

# **PREMIER TRANSMISSION LIMITED**

## **TRANSPORTATION CODE**

Version 7.0<sup>1</sup>

Effective from 1<sup>st</sup> October 2015

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<sup>1</sup>Please note, this is a 'clean' version of the code applicable from 1<sup>st</sup> October 2015. Where a transition section provides for certain unmodified provisions or sections to remain in force with respect to gas flow days falling prior to 1<sup>st</sup> October 2015, for example for the purposes of allocations closeout, invoicing or other in respect of other such actions relating to gas flow days prior to 1<sup>st</sup> October, but which will be carried out after 1<sup>st</sup> October 2015, reference should be made to the preceding version of this Code (version 6.4 Effective from 8<sup>th</sup> July 2015) for those unmodified provisions or sections.

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## IA. INTERCONNECTION POINT CAPACITY

### IA.1 Introduction

A Shipper shall be entitled to apply for, be allocated and registered as holding IP Capacity in the Transportation System subject to and in accordance with this Section IA.

### IA.2 Flow Direction

IA.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;
- (d) **“Interconnection Point”** or **“IP”** means Moffat Entry Point.

IA.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.

### IA.3 IP Capacity – General

IA.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.

IA.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.

IA.3.3 In this section IA, **“Firm”** refers to IP Capacity which may not be subject to curtailment and **“Interruptible”** refers to IP Capacity which may be subject to curtailment.

IA.3.4 In this Code, an **“IP Capacity Transaction”** refers to:

- (a) the allocation of IP Capacity to a Shipper in an Auction;
- (b) voluntary bundling of IP Capacity in accordance with section IA.10;
- (c) the transfer of IP Capacity in accordance with section IA.11;
- (d) the assignment of IP Capacity in accordance with section IA.12;
- (e) the accepted Surrender of IP Entry Capacity in accordance with section IA.17;
- (f) the Withdrawal of IP Entry Capacity in accordance with section IA.18; or
- (g) the purchase of IP Entry Capacity by Premier Transmission in accordance with section IA.19.

IA.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.

IA.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.

IA.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.

IA.3.8 A reference to the **“Class”** of IP Capacity is to whether such IP Capacity is Firm or Interruptible.

- IA.3.9 An **“IP Capacity Period”** is a particular period (of the relevant IP Capacity Duration) to which that IP Capacity Transaction relates.
- IA.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 Premier Transmission 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 Premier Transmission as being held by a Shipper and which is not Bundled IP Capacity.
- IA.3.11 In this Code:
- (a) **“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 as including Premier Transmission at that Interconnection Point;
  - (b) **“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.
- IA.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 TSO Rulebook) to IP Capacity at an Interconnection Point.
- IA.3.13 Section IA.14 sets out general provisions relating to the relationships between Premier Transmission, an Adjacent Transporter and a Shipper in respect of an Interconnected System and the Adjacent Transporter’s Rulebook.
- IA.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.
- IA.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.
- IA.3.16 A Shipper’s **“Registered IP Capacity”** is the IP Capacity that the Shipper is registered as holding at the IP in respect of a Gas Flow Day.

- IA.3.17 A Shipper's **"Registered IP Entry Capacity"** is the IP Entry Capacity that the Shipper is registered as holding at the IP in respect of a Gas Flow Day.
- IA.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 IP Capacity Transfers in accordance with section IA.11 or IP Capacity Assignments in accordance with section IA.12.
- IA.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) transfers of IP Entry Capacity in accordance with section IA.11;
  - (b) assignments of IP Entry Capacity in accordance with section IA.12;
  - (c) Surrenders of IP Entry Capacity in accordance with section IA.17;
  - (d) Withdrawals of IP Entry Capacity in accordance with section IA.18; or
  - (e) purchases of IP Entry Capacity by Premier Transmission in accordance with section IA.19.

#### **IA.4 Auctions – General**

##### **Introduction**

- IA.4.1 IP Capacity will be allocated to Shippers by Auction in accordance with this section IA.
- IA.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 IA.8.43 to IA.8.49 have the meaning given to them in section IA.8.42;
  - (b) **"Auction Calendar"** in relation to an Auction Year is the auction calendar published by ENTSOG for that Auction Year;
  - (c) **"Auction Information"** is the information relating to an Auction to be published as provided in sections IA.8.11 and IA.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 IA.8.12 or IA.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 1<sup>st</sup> March in any year and in relation to any Auction Year, Gas Year Y is the Gas Year ending 30<sup>th</sup> 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 Premier Transmission 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**

IA.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.

IA.4.4 In relation to any Auction for IP Entry Capacity:

- (a) where the Allocable IP Entry Capacity (determined in accordance with IA.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 IA.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.

IA.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 IA.8 and IA.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.

IA.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 Premier Transmission 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.

IA.4.7 Premier Transmission 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**

IA.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 (€).

IA.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.

IA.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 (€).

IA.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 IA.4.12 will be used.

- IA.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).
- IA.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 IA.4.12.

### **Linked Auctions**

- IA.4.14 In respect of Moffat Entry 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.
- IA.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.
- IA.4.16 A quantity of ROI Entry Capacity (the **“ROI Allocable Capacity”**) may be made available for allocation in the GB-ROI Auction.
- IA.4.17 The sum of the Auction Quantity in respect of the GB-NI Auction which may be made available by Premier Transmission, and the ROI Allocable Capacity is the **“Aggregate Allocable Irish-Side Capacity”**.

### **IA.5 The Auctions to be held**

- IA.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 once in each Auction Year in respect of Quarterly IP Entry Capacity for each Quarter in Gas Year Y+1 (**“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 IA.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”**).
- IA.5.2 Annual Yearly Auctions, Annual Quarterly Auctions and Rolling Monthly Auctions shall be held as Ascending Clock Auctions in accordance with section IA.8.



IA.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 IA.9.

## **IA.6 Use of a Capacity Platform**

IA.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 IA and “**Capacity Platform Operator**” means in relation to an IP, the person designated as such in section IA.6.2.

IA.6.2 At the date of implementation of this section IA, PRISMA European Capacity Platform GmbH is designated as Capacity Platform Operator in relation to Moffat Entry Point.

IA.6.3 Premier Transmission, the Adjacent Transporter 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 IA;
- (b) the receipt and acceptance or rejection of IP Capacity Transfers as provided for in section IA.11 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 Align System.

IA.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.

IA.6.5 Premier Transmission confirms that it has entered into an agreement with the Capacity Platform Operator as required under section IA.6.4.

IA.6.6 In accordance with section IA.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.

IA.6.7 Where the Capacity Platform Operator requests Premier Transmission to confirm:

- (a) that a person seeking to make the arrangements in section IA.6.4 is a Shipper, Premier Transmission 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, Premier Transmission will give such confirmation if the Shipper has identified the individual as an Authorised Person in accordance with section 17.5.1 (f);

and in a case within section IA.6.7 (b) where a Shipper wishes Premier Transmission 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 Premier Transmission may from time to time prescribe.

IA.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 IA.6 (including without limitation those referred to in section IA.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 IA.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.

IA.6.9 The Parties further agree and acknowledge that (pursuant to and without limitation of section IA.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.

IA.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 Premier Transmission;

- (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 Premier Transmission in connection with CPO Activities or otherwise.

IA.6.11 Premier Transmission does not act as an agent for the Capacity Platform Operator for any purposes.

IA.6.12 Premier Transmission 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 13 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 Premier Transmission;
- (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 Premier Transmission;

but this section IA.6.12 does not require Premier Transmission 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.

IA.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.

## **IA.7 IP Capacity Quantities**

IA.7.1 The "**Technical IP Entry Capacity**" of Moffat Entry Point is the maximum IP Entry Capacity which Premier Transmission can offer to Shippers taking account of the integrity and operational requirements of the Transportation System and the NI Network.

IA.7.2 In this Code "**Unsold Technical IP Entry Capacity**" is Technical IP Entry Capacity which has not been allocated to Shippers.

- IA.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 Premier Transmission and notified to the CPO, in accordance with section IA.6.12, as the sum of:
- (a) the Unsold Technical IP Entry Capacity subject to section IA.7.5; and
  - (b) any amount of Additional IP Entry Capacity available for the relevant IP Capacity Period.
- IA.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**

- IA.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 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 Technical IP Entry Capacity;
- or in either case, if less, the full amount of the Unsold Technical IP Entry Capacity.
- IA.7.6 For the avoidance of doubt, in relation to Auctions other than the Annual Yearly Auctions, section IA.7.5 does not apply.
- IA.7.7 Premier Transmission:
- (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.
- IA.7.8 If any Dispute arises as to Premier Transmission’s determination of the level of Technical IP Entry Capacity, which is not first resolved by mediation in accordance with section 21, Premier Transmission or a Shipper may refer the matter to an Expert for an Expert Determination.

### **IA.8 Ascending Clock Auctions**

- IA.8.1 This section sets out the basis on which Ascending Clock Auctions will be held (and in this section IA.8, unless otherwise expressly provided, references to an Auction are to an Ascending Clock Auction).
- IA.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 IA.8.
- IA.8.3 For the purposes of this section IA.8, in relation to an Ascending Clock Auction, subject to sections IA.4.5, IA.4.6 and IA.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 IA.8.38 and **“Close”**, **“Closed”** and **“Closing”** shall be construed accordingly.

IA.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

IA.8.5 Particular Bid Round Prices are identified as follows:

- (a) **“BPR<sub>BR-1</sub>”** in relation to any Bid Round is the Bid Round Price of the preceding Bid Round;
- (b) **“BPR<sub>LPFBR</sub>”** is the Bid Round Price of the Last Pre-FTU Bid Round.

### **Price Steps**

IA.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 IA.8.7 to IA.8.9 below.

IA.8.7 In relation to each Auction,

- (a) Premier Transmission 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.

IA.8.8 The NI large price step shall be 5% of the NI Reserve Price.

IA.8.9 The Small Price Step shall be one fifth of the Large Price Step, unless otherwise agreed with the relevant Adjacent Transporter.

IA.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**

IA.8.11 For each Ascending Clock Auction the following information will be published to Shippers in advance of the Auction:

- (a) the identity of Premier Transmission 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 IA.8.42 to IA.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.

IA.8.12 The date by which the Auction Information shall be available to Shippers shall be:

- (a) in relation to an Annual Yearly Auction, 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**

IA.8.13 Shippers shall bid in Bid Rounds. Each Bid Round shall take place in a Bid Window.

IA.8.14 The Bid Windows shall be determined as follows:

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

IA.8.15 In relation to the Annual Yearly Auction, the Auction Date will be the first Monday in March (or as otherwise specified in the Auction Calendar).

IA.8.16 In relation to the Annual Quarterly Auction, the Auction Date will be the first Monday in June (or as otherwise specified in the Auction Calendar).

IA.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**

IA.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.

IA.8.19 A Shipper must submit a Bid in the first Bid Round in order to submit a Bid in any subsequent Bid Round.

IA.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.

IA.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.

IA.8.22 If in the first SPS Bid Round, a Shipper does not submit a Bid which meets the requirements of section IA.8.21(d), the Shipper shall be deemed to have submitted a Bid Quantity equal to its Bid Quantity in the Last Pre-FTU Bid Round.

- IA.8.23 A Shipper may (subject to section IA.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 IA.8 to a Bid are to the Bid prevailing at the close of the relevant Bid Window.
- IA.8.24 A Bid is valid if, and only if:
- (a) it complies with the requirements of section IA.8.20 and section IA.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.
- IA.8.25 Bids which are not valid will be rejected and have no effect.
- IA.8.26 A Bid operates (subject to the provisions of sections IA.4.5, IA.4.6 and IA.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 IA.8.38 below and may not be withdrawn or modified except as provided in section IA.8.23.

#### **Ascending Clock Auction Process**

- IA.8.27 In the first Bid Round, the Bid Round Price will be equal to the Starting Price.
- IA.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 IA.8.35 and IA.8.36.
- IA.8.29 In each LPS Bid Round (other than the first), the Bid Round Price will be equal to  $(BRP_{BR-1} + LPS)$ .
- IA.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 IA.8.38(a) shall apply.
- IA.8.31 If in any LPS Bid Round the Aggregate Bid Quantity is equal to the Auction Quantity the Auction will Close and section IA.8.38(a) shall apply.
- IA.8.32 Unless section IA.8.30 or IA.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 IA.8.33 shall apply.
- IA.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  $(BRP_{LPS} + SPS)$ ;
  - (b) in each subsequent SPS Bid Round the Bid Round Price will be equal to  $BRP_{BR-1} + SPS$ .
- IA.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 IA.8.38(a) shall apply.
- IA.8.35 If following any SPS Bid Round the Auction has not Closed under section IA.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 IA.8.38(b) shall apply.



IA.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.

IA.8.37 For the purposes of section IA.8.36 the closure deadline is:

- (a) where Auction B is an Ascending Clock Auction, 17:00 on the 6th Business Day before the Auction Information Time for Auction B;
- (b) where Auction B is a Rolling Day-Ahead Auction, 17:00 on the 2nd Business Day before the Auction Information Time for Auction B.

### **Auction Close**

IA.8.38 Where the Auction Closes following any Bid Round:

- (a) subject to section IA.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 IA.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.

IA.8.39 Following each Bid Round, Shippers will be informed whether the Auction has Closed.

IA.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**

IA.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**

- IA.8.42 References to “**Auctions**” in sections IA.8.43 to IA.8.49 below means the GB-NI Auction and GB-ROI Auction.
- IA.8.43 In respect of Moffat Entry 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.
- IA.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 (GB Allocable Capacity – Aggregate Allocable Irish-Side 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 IA.8.18 to IA.8.41 as modified by the further provisions of sections IA.8.42 to IA.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**”.
- IA.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 IA.8.49 or the Auctions Close under sections IA.8.46 or IA.8.48.
- IA.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.
- IA.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 IA.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.
- IA.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.
- IA.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 IA.8.33;
- (iii) is greater than the Auction Quantity, the Auction shall proceed with LPS and SPS Bid Rounds in accordance with sections IA.8.28 to IA.8.41.

## **IA.9 Uniform Price Auctions**

- IA.9.1 This section sets out the basis on which Uniform Price Auctions will be held (and in this section IA.9, unless otherwise expressly provided, references to an Auction are to a Uniform Price Auction).
- IA.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 IA.9.
- IA.9.3 For the purposes of this section IA.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 IA.4.5, IA.4.6 and IA.4.7.

### **Auction Information**

- IA.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 Premier Transmission 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 IA.9.24 and IA.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**

- IA.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.

IA.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.

### **Rolling Day-Ahead Auctions**

IA.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.

IA.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**

IA.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 IA.9.

IA.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.

IA.9.11 Each Bid shall specify:

- (a) the identity of the Shipper;
- (b) the Auction in which it is submitted;
- (c) the Minimum Bid Quantity;
- (d) the Bid Price;
- (e) 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 IA.9.20);
- (f) other details as may be required by the CPO Rules and Processes.

IA.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.

IA.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.

- IA.9.14 A Bid is valid if, and only if:
- (a) it complies with the requirements of section IA.9.11 and IA.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.
- IA.9.15 Bids which do not meet the requirements of section IA.9.14 above will be rejected and have no effect.
- IA.9.16 A Bid operates (subject to the provisions of sections IA.4.5, IA.4.6 and IA.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 IA.9.19 and may not be withdrawn or modified except as provided in section IA.9.13 above.

### **Bid Price**

- IA.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 IA.4.11) and references to Bid Price in section IA.9.18 below are to the Bid Price so converted.

### **Uniform Price Auction Process**

- IA.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 IA.9.18(d) and IA.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 IA.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 IA.9.18(c) or IA.9.18(d) would be less than the Minimum Bid Quantity, the Bid will be disregarded and of no effect, and this section IA.9.18 shall apply to the ranked Bids excluding such Bid.
- IA.9.19 Each Bid to which IP Capacity is allocated in accordance with IA.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.

- IA.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 IA.9.13.
- IA.9.21 For the avoidance of doubt, subject to section IA.9.20 a Bid which is not accepted in an Auction lapses and is of no further effect.
- IA.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**

- IA.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**

- IA.9.24 In respect of Moffat Entry 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.
- IA.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 IA.9.1 to IA.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 1A.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.

## **1A.10 Voluntary Bundling**

1A.10.1 A Shipper may submit a request to Premier Transmission for its' Unbundled IP Entry Capacity to be Bundled with its' Equivalent Interconnected System Capacity in accordance with this section 1A.10.

1A.10.2 The Shipper must simultaneously submit a request to the 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 Premier Transmission or the relevant Adjacent Transporter;
- (b) where the Shipper submits its' request to Premier Transmission Premier Transmission agrees to act as an agent of the Shipper to send the request to the Adjacent Transporter;
- (c) where the Shipper submits its' request to the Adjacent Transporter, Premier Transmission agrees to receive the request from the Adjacent Transporter as agent for the Shipper;

subject to and in accordance with the further provisions of this section 1A.10.

1A.10.3 Where the Shipper submits its' request to Premier Transmission, 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.

1A.10.4 The Shipper's request should be submitted to Premier Transmission not less than two months before the first Day of the IP Capacity Period specified in the request.

1A.10.5 If the requirements of sections 1A.10.6(a) and 1A.10.6(b) are met Premier Transmission will, (pursuant to section 1A.10.2(b)) within 10 Business Days of receiving the request, notify the Adjacent Transporter of the request and provide to it the information contained in the request.

1A.10.6 Premier Transmission will accept the request and the IP Entry Capacity shall be registered as Bundled, if:

- (a) the request complies with the requirements in section 1A.10.3;
- (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 Adjacent Transporter has confirmed to Premier Transmission not less than one month before the first Day of the IP Capacity Period that the Adjacent Transporter accepts the request.
- IA.10.7 If the requirements of section IA.10.6 are not satisfied Premier Transmission will reject the request.
- IA.10.8 Premier Transmission 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.
- IA.10.9 If the Adjacent Transporter notifies Premier Transmission 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 IA.10.10 applies.
- IA.10.10 If the requirements in section IA.10.11 are satisfied, Premier Transmission will:
- (a) (pursuant to section IA.10.2(c)) treat the Adjacent Bundling Request as a request by the Shipper under section IA.10.1 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 the Adjacent Transporter’s notification, confirm to the Adjacent Transporter that Premier Transmission accepts the Shipper’s request.
- IA.10.11 The requirements are that:
- (a) the Party making the request is a Shipper;
  - (b) Premier Transmission receives the notification from the 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 Adjacent Transporter.
- IA.10.12 If the requirements in section IA.10.11 are not satisfied Premier Transmission will notify the Adjacent Transporter that the Shipper’s request is rejected.
- IA.10.13 For the purposes of this section IA.10, each Shipper unconditionally and irrevocably:
- (a) authorises Premier Transmission to act as its’ agent to send a request to the Adjacent Transporter as provided in sections IA.10.2(b) and IA.10.5;
  - (b) confirms that it has appointed the Adjacent Transporter as its’ agent to send to Premier Transmission, and authorises Premier Transmission to act on, any request notified by the Adjacent Transporter as provided in sections IA.10.2(c) and IA.10.9.

**IA.11 Secondary Transfer of IP Capacity**



- IA.11.1 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 IA.11.
- IA.11.2 For the purposes of this Code, an **“IP Capacity Transfer”** is a transfer of IP Capacity in accordance with section IA.11.1.
- IA.11.3 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.
- IA.11.4 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;
- IA.11.5 Premier Transmission shall reject an IP Capacity Transfer where the Transferred IP Capacity exceeds the Shipper's Available IP Capacity on any Gas Flow Day in the IP Capacity Transfer Period.
- IA.11.6 IP Capacity may not be transferred from one IP to another.
- IA.11.7 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.
- IA.11.8 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 Premier Transmission and, in the case of Bundled 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.
- IA.11.9 A notification under section IA.11.8 of an IP Capacity Transfer of Bundled Capacity shall also operate as a notification to the Adjacent Transporter to transfer the Equivalent Interconnected System Capacity.

- IA.11.10 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 Premier Transmission and, in the case of Bundled Capacity, the Adjacent Transporter.
- IA.11.11 Premier Transmission shall notify the Capacity Platform Operator as to whether a Transfer Proposal is accepted or rejected within 60 minutes of receiving the Transfer Proposal.
- IA.11.12 Premier Transmission shall accept a Transfer Proposal if:
- (a) the Transferor Shipper has sufficient Available IP Capacity;
  - (b) the Transferee Shipper is different to the Transferor Shipper;
  - (c) the Transfer Proposal is received by Premier Transmission by 03:00 on the day of the IP Capacity Transfer.
- IA.11.13 A Transfer Proposal may be rejected by Premier Transmission:
- (a) in the case of Bundled IP Capacity, if the Transfer Proposal is not accepted by the Adjacent Transporter;
  - (b) if any requirement of the CPO Rules and Processes is not satisfied in relation to the IP Capacity Transfer.
- IA.11.14 Where a Transfer Proposal is accepted by Premier Transmission:
- (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 Premier Transmission PS Transmission Amounts associated with its Registered IP Capacity.

## **IA.12 IP Capacity Assignment**

- IA.12.1 An Assignor Shipper may arrange an assignment of IP Entry Capacity to an Assignee Shipper subject to and in accordance with this section IA.12 (“**IP Capacity Assignment**”).
- IA.12.2 References in this section IA.12 to IP Entry Capacity mean Unbundled IP Entry Capacity. An IP Capacity Assignment may only be made:
- (a) in respect of a complete Gas Year (or complete Gas Years);
  - (b) in respect of a complete Quarter (or complete Quarters);
  - (c) to an Assignee Shipper with an IP Registration in respect of the relevant IP.
- IA.12.3 IP Entry Capacity at an IP may not be assigned to another IP.

- IA.12.4 Where a Shipper wishes to request an assignment of IP Entry Capacity, both the Assignor Shipper and the Assignee Shipper should jointly submit to Premier Transmission an **“IP Capacity Assignment Application”** specifying:
- (a) the identity of the Assignor Shipper and Assignee Shipper;
  - (b) the IP;
  - (c) the amount of IP Entry Capacity to be assigned (the **“Assigned IP Entry Capacity”**);
  - (d) the duration of the assignment (the **“IP Capacity Assignment Period”**).
- IA.12.5 The Assignor Shipper may only assign IP Entry Capacity if it holds sufficient Available IP Entry Capacity and sufficient Registered IP Entry Capacity.
- IA.12.6 An IP Capacity Assignment Application may not be submitted later than 10 Business Days (or any such shorter period as Premier Transmission may, in relation to the relevant application, consent to) before the commencement of the IP Capacity Assignment Period.
- IA.12.7 Premier Transmission may reject an IP Capacity Assignment Application if:
- (a) the information required in section IA.12.4 is not provided by both the Assignor Shipper and the Assignee Shipper; and/or
  - (b) the Assignee Shipper does not have a sufficient Provided Level of Credit Support.
- IA.12.8 Premier Transmission shall accept or reject an IP Capacity Assignment Application no later than 1 Business Day before the first day of the IP Capacity Assignment Period.
- IA.12.9 Where an IP Capacity Assignment Application is accepted:
- (a) the Assignor Shipper’s Available IP Capacity and Registered IP Capacity shall be reduced by the amount of the Assigned IP Entry Capacity for the IP Capacity Assignment Period;
  - (b) the Assignee Shipper’s Available IP Capacity and Registered IP Capacity shall be increased by the amount of the Assigned IP Entry Capacity for the IP Capacity Assignment Period; and
  - (c) the Assignee Shipper shall be liable to pay Premier Transmission PS Transmission Amounts associated with its Registered IP Capacity.

**IA.13 IP Entry Capacity Overruns**

- IA.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 IA.13.
- IA.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”**.
- IA.13.3 Where applicable, Overrun Charges will be calculated as follows:

$$\text{Overrun Charge} = 8 \times P_{\text{daily}} \times \text{Overrun Quantity}$$

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

#### **IA.14 Relationships**

IA.14.1 Except as expressly provided in this Code, neither Premier Transmission nor the Adjacent Transporter, in relation to an Interconnection Point, acts as an agent for the other in any relationship with Shippers.

IA.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 Premier Transmission and a Shipper, in respect of an Interconnected System.

IA.14.3 Nothing in any Adjacent Transporter's Rulebook creates any rights or obligations as between Premier Transmission and any Shipper or otherwise binds Premier Transmission.

IA.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) Premier Transmission 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) Premier Transmission 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.

IA.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 Premier Transmission 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.

#### **IA.15 Registering Bundled IP Entry Capacity**

- IA.15.1 Premier Transmission 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 IA.10;
  - (c) when it has been transferred to the Shipper as Bundled IP Entry Capacity in accordance with section IA.11;

unless or until section IA.15.2 applies.

- IA.15.2 Where (other than in connection with an IP Capacity Transfer) the Adjacent Transporter notifies Premier Transmission 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, Premier Transmission 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 Premier Transmission 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.

- IA.15.3 Where a Shipper ceases to hold Bundled IP Entry Capacity as a result of termination in accordance with section 16, retirement from the Code in accordance with section 17.10 or under any other section of this Code, Premier Transmission 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.

## **IA.16 Congestion Management Procedures Introduction**

- IA.16.1 Sections IA.16, IA.17, IA.18 and IA.19 of this Code provide for the application of Congestion Management Procedures.
- IA.16.2 In accordance with section IA.7.3(b), Premier Transmission 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 IA.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 IA.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.
- IA.16.3 In accordance with section IA.19 and the OS Scheme and CMP Methodology Statement, Premier Transmission may purchase IP Entry Capacity from a Shipper where necessary.

### **Order of Allocation of IP Entry Capacity**

- IA.16.4 Premier Transmission 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.

## **IA.17 Surrender of IP Entry Capacity**

- IA.17.1 A Shipper may offer IP Entry Capacity for Surrender in an Auction in accordance with this section IA.17.
- IA.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 IA.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 5<sup>th</sup> 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.

IA.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.

IA.17.4 Subject to IA.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.

IA.17.5 A Shipper may withdraw a Surrender Offer at any time up to, but not after, the Surrender Deadline and references in sections IA.17.11 to IA.17.16 to a Surrender Offer are to the Surrender Offer prevailing at the Surrender Deadline.

IA.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 Premier Transmission, whether the IP Entry Capacity is Bundled or Unbundled; and
- (e) any other information required by the CPO Rules and Processes.

IA.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 IA.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”**).

IA.17.8 Where a Surrender Offer is not valid in accordance with section IA.17.7 it will be rejected by Premier Transmission and have no further effect.

IA.17.9 A Valid Surrender Offer operates as an offer to Surrender the Surrender Quantity at the Clearing Price determined in accordance with section IA.8.38, capable of acceptance (in whole or in part) in accordance with section IA.17.12 and may not be modified or (except as provided for in section IA.17.4) withdrawn.

IA.17.10 A Valid Surrender Offer will remain valid and available for acceptance until Premier Transmission 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 IP Capacity Assignment or any other reason) the Surrender Offer will be rejected.

**Effect of a Surrender Offer: Acceptance, and Allocation**

IA.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 IA.7.3.

IA.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 IA.17.13 and section IA.16.2, and if, or to the extent, not so accepted the Valid Surrender Offer shall lapse and be of no effect.

IA.17.13 For the purposes of section IA.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.

IA.17.14 For the purposes of section IA.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.

IA.17.15 Subject to section IA.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 IA.17.13 or section IA.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.

IA.17.16 Where, in accordance with section IA.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 IA.17.12, IA.17.13 and IA.17.14 shall be performed first in relation to the Bundled Auction and then in relation to the Unbundled Auction.

IA.17.17 Where a Valid Surrender Offer is not accepted in accordance with section IA.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.

### **IA.18 Long Term Use-it-or-Lose-it**

IA.18.1 For the purposes of this section IA.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.

IA.18.2 For the purposes of monitoring a LTUIOLI Shipper’s utilisation of IP Entry Capacity, Premier Transmission shall produce two usage reports each Gas Year for the following periods:

- (a) 1<sup>st</sup> October to 31<sup>st</sup> March; and
- (b) 1<sup>st</sup> April to 30<sup>th</sup> September;

such reports to be produced and submitted to the Authority by 30<sup>th</sup> April and 31<sup>st</sup> October respectively (the **“Usage Reports”**).

IA.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.

IA.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,

Premier Transmission 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”**).

IA.18.5 A Shipper receiving an Indicative Withdrawal Notice under section IA.18.4 shall respond within 1 month of receipt of the Indicative Withdrawal Notice providing information (**“Written Submission”**) to justify its utilisation.

- IA.18.6 Following receipt of a Written Submission, where Premier Transmission 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.
- IA.18.7 Where a Shipper does not provide a Written Submission within 1 month in accordance with section IA.8.5, or where Premier Transmission 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.
- IA.18.8 If the Shipper does not agree with the decision of Premier Transmission 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.
- IA.18.9 If no referral is made to the Authority in accordance with section IA.18.8, the Intended Withdrawal Notice shall become effective on the expiry of the 3 month notice period given under section IA.18.4 and section IA.18.11 shall apply.
- IA.18.10 If a referral is made to the Authority in accordance with section IA.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 IA.18.11 shall apply; or
    - (ii) properly justified, no IP Entry Capacity shall be withdrawn, and Premier Transmission shall inform the Shipper (in writing) accordingly.
- IA.18.11 Where an Intended Withdrawal Notice becomes effective in accordance with sections IA.18.9 and IA.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.
- IA.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 IA.16.4(c), and to the extent (both in amount and IP Capacity Duration) that the IP Entry Capacity is not allocated pursuant to section IA.16.4(c).

IA.18.13 Where LTUIOLI Capacity is allocated pursuant to section IA.16.4(c), Premier Transmission 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”**).

#### **IA.19 Buyback of IP Entry Capacity**

IA.19.1 Where Premier Transmission has allocated Oversubscription Capacity in respect of a Gas Flow Day, Premier Transmission 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.

IA.19.2 Premier Transmission may (but shall not be required to) enter into an **“Advance Buyback Agreement”** with a Shipper, whereby a Shipper gives Premier Transmission 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 Premier Transmission to purchase IP Entry Capacity from a Shipper on any Gas Flow Day.

IA.19.3 In respect of any Gas Flow Day, where Premier Transmission 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.

IA.19.4 In respect of any Gas Flow Day, where Premier Transmission 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.

IA.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 Premier Transmission (or if applicable the CPO Rules and Processes).

IA.19.6 A Buyback Offer must be submitted in accordance with the timelines specified in the Buyback Invitation.

- IA.19.7 A Buyback Offer submitted in accordance with section IA.19.5 and section IA.19.6 shall be considered a **“Valid Buyback Offer”**.
- IA.19.8 A Buyback Offer not submitted in accordance with section IA.19.5 and section IA.19.6 shall be rejected and Premier Transmission shall notify the Shipper of such rejection.
- IA.19.9 In accordance with the OS Scheme and CMP Methodology Statement, in respect of a Gas Flow Day, Premier Transmission 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.
- IA.19.10 Premier Transmission 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.
- IA.19.11 Where Premier Transmission 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 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.
- IA.19.12 The aggregate amount of IP Entry Capacity which Premier Transmission 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.
- IA.19.13 Where Premier Transmission 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.

- IA.19.14 Notwithstanding any purchase of IP Entry Capacity in accordance with section IA.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 IA.19.15 shall apply.
- IA.19.15 Where a Shipper has received a Buyback Notification, the Shipper shall receive a Buyback Payment calculated as follows:
- (i) the quantity of IP Entry Capacity being purchased as specified in the Buyback Notification; multiplied by
  - (ii) the unit price specified in the Buyback Notification.
- IA.19.16 In the event that Premier Transmission is unable to secure a sufficient amount of IP Entry Capacity in accordance with section IA.19 to maintain system integrity, section 6 (Capacity Reduction & Emergencies) may apply.

## IB. EXIT CAPACITY

### IB.1 Introduction and Definitions

IB.1.1 A Shipper shall be entitled to apply for, be allocated and registered as holding Exit Capacity in the Transportation System subject to and in accordance with this section IB.

IB.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 Premier Transmission can offer to Shippers taking account of the integrity and operational requirements of the Transportation System and the NI Network.

IB.1.3 In this section IB, **“Firm”** refers to Exit Capacity which may not be subject to curtailment.

IB.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.

IB.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 IB.7;
- (b) any surrender of Exit Capacity in accordance with section IB.8;
- (c) any Exit Capacity Transfers in accordance with section IB.11, and/or
- (d) any Exit Capacity Assignments in accordance with section IB.12.

IB.1.6 Premier Transmission:

- (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.

IB.1.7 If any Dispute arises as to Premier Transmission’s determination of the level of Technical Exit Capacity at an Exit Point, which is not first resolved by mediation in accordance with section 21, Premier Transmission or a Shipper may refer the matter to an Expert for an Expert Determination.

IB.1.8 Premier Transmission 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.

## **IB.2 Indicative Application for Exit Capacity**

IB.2.1 A Shipper may, from time to time, and a Prospective Shipper may provide Premier Transmission 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**”).

IB.2.2 Within 5 Business Days of receipt of an Indicative Application for Exit Capacity Premier Transmission shall notify the Shipper or Prospective Shipper of the extent to which Premier Transmission anticipates it will be able to provide the Exit Capacity which the Shipper or Prospective Shipper has indicated it wishes to apply for.

IB.2.3 Premier Transmission 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 IB as a result of Premier Transmission stating that it anticipates Exit Capacity will be available to that Shipper or Prospective Shipper.

## **IB.3 Exit Capacity Application requirements**

IB.3.1 A Shipper may apply to Premier Transmission for Exit Capacity at an Exit Point in accordance with this section IB.3 in respect of which it has an Exit Point Registration. An application for Exit Capacity shall be in accordance with this section IB.3 and section IB.4 or IB.6.

IB.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 Premier Transmission 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.

IB.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 Premier Transmission 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.

IB.3.4 If, by virtue of the level of Exit Capacity for which a Shipper has applied in respect of any Gas Year, Premier Transmission 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 IB.5.3 Premier Transmission shall request the Shipper to provide the information referred to in section IB.3.5.

IB.3.5 Premier Transmission shall, in accordance with section IB.3.4, request the Shipper to provide any of the information referred to in section 17.6.1(f) 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.

IB.3.6 An Exit Capacity Application shall be rejected if:

- (a) any requirement of section IB.3 is not complied with;
- (b) if the Shipper does not have sufficient Provided Level of Credit Support;
- (c) the Shipper fails to provide any of the information requested in section IB.3.5 within 20 Business Days of being requested to do so; or
- (d) Premier Transmission receives a Direction from the Credit Committee, in accordance with paragraph 6.1 (K) of the Terms of Reference, that it should be.

#### **IB.4 Application for Exit Capacity in future Gas Years**

IB.4.1 Not later than the Mid Year Date (or any such later date as Premier Transmission 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 Premier Transmission:

- (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.

IB.4.2 If Premier Transmission does not receive any submission in accordance with section IB.4.1 a Shipper shall be deemed to have confirmed that it does not wish to reserve Exit Capacity in any future Gas Year.



IB.4.3 Not later than the Mid Year Date (or any such later date as Premier Transmission 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 Premier Transmission:

- (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.

IB.4.4 If Premier Transmission does not receive any submission in accordance with section IB.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.

## **IB.5 Allocation of Exit Capacity in future Gas Years**

IB.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 IB.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 IB.5.2 in the next Gas Year unless Premier Transmission shall agree to treat its application as though it were submitted before the Mid Year Date in accordance with section IB.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 IB.5.2 in the Gas Year preceding the Gas Year in respect of which it is seeking Exit Capacity.

IB.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 IB.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 IB.5.3 or IB.5.4.

IB.5.3 Premier Transmission shall, subject to section IB.5.4, allocate Exit Capacity at an Exit Point to the Shippers referred to in section IB.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.

IB.5.4 If the Shippers referred to in section IB.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 Premier Transmission 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.

IB.5.5 Where a Shipper is allocated Exit Capacity at an Exit Point in accordance with section IB.5.3 or IB.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 Premier Transmission 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 IB.3.2

## **IB.6 Application for an allocation of Exit Capacity in the same Gas Year**

IB.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 IB.6.2 be allocated by Premier Transmission (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.

