IP Entry Nominations"** shall be construed accordingly;
"IP Entry Point"/ "IP Entry Points"	has the meaning given to it in section 1.7.1(b);
"IP Entry Quantity"	has the meaning given to it in section 14.1.1(e);
"IP Entry Renomination"	has the meaning given to it in section 6.3.2(e) and **"IP Entry Renominations"** shall be construed accordingly;
"IP Measured Quantity"	the quantity of gas delivered at an Interconnection Point (or where applicable the Northern Ireland share thereof) using readings taken from the Measurement Equipment at the Interconnection Point as described in section 1.10.1(a);
"IP Nominated Quantity"	has the meaning given to it in section 6.6.15 and **"IP Nominated Quantities"** shall be construed accordingly;
"IP Nomination"	has the meaning given to it in section 6.3.2(a) and **"IP Nominations"** shall be construed accordingly;
"IP Nomination Quantity"	has the meaning given to it in section 6.3.2(g) and **"IP Nomination Quantities"** shall be construed accordingly;
"IP Registration"	means an entry point registration issued by the Transporter evidencing that the Shipper is registered at either an IP Entry Point and/or a VRF IP Exit Point at an IP;

“IP Registration Application”	has the meaning given to it in section 22.4;
“IP Renomination”	has the meaning given to it in section 6.3.2(d) and **“IP Renominations”** shall be construed accordingly;
“IP Renomination Amendment Quantity”/ “RAQ”	has the meaning given to it in section 6.7.17(a);
“Joint Economic Test”	has the meaning given to it in section 4.6.8;
“Joule”	means the joule as defined in ISO 80000-1:2009 and **“Joules”** shall be construed accordingly;
“Kilojoule”	means one thousand (1000) joules;
“Kilowatt” and “KW”	mean one (1) Kilojoule per second;
“Kilowatt Hour” and “kWh”	mean three thousand six hundred (3600) Kilojoules;
"Kilroot Exit Point”	has the meaning given to it in section 1.8.3(k);
“Large Price Step” / “LPS”	has the meaning given to it in section 2.8.6;
“Large Price Step Bid Round”	has the meaning given to it in section 2.8.4(c);
“Last Pre-FTU Bid Round”	has the meaning given to it in section 2.8.4(b);
“Late NBDI”	has the meaning given to it in section 4.2.8 and **“Late NBDIs”** shall be construed accordingly;
“**Legal Opinion**”	means a legal opinion addressed to the Transporter from the legal advisers of the relevant Shipper and/or its guarantor, in a form satisfactory to the Transporter, which addresses *inter alia* capacity and authority, due execution, legal validity, pari passu ranking, consents, registrations or filings, documentary taxes, governing law and jurisdiction in respect of the provision of security given by way of guarantee;
“Legal Requirement”	means any law, statute or Directive that is in force in the jurisdiction where the NI Network is situated from time to time;
“Level of Provided Credit Default” or “LPC Default”	has the meaning given to it in section 18.7.2;
"Licence"	means the licence (as amended from time to time) to convey gas granted to an Individual Transporter under Article 8 (1) (a) of the Gas (Northern Ireland) Order 1996 (as amended from time to time);

“Licences”	means the PTL Licence, the BGTL Licence, the WTL Licence and the GNI (UK) Licence;
“Licensed Software and Materials”	has the meaning given to it in section 24.3.1;
“Licensee Unpredictable Operating Cost”	has the meaning given to it in the PTL Licence, WTL Licence, and the BGTL Licence;
“Lisburn Offtake Point”	has the meaning given to it in section 1.8.3(c);
“Linked”	has the meaning given to it in section 2.4.14;
“Localised Constraint”	has the meaning given to it in section10.2.2(b);
“Locational (Moffat) Primary Balancing Gas Buy Contract”	has the meaning given to it in section 9.2.4(a);
“Locational (South North) Balancing Gas Buy Contract”	has the meaning given to it in section 9.2.4(d);
"LON”	has the meaning given to it in section 3.11.5;
“Long Term Use it or Lose it”	means arrangements for the monitoring of long term IP Capacity utilisation and the withdrawal of IP Capacity;
“LPS Bid Round”	has the meaning given to it in section 2.8.4(c);
“LTUIOLI Capacity”	has the meaning given to it in section 2.18.7(a);
“LTUIOLI Procedures”	means the procedures for Long Term Use it or Lose it as set out in the OS Scheme and CMP Methodology Statement;
“LTUIOLI Shipper”	has the meaning given to it in section 2.18.1;
“M”	means a given Month;
“M+1”	means the first Gas Flow Day of the Month following M;
“M+5”	means the fifth Business Day of the Month following M;
“M+10”	means the tenth Business Day of the Month following M;
“M+12”	means the 12th day of the Month following M;
“Maintenance”	has the meaning given to it in section 15.1.2 (a);

"Maintenance Days"	has the meaning given to it in section 15.1.2(b) and **"Maintenance Day"** shall be construed accordingly;
"Maintenance Programme"	has the meaning given to it in section 15.2.2;
"Marginal Imbalance Quantity" or "MIQ"	has the meaning given to it in section 8.2.4;
"Market Demand Assessment"	has the meaning given to it in section 4.2.2;
"Market Demand Assessment Report"	has the meaning given to it in section 4.2.10;
"Matching" / "Matched"	has the meaning given to it in section 6.6.8;
"Matching Procedures and Rules"	has the meaning given to it in section 6.6.7;
"Matching Transporter"	means either the Transporter or the Adjacent Transporter, as agreed between them and approved by the Authority, who is responsible for applying the Matching Procedures and Rules;
"Maximum Allowed Unsecured Credit"	has the meaning given to it in Annex A18.4;
"Maximum Available Interruptible VRF IP Exit Capacity"	means the maximum amount of Interruptible VRF IP Exit Capacity which shall be made available at an IP as published by the Transporter from time to time;
"Maximum Offtake Rate"	means the maximum rate at which gas may be offtaken at an Exit Point as set out in part I of Appendix 4;
"Maydown Internal Connection Point"	has the meaning given to in section 1.9.3(c);
"MCP"	has the meaning given to it in section 3.11.4;
"Measurement Equipment"	has the meaning given to it in section 14.1.1 (b);
"Meeting Notice"	shall have the meaning given to it in paragraph 3 of the Terms of Reference;
"Megajoules" or "MJ"	means one million Joules;
"Mid Year Date"	means 30 April;

"Minimum Bid Quantity"	has the meaning given to it in section 2.4.2(o);
"Minimum Eligible Quantity"	has the meaning given to it in section 2.4.2(p);
"Minimum Pressure"	has the meaning given to it in section 13.3.1;
"Mismatched Delivery"	has the meaning given to it in section 19.1.1;
"Modification Rules"	means the rules prepared by the Transporter, pursuant to the Licences, to facilitate modification of the Code as required from time to time in accordance with the Licences;
"Modified Imbalance Charge"	means the Imbalance Charge to be applied following the circumstances set out in section 6.10.2(b) in accordance with section 8.3.5;
"Moffat Entry Point"	has the meaning given to it in section 1.7.3(f);
"Moffat IP Entry Point"	has the meaning given to it in section 1.7.3(a);
"Moffat Interconnection Point"	has the meaning given to it in section 1.7.2(a);
"Moffat Non-IP Entry Point"	has the meaning given to it in section 1.7.3(e);
"Moffat Offtake"	has the meaning given to it in the Moffat Designated Arrangements under the GB Uniform Network Code;
"Moffat VRF IP Exit Point"	has the meaning given to it in section 1.7.3(b);
"Month"	means a period beginning at 05:00 hours on the first day of any calendar month and ending at 05:00 hours on the first day of the next succeeding calendar month and the word **"Monthly"** shall be construed accordingly;
"Monthly IP Entry Capacity"	has the meaning given to it in section 2.3.2(d);
"Monthly Postalised Commodity Payment"	means a monthly payment for gas quantities allocated to a Shipper determined in accordance with the Licences and set out in the Charging Methodology Statement;
"Monthly Postalised Daily IP Entry Capacity Payment"	means a monthly payment for Daily IP Entry Capacity determined in accordance with section 17.4 as set out in the Charging Methodology Statement;
"Monthly Postalised	

Exit Capacity Payment"	means a monthly payment for Exit Capacity determined in accordance with section 17.4 as set out in the Charging Methodology Statement;
"Monthly Postalised Interruptible VRF IP Exit Capacity Payment"	means a monthly payment for Interruptible VRF IP Exit Capacity determined in accordance with section 17.4 as set out in the Charging Methodology Statement;
"Monthly Postalised Monthly IP Entry Capacity Payment"	means a monthly payment for Monthly IP Entry Capacity determined in accordance with section 17.4 as set out in the Charging Methodology Statement;
"Monthly Postalised Quarterly IP Entry Capacity Payment"	means a monthly payment for Quarterly IP Entry Capacity determined in accordance with section 17.4 as set out in the Charging Methodology Statement;
"Monthly Postalised Yearly IP Entry Capacity Payment"	means a monthly payment for Yearly IP Entry Capacity determined in accordance with section 17.4 as set out in the Charging Methodology Statement;
"Monthly Reassessment"	has the meaning given to it in section 18.8.1;
"MRC"	has the meaning given to it in section 3.11.5;
"MSCMD" and "mscmd"	means million(s) Standard Cubic Metre(s) per day;
"MSCMH" and "mscmh"	means million(s) Standard Cubic Metre(s) per hour;
"National Gas Emergency Manager" or "NGEM"	has the meaning given to it in section 26.1.3(c);
"National Gas"	means National Gas Transmission plc, a company incorporated in England and Wales with company number 02006000 which is responsible for the transportation of gas in the NTS;
"Natural Gas Emergency Plan" or "NGEP"	has the meaning given to it in section 26.1.3(d);
"NDM Allocation"	has the meaning given to it in section 5.3.1(d);
"Negative Imbalance"	has the meaning given to it in section 8.1.2(d);

"Negative Implied IP Nomination Flow Rate"	has the meaning given to it in section 6.5.15;
"Net Assets"	means, on any particular date, Total Assets minus Total Liabilities, as of such date;
"Network Exit Agreement"	has the meaning given to it in section 13.9.1;
"Network Exit Provisions"	has the meaning given to it in section 13.9.3;
"NI large price step"	has the meaning given to it in section 2.8.7(a)(ii);
"NI Network"	has the meaning given to it in section 1.5.2(a);
"NI Network Final IP Entry Allocations"	means the sum of the Final IP Entry Allocations at each Interconnection Point in respect of a Gas Flow Day;
"NI Network Final Exit Allocations"	means the sum of the Final Exit Allocations at all Exit Points in respect of a Gas Flow Day;
"NI Network Final VRF IP Exit Allocations"	means the sum of the Final VRF IP Exit Allocations at all Exit Points in respect of a Gas Flow Day;
"NI Network Incentive Scheme Bank Account"	has the meaning given to it in section 17.14.1;
"NI Network Incentive Payments Procedure"	has the meaning given to it in section 17.14.2;
"NI Network Point"/ "NI Network Points"	has the meaning given to it in section 1.6.1;
"NI Non-competing Capacity"/"NI NCC"	has the meaning given to it in section 2.8.44(b);
"NI Postalised Network Disbursement Bank Account"	means a separate bank account set up by the Transporter pursuant to the SSO Agreement, into which and from which the Transporter shall pay the amounts detailed in section 9.4 of this Code;
"NI Reserve Price"	has the meaning given to it in section 2.4.2(q);
"NI Share"	has the meaning given to it in section 2.4.2(r);
"NI-wide Constraint"	has the meaning given to it in section 10.2.2(a);
"Nominated Quantity"	has the meaning given to it in section 6.2.1(d) and **"Nominated Quantities"** shall be construed accordingly;

"Nomination"	has the meaning given to it in section 6.2.1(a) and **"Nominations"** shall be construed accordingly;
"Nomination Quantity"	has the meaning given to it in section 6.2.1(c) and **"Nomination Quantities"** shall be construed accordingly;
"Non-binding Demand Indications" /"NBDIs"	has the meaning given to it in section 4.2.4 and **"Non-binding Demand Indication"/"NBDI"** shall be construed accordingly;
"Non-Compliant Gas"	has the meaning given to it in section 11.3.2;
"Non-IP Entry Allocation"	has the meaning given to it in section 7.2.1(d);
"Non-IP Entry Capacity"	has the meaning given to it in section 27.2.1(b);
"Non-IP Entry Point"	has the meaning given to it in section 1.7.1(d);
"Non-IP Entry Point Registration"	means a Registration issued by the Transporter evidencing that the Shipper is registered at a Non-IP Entry Point;
"Non-IP Entry Quantity"	has the meaning given to it in section 14.1.1(f);
"Non-locational Balancing Gas Buy Contract"	has the meaning given to it in section 9.2.4(a);
"Non-locational Balancing Gas Sell Contract"	has the meaning given to it in section 9.2.4(b);
"Non-OBA Day"	has the meaning given to it in section 7.2.1(j) and **"Non-OBA Days"** shall be construed accordingly;
"Northern Ireland Network Emergency Co-ordinator" / "NINEC"	has the meaning given to it in the Gas Safety (Management) Regulations (NI) 1997;
"Notional S&P Credit Rating"	means a credit rating assigned to a Shipper in accordance with Annex A18;
"NTS"	means the national transmission system and has the meaning given to it in the GB Uniform Network Code;
"OBA"	has the meaning given to it in section 7.2.1(g);
"OBA Day"	has the meaning given to it in section 7.2.1(i) and **"OBA Days"** shall be construed accordingly;

“OCPLCS”	has the meaning given to it in section 18.5.3;
“Off-Spec Gas”	has the meaning given to it in section 13.4.2;
“Offtake Point”/ “Offtake Points”	has the meaning given to it in section 1.8.2 (e);
“Offtake Rate”	means the Flow Rate of gas expressed in kW for offtake of gas at an Exit Point;
“Order”	means the Gas (Northern Ireland) Order 1996, as amended from time to time;
“OS Charging Statement”	is the statement published by the Transporter which sets out how charges for Oversubscription Capacity and the price to be paid for capacity which is the subject of Buyback Notification are derived;
“OS Effective Date”	has the meaning given to it in Section 2.16.1(d);
“OS Scheme”	is the scheme which sets out arrangements for the sale of Oversubscription Capacity and the purchase of IP Entry Capacity by the Transporter in accordance with the Licences;
“OS Scheme and CMP Methodology Statement”	means the document published by the Transporter containing the OS Scheme, the OS Charging Statement and the methodology supporting the implementation of Congestion Management Procedures;
“Other Party”	has the meaning given to it in section 20.1.1;
“Outstanding PS Code Charges”	has the meaning given to it in section 17.7.2;
“Overrun Charges”	has the meaning given to it in section 2.13.1;
“Overrun Quantity”	has the meaning given to it in section 2.13.2;
“Oversubscription Capacity”	means Additional IP Entry Capacity over and above the Technical IP Entry Capacity that may be made available by the Transporter as a result of the application of the OS Scheme;
“Own Use Gas”	has the meaning given to it in section 9.1.1(a);
“Party”	means either the Transporter or a Shipper and shall include their successors and permitted assigns and “Parties” shall be construed accordingly;
“Payable Amount”	has the meaning given to it in section 17.4.5;
“Payable Exit Capacity	

Price”	has the meaning given to it in section 17.4.4;
“Payable IP Capacity Price”	has the meaning given to it in section 17.4.1;
“Payable Non-IP Entry Capacity Price”	has the meaning given to it in section 17.4.2;
“Permitted Purpose”	has the meaning given to it in section 23.1.1(c);
“Permitted Range”	has the meaning given to it in section 14.1.1 (c);
“Phoenix”	means Phoenix Energy Group Ltd, a company incorporated in Northern Ireland with company number NI032809;
“Phoenix Distribution Network”	means the gas distribution network owned and operated by Phoenix;
“PLCS Adjustment Form”	has the meaning given to it in section 18.6.8;
“PLCS Form”	has the meaning given to it in section 18.6.2;
“Positive Imbalance”	has the meaning given to it in section 8.1.2(e);
“Postalised System”	means the system comprising all gas pipe-lines designated as being subject to a common tariff pursuant to all orders made pursuant to Article 59 of the Energy (Northern Ireland) Order 2003 in force at such time;
“PoT Account”	means the bank account into which all monies paid by Shippers (other than the Stranraer Shipper) in respect of PS Transmission Amounts should be paid in accordance with section 17.9.1(a);
“Potential Premium”	has the meaning given to it in section 4.1.2(l);
“Power Station Exit Nominated Quantity”	has the meaning given to it in section 6.10.1(d);
“Power Station Exit Point”/ “Power Station Exit Points”	has the meaning given to it in section 1.8.2(c);
“Power Station Nominations”	has the meaning given to it in section 10.1.2(i);
“Prescribed Form”	means, in relation to any notice or other document referred to in this Code, the form reasonably prescribed by the Transporter from time to time;
“President of the IGEM”	has the meaning given to it in section 25.4.1(b);
“Prevailing IP Entry Allocation Rule”	has the meaning given to it in section 7.2.3;

"Primary Transporter"	has the meaning given to it in section 1.3.13;
"Priority Order"	has the meaning given to it in section 10.13.1;
"Processed IP Nomination Quantity"	has the meaning given to it in section 6.6.4 and **"Processed IP Nomination Quantities"** shall be construed accordingly;
"Profile Nomination"	means a nomination or renomination to the Transporter of an aggregate quantity of gas to be offtaken in each hour over the relevant Day at an Exit Point and **"Profile Nominations"** shall be construed accordingly;
"Prospective Shipper"	has the meaning given to it in section 22.2.1;
"Provided Level of Credit Support"	has the meaning given to it in section 18.1.1(b);
"PS Code Charges"	means Imbalance Charges, Scheduling Charges, Unauthorised Flow Charges, any Enhanced Pressure charges or any other charge the basis of which is set out in this Code (and not the Licences) from time to time;
"PS Invoice"	has the meaning given to it in section 17.5.1;
"PS Transmission Amounts"	has the meaning given to it in section 17.5.2(a);
"PTL"	has the meaning given to it in section 1.2.2(b);
"PTL Daily Profile"	means the quantity of energy (expressed in kWh and set out in an hourly profile) to be delivered to the PTL Transportation System at Moffat IP Entry Point and which is submitted by PTL to GNI (UK) in accordance with the GNI (UK) Transportation Agreement;
"PTL Forward Flow Allocation"	has the meaning given to it in the Transportation Agreement;
"PTL Licence"	means the Licence granted to PTL;
"PTL System"	has the meaning given to it in section 1.5.2(c);
"PTL Transportation System"	has the meaning given to it in section 1.5.2(b);
"Q1"	means the Quarter commencing 1 October of a given Gas Year Y;
"Q2"	means the Quarter commencing 1 January of a given Gas Year Y;
"Q3"	means the Quarter commencing 1 April of a given Gas Year Y;

"Q4"	means the Quarter commencing 1 July of a given Gas Year Y;
"Quantity within Tolerance" / "QWT"	has the meaning given to it in section 8.2.5;
"Quarter"	shall mean a period of 3 calendar months, with each successive Quarter commencing at 05:00 hrs on 1 October, 1 January, 1 April and 1 July respectively and **"Quarterly"** shall be construed accordingly;
"Quarterly IP Entry Capacity"	has the meaning given to it in section 2.3.2(e);
"Ranked Order"	has the meaning given to it in section 9.2.3(i);
"Ratchet Amount"	has the meaning given to it in section 3.11.1(a);
"Ratchet Charge"/"RC"	has the meaning given to it in section 3.11.1 and **"Ratchet Charges"** shall be construed accordingly;
"Ratchet Month"	has the meaning given to it in section 3.11.1;
"Reallocation"	has the meaning given to it in section 7.7.1 and **"Reallocations"** shall be construed accordingly;
"Reallocation Procedure"	has the meaning given to it in section 7.7.3;
"Reasonable and Prudent Operator"	means a person acting in good faith with the intention of performing its contractual obligations under this Code and who in so doing and in the general conduct of its undertaking, exercises that degree of skill, diligence, prudence and foresight which would reasonably and ordinarily be exercised by a skilled and experienced operator complying with applicable law and engaged in the same type of undertaking and under the same or similar circumstances and conditions;
"Receiving Party"	has the meaning given to it in section 23.1.1(d);
"Recognised Standard"	means any technical, engineering or other standard, issued or published by any governmental body of professional or other institution, and generally recognised as applying to the gas industry in the United Kingdom or, as relevant to the South North Interconnection Point, the Republic of Ireland, as from time to time applicable;
"Reconciliation Payment"	shall have the meaning given to it in the Licences and **"Reconciliation Payments"** shall be construed accordingly;
"Reduced Capacity Day"	has the meaning given to it in section 10.1.2(c);
"Reduced Profile Day"	has the meaning given to it in section 10.1.2(d);