IB.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 IB.3.2(c) that:

- (a) it will accept an allocation of Exit Capacity of less than it has applied for Premier Transmission 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.

## **IB.7 Annual Review of Exit Capacity**

IB.7.1 Not later than 30<sup>th</sup> April, Premier Transmission 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).

IB.7.2 Where a Relevant Shipper has been identified, Premier Transmission 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 IB.3, were met; and
- (c) all applications to surrender Exit Capacity, in accordance with section IB.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.

IB.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 IB.7.5 to IB.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 Licence (the "**Relevant Objective**").

IB.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 IB.7.5 to IB.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.

IB.7.5 Premier Transmission shall, in accordance with condition 2.3.3 of the Licence, 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.

IB.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, Premier Transmission shall reduce any Relevant Shipper's Registered Exit Capacity by the amount proposed.

IB.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, Premier Transmission shall not so reduce any Relevant Shipper's Registered Exit Capacity.

IB.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.

IB.7.9 Premier Transmission shall not reduce any Relevant Shipper's Registered Exit Capacity, in accordance with this section IB.7, if all applications for Exit Capacity at the Relevant Exit Point, in accordance with section IB.4, can be met.

IB.7.10 Where a reduction is required as a result of the application of this section IB.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.

## **IB.8 Exit Capacity Surrender**

- IB.8.1 A Shipper may apply to Premier Transmission to surrender its Exit Capacity in accordance with this section IB.8.
- IB.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; and
  - (e) where the Exit Point specified in the application is Belfast Gas Exit Point 2 or Belfast Gas Exit Point 3 confirmation that a corresponding application (the "**Downstream Exit Capacity Surrender Application**") to surrender Exit Capacity on the BGE (UK) Downstream System has been submitted to BGE (UK) pursuant to IB.8.3.
- IB.8.3 If a Shipper submits an Exit Capacity Surrender Application to reduce the Shipper's Exit Capacity in respect of Belfast Gas Exit Point 2 or Belfast Gas Exit Point 3 the Shipper shall at the same time submit a Downstream Exit Capacity Surrender Application to the Downstream System Operator to reduce such Shipper's exit capacity on the BGE (UK) Downstream System and shall provide a copy of such application to Premier Transmission.
- IB.8.4 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 Premier Transmission to meet Shippers' Exit Capacity Applications, all Exit Capacity Surrender Applications shall be rejected.
- IB.8.5 If Premier Transmission has received Exit Capacity Applications in respect of any Gas Year, Premier Transmission may accept Exit Capacity Surrender Applications in accordance with section IB.8.6 in order to allocate Exit Capacity to Shippers who have submitted Exit Capacity Applications.
- IB.8.6 For each Exit Point, subject to IB.8.7, Premier Transmission (where relevant in consultation with the Downstream System Operator) 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 IB.8.6(b)(i) shall be accepted pro-rata to the amount of Exit Capacity applied for in Exit Capacity Applications.

IB.8.7 If:

- (a) the Downstream System Operator confirms that it has not received a Downstream Exit Capacity Surrender Application then any applicable Exit Capacity Surrender Application with respect to Belfast Gas Exit Point 2 or Belfast Gas Exit Point 3 shall be rejected; and
- (b) a Shipper has submitted an Exit Capacity Surrender Application with respect to Belfast Gas Exit Point 2 or Belfast Gas Exit Point 3, the Exit Capacity Surrender Application and the Downstream Exit Capacity Surrender Application shall be accepted/rejected in respect of equal amounts.

IB.8.8 All Exit Capacity Surrender Applications not accepted in accordance with section IB.8.6 shall be rejected.

IB.8.9 Where a Shippers' Exit Capacity Surrender Application is accepted (in whole or in part) in accordance with this section IB.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.

## **IB.9 Secondary Transfer of Exit Capacity**

IB.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 IB.9.

IB.9.2 For the purposes of this Code, an **"Exit Capacity Transfer"** is a transfer of Exit Capacity in accordance with section IB.9.1.

IB.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.

IB.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.

IB.9.5 Premier Transmission 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.

- IB.9.6 Exit Capacity may not be transferred from one Exit Point to another.
- IB.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 Premier Transmission in writing specifying:
- (a) the identity of the Transferor Shipper and the Transferee Shipper;
  - (b) that the notification is for Premier Transmission;
  - (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 Premier Transmission.
- IB.9.8 Premier Transmission 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 Premier Transmission from both the Transferor Shipper and the Transferee Shipper 10 Business Days prior to the start of the Exit Capacity Transfer Period.
- IB.9.9 A proposed Exit Capacity Transfer may be rejected by Premier Transmission if any requirement of this section IB.9 is not satisfied in relation to the Exit Capacity Transfer.
- IB.9.10 Where a proposal for Exit Capacity Transfer is accepted by Premier Transmission:
- (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 Premier Transmission PS Transmission Amounts associated with its Registered Exit Capacity.
- IB.10 Exit Capacity Assignment**
- IB.10.1 An Assignor Shipper may arrange an assignment of Exit Capacity to an Assignee Shipper at an Exit Point subject to and in accordance with this section IB.10 (“**Exit Capacity Assignment**”).
- IB.10.2 An Exit Capacity Assignment may only be made:
- (a) in respect of a complete Gas Year (or complete Gas Years);

- (b) in respect of a complete Quarter (or complete Quarters);
  - (c) to an Assignee Shipper with an Exit Point Registration in respect of the relevant Exit Point.
- IB.10.3 Exit Capacity may not be assigned from one Exit Point to another Exit Point.
- IB.10.4 Where a Shipper wishes to request an assignment of Exit Capacity, both the Assignor Shipper and the Assignee Shipper should jointly submit to Premier Transmission an Exit Capacity assignment application in the Prescribed Form (“**Exit Capacity Assignment Application**”), specifying:
- (a) the amount of Exit Capacity which the Assignor Shipper wishes to assign (“**Assigned Exit Capacity**”);
  - (b) the period in respect of which the Assignor Shipper wishes to assign Exit Capacity (the “**Exit Capacity Assignment Period**”); and
  - (c) confirmation of the identity of the Assignor Shipper and the Assignee Shipper.
- IB.10.5 The Assignor Shipper may only assign Exit Capacity if it holds sufficient Available Exit Capacity and sufficient Registered Exit Capacity.
- IB.10.6 An Exit Capacity Assignment Application may not be submitted later than 10 Business Days (or any such shorter period as Premier Transmission may, in relation to the relevant application, consent to) before the commencement of the Exit Capacity Assignment Period.
- IB.10.7 Premier Transmission shall accept or reject an Exit Capacity Assignment Application no later than 1 Business Day before the first day of the Exit Capacity Assignment Period.
- IB.10.8 Premier Transmission may reject an Exit Capacity Assignment Application if:
- (a) the requirements of this section IB.10 are not complied with;
  - (b) the Assignee Shipper does not have a sufficient Provided Level of Credit Support.
- IB.10.9 Where an Exit Capacity Assignment Application is accepted:
- (a) the Assignor Shipper’s Available Exit Capacity and Registered Exit Capacity at the Exit Point set out in the Exit Capacity Assignment Application shall be decreased by the amount of the Assigned Exit Capacity for the Exit Capacity Assignment Period;
  - (b) the Assignee Shipper’s Available Exit Capacity and Registered Exit Capacity at the Exit Point set out in the Exit Capacity Assignment Application shall be increased by the amount of the Assigned Exit Capacity for the Exit Capacity Assignment Period; and
  - (c) the Assignee Shipper shall be liable to pay Premier Transmission PS Transmission Amounts associated with its Registered Exit Capacity.

**IB.11 Order of Allocation of Exit Capacity**

Premier Transmission 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 1B.8 (Exit Capacity Surrender);
- (b) secondly, Exit Capacity which becomes available pursuant to the operation of procedures in section 1B.7 (Annual Review of Exit Capacity); and
- (c) thirdly, unsold Technical Exit Capacity.

## 1B.12 Exit Capacity Ratchet

1B.12.1 If in respect of a Gas Flow Day in any Month M, subject to section 1B.12.2, a Shipper is allocated a quantity of gas in excess of its' Exit Capacity at an Exit Point (a "**Ratchet Month**"), it shall be liable to pay a **Ratchet Charge** as calculated in accordance with section 1B.12.1(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 Gas Year.

1B.12.2 At an Exit Point where the Exit Capacity is held by a DNO, subject to section 1B.12.4:

- (a) the Ratchet Amount for the DNO will be determined in aggregate as follows:

$$RA_{DN} = \sum \text{Final Exit Allocations}_{\text{shippers}} - \text{ExCap}_{DN}$$

where:

$\sum \text{Final Exit Allocations}_{\text{shippers}}$  is the sum of all Shipper's Final Exit Allocations at the Exit Point; and

$\text{ExCap}_{DN}$  is the Exit Capacity of the DNO;



(b) from M+1 the 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 DNO until the end of the Gas Year;

(c) the Ratchet Charge (for the DNO) shall be calculated as follows:

$$RC_{DN} = RA_{DNmax} \times P \times t$$

where:

$RA_{DNmax}$  is the highest Ratchet Amount (for the 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;

(d) individual Shippers shall not be liable to pay Premier Transmission Ratchet Charges (and shall not be allocated Exit Capacity) but nothing in this Code shall prevent the DNO applying charges under its own distribution network code.

IB.12.3 Where a Shipper or DNO is allocated additional Exit Capacity as a result of the application of this section IB.12 it's Registered Exit Capacity shall be amended such that the increase takes effect from M+1.

IB.12.4 Where a Ratchet Amount is to be determined under section IB.12.1 in respect of Phoenix:

(a)  $ExCap_{DN}$  shall be calculated as the aggregate of Phoenix's Exit Capacity at Belfast Gas Exit Point No 1 and Belfast Gas Exit Point No 2; and

(b) the Final Exit Allocations<sub>shippers</sub> shall be the Final Exit Allocations of Shippers in respect of Belfast Gas Exit Point No 1.

## 2. NOMINATIONS

### 2.1 Introduction

- 2.1.1 A Shipper shall nominate to Premier Transmission in accordance with this section 2 the quantities of gas which it wishes to deliver to and offtake from the Transportation System on a Day.
- 2.1.2 A Shipper is permitted to renominate quantities of gas to Premier Transmission in accordance with this section 2 as the Shipper's requirements change.
- 2.1.3 In order to deliver gas to or offtake gas at an IP, a Shipper is required to submit a Nomination in respect of that IP.
- 2.1.4 In order to offtake gas at an Exit Point, a Shipper is required to submit a Nomination in respect of that Exit Point.
- 2.1.5 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.

### 2.2 Nominations - General

- 2.2.1 In this Code:
  - (c) a **"Nomination"** is a nomination by a Shipper to Premier Transmission in respect of a quantity of gas to be delivered to or offtaken from the Transportation System;
  - (d) a **"Renomination"** is a Nomination which revises an earlier Nomination (including a Renomination) in accordance with sections 2.5.8 to 2.5.15 and 2.9.8 to 2.9.15;
  - (e) a **"Nomination Quantity"** is the quantity nominated for delivery to or offtake from the Transportation System in a particular Nomination or Renomination;
  - (f) 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.
- 2.2.2 For the avoidance of doubt, in this Code, as the context requires, references to Nominations include IP Nominations, IP Renominations, Exit Nominations and Exit Renominations, but do not include Trade Nominations.
- 2.2.3 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 Premier Transmission in accordance with this section 2.
- 2.2.4 References in this Code to a Nomination **"prevailing"** at any time before or during the Gas Flow Day are to a Nomination as revised (in accordance with this section 2) up to that time.
- 2.2.5 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 Transportation System by a Shipper shall occur on the hour (the **"Hour Bar"**).

2.2.6 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 Transportation System each Day.

2.2.7 Any Nomination, Trade Nomination, communication or notification required to be made, submitted or given by a Party under this section 2 shall be made, submitted or given using the Align System and shall be an Align Communication for the purposes of this Code.

### 2.3 IP Nominations - General

2.3.1 A Shipper may submit Nominations in respect of an IP provided that it has an IP Registration in respect of the relevant IP.

2.3.2 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.

### 2.4 Double-Sided and Single-Sided IP Nominations

2.4.1 The provisions in sections 2.4.2 to 2.4.9 also apply to IP Renominations and references in those sections to IP Nominations include IP Renominations.

2.4.2 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.

2.4.3 References in this section 2 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.

2.4.4 A Shipper submitting an IP Nomination may have one or more Counterparty Shippers.

- 2.4.5 A Shipper and a Counterparty Shipper may be the same legal entity.
- 2.4.6 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.
- 2.4.7 For the purposes of this section 2, an IP Nomination is either:
- (a) **“Double-Sided”** where an IP Nomination is submitted by a Shipper to Premier Transmission and a separate corresponding Counterparty IP Nomination is submitted by the Counterparty Shipper to the Adjacent Transporter; or
  - (b) **“Single-Sided”** where it is submitted by a Shipper by way of a single communication to the Adjacent Transporter;

and references to Double-Sided or Single-Sided IP Nominations shall be construed accordingly.

- 2.4.8 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.
- 2.4.9 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.

## **2.5 Content, Timing and Submission of IP Nominations and IP Renominations**

### **Content and Timing of IP Nominations**

- 2.5.1 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.
- 2.5.2 IP Nominations may be submitted no earlier than 30 Days before the Gas Flow Day and no later than 13:00 on D-1.

- 2.5.3 IP Nominations will not be processed by Premier Transmission before 13:00 on D-1; and a Shipper may amend or replace an IP Nomination already submitted before 13:00 on D-1 in accordance with section 2.5.2.
- 2.5.4 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.
- 2.5.5 An IP Nomination submitted after 13:00 D-1 shall be treated as an IP Renomination.
- 2.5.6 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 2.5.8 to 2.5.15.
- 2.5.7 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**

- 2.5.8 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 2.5.9 to 2.5.15.
- 2.5.9 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 2.5.1.
- 2.5.10 An IP Renomination may not be submitted before 15:00 on D-1.
- 2.5.11 The latest time for submission of an IP Renomination is 02:00 on the Gas Flow Day.
- 2.5.12 An IP Renomination shall specify the information required by section 2.5.1 (with only the IP Nomination Quantity changing) and in addition shall specify:
  - (a) the previous IP Nomination or IP Renomination that it revises;
  - (b) the effective time of the IP Renomination (“**IP Renomination Effective Time**”).
- 2.5.13 The IP Renomination Effective Time shall not be:
  - (a) earlier than 2 hours after the Hour Bar by which the IP Renomination was submitted; or
  - (b) later than 04:00 on the Gas Flow Day to which it relates.
- 2.5.14 An IP Renomination may not be submitted with a Negative Implied IP Nomination Flow Rate.
- 2.5.15 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:

$$\text{Flow Rate} = Q - \left( \frac{\text{PCQ}}{24} \right) \times H$$

where;

Q = the IP Nomination Quantity stated in the IP Renomination;

H = hours elapsed in the Gas Flow Day at the IP Renomination Effective Time;  
PCQ = the prevailing Confirmed IP Nomination Quantity.

### **Submission of IP Nominations**

- 2.5.16 The provisions in sections 2.5.17 to 2.5.21 also apply to IP Renominations and references in those sections to IP Nominations include IP Renominations.
- 2.5.17 A Shipper may submit a Double-Sided IP Nomination to Premier Transmission.
- 2.5.18 In respect of Single-Sided IP Nominations:
- (a) as Matching Transporter, Premier Transmission 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.
- 2.5.19 In accordance with this section 2, for each IP Nomination there must be a corresponding Counterparty IP Nomination submitted by the Counterparty Shipper.
- 2.5.20 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, Direction and Day for each Counterparty Shipper.
- 2.5.21 Premier Transmission will acknowledge receipt of a Double-Sided IP Nomination to the submitting Shipper.

### **2.6 Matching**

- 2.6.1 The provisions in sections 2.6.2 to 2.6.14 also apply to IP Renominations and references in those sections to IP Nominations include IP Renominations.
- 2.6.2 Premier Transmission 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 2.6 and may reject, revise or amend IP Nominations in accordance with section 2.7.

### **Processed and Confirmed IP Nomination Quantities**

- 2.6.3 **“Processed IP Nomination Quantity”** means:

- (a) in respect of an IP Nomination, the quantity determined by Premier Transmission under section 2.6.10(a);
- (b) in respect of a corresponding Counterparty IP Nomination, the quantity determined by the Adjacent Transporter under the Adjacent Transporter's Rulebook.

2.6.4 **“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 2.6.10(b).

2.6.5 Once an IP Nomination has been Matched in accordance with section 2.6.10(b) the IP Nomination shall be treated as having been made for the Confirmed IP Nomination Quantity.

### **Matching Procedures and Rules**

2.6.6 In relation to an IP, Premier Transmission 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 Transportation System 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.

2.6.7 References in this Code to **“Matching”** means the application of the Matching Procedures and Rules by the Matching Transporter pursuant to section 2.6.10(b) and **“Matched”** shall be construed accordingly.

2.6.8 In respect of the IP, Premier Transmission will be the **“Matching Transporter”** and the Adjacent Transporter will be the **“Initiating Transporter”**.

2.6.9 Premier Transmission will publish the matching rules on its Website.

### **Processing and Matching Steps for IP Nominations**

2.6.10 In relation to each IP Nomination, whether submitted as a Single-Sided IP Nomination or a Double-Sided IP Nomination, Premier Transmission 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 2.7.5 to 2.7.10, sections 2.7.11 to 2.7.13 or sections 2.7.14 to 2.7.21 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.

2.6.11 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.

2.6.12 The Confirmed IP Nomination Quantity may be revised in accordance with sections 2.7.5 to 2.7.10 and sections 2.7.11 to 2.7.13.

### **IP Nominated Quantities**

2.6.13 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.

## **2.7 Rejection, Confirmation, Revision and Amendment of IP Nominations**

### **Rejection of IP Nominations and IP Renominations**

2.7.1 Premier Transmission may reject:

- (a) an IP Nomination if it does not comply with sections 2.5.1 to 2.5.7;
- (b) an IP Renomination if it does not comply with sections 2.5.8 to 2.5.15;
- (c) a Double-Sided IP Nomination if there is no corresponding Counterparty IP Nomination for Matching.

2.7.2 Where Premier Transmission rejects a Shipper’s IP Nomination it will notify the Shipper by 15:00 on D-1 and the Shipper shall be deemed to have submitted an IP Nomination of zero.

2.7.3 Where Premier Transmission rejects a Shipper’s IP Renomination:

- (a) it will notify the Shipper within 2 hours of the Hour Bar by which the IP Renomination was submitted; and
- (b) the prevailing Confirmed IP Nomination Quantity in the previously accepted IP Nomination or IP Renomination shall apply.

### **Confirmation of IP Nominations and IP Renominations**

2.7.4 Premier Transmission 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**

2.7.5 The provisions in sections 2.7.6 to 2.7.10 also apply to IP Renominations and references in those sections to IP Nominations include IP Renominations.

2.7.6 Premier Transmission may revise IP Nominations, including Confirmed IP Nomination Quantities, where necessary in certain circumstances provided for in section 6 of this Code.



- 2.7.7 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.
- 2.7.8 Where Premier Transmission revises IP Nominations the revised IP Nominated Quantity shall not imply a Negative Implied IP Nomination Flow Rate as determined in accordance with section 2.5.15.
- 2.7.9 Where Premier Transmission revises IP Nominations in accordance with section 2.7.6 and/or the Adjacent Transporter revises corresponding Counterparty IP Nominations in accordance with section 2.7.7 then:
- (a) Premier Transmission will inform a Shipper that its IP Nominations are to be revised;
  - (b) Matching (subject to section 2.7.10) shall be performed by Premier Transmission with the revised IP Nominations;
  - (c) Premier Transmission 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 6.
- 2.7.10 The matching rules to be applied pursuant to section 2.7.9(b) may vary from the matching rules published in accordance with section 2.6.9.

**Revisions to IP Nominations for Interruptible VRF IP Exit Capacity**

- 2.7.11 The provisions in sections 2.7.12 to 2.7.13 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 Premier Transmission in the following circumstances:
- (i) due to lack of availability of reverse flow capacity under the BGE (UK) Transportation Agreement; and/or
  - (ii) in an Emergency (in which case, for the avoidance of doubt, sections 2.7.5 to 2.7.10 also apply).
- 2.7.12 Where Premier Transmission 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 "**Curtailed 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 Curtailed 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 2.7.13 applies.

2.7.13 Where there is no longer a requirement for VRF IP Exit Nominations to be curtailed under section 2.7.12, Premier Transmission will notify Shippers that VRF IP Exit Nominations may once again be submitted.

**Amendment of IP Renominations by Premier Transmission**

2.7.14 In the event that BGE(UK) rejects, or Premier Transmission reasonably anticipates that BGE (UK) will reject, a request for a variation to the prevailing PTL Daily Profile under the terms of the BGE (UK) Transportation Agreement, Premier Transmission shall amend a Shipper's Eligible IP Renominations in accordance with sections 2.7.15 to 2.7.21.

2.7.15 **“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.

2.7.16 For the purposes of section 2.7.15:

- (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 Premier Transmission 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).

2.7.17 Where it is necessary to amend Eligible IP Renominations in accordance with section 2.7.14 Premier Transmission 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 Premier Transmission can submit a PTL Daily Profile to BGE (UK) which will be acceptable in accordance with the BGE (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 **“ $\Delta RNQ_s$ ”**) as follows:

$$\Delta RNQ_s = RNQ_s - PNQ_s$$

where:

“**RNQ<sub>s</sub>**” = Shippers’ IP Nomination Quantity in its Eligible IP Renomination; and

“**PNQ<sub>s</sub>**” = Shippers’ prevailing IP Nomination Quantity;

- (c) for each  $\Delta RNQ_s$ , calculate the Shipper’s “**First Tier Quantity**”/“ $\Delta RNQ_s^{tier1}$ ” and the Shipper’s “**Second Tier Quantity**”/ “ $\Delta RNQ_s^{tier2}$ ” as follows:

$$\Delta RNQ_s^{tier1} = |\Delta RNQ_s| - \Delta RNQ_s^{tier2}$$

where:

$\Delta RNQ_s^{tier2}$  is the lesser of

- (i)  $25\% \times PNQ_s$  and
- (ii)  $|\Delta RNQ_s|$

where  $|\Delta RNQ_s|$  is the absolute value of  $\Delta RNQ_s$

and;

where a Shipper has a prevailing IP Nomination Quantity of zero, for the purposes of calculating the  $\Delta RNQ_s^{tier2}$  only, the  $PNQ_s$  shall be deemed to be equal to the  $RNQ_s$ ;

- (d) calculate the “**Total First Tier Quantity**”/“**TTIQ**” which has been renominated by all Shippers as follows:

$$TTIQ = \sum \Delta RNQ_s^{tier1}$$

- (e) calculate the “**Total Second Tier Quantity**”/“**TT2Q**” which has been renominated by all Shippers as follows:

$$TT2Q = \sum \Delta RNQ_s^{tier2}$$

2.7.18 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 2.7.17(c) then Premier Transmission shall calculate each Shipper’s “**Amended IP Renomination**”/ “**ARN<sub>s</sub>**” as follows:

where  $|RAQ| \leq TTIQ$  then;

if  $\Delta RNQ_s > 0$  then

$$ARN_s = RNQ_s - \frac{(\Delta RNQ_s^{tier1} \times |RAQ|)}{TTIQ}$$

and if  $\Delta RNQ_s < 0$  then

$$ARN_s = RNQ_s + \frac{(\Delta RNQ_s^{tier1} \times |RAQ|)}{TTIQ}$$

where  $|RAQ|$  is the absolute value of  $RAQ$ .

2.7.19 Where the IP Renomination Amendment Quantity exceeds the Total First Tier Quantity, then Premier Transmission shall calculate the remaining IP Renomination Amendment Quantity which is required to be met by adjusting Shippers' Second Tier Quantities "**RAQ<sub>rem</sub>**" as follows:

where  $| \text{RAQ} | > \text{TTIQ}$

$$\text{RAQ}_{\text{rem}} = | \text{RAQ} | - \text{TTIQ}$$

and;

Premier Transmission shall calculate each Shipper's **ARN<sub>s</sub>** as follows:

if  $\Delta \text{RNQ}_s > 0$  then

$$\text{ARN}_s = \text{RNQ}_s - \frac{\Delta \text{RNQ}_s^{\text{tier1}}}{\text{TT2Q}} - \frac{(\Delta \text{RNQ}_s^{\text{tier2}} \times \text{RAQ}_{\text{rem}})}{\text{TT2Q}}$$

and if  $\Delta \text{RNQ}_s < 0$  then

$$\text{ARN}_s = \text{RNQ}_s + \frac{\Delta \text{RNQ}_s^{\text{tier1}}}{\text{TT2Q}} + \frac{(\Delta \text{RNQ}_s^{\text{tier2}} \times \text{RAQ}_{\text{rem}})}{\text{TT2Q}}$$

2.7.20 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 2.6.10 (b).

2.7.21 Where IP Renominations are not Eligible IP Renominations, the Processed IP Nomination Quantity will be as determined by Premier Transmission under section 2.6.10(a).

## 2.8 Exit Nominations - General

2.8.1 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.

2.8.2 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).

2.8.3 Under this Code, an Exit Nomination may be submitted in respect of:

- (a) Ballylumford Exit Point;
- (b) Stranraer Exit Point;
- (c) Belfast Gas Exit Point No 1;
- (d) Belfast Gas Exit Point No 2;
- (e) Belfast Gas Exit Point No 3;

and, for the avoidance of doubt, Exit Nominations in respect of Belfast Gas Exit Point No 1 include quantities of gas which may exit the NI Network at the Lisburn Exit Point.

## 2.9 Content, Timing and Submission of Exit Nominations and Exit Renominations

### Content and Timing of Exit Nominations

- 2.9.1 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).
- 2.9.2 Exit Nominations may be submitted no earlier than 30 Days before the Gas Flow Day and no later than 13:00 on D-1.
- 2.9.3 Exit Nominations will not be processed by Premier Transmission before 13:00 on D-1; and a Shipper may amend or replace an Exit Nomination already submitted before 13:00 on D-1 in accordance with section 2.9.2.
- 2.9.4 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.
- 2.9.5 An Exit Nomination submitted after 13:00 D-1 shall be treated as an Exit Renomination.
- 2.9.6 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 2.9.8 to 2.9.15.
- 2.9.7 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

- 2.9.8 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 2.9.9 to 2.9.15.
- 2.9.9 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 2.9.1.
- 2.9.10 An Exit Renomination may not be submitted before 15:00 on D-1.
- 2.9.11 The latest time for submission of an Exit Renomination is 02:00 on the Gas Flow Day.
- 2.9.12 An Exit Renomination shall specify the information required by section 2.9.1 (with only the Exit Nomination Quantity changing) and in addition shall specify:
- (a) the previous Exit Nomination or Exit Renomination that it revises;
  - (b) the effective time of the Exit Renomination ("**Exit Renomination Effective Time**").
- 2.9.13 The Exit Renomination Effective Time shall not:
- (a) be earlier than 2 hours after the Hour Bar by which the Exit Renomination was submitted; or
  - (b) be later than 04:00 on the Gas Flow Day to which it relates.

- 2.9.14 An Exit Renomination may not be submitted with a Negative Implied Exit Nomination Flow Rate.
- 2.9.15 A **“Negative Implied Exit Nomination Flow Rate”** means that in respect of an Exit Renomination the Flow Rate, calculated according to the following calculation, is negative:

$$\text{Flow Rate} = Q - \left( \frac{\text{PCQ}}{24} \right) \times H$$

where;

Q = the Exit Nomination Quantity stated in the Exit Renomination;  
H = hours elapsed in the Gas Flow Day at the Exit Renomination Effective Time;  
PCQ = the prevailing Confirmed Exit Nomination Quantity.

## 2.10 Exit Nomination Quantities and Exit Nominated Quantities

2.10.1 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 2.11.4) in each of a Shipper’s Exit Nominations or Exit Renominations prevailing at the end of the Gas Flow Day;
- (c) the **“Aggregate Exit Nominated Quantity”** is the sum of the Exit Nominated Quantities made by the Shipper for all Exit Points including exit points from the NI Network; for the avoidance of doubt the Aggregate Exit Nominated Quantity includes quantities nominated to the Downstream Transporter under the BGE(UK) Code in respect of exit points from the BGE(UK) Downstream System.

2.10.2 Subject always to section 8.2, 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 the Ballylumford Exit Point or Belfast Gas Exit Point No 3 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 the Ballylumford Exit Point or Belfast Gas Exit Point No 3 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 Premier Transmission of why such need to ramp-up arose within 24 hours of such ramp-up occurring.

## 2.11 Rejection, Confirmation and Revision of Exit Nominations and Exit Renominations

### Rejection of Exit Nominations and Exit Renominations

2.11.1 Premier Transmission may reject:

- (a) an Exit Nomination if it does not comply with sections 2.9.1 to 2.9.7;
  - (b) an Exit Renomination if it does not comply with sections 2.9.8 to 2.9.15.
- 2.11.2 Where Premier Transmission rejects a Shipper’s Exit Nomination it will notify the Shipper by 15:00 on D-1 and the Shipper shall be deemed to have submitted an Exit Nomination of zero.
- 2.11.3 Where Premier Transmission rejects a Shipper’s Exit Renomination:
- (a) it will notify the Shipper within 2 hours of the Hour Bar by which the Exit Renomination was submitted; and
  - (b) the prevailing Confirmed Exit Nomination Quantity in the previously accepted Exit Nomination or Exit Renomination shall apply.

**Confirmation of Exit Nominations and Exit Renominations**

- 2.11.4 Where:
- (a) an Exit Nomination is not rejected in accordance with section 2.11.1(a) or revised in accordance with sections 2.11.5 to 2.11.7, Premier Transmission 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 2.11.1(b) or revised in accordance with sections 2.11.5 to 2.11.7 Premier Transmission 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**

- 2.11.5 The provisions in section 2.11.6 to 2.11.7 also apply to Exit Renominations and references in those sections to Exit Nominations include Exit Renominations.
- 2.11.6 Premier Transmission may revise Exit Nominations, including Confirmed Exit Nominations, in certain circumstances provided for in section 6 of this Code.
- 2.11.7 Where Premier Transmission revises Exit Nominations in accordance with section 2.11.6 then:
- (a) Premier Transmission will inform a Shipper that its Exit Nominations are to be revised;
  - (b) Premier Transmission 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 revised Exit Nomination Quantity shall not imply a Negative Implied Exit Nomination Flow Rate as determined in accordance with section 2.9.15;
  - (d) the quantity in such revised Exit Nominations shall be the Confirmed Exit Nomination Quantity; and
  - (e) such revised Exit Nomination shall constitute a Flow Order under section 6.

## 2.12 Offtake Profile

- 2.12.1 Where necessary, Premier Transmission may request a Shipper to provide a Profile Nomination in respect of an Exit Point. Such Profile Nomination shall be in the form prescribed by Premier Transmission 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.
- 2.12.2 Whilst it is the intention that Premier Transmission shall accommodate a profiled rate of offtake where circumstances permit (whether nominated in accordance with 2.12.1 or otherwise), Premier Transmission shall have no obligation to deliver a quantity of gas other than at a Uniform Offtake Rate.

## 2.13 Trade Nominations

- 2.13.1 Where two Shippers agree to do so they may submit, in respect of any Day, partnering Trade Nominations in accordance with this section 2.13.
- 2.13.2 In this section:
- (a) a **“Trade Nomination”** is a nomination by a Shipper to Premier Transmission in respect of a quantity of gas to be transferred to another Shipper at the Trading Point;
  - (b) a **“Trade Buy Nomination”** is a Trade Nomination to acquire a quantity of gas at the Trading Point;
  - (c) a **“Trade Sell Nomination”** is a Trade Nomination to dispose of a quantity of gas at the Trading Point;
  - (d) a **“Trade Nomination Quantity”** is the quantity of gas nominated in a particular Trade Nomination;
  - (e) **“Confirmed Trade Quantity”** is the Trade Nomination Quantity in a Confirmed Trade Nomination;
  - (f) **“Confirmed Trade Nomination”** is a Trade Nomination which is not rejected pursuant to sections 2.13.10 to 2.13.12;
  - (g) a **“Trading Counterparty”** is the Shipper which is the counterparty to a Trade Nomination which must be a different entity from the Shipper submitting the Trade Nomination.
- 2.13.3 A Shipper must have a Trading Point Registration in order to submit a Trade Nomination.
- 2.13.4 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.
- 2.13.5 For the purposes of this Code, a Trade Nomination is made by a Shipper where the Shipper has submitted a Trade Nomination which has not been rejected by Premier Transmission.
- 2.13.6 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.

### **Content, Timing and Submission of Trade Nominations**

2.13.7 A Trade Nomination shall 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;
- (f) a Trade ID;

and may also specify the time from which the Trade Nomination is to be effective, subject to section 2.13.8.

2.13.8 The time from which a Trade Nomination is to be effective from under section 2.13.7 may be either 1 hour or 2 hours from the next Hour Bar after the Trade Nomination was submitted; and where a Shipper does not specify such a time under section 2.13.7 the Trade Nomination shall be deemed to be effective 1 hour from the next Hour Bar after the Trade Nomination was submitted.

2.13.9 A Trade Nomination may be submitted no earlier than 30 Days before the Gas Flow Day and no later than 02:00 on the Gas Flow Day.

### **Processing, Acceptance and Rejection of Trade Nominations**

2.13.10 Premier Transmission will normally process Trade Nominations within 30 minutes of submission but in any event will process Trade Nominations no later than 30 minutes before the time the Trade Nomination is to be effective from ("**Trade Nomination Processing Time**").

2.13.11 Trade Nominations which:

- (a) do not comply with the requirements of section 2.13.7;
- (b) do not have a partnering Trade Nomination;

shall be rejected within 30 minutes of submission.

2.13.12 Trade Nominations which are not rejected shall be deemed to be Confirmed Trade Nominations as at the end of the Trade Nomination Processing Time

### 3. ALLOCATIONS<sup>2</sup>

#### 3.1 Introduction

3.1.1 This section 3 provides for the determination of the quantities of gas treated as delivered to and offtaken from the Transportation System by each Shipper on each Day.

3.1.2 Premier Transmission shall:

- (a) allocate the IP Entry Quantity and the Exit Quantity; and
- (b) provide Trade Allocations;

to Shippers after the Gas Day in accordance with this section 3.

3.1.3 The IP Entry Quantity and the IP Measured Quantity are determined as a result of the operation of an OBA at an IP in accordance with section 9.2.1.

3.1.3 The Exit Quantity at an Exit Point is determined with reference to Measurement Equipment in accordance with sections 9.4 and 9.5.

#### 3.2 IP Allocations - General

3.2.1 In this Code:

- (e) an **“IP Allocation”** is the quantity of gas allocated to a Shipper by Premier Transmission in respect of a Gas Flow Day, in accordance with this section 3, pursuant to a Shipper’s IP Nomination;
- (f) an **“IP Entry Allocation”** is an IP Allocation made pursuant to a Shipper’s IP Entry Nomination;
- (g) a **“VRF IP Exit Allocation”** is an IP Allocation made pursuant to a Shipper’s VRF IP Exit Nomination;
- (h) an **“OBA”** is an operational balancing agreement which is in place between BGE(UK) and the Adjacent Transporter at an IP pursuant to which (except on Non OBA Days) any Steering Difference is managed operationally;
- (i) a **“Steering Difference”** is the difference between the net quantity of gas nominated by Shippers for flow at an IP and the IP Measured Quantity of gas at that IP in respect of a Day;
- (j) an **“OBA Day”** is a Day on which, under the OBA, Shippers are allocated a quantity of gas in accordance with section 3.2.3 (which does not include any part of the Steering Difference);
- (k) a **“Non-OBA Day”** is a Day on which the whole of the IP Measured Quantity at an IP is allocated amongst Shippers in accordance with section 3.2.5;

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<sup>2</sup> This is the new section 3, implemented as part of Modification 32, and which shall apply with respect to the First OBA Day and Gas Days thereafter in accordance with section T5. Allocations ‘close-out’ for BGEPI for Gas Day 30<sup>th</sup> September is M+5, i.e. 6<sup>th</sup> October 2015 and the old rules apply in respect of allocations for 30<sup>th</sup> September, up until the close-out.