"Registered Exit Capacity"	has the meaning given to it in section 3.1.4;
"Registered IP Capacity"	has the meaning given to it in section 2.3.16;
"Registered IP Entry Capacity"	has the meaning given to it in section 2.3.17;
"Registration"	has the meaning given to it in section 22.3.1 and **"Registrations"** shall be construed accordingly;
"Relevant 12-month Period"	has the meaning given to it in section 18.3.1(b);
"Relevant Adjacent Transporter"	has the meaning given to it in section 1.7.1(g);
"Relevant Day"	has the meaning given to it in section 3.7.1(c);
"Relevant DNO"	has the meaning given to in section 1.4.1(c);
"Relevant Exit Point"	has the meaning given to it in section 3.7.1(a);
"Relevant Objective"	has the meaning given to it in section 3.7.3;
"Relevant Provision"	has the meaning given to it in section 2.14.4;
"Relevant Shipper"	has the meaning given to it in section 3.7.1(a);
"Relevant Transporter"	has the meaning given to in section 1.2.2(f);
"Remaining Unallocated Quantity"	has the meaning given to it in section 2.9.18(c);
"Renomination"	has the meaning given to it in section 6.2.1(b) and **"Renominations"** shall be construed accordingly;
"Required Level of Credit Support"	has the meaning given to it in section 18.1.1(a);
"Retained EU Law"	has the meaning given to it in section 6(7) of the European Union (Withdrawal) Act 2018 as amended by the European Union (Withdrawal Agreement Act) 2020;
"Retiring Shipper"	shall have the meaning given to it in section 22.10.1
"Revenue Contribution Required"	has the meaning given to it in section 4.6.3;
"Reverse Flow Direction"	has the meaning given to it in section 2.2.1(c);
"Revised DN Exit Point Nominations"	has the meaning given to it in section 10.1.2 (m);

"Revised I&C Exit Nominations"	has the meaning given to it in section 10.1.2(n);
"Revised Power Station Nominations"	has the meaning given to it in section 10.1.2 (l);
"Revised RLCS Form"	has the meaning given to it in section 18.4.2;
"RLCS Form"	has the meaning given to it in section 18.4.1;
"ROI Allocable Capacity"	has the meaning given to it in section 2.4.16;
"ROI Non-competing Capacity"/"ROI NCC"	has the meaning given to it in section 2.8.44(c);
"ROI Entry Capacity"	refers to entry capacity in the ROI System at the point of interconnection between the ROI System and the NTS at Moffat in Scotland;
"ROI Shipping Licence"	has the meaning given to it in section 26.1.3(e);
"ROI System"	is the transportation system of the Republic of Ireland which is connected to the NI Network at the South-North Interconnection Point and to the NTS at Moffat in Scotland and the ROI System Exit Point;
"ROI System Exit Point"	has the meaning given in section 1.8.3(l);
"Rolling Average PS Code Charges"	has the meaning given to it in section 18.3.1(a);
"Rolling Day-Ahead Auctions"	has the meaning given to it in section 2.5.1(d);
"Rolling Monthly Auctions"	has the meaning given to it in section 2.5.1(c);
"RPI"	means the Retail Price Index and is the standard classification index numbers of retail prices as published by the Office of National Statistics in the Monthly Digest of Statistics or any successor to such Index published by such Office or any Department of HM Government;
"RPI_n"	shall mean and be calculated annually to be the arithmetic average of the monthly values of RPI for the 12 months up to and including June of each year;
"RPI_o"	shall mean the arithmetic average of the monthly values of RPI for the 12 months for the preceding end of June covering the period July 1993 to June 1994 (inclusive) and which is agreed to be 142.4;
"Scheduled Maintenance"	has the meaning given to it in section 15.1.2 (c);

"Scheduling Charge"	has the meaning given to it in section 8.4.2 and **"Scheduling Charges"** shall be construed accordingly;
"Scheduling Difference" or "SD"	has the meaning given to it in section 8.4.3;
"Scheduling Tolerance Percentage" or "STP"	has the meaning given to it in section 8.4.4;
"Scheduling Tolerance Quantity" or STQ"	has the meaning given to it in section 8.4.5;
"Second Due Date"	means 15 Business Days after the Due Date;
"Second Round Allocation"	has the meaning given to it in section 2.9.25(d);
"Secured Credit Support"	has the meaning given to it in Annex A18.2;
"Securer"	has the meaning given to it in Annex A18.4;
"Seller"	has the meaning given to it in section 8.3.7;
"Sell Provider"	has the meaning given to it in section 5.4.1(a);
"SGN"	means Scotia Gas Networks Limited, a company incorporated in England and Wales with company number 04958135;
"Shipper"/"Shippers"	has the meaning given to it in section 1.4.1(a);
"Shipper Forecast Information Request"	has the meaning given to it in section 16.2.2;
"Shortfall in Price"	has the meaning given to it in section 10.14.4(b);
"Short Term Auction"	has the meaning given to it in section 18.7.6;
"Short Term Capacity Products"	has the meaning given to it in section 18.3.8(c);
"Shrinkage Gas"	has the meaning given to it in section 9.1.1(b);
"Single-Sided"	has the meaning given to it in section 6.4.7(b);
"Small Price Step"/"SPS"	has the meaning given to it in section 2.8.6;
"Small Price Step Bid Round"	has the meaning given to it in section 2.8.4(d);
"SOA"	has the meaning given to it in section 1.3.1(c);

"SONI"	means SONI Limited, the operator of the electricity transmission system in Northern Ireland, a company incorporated in Northern Ireland with company number NI038715;
"South North IP Entry Point"	has the meaning given to it in section 1.7.3(c);
"South North Interconnection Point"	has the meaning given to it in section 1.7.2(b);
"South North VRF IP Exit Point"	has the meaning given to it in section 1.7.3(d);
"South Section Shipper"	has the meaning given to it in section 26.1.3(f);
"SPS Bid Round"	has the meaning given to it in section 2.8.4(d);
"SPS Fraction"	has the meaning given to it in section 2.8.7(a)(ii);
"SSO Agreement"	has the meaning given to it in section 1.3.1(b);
"Standard Cubic Metre"	when applied to gas shall mean that quantity which is free of water vapour at fifteen degrees Celsius (15°) and, at an absolute pressure of one decimal zero one three two five (1.01325) bar, occupies the volume of one (1) cubic metre;
"Starting Price"	has the meaning given to it in section 2.4.2(s);
"Steering Difference"	has the meaning given to it in section 7.2.1(h);
"STPLCS"	has the meaning given to it in section 18.5.2;
"STRLCS min"	has the meaning given to it in section 18.3.10;
"Stranraer Distribution Network"	means the gas distribution network in Scotland owned and operated by SGN;
"Stranraer Distribution Network Operator"	means SGN in its capacity as the operator of the Stranraer Distribution Network;
"Stranraer Exit Point"	has the meaning given to it in section 1.8.3(a);
"Stranraer Interoperator Agreement"	has the meaning given to it in section 27.1.2**;**
"Stranraer Shipper"	has the meaning given to it in section 1.12.1;
"Supplemental Payment"	shall have the meaning given to it in the Licences;
"Supplier Utility"	means a utility that operates in a smaller service area than a transmission utility with increased exposure to the local market

	conditions and that delivers gas to customers at a level that can be used in homes and businesses and **"Supplier Utilities"** shall be construed accordingly;
"Surrender"	has the meaning given to it in section 2.17.2(a)and **"Surrenders"** shall be construed accordingly;
"Surrender Deadline"	has the meaning given to it in section 2.17.2(d);
"Surrender Offer"	has the meaning given to it in section 2.17.2(b) and **"Surrender Offers"** shall be construed accordingly;
"Surrender Quantity"	has the meaning given to it in section 2.17.2(e) and **"Surrender Quantities"** shall be construed accordingly;
"Suspension Cancellation Notice"	has the meaning given to it in section 26.5.3(b);
"Suspension Notice (South Section)"	has the meaning given to it in section 26.5.1(a);
"System Average Price"	has the meaning given to it in the GB Uniform Network Code;
"System Capability"	has the meaning given to it in section 10.1.2(a);
"System Capacity Shortfall"	has the meaning given to it in section 10.2.2(d);
"System Clearing Contract"	has the meaning given to it in section 8.3.6;
"System Constraint"	has the meaning given to it in section 10.1.2(b);
"System Constraint Declaration"	has the meaning given to it in section 10.3.2;
"Technical Exit Capacity"	has the meaning given to it in section 3.1.2(b);
"Technical IP Entry Capacity"	has the meaning given to it in section 2.7.1;
"Tender"	has the meaning given to it in section 9.2.3(h);
"Ten Towns DBEP"	has the meaning given to it in section 1.7.6(b);
"Ten Towns Exit Point"	has the meaning given to in section 1.8.3(e);
"Ten Towns Offtake Points"	has the meaning given to in section 1.8.3(f);
"Ten Year Statement"	has the meaning given to it in section 16.1.1;
"Termination Default"	has the meaning given to it in section 21.2.1;
"Termination Invoice"	has the meaning given to it in section 21.5.3;

“Termination Notice”	means a written notice issued by the Transporter to a Shipper pursuant to section 21 specifying that a Shipper shall no longer be a Party to the Code effective from the date set out in the notice unless specified otherwise in this Code.
“Terminating Shipper”	has the meaning given to it in section 21.6.1(a);
“Terms of Reference”	means the Credit Committee Terms of Reference appended to this Code in Appendix 6;
“Total Actual Commodity Quantity”	means the sum of a Shipper's Final Exit Allocations;
“Total Assets”	means, on any particular date, all assets of the Securer which, in accordance with generally accepted accounting principles in the country in which that Securer is organised and on a basis consistent with prior periods, would be classified as assets upon the balance sheet of that Securer as of such date;
“Total Bid Quantity”	has the meaning given to it in section 2.8.44(f);
“Total Bid Value”	has the meaning given to it in section 4.6.2(a);
“Total Forecast Commodity Quantity”	has the meaning given to it in section 18.3.1(g);
“Total Liabilities”	means, on any particular date, all liabilities of the Securer which, in accordance with generally accepted accounting principles in the country in which that Securer is organised and on a basis consistent with prior periods, would be classified as liabilities upon the balance sheet of that Securer as of such date;
“Total Scheduling Charge”	has the meaning given to it in section 8.4.7;
“Total System Aggregate Throughput”	has the meaning given to it in section 9.8.1(b);
"Total Transmission Delivery Nomination Required” or “TTDNR”	has the meaning given to it in section 5.3.3;
“Total Transmission Delivery Renomination Required”	has the meaning given to it in section 5.3.3;
“Trade Allocation”	has the meaning given to it in section 7.10.1 and **“Trade Allocations”** shall be construed accordingly;
“Trade Buy Allocation”	has the meaning given to it in section 7.10.4(a) and **“Trade Buy Allocations”** shall be construed accordingly;

"Trade Buy Nomination"	has the meaning given to it in section 6.13.2(c) and **"Trade Buy Nominations"** shall be construed accordingly;
"Trade Buyer"	has the meaning given to it in section 7.10.4(a);
"Trade Nomination"	has the meaning given to it in section 6.13.2(a) and **"Trade Nominations"** shall be construed accordingly;
"Trade Processing Time"	has the meaning given to it in section 6.13.17;
"Trade Nomination Quantity"	has the meaning given to it in section 6.13.2(e) and **"Trade Nomination Quantities"** shall be construed accordingly;
"Trader"	has the meaning given to it in section 22.3.4 and **"Traders"** shall be construed accordingly;
"Trade Renomination"	has the meaning given to it in section 6.13.2(b) and **"Trade Renominations"** shall be construed accordingly;
"Trade Sell Allocation"	has the meaning given to it in section 7.10.4(b) **and "Trade Sell Allocations"** shall be construed accordingly;
"Trade Sell Nomination"	has the meaning given to it in section 6.13.2(d);
"Trade Seller"	has the meaning given to it in section 7.10.4(b);
"Trading Counterparty"	has the meaning given to it in section 6.13.2(h);
"Trading Point"	means a notional point within the NI Network at which gas may be traded between Shippers;
Trading Point Primary Balancing Gas Buy Contract (with physical delivery via the Moffat IP Entry Point)	has the meaning given to it in section 9.2.4(c);
"Trading Point Registration"	means a registration issued by the Transporter evidencing that the Shipper is registered at the Trading Point;
"Trading Point Registration Application"	has the meaning given to it in section 22.7.1;
Trading Point Secondary Balancing Gas Buy Contract (with physical delivery via the South North IP Entry Point)	has the meaning given to it in section 9.2.4(d);

"Transfer Exit Point"	has the meaning given to it in section 3.9.4(b);
"Transfer IP"	has the meaning given to it in section 2.12.4(c);
"Transfer Proposal"	has the meaning given to it in section 2.12.10;
"Transferee Shipper"	means a Shipper to whom Available IP Capacity at an IP is transferred to or proposed to be transferred to in accordance with section 2.12 or to whom Available Exit Capacity at an Exit Point is transferred to or proposed to be transferred to in accordance with section 3.9 as appropriate;
"Transferred Exit Capacity"	has the meaning given to it in section 3.9.4(a);
"Transferred IP Capacity"	has the meaning given to it in section 2.12.4(a);
"Transferor Shipper"	means a Shipper which transfers or wishes to transfer its Available IP Capacity at an IP in accordance with section 2.12 or its Available Exit Capacity at an Exit Point in accordance with section 3.9, as appropriate;
"Transmission Amounts Default" or "TA Default"	has the meaning given to it in section 18.9.2(a);
"Transmission Daily Quantity Delivered" (or **"TDQD"**)	has the meaning given to it in section 5.3.1(i);
"Transmission Delivery Nomination Required" or "TDNR"	has the meaning given to it in section 5.3.1(c);
"Transmission Delivery Renomination Required"	has the meaning given to it in the Relevant DNOs distribution network code;
"Transmission Utility"	means a utility that operates in large, long life network assets that transport the utility in bulk form, usually at high voltages/pressures /volumes from a source of supply to a distribution system and **"Transmission Utilities"** shall be construed accordingly;
"Transporter"	has the meaning given to in section 1.3.1(a);
"Transporter's Account"	means the bank account into which all monies paid by the Stranraer Shipper in respect of a PS Invoice should be paid in accordance with section 17.9.2(a);
"Transporter's Facilities"	means the facilities of the Relevant Transporter at an NI Network Point;

"Transporter's General Manager"	has the meaning given to in section 1.3.2;
"Tripartite Agreement"	means the tripartite agreement in relation to arrangements at the interconnection point at Moffat between National Grid, GNI (UK) and Premier Transmission dated 29th September 2015;
"UF"	has the meaning given to it in section 8.5.2;
"UFC"	has the meaning given to it in section 8.5.2;
"Unauthorised Flow Charge"	has the meaning given to it in section 8.5.2 and **"Unauthorised Flow Charges"** shall be construed accordingly;
"Unbundled"	has the meaning given to it in section 2.3.10(b);
"Unbundled Auction"	has the meaning given to it in section 2.4.3(b);
"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;
"Uniform Offtake Rate"	means in respect of a Day at a given Exit Point the Exit Nominated Quantity divided by 24 and in respect of part of a Day the Exit Nominated Quantity less the quantity of gas which has been offtaken, if any, divided by the number of hours in the Day remaining;
"Uniform Price Auction"	has the meaning given to it in section 2.9.2;
"Unforeseen Operating Expenditure"	has the meaning given to it in the GNI (UK) Licence;
"Unpaid OS Amount"	has the meaning given to it in section 17.5.6;
"Unsecured Credit Support"	has the meaning given to it in Annex A18.2;
"Unsold Technical IP Entry Capacity"	has the meaning given to it in section 2.7.2;
"Upstream Shipper"	means any shipper who offtakes gas on a transportation system upstream of the NI Network and **"Upstream Shippers"** shall be construed accordingly;
"Upstream Transporter"	has the meaning given to it in section 1.9.3(e);
"Usage Reports"	has the meaning given to it in section 2.18.2 and **"Usage Report"** shall be construed accordingly;
"US Default"	has the meaning given to it in section 18.10.2;

"Use of System Agreement"	means the agreement between GNI (UK) and GNI regarding use of the NI Network for the transportation of gas to the ROI System Exit Point.
"UTC"	means coordinated universal time;
"Utility Categorisation"	means the categorisation of a utility as one of the following: a Transmission Utility, a Distribution Utility, an Integrated Utility or a Generation Utility;
"validate"	has the meaning given to it in section 14.1.1 (d) and **"validation"** and **"validated"** shall be construed accordingly;
"Valid Buyback Offer"	has the meaning given to it in section 2.19.7 and **"Valid Buyback Offers"** shall be construed accordingly;
"Valid Surrender Offer"	has the meaning given to it in section 2.17.7 and **"Valid Surrender Offers"** shall be construed accordingly;
"Value Added Tax" or "VAT"	means the tax applied pursuant to the Value Added Tax Act 1994;
"Verifying Accountant"	has the meaning given to it in section 10.14.4;
"VRF IP Exit Allocation"	has the meaning given to it in section 7.2.1(c) **and "VRF IP Exit Allocations"** shall be construed accordingly;
"VRF IP Exit Nomination"	has the meaning given to it in section 6.3.2(c) and **"VRF IP Exit Nominations"** shall be construed accordingly;
"VRF IP Exit Point"/ "VRF IP Exit Points"	has the meaning given to it in section 1.7.1(c);
"VRF IP Exit Renomination"	has the meaning given to it in section 6.3.2(f) and **"VRF IP Exit Renominations"** shall be construed accordingly;
"Website"	the Transporter's website located at url WWW.GMO-NI.COM or such other url as the Transporter may notify to Shippers from time to time;
"West DBEP"	has the meaning given to it in section 1.7.6(c);
"West Exit Point"	has the meaning given to in section 1.8.3(g);
"West Offtake Points"	has the meaning given to in section 1.8.3(h);
"Wilful Misconduct"	means an intentional and conscious disregard of any obligation owed by a Party under this Code or any act or failure to act by a Party which is in reckless disregard of the consequences such Party knew such act or failure to act would have but shall not in either case include an error of judgement or mistake made in good faith.

"Withdrawal"	has the meaning given to it in section 2.18.13 and **"Withdrawals"** shall be construed accordingly;
"Written Submission"	has the meaning given to it in section 2.18.5;
"Within Day Auctions"	has the meaning given to it in Section 2.5.1(f) and **"Within Day Auctions"** shall be construed accordingly;
"WTL"	has the meaning given to it in section 1.2.2(d);
"WTL Licence"	means the Licence granted to WTL;
"West Transmission System"	has the meaning given to it in section 1.5.2(h);
"Y"	means a given Gas Year;
"Y-1"	means the Gas Year immediately preceding Y;
"Y+1"	means the Gas Year following Y and **"Y+5"**, **"Y+6"** and **"Y+15"** shall be construed accordingly;
"Year-End Postalised Charges"	has the meaning given to it in the Licences; and
"Yearly IP Entry Capacity"	has the meaning given to it in section 2.3.2(f).

Part II - Interpretation

1.1 Unless the context otherwise requires, any reference in this Code to:

(a) a statute, by-law, regulation, delegated legislation or order is to the same as amended, modified or replaced from time to time and to any by-law, regulation, delegated legislation or order made thereunder;

(b) any agreement or instrument is to the same as amended, novated, modified, supplemented or replaced from time to time;

(c) **"including"** shall mean including but not limited to;

(d) a person shall be construed as a reference to any person, firm, company, corporation, government or agency of a state or any association or partnership (whether or not having separate legal personality) or two or more of the foregoing;

(e) the singular shall include the plural and vice versa.