- (l) 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**

- 3.2.2 When determining IP Entry Allocations on an OBA Day, Premier Transmission shall apply the Prevailing IP Entry Allocation Rule.
- 3.2.3 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.
- 3.2.4 When determining IP Entry Allocations on a Non-OBA Day, Premier Transmission shall apply the Fallback IP Entry Allocation Rule.
- 3.2.5 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 as the IP Measured Quantity plus the Aggregate VRF IP Exit Nominated Quantity 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.
- 3.2.6 For the avoidance of doubt, the application of the Fallback IP Entry Allocation Rule in respect of an IP on the NI Network does not require or imply that the Fallback IP Entry Allocation Rule should be applied at any other point on the NI Network in respect of a Gas Flow Day.
- 3.2.7 Where the Fallback IP Entry Allocation Rule is to be applied, Premier Transmission shall notify Shippers by D+5.

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

- 3.2.8 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 Premier Transmission as being equal to the IP Nominated Quantity in respect of that VRF IP Exit Nomination.
- 3.2.9 For the avoidance of doubt, section 3.2.8 applies where Premier Transmission has revised VRF IP Exit Nominations in accordance with sections 2.7.11 to 2.7.13 and whether or not the VRF IP Exit Nominations were made in respect of an OBA Day or a Non-OBA Day.

### **3.3. Initial IP Entry Allocations, Final IP Entry Allocations, Initial VRF IP Exit Allocations and Final VRF IP Exit Allocations**

- 3.3.1 Premier Transmission 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”**).
- 3.3.2 Premier Transmission 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”**).

- 3.3.3 Premier Transmission 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**”).
- 3.3.4 Premier Transmission 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**”).
- 3.3.5 For the avoidance of doubt, subject to section 3.3.7:
- (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 VRF IP Exit Allocations and Final VRF IP Exit Allocations.
- 3.3.6 A Shipper may not amend its Initial IP Entry Allocations or Initial VRF IP Exit Allocations.
- 3.3.7 Where a Shipper believes there may be an error in an IP Entry Allocation and/or a VRF IP Exit Allocation, a Shipper may query an IP Entry Allocation and/or a VRF IP Exit Allocation with Premier Transmission no later than D+4. Where Premier Transmission determines that a correction is required as a result of such query, it may amend the relevant Initial IP Entry Allocation, Initial VRF IP Exit Allocation, Final IP Entry Allocation or VRF IP Exit Allocation accordingly prior to D+5.
- 3.3.8 Final IP Entry Allocations and Final VRF IP Exit Allocations shall, subject to section 9 (*Measurement and Testing*), be binding upon a Shipper.

### 3.4 **Aggregate NI Entry Allocations**

3.4.1 In respect of a Gas Flow Day, Premier Transmission shall determine a Shippers’ Aggregate NI Entry Allocation in accordance with this section 3.4.

3.4.2 A Shippers’ “**Aggregate NI Entry Allocation**” in respect of a Gas Flow Day shall be determined as:

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

where:

$\sum \text{Final IP Entry Allocations}_D$  means the sum of a Shipper’s Final IP Entry Allocations in respect of an IP and a Shipper’s entry allocations at South North Interconnection Point determined under the BGE(UK) Code in respect of the Gas Flow Day; and

$\sum \text{Trade Buy Allocations}_D$  means the sum of a Shipper’s Trade Buy Allocations in respect of the Gas Flow Day determined in accordance with section 3.11.4(a).

3.4.3 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 3.10.2 and are not included in the determination of a Shipper’s Aggregate NI Entry Allocation.

3.4.4 Premier Transmission and the Downstream System Operator may exchange nominations information for the purposes of determining a Shipper’s Aggregate NI Entry Allocation.

3.4.5 Premier Transmission will provide a Shipper with its Aggregate NI Entry Allocation by the end of D+5.

### 3.5 Exit Allocations

3.5.1 In this Code an “**Exit Allocation**” is the quantity of gas allocated to a Shipper by Premier Transmission in respect of a Gas Flow Day and an Exit Point, in accordance with this section 3, pursuant to a Shipper’s Exit Nomination.

3.5.2 In respect of each Exit Point, Premier Transmission shall allocate the Exit Quantity 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 Exit Allocation**”).

3.5.3 Each Initial Exit Allocation shall become a final Exit Allocation, a (“**Final Exit Allocation**”):

(a) at an Exit Point other than Belfast Gas Exit Point No 1, subject to sections 3.5.5, 3.7 3.9 and 9.5, at 16:00 on D+5;

(b) at Belfast Gas Exit Point No 1, subject to sections 3.5.5, 3.7 and 9.5 at 16:00 on M+5 .

3.5.4 Final Exit Allocations shall, subject to section 9 (*Measurement and Testing*), be binding upon a Shipper.

3.5.5 An Initial Exit Allocation is subject to any adjustment which Premier Transmission reasonably determines is necessary in order to correct any error made in the application of section 3.6 of this Code.

### 3.6 Pro-rata Exit Allocations

3.6.1 Where two or more Shippers offtake gas at an Exit Point (a "**Shared Exit Point**") a Shipper’s Exit Allocation shall, subject to sections 3.7 and 3.8, be made in accordance with the formula set out below:

$$SQ_e = Q_e \times \frac{SNQ_e}{ANQ_e}$$

where:-

$SQ_e$  = a Shipper’s Exit Allocation on the Gas Flow Day at the Shared Exit Point;

$Q_e$  = the Exit Quantity on the Gas Flow Day at the Shared Exit Point;

$SNQ_e$  = the Shipper’s Exit Nominated Quantity on the Gas Flow Day at the Shared Exit Point;

$ANQ_e$  = Aggregate Exit Nominated Quantities on the Gas Flow Day at the Shared Exit Point;

provided that, for the purposes of both  $SNQ_e$  and  $ANQ_e$ , on any Day on which no Shipper has an Exit Nominated Quantity or the Aggregate Exit Nominated Quantities are zero (0), each Shipper which has an Exit Point Registration in respect of the relevant Shared Exit Point shall be deemed to have an Exit Nominated Quantity of one (1) kWh.

3.6.2 Subject to section 3.9, where there is only one Shipper which has submitted an Exit Nomination in respect of an Exit Point on that Gas Flow Day, the whole of the Exit Quantity at such Exit Point shall be allocated to that Shipper in its Initial Exit Allocation.

### 3.7 Exit Reallocations

3.7.1 A change to Initial Exit Allocations at a Shared Exit Point in respect of a Day (a “**Reallocation**”) may be requested in accordance with this section 3.7.

3.7.2 Subject to section 3.9, a Reallocation may only be requested:

- (a) at an Exit Point other than Belfast Gas Exit Point No 1;
  - (i) by all Shippers whose Exit Allocations would change as a result of any such Reallocation writing jointly to Premier Transmission; and
  - (ii) during the period between the commencement of D+1 and 16:00 hours on D+5;
- (b) at Belfast Gas Exit Point No 1;
  - (i) by Phoenix on behalf of Shippers at Belfast Gas Exit Point No 1; and
  - (ii) during the period between the commencement of D+1 and 16:00 hours on M+5;
- (c) once in respect of each Gas Flow Day unless the Exit Quantity is adjusted in accordance with section 9 (*Measurement and Testing*) in which case a further Reallocation may be requested.

3.7.3 A Reallocation shall be accepted by Premier Transmission only if:

- (a) Premier Transmission is satisfied that the aggregate quantity of gas which would be allocated to such affected Shippers in respect of D, if section 3.6.1 were applied, is equal to the total quantity of gas which the affected Shippers have requested be reallocated; and
- (b) in the case of a Reallocation of gas at Belfast Gas Exit Point No 3, Premier Transmission receives written approval from the Downstream System Operator of such Reallocation before 16:00 on D+5.

3.7.4 A Reallocation accepted in accordance with section 3.7.3 shall, subject to section 9 (*Measurement and Testing*), become a Final Exit Allocation.

3.7.5 Shippers holding an Exit Point Registration in respect of Belfast Gas Exit Point No 1 authorise Premier Transmission to accept Reallocation requests at Belfast Gas Exit Point No 1 from Phoenix in accordance with section 3.7.2(b)(i).

### 3.8 Shippers’ Allocation Arrangements at Shared Exit Points

3.8.1 Any Shippers may enter into an agreement, subject to section 3.9, providing for the basis upon which the Exit Quantity at a Shared Exit Point shall be allocated among them after any Gas Flow Day and provide a summary of such agreement (a “**Shippers’ Allocation Arrangement**”) to Premier Transmission in the Prescribed Form containing the information set out in section 3.8.3.

3.8.2 Premier Transmission shall, subject to sections 3.8.3 and 3.8.4, allocate the Exit Quantity in respect of a Shared Exit Point in accordance with the Shippers' Allocation Arrangement.

3.8.3 A Shippers' Allocation Arrangement shall:

- (a) be a summary of an agreement which has as parties to it all and only those Shippers which have an Exit Point Registration in respect of the Exit Point in relation to which the relevant Shippers wish to agree a Shippers' Allocation Arrangement;
- (b) be provided to Premier Transmission not later than twenty (20) Business Days before the Day in respect of which the relevant Shippers wish to agree an alternative allocation;
- (c) be amended not more than 3 times in any Gas Year other than to the extent necessary to comply with (a) above; and
- (d) provide for the allocation of a quantity of gas in respect of a Day equal to the Exit Quantity in respect of the Shared Exit Point by one of the following methods:
  - (i) the allocation of a stated percentage of the Exit Quantity in respect of the Shared Exit Point to each party to the agreement to which the Shippers' Allocation Arrangement relates such that 100% of the Exit Quantity is allocated;
  - (ii) the allocation of a stated quantity, firstly to one party to the agreement to which the Shippers' Allocation Arrangement relates (to the extent that the Exit Quantity in respect of the Shared Exit Point exceeds that quantity), secondly to another party to the agreement to which the Shippers' Allocation Arrangement relates (to the extent that the Exit Quantity in respect of the Shared Exit Point exceeds that quantity) and so on with all of any balance being allocated to a specified Shipper; or
  - (iii) the allocation of a quantity, firstly equal to a Shipper's Exit Nominated Quantity (to the extent that the Exit Quantity in respect of the Shared Exit Point exceeds that quantity), secondly equal to a Shipper's Exit Nominated Quantity (to the extent that the Exit Quantity in respect of the Shared Exit Point exceeds that quantity) and so on with all of any balance being allocated to a specified Shipper.

3.8.4 Subject to 3.9, if a Shippers' Allocation Arrangement relates to the allocation of gas at Belfast Gas Exit Point No 2 and/or Belfast Gas Exit Point No 3, Premier Transmission shall only allocate the Exit Quantity at Belfast Gas Exit Point No 2 and/or Belfast Gas Exit Point No 3 in accordance with the Shippers' Allocation Arrangement if Premier Transmission receives written approval from the Downstream System Operator of such Shippers' Allocation Arrangement.

### **3.9 Allocations at Belfast Gas Exit Point No 2 and Belfast Gas Exit Point No 3**

3.9.1 Notwithstanding that Premier Transmission, in accordance with section 3.5, shall make Initial Exit Allocations and Final Exit Allocations to Shippers at Belfast Gas Exit Point No 2 and, Belfast Gas Exit Point No 3, these shall be for information purposes only. For the purposes of PS Code Charges and Emergencies the Downstream System Operator shall allocate quantities of gas to Shippers exiting the PTL System at Belfast Gas Exit Point No 2 and, Belfast Gas Exit Point No 3 under the BGE(UK) Code in accordance with the NINOA.

3.9.2 In the event that the Downstream System Operator does not allocate quantities of gas to Shippers exiting the PTL System at Belfast Gas Exit Point No 2 and/or Belfast Gas Exit Point No 3, Premier Transmission shall allocate quantities of gas to such Shippers under section 3 in respect of the PTL System.

### 3.10 Aggregate NI Exit Allocations

3.10.1 In respect of a Gas Flow Day, Premier Transmission shall determine a Shipper's Aggregate NI Exit Allocation in accordance with this section 3.10.

3.10.2 A Shipper's "**Aggregate NI Exit Allocation**" in respect of a Gas Flow Day shall be determined as:

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

where:

$\sum$  Final Exit Allocations<sub>D</sub> means the sum of a Shipper's Final Exit Allocations in respect of every Exit Point and a Shipper's final exit allocations in respect of every exit point determined under the BGE(UK) Code in respect of the Gas Flow Day;

$\sum$  Final VRF IP Exit Allocations<sub>D</sub> means the sum of a Shipper's VRF IP Exit Allocations in respect of an IP and a Shipper's VRF exit allocations in respect of South North Interconnection Point determined under the BGE(UK) Code in respect of the Gas Flow Day; and

$\sum$  Trade Sell Allocations<sub>D</sub> means the sum of a Shipper's Trade Sell Allocations in respect of the Gas Flow Day determined in accordance with section 3.11.4(b).

3.10.3 Premier Transmission and the Downstream System Operator may exchange nominations information for the purposes of determining a Shipper's Aggregate NI Exit Allocation.

3.10.4 Premier Transmission will provide a Shipper with its' Aggregate NI Exit Allocation by the end of M+5.

### 3.11 Trade Allocation Rules

3.11.1 A "**Trade Allocation**" is the quantity of gas allocated to a Shipper pursuant to a Trade Nomination, and may be either a Trade Buy Allocation or a Trade Sell Allocation.

3.11.2 Premier Transmission shall provide Trade Allocations to each Shipper by D+5.

3.11.3 The quantity of gas allocated to each Shipper pursuant to a Confirmed Trade Nomination shall be determined by Premier Transmission as being equal to the Confirmed Trade Quantity.

3.11.4 Where a Shipper and its Trading Counterparty have been allocated Confirmed Trade Quantities:

(a) the Shipper which made the Trade Buy Nomination will be allocated the Confirmed Trade Quantity as a "**Trade Buy Allocation**"; and

(b) the Shipper which made the Trade Sell Nomination will be allocated the Confirmed Trade Quantity as a "**Trade Sell Allocation**".

3.11.5 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 3.4; and

(b) a Trade Sell Allocation will be included in a Shipper's Aggregate NI Exit Allocation in accordance with section 3.10.



## 4. BALANCING AND SCHEDULING CHARGES

### 4.1 Introduction and definitions

4.1.1 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 4.1.1(a)(i) or calculated under section 4.1.1(a)(ii), or if it is disputed, be such alternative price as Premier Transmission 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 4.1.1(d) or positive as defined in 4.1.1(e)) of the Shipper.

4.1.2 A Shipper shall use its reasonable endeavours to ensure that its' Imbalance position shall be zero on any Gas Flow Day D.

4.1.3 Premier Transmission and BGE (UK) shall cooperate and coordinate with each other to ensure that the NI Network is physically balanced in accordance with the NINOA. Accordingly, Premier Transmission shall perform all calculations under this section 4 on behalf of BGE (UK) and shall invoice for the associated charges in accordance with this section 4, section 5 and section 12. BGE (UK) shall, in accordance with the NINOA, provide Premier Transmission with Shippers' Downstream Load Statements (submitted to BGE (UK) under section 17 of the BGE (UK) Code) and any other information reasonably required by Premier Transmission to enable it to perform such calculations and issue such invoices.

### 4.2 Imbalance Tolerance

#### Imbalance Tolerance Percentage

4.2.1 Within 10 Business Days of providing a Downstream Load Statement in respect of an Exit Point or NI Network Exit Point in accordance with section 17.9, a Shipper shall be informed 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"**):

$$\text{ITP (as \%)} = \frac{100}{\sum C_{vm}} \times (a + b + c + d)$$

where:

$$a = \sum C_{vm} \times C_f \text{ for Un1}$$

$$b = \sum C_{vm} \times C_f \text{ for Un2;}$$

$$c = \sum C_{vm} \times C_f \text{ for Un3;}$$

$$d = \sum C_{vm} \times C_f \text{ for Un4;}$$

$\sum C_{vm}$  = 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 and NI Network 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.

<u>Exit Point Tolerance Table</u>		
(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 733,000 kWh/annum but less than 1,465,416,000 kWh/annum	10%
4	Downstream consumers whose loads are less than 733,000 kWh/annum	20%

4.2.2 Within 10 Business Days of providing a revised Downstream Load Statement in accordance with section 17.9, a Shipper shall be provided with a recalculated Imbalance Tolerance Percentage in accordance with section 4.2.1.

### Imbalance Tolerance Quantity

4.2.3 In respect of a Gas Flow Day D, a Shipper's "**Imbalance Tolerance Quantity**" or "**ITQ**" shall be determined by applying the ITP to the sum of a Shipper's Exit Allocations (excluding Trade Sell Allocations) calculated as:

$$\text{ITQ} = \text{ITP} \times (\sum \text{Final Exit Allocations}_D + \sum \text{Final VRF IP Exit Allocations}_D).$$

4.2.4 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:

$$\text{MIQ} = \text{Aggregate NI Imbalance} - \text{ITQ}.$$

### 4.3 Imbalance Charges

4.3.1 Imbalance Charges shall be calculated and made, subject to section 4.1.3, in accordance with this section 4.3.

4.3.2 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) ITQ x Daily Gas Price; plus

(b) MIQ x  $P_{\text{smps}}$ ,

where  $P_{\text{smps}}$  is the lower of:

(i) the Daily Gas Price multiplied by 0.7; or

(ii) the System Marginal Sell Price on the relevant Gas Flow Day D (as defined in the GB Uniform Network Code).

4.3.3 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) ITQ x Daily Gas Price; plus

(b) MIQ x  $P_{\text{smpb}}$

where  $P_{\text{smpb}}$  is the lower of:

(i) the Daily Gas Price multiplied by 1.5; or

(ii) the System Marginal Buy Price on the relevant Gas Flow Day D (as defined in the GB Uniform Network Code).

4.3.4 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.

4.3.5 Where a Shipper is eligible to pay a Modified Imbalance Charge in accordance with section 2.10.2(b), the Modified Imbalance Charge shall be determined in accordance with the formula set out in section 4.2.1 save that the Cf value shall be equal to 100% for the purposes of determining the Modified Imbalance Charge.

### 4.4 Scheduling Charges

4.4.1 Scheduling Charges shall be calculated and made, subject to section 4.1.3, in accordance with this section 4.4.

4.4.2 A scheduling charge (a "**Scheduling Charge**") may be payable by a Shipper in respect of each Exit Point and NI Network Exit Point (but not at VRF IP Exit Points) as set out below.

4.4.3 For each Gas Flow Day D, in respect of an Exit Point or NI Network Exit Point, a Shipper's "**Scheduling Difference**" or "**SD**" shall be determined as:

Scheduling Difference = Final Exit Allocation – Exit Nominated Quantity

4.4.4 For each Gas Flow Day D, in respect of each Exit Point and NI Network Exit Point for each Shipper a “Scheduling Tolerance Percentage” or “STP” shall be determined, expressed as a percentage, as:

$$\text{STP (as a \%)} = \frac{100}{\text{TCvm}} \times (a+b+c+d)$$

where:

a = Cvm x Cf for Un1;

b = Cvm x Cf for Un2;

c = Cvm x Cf for Un3;

d = Cvm x Cf for Un4;

Cvm = 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 or NI Network Exit Point on a Gas Flow Day D as set out in the relevant Downstream Load Statement;

TCvm = aggregate of each Cvm of each Downstream Load Category;

Un = the number identifying the Downstream Load Category listed in column (1) of the table below; and

Cf = Downstream Load Category weighting factor listed in column (3) of the table below.

Exit Point Tolerance Table

(1)	(2)	(3)
Number identifying Downstream Load Category (Un)	Downstream load category	Downstream Load Category weighting (Cf)
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 733,000 kWh/annum but less than 1,465,416,000 kWh/annum	10%
4	Downstream consumers whose loads are less than 733,000 kWh/annum	20%

4.4.5 For any Gas Flow Day D in respect of a given Exit Point or NI Network Exit Point, a Shipper’s “Scheduling Tolerance Quantity” or “STQ” shall be determined as:

$$\text{STQ} = \text{STP} \times \text{Final Exit Allocation.}$$

4.4.6 For any Gas Flow Day D, a Shipper’s Scheduling Charge in respect of a given Exit Point or NI Network Exit Point shall be determined as:

Scheduling Charge = (SD - STQ × (5% × Daily Gas Price)).

4.4.7 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 and NI Network Exit Points.

4.4.8 For the avoidance of doubt, Scheduling Charges shall not be payable by a Shipper in respect of its STQ.

#### 4.5 Unauthorised Flow Charges

4.5.1 Unauthorised Flow Charges shall, be calculated and made, subject to section 4.1.3, in accordance with this section 4.5.

4.5.2 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 or NI Network Exit Point exceeds its Exit Nominated Quantity in respect of that Exit Point or NI Network Exit Point (as it may be reduced by a Flow Order from time to time) by 3% or more Premier Transmission shall, subject to section 4.5.3, impose an unauthorised flow charge (an “**Unauthorised Flow Charge**”) 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:

$$\frac{(FPCapCt)}{365} \times 10 \times UF$$

"UF" = the amount, if any, by which the Final Exit Allocation in respect of an Exit Point or NI Network Exit Point for Shippers, in respect of any Exceptional Event and in respect of which Premier Transmission has issued a Flow Order, exceeds its Exit Nominated Quantity in respect of that Exit Point or NI Network Exit Point (as it may be reduced by a Flow Order from time to time) by 3% or more of such Exit Nominated Quantity.

FPCapCt (as defined in condition 2A.2.5.2 of Premier Transmission’s Licence for the Conveyance of Gas in Northern Ireland)

4.5.3 An Unauthorised Flow Charge may be payable by any Shipper submitting a Nomination in respect of an Exit Point or NI Network Exit Point to which a Flow Order relates whether or not the Shipper had submitted a Nomination before the relevant Flow Order was issued.

#### 4.6 Exit Point Tolerance, Imbalance Charge, Scheduling Charge and Unauthorised Flow Charge at Belfast Gas Exit Point No 2 and Belfast Gas Exit Point No 3.

4.6.1 In accordance with the NINOA, Imbalance Tolerance Percentage calculations, Imbalance Charges and Scheduling Charges applied under this section 4 at Belfast Gas Exit Point No 2 and Belfast Gas Exit Point No 3 shall be made and invoiced by Premier Transmission on behalf of BGE (UK).

4.6.2 Each of Premier Transmission and BGE (UK) shall provide the other party with the information which is necessary to enable Premier Transmission to invoice the charges set out in section 4.6.1.

4.6.3 If on any day an Exceptional Event is declared on the PTL System, Premier Transmission shall apply any Unauthorised Flow Charge under section 4.5 in relation to Shippers exiting the PTL System at Belfast Gas Exit Point No 2 and Belfast Gas Exit Point No 3 using Exit Allocations in respect of the NI Network, provided by BGE (UK) in accordance with the NINOA.

4.6.4 In the event that BGE (UK) does not provide Exit Allocations under section 4.6.3, Premier Transmission shall apply any Unauthorised Flow Charge under section 4.5 in relation to Shippers exiting the PTL System at Belfast Gas Exit Point No 2 and Belfast Gas Exit Point No 3 using Exit Allocations in respect of the PTL System.

4.6.5 For the avoidance of doubt Premier Transmission shall be entitled to assume that BGE (UK) has not provided Exit Allocations in respect of the NI Network by M+5.

## 5. BALANCING AND SHRINKAGE GAS

### 5.1 Definitions

In this Code “**Shrinkage Gas**” is gas, of any amount, which is lost or otherwise unaccounted for, from the PTL System or the Belfast Gas System or any part of the PTL System or the Belfast Gas System.

### 5.2 Balancing Gas

5.2.1 Premier Transmission may in conjunction with BGE(UK) and in accordance with the NINOA procure the purchase of or procure the disposal of gas reasonably required to achieve the physical balance of the PTL System and / or gas reasonably required to achieve the physical balance of the NI Network or any localised part thereof (“**Balancing Gas**”) including that which is considered reasonably necessary to provide gas to make up Shrinkage Gas provided however nothing herein shall prevent Premier Transmission from time to time purchasing or procuring the purchase of or disposing or procuring the disposal of such gas as may be reasonably necessary with a view to achieving a physical balance of gas in respect of the PTL System.

5.2.2 Premier Transmission shall use reasonable endeavours to procure the purchase and disposal of Balancing Gas upon the most competitive terms and conditions reasonably available.

### 5.3 NI Postalised Network Disbursement Bank Account

5.3.1 Premier Transmission 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 Postalised Network Disbursement Procedure established pursuant to the NINOA. Premier Transmission shall in respect of each Month:

- (a) pay into the NI Postalised Network Disbursement Bank Account:
  - (i) all Imbalance Charges, Scheduling Charges and Unauthorised Flow Charges paid by each Shipper pursuant to this Code;
  - (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 6;
  - (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 Premier Transmission reasonably determines should be credited thereto.
- (b) pay from the NI Postalised Network Disbursement Bank Account:
  - (i) all Imbalance Charges payable to each Shipper pursuant to this Code;
  - (ii) all monies paid for the purchase of Balancing Gas;
  - (iii) all monies to be paid as a result of the determination of a Verifying Accountant under section 6;
  - (iv) the costs and expenses of the Verifying Accountant in accordance with section 6;

- (v) all costs of administration of the NI Postalised Network Disbursement Bank Account and/or administration of the Postalised Network Disbursement Procedure;
- (vi) any interest payable in respect of the NI Postalised Network Disbursement Bank Account or in respect of amounts to be discharged therefrom;
- (vii) Disbursement Amounts payable to Shippers; and
- (viii) any other monies which Premier Transmission reasonably determines should be so debited.

5.3.2 The Disbursement Amount payable to or by each Shipper shall be calculated in accordance with section 5.6 and the Postalised Network Disbursement Procedure.

#### **5.4 Provision of information relating to Balancing Gas and Shrinkage Gas**

5.4.1 Premier Transmission 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; and
- (c) its estimate, acting as a Reasonable and Prudent Operator, of the level of Shrinkage Gas in the next Gas Year.

5.4.2 Premier Transmission shall notify each Shipper after each Month of the quantity, cost and date of each sale and purchase of Balancing Gas on the NI Network in that Month.

#### **5.5 Shipping Balancing Gas**

Notwithstanding any other provision of this Code Premier Transmission may, in respect of any Balancing Gas which Premier Transmission shall ship on the Transportation System:

- (a) enter a Nomination and/or Renomination;
- (b) be deemed to receive an Initial IP Entry Allocation, Initial Exit Allocation and a Final IP Entry Allocation and Final Exit 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 Premier Transmission were a Shipper, but solely for such purposes provided that Premier Transmission will not be liable for PS Transmission Amounts or PS Code Charges for gas nominated pursuant to this section 5.5.

#### **5.6 Calculation of Disbursement Amounts**

5.6.1 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 disposal of Balancing Gas in accordance with section 5.2;

5.6.2 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)  $\text{net } \sum \text{Imbalance Charges} \times \text{Disbursement Ratio}_{\text{Shipper}}$

(b)  $\sum \text{Scheduling Charges} \times \text{Disbursement Ratio}_{\text{Shipper}}$

(c)  $\sum \text{Unauthorised Flow Charges} \times \text{Disbursement Ratio}_{\text{Shipper}}$

(d)  $\text{net } \sum \text{Balancing Gas Costs} \times \text{Disbursement Ratio}_{\text{Shipper}}$

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.

## 6. EXCEPTIONAL EVENTS AND EMERGENCIES

### 6.1 Introduction and Definitions

6.1.1 This section 6 relates to the declaration of Exceptional Events in respect of the Transportation System and Emergencies.

6.1.2 In this Code:

- (a) **“Flow Order”** means an order issued by Premier Transmission to Shippers in relation to an Exceptional Event instructing those Shippers in accordance with this section 6, or an order modifying such an earlier order;
- (b) **“Exceptional Event”** means any unplanned event that may cause, for a limited period, capacity reductions affecting the quantity or quality of gas at an Interconnection Point, including but not limited to a D-I Predicted Capacity Shortfall, a Day D Capacity Shortfall and where section 2.7.14 applies; and
- (c) **“System Capability”** means the capability of the Transportation System to receive and/or deliver gas as determined by Premier Transmission in respect of any given Gas Flow Day or Days.

6.1.3 Any instruction made under this section 6 by Premier Transmission in terms of Exceptional Events and Emergencies shall be copied to BGE (UK). Upon receipt of any note from BGE (UK) in relation to an Exceptional Event or Emergency issued under the BGE (UK) Code, Premier Transmission may at its own discretion issue an Exceptional Event or Emergency instruction under section 6 of this Code.

### **Declaration of a D-I Predicted Capacity Shortfall or Day D Capacity Shortfall**

6.1.4 Where Premier Transmission determines that there is a D-I Predicted Capacity Shortfall in accordance with section 6.2.1 or a Day D Capacity Shortfall in accordance with section 6.3.1. Premier Transmission shall declare a D-I Predicted Capacity Shortfall or a Day D Capacity Shortfall (a **“Shortfall Declaration”**) to:

- (a) each Shipper;
- (b) each Distribution Network Operator; and
- (c) SONI.

6.1.5 A Shortfall Declaration shall specify:

- (a) whether it refers to a Day D Capacity Shortfall or a D-I Predicted Capacity Shortfall and the Gas Flow Day to which it refers;
- (b) confirmation of the date and time of issuing;
- (c) the IP Entry Point and/or Exit Points affected or likely to be affected;
- (d) where it is known, the expected time of the end of the Day D Capacity Shortfall or D-I Predicted Capacity Shortfall; and

- (e) such information concerning the reason for the Shortfall Declaration as Premier Transmission considers appropriate.

6.1.6 A Shortfall Declaration issued in accordance with section 6.1.4 is for information purposes only and does not constitute a Flow Order.

## 6.2 D-I Predicted Capacity Shortfall

6.2.1 If at any time on D-I Premier Transmission predicts, as a Reasonable and Prudent Operator, that in respect of any point on the Transportation System or on the Transportation System as a whole:

- (a) the Total Shipper Exit Nominated Quantity and/or the Aggregate IP Entry Nominated Quantity (whether or not confirmed by Premier Transmission) will exceed the System Capability for Day D; and/or
- (b) the aggregate of all Profile Nominations submitted on D-I in respect of any hour on Day D will exceed the System Capability available in respect of that hour,

(a “**D-I Predicted Capacity Shortfall**”) the provisions of this section 6.2 shall apply and Premier Transmission shall issue a Shortfall Declaration in accordance with section 6.1.

6.2.2 If there is a D-I Predicted Capacity Shortfall and Premier Transmission believes that the submission of revised Exit Nominations and/or Profile Nominations in respect of the Ballylumford Exit Point and/or Belfast Gas Exit Point No 3 (“**Revised Power Station Nominations**”) may avert the D-I Predicted Capacity Shortfall, Premier Transmission shall promptly inform SONI of:

- (a) the reduction in capacity utilised on the PTL System which it believes will, if achieved through Revised Power Station Nominations avert the D-I Predicted Capacity Shortfall, and the time by which it believes that such Revised Power Station Nominations will have to be submitted in order that Premier Transmission will not have to issue a Flow Order to avert the D-I Predicted Capacity Shortfall; and
- (b) whether Premier Transmission believes that the D-I Predicted Capacity Shortfall has arisen as a result of:
  - (i) the pressure at the entry to the PTL System falling below 64 bar;
  - (ii) there being an operational constraint in respect of the PTL System; or
  - (iii) the Exit Nominations and Exit Renominations and/or the Profile Nominations in respect of a Day exceeding the System Capability on that Day or in any hour on that Day where there is no significant operational constraint in respect of the PTL System.

6.2.3 If, after the time by which Premier Transmission requested Revised Power Station Nominations, Premier Transmission has not received any such Revised Power Station Nominations and there remains a D-I Predicted Capacity Shortfall, Premier Transmission shall by issuing a Flow Order:

- (a) require that Shippers submit no further Exit Nominations or Exit Renominations (other than any Exit Renominations of a reduced Nominated Quantity, which may continue to be made) on D-I or on Day D for any Exit Points identified in such Flow Order; and

(b) subject to section 6.2.4, reduce those Exit Nominations or Exit Renominations which have been submitted (whether or not confirmed by Premier Transmission) on D-I up until the time by which Premier Transmission required that no further Exit Nominations or Exit Renominations or Profile Nominations be submitted in accordance with section 6.2.3(a) above, to an extent which Premier Transmission believes will avert the D-I Predicted Capacity Shortfall in the following order:

- (i) on the first occasion on which Premier Transmission declares any Day D-I Predicted Capacity Shortfall, apply (x) below;
- (ii) on the second such occasion, apply (y) below;
- (iii) on the third such occasion, apply (x) below;
- (iv) on the fourth such occasion apply (y) below;

and so on in rotation, where (x) and (y) shall be as follows:

- (x) each Exit Nomination in respect of Belfast Gas Exit Point No 3 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 Premier Transmission believes will avert the D-I Predicted Capacity Shortfall;
- (y) 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 Premier Transmission believes will avert the D-I Predicted Capacity Shortfall;

(c) if Premier Transmission believes that the submission of revised Exit Nominations in respect of Belfast Gas Exit Point No 1, Belfast Gas Exit Point No 2 or Stranraer Exit Point (“**Distribution Nominations**”) and/or revised Profile Nominations in respect of Belfast Gas Exit Point No 1, Belfast Gas Exit Point No 2 or Stranraer Exit Point (“**Distribution Profile Nominations**”) may avert the D-I Predicted Capacity Shortfall, Premier Transmission shall promptly inform Phoenix, the Downstream System Operator and the Stranraer Distribution System Operator of:

- (i) the reduction in capacity utilised on the PTL System which it believes will, if achieved through revisions of such Distribution Nominations or Distribution Profile Nominations (“**Revised Distribution Nominations**”) avert the D-I Predicted Capacity Shortfall, and the time by which it believes that such Revised Distribution Nominations will have to be submitted in order that Premier Transmission will not have to issue a Flow Order to avert the D-I Predicted Capacity Shortfall; and
- (ii) whether Premier Transmission believes that the D-I Predicted Capacity Shortfall has arisen as a result of:
  - (aa) the pressure at the entry to the PTL System falling below 64 bar;

- (bb) there being an operational constraint in respect of the PTL System; or
  - (cc) the Exit Nominations and Exit Renominations and/or Profile Nominations in respect of a Day exceeding the System Capability on that Day or in any hour on that Day where there is no significant operational constraint in respect of the PTL System;
- (d) if, after the time by which Premier Transmission requested Revised Distribution Nominations, Premier Transmission has not received any such Revised Distribution Nominations and there remains a D-I Predicted Capacity Shortfall, Premier Transmission shall by issuing a Flow Order:
- (i) require that no further Exit Nominations in respect of Belfast Gas Exit Point No 1, Belfast Gas Exit Point No 2 and Stranraer Exit Point are submitted (other than any Exit Renominations of a reduced Nominated Quantity, which may continue to be made) on D-I or on Day D for any Exit Points identified in such Flow Order; and
  - (ii) subject to section 6.2.4, reduce those Exit Nominations or Exit Renominations which have been submitted (whether or not confirmed by Premier Transmission) on D-I up until the time by which Premier Transmission required that no further Exit Nominations or Exit Renominations or Profile Nominations be submitted in accordance with section 6.2.3(a) and section 6.2.3(d)(i) above to an extent which Premier Transmission believes will avert the D-I Predicted Capacity Shortfall as per the following:
    - (aa) each Exit Nomination in respect of Stranraer Exit Point, Belfast Gas Exit Point No 1, and Belfast Gas Exit Point No 2 shall be reduced pro rata to all such Exit Nominations; and/or
    - (bb) each Profile Nomination in respect of Stranraer Exit Point, Belfast Gas Exit Point No 1 and Belfast Gas Exit Point No 2 shall be reduced pro rata to all such Profile Nominations,

to the extent which Premier Transmission believes will avert the D-I Predicted Capacity Shortfall.
- (e) PTL shall communicate any Flow Order issued in accordance with section 6.2.3(b) to Phoenix, the Downstream System Operator and the Stranraer Distribution System Operator for information purposes only.