1.2 Where a word or expression is defined in this Code, cognate words and expressions shall be construed accordingly.

1.3 Headings in this Code are for ease of reference only and shall not affect its construction.

1.4 References to **"this Code"** shall mean the sections and appendices of this Code and shall be read as one document and as stated in section 1.1.2 references to **"this Code"** shall also include the Framework Agreement and (where relevant) any Accession Agreement.

1.5 References in this Code to sections and appendices are to sections and appendices of this Code.

1.6 References to a rate of flow of gas shall be deemed to refer to a rate expressed in Kilowatts.

1.7 References to a quantity of gas shall be to its energy expressed in Kilowatt hours.

1.8 References to time are to UTC.

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.

Specific NI Network Point	**Type of Point**	**Point Comprised in:** *(where applicable)*	**Relevant Transporter**	**Relevant DNO** *(where applicable)*	**Relevant Adjacent Transporter or equivalent** *(where applicable)*
Moffat Interconnection Point	Interconnection Point	-	PTL	-	National Gas
Moffat IP Entry Point	IP Entry Point	Moffat Interconnection Point and Moffat Entry Point	PTL	-	National Gas
Moffat VRF IP Exit Point	VRF IP Exit Point	Moffat Interconnection Point	PTL	-	National Gas
Moffat Non-IP Entry Point	Non-IP Entry Point	Moffat Entry Point	PTL	-	National Gas
South North Interconnection Point	Interconnection Point	-	GNI (UK)	-	GNI
South North IP Entry Point	IP Entry Point	South North Interconnection Point	GNI (UK)	-	GNI
South North VRF IP Exit Point	VRF IP Exit Point	South North Interconnection Point	GNI (UK)	-	GNI
Ballylumford Exit Point	Power Station Exit Point	-	PTL	-	-
Coolkeeragh Exit Point	Power Station Exit Point	-	GNI (UK)	-	-
Kilroot Exit Point	Power Station Exit Point	-	BGTL	-	-
Carrakeel Exit Point	I&C 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	-
Belfast DBEP	Distribution Biomethane Entry Point	Notional point	BGTL	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	-

Ten Towns DBEP	Distribution Biomethane Entry Point	Notional 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	Evolve	
West DBEP	Distribution Biomethane Entry Point	Notional point	WTL	Evolve	-
Stranraer Exit Point	Stranraer Exit Point	-	PTL	*	-
ROI System Exit Point	Exit Point	-	GNI (UK)	-	-
Haynestown Offtake Point	Offtake Point	ROI System Exit Point	GNI (UK)	-	-

**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.*

APPENDIX 3

GAS SPECIFICATION

The content and characteristics of gas to be entered or offtaken from the NI Network shall be in accordance with Schedule 3 of the Gas Safety (Management) Regulations (Northern Ireland) 1997 (as may be amended, supplemented or replaced from time to time) and the current requirements are shown below for information.

Content or Characteristic	**Value**
Hydrogen sulphide (H_2S) content	≤5 mg/m^3
Total sulphur content (including H_2S)	≤50 mg/m^3
Hydrogen content	≤0.1% (molar)
Oxygen content	≤0.2% (molar)
Impurities	shall not contain solid or liquid material which may interfere with the integrity or operation of pipes or any gas appliance (within the meaning of regulation 2(1) of the 1997 Regulations) which a consumer could reasonably be expected to operate
Hydrocarbon Dewpoint and Water Dewpoint	shall be at such levels that they do not interfere with the integrity or operation of pipes or any gas appliance (within the meaning of regulation 2(1) of the 1997 Regulations) which a consumer could reasonably be expected to operate
Wobbe Number (WN)	(i) ≤51.41 MJ/m3, and (ii) lower limit amended by Certificate of Exemption No.2 of 2025 (see Exemption Table 2 below)
Incomplete Combustion Factor (ICF)	removed by Certificate of Exemption No.1 of 2023 and replaced with a relative density measure (see Exemption Table 1 below)
Sooting Index (SI)	removed by Certificate of Exemption No.1 of 2023 and replaced with a relative density measure (see Exemption Table 1 below)

Source: Gas Safety (Management) Regulations (Northern Ireland) 1997, Schedule 3, Part I

Exemption Table 1

Relative Density	≤ 0.7

Exemption Table 2

Wobbe Number (WN) Lower Limit	≥ 46.5 MJ/m3

APPENDIX 4

EXIT POINT INFORMATION

Pressures, Offtake Rates and Maintenance Days at specific Exit Points

	Minimum Pressure (section 13.3)	**Maximum Offtake Rate (section 13.2)**	**Ramp Rate (section 13.2)**	**Maximum Maintenance Days (section 15)**	**End User**
Ballylumford Exit Point	12 bar	3,580,000 kWh/hour	87,000 kWh/min for up to 39 minutes 182,000 kWh/min for up to 2 minutes 3,540,000 kWh/min for up to 10 seconds**	15*	EP Ballylumford Limited
Coolkeeragh Exit Point	12 bar	782,000 kWh/hour	30,000 kWh/min	5 plus any additional days specified in an Ancillary Agreement	ESB
Kilroot Exit Point	12 bar	1,925,000 kWh/hour	91,200 kWh/min for up to 20 minutes 182,400 kWh/min for up to 10 minutes 263,158 kWh/min for up to 4.6 minutes	15*	EPNIE
Carrakeel Exit Point	12 bar	33,540 kWh/hour	52 kWh/min for up to 2 minutes 93 kWh/min for up to 5 minutes	5 plus any additional days specified in an Ancillary Agreement	End User: The Lycra Company UK Ltd. Parent Company: Shandong Ruyi Investment Holdings

Stranraer Exit Point	12 bar	150,000 kWh/hour	8,440 kWh/min	5 plus any additional days specified in an Ancillary Agreement	SGN
Belfast Exit Point	12 bar	2,992,000 kWh/hour	33,760 kWh/min	5 plus any additional days specified in an Ancillary Agreement	Phoenix suppliers
Ten Towns Exit Point	12 bar	2,283,000 kWh/hour	30,000 kWh/min	5 plus any additional days specified in an Ancillary Agreement	Firmus suppliers
West Exit Point	12 bar	913,000 kWh/hour	30,000 kWh/min	15	Evolve suppliers
ROI System Exit Point	12 bar	314,300 kWh/hour	30,000 kWh/min	Addressed in the Use of System Agreement	GNI

* To be 20 Maintenance Days in any Gas Year in which PTL or GNI (UK) install compression on their respective systems.

** This equates to a spinning reserve of 21,000 therms at Ballylumford Power Station.

APPENDIX 5

PROFORMA DOCUMENTS

Part I - Form of Guarantee
(Annex A18.1(b))

THIS GUARANTEE is made by deed the [ ] day of [ ] 20[ ] by [ ] a company registered in [*insert jurisdiction*] with company number [ ] and having its registered office at [ ] [and whose principal place of business is at [ ]] (the **"Guarantor"**) in favour of:

(i) Premier Transmission Limited a company incorporated and registered in Northern Ireland with company number NI026421 having its registered office at First Floor, The Arena Building, 85 Ormeau Road, Belfast, BT7 1SH;

(ii) West Transmission Limited, a company incorporated and registered in Northern Ireland with company number NI073229, having its registered office at First Floor, The Arena Building, 85 Ormeau Road, Belfast, BT7 1SH;

(iii) Belfast Gas Transmission Limited, a company incorporated and registered in Northern Ireland with company number NI026420 having its registered office at First Floor, The Arena Building, 85 Ormeau Road, Belfast, BT7 1SH; and

(iv) GNI (UK) Limited, a company incorporated and registered in England and Wales with company number 02827969 having its registered office at C/O Tmf Group, 13th Floor One Angel Court London EC2R 7HJ;

acting together pursuant to the terms of a SSO Agreement dated 29th September 2017 and SOA dated 29th September 2017 and referred to together in this Guarantee as **"the Transporter".**

BACKGROUND

(A) [ ] a company registered in [*insert jurisdiction*] with company number [ ] and having its registered office at [ ] [and whose principal place of business is at [ ]] (the **"Shipper"**) [is] [is about to become] a party to the Code (defined below) by way of [an Accession Agreement dated [ ] [OR][on or about the date of this Guarantee] ("**Accession Agreement**") and] a Framework Agreement dated 29th September 2017 ("**Framework Agreement**"). All references in this Guarantee to the Code include [the Accession Agreement and] the Framework Agreement.

(B) This Guarantee is made pursuant to the Code, for the purposes of providing security for indebtedness of the Shipper in respect of its payment obligations under the Code.

(C) The Guarantor has capacity to enter into this Guarantee and has taken all steps necessary to ensure that this Guarantee is valid and binding upon it in accordance with the terms hereof.

IT IS AGREED as follows:

1. In this Guarantee:

"Code" means the NI Network Gas Transmission Code prepared by the Transporter in accordance with the Licences.

"Due Date" has the meaning given to it in the Code;

"Demanded Sum" means a Demanded Overdue Sum or a Demanded Security Default Sum;

"Demanded Overdue Sum" means the sum specified in a written demand from the Transporter pursuant to clause 2 of this Guarantee representing the amount unpaid by the Shipper under an invoice issued in accordance with the Code by the Due Date;

"Demanded Security Default Sum" means the full amount of this Guarantee where the Shipper has failed to procure the provision of security replacing this Guarantee to the Transporter by the time and in the manner contemplated in sections 18.9.1 and/or 18.9.2 and/or 18.7.2 of the Code (and so that the expression "the full amount of this Guarantee" shall mean the amount stated in Clause 5, less the amounts previously paid by the Guarantor to the Transporter pursuant to this Guarantee);

"Licences" has the meaning given to it in the Code;

"Payment Default" means any failure by the Shipper to pay an amount properly due under an invoice issued in accordance with the Code by the Due Date;

"PS Transmission Amounts" has the meaning given to it in the Code; and

"Security Default" means a failure such as is referred to in the definition of Demanded Security Default Sum in this Clause 1.

2. Subject to clause 3, below, if and whenever there is a Payment Default the Guarantor shall, as primary obligor and not merely as surety, within [14] days of receipt of a written demand from the Transporter pay *[the Demanded Overdue Sum(s)] [.% of the Demanded Overdue Sum(s)]* into the following bank account(s):- [**Note: This will be the PoT Account in respect of overdue PS Transmission Amounts (or in the case of the Stranraer Shipper, the Transporter's Account) and the NI Postalised Network Disbursement Account in respect of Outstanding PS Code Charges.**] .

3. Notwithstanding the provisions of clause 2, if the written demand referred to in that clause is accompanied by a certificate signed by or on behalf of the Transporter stating that the Demanded Overdue Sum exceeds any PS Transmission Amounts and/or Outstanding Code Charges (as defined in the Code) which are overdue for payment by the Shipper at the time of such written demand, the Guarantor will make payment of the excess to such other account(s) as may be specified by the Transporter in such written demand.

4. If there is a Security Default, the Guarantor shall within [14] days of receipt of a written demand from the Transporter pay the Demanded Security Default Sum to such bank account of the Transporter as is specified in such written demand.

5. The Guarantor's aggregate liability to the Transporter hereunder in respect of Demanded Overdue Sums and Demanded Security Default Sums shall not be greater than *[£.]* together with a further sum for all reasonable costs and expenses of enforcement.

6. Amounts payable by the Guarantor under this Guarantee shall be paid in the currency in which the Demanded Sum is payable in full free of any restriction, reservation or condition and, except to the extent required by law, without deduction or withholding in respect of tax or on account of any amount due or becoming due to the Guarantor whether by way of set-off, counterclaim or otherwise provided that if any such payment is subject to any such deduction or withholding, the Guarantor shall forthwith pay to the Transporter such further amounts as may be necessary to ensure that the Transporter receives an amount equal to that which would have been received had no deduction or withholding been made.

7. This Guarantee is a continuing guarantee and shall remain in effect until *[Date.]* or until terminated by or with the consent of the Transporter *[or until the Shipper has arranged the release of the Guarantor in accordance with the provisions of the Code (which shall apply to this Guarantee as though incorporated herein)]* whichever occurs first but without prejudice to any rights then accrued under this Guarantee. No demand made by the Transporter under this Guarantee shall prejudice or restrict the right of the Transporter to make further demands.

8. The obligations of the Guarantor under this Guarantee are in addition to and not in substitution for any other security which the Transporter may now or in the future hold in relation to the payment obligations of the Shipper under the Code ("**Liabilities**") or any of them and may be enforced without the Transporter first having recourse to any such security and without the Transporter first taking steps or proceedings against the Shipper.

9. Neither the obligations of the Guarantor under this Guarantee nor the rights, powers and remedies conferred upon the Transporter by this Guarantee or by law shall be discharged, impaired or otherwise affected, in whole or in part, by:-

   (a) the winding-up, dissolution, administration or reorganisation of the Shipper or any change in its status, functions, control or ownership;

   (b) any of the Liabilities or any of the obligations of the Shipper under the Code or any security in respect of the Liabilities being or becoming illegal, invalid or unenforceable in any respect;

   (c) time or other indulgence being granted or agreed to be granted by the Transporter or any other person to, or any composition or other arrangement made with or accepted from (i) the Shipper in respect of the Liabilities or any of them or (ii) any person in respect of any such security;

   (d) any amendment to, or any variation, waiver or release of any of the Code, the Liabilities or any such security;

   (e) any failure to enforce, realise or fully to realise the value of, or any release, discharge, exchange of substitution or any such security;

   (f) any failure (whether intentional or not) to take, or fully to take, or perfect any security now or hereafter agreed to be taken in relation to the Liabilities or any of them;

   (g) the release of any other person under the terms of any composition or arrangement with any creditor thereof; or

   (h) any other act, event or omission (whether or not known to the Guarantor or the Transporter) which, but for this Clause 9, would or might operate to discharge, impair or otherwise affect any of the obligations of the Guarantor under this Guarantee or any of the rights, powers or remedies conferred upon the Transporter by law to the intent that the Guarantor's obligations under this Guarantee shall remain in full force and this Guarantee shall be construed accordingly as if there were no such act, event or omission.

10. Where any settlement or discharge (whether in respect of the obligations of the Shipper or otherwise) is made in whole or in part, or any arrangement is made on the faith of any payment, security or other disposition which is avoided or has to be repaid on bankruptcy, liquidation or otherwise without limitation, the liability of the Guarantor under this Guarantee shall continue and the Transporter shall be entitled to recover the value or amount of such obligations subsequently as if such settlement or discharge or arrangement had not occurred. The

Transporter shall be entitled to concede or compromise any claim that any payment, security or other disposition is liable to avoidance or repayment.

11. Until all amounts which may be or become payable under the Code or this Guarantee have been irrevocably paid in full:-

    (a) the Guarantor shall not as a result of this Guarantee or any payment or performance under this Guarantee be subrogated to any right or security of the Transporter or, in competition with the Transporter, claim or prove against the Shipper or any other person or demand or accept repayment of any monies or claim any right of contribution, set-off or indemnity and any sums received by the Guarantor or the amount of any set-off exercised by the Guarantor in breach of this provision shall be held by the Guarantor in trust for and shall be promptly paid to the Transporter; and

    (b) the Guarantor shall not hold any security from the Shipper in respect of this Guarantee and any such security which is held in breach of this provision shall be held by the Guarantor in trust for and shall promptly be transferred to the Transporter.

12. The Guarantor represents and warrants to the Transporter as follows:-

    (a) it has the power to enter into and perform, and has taken all necessary action to authorise the entry into, performance and delivery of, this Guarantee and the transactions contemplated hereby and no limit on its powers will be exceeded;

    (b) this Guarantee constitutes its legal, valid and binding obligation enforceable against it;

    (c) the entry into and performance by it of, and the transactions contemplated by, this Guarantee do not and will not:-

        (i) conflict with any existing law or regulation or judicial or official order; or

        (ii) conflict with its constitutional documents; or

        (iii) conflict with any document which is binding upon it or any of its assets;

    (d) all authorisations, consents and approvals required to be obtained by it in connection with the entry into, performance, validity and enforceability of, and the transactions contemplated by, this Guarantee have been obtained or effected (as appropriate) and are in full force and effect; and

    (e) it has not entered into this Guarantee in reliance upon, nor has it been induced to enter into this Guarantee by any representation, warranty or undertaking made by or on behalf of the Transporter (whether express or implied) which is not set out in this Guarantee.

13. Any notice to or demand on the Guarantor under this Guarantee may be delivered or sent by first class recorded delivery post or facsimile transmission to the Guarantor at its address appearing in this Guarantee or at such other address as it may have notified to the Transporter at the address for the Transporter stated in this Guarantee (or such other address as is notified by it to the Guarantor from time to time).

14. The Transporter shall be entitled by notice in writing to the Guarantor to assign the benefit of this Guarantee at any time to any person to whom it assigns or transfers its rights under the Code without the consent of the Guarantor being required and any such assignment shall not release the Guarantor from liability under this Guarantee. The Guarantor is not entitled to assign its rights or otherwise transfer all or any part of its rights or obligations under this Guarantee.

15. The invalidity, illegality or unenforceability in whole or in part of any of the provisions of this Guarantee shall not affect the validity, legality and enforceability of the remaining part or provisions of this Guarantee.

16. This Guarantee shall be governed by and construed in accordance with the laws of Northern Ireland and the Guarantor hereby submits to the exclusive jurisdiction of the courts of Northern Ireland *[and appoints/insert name and address of person/company registered/resident in Northern Ireland as its agent for service of notices and other communications under or relating to this Guarantee].*

17. [The Guarantor shall be [jointly and severally liable] together with [insert name of other guarantor(s) of the Shipper] to pay [each and every Demanded Sum] [severally liable to pay to the Transporter such percentage as is specified in clause 2 or 3 of this Guarantee of each and every Demanded Sum].]

THIS GUARANTEE has been executed and delivered as a deed and is intended to take effect as a deed by the parties on the date written at the beginning of the Deed.

[1]Executed as a deed by [insert name of Guarantor] acting by
[insert name of director], director ……
in the presence of: Director

Witness Signature ……..

Witness Name ……..

Witness Address ……..
……..

Witness Position ……..

OR

Executed as a deed by [insert name of Guarantor] acting by
[insert name of director], a director and ……
[insert name of director/company secretary], Director
a director/company secretary

……
Director/Company Secretary

OR

Executed as a deed by affixing the common seal of
[insert name of Guarantor] in the presence of:

……
Director

[1] *If guarantor is incorporated outside United Kingdom, foreign counsel providing legal opinion to confirm appropriate execution formalities.*

……
Director / Company Secretary

Part II - Form of Letter of Credit
(Annex A18.1(d))

To:

(i) Premier Transmission Limited, a company incorporated and registered in Northern Ireland with company number NI026421 having its registered office at First Floor, The Arena Building, 85 Ormeau Road, Belfast, BT7 1SH;

(ii) West Transmission Limited, a company incorporated and registered in Northern Ireland with company number NI073229 having its registered office at First Floor, The Arena Building, 85 Ormeau Road, Belfast, BT7 1SH;

(iii) Belfast Gas Transmission Limited, a company incorporated and registered in Northern Ireland with company number NI026420 having its registered office at First Floor, The Arena Building, 85 Ormeau Road, Belfast, BT7 1SH; and

(iv) GNI (UK) Limited, a company incorporated and registered in England and Wales with company number 02827969 having its registered office at C/O Tmf Group, 13th Floor One Angel Court London EC2R 7HJ,

acting together pursuant to the terms of a SSO Agreement dated 29th September 2017 and System Operator Agreement dated 29th September 2017 and referred to together in this letter as **"the Transporter".**

Date: 20*[.]*

1 We, by this letter, establish in your favour our irrevocable standby letter of credit No *[.]* (**"this letter of credit"**) for the account of *[.]* a company registered in [*insert jurisdiction*] with company number [ ] and having its registered office at [ ] [and whose principal place of business is at [ ]] (the **"Shipper"**) available for drawing in one or more amounts. This letter of credit is issued in connection with the Shipper's payment obligations under the NI Network Gas Transmission Code (the "**Code**") to which the Transporter and the Shipper are *[about to become]* parties to by way of [an Accession Agreement dated [ ] [OR] [on or about the date of this letter] ("**Accession Agreement**") and] a Framework Agreement dated 29th September 2017 ("**Framework Agreement**"), (together the "**Documents**" which term shall include any document, as from time to time modified, which is by virtue of such Code[,] [Accession Agreement] [or] Framework Agreement] made binding on the Shipper).