6.2.4 Exit Nominations and/or Exit Renominations shall not be reduced in accordance with sections 6.2.3(b) and 6.2.3(d)(ii) by an amount exceeding the amount by which such Exit Nominations and/or Exit Renominations exceed the System Capability for Day D. Where an Exit Nomination and/or Exit Renomination and/or a Profile Nomination is reduced in accordance with section 6.2.3(b) and 6.2.3(d)(ii) it shall not give rise to a Negative Implied Exit Nomination Flow Rate.

6.2.5 Notwithstanding any other provision of this section 6.2, if there is a D-I Predicted Capacity Shortfall Premier Transmission:

- (a) shall be entitled to take the steps set out in section 6.2.3 at any time it considers appropriate and whether or not it shall have received Revised Power Station Nominations; and
- (b) shall not be required to notify SONI in accordance with section 6.2.2(a) if, in Premier Transmission's reasonable opinion, there is insufficient time for Revised Power Station

Nominations to be submitted before Premier Transmission would have to issue a Flow Order to avert the D-I Predicted Capacity Shortfall.

### **6.3 Day D Capacity Shortfall**

6.3.1 If at any time on Day D:

- (a) the:
  - (i) Total Shipper Exit Nominated Quantity and/or the Aggregate IP Entry Nominated Quantity (whether or not confirmed by Premier Transmission) exceed the System Capability for Day D; and/or
  - (ii) aggregate of all Profile Nominations submitted on Day D in respect of any hour on Day D exceed that part of the System Capability available in respect of that hour; or
- (b) Premier Transmission predicts, as a Reasonable and Prudent Operator, that this will occur,

(a “**Day D Capacity Shortfall**”) the provisions of this section 6.3 shall apply.

6.3.2 If there is a Day D Capacity Shortfall and Premier Transmission believes that the submission of Revised Power Station Nominations may avert the Day D Capacity Shortfall, Premier Transmission shall promptly inform SONI of:

- (a) the reduction in capacity utilised on the PTL System which it believes will, if achieved through Revised Power Station Nominations avert the Day D Capacity Shortfall, and the time by which it believes that such Revised Power Station Nominations will have to be submitted in order that Premier Transmission will not have to issue a Flow Order to avert the Day D Capacity Shortfall; and
- (b) whether Premier Transmission believes that the Day D Capacity Shortfall has arisen as a result of:
  - (i) the pressure at the entry to the PTL System falling below 64 bar;
  - (ii) there being an operational constraint in respect of the PTL System; or
  - (iii) the Exit Nominations or Exit Renominations and/or Profile Nominations in respect of a Day exceeding the System Capability on that Day or in any hour on that Day where there is no significant operational constraint in respect of the PTL System.

6.3.3 If, after the period by which Premier Transmission requested Revised Power Station Nominations, Premier Transmission does not receive any such Revised Power Station Nominations and there remains a Day D Capacity Shortfall, Premier Transmission shall by issuing a Flow Order:

- (a) require that Shippers submit no further Exit Nominations or Exit Renominations (other than any Exit Renominations of a reduced Nominated Quantity, which may continue to be made) on Day D for any Exit Points identified in such Flow Order; and
- (b) subject to section 6.3.4, reduce those Exit Nominations or Exit Renominations which have been submitted (whether or not confirmed by Premier Transmission) on Day D up until the time by which Premier Transmission required that no further Exit Nominations or Exit Renominations

or Profile Nominations be submitted in accordance with (a) above, to an extent which Premier Transmission believes will avert the Day D Capacity Shortfall in the following order:

- (i) shall, on the first occasion on which Premier Transmission declares a Day D Capacity Shortfall, apply (x) below;
- (ii) shall, on the second such occasion, apply (y) below;
- (iii) shall, on the third such occasion, apply (x) below;
- (iv) shall on the fourth such occasion apply (y) below;

and so on in rotation, where (x) and (y) shall be as follows:

- (x) each Exit Nomination in respect of Belfast Gas Exit Point No 3 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 Premier Transmission believes will avert the Day D Capacity Shortfall;
- (y) each 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 Premier Transmission believes will avert the Day D Capacity Shortfall;
- (c) shall, on the second occasion, apply whichever of (x) or (y) which was not applied in accordance with (ii) above; and
- (d) If Premier Transmission believes that the submission of Revised Distribution Nominations may avert the Day D Capacity Shortfall, Premier Transmission shall promptly inform Phoenix, the Downstream System Operator and the Stranraer Distribution System Operator of:
  - (i) the reduction in capacity utilised on the PTL System which it believes will, if achieved through Revised Distribution Nominations avert the Day D Capacity Shortfall, and the time by which it believes that such Revised Distribution Nominations will have to be submitted in order that Premier Transmission will not have to issue a Flow Order to avert the Day D Capacity Shortfall; and
  - (ii) whether Premier Transmission believes that the Day D Capacity Shortfall has arisen as a result of:
    - (aa) the pressure at the entry to the PTL System falling below 64 bar;
    - (bb) there being an operational constraint in respect of the PTL System; or
    - (cc) the Exit Nominations and Exit Renominations and/or Profile Nominations in respect of a Day exceeding the System Capability on that Day or in any hour on that Day where there is no significant operational constraint in respect of the PTL System.

- (e) if, after the time by which Premier Transmission requested Revised Distribution Nominations, Premier Transmission has not received any such Revised Distribution Nominations and there remains a Day D Capacity Shortfall Premier Transmission shall by issuing a Flow Order:
  - (i) require that no further Exit Nominations in respect of Belfast Gas Exit Point No 1, Belfast Gas Exit Point No 2 and Stranraer Exit Point are submitted (other than any Exit Renominations of a reduced Nominated Quantity, which may continue to be made) on Day D for any Exit Points identified in such Flow Order; and
  - (ii) subject to section 6.3.4, reduce those Exit Nominations or Exit Renominations which have been submitted (whether or not confirmed by Premier Transmission) up until the time by which Premier Transmission required that no further Exit Nominations or Exit Renominations or Profile Nominations be submitted in accordance with (a) above, to an extent which Premier Transmission believes will avert the Day D Capacity Shortfall as per the following:
    - (aa) each Exit Nomination in respect of Stranraer Exit Point, Belfast Gas Exit Point No 1, and Belfast Gas Exit Point No 2 shall be reduced pro rata to all such Exit Nominations; and/or
    - (bb) each Profile Nomination in respect of the Stranraer Exit Point, Belfast Gas Exit Point No 1 and Belfast Gas Exit Point No 2 shall be reduced pro rata to all such Profile Nominations;

to the extent which Premier Transmission believes will avert the Day D Capacity Shortfall and that there remains a Day D Capacity Shortfall after applying (iii) above.
- (f) PTL shall communicate any Flow Order issued in accordance with sections 6.3.3(b) to Phoenix, the Downstream System Operator and the Stranraer Distribution System Operator for information purposes only.

6.3.4 Exit Nominations or Exit Renominations shall not be reduced in accordance with section 6.3.3(b) or section 6.3.3(e)(ii) by an amount exceeding the amount by which such Exit Nominations or Exit Renominations exceed the System Capability for Day D. Where an Exit Nomination and/or Exit Renomination and/or Profile Nomination is reduced in accordance with section 6.3.3(b) or section 6.3.3(e)(ii) it shall not give rise to a Negative Implied Exit Nomination Flow Rate.

6.3.5 Notwithstanding any other provision of this section 6.3 if there is a Day D Capacity Shortfall Premier Transmission:

- (a) shall be entitled to take the steps set out in section 6.3.3 at any time it considers appropriate and whether or not it shall have received Revised Power Station Nominations; and
- (b) shall not be required to notify SONI in accordance with section 6.3.2(a) if, in Premier Transmission's reasonable opinion, there is insufficient time for Revised Power Station Nominations to be submitted before Premier Transmission would have to issue a Flow Order to avert the Day D Predicted Capacity Shortfall.

## 6.4 Flow Orders – General

6.4.1 Following a Shortfall Declaration, it may be necessary for Premier Transmission to enforce reductions in Nominations by issuing a Flow Order to all affected Shippers informing such Shippers of the application



of sections 6.2, 6.3 or 6.4A (as appropriate) which 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.

6.4.2 A Flow Order in respect of an Exit Point may be issued, in accordance with section 6.2.3 or 6.3.3, and/or in respect of an IP Entry Point in accordance with section 6.4A.1, as a result of the System Capability being affected by, *inter alia*, the occurrence of an Emergency, the occurrence of a Maintenance Day or the occurrence of an event of Force Majeure.

6.4.3 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.

6.4.4 Where Premier Transmission reasonably believes:

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

Premier Transmission 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 Transportation System at the Exit Point by the Shipper. Premier Transmission, 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 6.4.4.

6.4.5 The steps referred to in section 6.4.4 include the isolation of the relevant Exit Point but, without prejudice to any other provision of this Code, Premier Transmission 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 Premier Transmission shall explain to any affected Shipper why the Exit Point was isolated.

6.4.6 Premier Transmission shall, where the necessity for a Flow Order at an Exit 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; 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.

6.4.7 An Unauthorised Flow Charge may be payable by any Shipper submitting a Nomination in respect of an Exit Nominated Quantity at an Exit Point to which a Flow Order relates in accordance with Section 4.5.

6.4.8 The issuing of a Flow Order in respect of an 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 4.

#### **6.4A Flow Orders for IP Entry Points**

6.4A.1 Where Premier Transmission reasonably believes that the submission of revised IP Entry Nominations may avert a D-I Predicted Capacity Shortfall or a Day D Capacity Shortfall or any other Exceptional Event, it may, by issuing a Flow Order:

- (a) require that Shippers submit no further IP Entry Nominations or IP Entry Renominations (except those of a reduced IP Nomination Quantity which may continue to be made); and
- (b) in accordance with sections 2.7.5 to 2.7.10 reduce (pro rata) those IP Entry Nominations or IP Entry Renominations which have been submitted (whether or not confirmed by Premier Transmission) to an extent which Premier Transmission believes will avert the Day D Capacity Shortfall or D-I Predicted Capacity Shortfall.

#### **6.5 Emergencies**

6.5.1 The existence of an Emergency under this Code shall be determined by Premier Transmission, acting as a Reasonable and Prudent Operator, irrespective of the cause of the Emergency, or whether Premier Transmission or any other person may have caused, or contributed to the Emergency.

6.5.1A Where Premier Transmission determines that an Emergency exists, it shall declare an Emergency in co-operation with the Northern Ireland Network Emergency Co-ordinator.

6.5.2 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 Premier Transmission:
  - (i) the safety of the Transportation System is significantly at risk;
  - (ii) the safe conveyance of gas by the Transportation System is significantly at risk;
  - (iii) gas conveyed by the Transportation System 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 Premier Transmission's ability to maintain safe pressures within the Transportation System is affected or threatened by an interruption or disruption to the Transportation System, an insufficiency of deliveries of gas to the Transportation System, or by any actual or potential failure of or damage to any part of the Transportation System; or
  - (v) in any other circumstances reasonably believed by Premier Transmission to constitute an Emergency (which, for the avoidance of doubt, includes circumstances upstream of the Moffat Entry Point); and
- (c) shall exist:
  - (i) where Premier Transmission declares an Emergency in co-operation with the Northern Ireland Network Emergency Coordinator;

- (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 6.2.3 or 6.3.3.

6.5.3 An Emergency shall continue until such time as Premier Transmission determines that the circumstances referred to in this section 6.5 no longer apply, that no further Emergency Steps are required, and that normal operation of the Transportation System and implementation of this Code may be resumed.

## 6.6 Emergency Steps

6.6.1 Premier Transmission may take or require that a Shipper takes such steps ("**Emergency Steps**") as Premier Transmission 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 Transportation System including making available additional gas at the Moffat Entry Point; and/or
- (d) taking into account any steps that the Northern Ireland Network Emergency Coordinator may request Premier Transmission to take.

6.6.1A Where an Emergency has been declared, any requests which Premier Transmission makes of Shippers as regards Emergency Steps shall be treated as being made on behalf of the Northern Ireland Network Emergency Co-ordinator.

6.6.2 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 Premier Transmission.

6.6.3 During an Emergency each Shipper shall:

- (a) co-operate with Premier Transmission, 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 Premier Transmission to take Emergency Steps and in so doing comply with Premier Transmission's instructions and requests as soon as reasonably practicable; and
- (b) to the extent within its power, comply with Premier Transmission's instructions and requests to take Emergency Steps as soon as reasonably practicable.

6.6.4 Premier Transmission and each Shipper acknowledges that in an Emergency their interests shall be subordinated to the need to take Emergency Steps.

6.6.5 Subject to section 12.1.4, no Emergency Step taken by Premier Transmission, or at the request of Premier Transmission, by any Shipper, shall be a breach of any provision of this Code, and in particular Premier Transmission shall not be in breach of its obligation to accept gas tendered for delivery to the Transportation System at the Moffat 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.

6.6.6 Premier Transmission may on notice to Shippers amend or cancel any Emergency Step.

## **6.7 Emergency Contacts**

6.7.1 Each Shipper shall provide to Premier Transmission:

- (a) a single telephone and facsimile number at which Premier Transmission may contact, 24 hours a Day and on each Day of a Gas Year, in an Emergency for any purpose pursuant to this section 6:
  - (i) a representative of the Shipper; and
  - (ii) a representative of any End User at an Exit Point (other than Belfast Gas Exit Point No I and Stranraer 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.

6.7.2 The details required under section 6.7.1 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 Premier Transmission of any change in such details promptly and, where possible, in advance of such change.

6.7.3 Each representative referred to in section 6.7.1(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 Premier Transmission in the event of an Emergency.

6.7.4 If a Shipper does not provide such details, or cannot be contacted when required at the contact point referred to in section 6.7.1, Premier Transmission 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 6, discontinue the offtake by such Shipper of Gas. In such circumstances, Premier Transmission shall not be liable for and the Shipper shall indemnify Premier Transmission in respect of, any costs incurred in connection with such discontinued offtake of gas.

## **6.8 Premier Transmission to inform Shippers of Emergency**

Where an Emergency arises, Premier Transmission shall, as quickly as is reasonably practical, inform the Shippers which have an Exit Point Registration in respect of an affected Exit Point or an IP Registration in respect of an affected IP of the commencement and, so far as practicable, the nature, extent and expected duration of the Emergency. Premier Transmission 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 Premier Transmission considers the Emergency is no longer continuing.

## **6.9 Entry Control in an Emergency**

In an Emergency Premier Transmission may take steps to increase or decrease the delivery and/or rate of flow of gas to the Moffat Entry Point by issuing appropriate instructions to the Shippers including in accordance with section 6.4A.1, who in turn shall nominate to their Counterparty Shippers as necessary and/or as requested by Premier Transmission to the extent practical but at all times using their reasonable endeavours.

## **6.10 Exit Control in an Emergency**

- 6.10.1 Where Emergency Steps include the reduction or discontinuance of the offtake of gas at an Exit Point, Premier Transmission shall first seek voluntary reductions by Shippers and, if Premier Transmission cannot achieve the requisite reduction voluntarily, it shall endeavour to reduce offtake from the Transportation System, in so far as is practicable, in the following order (the “**Priority Order**”), to the extent that the relevant Downstream Load Statement confirms 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.
- 6.10.2 Premier Transmission shall endeavour, in so far as it is practicable, to treat each Exit Point equally within each Downstream Load Category.
- 6.10.3 In so reducing offtake, Premier Transmission 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).
- 6.10.4 Where, pursuant to the Emergency, Premier Transmission instructs a Shipper to give any notification or communication to an End User or supplier, the Shipper shall comply with that instruction.
- 6.10.5 Without prejudice to Premier Transmission's ability to take any Emergency Steps, Premier Transmission may take steps physically to isolate any Exit Point where a Shipper does not comply with any instruction given under this section 6.
- 6.10.6 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.

## **6.11 Consequences of Emergency**

- 6.11.1 Premier Transmission shall take steps to restore gas transportation and normal operation of the Transportation System as soon as reasonably practicable after an Emergency.
- 6.11.2 Notwithstanding sections 4.4 and 4.5 respectively, Premier Transmission 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 6.6.6) with which it is required to comply in respect of the duration of the Emergency.
- 6.11.3 If a Shipper's compliance with any Emergency Step shall give rise to:
- (a) a Positive Imbalance Premier Transmission shall, notwithstanding section 4.3.2, pay to the Shipper; or

- (b) a Negative Imbalance Premier Transmission shall, notwithstanding section 4.3.3, 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.

6.11.4 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 6.11.3(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,

Premier Transmission 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 Premier Transmission of its findings (a "**Verifying Accountant**").

6.11.5 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.

6.11.6 The costs and expenses of the Verifying Accountant shall be paid by Premier Transmission from the NI Postalised Network Disbursement Bank Account.

6.11.7 If the Verifying Accountant determines that the Shortfall in Price is:

- (a) more than £2,000, Premier Transmission 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 Premier Transmission to purchase Balancing Gas in accordance with section 5.3.1(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.

6.11.8 Premier Transmission 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 15 (*Force Majeure*).

6.11.9 A Shipper agrees and acknowledges that all gas used or lost in connection with an Emergency, (including any Emergency on the BGE(UK) Upstream System), shall be treated as Shrinkage Gas.

## **6.12 Audit following an Emergency**

- 6.12.1 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.
- 6.12.2 A copy of such experts report shall be provided to the Authority and the Shippers with Exit Point Registrations and IP Registrations in respect of any Exit Point or IP in relation to which the Emergency occurred with, in the case of such Shippers, any parts of the report that Premier Transmission determines, in consultation with the Authority, is confidential withheld.
- 6.12.3 The cost of such audit and effecting such remedial measures shall be treated as an Eligible Pass-Through Cost in accordance with the Licence.

## **6.13 Emergency procedures**

A Shipper shall co-operate with Premier Transmission in relation to the testing of Premier Transmission's emergency procedures provided that this shall not extend to a Shipper taking Emergency Steps

## 7. ENTRY REQUIREMENTS

### 7.1 Introduction

- 7.1.1 This section 7 sets out the terms upon which gas shall be delivered to the Transportation System at the Moffat Entry Point.
- 7.1.2 Nothing in this Code confers on any person any entitlement to have any premises, pipeline, plant or other installation connected to the Transportation System for the purposes of delivering gas.

### 7.2 Delivery at Moffat

- 7.2.1 All gas delivered or tendered for delivery to the Transportation System at the Moffat 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 Transportation System irrespective of any act or omission of Premier Transmission or any other person, including BGE (UK).
- 7.2.2 If on a Day more than one Shipper delivers gas or tenders gas for delivery to the Transportation System at the Moffat Entry Point each Shipper delivering gas or tendering gas for delivery to the Transportation System 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.

### 7.3 Gas Specification on entry

- 7.3.1 A Shipper shall deliver or tender for delivery gas at the Moffat Entry Point which shall comply with the gas specification set out in appendix 2 (the "**Gas Specification**").
- 7.3.2 If gas is delivered or tendered for delivery at the Moffat Entry Point which does not comply with the Gas Specification ("**Non-Compliant Gas**") Premier Transmission 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 Coordinator, accept delivery of all or part of such Non-Compliant Gas.
- 7.3.3 Premier Transmission's rights under section 7.3.4 shall not be prejudiced if it accepts the delivery of gas which it is aware is Non-Compliant Gas.
- 7.3.4 Where, on any Day, Non-Compliant Gas is delivered to the Transportation System each Shipper to which gas is Allocated at the Moffat Entry Point shall pay to Premier Transmission the proportion that the quantity of gas Allocated to it at the Moffat Entry Point on the Day bears to the aggregate quantity of gas Allocated to all Shippers at the Moffat Entry Point on the Day of the amount set out in section 7.3.5. If gas is only Allocated to one Shipper at the Moffat Entry Point on a Day it shall bear all of this amount. For the avoidance of doubt, the reference in this section to each Shipper to which gas is Allocated at the Moffat Entry point shall include Shippers exiting the PTL System at Belfast Gas Exit Point 2 and Belfast Gas Exit Point 3.



7.3.5 The amount referred to above shall, subject to section 7.3.6, be all costs and expenses reasonably incurred by Premier Transmission as a result of the delivery of Non-Compliant Gas, including those incurred:

- (a) in cleaning any part of its Transportation System or rectifying any other damage to it caused by the acceptance of Non-Compliant Gas;
- (b) in taking reasonable measures to secure that the Transportation System 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.

7.3.6 The amount in section 7.3.5 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 Moffat 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 an Eligible Pass-Through Cost in accordance with the Licence.

7.3.7 When Premier Transmission first becomes aware that Non-Compliant Gas is being, or has been, delivered to the Transportation System at the Moffat Entry Point on any Day, Premier Transmission shall as soon as reasonably practicable notify the Shippers specifying:

- (a) the Day or Days on which Non-Compliant Gas was delivered to the Transportation System;
- (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 7.3.5 and the person to whom and purposes for which, they were incurred; and
- (d) the total quantity of Non-Compliant Gas.

7.3.8 No failure by Premier Transmission so to notify any Shipper shall affect Premier Transmission's rights under this section 7.3.

#### **7.4 Title and risk at entry**

7.4.1 Title and risk in gas delivered to the Transportation System at the Moffat Entry Point by or on behalf of a Shipper shall transfer to Premier Transmission at the Moffat Entry Point.

7.4.2 A Shipper warrants to Premier Transmission:

- (a) that it shall have title to all gas which it delivers or tenders for delivery to the Transportation System at the Moffat Entry Point; and
- (b) that all such gas at the Moffat 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 Transportation System.

- 7.4.3 A Shipper shall indemnify Premier Transmission and hold it harmless against any loss, liability, damage, claim, action, proceeding, cost and expense suffered or incurred by or made or brought against Premier Transmission in consequence of any breach of either of the warranties in section 7.4.2.
- 7.4.4 The warranty in section 7.4.2 (a) shall be treated as satisfied where the Shipper has arranged for delivery or tender for delivery of gas to the Transportation System by a person or persons who has or jointly have title at the Moffat Entry Point to such gas.

## 8. EXIT REQUIREMENTS

### 8.1 Introduction and Definitions

- 8.1.1 This section 8 sets out the terms upon which a Shipper shall be entitled to offtake gas from the Transportation System at an Exit Point.
- 8.1.2 Nothing in this Code confers on any person any entitlement to have any premises, pipeline, plant or other installation connected to the Transportation System for the purposes of offtaking gas.
- 8.1.3 In this Code an "**Exit Point**" is a Connected System exit point or a point at which gas is offtaken by Shippers from the Transportation System for the purpose of supplying gas to premises and shall be as described in part II of appendix 3.
- 8.1.4 In this Code "**Moffat VRF IP Exit Point**" (or as the context requires, a "**VRF IP Exit Point**"), is a notional point on the PTL System at which gas may be deemed to be offtaken from the Transportation System and deemed to be delivered to the NTS. Other than where specified, references in this Code to an Exit Point shall not include references to the Moffat VRF IP Exit Point.
- 8.1.5 Shippers acknowledge that, as no physical flows of gas out of the Transportation System are permitted at the Moffat VRF IP Exit Point, gas offtake conditions as set out the remainder of this section 8 are not required and do not apply in relation to that point.

### 8.2 Ramp rates and Off-take Rates

- 8.2.1 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 3; or
  - (b) exceed the Maximum Offtake Rate in respect of any Exit Point as set out in part I of appendix 3.
- 8.2.2. If a Shipper does so:
- (a) offtake at a rate which exceeds such ramp rate; or
  - (b) exceed such Maximum Offtake Rate

Premier Transmission may take any steps available to it to secure a reduction in the rate of the offtake of gas from the Transportation System at the Exit Point by the Shipper or discontinue it.

- 8.2.3 Premier Transmission 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 8.2.2.

### 8.3 Offtake pressure

- 8.3.1 Premier Transmission shall, subject to section 8.3.10 and 8.3.12, make gas available for offtake from the Transportation System at the Ballylumford Exit Point, Belfast Gas Exit Point Nos 1, 2 and 3 and

the Stranraer Exit Point to a Shipper at a pressure of no less than that set out in part I of appendix 3 in respect of each Exit Point (the "**Minimum Pressure**").

8.3.2 A Shipper may request that Premier Transmission makes all gas available for offtake from the Transportation System 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.

8.3.3 Premier Transmission 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 BGE (UK) will agree to provide to Premier Transmission;
  - (ii) Premier Transmission's reasonable forecast of allocations at all Exit Points over the next 36 months;
  - (iii) Premier Transmission's reasonable forecast of Profile Nominations at all Exit Points over the next 36 months; and
  - (iv) the physical capability of the PTL System and the Belfast Gas System to accommodate pressure; and
- (b) notify the Shipper of the availability of the Enhanced Pressure within 25 Business Days of receiving the Shipper's request.

8.3.4 If Premier Transmission:

- (a) notifies the Shipper that it shall provide the Enhanced Pressure on the date requested the Shipper shall be entitled to the Enhanced Pressure with effect from such date;
- (b) offers to provide the Enhanced Pressure:
  - (i) at a date later than the date requested; and/or
  - (ii) subject to any conditions,

the Shipper shall, within 5 Business Days of receiving Premier Transmission's offer, confirm to Premier Transmission whether or not it requires the Enhanced Pressure on such date and/or subject to such conditions and, if it notifies Premier Transmission that it does, the Shipper shall be entitled to the Enhanced Pressure with effect from such date and/or subject to such conditions.

8.3.5 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 Premier Transmission to BGE (UK) under the BGE (UK) Transportation Agreement as a result of Premier Transmission providing the Enhanced Pressure calculated in accordance with the following formula:

$$\text{Enhanced Pressure charge} = (\text{SAQ} \times \text{EP}) \times (\text{FGC}/\text{AAQ})$$

where:

FGC = the aggregate of any additional fuel gas costs, payable by Premier Transmission to BGE (UK) under the BGE (UK) Transportation Agreement as a result of Premier Transmission obtaining from BGE (UK) the pressure which Premier Transmission determines is sufficient to enable Premier Transmission to provide any Shippers with Enhanced Pressure at any Exit Points;

AAQ = the aggregate of (SAQ x EP) in respect of each Shipper which has requested Enhanced Pressure at an Exit Point;

EP = the Enhanced Pressure less the Minimum Pressure at the Exit Point;

SAQ = the Final Exit Allocation of a Shipper requesting the Enhanced Pressure at the Exit Point.

8.3.6 Premier Transmission may, at any time, upon giving any Shipper which is entitled to Enhanced Pressure not less than 2 years notice, withdraw or reduce the availability of its Enhanced Pressure if:

- (a) there is insufficient pressure available on the Transportation System 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 Premier Transmission withdraws or reduces the availability such Enhanced Pressure from such Shipper.

8.3.7 A Shipper may require that Premier Transmission 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.

8.3.8 A Shipper's obligation to pay a charge for Enhanced Pressure shall cease or reduce when Premier Transmission withdraws or reduces, respectively, the availability of any Enhanced Pressure.

8.3.9 Premier Transmission shall, when notifying a Shipper of any determination in accordance with section 8.3.3 (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. Premier Transmission shall, after receiving notification by a Shipper in accordance with section 8.3.3 (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 8, only be entitled to receive the Minimum Pressure at the Exit Point.

8.3.10 Notwithstanding any other provision of this Code, Premier Transmission shall, subject to section 8.3.11, 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 BGE (UK) to provide sufficient pressure at the connection point of the PTL System to the BGE (UK) Upstream Network at Twynholm to enable Premier Transmission to provide the Minimum Pressure;
  - (ii) any failure of the PTL System other than as a result of the Wilful Misconduct of Premier Transmission; 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.
- 8.3.11 Premier Transmission shall take such steps, as would a Reasonable and Prudent Operator, to require that BGE (UK) makes available to Premier Transmission the maximum pressure to which Premier Transmission is entitled under the BGE (UK) Transportation Agreement.
- 8.3.12 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 Transportation System, 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 8.3.12:
- (a) Premier Transmission shall, subject to section 8.3.13, 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 Premier Transmission, the reduced pressure so specified shall be the Minimum Pressure, or the Enhanced Pressure (as appropriate).
- 8.3.13 Premier Transmission shall, if requested, meet any Shipper which would be affected by a reduction in pressure in accordance with section 8.3.12 and discuss whether reinforcing the pipeline would avoid the need to so reduce pressure and how the cost of any reinforcement may be recovered.
- 8.3.14 Subject to section 11 (*Shipper Information Forecasts and the Ten Year Statement*), Premier Transmission shall act as a Reasonable and Prudent Operator in endeavouring not to schedule operations which would result in the Transportation System pressures falling to operationally unacceptable levels or which would otherwise jeopardise the integrity of the Transportation System and the ability of Premier Transmission to provide transportation services.
- 8.3.15 The Minimum Pressure in respect of an Exit Point shall be measured at the Exit Point.

#### **8.4 Gas Specification on exit**

- 8.4.1 Gas offtaken from the Transportation System shall comply with the Gas Specification.
- 8.4.2 If gas enters the Transportation System in accordance with the Gas Specification, but does not conform to the Gas Specification when made available for offtake by a Shipper from the Transportation System 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.
- 8.4.3 Where Off-Spec Gas has been offtaken on any Day from the Transportation System, the liability of Premier Transmission to each Shipper shall be limited to an amount determined in accordance with section 8.4.4.
- 8.4.4 The amount payable by Premier Transmission to a Shipper under this section 8.4 shall be treated as an Eligible Pass-Through Cost in accordance with the Licence 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;
  - (c) Premier Transmission shall apply section 8.4.4 in relation to Shippers exiting the PTL System at Belfast Gas Exit Point 2 and Belfast Gas Exit Point 3 using Exit Allocations in respect of the NI Network, provided by BGE(UK) in accordance with section 7 of the NINOA;
  - (a) In the event that BGE(UK) does not provide Exit Allocations under section 8.4.4.(c), Premier Transmission shall apply section 8.4 in relation to Shippers exiting the PTL System at Belfast Gas Exit Point 2 and Belfast Gas Exit Point 3 using Exit Allocations in respect of the PTL System;
  - (e) For the avoidance of doubt Premier Transmission shall be entitled to assume that BGE(UK) has not provided Exit Allocations in respect of the NI Network by M+5.
- 8.4.5 When a Shipper first becomes aware that Off-Spec Gas is being, or has been, made available for offtake from the Transportation System at an Exit Point on any Day the Shipper shall, as soon as reasonably practicable, notify Premier Transmission specifying:
- (a) the relevant Exit Point and the Day or Days on which Off-Spec Gas was offtaken from the Transportation System;
  - (b) reasonable details of the respect in which the gas did not comply with the Gas Specification; reasonable details of the costs and expenses referred to in section 8.4.4 and the person to whom and purposes for which, they were incurred; and
  - (c) the total quantity of Off-Spec Gas referred to in section 8.4.2 and the Shipper's offtake proportion.

## **8.5 Gas offtaken for compressors**

- 8.5.1 Where a Shipper uses, or procures that an End User uses, gas offtaken from the Transportation System at an Exit Point for supplying a compressor the Shipper shall if so required by Premier Transmission 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 Transportation System and any other inconvenience or danger being caused to Premier Transmission, the Transportation System, any Shipper or any End User.

8.5.2 Where a Shipper is required by this section 8.5 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.

8.5.3 If the Shipper defaults in complying with any provision of this section 8.5 Premier Transmission 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 Premier Transmission.

## **8.6 Discontinuance of supply at Exit Point**

If any Shipper:

8.6.1 uses, or an End User, for whom the Shipper has procured gas, uses, gas offtaken from the Transportation System 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

8.6.2 inputs Non-Compliant Gas into the Transportation System;

Premier Transmission may discontinue the supply of gas to the Exit Point until the interference is remedied to the satisfaction of Premier Transmission.

## **8.7 Access rights and Shipper indemnity**

8.7.1 A Shipper shall, subject to section 8.7.2, procure that Premier Transmission 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.

8.7.2 A Shipper shall not be obliged to procure that Premier Transmission shall have such access if the End User at the Exit Point shall have granted Premier Transmission a right of access for such purposes or at Belfast Gas Exit Point Nos 1, 2 and 3 where Premier Transmission has secured such rights in accordance with the Belfast Metering Agreement.

8.7.3 A Shipper shall, subject to section 8.4.4 (a) and section 8.7.4, indemnify Premier Transmission and hold it harmless against any loss, liability, damage, claim, action, proceeding, cost and expense suffered or incurred by Premier Transmission 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 Transportation System 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.

8.7.4 A Shipper shall not be obliged to indemnify Premier Transmission, in accordance with section 8.7.3, to the extent that the liability of Premier Transmission arises in respect of a supply of gas as result of Premier Transmission's negligence or Wilful Misconduct.



## **8.8 Connected Facilities**

8.8.1 Premier Transmission and a Shipper shall consult and cooperate with a view to ensuring that the objective in section 8.8.2 is achieved.

8.8.2 The objective is to ensure that in all material respects the facilities of Premier Transmission at an Exit Point and the adjacent Connected Facilities, are and will continue to be technically and operationally compatible as facilities by which the Transportation System and the relevant Connected System 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 with a view to ensuring that this objective is achieved.

8.8.3 Where, by reason of any modification, other than a modification made to comply with any Legal Requirement, made or to be made by Premier Transmission to the facilities of Premier Transmission at the Exit Point or by a Shipper or such downstream owner in respect of the Connected Facilities, the objective in section 8.8.2 ceases or will cease to be satisfied:

(a) Premier Transmission, in the case of a modification made by it; and

(b) the Shipper in the case of a modification made by it or such downstream owner;

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 Premier Transmission 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 Allocated Quantity at the relevant Exit Point during the Month that each such instalment is recoverable.

8.8.4 Any such expenditure reimbursed by Premier Transmission shall be a Licensee Unpredictable Operating Cost in accordance with the Licence.

8.8.5 Premier Transmission 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 8.8.2 is satisfied or any expenditure has been incurred in accordance with section 8.8.3. In case of Connected Facilities owned by a person other than the Shipper the Shipper shall ensure that Premier Transmission shall be entitled, upon reasonable notice to inspect such other's facilities at or adjacent to the Exit Point for both such purposes.

8.8.6 Without prejudice to any other agreement between Premier Transmission and a Shipper in respect of the installation of Premier Transmission's facilities at the Exit Point or a Shipper's Connected Facilities, subject to sections 8.8.2, 8.8.3 and 8.8.5, nothing in this Code shall impose any obligations upon, or take effect as a warranty by, either Premier Transmission or the Shipper in relation to its system and neither Premier Transmission or the Shipper shall be liable to the other in respect of any failure or malfunction thereof.

## **8.9 Title and risk on exit**

8.9.1 Title and risk in gas made available for offtake from the Transportation System at an Exit Point or VRF IP Exit Point by Premier Transmission shall transfer to the Shipper at the relevant Exit Point or VRF IP Exit Point.

- 8.9.2 Premier Transmission warrants to the Shipper that subject to section 8.9.4:
- (a) it shall have title to all gas which it makes available for offtake from the Transportation System 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 Transportation System.
- 8.9.3 Premier Transmission shall, subject to section 8.9.4, indemnify a Shipper and hold it harmless against any loss, liability, damage, claim, action, proceeding, cost and expense suffered or incurred by or made or brought against the Shipper in consequence of any breach of either of the warranties in section 8.9.2.
- 8.9.4 Premier Transmission offers no warranty under section 8.9.2 or indemnity under section 8.9.3 to the extent that any Shipper is in breach of either of the warranties given in section 7.4.2.

## 9. MEASUREMENT AND TESTING

### 9.1 Introduction and Definitions

9.1.1 For the purposes of this Code:

- (a) the Measurement Equipment at the Moffat Entry Point is owned, read and validated by National Grid who provide measurement information to BGE (UK);
- (b) the Measurement Equipment at the Stranraer Exit Point is owned and validated by National Grid and Premier Transmission reads such equipment;
- (c) the Measurement Equipment at the Ballylumford Exit Point is owned, read and validated by Premier Transmission;
- (d) the Measurement Equipment at the Belfast Network Exit Point is owned and validated by Belfast Gas. Premier Transmission reads such equipment in accordance with the Belfast Metering Agreement. Premier Transmission agrees that it will not agree to amend the Belfast Metering Agreement without first consulting with the Authority and Shippers;
- (e) the Measurement Equipment at the Carrickfergus Connected Systems Point and the Lisburn Exit Point is owned and validated by the Downstream System Operator: Premier Transmission reads such equipment in accordance with the NINOA.

9.1.2 In this Code:

- (a) **“Adjusted Final Allocation at Exit”** is any adjustment in accordance with section 9.6;
- (b) **“Measurement Equipment”** is the measurement, metering, sampling, analysis and other equipment installed from time to time at the Moffat Entry Point or at an Exit Point;
- (c) **“Permitted Range”** means any inaccuracy in the Measurement Equipment at the Moffat Entry Point and at each Exit Point which in all steady-state flow conditions does not exceed 1.1 per cent over the range of 20-100 per cent of the maximum Flow Rate for which the Metering Equipment is designed calculated using the method specified in ISO 5167/5168 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.

### **Moffat Entry Point**

#### 9.2 IP Entry Quantity at the Moffat Entry Point

9.2.1 The quantity of gas determined to have been delivered to the Transportation System at an IP (the **“IP Entry Quantity”**) shall, subject to section 9.3:

- (a) in respect of an OBA Day, be the sum of all Shippers' IP Nominated Quantities in respect of an IP;
- (b) in respect of a Non-OBA Day, be the IP Measured Quantity notified by BGE(UK) pursuant to the Tripartite Agreement.

9.2.2 In the absence of the provision by BGE(UK) of an IP Measured Quantity in accordance with section 9.2.1(b), the IP Measured Quantity shall be a quantity determined by Premier Transmission:

- (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.

### 9.3 Adjustment to the Initial IP Entry Allocation at the Moffat Entry Point

9.3.1 In relation to a Non-OBA Day, if Premier Transmission reasonably determines that there has been an error in the allocation of the IP Measured Quantity determined to have been delivered at the an IP as a result of the incorrect application of section 3.2, Premier Transmission shall correctly apply section 3.2 to such quantity and any affected Final IP Entry Allocation shall be adjusted accordingly by no later than M+5.

## **Exit Points**

### 9.4 Exit Quantity at an Exit Point

9.4.1 The quantity of gas delivered at:

- (a) the Stranraer Exit Point shall, subject to section 9.5, be determined by Premier Transmission using readings taken from the Measurement Equipment at that Exit Point;
- (b) the Ballylumford Exit Point shall, subject to section 9.5, be determined by Premier Transmission using readings taken from the Measurement Equipment at that Exit Point;
- (c) Belfast Gas Exit Point No 1 shall, subject to section 9.5, be determined by Premier Transmission in accordance with the Belfast Metering Agreement and the NINOA;
- (d) Belfast Gas Exit Point No 2 and Belfast Gas Exit Point No 3 shall, subject to sections 9.5 and 9.12, be determined by Premier Transmission in accordance with the NINOA,

(in each case an “Exit Quantity”).

### 9.5 Adjustment to the Exit Quantity at an Exit Point

9.5.1 If it is determined by Premier Transmission that the Measurement Equipment at an Exit Point or a NI Network 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 this date shall be taken.

9.5.2 A Final Exit Allocation shall, subject to section 9.12, be adjusted in respect of any Day (an “Exit Point Adjustment Day”) as set out below if:

- (a) it is determined by Premier Transmission or in accordance with the Belfast Metering Agreement or the NINOA that the Measurement Equipment at an Exit Point has registered beyond the Permitted Range in accordance with section 9.5.1 (such amount beyond the Permitted Range being known as an “Exit Point Adjustment Quantity”); or
- (b) Premier Transmission 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 sections 3.5, 3.6 or 3.7; or

- (c) Premier Transmission shall, before 16:00 hours on D+5, deem a quantity to have flowed in accordance with section 9.8.

9.5.3 In the case of an Exit Point Adjustment Quantity arising in accordance with section 9.5.2 (a) where any Final Exit Allocation had been carried out in accordance with section 3.5 or 3.7 the Final Exit Allocation shall be adjusted by applying to the aggregate of the Exit Quantity and the Exit Point Adjustment Quantity, whichever of section 3.5 or 3.7 was previously applied.

9.5.4 In the case of an Exit Point Adjustment Quantity arising in accordance with section 9.5.2 (a) where any Final Exit Allocation had been carried out in accordance with section 3.6 the Final Exit Allocation shall be adjusted as follows:

- (a) in the case of a Shared Exit Point from which there has been more than one Shipper offtaking gas on any Exit Point Adjustment Day, by allocating the Exit Point Adjustment Quantity to those Shippers pro rata to the proportion in which gas was allocated to those Shippers by the Final Exit Allocation before the adjustment is made;
- (b) in the case of an Exit Point where there has been only one Shipper offtaking gas on any Exit Point Adjustment Day, by allocating all of the Exit Point Adjustment Quantity to the Shipper.

9.5.5 In the case of it being determined that there has been an error in the allocation of the Exit Quantity in accordance with section 9.5.2 (b) or Premier Transmission shall deem a quantity to have flowed as referred to in section 9.5.2 (c) the Exit Quantity shall be correctly allocated in accordance with whichever of sections 3.5, 3.6 or 3.7 was previously applied.

## **9.6 Adjustment of charges**

9.6.1 If there is an Adjusted Final Allocation at Exit Premier Transmission shall, subject to section 9.12:

- (a) allocate the Adjusted Monthly Charge in accordance with the Adjusted Final Allocation at Exit in respect of the Exit Point Adjustment Day;
- (b) 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
- (c) recover any under payment from and repay any overpayment to the Shippers accordingly in the next invoice issued to the Shipper following such recalculation.

## **9.7 Validation of Exit Point Measurement Equipment**

9.7.1 Premier Transmission shall:

- (a) request National Grid to validate the Measurement Equipment at the Stranraer Exit Point at least once in each Gas Year;
- (b) validate the Measurement Equipment at the Ballylumford Exit Point at least once in each Gas Year;
- (c) require that the Measurement Equipment at the Belfast Network Exit Point is validated in accordance with the Belfast Metering Agreement at least once in each Gas Year;
- (d) require that the Measurement Equipment at the Carrickfergus Connected Systems Point and Lisburn Exit Point is validated in accordance with the NINOA.

- 9.7.2 A Shipper may at any time request a validation of the Measurement Equipment at any Exit Point or NI Network Exit Point in respect of which it has an Exit Point Registration in which case Premier Transmission shall use its reasonable endeavours to ensure that such validation shall be carried out as soon as reasonably practicable.
- 9.7.3 Each Shipper agrees and acknowledges that all costs and expenses incurred in connection with any validation in accordance with section 9.7.2 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.
- 9.7.4 If a validation, in accordance with this section 9, determines that the Measurement Equipment at an Exit Point or NI Network 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.
- 9.7.5 Any validation of the Measurement Equipment at an Exit Point or NI Network Exit Point shall be conducted by or on behalf of Premier Transmission. Premier Transmission shall give reasonable advance notice of such validation to any Shipper which requested it and shall use its reasonable endeavours to ensure that such Shipper shall be entitled to be present.
- 9.7.6 Premier Transmission shall provide a report of the validation to such Shipper within ten (10) Business Days of the validation stating the results of the validation. Such validation shall be binding on both Premier Transmission and such Shipper (even if the Shipper does not attend) unless Premier Transmission or such Shipper disputes the validation within fifteen (15) Business Days after such validation. In the event that such dispute is not resolved within a further fifteen (15) Business Days Premier Transmission or such Shipper may refer the matter to an Expert for Expert Determination.

## **9.8 Absence of reliable readings at an Exit Point**

- 9.8.1 In the absence of reliable readings from the Measurement Equipment at an Exit Point or a NI Network Exit Point, or if any of such Measurement Equipment fails to function, Premier Transmission 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 or NI Network Exit Point unless, in Premier Transmission's reasonable opinion, a more accurate determination of the quantity of gas flowing through such Measurement Equipment would be achieved by Premier Transmission:
- (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.

## **9.9 Access to Exit Point Measurement Equipment**

Premier Transmission shall use its reasonable endeavours to ensure that a Shipper shall have a right of access to the Measurement Equipment at any Exit Point or NI Network Exit Point in respect of which it has an Exit Point Registration, at reasonable times, at its own risk and on giving reasonable notice to Premier Transmission for any reasonable purpose

## **9.10 Additional Exit Point information**

9.10.1 If requested by a Shipper, Premier Transmission shall, to the extent that it is available, provide the Shipper the following data from the Exit Point or NI Network 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.

9.10.2 Premier Transmission shall provide such information without cost to the Shipper to the extent that Premier Transmission is able to provide such information without incurring a material cost.

## **9.11 Measurement of offtake pressure**

9.11.1 The pressure of gas at Belfast Gas Exit Points No 1, Belfast Gas Exit Point No 2 and Belfast Gas Exit Point No 3 shall be deemed to be the pressure which the Measurement Equipment measures at the Ballylumford Exit Point.

## **9.12 Measurement and Testing at Belfast Gas Exit Point No 2 and Belfast Gas Exit Point No3**

9.12.1 Measurement and Testing applied under this section 9 at Belfast Gas Exit Point No 2 and Belfast Gas Exit Point No 3 shall not be made by Premier Transmission. BGE(UK) shall apply Measurement and Testing to Shippers exiting the PTL System at Belfast Gas Exit Point No 2 and Belfast Gas Exit Point No 3 under the BGE(UK) Code and in accordance with the NINOA.

9.12.2 In the event that BGE(UK) does not apply Measurement and Testing to Shippers exiting the PTL System at Belfast Gas Exit Point No 2 and/or Belfast Gas Exit Point No 3, Premier Transmission shall apply section 9 to such Shippers in respect of the PTL System.

## 10. MAINTENANCE

### 10.1 Introduction and Definitions

10.1.1 Premier Transmission shall maintain the PTL System in accordance with:

- (a) the provisions of this Code;
- (b) to the standard of a Reasonable and Prudent Operator; and
- (c) in accordance with all Legal Requirements.

10.1.2 In this Code:

- (a) **"Maintenance"** includes any inspection, repair, replacement, reinstatement, reinforcement, re-commissioning, upgrade or extension of any part of the Transportation System and includes any works preparatory to such maintenance or required for the return to service of a part of the Transportation System after such maintenance.
- (b) **"Maintenance Days"** means the Days, whether consecutive or not, nominated by Premier Transmission pursuant to this section 10, as Days during which acceptance of gas for delivery to or making gas available for offtake from that part of the Transportation System as may be subject to maintenance, may be reduced (if necessary down to zero) due to Maintenance on the Transportation System.
- (c) **"Scheduled Maintenance"** means Maintenance carried out during a Maintenance Day.

### 10.2 Maintenance Planning

10.2.1 A Shipper shall provide Premier Transmission, as soon as reasonably practicable, with the information Premier Transmission may reasonably require to:

- (a) plan the Maintenance of the PTL System;
- (b) comply with its obligations set out in 10.1.1; and
- (c) prepare Maintenance Programmes.

10.2.2 Premier Transmission shall establish a maintenance programme each 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 year shall be Maintenance Days at the affected Exit Point and the extent to which such Exit Point shall be affected. Scheduled 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.

10.2.3 Premier Transmission shall plan any Scheduled Maintenance to:

- (a) minimise disruption to the Transportation System 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 BGE (UK) Upstream Network, any relevant Connected System and the relevant Exit Point;
- (c) accord, where practicable, with the NINOA.



### **10.3 Timetable**

- 10.3.1 Any Shipper with an Exit Point Registration in respect of an Exit Point at which Scheduled Maintenance is proposed shall, meet with Premier Transmission at a mutually convenient time to discuss the Maintenance Programme for the following year with a view to concluding such consultations before 30 September. A Shipper may, in the discussions, notify Premier Transmission of the maintenance programmes in relation to any facilities downstream of an Exit Point.
- 10.3.2 Premier Transmission 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 the following year by 30 December.

### **10.4 Maintenance Limits**

- 10.4.1 Premier Transmission shall be entitled to carry out Scheduled Maintenance on the number of Maintenance Days in respect of each Exit Point set out in part I of appendix 3.
- 10.4.2 Premier Transmission may, without prejudice to a Shipper's rights under section 14.1 and 14.2, 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.

### **10.5 Premier Transmission's obligation to transport**

If Premier Transmission cannot accept into the Transportation System gas tendered for delivery at the Moffat Entry Point or make gas available for offtake at an Exit Point as a result of Scheduled Maintenance Premier Transmission shall, subject to section 10.4.2, be relieved of its obligations to transport gas under this Code for the duration of such Scheduled Maintenance

## 11. SHIPPER INFORMATION FORECASTS AND THE TEN YEAR STATEMENT

### 11.1 Ten Year Statement

11.1.1 In this Code a "**Ten Year Statement**" is a statement, required to be prepared by Premier Transmission pursuant to condition 2.13 of its Licence and any direction of the Authority pursuant thereto, containing:

(a) the likely developments to the NI Network which Premier Transmission reasonably anticipates will be taken into account in determining the calculation of Charges on the NI Network; and

(b) any other further information which Premier Transmission may decide is appropriate,

or any revision to the most recently published Ten Year Statement.

11.1.2 Premier Transmission shall furnish the Authority with a Ten Year Statement in each Gas Year no later than the 10<sup>th</sup> June containing any revisions to the previous years' Ten Year Statement.

11.1.3 Premier Transmission 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).

11.1.4 Each Gas Year, for the purposes of enabling Premier Transmission to prepare the Ten Year Statement, Premier Transmission shall send a questionnaire to Shippers, in such form as may be determined by Premier Transmission, requesting information on the Shipper's forecasts for supply and demand (and the assumptions on which these forecasts are based).

11.1.5 A Shipper shall complete the questionnaire provided under section 11.1.4 and submit it to Premier Transmission by the date specified in the questionnaire.

11.1.6 The information to be provided by a Shipper pursuant to section 11.1.5 shall be treated as having been requested by Premier Transmission 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.

11.1.7 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 Premier Transmission, the Shipper undertakes promptly:

(a) to inform Premier Transmission of such intention;

(b) if requested by Premier Transmission, to discuss with Premier Transmission whether there is a form in which the information can be provided or alternative information which can be provided;

(c) if requested by Premier Transmission, to refer or co-operate with Premier Transmission in referring its refusal to the Authority for determination under that Gas Supply Licence condition.

- 11.1.8 Premier Transmission 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 Premier Transmission to undertake any reinforcement of the Transportation System.
- 11.1.9 Except as provided for or referred to in this Code, Premier Transmission is not party to any agreement for the sale of gas offtaken from the Transportation System, or the purchase of gas delivered to the Transportation System; and accordingly Premier Transmission depends on the information provided by persons who are party to such agreements, and on other sources of information, in estimating under this section 11 demand and availability of gas for supply.
- 11.1.10 A Shipper shall, in so far as it is practicable, co-operate with and provide reasonable assistance to Premier Transmission in obtaining information requested from persons not bound by this Code, including BGE (UK), National Grid, persons from whom the Shipper has contracted to purchase gas and End Users.
- 11.1.11 Nothing in this section 11 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 17.9.

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

- 11.2.1 Premier Transmission is required pursuant to condition 2A.2.3 of its Licence to provide certain forecast information to the Authority by no later than the last Business Day in June in each Gas Year, such information to be utilised in relation to the calculation of Charges on the NI Network.
- 11.2.2 For the purposes of preparing the forecast information referred to in section 11.2.1, by 1<sup>st</sup> May in each Gas Year Premier Transmission shall provide an information request to Shippers (the **“Shipper Forecast Information Request”**).
- 11.2.3 Premier Transmission 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.
- 11.2.4 A Shipper shall complete the Shipper Forecast Information Request in respect of a five-year period commencing on the 1<sup>st</sup> October in each Gas Year. Subject to 11.2.3, 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) 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 and VRF IP Exit Point; and
  - (d) the quantity of gas which the Shipper forecasts it will flow at each Exit Point.
- 11.2.5 A Shipper shall submit its' completed Shipper Forecast Information Request to Premier Transmission by no later than the 10<sup>th</sup> Business Day in June.

11.2.6 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 Information Forecast Request form to Premier Transmission as soon as possible.

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

### **11.3 Provision of Quarterly Information to the Authority and to Shippers**

11.3.1 Premier Transmission is required pursuant to condition 2A.2.3.3 of its' Licence to provide quarterly information to the Authority and to advise the Authority on any suspected material inaccuracy in the information provided under section 11.2. Such information shall be provided by Premier Transmission to the Authority no later than the 10<sup>th</sup> Business Day after the end of each Quarter in a Gas Year.

11.3.2 Premier Transmission is required pursuant to condition 2A.2.3.3 of its' Licence to publish quarterly information to Shippers. Such information shall be provided to Shippers in accordance with the requirements in that Licence condition.

## **12. CHARGES, PAYMENT AND TAX**

### **12.1 Introduction**

- 12.1.1 Premier Transmission shall, in accordance with the Licence, invoice monthly each Gas Supplier in respect of the PS Transmission Amounts that that Gas Supplier owes it and/or the PS Transmission Amounts that it owes that Gas Supplier in accordance with this section 12.
- 12.1.2 Premier Transmission shall invoice each Shipper monthly in respect of PS Code Charges and any other relevant charges which the Shipper owes to it and/or it owes to the Shipper in accordance with this section 12.
- 12.1.3 All monies due under the Licence and this Code shall be invoiced and payable in accordance with this section 12.
- 12.1.4 A Shipper shall, notwithstanding any failure by Premier Transmission to deliver gas for offtake from the Transportation System in accordance with this Code or the Licence for whatsoever reason, be obliged to pay charges and amounts which it has agreed to pay in accordance with section 12.2 of this Code, subject only to section 6.11.
- 12.1.5 For the avoidance of doubt, pursuant to section 1A.4.6, Premier Transmission shall not invoice any amounts in respect of Interconnected System Capacity.

### **12.2 Shipper payment obligations**

- 12.2.1 A Shipper which is a Gas Supplier:
- (a) subject to section 12.9.1, undertakes to pay to Premier Transmission those elements of the PS Transmission Amounts which Premier Transmission is entitled to recover from that Gas Supplier in accordance with the Licence; and
  - (b) undertakes to pay to Premier Transmission the PS Code Charges which Premier Transmission is entitled to recover from that Gas Supplier in accordance with this Code.
- 12.2.2 Not Used
- 12.2.3 A Shipper which is not a Gas Supplier undertakes to pay to Premier Transmission:
- (a) those charges which Premier Transmission is entitled to recover from that Shipper in accordance with the Licence; and
  - (b) the PS Code Charges which Premier Transmission is entitled to recover from that Shipper in accordance with this Code.

### **12.3 Premier Transmission payment obligations**

- 12.3.1 Premier Transmission undertakes to:
- (a) pay to a Gas Supplier the amount of any Reconciliation Payment and account for Debt Repayment due to the Gas Supplier in accordance with the Licence;

- (b) pay to a Gas Supplier the PS Code Charges which the Gas Supplier is entitled to receive from Premier Transmission in accordance with this Code; and
- (c) pay to a Shipper any payments which the Shipper is entitled to receive from Premier Transmission in accordance with this Code.

## **12.4 IP Capacity and Exit Capacity Pricing and Payments**

12.4.1 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 Premier Transmission and the Adjacent Transporter in accordance with section 1A.4.7; plus
- (b) the relevant NI Reserve Price.

12.4.2 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.

12.4.3 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 Licence.

12.4.4 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 12.5.2 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.

12.4.5 The amounts payable for Exit Capacity which are to be invoiced monthly for Month M under section 12.5.2(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.

12.4.6 Reconciliation Payments payable or to be paid under sections 12.5.2(a)(xiii) and 12.5.2(a)(xiv) shall be determined using Year-End Postalised Charges in accordance with the Licence and as described in the Charging Methodology Statement.

## **12.5 Content of PS Invoice**

12.5.1 Each invoice which Premier Transmission issues to a Gas Supplier in accordance with this section 12 in respect of PS Transmission Amounts, together with any attachments thereto (a **“PS Invoice”**), shall set out the following:

- (a) the identity of the Gas Supplier;
- (b) the period to which the PS Invoice relates;
- (c) the information required to be stated in sections 12.5.2, 12.5.3 and 12.5.4; and
- (d) a unique number by which the PS Invoice may be identified.

12.5.2 Each PS Invoice shall itemise the amounts due in respect of PS Transmission Amounts payable by that Gas Supplier to Premier Transmission, or by Premier Transmission to that Gas Supplier, and in either case, in accordance with the Licence, 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 Gas Supplier to Premier Transmission;
  - (xiv) Reconciliation Payment payable by Premier Transmission to the Gas Supplier;
  - (xv) Debt Repayment payable by Premier Transmission to the Gas Supplier;
  - (xvii) Buyback Payments payable by Premier Transmission to the Gas Supplier; and
  - (xviii) Incentive Scheme Payments payable by Premier Transmission to the Gas Supplier,  
(known collectively as “**PS Transmission Amounts**”)
- (b) the amount of VAT payable in accordance with sections 12.5.3(c) and 12.5.4(c); and
- (c) the amount of tax payable in accordance with sections 12.5.3(d), 12.5.4(d) and 12.12,

provided that if any payment of PS Transmission Amounts due to Premier Transmission 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.

12.5.3 Notwithstanding section 12.2, but subject to section 12.5.4, the total amount payable by the Gas Supplier in respect of PS Transmission Amounts shall be stated in the PS Invoice and shall be calculated in accordance with this section 12.5.3 as:

- (a) the sum of the amounts detailed in sections 12.5.2(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 12.5.2(a)(xiv), (xv), (xvi), (xvii) and (xviii); plus

- (c) the applicable VAT; plus
  - (d) any tax payable on the sum of (a) less (b) in accordance with section 12.12 (apart from that payable under (c)).
- 12.5.4 Notwithstanding section 12.2, but subject to section 12.11.1, where the sum of the figures referred to in section 12.5.3(a) less those figures referred to in section 12.5.3(b) is a negative value, this section 12.5.4 shall apply instead of section 12.5.3 so that the total amount payable by Premier Transmission in respect of PS Transmission Amounts shall be stated in the PS Invoice and shall be calculated in accordance with this section 12.5.4 as:
- (a) the sum of the amounts detailed in sections 12.5.2(a)(xiv), (xv), (xvi), (xvii) and (xviii); less
  - (b) the sum of the amounts detailed in sections 12.5.2(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 12.12 (apart from that payable under (c)).
- 12.5.5 The provisions of this section 12.5 shall be applied, *mutatis mutandis*, to any Shipper which is not a Gas Supplier and adjusted to reflect those charges which such Shipper has agreed to pay in accordance with section 12.2.3(a).

### **Deferred Buyback Payments**

- 12.5.6 Premier Transmission 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 Premier Transmission has not been received in accordance with the provisions of this Code or where applicable, the PTL Postalised Network Incentive Payments Procedure. The amount of any Buyback Payments which are deferred ("**Deferred Buyback Payments**") shall be identified as such in the PS Invoice.
- 12.5.7 A Deferred Buyback Payment shall cease to be a Deferred Buyback Payment and shall again be a Buyback Payment when Premier Transmission receives the relevant Unpaid OS Amount. Premier Transmission 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 Premier Transmission determines.

## **12.6 Content of CC Invoice**

- 12.6.1 Each invoice which Premier Transmission issues to a Shipper in accordance with this section 12 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 12.6.2, 12.6.3 and 12.6.4, and
  - (d) a unique number by which the CC Invoice may be identified.



- 12.6.2 Each CC Invoice shall itemise the amounts due in respect of PS Code Charges payable by that Shipper to Premier Transmission, or by Premier Transmission to that Shipper, by detailing, on separate lines, any sums due from or to the Shipper for each of the following:
- (a) amounts which Premier Transmission shall credit to or debit from the NI Postalised Network Disbursement Bank Account as set out in section 5.3;
  - (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 12.6.3(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 Premier Transmission.
- 12.6.3 Subject to section 12.6.4, 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 12.6.2(a) which are due to Premier Transmission; less
  - (b) the sum of the amounts detailed in section 12.6.2(a) which are due to the Shipper; plus
  - (c) the applicable VAT.
- 12.6.4 Where the sum of 12.6.3(a) less 12.6.3(b) is a negative value, this section 12.6.4 shall, subject to section 12.11.1, apply instead of section 12.6.3 so that the total amount payable by Premier Transmission 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 12.6.2(a) which are payable to the Shipper; less
  - (b) the sum of the amounts detailed in section 12.6.2(a) which are payable to Premier Transmission; plus
  - (c) the applicable VAT.
- 12.7 Outstanding PS Code Charges**
- 12.7.1 Premier Transmission shall be entitled to recover monies in respect of all PS Code Charges due and owing from a Shipper in accordance with section 12.7.2 from all other Shippers in accordance with this section 12.7.
- 12.7.2 If any payment of PS Code Charges due to Premier Transmission under this Code, remains unpaid in whole or in part, after:
- (a) the Due Date; and

- (b) Premier Transmission 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,

Premier Transmission shall, subject to section 12.7.6, be entitled to recover the outstanding payment (the “**Outstanding PS Code Charges**” which expression shall include any sum which Premier Transmission is entitled to recover in accordance with this section 12.7) in accordance with sections 12.7.3, 12.7.4 and 12.7.5.

12.7.3 Premier Transmission 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 LIBOR 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 12.7.7.

12.7.4 The proportion of such amount that Premier Transmission 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.

12.7.5 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 Premier Transmission 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 12.7.

12.7.6 Premier Transmission 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 Premier Transmission in respect of such Outstanding PS Code Charges.

12.7.7 A Shipper acknowledges that Premier Transmission shall, and Premier Transmission agrees to, apply all sums deposited in and interest earned on the account referred to in section 12.7.3(b) in making an immediate payment of the Outstanding PS Code Charges due to Premier Transmission; or shall credit the relevant amounts to the NI Postalised Network Disbursement Bank Account.

## 12.8 Periods of Invoicing

12.8.1 Each Month Premier Transmission shall, as soon as reasonably practicable and in any event not later than the 10<sup>th</sup> Business Day after the end of each Month (the “**Invoice Day**”), issue a PS Invoice and a CC Invoice to each Shipper.

12.8.2 The provisions of section 12.8.1 shall be applied, *mutatis mutandis*, to the invoice to be issued by Premier Transmission to any Shipper which is not a Gas Supplier in respect of those charges which such Shipper has agreed to pay in accordance with section 12.2.3(a).

## 12.9 Payment

12.9.1 A Shipper shall:

- (a) pay to the PoT Account any balance specified in a PS Invoice in accordance with section 12.5.3 by the Due Date provided that this obligation shall not be satisfied by any payment by a Shipper to Premier Transmission of any such balance specified in a PS Invoice; and
- (b) pay to Premier Transmission any balance specified in a CC Invoice in accordance with 12.6.3 by the Due Date.

12.9.2 Premier Transmission shall:

- (a) pay to a Gas Supplier any balance specified in a PS Invoice in accordance with section 12.5.4 by the 8<sup>th</sup> Business Day following the Due Date; and
- (b) pay to the Shipper any balance specified in a CC Invoice in accordance with section 12.6.4 by the Due Date.

12.9.3 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 Premier Transmission 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 Premier Transmission 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) Premier Transmission's account shall be made in Pounds Sterling by direct bank transfer or equivalent instantaneous transfer of funds to such account as Premier Transmission may from time to time give a Shipper written notice of:-

Account Name: [to be notified in writing].

12.9.4 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 Premier Transmission written notice.

12.9.5 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.

12.9.6 The provisions of this section 12.9 shall be applied, *mutatis mutandis*, to payments of each invoice to be issued by Premier Transmission to any Shipper which is not a Gas Supplier in respect of those charges which such Shipper has agreed to pay in accordance with section 12.2.3(a), save that such invoiced amounts shall be paid to Premier Transmission and to such account (not, for the avoidance of doubt, being the PoT Account) as Premier Transmission may, from time to time, give the Shipper written notice of.

## **12.10 Interest**

If a Shipper or Premier Transmission fails to pay any sum due in accordance with this section 12 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 12.11.3), interest on such overdue amount shall accrue, both before and after judgement, at LIBOR plus 3% compounded monthly from the Due Date until the date payment is made.

## **12.11 Set off and disputed invoices**

12.11.1 Premier Transmission shall be entitled to set off against any repayment due to a Gas Supplier any amounts outstanding for payment by that Gas Supplier to Premier Transmission in respect of PS Transmission Amounts.

12.11.2 Where any sum invoiced in a PS Invoice is the subject of a dispute (whether bona fide or not) the Shipper or Premier Transmission shall pay the full amount of the PS Invoice without set off or withholding. Premier Transmission 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 LIBOR plus 3% compounded monthly from such Due Date until the date payment is made.

12.11.13 Where any sum invoiced in a CC Invoice is the subject of a bona fide dispute and the Shipper provides Premier Transmission 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 Premier Transmission, 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 LIBOR plus 3% compounded monthly from such Due Date until the date payment is made.

## **12.12 Taxes and withholdings**

- 12.12.1 If, in respect of any payment to be made to the PoT Account or Premier Transmission 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 Premier Transmission, as appropriate, such additional amounts as will ensure that the net aggregate amount received into the PoT Account or by Premier Transmission will be equal to that which would have been received had no deduction or withholding been made.
- 12.12.2 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.
- 12.12.3 A Shipper shall be responsible for the payment of any taxes, duties or other levies imposed on Premier Transmission, 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 Premier Transmission's corporation tax.
- 12.12.4 A Shipper shall indemnify, keep indemnified and hold harmless Premier Transmission from and against any charges, costs, claims or demands whatsoever arising in connection with the taxes, duties or other levies for which the Shipper is responsible in accordance with section 12.12.3 and any fines, penalties, or interest which may be charged to or claimed or demanded from Premier Transmission in connection with the non-payment or delayed payment of such taxes by the Shipper.
- 12.12.5 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.
- 12.12.6 If Premier Transmission 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.

## **12.13 Audit**

- 12.13.1 A Shipper or PS Gas Supplier may, upon reasonable notice and during reasonable hours, subject to section 19 (Confidentiality) and any obligations of confidentiality to which Premier Transmission is subject, have an independent auditor of international repute examine the books and records of Premier Transmission 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 or PS Gas Supplier has exercised its right under this section 12.13 by giving written notice to Premier Transmission 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 Premier Transmission shall, within 40 Business Days after such inaccuracy is established, issue to the Shipper or PS Gas Supplier a statement showing all necessary adjustments to the accounting statement, charge or computation and Premier Transmission or the Shipper or PS Gas Supplier (as appropriate) 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.

12.13.2 The cost of any such audit shall be borne by the Shipper or PS Gas Supplier which requested it unless any such audit shall show an adjustment is necessary giving rise to a lesser charge to the Shipper or PS Gas Supplier 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 Licence 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).

#### **12.14 Charges, Payment and Tax at Belfast Gas Exit Point No 2 and Belfast Gas Exit Point No 3**

12.14.1 In accordance with the NINOA, Premier Transmission shall, on behalf of BGE(UK) invoice monthly Shippers at Belfast Gas Exit Point No 2 and Belfast Gas Exit Point No 3 in accordance with this section 12 in respect of;

- (i) Imbalance Charges;
- (ii) Scheduling Charges;
- (iii) monies to be charged or credited to such Shippers in respect of the purchase or sale of Balancing Gas; and
- (iv) Disbursement Amounts.

12.14.2 In the event that Premier Transmission does not invoice monthly Shippers Exiting the PTL System at Belfast Gas Exit Point No 2 and Belfast Gas Exit Point No 3 in respect of charges under section 12.14.1, BGE(UK) shall be entitled to apply the relevant provisions of the BGE(UK) Code to such Shippers in respect of the PTL System.

12.14.3 For the avoidance of doubt BGE(UK) shall be entitled to assume that Premier Transmission has not invoiced charges under section 12.14.1 if BGE(UK) does not receive written confirmation from Premier Transmission that it has so invoiced such charges by M+12.

12.14.4 Premier Transmission shall invoice monthly Shippers at Belfast Gas Exit Point No 1 in respect of PS Code Charges in accordance with section 12.6.

**12.15 Invoicing Unauthorised Flow Charges at Belfast Gas Exit Point No 2, Belfast Gas Exit Point No 3 and the Lisburn Exit Point**

12.15.1 Premier Transmission shall invoice Unauthorised Flow Charges calculated under section 4.6 in respect of Shippers Exiting the PTL System at Belfast Gas Exit Point No 2 and Belfast Gas Exit Point No 3.

12.15.2 In the event that Premier Transmission does not invoice monthly Shippers Exiting the PTL System at Belfast Gas Exit Point No 2 and Belfast Gas Exit Point No 3 in respect of charges under section 12.15.1, BGE(UK) shall apply section 12.15.1 to such Shippers.

12.15.3 For the avoidance of doubt BGE(UK) shall be entitled to assume that Premier Transmission has not invoiced charges under section 12.15.1 if BGE(UK) does not receive written confirmation from Premier Transmission that it has so invoiced such charges by M+12.

12.15.4 Premier Transmission may invoice a Shipper for any Unauthorised Flow Charge calculated pursuant to the BGE(UK) Code in respect of the Lisburn Exit Point. Premier Transmission shall invoice such a charge to the DNO holding Exit Capacity at Belfast Gas Exit Point 1.

**12.16 Not Used**

**12.17 PTL Postalised Network Incentive Scheme Bank Account**

12.17.1 Premier Transmission shall procure the set up and operation of a separate bank account: (the “**PTL Postalised Network Incentive Scheme Bank Account**”) and shall procure the administration of the PTL Postalised Network Incentive Scheme Bank Account in accordance with its’ Licence. . Premier Transmission shall in respect of each Month:

(a) pay into the PTL Postalised Network Incentive Scheme Bank Account:

- (i) all monies received by Premier Transmission in respect of Oversubscription Capacity pursuant to this Code;
- (ii) any interest received in respect of payments required to be paid into the PTL Postalised Network Incentive Scheme Bank Account; and
- (iii) any other monies which Premier Transmission reasonably determines should be credited thereto;

(b) pay from the PTL Postalised Network Incentive Scheme Bank Account:

- (e) 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 PTL Postalised Network Incentive Scheme Bank Account or in respect of amounts to be discharged therefrom; and
- (iv) any other monies which Premier Transmission reasonably determines should be so debited.

- 12.17.2 The “**PTL Postalised Network Incentive Payments Procedure**” shall include provisions whereby:
- (a) the revenues received by Premier Transmission in respect of Oversubscription Capacity shall be calculated;
  - (b) the Incentive Scheme Payments payable to shippers on the NI Network (including Shippers) shall be calculated; and
  - (c) the Incentive Scheme Payments payable to Premier Transmission shall be calculated.



## 13. CREDIT PROCEDURES

### 13.1 Application to determine Required Level of Credit Support

13.1.1 A Prospective Shipper shall request Premier Transmission to determine the Required Level of Credit Support that the Prospective Shipper is required to establish in order for it to reserve and utilise IP Entry Capacity, Exit Capacity and/or Interruptible VRF IP Exit Capacity and/or for it to trade at the Trading Point.

13.1.2 Where:

- (a) a Prospective Shipper requests a determination by Premier Transmission in accordance with section 13.1.1; or
- (b) a re-assessment is required pursuant to one or more of sections 13.6.1(a) to (e) or where a Shipper requests a re-assessment pursuant to section 13.6.1(f) within a Gas Year to which the re-assessment relates,

such Prospective Shipper or Shipper (as appropriate) shall provide Premier Transmission with a credit application or a revised credit application by way of a Shipper Forecast Information Request in such form as Premier Transmission shall reasonably require from time to time (“**Credit Application**”).

13.1.3 Such a Prospective Shipper or Shipper shall provide, together with its Credit Application, a copy of its most recent audited accounts and such further information as Premier Transmission may reasonably require for the purposes of determining a Prospective Shipper’s or Shipper’s Required Level of Credit Support.