2 We understand that amendments or other variations or extensions may from time to time be made to the terms of the Documents and our obligations under this letter of credit, as set out below, will apply notwithstanding any such amendments or other variations or extensions provided that our maximum aggregate liability to you under this letter of credit shall not exceed *[£.]* (the "**Cap**") and that we shall not be required to pay claims made by you which: (i) would, as a result of all payments made by us under this letter of credit, exceed the Cap; and (ii) are received by us after the expiry date of this letter of credit (as same is set out in paragraph 5 of this letter of credit).

3 Subject to paragraph 4 below, we shall make all payments under this letter of credit into the following bank account(s):- ***[Note: This will be the PoT Account in respect of overdue PS Transmission Amounts (or in the case of the Stranraer Shipper, the Transporter's***

Account) and the NI Postalised Network Disbursement Account in respect of Outstanding PS Code Charges.] on your first written demand for payment when such demand is presented to us at *[.]* accompanied by your certificate that the Shipper:

(a) has failed to meet its payment obligations under the Documents; or

(b) has failed to procure the provision of replacement security to you by the time and in the manner contemplated in sections 18.9.1 and/or 18.9.2 and/or 18.7.2 of the Code.

The amount of your demand under this letter of credit shall not, where your demand is accompanied by a certificate in the form described in (a) above, be greater than the total amount of sums then due and payable by the Shipper pursuant to the Documents.

4 Notwithstanding the provisions of paragraph 3, if the written demand referred to in that paragraph is accompanied by a certificate signed by you or on your behalf stating that the amount demanded exceeds the PS Transmission Amounts and/or Outstanding PS Code Charges (as each such term is defined in the Code) which are overdue for payment by the Shipper at the time of such written demand, we will make payment of the excess under this letter of credit to such other account(s) as may be specified by you in such written demand.

5 This letter of credit will expire on *[.]* and the demand(s) and certificates(s) referred to in paragraph 3 and 4 of this letter of credit must be presented by you to us on or before that date. We undertake that all demands made in accordance with this letter of credit will be met with due honour.

6 This letter of credit is a transaction separate and independent from any other on which it may be based.

7 This letter of credit is subject to the Uniform Customs and Practice for Documentary Credits (2007 revision) International Chamber of Commerce Publication No.600 insofar as the same are applicable (but so that Article 32 thereof shall be deemed excluded and the second sentence of Article 36 thereof shall be deemed excluded for this purpose with effect that, if this letter of credit expires during any interruption of business referred to in the first sentence of such Article, we shall remain liable to make payment under this letter of credit in respect of any demand no later than 15 Business Days (as defined in the Code) after we have notified you that our business has ceased to be so interrupted), and, to the extent not inconsistent therewith, shall be governed by and construed in accordance with the laws of Northern Ireland and in the event of any dispute relating thereto we hereby agree to submit to the exclusive jurisdiction of the Courts of Northern Ireland.

8 Amounts payable by us under this letter of credit shall be paid free of any restriction, reservation or condition and, except to the extent required by law, without deduction or withholding in respect of tax or on account of any amount due or becoming due to us, whether by way of set-off, counterclaim or otherwise, provided that if any such payment is subject to any such deduction or withholding, we shall forthwith pay to you such further amounts as may be necessary to ensure that you receive an amount equal to that which would have been received had no deduction or withholding been made.

Signed *[.]* as a duly authorised signatory for and on behalf of *[ ]*

APPENDIX 6

CREDIT COMMITTEE

Terms of Reference

1. Purpose of the Committee

1.1 The Credit Committee is appointed, on behalf of the Transporter and Shippers to manage the credit risk associated with the following defaults by a Shipper (including, for the avoidance of doubt, DNOs and the Stranraer Shipper);

(a) an LPC Default;

(b) an TA Default, and/or an CC Default;

(c) a Termination Default;

(d) an Administration Default;

(e) a US Default

1.2 Each of the defaults referred to in paragraph 1.1 shall be a **"Default"** for the purposes of these Terms of Reference ("**Terms**") and the relevant Shipper shall be the "**Defaulting Shipper**".

1.3 The Credit Committee shall from time to time, when called upon in accordance with these Terms, instruct the Transporter and the Defaulting Shipper as to the steps to be taken as a consequence of or in relation to the Default in accordance with the Terms.

2. Interpretation

2.1 The following terms, when used in these Terms, except where expressly stated to the contrary or unless the context otherwise requires, shall have the corresponding meaning set out below:

"Absent Member"	has the meaning given to it in paragraph 7.4;
"Adjourned Meeting Notice"	has the meaning given to it in paragraph 4.3;
"Administration Default"	has the meaning given to it in the Code;
"Authority"	has the meaning given to it in the Code;
"Business Days"	has the meaning given to it in the Code;
"Business Hours"	means any time between the hours of 09:00 and 17:00 on a Business Day;
"Chair"	has the meaning given to it in paragraph 4.1;

"Code"	means the NI Network Gas Transmission Code governing the terms on which Shippers which are party to or bound by that code may convey gas through the NI Network;
"Code Charges Default" or "CC Default"	has the meaning given to it in the Code;
"Credit Committee"	means the committee formed pursuant to these Terms;
"Default"	has the meaning given to it in paragraph 1.2;
"Defaulting Shipper"	has the meaning given to it in paragraph 1.2;
"Direction"	means a direction of the Credit Committee, in respect of a Default, that is issued to the Transporter and/or to a Shipper in relation to the relevant Default and which direction is given in accordance with paragraph 6 of these Terms;
"DNO"	has the meaning given to in the Code;
"Transporter's General Manager"	has the meaning given to it in the Code;
"Level of Provided Credit Default" or "LPC Default"	has the meaning given to it in the Code;
"Licence"	has the meaning given to it in the Code;
"Licences"	has the meaning given to it in the Code;
"Meeting Notice"	means a notice of a Credit Committee meeting containing all information listed in paragraph 3.3 of these Terms (if available);
"Members"	means all members of the Credit Committee, being: (a) the Transporter; (b) all Shippers from time to time; and (c) the Authority and **"Member"** shall be construed accordingly;
"Modification Rules"	has the meaning given to it in the Code;
"NI Network"	has the meaning given to it in the Code;
"NI Postalised Network Disbursement Bank Account"	has the meaning given to it in the Code;
"Nominee"	has the meaning given to it in paragraph 7.4;
"Non-Voting Members"	has the meaning given to it in paragraph 5.1;
"PoT Account"	has the meaning given to it in the Code;

"PSA"	has the meaning given to that term in each of the Licences;
"PS Transmission Amounts"	has the meaning given to it in the Code;
"Shipper"	has the meaning given to it in the Code;
"Stranraer Shipper"	has the meaning given to it in the Code;
"Termination Default"	has the meaning given to it in the Code;
"Termination Notice"	has the meaning given to it in the Code;
"Terms"	has the meaning given to it in paragraph 1.2;
"Transmission Amounts Default" or "TA Default"	has the meaning given to it in the Code;
"Transporter"	has the meaning given to it in the Code;
"Unsecured Credit Support"	has the meaning given to it in the Code;
"US Default"	has the meaning given to it in the Code;
"Voting Members"	has the meaning given to it in paragraph 5.1;

2.2 Except as expressly provided in these Terms or where the context otherwise requires, all other terms that are defined in the Code to which these Terms are attached, where used in these Terms, shall have the same meaning as is ascribed to them in the Code.

3. Convening the Committee

3.1 Meetings of the Credit Committee shall be convened by the Transporter's General Manager:

(a) on the occurrence of any Default; and

(b) upon receipt of a written request from any Shipper if such Shipper is permitted to submit such request pursuant to the provisions of the Code,

on the giving of 3 Business Days' notice (a "**Meeting Notice**") to all of the Members in accordance with the provisions of this paragraph. For the avoidance of doubt, a Meeting Notice shall be provided by email.

3.2 A meeting of the Credit Committee may be called on shorter notice than required under paragraph 3.1 of these Terms if all Members entitled to vote on the particular matter or matters to be considered unanimously agree or where the Transporter's General Manager considers it necessary.

3.3 A Meeting Notice shall include:

(a) details of the time and place of the meeting;

(b) any information required to be submitted under 4.4 (a)

(c) if a party other than the Transporter's General Manager is calling or requisitioning the meeting, the name(s) of the Member(s);

(d) if issued in respect of a Default, the Defaulting Shipper's identity and full details of the Default;

(e) if requisitioned under paragraph 3.1(b) the reason(s) for such a requisition, including full details of the matters to be discussed at the meeting, and the Directions sought by the requisitioners; and

(f) the name of the proposed chair.

3.4 Each Meeting Notice shall be served on each Member by email to the email address specified by each Member or to such other email address as may be, from time to time, notified by a Member to each other Member as its email address for the receipt of notices.

3.5 The Credit Committee shall convene at the time and date appointed in the Meeting Notice, such time to be within normal Business Hours and, subject to paragraph 3.2, no less than 3 Business Days and no more than 10 Business Days after the issue of such Meeting Notice. Meetings may take place at the offices of the Authority, the offices of the Transporter, virtually and/or as a hybrid meeting with certain Members attending in person and others attending virtually, as determined in each case by the Transporter's General Manager.

4. Chair, Quorum and Adjournment

4.1 The chair of a meeting of the Credit Committee shall be the Transporter's General Manager or the appointed representative of the Transporter's General Manager (the "**Chair**").

4.2 The quorum for a meeting of the Credit Committee shall be at least two Shippers entitled to vote in accordance with paragraph 5.3 (as subject to paragraph 5.2) on the matters in respect of which the meeting is called unless either:

(a) only one Shipper is eligible to vote on such matters, in which case the quorum shall be that Shipper; or

(b) no Shipper is eligible to vote on such matters, in which case the Chair shall constitute a quorum.