### 13.2 Calculation of Required Level of Credit Support

13.2.1 In this Code:

- (a) “**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 Average PS Code Charge;
- (b) “**Forecast Supplier Quantity**” has the meaning given to it in the Licence and, for the avoidance of doubt, such forecast does not include quantities of gas nominated to be offtaken at a VRF IP Exit Point or South-North VRF IP Exit Point;
- (c) “**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 and/or South-North VRF IP Exit Point in respect of Gas Year Y;
- (d) “**Total Forecast Commodity Quantity**” means the sum of Forecast Supplier Quantity and Forecast VRF IP Exit Quantity; and
- (e) “**Credit Period**” means Gas Year Y or where a Credit Application is received within a Gas Year, the remainder of that Gas Year.

- 13.2.2 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 Gas Year Y on the PTL System calculated in accordance with section 13.2.5; plus
  - (b) a forecast of the PS Code Charges that the Prospective Shipper or Shipper will incur during Gas Year Y on the NI Network calculated in accordance with section 13.2.6.
- 13.2.3 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 Commodity Value of Trades.
- 13.2.4 For the avoidance of doubt:
- (a) section 13.2.3 shall not apply to Shippers who have an IP Registration or an Exit Point Registration and hold (or are forecast to hold in Gas Year Y) IP Capacity or Exit Capacity, where the Required Level of Credit Support shall be determined in accordance with section 13.2.2; and
  - (b) Shippers who also trade at the Trading Point shall not be required to establish the Required Level of Credit Support set out in section 13.2.3 in addition to the Required Level of Credit Support set out in section 13.2.2.
- 13.2.5 Each year, before the 10<sup>th</sup> Business Day in August, Premier Transmission shall forecast the Forecast Postalised Charges that a Shipper or Prospective Shipper is likely to incur in the Credit Period based only upon the following:
- (a) the sum of:
    - (i) the higher of:
      - (aa) the Shipper's or Prospective Shipper's estimated Total Forecast Commodity Quantity as set out in its Credit Application; and
      - (bb) the Total Forecast Commodity Quantity which Premier Transmission reasonably estimates that the Shipper or Prospective Shipper will nominate to be offtaken from Premier Transmission's System during the Credit Period; plus
    - (ii) the higher of:
      - (aa) 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
      - (bb) the IP Capacity and Exit Capacity which Premier Transmission reasonably estimates that the Shipper or Prospective Shipper will hold during the Credit Period;
  - (b) Premier Transmission's calculation of the Forecast Postalised Charges applicable to (a) above which shall be calculated as the sum of that element of the Forecast Postalised Charges that will be payable in respect of:
    - (i) 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 (a)(ii) above; and

- (ii) 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 (a)(i) above,

which shall in each case be calculated in accordance with the Licence.

13.2.6 In respect of a Credit Period, Premier Transmission shall calculate forecast PS Code Charges as an amount equal to 80 per cent of the Total Forecast Commodity Quantity calculated in accordance with section 13.2.5(a)(i) multiplied by the Average PS Code Charge determined in accordance with section 13.2.7.

13.2.7 The “**Average PS Code Charge**” for Gas Year Y is determined as the sum of all Shippers’ PS Code Charges incurred in Y-I divided by the sum of all Shippers’ Exit Allocations for Y-I.

### **Calculation of Short Term Required Level of Credit Support**

13.2.8 In this Code:

- (a) “**Forecast Short Term Charges**” means the forecast charges for Short Term Capacity Products;
- (c) “**Forecast Other Charges**” comprises forecast charges for:
  - (i) Forecast Postalised Commodity Charges;
  - (ii) Exit Capacity;
  - (iii) Yearly IP Entry Capacity;
  - (iv) Quarterly IP Entry Capacity; and
  - (v) PS Code Charges;
- (c) “**Short Term Capacity Products**” means Monthly IP Entry Capacity, Daily IP Entry Capacity and Interruptible VRF IP Exit Capacity.

13.2.9 Where a Shipper forecasts in its Credit Application that it will use Short Term Capacity Products, Premier Transmission shall calculate the minimum value of the Shipper’s total Required Level of Credit Support which is required to cover Forecast Short Term Charges as 80 per cent of the Forecast Short Term Charges (“**STRLCS<sub>min</sub>**”).

### **Duration of Required Credit Support**

13.2.10 A Shipper shall be required to maintain a Provided Level of Credit Support in accordance with the following:

- (a) The Required Level of Credit Support shall apply in respect of Charges relating to Gas Year Y from the date on which Premier Transmission issues its determination of the Required Level of Credit Support in accordance with section 13.2.11 and for the avoidance of doubt may be reduced within the Gas Year Y if (following a reassessment in accordance with section 13.6) a determination is made by Premier Transmission that there has been a reduction in the Required Level of Credit Support for Gas Year Y;
- (b) If a Shipper has a Required Level of Credit Support for Y+1 which is lower than the Required Level of Credit Support for Gas Year Y, the Shipper shall maintain its Provided Level of Credit Support at the Required Level of Credit Support for Gas Year Y until such time as the Shipper has paid all amounts which fall to be paid by it in respect of Gas Year Y, including amounts

which become payable following the calculation of the Year-End Postalised Charges for Gas Year Y and the invoicing of Reconciliation Payments for Gas Year Y.

### **Notification of the Required Level of Credit Support**

13.2.11 By no later than the 10<sup>th</sup> Business Day in August each year, and within 10 Business Days of any receipt of any submission of a revised Credit Application, Premier Transmission shall determine and inform a Shipper (including a Trader) of its' Required Level of Credit Support 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**”).

### **Credit Support for IP Capacity Transfers and Exit Capacity Transfers**

13.2.12 For the avoidance of doubt, Premier Transmission 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.

## **13.3 Establishing a Provided Level of Credit Support**

### **Treatment of Short Term Provided Level of Credit Support**

13.3.1 Where Premier Transmission has determined a  $STRLCS_{min}$  in accordance with section 13.2.9, 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.

13.3.2 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**”).

13.3.3 Notwithstanding the subdivision of the Provided Level of Credit Support for Forecast Short Term Charges and Forecast Other Charges, a Shipper shall establish 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 Premier Transmission.

### **Acceptable forms of credit support**

13.3.4 Premier Transmission shall determine the Provided Level of Credit Support for a Shipper or a Prospective Shipper by reference to security which that Shipper or Prospective Shipper elects to provide in any one or combination of the following ways:

- (a) subject to section 13.3.5, 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 13.3.7;
- (b) subject to section 13.3.5, 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 13.3.7, which guarantee must, in any event, be given substantially in the form of the guarantee set out in Appendix 4, 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) establishment of an escrow or other appropriate deposit which shall be with a UK branch of a financial institution with a "long term" A3 investment grade as defined by Moody's or an Equivalent Rating from an Equivalent Agency and which shall:
  - (i) be held in the name of Premier Transmission and the Shipper;
  - (ii) require the signatures of a duly authorised representative of Premier Transmission in order to authorise any withdrawals;
  - (iii) revert in title to Premier Transmission in the event of Shipper default to the extent of amounts accrued and due to Premier Transmission from the Shipper whether or not invoiced; and
  - (iv) include a penalty free notice period for payments out of the account of not more than 30 days;
- (d) 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 Premier Transmission in the form set out in Appendix 4 parts I and II respectively or such other form as Premier Transmission may agree; and
- (e) depositing with Premier Transmission bonds with a maximum remaining term of 12 months issued by a UK financial institution with a long term rating of A or above, or depositing with Premier Transmission treasury bills with a maximum remaining term of no more than 12 months;

where "**Equivalent Agency**" means Fitch, IBCA, or Standard and Poors and "**Equivalent Rating**" shall be construed accordingly. Security given by way of any of the methods described in (a) or (b) is "**Unsecured Credit Support**", and security given by way of any of the methods described in (c), (d) or (e) is "**Secured Credit Support**".

### **Maximum Allowed Unsecured Credit**

13.3.5 The maximum amount of credit which Premier Transmission 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 13.3.6 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 13.3.6 under the column heading "Maximum Allowed Unsecured Credit" on the row corresponding to that Securer's Notional S&P Credit Rating as determined by Premier Transmission in accordance with section 13.3.8,

where the "**Securer**" is the Shipper or Prospective Shipper (whichever is applicable) if the Unsecured Credit Support is provided under section 13.3.4(a), or the guarantor if the Unsecured Credit Support is provided under section 13.3.4(b).

13.3.6 Maximum Allowed Unsecured Credit shall be determined in accordance with the following table:

<b>Moody's Credit Rating</b>	<b>Standard &amp; Poor Credit Rating</b>	<b>Maximum Allowed Unsecured Credit (£)</b>
Aaa	AAA	30,000,000
Aa	AA	22,000,000
A	A	16,000,000
Baa	BBB	10,000,000

and numerical or other modifiers to Moody's Credit Rating or Standard & Poor's Credit Rating shall be disregarded.

13.3.7 Unsecured Credit Support provided by a Securer under sections 13.3.4(a) and/or (b) by way of Accounting Ratio shall be assigned a Notional S&P Credit Rating in accordance with the following tables and section 13.3.8:

- (a) Ratio ranges for Transmission Utilities

<b>Ratio ranges for Transmission Utilities</b>			
Accounting Ratio	Notional S&P Credit Rating		
	<u>AA</u>	<u>A</u>	<u>BBB</u>
FFO Interest Coverage	above 3.3	above 2.0 to 3.3	1 to 2.0
FFO to Total Debt (%)	above 15	above 10 to 15	5 to 10

- (b) Ratio ranges for Distribution and Supplier Utilities

<b>Ratio ranges for Distribution Utilities and Supplier Utilities</b>			
Accounting Ratio	Notional S&P Credit Rating		
	<u>AA</u>	<u>A</u>	<u>BBB</u>
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.

13.3.8 Premier Transmission, acting reasonably, and taking into account a Securer’s submissions under section 13.3.9(c), shall decide which Utility Categorisation applies to the Securer, shall reference the applicable table in section 13.3.7(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.

13.3.9 A Securer providing, or intending to provide Unsecured Credit Support by way of an Accounting Ratio, shall provide Premier Transmission with the following information at the same time as, and each time that, it provides Premier Transmission with a Credit Application:

- (a) its most recently published set of annual audited accounts;
- (b) calculations of the Accounting Ratios specified in section 13.3.7 cross referenced to such accounts;
- (c) a submission requesting one of the Utility Categorisations in section 13.3.7 to be applied to it, based on the information set out in its annual audited accounts; and
- (d) any other information that Premier Transmission might reasonably request.

- 13.3.10 Premier Transmission shall provide to each Shipper and PS Gas Supplier and to the Authority on the request of the Credit Committee and on the demand of any Shipper or PS Gas Supplier 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.
- 13.3.11 Premier Transmission, a Designated Pipe-line Operator or a Shipper may, at any time, call a Credit Committee meeting in accordance with section 13.5.2, 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.
- 13.3.12 The Maximum Allowed Unsecured Credit values in this section 13.3 will be adjusted on 1 October in each Gas Year by calculating the percentage difference between:
- (a) the CPI for the latest month for which the CPI is then available; and
  - (b) the CPI for same month in the preceding Gas Year;
- and increasing the Maximum Allowed Unsecured Credit figures listed in section 13.3.6, as amended for any previous Gas Years in accordance with this section 13.3.12, by that percentage difference.
- 13.3.13 Where a Shipper provides any form of Unsecured Credit Support as security it shall notify Premier Transmission 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.
- 13.3.14 If the Maximum Allowed Unsecured Credit permitted under section 13.3.5 (as adjusted from time to time under section 13.3.12) is less than the Required Level of Credit Support notified to the Shipper in accordance with section 13.4, the Shipper shall provide an amount of Secured Credit Support equal to at least the difference between those two figures.

**Maximum allowed secured credit**

- 13.3.15 The maximum amount of credit which Premier Transmission may grant to a Shipper or Prospective Shipper based on Secured Credit Support shall be limited to the value of the Secured Credit Support.

**Placing or updating a Provided Level of Credit Support**

- 13.3.16 Subject to section 13.2.10, a Shipper shall place or update its Provided Level of Credit Support for Gas Year Y with Premier Transmission by no later than the 3<sup>rd</sup> Business Day in September in Y-1.
- 13.3.17 A Shipper or Prospective Shipper placing or updating a Provided Level of Credit Support with Premier Transmission shall submit a form 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 (provided always that the STPLCS must not be less than the STRLCS<sub>min</sub> as determined in accordance with section 13.2.9),

in the Prescribed Form (a "**PLCS Form**").

13.3.18 When a Shipper becomes aware that the information provided in its Credit Application needs to be updated within Gas Year Y, or 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, then it shall submit a revised Credit Application to Premier Transmission and a PLCS Adjustment Form in accordance with section 13.3.19.

13.3.19 At any time within Gas Year Y a Shipper may adjust its Provided Level of Credit Support by submitting a form to Premier Transmission specifying:

- (a) 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) 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 (provided always that the STPLCS must not be less than the STRLCS<sub>min</sub> as determined in accordance with section 13.2.9),

in the Prescribed Form (a "**PLCS Adjustment Form**").

13.3.20 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 sections 13.3.17(c) or 13.3.19(c), Premier Transmission shall deem the Provided Level of Credit Support to be split in the proportion to the ratio of the Shippers' Forecast Short Term Charges and Forecast Other Charges and update the Capacity Platform accordingly.

13.3.21 For the avoidance of doubt, where Premier Transmission determines the STPLCS, it shall not include any amounts in respect of any Auction Premium which a Shipper may choose to bid in an Auction.

#### **Drawing on credit support**

13.3.22 If there is a downgrading in credit rating as described in section 13.6.2, the relevant Shipper shall (if Premier Transmission 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 13.4.2.

13.3.23 Premier Transmission shall be entitled to make a demand up to the full amount under a letter of credit referred to in section 13.3.4(d) or a guarantee referred to in section 13.3.4(b) or 13.3.4(d) in any of the following circumstances:

- (a) a non-payment of any amount due by the relevant Shipper under the Code or its Accession Agreement in respect of PS Transmission Amounts; or

- (b) a non-payment of any amount in respect of PS Code Charges due by the relevant Shipper under the Code or its Accession Agreement; or
- (c) the issuer of the guarantee or letter of credit ceases to hold the minimum credit rating specified in section 13.3.4(b) or 13.3.4(d) respectively and the Shipper does not comply with its obligations under section 13.4.2; or
- (d) if:
  - (i) a guarantee referred to in section 13.3.4(b) or 13.3.4(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), Premier Transmission 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 (a) or (b) above, such demand may not exceed the amount of the relevant non-payment.

13.3.24 Premier Transmission shall procure that the amount paid under a guarantee or letter of credit following any demand thereunder shall be paid into the PoT Account, unless such amount exceeds (the amount of any such excess, being the "**Excess Amount**") the PS Transmission Amounts 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.

13.3.25 Such part of the Excess Amount as is equal to the overdue amounts referred to in section 13.3.23(b) shall be paid into such bank account of Premier Transmission as is determined by Premier Transmission.

13.3.26

- (a) Premier Transmission shall procure that any balance of an Excess Amount which remains after the making of the payment described in section 13.3.25 shall be credited to an interest bearing account of Premier Transmission in the United Kingdom with a clearing bank and shall at all times be segregated from all other monies of Premier Transmission and shall be free from any encumbrance arising or subsisting in favour of any person other than Premier Transmission. Such amounts (and all interest thereon) shall be held on trust by Premier Transmission for the benefit of the Shipper and Premier Transmission in accordance with the provisions of this section and the bank with which such monies are held shall be notified of such trust and of the beneficial interest of the Shipper in such monies.
- (b) Premier Transmission shall be entitled to withdraw amounts from such account and apply the same in each of the circumstances where Premier Transmission would otherwise have been entitled to make a demand under a letter of credit or guarantee pursuant to section 13.3.23(a) or (b) had such an instrument been issued in its favour at such time but in no other circumstances. If notwithstanding this section (b) Premier Transmission withdraws any amount from the escrow account other than in such circumstances, Premier Transmission shall

reimburse the same to the Shipper on demand, with interest at LIBOR plus 1% from the date of withdrawal to the date of such reimbursement.

- (c) If at any time at which monies are so held by Premier Transmission on trust for the Shipper the Shipper provides to Premier Transmission a letter of credit or a guarantee for the amount then held on such trust which conforms with the provisions of section 13.3.4(b) or 13.3.4(d), then Premier Transmission shall return to the Shipper all monies then so held by Premier Transmission on such trust. If at any time following the termination of the Shipper's accession to the 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 the trust created pursuant to this section shall be wound up and any monies then held by Premier Transmission on such trust shall be returned to the Shipper.
- (d) The perpetuity period under the rule against perpetuities, if applicable to any trust arising pursuant to this section, shall be the period of 80 years from the date of such trust arising.

#### **13.4 Determination of whether Required Level of Credit Support has been established**

13.4.1 The Required Level of Credit Support shall be established when Premier Transmission verifies the information provided in the PLCS Form and is satisfied that the Provided Level of Credit Support has been placed. Such verification may take up to 10 Business Days.

13.4.2 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 Premier Transmission makes a determination to that effect following a re-assessment under section 13.6.2(a), (b), (c), (d), (e) and (f)) shall, within 10 Business Days from the issue of such notice by Premier Transmission, provide such additional security as is required to meet the Required Level of Credit Support, failing which (an "**LPC Default**") Premier Transmission may exercise any rights which are or become available to it under section 13.3.23 and, in the case of:

- (a) a Prospective Shipper, its Credit Application shall be rejected; and
- (b) a Shipper, Premier Transmission shall convene a meeting of the Credit Committee in accordance with section 13.5.1(b).

#### **Placement of the STPLCS on the Capacity Platform**

13.4.3 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 Aligned System.

13.4.4 Each September, where a Shipper has Forecast Short Term Charges, following receipt of a PLCS Form in accordance with section 13.3.17 and once Premier Transmission is satisfied that a Required Level of Credit Support has been established in accordance with section 13.4.1, Premier Transmission shall record the amount of the STPLCS on the Capacity Platform within 5 Business Days.

13.4.5 If, at any time during a Gas Year, Premier Transmission receives a PLCS Adjustment Form from a Shipper, Premier Transmission shall, once it is satisfied that a Provided Level of Credit Support has been established by the Shipper, update the Capacity Platform with the revised STPLCS within 5 Business Days.

13.4.6 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 1A.8.24 or 1A.9.14 as applicable.

- 13.4.7 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 1A.6.3, until such time as:
- (a) the Shipper notifies Premier Transmission that it wishes to increase its STPLCS in accordance with section 13.3.19;
  - (b) Premier Transmission is satisfied that sufficient STPLCS is established in accordance with section 13.4.1; and
  - (c) Premier Transmission updates the Capacity Platform with the revised STPLCS in accordance with section 13.4.5.
- 13.4.8 Premier Transmission shall not monitor, and has no obligation to monitor, whether or not Bids are rejected on the Capacity Platform pursuant to section 13.4.7.
- 13.4.9 Any Bid rejection by the Capacity Platform Operator under sections 1A.8.25 or 1A.9.15 shall be final and binding.

### 13.5 Credit Committee

- 13.5.1 Without limitation to any party's rights and obligations to call meetings of the Credit Committee under other sections of this Code, Premier Transmission shall convene a Credit Committee meeting if any Shipper defaults in any of the following ways (each a "**Default**"):
- (a) the non-payment by the Due Date of any PS Transmission Amount or PS Code Charge by any Shipper (an "**NPTP Default**", and an "**NPCC Default**" respectively); and/or
  - (b) if an LPC Default occurs in relation to that Shipper.
- 13.5.2 If any of Premier Transmission, any other Designated Pipe-line Operator or a PS Gas Supplier 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, it may, at any time, 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 (an "**US Default**").
- 13.5.3 If any of Premier Transmission or a PS Gas Supplier reasonably believes that failure by Premier Transmission or another Designated Pipe-line Operator to re-assess a PS Gas Supplier's Required Level of Credit Support and/or PS Gas Supplier's Provided Level of Credit Support would result in an unacceptable material increase in risk to the security of the Postalised System, it may, at any time, call a Credit Committee meeting to propose that the Credit Committee give a Direction requiring such re-assessment.
- 13.5.4 A Shipper shall use reasonable endeavours to ensure that the Credit Committee shall operate and shall conduct itself in accordance with the Terms of Reference.
- 13.5.5 Premier Transmission 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.

### **13.6 Reassessment of Required Level of Credit Support and Provided Level of Credit Support**

13.6.1 Premier Transmission will re-assess a Shipper's Required Level of Credit Support in any of the following circumstances:

- (a) annually by no later than the 10<sup>th</sup> 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 Premier Transmission;
- (d) a Shipper's Total Actual Commodity Quantity exceeding the level it estimated in its Credit Application;
- (e) the Credit Committee directing Premier Transmission to make a re-assessment; or
- (f) on request (by way of a revised Credit Application) from that Shipper at any time.

13.6.2 Premier Transmission will re-assess a Shipper's Provided Level of Credit Support in any of the following circumstances:

- (a) annually by no later than the 5<sup>th</sup> 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 Premier Transmission 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 Premier Transmission to make a re-assessment; or
- (f) where a Shipper submits a PLCS Form or a PLCS Adjustment Form at any time within the Gas Year.

13.6.3 Such re-assessments 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 13 as if a new Credit Application were submitted on the date of occurrence of any of the events specified in section 13.6.

**13.7 Duty to provide forecasts and information relating to the calculation of the Postalised Charges**

**Forecasts and information relating to following Gas Years**

- 13.7.1 A Shipper shall, each Gas Year, provide the forecasts and information detailed in section 11 of this Code to Premier Transmission and such forecasts and information shall be utilised in relation to the calculation of Charges on the NI Network in accordance with section 11.2.1.
- 13.7.2 A Shipper shall use its reasonable endeavours to ensure that all forecasts and information supplied in accordance with section 13.7.1 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.
- 13.7.3 A Shipper shall promptly submit to Premier Transmission any further information, explanation and access to relevant documents and records, in each case as Premier Transmission 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 its Licence.

**13.8 Shippers which are not Gas Suppliers**

The provisions of this section 13 shall be applied, *mutatis mutandis*, to any Shipper which is not a Gas Supplier and adjusted to reflect those charges which such Shipper has agreed to pay in accordance with section 12.2.

## 14. LIABILITIES AND INDEMNITIES

### 14.1 Failure to deliver Exit Nominated Quantity

14.1.1 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 14.1, if the Mismatched Delivery occurs solely as a result of:

- (a) the negligence of Premier Transmission in connection with the provision of, or failure to provide, the service to which this Code relates claim from Premier Transmission an amount calculated as follows:

$$R = (U - 2\%) \times \frac{(A \times 0.8)}{365} \times \frac{B}{C}$$

- (b) the Wilful Misconduct of Premier Transmission claim from Premier Transmission 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 total revenue of Premier Transmission as stated in its most recent annual report and audited accounts published 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 (a) and (b) and provided further that such claim shall be subject always to section 14.7, and provided always that where there are no Shippers holding Exit Capacity (C is zero) in respect of the Exit Point, then this section 14.1 shall not apply.

14.1.2 A Shipper's Exit Nominated Quantity in respect of an Exit Point shall, for the purposes of section 14.1, 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 Premier Transmission;

- (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 Premier Transmission.

14.1.3 A Shipper's Exit Allocation in respect of an Exit Point shall, for the purposes of section 14.1, be the quantity in its Final Exit Allocation.

14.1.4 A Shipper agrees and acknowledges, for the avoidance of doubt, that a Mismatched Delivery shall not have occurred, for the purposes of section 14.1.1 in the following, amongst other, circumstances:

- (a) if such a Mismatched Delivery shall have occurred in any circumstance where Premier Transmission is relieved (in accordance with section 8.3.2) of its obligation to provide pressure, during Scheduled Maintenance, or where Premier Transmission is relieved (in accordance with section 15 (Force Majeure)) of its obligations under this Code; or
- (b) where an Exceptional Event has been declared, if Premier Transmission declared such Exceptional Event for any reason other than as a result of its negligence or Wilful Misconduct.

## **14.2 Liability in relation to a VRF IP Exit Nomination**

14.2.1 Each Shipper:

- (a) undertakes to Premier Transmission and BGE (UK) that it will not make, raise or assert any claim or action of any kind against Premier Transmission and/or BGE (UK) 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 between Premier Transmission and BGE (UK) in relation to the interruptible virtual reverse flow service 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 otherwise to the provision by Premier Transmission 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 Premier Transmission 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 Premier Transmission 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.

## **14.3 Shrinkage Gas**

If there is Shrinkage Gas which results solely from the negligence or Wilful Misconduct of Premier Transmission the Shipper's sole remedy against Premier Transmission 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)  $\text{£}20,000 \times \frac{\text{RPI}_n}{\text{RPI}_o}$

## **14.4 Other breach by Premier Transmission**

Any claim which a Shipper may make against Premier Transmission in respect of any breach by Premier Transmission of a provision of or other act or omission of Premier Transmission in relation to this Code, which is not made in accordance with section 14.1.1, shall not exceed in any Gas Year the following:



$$£20,000 \times \frac{RPI_n}{RPI_o}$$

#### **14.5 Sole liability and remedy**

Premier Transmission's sole liability to the Shipper and the Shipper's sole remedy against Premier Transmission 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 Premier Transmission to act as a Reasonable and Prudent Operator, a breach of this Code or the negligence or Wilful Misconduct of Premier Transmission or otherwise shall be as stated in sections 8.9.3, 14.1, and 14.2, 14.3 and 14.4.

#### **14.6 Aggregate liability to all Shippers**

14.6.1 A Shipper agrees and acknowledges that the aggregate liability of Premier Transmission to all of the Shippers in respect of all losses and/or damages incurred by 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 Premier Transmission to a Shipper in accordance with section 14.8) arises as a result of:

- (a) any failure by Premier Transmission to act as a Reasonable and Prudent Operator in connection with this Code;
- (b) any breach by Premier Transmission of any of its obligations under this Code;
- (c) the negligence or Wilful Misconduct of Premier Transmission 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 total Licence revenue of Premier Transmission, as stated in its last annual audited accounts.

14.6.2 If Premier Transmission agrees in writing, or if the court determines, that Premier Transmission has incurred a liability to a Shipper in respect of a matter referred to in section 14.6.1 in a Gas Year, Premier Transmission and each Shipper agrees that such liability shall be treated in accordance with section 14.6.3.

14.6.3 Premier Transmission shall, subject to section 14.6.4, pay any such sums due to Shippers in respect of any liability referred to in section 14.6.2 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 LIBOR plus 1%.

14.6.4 Premier Transmission shall, to the extent that any sums due to Shippers in accordance with section 14.6.3 exceed two percent of the total revenue of Premier Transmission as stated in its last published annual report and accounts, reduce any payments to Shippers pro rata to the sums due to the Shippers.

#### **14.7 Exclusive remedies**

The liabilities of Premier Transmission set out in this section 14 shall constitute the entire liability of Premier Transmission to the Shipper in respect of the matters to which this section 14 relates and Premier Transmission's obligations under this Code (whether arising under contract, tort 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 14 and the other provisions of this Code this section 14 shall prevail.

#### **14.8 Consequential loss**

Premier Transmission and a Shipper agree that the other shall not in any circumstances be liable to it in respect of any breach of, or otherwise in relation to, this Code in respect of:

14.8.1 any loss of profit, loss of revenue, loss of use, loss of contract, loss of goodwill, or increased cost of working;

14.8.2 any indirect or consequential loss; or

14.8.3 loss resulting from the liability of the other Party to any other person howsoever and whenever arising.

#### **14.9 Liability for death/injury**

Nothing in this Code shall exclude or limit the liability of a Party for death or personal injury resulting from the negligence of a Party or any of its officers, employees or agents.

#### **14.10 Pre-estimate of loss**

Where any provision of this Code provides for any amount to be payable by a Party upon or in respect of that Party's breach of any provision of this Code, each Party 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 the Party to which such amount is payable.

#### **14.11 Mitigation of loss**

Each Party shall use reasonable endeavours to mitigate the loss and damage (if any) incurred by it as a result of breach by a Party of its obligations under this Code as a result of negligence or tortious act or omission by the other Party.

#### **14.12 No liability**

Premier Transmission, for the avoidance of doubt, shall not be liable for the consequences of any decision taken by Premier Transmission acting as a Reasonable and Prudent Operator in accordance with this Code to withhold, reduce or limit any quantity of gas made available for off-take by a Shipper as a consequence of Premier Transmission performing its duties and obligations pursuant to this Code, or as a result of a Shipper's acts or omissions, or being misinformed by Shipper.

#### **14.13 Severability**

Each sub-section in this section 14 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; and

(b) survive termination of this Code.

#### **14.14 Premier Transmission to indemnify Shippers**

Premier Transmission 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:

- 14.14.1 injury to or sickness, disease or death of any person employed by or engaged on behalf of Premier Transmission; or
- 14.14.2 damage to or loss of property of Premier Transmission, 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.

#### **14.15 Shippers to indemnify Premier Transmission**

Each Shipper shall be liable to Premier Transmission for and indemnify, defend and hold harmless Premier Transmission from and against any and all Indemnified Liabilities, in respect of:

- 14.15.1 injury to or sickness, disease or death of any person employed by or engaged on behalf of the Shipper; or
- 14.15.2 damage to or loss of property of each Shipper howsoever arising in respect of this Code including out of Premier Transmission's breach of this Code or Premier Transmission's breach of statutory duty in respect of this Code or from the negligence of Premier Transmission save to the extent that any Indemnified Liabilities arise from the Wilful Misconduct of Premier Transmission.

#### **14.16 Insurance**

14.16.1 Premier Transmission 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);
- (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.

14.16.2 Premier Transmission and each Shipper shall each ensure that its insurers include in their insurance policies to be obtained under section 14.16.1 (a) contain a waiver of the subrogation rights of its insurer in respect of the matters indemnified in sections 14.14 and 14.15 respectively for the benefit of the other Party except in the case of the Wilful Misconduct of Premier Transmission or each Shipper (as appropriate) and provide evidence of this to the other Party on request.

#### **14.17 Claims in relation to an Adjacent Transporter**

Each Shipper:

- (a) undertakes to Premier Transmission that it will not make, raise or assert any claim or action of any kind against the Adjacent Transporter or BGE(UK) arising out of the Adjacent Transporter's or BGE (UK)'s failure to comply with any of its obligations under the Tripartite Agreement; and
- (b) shall indemnify and keep indemnified Premier Transmission 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 Premier Transmission 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.

## 15. FORCE MAJEURE

### 15.1 Definition

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, including any:

- 15.1.1 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;
- 15.1.2 act of God;
- 15.1.3 strike, lockout or other industrial disturbance;
- 15.1.4 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;
- 15.1.5 governmental restraint or the coming into force of any regulation, licence or Directive of any Competent Authority;
- 15.1.6 suspension, withdrawal or change in the terms of any licence, permit or consent;
- 15.1.7 structural shift or subsidence affecting generally a part or parts of the Transportation System or any area or areas of the route of the pipeline;
- 15.1.8 the occurrence of an event of force majeure under the BGE (UK) Transportation Agreement or the Tripartite Agreement in respect of which a Party has sought relief from its obligations.

### 15.2 Relief from obligations

Subject to section 15.3 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.

### 15.3 No relief

A Force Majeure event shall not relieve a Party from any liability or obligation to:

- 15.3.1 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 LIBOR calculated from the due date for payment to the actual date of payment; or
- 15.3.2 give any notice due under this Code.

#### **15.4 Report of Force Majeure event**

Following any occurrence of a Force Majeure event the Affected Party shall as soon as reasonably practicable notify the Other Party 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 performance of which is affected by it and from time to time thereafter provide to the Other Party reasonable details of:

15.4.1 developments in the matters so notified, and

15.4.2 the steps being taken by the Affected Party to overcome the Force Majeure event or its effects and to resume performance of its relevant obligations.

#### **15.5 Resumption of obligations**

Any Party whose failure to perform obligations has been relieved under the provisions of this section 15, shall resume the performance of such obligations as soon as reasonably practicable after the removal of the cause of the failure and shall notify the Other Party prior to its resumption.

## 16. TERMINATION

### 16.1 Introduction

A Shipper agrees that its Accession Agreement may be terminated in accordance with this section 16 or section 17.10. Upon the termination of a Shipper's Accession Agreement it shall no longer be a Shipper and the Shipper and Premier Transmission shall no longer be bound in relation to each other by this Code except to the extent set out in sections 16.5, 17.10.5 and 17.10.6.

### 16.2 Termination by Premier Transmission

16.2.1 Premier Transmission shall declare a "**Termination Default**", if the Shipper:

- (a) fails to pay any sum due to Premier Transmission under a CC Invoice which is not the subject of a bona fide dispute in accordance with section 12.11:
  - (i) by the Second Due Date provided that Premier Transmission 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 Premier Transmission under a PS Invoice:
  - (i) by the Second Due Date provided that Premier Transmission 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 Premier Transmission for a period exceeding 12 months, does not hold at the relevant time any Exit Capacity and/or IP Capacity, provided that Premier Transmission shall have first consulted with the Shipper and obtained its agreement or the agreement of the Authority to such termination;
- (d) having an Exit Point Registration in respect of an Exit Point in Northern Ireland, 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 Enter gas to or Exit gas from the NI Network as if it had a Gas Supply Licence,provided that the Shipper submits to Premier Transmission a copy of such consent from the Authority;
- (e) 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 Enter gas to or Exit gas from 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.

- 16.2.2 Within 2 Business Days of a Termination Default occurring, Premier Transmission 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.
- 16.2.3 Notwithstanding the foregoing, where, within 15 Business Days of the date on which the Meeting Notice was sent by Premier Transmission under section 16.2.2, the Credit Committee has failed to decide Directions in respect of that Termination Default, Premier Transmission shall be entitled, with the Authority's consent, to terminate the relevant Accession Agreement by written notice.
- 16.2.4 Without limiting any other rights to terminate an Accession Agreement which Premier Transmission has under this Code, Premier Transmission shall be entitled to terminate any Accession Agreement 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 16.2.1(c) with the relevant Shipper's consent, forthwith; and
  - (d) if Premier Transmission's Licence is terminated, forthwith.

### **16.3 Termination by either Party for breach**

16.3.1A In this section 16.3:

- (a) “**Defaulting Party**” means either Premier Transmission or a Shipper who is in breach of any of its obligations under this Code; and
- (b) “**Non-Defaulting Party**” means whichever of Premier Transmission or a Shipper is not the Defaulting Party.

#### **Breach to be referred to the Credit Committee**

- 16.3.1 Save for where section 16.2.1 or section 16.3.7 applies, if the Defaulting Party is in breach of any of its obligations under this Code and that breach gives rise to a material increase in credit risk for PS Gas Suppliers, the Non-Defaulting Party may request, by sending a Meeting Notice in accordance with paragraph 3 of the Terms of Reference, the Credit Committee to agree to allow termination of the relevant Accession Agreement, 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 PS Gas Suppliers.
- 16.3.2 Not Used
- 16.3.3 Subject to sections 16.3.1 and 16.3.4, at a meeting convened pursuant to section 16.3.1 the Credit Committee may direct the Non-Defaulting Party to send the Defaulting Party a Termination Notice specifying the date on which the Accession Agreement is to be terminated.
- 16.3.4 If the breach, the subject of the Meeting Notice sent in accordance with section 16.3.1, 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 Accession Agreement shall terminate 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.

16.3.5 If the breach, the subject of the Meeting Notice sent in accordance with section 16.3.1, 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 relevant Accession Agreement shall terminate forthwith or on any date thereafter.

16.3.6 Notwithstanding the foregoing, where, within 15 Business Days of the date on which the Meeting Notice was sent by Premier Transmission under section 16.3.1, the Credit Committee has failed to decide Directions in respect of the alleged breach, Premier Transmission shall be entitled, with the Authority's consent, to terminate the relevant Accession Agreement by written notice.

### **Other Breaches**

16.3.7 Save for where section 16.2.1 or section 16.3.1 apply, if the Defaulting Party is in breach of any of its obligations under this Code, and that breach has a material adverse effect on:

- (a) the Non-Defaulting Party; or
- (b) where the Non-Defaulting Party is PTL, PTL determines that the breach by the Shipper has a material adverse effect on any other Shipper which has acceded to this Code;

the Non-Defaulting Party may issue a Termination Notice to the Defaulting Party, subject to section 16.3.8, specifying the date on which the Accession Agreement is to be terminated. For the avoidance of doubt, this section 16.3.7 may not be invoked if the breach gives rise to a material increase in credit risk for PS Gas Suppliers in which case section 16.3.1 should be invoked.

16.3.8 If the breach, the subject of the Termination Notice sent in accordance with section 16.3.7, is in the opinion of the Non-Defaulting Party 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 Accession Agreement shall terminate if the relevant breach has not been remedied within the period specified in the Termination Notice in accordance with (b), above.

16.3.9 If the breach the subject of the Termination Notice sent in accordance with section 16.3.7 is not, in the opinion of the Non-Defaulting Party, capable of being remedied the Non-Defaulting Party shall be entitled, with the Authority's consent, to terminate the Accession Agreement by written notice.

### **16.4 Termination by either Party on liquidation**

16.4.1 Either Party shall be entitled by written notice to the other to terminate the Accession Agreement forthwith 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 other Party or any security granted by the other Party becomes enforceable;



- (b) the other Party 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 other Party suffering 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 other Party ceasing 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 16.4 occurs in relation to the other Party in any jurisdiction;

provided that in the event that an administrator has been appointed over any part of the assets of the other Party a Direction of the Credit Committee shall have first been sought and fully complied with.

## **16.5 Consequences of termination**

16.5.1 Termination of an Accession Agreement in accordance with this section 16, shall not extinguish or relieve either Party to that agreement from the performance of any obligation accrued under this Code as at the time of termination.

16.5.2 Upon termination by Premier Transmission under sections 16.2, 16.3 or 16.4 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 Premier Transmission 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 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) Premier Transmission's estimate of the PS Transmission Amounts that would be payable in respect of all Exit 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) Premier Transmission's estimate of the amount (if any) by which it shall be able to mitigate the loss referred to in (iii) above;
    - (bb) inflation (which shall be assumed to continue at the rate of RPI at the date of termination); and
    - (cc) the net present value of the amount payable at LIBOR.

- 16.5.3 Upon termination under sections 16.2, 16.3 or 16.4, Premier Transmission shall, as soon as reasonably practicable, and in any event not later than the 5<sup>th</sup> Business Day following termination, issue the Shipper with an invoice (a “**Termination Invoice**”) which shall set out the following:
- (a) the identity of the Shipper;
  - (b) the period to which the Termination Invoice relates;
  - (c) a detailed breakdown of each of the sums payable under section 16.5.2.
- 16.5.4 The Shipper shall, no later than 30 Business Days following receipt of the Termination Invoice pay to the PoT Account all sums payable under section 16.5.2, with the exception of payments due under section 16.5.2(a)(ii), which shall be payable to Premier Transmission in accordance with the provisions of this Code.
- 16.5.5 If the Shipper fails to pay any sum due as detailed in the Termination Invoice by the date specified in section 16.5.4, interest on such overdue amount shall accrue at LIBOR plus 3% compounded monthly from the date specified in section 16.5.4 until the date payment is made.

## **16.6 Consequences of termination in respect of capacity**

16.6.1 In this Code:

- (a) a “**Terminating Shipper**” means a Shipper whose Accession Agreement is terminating pursuant to sections 16.2, 16.3 or 16.4 of this Code;
- (b) an “**Election Notice**” is a notice provided to a Transferree Shipper in accordance with section 16.6.2(a) whereby the Transferree 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;

16.6.2 Where a Terminating Shipper is a Transferor Shipper:

- (a) Premier Transmission 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 Transferree 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 of termination of the Terminating Shipper’s Accession Agreement;
- (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 16.5.2;

- (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).

16.6.3 Where a Terminating Shipper is a Transferee Shipper:

- (a) Premier Transmission 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 of termination of the Terminating Shipper's Accession Agreement, 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.

## **16.7 Return of IP Capacity and/or Exit Capacity to the market**

16.7.1 Pursuant to section 16.5.2(b)(iii)(aa), to the extent that Premier Transmission 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 16.7; and
- (b) reduce its estimate of PS Transmission Amounts payable by the Terminating Shipper accordingly.

16.7.2 Where Section 16.7.1 applies in respect of IP Capacity or Premier Transmission 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 IA.16.3 as Unsold Technical IP Entry Capacity

16.7.3 Where Section 16.7.1 applies in respect of Exit Capacity, Premier Transmission 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 IB.11 as unsold Technical Exit Capacity.

## **16.8 Notification to the Adjacent Transporter**

16.8.1 Where a Terminating Shipper holds Bundled IP Capacity, Premier Transmission will inform the Adjacent Transporter and the amount of Bundled Capacity held by the Terminating Shipper.

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

### **Accession to the Code**

#### **17.1 Application to accede to the Code**

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

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

#### **17.2 Provision of information**

17.2.1 Within 5 Business Days of receipt of such an application Premier Transmission will provide any Prospective Shipper with:

- (a) an Accession Agreement (for signature by the Prospective Shipper);
- (b) a company information form to complete;
- (c) a Shipper Forecast Information Request form;
- (d) a Credit Application form;
- (e) application forms for an IP Registration, Exit Point Registration and/or Trading Point Registration, as appropriate in accordance with the notice given under section 17.1;
- (f) a copy of the Code, Modification Rules, the most recent Ten Year Statement and other such information as Premier Transmission believes is appropriate;
- (g) a 24 hour emergency contacts form;
- (h) introductory information concerning access to the IT systems of Premier Transmission;
- (i) where a Prospective Shipper wishes to utilise an IP Entry Point or VRF IP Exit Point, introductory information concerning access to the Capacity Platform;

17.2.2 A Prospective Shipper shall provide to Premier Transmission:

- (a) the Accession Agreement, signed by the Prospective Shipper for execution by Premier Transmission;
- (b) a completed Shipper Forecast Information Request form;
- (c) confirmation of its Provided Level of Credit Support;

- (d) completed 24 hour emergency contact information form; and
- (e) a copy of its Gas Supply Licence (or where appropriate, a copy of consent from the Authority to Enter has to or Exit gas from the NI Network as if the party had a Gas Supply Licence).

### **17.3 Accession to the Code**

- 17.3.1 After Premier Transmission is satisfied that the Prospective Shipper has satisfied the requirements of section 17.2.2 it shall within 5 Business Days execute the Accession Agreement and provide a copy to the Prospective Shipper.
- 17.3.2 A Prospective Shipper shall become a Shipper on the effective date of the executed Accession Agreement.

## **Registrations**

### **17.4 General Registration Requirements**

- 17.4.1 A Shipper or Prospective Shipper wishing to utilise any IP Entry Point, VRF IP Exit Point, Exit Point or the Trading Point must apply for a separate Registration in respect of each point in accordance with sections 17.5, 17.6 and 17.7 as applicable and the following rules in this section 17.4. References in this Code to a **“Registration”** means an IP Registration or an Exit Point Registration or a Trading Point Registration as appropriate and reference to **“Registrations”** means more than one of them.
- 17.4.2 A Prospective Shipper may submit an application for a Registration before accession to the Code is completed but a Prospective Shipper must have acceded to the Code and become a Shipper in order for the Registration process to be completed in accordance with sections 17.5, 17.6 and 17.7.
- 17.4.3 A Shipper or Prospective Shipper wishing to utilise either an Exit Point or an IP Entry Point or VRF IP Exit Point must apply for at least a pair of Registrations on the NI Network, which may be either:
  - (a) an Exit Point Registration and an IP Registration;
  - (b) an Exit Point Registration and a Trading Point Registration; or
  - (c) an IP Registration and a Trading Point Registration.
- 17.4.4 A Shipper or Prospective Shipper that wishes to utilise the Trading Point must apply for a Trading Point Registration. It is not necessary for a Shipper or Prospective Shipper who does not hold any IP Entry Capacity or Exit Capacity (or who does not otherwise wish to hold IP Entry Capacity or Exit Capacity) (a **“Trader”**) to obtain a pair of Registrations in accordance with section 17.4.3.
- 17.4.5 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.

17.4.6 A Shipper or Prospective Shipper wishing to apply for a Registration should request an application form from Premier Transmission by giving notice in writing if notice has not already been given under section 17.1.

## 17.5 IP Registration Requirements

17.5.1 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 Premier Transmission);
- (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.

17.5.2 In order to validate an IP Registration Application, Premier Transmission will:

- (a) verify that the applicant is a Shipper;
- (b) verify the information provided in section 17.5.1;
- (c) verify that the Shipper has applied for a pair of Registrations in accordance with section 17.4.3; and
- (d) verify that the Shipper’s Provided Level of Credit Support is equal to or greater than its Required Level of Credit Support.

17.5.3 Where Premier Transmission is satisfied that the Shipper has met the requirements for IP Registration in this section 17.5, it shall provide the IP Registration to the Shipper within 5 Business Days.

17.5.4 Where there is any change in any Authorised Person notified by the Shipper to Premier Transmission in accordance with section 17.5.1 (f) the Shipper must notify Premier Transmission as soon as possible.

17.5.5 Where there is any change in, or addition to, the Counterparty Shippers notified by the Shipper to Premier Transmission in accordance with section 17.5.1 (g) the Shipper must notify Premier Transmission as soon as possible.

## **17.6 Exit Point Registration Requirements**

17.6.1 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 Premier Transmission;
- (d) where the Exit Point Registration Application is in relation to Belfast Gas Exit Point 1, Belfast Gas Exit Point 2 and Stranraer) 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.

17.6.2 In order to validate an Exit Point Registration Application, Premier Transmission will:

- (a) verify that the applicant is a Shipper;
- (b) verify the information provided in section 17.6.1;
- (c) verify that the Shipper has applied for a pair of Registrations in accordance with section 17.4.3; and
- (d) verify that the Shipper’s Provided Level of Credit Support is equal to or greater than its’ Required Level of Credit Support.

17.6.3 Where Premier Transmission is satisfied that the Shipper has met the requirements for an Exit Point Registration in this section 17.6, it shall provide the Exit Point Registration to the Shipper within 5 Business Days.

17.6.4 Downstream Load Statements provided to Premier Transmission in accordance with section 17.6.1 above must be updated to maintain their accuracy in accordance with section 17.9.3.

## **17.7 Trading Point Registration Requirements**

17.7.1 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 Premier Transmission);

- (c) whether or not, in the case of an existing Shipper, it will be required to increase its' Provided Level of Credit Support.
- 17.7.2 In order to validate a Trading Point Registration Application, Premier Transmission will:
- (a) verify that the applicant is a Shipper;
  - (b) verify the information provided in section 17.7.1;
  - (c) verify that the Shipper's Provided Level of Credit Support is equal to or greater than its' Required Level of Credit Support.
- 17.7.3 Where Premier Transmission is satisfied that the Shipper has satisfied all the requirements for a Trading Point Registration in this section 17.7, it shall provide the Trading Point Registration to the Shipper within 5 Business Days.

**17.8 De-Registration**

- 17.8.1 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 17.4.3.
- 17.8.2 A Shipper may terminate an Exit Point Registration in respect of an Exit Point by giving Premier Transmission 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.
- 17.8.3 If a Shipper terminating its Exit Point Registration would result in no Shipper holding an Exit Point Registration in respect of that Exit Point, Premier Transmission will be entitled to require the Shipper to maintain its Exit Point Registration until such time that Premier Transmission has isolated the Exit Point. Premier Transmission 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.
- 17.8.4 A Shipper may terminate an IP Registration by giving Premier Transmission 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.
- 17.8.5 A Shipper may terminate a Trading Point Registration by giving Premier Transmission 10 Business Days' notice that it wishes to so terminate its Registration.
- 17.8.6 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**

**17.9 Downstream Load Statement**

- 17.9.1 In relation to Belfast Gas Exit Point 1, Belfast Gas Exit Point 2 and/or Stranraer Exit Point, a Shipper shall be required to provide Premier Transmission 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.



- 17.9.2 A Shipper at Belfast Gas Exit Point 1, Belfast Gas Exit Point 2 or Stranraer Exit Point shall provide Premier Transmission with a revised Downstream Load Statement fifteen (15) Business Days before each Mid Year Date and fifteen (15) Business Days before the end of the Gas Year. Premier Transmission shall inform any new Shipper whether or not they are required to submit a revised Downstream Load Statement in accordance with this section 17.9.2 immediately preceding the date of their initial Downstream Load Statement submission.
- 17.9.3 A Shipper or a Prospective Shipper shall, if it becomes aware that any information in a Downstream Load Statement is incorrect, provide Premier Transmission 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.
- 17.9.4 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.
- 17.9.5 A Shipper shall, if requested by Premier Transmission, provide to Premier Transmission any information relating to their actual Downstream Load, over a given period of time.
- 17.9.6 At the discretion of Premier Transmission, this section 17.9 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 Enter gas to or Exit gas from the NI Network as if it had a Gas Supply Licence;
- provided that the Shipper submits to Premier Transmission a copy of such consent from the Authority.

## **Retirement**

### **17.10 Retirement from the Code**

- 17.10.1 A Shipper (a "**Retiring Shipper**") may, make an application to terminate its Accession Agreement by giving Premier Transmission not less than 35 Business Days written notice at any time.
- 17.10.2 Premier Transmission shall respond to the Retiring Shipper, within 25 Business Days of receiving the application referred to in section 17.10.1, indicating the requirements with which the Shipper must comply before the termination of its Accession Agreement may take effect 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 between Premier Transmission and the Shipper which incorporates the Code; and/or
  - (b) has ceased to hold any Registration at an 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.

17.10.3 Within 10 Business Days of the Retiring Shipper confirming to Premier Transmission in writing (together with supporting documentation) that it has complied with the requirements of Premier Transmission under section 17.10.2, Premier Transmission 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 17.10.2, in which case, the Retiring Shipper shall be entitled to terminate the Accession Agreement forthwith on notice to Premier Transmission copied to the Authority; or
- (b) does not accept that the Retiring Shipper has appropriately complied with all of its requirements under section 17.10.2 and giving reasons for its decision, in which case, the Retiring Shipper shall be required to comply with the outstanding requirements before being entitled to terminate the Accession Agreement in accordance with this section 17.10.

17.10.4 Upon the termination of the Retiring Shipper's Accession Agreement in accordance with this section 17.10, a Retiring Shipper shall cease to be a Shipper for the purposes of the Code and the Retiring Shipper and Premier Transmission shall no longer be bound in relation to each other by this Code except to the extent set out in section 17.10.5 and 17.10.6.

17.10.5 Termination of an Accession Agreement in accordance with this section 17.10 shall not extinguish or relieve the Retiring Shipper from the performance of any obligation accrued under this Code as at the time of termination 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 Accession Agreement is terminated:

- (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.

17.10.6 The Retiring Shipper shall pay any sums due in accordance with section 17.10.5 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 Premier Transmission 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 Premier Transmission 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 Premier Transmission pursuant to the Code shall remain in place until all such payments have been discharged in full.

17.10.7 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 or accepted IP Capacity Assignment Application in respect of IP Entry Capacity; or
- (b) an accepted Exit Capacity Surrender Application or an accepted Exit Capacity Assignment Application in respect of Exit Capacity.

17.10.8 Where a Retiring Shipper which holds Bundled IP Entry Capacity makes an application to terminate its Accession Agreement under Section 17.10.1, Premier Transmission shall inform the Adjacent Transporter.

## 18. MOFFAT ADMINISTRATION AGREEMENT<sup>3</sup>

### 18.1 Introduction

Premier Transmission shall provide a Shipper with any relevant modifications or amendments to the Moffat Administration Agreement. This section 18 does not apply in respect of the Moffat Virtual Exit Point.

### 18.2 Moffat Agent Default Registration Form

- 18.2.1 A Shipper, or Prospective Shipper, wishing to obtain an Exit Point Registration in respect of an Exit Point shall in accordance with section 17.4.3 (e) complete a Moffat Agent Default Registration Form setting out the Daily Gas Quantity which it wishes the Moffat Agent to record in any Default Nomination Notice or Default Renomination Notice.
- 18.2.2 A Shipper may, from time to time, on giving Premier Transmission twenty (20) Business Days notice, provide it with a revised or an additional Moffat Default Registration Form. A Shipper may, in particular, wish to revise or provide an additional Moffat Default Registration Form on applying for additional or applying to reduce or transfer Firm Capacity.
- 18.2.3 A Shipper shall on each occasion, on giving Premier Transmission twenty (20) Business Days notice, provide it with a revised or an additional Moffat Agent Default Registration Form when such Shipper requires any new NTS Shipper to be included on the Matching Matrix.

### 18.3 Nominations to the Moffat Agent

- 18.3.1 Premier Transmission shall nominate to the Moffat Agent a quantity of gas for delivery at the Moffat Entry Point equal to a Shipper's Aggregate Nominated Quantity (excluding Interruptible VRF Nominated Quantities at Moffat Virtual Exit Point) from time to time.
- 18.3.2 If a Firm Nominated Quantity, an Interruptible Nominated Quantity, an Interruptible VRF Nominated Quantity in respect of Belfast Gas Exit Point No 4, a Nomination, a Renomination or an Interruptible VRF Nomination at Belfast Gas Exit Point No 4 (as appropriate) of a Shipper is reduced by a Flow Order, or reduced or increased in accordance with section 2.5, 2.5A, 2.7, 2.10 or 2.11 and the Shipper has:
- (a) more than one NTS Shipper which is a counter party for the purposes of the Moffat Administration Agreement in respect of the relevant nomination, Premier Transmission shall nominate to the Moffat Agent a reduced or increased quantity of an equal amount (as appropriate) and allocate such amount as between such counter party NTS Shippers pro rata to the quantities which the Shipper attributed to the NTS Shipper in accordance with section 2.3.5 or 2.8.5;
  - (b) only one NTS Shipper which is a counter party for the purposes of the Moffat Administration Agreement in respect of the relevant nomination, Premier Transmission shall nominate to the Moffat Agent a reduced or increased quantity of an equal amount (as appropriate) and allocate all such amount to the counter party NTS Shipper.
- 18.3.3 It is agreed for the avoidance of doubt that, as a result of section 18.2.2, a Shipper may wish to revise the allocation of such quantity as between its NTS Shippers in accordance with section 2.3.5 or 2.8.5 by means of a Nomination or a Renomination.

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<sup>3</sup> Please note the provisions of Transition Section T4 and T5 in respect of this section 18

#### **18.4 Voting under the MAA**

18.4.1 Premier Transmission shall exercise any voting rights, give any approval, make any request (other than a request referred to in section 18.5) to the Moffat Agent or propose any modification under the Moffat Administration Agreement (the "**MAA Rights**") in accordance with the requirements of section 18.4.3, in relation to a simple majority of votes cast by Shippers (at the time Premier Transmission exercises the Moffat Administration Agreement Rights).

18.4.2 Premier Transmission shall, wherever practicable, seek each Shipper's requirements as to how it wishes Premier Transmission to exercise the Moffat Administration Agreement Rights in writing.

18.4.3 A Shipper shall be entitled to a number of votes (for the purposes of voting in accordance with section 18.4.1), equal to the aggregate of:

- (a) its MDQ; and
- (b) its average Interruptible Allocated Quantity per Day

in the current Gas Year at the time the vote is called by Premier Transmission.

18.4.4 Notwithstanding the above, Premier Transmission may exercise the Moffat Administration Agreement Rights in the manner it considers appropriate where the issue to which the exercise of the Moffat Administration Agreement Rights relates (i) may not, in Premier Transmission's opinion acting as a Reasonable and Prudent Operator, be operationally feasible or practicable; (ii) may have an adverse effect upon Premier Transmission; or (iii) to Premier Transmission's withdrawal from the Moffat Administration Agreement, provided that Premier Transmission shall, to the extent practicable, consult with a Shipper prior to exercising such MAA Rights.

#### **18.5 Alteration of allocation at Moffat Entry Point**

Premier Transmission shall, if requested by a Shipper instruct the Moffat Agent under section 6.4.2 of the Moffat Administration Agreement to alter an allocation of gas and at the Shippers' cost, exercise its right to appoint an Auditor under section 6.9.1 of the Moffat Administration Agreement.

#### **18.6 Liability**

If Premier Transmission suffers or incurs any costs, claims, losses or damages to or by any third party the Shippers agrees that such costs, claims, losses or damages shall, to the extent that they arise as a result of or in connection with the proper performance by Premier Transmission of its duties under or in respect of its participation in the Moffat Administration Agreement, be Licensee Unpredictable Operating Costs in accordance with the Licence.

#### **18.7 MAA costs as Licensee Unpredictable Operating Costs**

A Shipper agrees that all sums payable by Premier Transmission to the Moffat Agent under the Moffat Administration Agreement including;

- (a) the annual registration fee payable by Premier Transmission to the Moffat Agent under section 11.3.2 of the Moffat Administration Agreement;
- (b) the monthly charge payable by Premier Transmission to the Moffat Agent under section 11 of the Moffat Administration Agreement;
- (c) any sums which Premier Transmission is obliged to pay to the Moffat Agent by way of indemnity under section 10.4 of the Moffat Administration Agreement; and

- (d) VAT or any similar taxes payable by Premier Transmission arising under the Moffat Administration Agreement;

shall be Licensee Unpredictable Operating Costs in accordance with the Licence.

## 19. CONFIDENTIALITY

### 19.1 Definitions

In this Code:

19.1.1 **"Confidential Information"** means:

(a) in relation to Premier Transmission, any information relating to the affairs of a Shipper;

(b) in relation to a Shipper, any information relating to Premier Transmission or another Shipper,

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 an Adjacent Transporter or the Capacity Platform Operator;

19.1.2 **"Disclosing Party"** means the Party disclosing Confidential Information to a Receiving Party;

19.1.3 **"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

19.1.4 **"Receiving Party"** means the Party to which Confidential Information is disclosed by a Disclosing Party.

### 19.2 Confidentiality

A Receiving Party shall not, except as provided in section 19.3 and 19.4, disclose any Confidential Information to any other person, or use any Confidential Information other than for the Permitted Purpose, without the written consent of the Disclosing Party.

### 19.3 Exceptions

Section 19.2 shall not apply to any Confidential Information which:

19.3.1 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);

19.3.2 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);

19.3.3 is lawfully acquired by the Receiving Party from a third party otherwise than in breach of an obligation of confidentiality; or

19.3.4 is required to be discharged to holders of conveyance licences for the purpose of the operation or management of the Postalised Network Disbursement Procedure or the NI Postalised Network Disbursement Bank Account.

### 19.4 Rights of disclosure

19.4.1 A Receiving Party may disclose Confidential Information without the 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.

19.4.2 A Receiving Party shall:

- (a) ensure that any person to whom the Receiving Party discloses information under sections 19.4.1 (a) to (e) complies with the obligations of this section 19.1 to 19.5 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 19.4.1 (c), (d) or (e) an undertaking in favour of the Disclosing Party to do so.

19.4.3 Premier Transmission may disclose Confidential Information without the consent of the Disclosing Party to Belfast Gas to the extent Premier Transmission reasonably considers is necessary in order for it to comply with the Network Code Interface Agreement entered into by Premier Transmission and Belfast Gas during December 2004 and published by Premier Transmission on its website.

19.4.4 Premier Transmission shall require that Belfast Gas complies with its obligations in respect of confidentiality set out in such Network Code Interface Agreement in relation to the information which Premier Transmission discloses to Belfast Gas in accordance with section 19.4.3.

19.4.5 Premier Transmission may disclose Confidential Information without the consent of the Disclosing Party to:

- (i) any other Designated Pipeline Operator holding a valid licence to convey gas to the extent Premier Transmission reasonably considers such disclosure is necessary for the purposes of IP Capacity and Exit Capacity allocation and/or in relation to VRF IP Exit Nominations and Interruptible VRF IP Exit Capacity;
- (ii) an Adjacent Transporter where such disclosure is provided for or contemplated by this Code or the Tripartite Agreement;
- (iii) BGE (UK) for the purposes contemplated by the Tripartite Agreement; and
- (iv) the Capacity Platform Operator, and section IA.6.9 shall apply.

## 19.5 Survival

Whether a Party ceases or continues to be bound by this Code its obligations of confidentiality 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 19.3.



**19.6 Data Ownership**

- 19.6.1 Any data which is processed, recorded or maintained in respect of the Transportation System shall belong to Premier Transmission, and subject to the provisions of this Code, Premier Transmission may use such data in such manner as Premier Transmission sees fit.
- 19.6.2 If a Shipper provides Premier Transmission with data the Shipper hereby grants to Premier Transmission 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 19.6.1 applies to any data derived from such data and all compilations created by or on behalf of Premier Transmission of such data.
- 19.6.3 If Premier Transmission 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.

## 20. GENERAL

### Communications

#### **20.1 Gas Transportation Management and Billing System: Aligne**

- 20.1.1 Premier Transmission 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 PTL System (an “**Aligne System**”).
- 20.1.2 Premier Transmission may, from time to time, prescribe which communications shall be made by the Parties in respect of this Code or the operation of the PTL System using the Aligne System (an “**Aligne Communication**”) and the form of any Aligne Communication.
- 20.1.3 Subject to section 20.2, if Premier Transmission does so prescribe that a communication shall be an Aligne Communication and the form of the Aligne 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 PTL System.
- 20.1.4 Premier Transmission and each Shipper agrees that any Aligne Communication shall have legal effect for the purposes of this Code.
- 20.1.5 The Aligne System may, upon giving a Shipper reasonable notice, be reasonably modified from time to time by Premier Transmission.

#### **20.2 Failure of Aligne System**

- 20.2.1 Premier Transmission may, acting as a Reasonable and Prudent Operator, by firstly consulting with and then notifying any Shipper which would be affected, suspend the giving of any communication by the Aligne System for so long as Premier Transmission shall prescribe. In this event any communication in relation to the Code shall be given by fax in accordance with section 20.5.
- 20.2.2 Shipper may request Premier Transmission to suspend the giving of any communication by the Aligne System where it considers access to it is prevented or restricted. Premier Transmission shall suspend the giving of any communication by the Aligne System if, acting as a Reasonable and Prudent Operator, it believes the request of the Shipper to be reasonable.
- 20.2.3 The Shipper shall at the request of Premier Transmission provide any information reasonably requested by Premier Transmission in order to investigate, diagnose, test the Aligne System or repair any faults.
- 20.2.4 Premier Transmission may plan outages for maintenance of the Aligne System at any time, but will endeavour to minimise the business impact of such outages to Shippers. Premier Transmission 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.

#### **20.3 Licence to use Aligne System**

- 20.3.1 Subject to section 20.1 Premier Transmission licences a Shipper, for the purposes contemplated by this Code, but not otherwise:
- (a) to have access to and use the Aligne System;
  - (b) to use the software installed in respect of the Aligne System; and

- (c) to make use of any manual or other materials provided by Premier Transmission in respect of the Aligné 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.

20.3.2 The licence granted in section 20.3.1 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.

20.3.3 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 Premier Transmission and a Shipper, the property of Premier Transmission.

20.3.4 A Shipper shall not:

- (a) use the Licensed Software and Materials other than as permitted in accordance with section 20.3.1;
- (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, decompile, disassemble or modify the whole or any part of the software comprised in the Licensed Software and Materials;
- (e) without the prior written consent of Premier Transmission permit any unauthorised party to use the Licensed Software and Materials.

20.3.5 If through the Aligné 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 Premier Transmission 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.

#### **20.4 Provision and return of Licensed Software and Materials**

20.4.1. Premier Transmission shall provide one copy of the Licensed Software and Materials to a Shipper promptly after it becoming a Shipper.

20.4.2 Premier Transmission may make a reasonable charge for any additional copies of the Licensed Software and Materials or training requested by a Shipper.

20.4.3 Premier Transmission shall have no obligation to provide a Shipper with computer hardware, telephone lines or equipment to secure access to the Aligné System.

20.4.4 If a Shipper ceases to be entitled to use the Aligné System for any reason it shall return any Licensed Software and Materials with which it has been provided and ensure that its employees and other representatives discontinue access to and use of the Aligné System. If a Shipper has damaged or lost any Licensed Software and Materials it shall reimburse Premier Transmission any reasonable costs and expenses incurred by Premier Transmission in respect of such loss.

20.4.5 A Shipper shall on the written request of Premier Transmission return or destroy any version of the Licensed Software and Materials for which a revised version has been issued.

## **20.5 Notices**

- 20.5.1 Any notice or other communication (other than a communication given in accordance with any procedure established under section 20.1.3) given or made by a Party under this Code shall be:
- (a) in writing and may be delivered by hand to the addressee, or sent by first class prepaid letter, to the address of the addressee or sent by fax to the addressee's fax transmission number specified in writing by the addressee or such other address or number as may be notified by a Party to the other from time to time in writing for this purpose; and
  - (b) deemed to have been given or made and delivered, if by hand, when left at the relevant address, if by letter, on the second day after posting, and if by fax transmission between the hours of 09:00 and 17:00 on Monday to Thursday and between the hours of 09:00 and 16:00 on Friday, at the time of receipt by the sender of confirmation of transmission and otherwise at 09:00 on the next business day after transmission;
  - (c) marked clearly and conspicuously for the attention of Premier Transmission or the Shipper (as appropriate).
- 20.5.2 If a communication by fax is received in an incomplete or illegible form:
- (a) if the addressee so requests (by telephone or otherwise), the sender shall promptly retransmit the communication to the addressee; and
  - (b) provided that the request for re-transmission was made within twenty four (24) hours after time of receipt (in accordance with section 20.5.1) of the first fax, the communication shall not be deemed to have been received until the time (whether or not between 09:00 and 17:00 hours) of receipt by the sender of confirmation of such retransmission.
- 20.5.3 The Parties shall agree procedures for giving operational communications.

## **Other general sections**

### **20.6 Waiver**

- 20.6.1 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.
- 20.6.2 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.

### **20.7 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.

### **20.8 Entire Agreement**

- 20.8.1 Subject to section 20.8.3 this Code and an Accession Agreement (as respects the Parties to it) 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.

20.8.2 Premier Transmission and a Shipper acknowledge that in entering into any Accession Agreement it does not rely on any representation, warranty or other understanding not expressly contained in this Code or such Accession Agreement.

20.8.3 Nothing contained in a document (other than an 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.

## **20.9 Gas users or shippers**

Nothing in this Code or the Accession Agreement shall be construed as imposing upon Premier Transmission any obligation or duty to or enforceable by a user or a shipper of gas downstream of the Transportation System, 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 Premier Transmission.

## **20.10 Third party rights**

20.10.1 Subject to section 20.10.2, 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 any Accession Agreement or 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 20.10 shall not affect any right or remedy of such third party which exists or is available apart from the Act.

20.10.2 Section 20.10.1 shall not apply in relation to any obligation on the part of a Shipper pursuant to Section 14.2.5 and BGE (UK) may enforce any term of such section against a Shipper and the provisions of such section shall create rights which are enforceable by BGE (UK) against Shippers.

20.10.3 Subject to compliance by Premier Transmission with any requirement for consultation under any applicable law or regulation and approval by the Authority of any code modification, Premier Transmission may rescind and / or vary any of the provisions of Section 14.2.5 without notice to or the consent of any Shipper or other third party.

## **20.11 Assignment**

20.11.1 Subject to section 20.11.4 and 20.11.5 a Party may assign its rights under this Code and the Accession Agreement:

(i) to an Affiliate (the definition of Affiliate shall be amended for these purposes so that a shareholding of 33 $\frac{1}{3}$ % shall be considered to be control) of such Party, provided that the assigning Party shall continue to be bound by and liable under this Code, and the Accession Agreement;

(ii) subject to section 20.11.5 with the prior agreement in writing of each relevant other Party or Parties, which shall not unreasonably be withheld, to any person.

20.11.2 For the purposes of this section 20.11 a relevant other Party is:

(i) where the assigning Party is a Shipper, Premier Transmission; and

(ii) where the assigning Party is Premier Transmission, each Shipper.

20.11.3 Except as provided in section 20.11.1, or otherwise expressly provided in this Code, a Party shall not assign or transfer and shall not purport to assign or transfer any of its rights or obligations under this Code, and the Accession Agreement.

20.11.4 No assignment shall be made to a person unless:

- (i) where the assigning Party is a Shipper, that person holds a Gas Supply Licence if the assigning Party has an IP Registration in respect of an IP or an Exit Point Registration in respect of an Exit Point in Northern Ireland;
- (ii) where the assigning Party is Premier Transmission, that person holds a Licence to Convey Gas in Northern Ireland.

20.11.5 Where a Shipper assigns its rights under this Code and the Accession Agreement to a person (including a 33 $\frac{1}{3}$ % Affiliate) pursuant to section 20.11.1 it shall be a condition precedent to such assignment that such person shall:

- (a) enter into an agreement in the Prescribed Form with Premier Transmission covenanting to be bound by this Code and the Accession Agreement;
- (b) satisfy the conditions precedent in the Accession Agreement.

20.11.6 Where any Party assigns its rights under this Code and the Accession Agreement to a person pursuant to section 20.11.1 the assigning Party shall be released from its obligations under this Code and the Accession Agreement arising after the time at which the assignment is effective, but shall remain liable for any obligations accruing up to such time.

20.11.7 A reference in this Code and Accession Agreement to any Party shall include a reference to that Party's assigns.

## **20.12 Definitions and interpretations**

Unless the context otherwise requires, the definitions and rules of interpretation in appendix I shall apply to this Code.

## **20.13 Agents**

A Shipper shall be entitled, by notice in writing to Premier Transmission, to require that Premier Transmission 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 2, 3 and 6 of this Code provided that such Shipper shall remain liable to Premier Transmission in respect of the performance of all of its obligations under this Code.

## 21. GOVERNING LAW AND DISPUTE RESOLUTION

### 21.1 Governing Law

This Code will be governed by and construed in accordance with the laws of England and Wales.

### 21.2 Dispute Resolution

21.2.1 In this Code a "**Dispute**" means any controversy, claim or Dispute arising out of or in connection with this Code or an Accession Agreement.

21.2.2 If a Dispute arises, it shall be referred, upon written notice from a Party to the other Party or Parties (a "**Dispute Notice**"), to mediation in accordance with section 21.3.

21.2.3 A Dispute which is not resolved by mediation within thirty (30) days of the date of the Dispute Notice shall, subject to section 21.2.4 and 21.4, be settled by the courts of England in accordance with section 21.5.

21.2.4 Where this Code provides or the Parties have agreed that a Dispute is to be resolved by the determination of an expert and the Dispute is not first resolved by mediation within thirty (30) days of the date of the Dispute Notice, it shall be settled by an Expert (an "**Expert**") in accordance with section 21.4 ("**Expert Determination**").

### 21.3 Mediation

21.3.1 If a Dispute arises the Parties shall attempt to settle it in accordance with the Centre for Dispute Resolutions (CEDR) Model Mediation Procedure.

### 21.4 Expert Determination

21.4.1 The procedure for the appointment of an Expert shall be as follows:

- (a) the Parties shall attempt to agree on the appointment of a single Expert to settle the Dispute;
- (b) if within fifteen (15) Business Days of the date of the Dispute Notice the Parties have been unable to agree on the choice of an Expert, any Party may inform the President of Institution of Gas Engineers and Managers (the "**President of the IGEM**") of the nature and complexity of the Dispute and request him 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 he thinks 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, any of the Parties may then apply to the President of the Law Society of England and Wales 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 21.4 the Parties shall immediately notify the Expert of his appointment and shall request him to confirm within 5 Business Days whether or not he is willing and able to accept the appointment and, if he accepts the appointment, to confirm his independence. If no Expert can be appointed pursuant to section 21.4, the Dispute shall be finally settled by the courts of England in accordance with section 21.5.

21.4.2 The Expert shall be a person suitably qualified by education, experience and/or training to determine the Dispute.