4.3 If, within 30 minutes of the time appointed for the convening of a Credit Committee meeting, a quorum is not present, the Chair may adjourn the meeting to any time in Business Hours not less than two Business Days, and not more than ten Business Days, after the day on which the meeting was convened. Notice of an adjourned meeting (an "**Adjourned Meeting Notice**") shall be sent to all Members by the Chair on the day of such adjournment. Such Adjourned Meeting Notice shall contain the same details as required to be included in a Meeting Notice in accordance with paragraph 3 of these Terms. If at such adjourned meeting there is no quorum as provided for under paragraph 4.2, one Shipper entitled to vote at that

adjourned meeting shall comprise a quorum or, if no Shipper is entitled to vote at that adjourned meeting, the Chair shall constitute a quorum.

4.4 Subject to paragraph 4.7, before the meeting, the Chair shall be responsible for:

(a) procuring in a timely manner any information required for the proper discussion of issues to be considered at the meeting, including the submission of requests for information from the Transporter and Defaulting Shipper prior to the meeting; and

(b) reviewing the PS Invoices required to calculate the voting rights of each member in accordance with paragraph 8.1.

4.5 At the meeting, the Chair shall be responsible for:

(a) chairing that meeting of the Credit Committee;

(b) directing a discussion of:

(i) the nature of the Default or Defaults, if any, under consideration, with, where appropriate, the aid of any information (including any draft Directions) provided by the Transporter prior to the meeting;

(ii) appropriate steps to be taken by the Transporter to remedy the Default, with reference to the Licences and the Code; and

(iii) appropriate sanctions, if any, to be applied by the Transporter to the Defaulting Shipper.

4.6 After the meeting, the Chair shall be responsible for:

(a) producing minutes of the meeting; and

(b) distributing written copies of those minutes and any Directions to all Members in accordance with paragraphs 7.9 and 8.4.

5. Composition and Entitlement to Vote

5.1 On each matter considered by a Credit Committee meeting, Members of the Credit Committee shall be divided into Members entitled to vote ("**Voting Members**") and Members not entitled to vote ("**Non-Voting Members**"). For the avoidance of doubt, if a Member is not entitled to vote on a particular matter due to paragraph 5.2 they may, subject always to paragraph 5.2, vote on other matters under consideration at the same meeting.

5.2 The following Members shall be Non-Voting Members in respect of a particular matter under consideration at a Meeting:

(a) the Authority;

(b) the Transporter;

(c) the Shipper in respect of which the Default under consideration arose

(d) in respect of an TA Default, the Stranraer Shipper.

5.3 Subject to paragraphs 5.2(c) and (d), each Shipper shall be a Voting Member in respect of a matter under consideration at a Meeting.

5.4 If no Member at the relevant quorate meeting is entitled to vote the Chair shall have a vote. In no other circumstances shall the Chair, in that capacity, be entitled to vote at meetings.

6. Credit Committee Powers

6.1 Subject to paragraphs 6.2 and 6.3, the Credit Committee shall have the power to make any of the following directions (each a "**Direction**") in accordance with these Terms and the terms of the Code:

(a) where a Termination Default or an Administration Default has occurred, require the Transporter to issue a Termination Notice to the Defaulting Shipper;

(b) where a Termination Default or an Administration Default has occurred, require the Transporter not to issue a Termination Notice to a Defaulting Shipper;

(c) where a breach of section 21.3.1 of the Code has occurred, to determine whether that breach of the Code is capable of remedy;

(d) where any Default has occurred, require the Transporter to enforce a specified sum of the security it holds in relation to its Defaulting Shipper in favour of the PoT Account in the case of an TA Default, or the NI Postalised Network Disbursement Bank Account in respect of an CC Default;

(e) where any Default has occurred, require the Transporter to settle a claim for non-payment against its Defaulting Shipper on such terms as the Credit Committee determines;

(f) where an LPC Default has occurred, require the Transporter to waive the requirement for a Defaulting Shipper to provide the Provided Level of Credit Support which would otherwise be required of that Defaulting Shipper, for a specified period;

(g) in the event of an TA Default or an CC Default, require the Transporter to agree a payment plan on such terms as the Credit Committee directs with a Defaulting Shipper which specifies dates on which future payments will be made;

(h) where any Default has occurred, require the Transporter to engage the services of recognised legal and/or financial professionals in relation to that resolution of the circumstances giving rise to a Default;

(i) where the Voting Members of the Credit Committee reasonably believe further pursuit of a non-payment is likely to be economically detrimental to Shippers, they may vote to direct the Transporter that no further action need be taken in respect of that non-payment;

(j) in the event of a US Default, subject to the Authority's consent, a Direction as to whether a Shipper should be barred from meeting all or any part of its Provided

Level of Credit Support through the provision of any or all forms of Unsecured Credit Support;

(k) where any Default has occurred, require the Transporter to disallow the Defaulting Shipper from:

(i) acquiring IP Capacity and/or Exit Capacity by a transfer;

(ii) reserving additional IP Capacity and/or Exit Capacity;

(iii) submitting an IP Nomination and/or Exit Nomination;

(iv) applying for any Exit Point Registration, IP Registration and/or Trading Point Registration;

(l) where a request for a Direction from the Credit Committee has been made under section 18.10.3 of the Code, require the Transporter to re-assess a Shipper's Required Level of Credit Support and/or a Shipper's Provided Level of Credit Support;

provided that, the Credit Committee shall not be permitted to make any Direction which may delay or frustrate the application of the procedures for the recovery of Debt Payments from Shippers in accordance with any relevant Licences.

6.2 Any Direction given under the powers conferred at paragraph 6.1(b), paragraph 6.1(f), paragraph 6.1 (j) or paragraph 6.1(a) (but in relation to 6.1(a), only where in relation to a Termination Default, such Termination Default relates to a breach of section 21.3.1 of the Code) shall not be capable of exercise unless and until the Authority has given its consent.

6.3 Where the Credit Committee makes a Direction under paragraph 6.1(d) in respect of:

(a) an TA Default, it may only direct the Transporter to enforce security up to the value calculated in accordance with section 18.3.6 of the Code; and

(b) an CC Default, it may only direct the Transporter to enforce security up to the value calculated in accordance with section 18.3.7 of the Code.

7. Attendance and Proceedings at Meetings

7.1 Each Member may be represented by up to three persons at a Credit Committee meeting.

7.2 On receipt of a Meeting Notice and until the issue of a Direction, all Members shall meet as frequently as is reasonably necessary to carry out their duties.

7.3 A person shall be treated as present in person at a meeting notwithstanding that they are not physically present at the place where the meeting is held if they are in continuous communication with the meeting by conference telephone or other communication equipment permitting each person physically present at or so in communication with the meeting to hear and be heard by each other person.

7.4 If any Member fails or is unable to attend a meeting (an "**Absent Member**") they may in writing appoint a nominee (a "**Nominee**") to speak and/or vote for them. A Nominee may be any other Member of the Credit Committee who consents to act as a Nominee on the Absent Member's behalf. Any Member, present at a meeting of the Credit Committee, and acting as Nominee only counts once toward the quorum (on its own behalf) and may not vote on behalf of the Absent Member on any matter in respect of which the Nominee or the Absent Member is a Non-Voting Member.

7.5 Members shall keep confidential all information which comes into their possession in carrying out their duties under these Terms and shall not communicate any Credit Committee or personal view regarding any matter discussed at a Credit Committee meeting to any person who is not a Member except with the consent of the Credit Committee, where its respective licence or the Code requires, where the Authority requires, or as required by law.

7.6 Any Voting Member may require that a Defaulting Shipper be excluded from any part of the relevant meeting of the Credit Committee.

7.7 Members shall use all reasonable endeavours to make Directions promptly and to the best of their ability and shall conduct themselves honestly and diligently whilst carrying out their duties under these Terms and shall act without undue discrimination against any Shipper.

7.8 The proceedings of the Credit Committee shall be conducted in private.

7.9 The Chair shall keep a minute of the meeting of the Credit Committee and shall circulate such minute to all Members present within 3 Business Days of the relevant Meeting except such minute shall not be circulated to, or otherwise provided to the Defaulting Shipper. The Chair shall send a copy of such minute to the Authority, and any Member who disputes the accuracy of such minute shall make such amendments or additions it sees fit and send those amendments or additions to the Authority within 3 Business Days of receipt of the minute from the Chair.

7.10 A person shall not represent a Member if:

(a) the Authority has given notice to the person that circumstances exist which in the opinion of the Authority would make it difficult for such person to act in the best interests of the Credit Committee or render such representation detrimental to the fair operation of the Credit Committee;

(b) they become bankrupt or compounds with their creditors;

(c) they, or any body of which they are, or have been, a director, partner or controller be the subject of any complaint or investigation of misconduct or of malpractice in connection with their or its business affairs and the Authority decides that it is undesirable that they represent a Member; or

(d) they are dismissed or requested to resign from any office of employment or from any fiduciary office or position of trust, whether or not remunerated, and the Authority resolves that it is undesirable that they represent a Member.

8. Directions and Voting

8.1 At a meeting a Voting Member shall hold one vote per £1 worth of PS Transmission Amounts invoiced to it during the six Months immediately prior to the Month in which the meeting is convened.

8.2 Directions may be passed by the written consent of all Members who would, if present at a meeting of the Credit Committee called to decide such a matter, be Voting Members and shall be in the form submitted to all Members by the convening Member prior to a meeting, and, if passed, will obviate the need for such meeting.

8.3 Directions shall be passed by the Credit Committee:

(a) at a quorate meeting by a simple majority of the votes cast by Members present and entitled to vote (abstentions not forming part of the count for these purposes); or

(b) by the Chair on receipt of the written consent of all Members entitled to vote to any draft Directions submitted to all Members in writing prior to the meeting.

8.4 Written copies of all Directions passed at a meeting shall be sent to all Members no later than three Business Days after the meeting is concluded by the Chair.

9. Fees and Expenses

9.1 Members of the Credit Committee shall be responsible for their own costs and expenses incurred in fulfilling their duties.

10. Modification

10.1 For the avoidance of doubt, these Terms of Reference may be modified in accordance with the Modification Rules.

[END OF DOCUMENT]