- 21.4.3 The Expert shall be entitled to: (a) seek such independent professional and/or technical advice; and (b) obtain secretarial assistance, as he may reasonably consider necessary.
- 21.4.4 The Expert and his assistants (if any) shall, as a prerequisite to the Expert's appointment, enter into a confidentiality undertaking with the Parties in the same terms, *mutatis mutandis*, as required by section 19 (*Confidentiality*) and pursuant to which the Expert and his assistants (if any) shall keep the fact that the Expert Determination is taking place and its outcome confidential.
- 21.4.5 (a) The Expert shall confirm to the Parties before his appointment that he does not hold any interest or duty which would or potentially would conflict with the performance of his duties as an Expert.
- (b) If after his appointment the expert becomes aware of any interest or duty which does so conflict or potentially conflicts, the expert shall inform the Parties forthwith of such conflict giving full details of it.
- (c) Any Party may within five (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 21.4 (and the rejected expert shall not be nominated for such selection).
- 21.4.6 The Parties 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 Premier Transmission 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 19.1 to 19.5 as if that customer were a Party and following any request by Premier Transmission, obtains from that customer an undertaking in favour of Premier Transmission to do so.
- 21.4.7 Any and all communications between the Parties and the Expert shall be made or confirmed in writing and a copy of such communications shall be provided simultaneously to the other Party or Parties. No meeting between the Expert and any of the Parties shall take place unless all the Parties have been given a reasonable opportunity to attend.
- 21.4.8 The terms of reference of the Expert shall include the following:
- 21.4.8.1 that the Expert shall, as soon as practicable after the confirmation of his appointment, call the Parties to a meeting (which shall, together with all other meetings, be held in England) at which he shall clarify, and, if necessary, define the Dispute and give directions as to the future conduct of the Dispute;
- 21.4.8.2 that the Expert may, from time to time give such directions as he sees fit;
- 21.4.8.3 that the Parties shall be entitled to supply data and information and make submissions to the Expert and that the Expert shall make his 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 Parties;
- 21.4.8.4 that the Expert shall give full written reasons for his determination and shall furnish the Parties with a draft of his proposed determination;
- 21.4.8.5 the Parties 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.
- 21.4.9 If an Expert becomes unwilling or unable to act, or does not act, in the matter in respect of which he is appointed, then another Expert shall be appointed in accordance with the procedure set out in section 21.4.1.
- 21.4.10 If, within a reasonable period, but in any event not later than 90 Business Days after the acceptance of his appointment, the Expert has not made his determination, then, at the request of any of the Parties, another Expert shall be appointed in accordance with section 21.4.1 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 his determination, in which case such determination shall be binding and the instructions of the new Expert shall be withdrawn.

- 21.4.11 Subject to section 21.6, the costs and expenses of the Expert, any independent advisers to the Expert and any costs of his or their appointment (if he is or they are appointed by the President of the IGEM or the President of the Law Society of England and Wales) shall be borne equally by the Parties, but each Party shall bear its own costs.
- 21.4.12 An Expert appointed under this section 21 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 his determination.
- 21.4.13 The Expert's final determination shall be final and binding on the Parties except in the event of fraud or where it 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 21.4.1.

## **21.5 English Courts**

- 21.5.1 Subject to the provisions of this section 21, Premier Transmission and a Shipper irrevocably agree that the courts of England shall have exclusive jurisdiction to settle any Dispute which may arise out of or in connection with this Code and/or its Accession Agreement.
- 21.5.2 Each Party irrevocably waives any objection which it may have to the laying of the venue of any proceedings in the courts of England 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 English courts shall be conclusive and binding upon such Party and may be enforced in the courts of any other jurisdiction.

## **21.6 Costs of Dispute**

Premier Transmission's costs arising out of a Dispute shall be treated as an Eligible Pass-Through Cost in accordance with the Licence unless an Expert or court directs that Premier Transmission has failed to act as a Reasonable and Prudent Operator

## **TI. TRANSITIONAL ARRANGEMENTS FOR THE INTRODUCTION OF ENTRY CAPACITY**

### **TI.1 Introduction**

TI.1.1 From the Transition Date Shippers may purchase and hold IP Entry Capacity.

TI.1.2 This section TI sets out the transitional provisions which will apply to Shippers from the Implementation Date in relation to registration and application for, and allocation of, IP Entry Capacity and certain provisions which will apply in relation to Firm Capacity from the Implementation Date.

### **TI.2 Definitions**

TI.2.1 In this section TI:

- (a) **“Implementation Date”** means 1<sup>st</sup> January 2015;
- (b) **“Initial Entitlement”** means an initial entitlement to IP Entry Capacity as described in section TI.7 and determined in accordance with section TI.8;
- (c) **“Invitation to apply for IP Entry Capacity for October 2015”** has the meaning given to it in section TI.12.5;
- (d) **“Shipper Forecast Information Request”** has the meaning given to it in section TI.15;
- (e) **“Transition Date”** means 1<sup>st</sup> October 2015;
- (f) **“Transition Period”** means the period between the Implementation Date and the Transition Date.

## **IP ENTRY POINT REGISTRATION**

### **TI.3 IP Entry Point Registration Application**

TI.3.1 From the Implementation Date, subject to section TI.4.1, a Shipper and/or a Prospective Shipper may, from time to time, make an IP Entry Point Registration Application in accordance with section TI.5.

TI.3.2 A Shipper may not be allocated an Initial Entitlement of IP Entry Capacity in accordance with section TI.8.1 or otherwise apply for IP Entry Capacity in accordance with section TI.12 unless it has received a signed IP Entry Point Registration from Premier Transmission.

### **TI.4 Automatic Entry Point Registration in January 2015**

TI.4.1 No later than 31<sup>st</sup> January 2015, Premier Transmission shall provide each Shipper who holds an Exit Point Registration on the Implementation Date with an IP Entry Point Registration in respect of Moffat Entry Point and the submission of an IP Entry Point Registration Application and/or a notice of intention under section TI.5.1 shall not be required in this case.

TI.4.2 After 31<sup>st</sup> January 2015, Shippers and Prospective Shippers will be required to use the standard IP Entry Point Registration process in section TI.5.

### **TI.5 Standard IP Entry Point Registration Process**

TI.5.1 From the Implementation Date, in accordance with section 17.1 any person wishing to become a Shipper, and wishing to apply for IP Entry Capacity, shall give Premier Transmission a minimum of

twenty (20) Business Days' written notice of its intention which shall in this case also specify the relevant Entry Point.

- TI.5.2 Notwithstanding the process provided for in section TI.8, an existing Shipper wishing to register at an Entry Point may request Premier Transmission, by way of notice in writing, to provide an IP Entry Point Registration Application at any time.
- TI.5.3 Premier Transmission shall, within a maximum of five (5) Business Days of receipt of a notice provided in accordance with section TI.5.1 or a request provided in accordance with section TI.5.2, provide the Prospective Shipper with an IP Entry Point Registration Application to complete.
- TI.5.4 An IP Entry Point Registration Application shall specify the following:
- (a) Shipper name;
  - (b) Shipper address;
  - (c) Entry Point;
  - (d) contact name;
  - (e) contact phone number;
  - (f) date of request.
- TI.5.5 Within ten (10) Business Days of receipt of a completed IP Entry Point Registration Application, Premier Transmission shall issue a signed IP Entry Point Registration to the Shipper or Prospective Shipper.
- TI.5.6 For the avoidance of doubt, a signed IP Entry Point Registration does not constitute accession to the Code.

## **TI.6 IP Entry Point De-registration**

- TI.6.1 A Shipper may terminate an IP Entry Point Registration by giving Premier Transmission ten (10) Business Days written notice, such notice not to expire before the end of the last Day on which the Shipper has been allocated IP Entry Capacity at the relevant Entry Point.
- TI.6.2 Premier Transmission will confirm termination of the IP Entry Point Registration within twenty (20) Business Days of receipt of the Shipper's written termination notice, provided that such notice has been served in accordance with section TI.6.1.
- TI.6.3 For the avoidance of doubt, termination of an IP Entry Point Registration shall not relieve the Shipper of its obligations in relation to the Required Level of Credit Support which are applicable from time to time.

## **CAPACITY TRANSITION**

### **TI.7 Transition from Firm Capacity to Exit Capacity and IP Entry Capacity**

- TI.7.1 From the Transition Date, existing allocations of Firm Capacity in respect of an Exit Point will be treated as allocations of the same quantity and duration of Exit Capacity for that Exit Point and a corresponding **Initial Entitlement** of IP Entry Capacity.
- TI.7.2 Premier Transmission shall determine and notify Initial Entitlements of IP Entry Capacity at Moffat Entry Point in accordance with section TI.8 and section TI.9.

- TI.7.3 From the Transition Date, Initial Entitlements of IP Entry Capacity shall be considered as firm unbundled IP Entry Capacity with an amount and duration as provided for in the Initial Entitlement.
- TI.7.4 From the Transition Date, Premier Transmission shall be entitled to invoice for IP Entry Capacity and Exit Capacity in accordance with section 12 and a Shipper undertakes to pay such invoices in accordance with section 12.
- TI.7.5 Premier Transmission shall reassess the Required Level of Credit Support for each Shipper for the Gas Year 2015-2016 during August 2015 and shall use the information provided pursuant to section TI.15 when carrying out its reassessment.

## **TI.8 Determination of Initial Entitlements of IP Entry Capacity**

- TI.8.1 A Shipper shall be allocated an Initial Entitlement corresponding to:
- (a) the quantity and duration of their existing allocations of Firm Capacity; and/or
  - (b) the Shipper's share of the Firm Capacity which has been allocated (on behalf of all Shippers) at Belfast Gas Exit Point 1 and/or Belfast Gas Exit Point 2 in respect of future Gas Years commencing on the Transition Date and thereafter.
- TI.8.2 In respect of Belfast Gas Exit Point 1 and Belfast Gas Exit Point 2 the corresponding Initial Entitlement of each Shipper shall be determined as follows:  
for each Exit Point;
- (a) the highest Final Allocation (or, where applicable, Adjusted Final Allocation at Exit) for each Shipper during the period 1<sup>st</sup> October 2013 – 30<sup>th</sup> September 2014 shall be determined; and
  - (b) the difference between the sum of the highest Final Allocations of all the Shippers determined in section TI.8.2 (a) and the total Firm Capacity allocated at the Exit Point shall be shared between the Shippers pro-rata to their highest Final Allocation; and
  - (c) the total Initial Entitlement for each Shipper in respect of the Exit Point shall be the sum of the amount determined in section TI.8.2 (a) and its' pro-rata share determined in section TI.8.2 (b).
- TI.8.3 In respect of Ballylumford Exit Point, Stranraer Exit Point and Belfast Gas Exit Point 3 the Initial Entitlement of each Shipper at Moffat Entry Point shall match the quantity and duration of the allocation of Firm Capacity of a Shipper at the relevant Exit Point as at 1<sup>st</sup> October 2014.
- TI.8.4 The total Initial Entitlement of IP Entry Capacity at Moffat Entry Point for a Shipper for each future Gas Year will equal the sum of its' Initial Entitlements corresponding to all the Exit Points for each of the Gas Years.

## **TI.9 Notification of Initial Entitlements of IP Entry Capacity**

- TI.9.1 Premier Transmission shall notify Shippers of their Initial Entitlement determined in accordance with section TI.8 by 31<sup>st</sup> March 2015.

## **TI.10 Reduction of Initial Entitlements of IP Entry Capacity**

- TI.10.1 A Shipper may apply, by way of notice in writing, to Premier Transmission to reduce all or part of its Initial Entitlement no later than 30<sup>th</sup> April 2015 and in accordance with this section TI.10
- TI.10.2 An application to reduce all or part of an Initial Entitlement for a future Gas Year shall specify:
- (a) the amount of reduction of the Initial Entitlement applied for;

- (b) the Gas Year(s) in respect of which the application is made;
  - (c) the Entry Point in respect of which the application is made;
  - (d) whether or not the Shipper will accept a reduction of Initial Entitlement of less than the amount specified in section T1.10.2(a) for a future Gas Year.
- T1.10.3 An application to reduce all or part of an Initial Entitlement for the Month of October 2015 shall specify:
- (a) the amount of reduction of the Initial Entitlement applied for;
  - (b) that it is an application for a reduction of Initial Entitlement for the Month of October 2015 only;
  - (c) the Entry Point in respect of which the application is made;
  - (d) whether or not the Shipper will accept a reduction of Initial Entitlement of less than the amount specified in section T1.10.3(a).
- T1.10.4 Applications to reduce Initial Entitlements shall be considered by Premier Transmission in accordance with section T1.13.

**T1.11 Surrender of Firm Capacity during the Transition Period**

- T1.11.1 With effect from the Implementation Date, section 1.11 shall no longer apply and this section T1.11 shall apply to surrenders of Firm Capacity made during the Transition Period.
- T1.11.2 A Shipper may apply, during the Transition Period, by way of notice in writing, to surrender Firm Capacity for future Gas Years in accordance with the following:
- (a) an application to surrender Firm Capacity made during the Transition Period will be treated as an application to surrender Exit Capacity at the relevant Exit Point for the relevant Gas Year(s);
  - (b) a Shipper may apply to surrender Firm Capacity for the future Gas Year commencing 1st October 2015 by 30<sup>th</sup> April 2015;
  - (c) a Shipper may apply to surrender Firm Capacity for Gas Years after the future Gas Year commencing 1<sup>st</sup> October 2015 at any time during the Transition Period. Such applications will be considered at the Mid Year Date prior to the relevant Gas Year.
- T1.11.3 A Shipper may only apply to surrender its Firm Capacity in respect of a whole Gas Year.
- T1.11.4 An application to surrender Firm Capacity shall specify:
- (a) the amount of Firm Capacity which the Shipper applies to surrender;
  - (b) the Gas Year(s) 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 less than the amount specified in section T1.11.4 (a).
- T1.11.5 Applications to surrender Firm Capacity shall be considered by Premier Transmission in accordance with section T1.13.

## **TI.12 Applications for Capacity**

### **IP Entry Capacity**

- TI.12.1 A Shipper may apply, by way of notice in writing to Premier Transmission, for IP Entry Capacity for future Gas Years by 30<sup>th</sup> April 2015.
- TI.12.2 Applications for IP Entry Capacity for more than one future Gas Year must be for consecutive Gas Years only.
- TI.12.3 An application for IP Entry Capacity for future Gas Years shall specify:
- (a) the relevant Entry Point;
  - (b) the amount of IP Entry Capacity applied for;
  - (c) the future Gas Year(s) applied for;
  - (d) whether or not the Shipper is prepared to accept an allocation of an amount of IP Entry Capacity less than that specified in section TI.12.3(b).
- TI.12.4 A Shipper may make a separate application, by way of notice in writing to Premier Transmission, for IP Entry Capacity for the Month of October 2015 by 30<sup>th</sup> April 2015. Such an application shall specify:
- (a) the relevant Entry Point;
  - (b) the amount of IP Entry Capacity applied for;
  - (c) that it is for the Month of October 2015.
- TI.12.5 After 30<sup>th</sup> April 2015 where Premier Transmission is able to offer an additional process for applications for IP Entry Capacity for the Month of October 2015, it will provide an **'Invitation to apply for IP Entry Capacity for October 2015'** setting out the applicable terms and conditions.
- TI.12.6 Applications for Entry Capacity for future Gas Years may not be made in accordance with this section TI.12 after 30<sup>th</sup> April 2015.

### **Exit Capacity**

- TI.12.7 From the Implementation Date, applications for Firm Capacity in future Gas Years made in accordance with section 1.7 shall be considered to be applications for Exit Capacity at the relevant Exit Point.
- TI.12.8 Applications for Firm Capacity in future Gas Years made in accordance with section 1.7 but submitted after 30<sup>th</sup> April 2015 shall;
- (a) only be considered at the discretion of Premier Transmission; and
  - (b) not entitle the Shipper to be allocated an Initial Entitlement.

## **TI.13 Allocations of Capacity**

### **IP Entry Capacity**

#### **Acceptance of applications to reduce Initial Entitlements**

- TI.13.1 In respect of a future Gas Year, where Premier Transmission has received any applications to reduce Initial Entitlements in accordance with section TI.10 the total amount of all such reduction applications for that Gas Year shall be included in the amount available for allocation at Moffat Entry Point for that Gas Year and the following shall apply:

- (a) reductions of Initial Entitlement shall be re-allocated prior to allocating unsold capacity such that where it is possible to allocate the total amount of all such reduction applications all reduction applications shall be accepted;
- (b) where it is not possible to allocate the total amount of all such reduction applications, reduction applications shall be accepted in part in accordance with the remaining provisions of this section T1.13.1;
- (c) where a Shipper has indicated that it is not willing to accept a reduction of Initial Entitlement of less than the amount of its reduction application, that reduction application shall be rejected; and
- (d) any reduction applications which are not rejected in accordance with section T1.13.1(c) shall be accepted pro-rata to the amount which is to be allocated in order to satisfy applications for IP Entry Capacity for future Gas Years in accordance with sections T1.13.3, T1.13.4, T1.13.5 and T1.13.6.
- (e) where an application to reduce Initial Entitlements has been accepted, Premier Transmission shall deduct the quantity so accepted to determine the Shippers' adjusted Initial Entitlement and shall notify Shippers in accordance with section T1.14.1.

T1.13.2 In respect of the Month of October 2015, where Premier Transmission has received any applications to reduce Initial Entitlements for the Month of October 2015 only, in accordance with section T1.10.3, the total amount of such reduction applications shall be included in the amount available for allocation at Moffat Entry Point for the Month of October 2015 and the following shall apply:

- (a) reductions of Initial Entitlement shall be re-allocated prior to allocating unsold capacity such that where it is possible to allocate the total amount of all such reduction applications all reduction applications shall be accepted;
- (b) where it is not possible to allocate the total amount of all such reduction applications, reduction applications shall be accepted in part in accordance with the remaining provisions of this section T1.13.2;
- (c) where a Shipper has indicated that it is not willing to accept a reduction of Initial Entitlement of less than the amount of its reduction application, that surrender application shall be rejected; and
- (d) any reduction applications which are not rejected in accordance with section T1.13.2 (c) shall be accepted pro-rata to the amount which is to be allocated in order to satisfy applications for IP Entry Capacity for the Month of October 2015

**Allocation of IP Entry Capacity for future Gas Years**

T1.13.3 Where there is sufficient available IP Entry Capacity at Moffat Entry to meet all applications for IP Entry Capacity in respect of a Gas Year each Shipper's application for IP Entry Capacity in respect of that Gas Year shall be allocated in full.

T1.13.4 If Shippers applying for IP Entry Capacity in any future Gas Year in accordance with section T1.12 apply in aggregate for an amount of IP Entry Capacity which exceeds the amount available at Moffat Entry Point in that Gas Year then those Shippers which so applied and specified;

- (a) that they would not accept an allocation of IP Entry Capacity of less than they had applied for shall have no IP Entry Capacity allocated to them;
- (b) that they would accept an allocation of IP Entry Capacity of less than they had applied for shall have IP Entry Capacity allocated to them in accordance with sections T1.13.5 and T1.13.6.

- TI.13.5 Premier Transmission shall, subject to section TI.13.1, allocate IP Entry Capacity to the Shippers referred to in section TI.13.4 (b) according to the number of future Gas Years in respect of which the Shippers have applied for IP Entry Capacity so that the Shipper applying for IP Entry Capacity;
- (a) in the most number of Gas Years shall have its application met first to the extent that there is available IP Entry Capacity at Moffat Entry Point;
  - (b) in the second most number of Gas Years shall have its application met second to the extent that there is available IP Entry Capacity at Moffat Entry Point;
- and so on.

- TI.13.6 If the Shippers referred to in section T.13.4 (b) apply for IP Entry Capacity at Moffat Entry Point for an equal number of Gas Years such Shippers shall have their applications met pro rata to the amounts of IP Entry Capacity for which they have applied to the extent that there is available IP Entry Capacity at Moffat Entry Point.

#### **Allocations of IP Entry Capacity for the Month of October 2015 only**

- TI.13.7 Following completion of the allocations of IP Entry Capacity for future Gas Years in sections TI.13.3, TI.13.4, TI.13.5 and TI.13.6 and where, in accordance with section TI.12.4, Premier Transmission has received applications for IP Entry Capacity for the Month of October 2015 it shall, subject to section TI.13.2, allocate any remaining available IP Entry Capacity for October 2015. Where there is insufficient available IP Entry Capacity to meet all applications for IP Entry Capacity for the Month of October 2015, Shippers shall have their applications met pro-rata to the amounts applied for to the extent of the available IP Entry Capacity.

#### **Exit Capacity**

##### **Acceptance of applications to surrender Firm Capacity**

- TI.13.8 In respect of a future Gas Year, where Premier Transmission has received any applications to surrender Firm Capacity in accordance with section TI.11 the total amount of all such surrender applications for that Gas Year shall be included in the amount available for allocation at the relevant Exit Point for that Gas Year and the following shall apply:
- (a) surrendered capacity shall be allocated prior to allocating unsold capacity such that where it is possible to allocate the total amount of all such surrender applications all surrender applications shall be accepted;
  - (b) where it is not possible to allocate the total amount of all such surrender applications, surrender applications shall be accepted in part in accordance with the remaining provisions of this section TI.13.8;
  - (c) where a Shipper has indicated that it is not willing to surrender part of the amount of its surrender application, that surrender application shall be rejected; and
  - (d) any surrender applications which are not rejected in accordance with section TI.13.8 (c) shall be accepted pro-rata to the amount which is to be allocated in order to satisfy applications for Exit Capacity at the relevant Exit Point in accordance with sections TI.13.9, TI.13.10 TI.13.11.

##### **Allocation of Exit Capacity for future Gas Years**

- TI.13.9 Where there is sufficient available Exit Capacity at an Exit Point to meet all applications for Exit Capacity in respect of a Gas Year each Shipper's application in respect of that Gas Year and Exit Point shall be allocated in full.
- TI.13.10 If Shippers applying for Exit Capacity in any future Gas Year in accordance with section 1.7, as modified by sections TI.12.7 and TI.12.8, apply in aggregate for an amount of Exit Capacity which exceeds the



amount available at the relevant Exit Point in that Gas Year, then those Shippers which so applied and specified in accordance with section 1.3.3 (d):

- (a) that they would not accept an allocation of Firm Capacity of less than they had applied for shall have no Exit Capacity allocated to them;
- (b) that they would accept an allocation of Firm Capacity of less than they had applied for shall have Exit Capacity allocated to them in accordance with sections T1.13.11 and T1.13.12.

T1.13.11 Premier Transmission shall, subject to section T1.13.10, allocate Exit Capacity to the Shippers referred to in section T1.13.10(b) according to the number of future Gas Years in respect of which the Shippers have applied for Exit Capacity so that the Shipper applying for Exit Capacity:

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

and so on.

T1.13.12 If the Shippers referred to in section T1.13.10(b) apply for Exit Capacity at an Exit Point for an equal number of Gas Years such Shippers shall have their applications met pro rata to the amounts of Exit Capacity for which they have applied to the extent that there is available Exit Capacity at the Exit Point.

#### **Aggregation of Initial Entitlements and Capacity Allocations**

T1.13.13 As of the Transition Date, the total Exit Capacity of a Shipper at an Exit Point shall be the sum of its Firm Capacity (allocated prior to the Implementation Date and treated in accordance with section T1.7.3) and any Exit Capacity allocated in accordance with section T1.13.

T1.13.14 As of the Transition Date, the total IP Entry Capacity of a Shipper at Moffat Entry Point shall be either:

- (a) the adjusted Initial Entitlement calculated in section T1.13.1(e); or
- (b) the sum of its Initial Entitlement and any IP Entry Capacity allocated in accordance with section T1.13.

#### **T1.14 Notifications**

T1.14.1 By 31<sup>st</sup> May 2015 Premier Transmission shall notify Shippers of acceptance of any application to reduce Initial Entitlements. Such notification shall specify:

- (a) the amount of reduction of the Initial Entitlement which has been accepted;
- (b) the relevant Gas Year(s); and
- (c) where an Initial Entitlement has been reduced for the Month of October 2015 only, the amount of such reduction; and
- (d) the quantity of the Shippers' adjusted Initial Entitlement for each future Gas Year and the notification shall also specify the adjusted Initial Entitlement for each Month during Gas Year 2015.

T1.14.2 By 31<sup>st</sup> May 2015 Premier Transmission shall notify Shippers of their aggregate allocation of IP Entry Capacity for future Gas Years determined in accordance with section T1.13.14. Such notification shall specify:

- (a) the amount of IP Entry Capacity allocated;
  - (b) the relevant Gas Year(s).
- TI.14.3 By 31<sup>st</sup> May 2015 Premier Transmission shall notify Shippers of their aggregate allocation of IP Entry Capacity for the Month of October 2015 determined in accordance with section TI.13.7.
- TI.14.4 By 31<sup>st</sup> May 2015 Premier Transmission shall notify Shippers of their allocation of Exit Capacity determined in accordance with section TI.13 Such notification shall specify:
- (a) the amount of Exit Capacity allocated;
  - (b) the relevant Exit Point
  - (c) the relevant Gas Year(s).

**TI.15 Shipper Forecast Information Requirements during the Transition Period**

- TI.15.1 A Shipper shall be required to provide its bone fide estimate of certain forecast information by 12<sup>th</sup> June 2015 in accordance with a **“Shipper Forecast Information Request”**.
- TI.15.2 Premier Transmission shall provide the Shipper Forecast Information Request to Shippers by no later than 15<sup>th</sup> May 2015.
- TI.15.3 Subject also to section TI.15.4, the Shipper Forecast Information Request shall require completion of at least the following details in respect of a ten-year period commencing on the Transition Date:
- (a) the amount of IP Entry Capacity by capacity product type which the Shipper forecasts it will hold for each Month;
  - (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 Entry Point; and
  - (d) the quantity of gas which the Shipper forecasts it will flow at each Exit Point.
- TI.15.4 Premier Transmission shall specify on the Shipper Forecast Information Request the units and any other details or information for which it may reasonably require Shippers to provide a forecast, for the purposes of compliance with EU legislation and/or the licence requirements of Premier Transmission and/or Shippers.
- TI.15.5 For the purposes of Gas Year 2014-2015, information provided by a Shipper pursuant to this section TI.15 shall be treated as satisfying the requirements of section 11.1.3. The remaining terms of section 11 shall continue to apply.
- TI.15.6 The information to be provided by a Shipper pursuant to this section TI.15 shall be treated as having been requested by Premier Transmission for the purposes of:
- (a) the Shipper’s Gas Supply Licence which obliges it 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, and for the avoidance of doubt, section 11.1.5 shall also apply in respect of information requested in accordance with this section TI.15;
  - (b) the reassessment of the Required Level of Credit Support for Gas Year commencing on the Transition Date.

## T2. TRANSITIONAL ARRANGEMENTS FOR THE INTRODUCTION OF CAM

### T2.1 Introduction

T2.1.1 This section T2 sets out the provisions which will apply to Shippers from the T2 Implementation Date and sets out when:

- (a) the new:
  - (i) section 1A (*Interconnection Point Capacity*);
  - (ii) section 1B (*Exit Capacity*);
- (b) the modified:
  - (i) section 7 (*Entry Requirements*);
  - (ii) section 8 (*Exit Requirements*);
  - (iii) section 11 (*Shipper Information Forecasts and the Ten Year Statement*);
  - (iv) section 17 (*Accession to the Code, Registrations, Downstream Load Statements and Retirement from the Code*) (the “**Modified Section 17**”);
  - (v) Appendix 1 (*Definitions and Interpretation*) (the “**CAM Modified Appendix 1**”);

all as set out in Code Modification 28, shall be effective. Existing terms or sections of the Code in force prior to Code Modification 28 becoming effective in accordance with this section T2 are referred to in this section T2 as “**Unmodified**”.

T2.1.2 In this section T2:

- (a) “**T2 Implementation Date**” means the date of implementation of this section T2 which shall be 1<sup>st</sup> May 2015 or, if later, the date the Authority approves Code Modification 28;
- (b) “**CAM Effective Date**” means 1<sup>st</sup> October 2015;
- (c) “**CAM Operational Date**” means, in relation to an IP, the date, not earlier than the T2 Implementation Date and not later than the CAM Effective Date, determined and published by Premier Transmission as the date on which certain communications under sections 1A and 1B can first be made in relation to the IP;
- (d) a reference to Gas Year 20XX/XY is to the Gas Year which starts 1<sup>st</sup> October 20XX and ends 30<sup>th</sup> September 20XY.

### T2.2 Commencement of section 1A

T2.2.1 Terms which appear in this section T2.2 with a capital letter have the meaning attributed to them in CAM Modified Appendix 1.

T2.2.2 The provisions of section 1A shall be effective in accordance with this section T2.2.

T2.2.3 Section 1A.1 applies only in respect of the allocation of IP Capacity in respect of IP Capacity Periods commencing with the IP Capacity Periods set out in section T2.2.4.

T2.2.4 The first Auctions to be held under the provisions of section 1A shall be in respect of the IP Capacity Periods in the table below and the provisions of section 1A shall come into force accordingly:

<b>Auction</b>	<b>IP Capacity Period</b>
Annual Yearly Auctions	Gas Years 2016/17
Annual Quarterly Auctions	Quarters in Gas Year 2016/17
Rolling Monthly Auctions	November 2015
Rolling Day Ahead Auctions, Interruptible Day Ahead Auctions and Within-Day Auction	1 <sup>st</sup> October 2015

T2.2.5 Bundled Auctions shall only commence once the Adjacent Transporter makes Interconnected System Capacity available on the Capacity Platform (which is required to facilitate Bundled Auctions) and such date may be later than the CAM Effective Date under this Code.

T2.2.6 In respect of an IP, a Shipper may not submit:

- (a) a request for its Unbundled IP Entry Capacity to be Bundled with its Equivalent Interconnected System Capacity under section 1A.10;
- (b) a request for an IP Capacity Transfer under section 1A.11;
- (c) a request for an IP Capacity Assignment under section 1A.12;

before the CAM Operational Date in respect of that IP.

T2.2.7 Subject to T2.2.6, in relation to a request under section 1A.10 by a Shipper for its' Unbundled IP Entry Capacity to be Bundled with its' Equivalent Interconnected System Capacity, and/or any Adjacent Bundling Request, in the event that there is insufficient time between the CAM Operational Date and the CAM Effective Date to process such requests in accordance with the timescales under section 1A.10 (in order to confirm such requests by the CAM Effective Date) Premier Transmission may, at its sole discretion, process and confirm such requests in such shorter timescales as may be feasible and if it has agreed with the Adjacent Transporter to do so.

T2.2.8 Section 1A.11.11 shall only apply from the CAM Effective Date.

**T2.3 Commencement of section 1B**

T2.3.1 Terms which appear in this section T2.3 with a capital letter have the meaning attributed to them in CAM Modified Appendix 1.

T2.3.2 The provisions of section 1B shall be effective in accordance with this section T2.3.

T2.3.3 Section 1B.1 applies only in respect of the allocation, transfer, assignment and surrender of Exit Capacity in respect of Exit Capacity Periods commencing on the CAM Effective Date; and applications

for Exit Capacity in accordance with section IB.3 and IB.4 (and Indicative Applications for Exit Capacity) may be submitted from the T2 Implementation Date.

T2.3.4 The first Mid Year Date under section IB shall be 30<sup>th</sup> April 2016.

T2.3.5 Under section IB, a Shipper may not submit:

- (a) a request for an Exit Capacity Transfer;
- (b) a request for an Exit Capacity Assignment;
- (c) a request to surrender Exit Capacity;

before the CAM Operational Date.

T2.3.6 For the avoidance of doubt:

- (a) the provisions of section IB.12 (Exit Capacity Ratchet); and
- (b) the provisions of section IB.6 (Application for an allocation of Exit Capacity in the same Gas Year); shall commence from the CAM Effective Date.

## **T2.4 Retirement of section I**

T2.4.1 With effect from the CAM Effective Date Unmodified section I shall no longer apply and section IA and section IB shall replace it in this Code.

T2.4.2 Terms which appear in this section T2.4 with a capital letter have the meaning attributed to them in Unmodified Appendix I.

T2.4.3 The last Month for which Firm Capacity may be requested in the same Gas Year under Unmodified section I.3 is September 2015 and the latest date by which requests for such Firm Capacity may be made (in accordance with section I.3.4 (b)) is 17<sup>th</sup> August 2015.

T2.4.4 The last Month for which Firm Capacity can be transferred in accordance with Unmodified section I.12 is September 2015 and the latest dates by which Capacity Transfer Applications may be submitted are:

- (a) for a Capacity Transfer Application in relation to the same Exit Point, 17<sup>th</sup> August 2015; and
- (b) for a Capacity Transfer Application in relation to a different Exit Point, 20<sup>th</sup> July 2015;

and Capacity Transfer Applications received after these dates shall only be considered at the discretion of Premier Transmission.

T2.4.5 The last Month for which Firm Capacity may be sub-let in accordance with Unmodified section I.13 is September 2015.

T2.4.6 For the avoidance of doubt, in relation to surrender of Firm Capacity prior to the CAM Effective Date, section T1.11 applies.

## **T2.5 Commencement of Modified Section 17**

- T2.5.1 Terms which appear in this section T2.5 with a capital letter have the meaning attributed to them in CAM Modified Appendix 1 except where expressly stated in this section T2.5.
- T2.5.2 The provisions of Modified Section 17 shall be effective from the T2 Implementation Date and the provisions of Unmodified section 17 shall cease to apply from the T2 Implementation Date.
- T2.5.3 With effect from the T2 Implementation Date, T1.5 (*Standard IP Entry Point Registration Process*) shall no longer apply.
- T2.5.4 Subject to T2.5.7, an Exit Point Registration (as defined in Unmodified Appendix 1) received prior to the T2 Implementation Date shall be treated as an Exit Point Registration under Modified Section 17; and for the avoidance of doubt, section 17.9.3 of Modified Section 17 shall apply in relation to such Exit Point Registrations.

### **Preparation for the CAM Effective Date**

- T2.5.5 A Shipper which has received an IP Entry Point Registration (as defined in Unmodified Appendix 1) as a result of the automatic IP Entry Point Registration process under section T1 and which wishes to utilise the Capacity Platform will be required to:
- (a) confirm whether or not the Shipper wishes to utilise the IP Entry Point, the VRF IP Exit Point, or both;
  - (b) provide Premier Transmission with details of Authorised Persons;
  - (c) provide Premier Transmission with the EIC of the Shipper;
  - (d) provide Premier Transmission with the identity (including the EIC) of any Counterparty Shippers;
- by no later than 22<sup>nd</sup> May 2015.
- T2.5.6 Once Premier Transmission is satisfied that the requirements of section T2.5.5 have been met, it shall provide the Shipper with an IP Registration (as defined in CAM Modified Appendix 1).
- T2.5.7 A Shipper which has received an Exit Point Registration prior to the T2 Implementation Date shall be required to provide Premier Transmission with the EIC of the Shipper by 8<sup>th</sup> May 2015 unless it has otherwise provided the EIC under section T2.5.5.
- T2.5.8 Prior to the CAM Effective Date a Shipper shall be required to enter into the relevant agreement with the Capacity Platform Operator for the use of the Capacity Platform and notify Premier Transmission that it has done so.
- T2.5.9 Following receipt of an IP Registration by a Shipper under T2.5.6, any changes or additions to the information provided pursuant to T2.5.5 must be notified by the Shipper to Premier Transmission as soon as possible.

**T2.6 Commencement of modified sections 7, 8 and 11**

T2.6.1 The modifications to section 7 (*Entry Requirements*), section 8 (*Exit Requirements*) and section 11 (*Shipper Information Forecasts and the Ten Year Statement*) as set out in Code Modification 28 shall be effective from the CAM Effective Date.

**T2.7 Commencement of CAM Modified Appendix I**

T2.7.1 From the T2 Implementation Date, the terms set out in CAM Modified Appendix I shall become effective as and when use of each of those terms is required in this Code by the coming into force of the provisions set out in this section T2 and shall continue to apply thereafter.

**T2.8 Application of Unmodified Appendix I**

T2.8.1 For the avoidance of doubt, Unmodified Appendix I shall apply in respect of Unmodified section 1, Unmodified section 7, Unmodified section 8 and Unmodified section 11 until the CAM Effective Date.

T2.8.2 Terms in Unmodified Appendix I which are not otherwise amended or deleted by CAM Modified Appendix I (or by any subsequent Code Modifications) shall continue to apply in this Code after the CAM Effective Date.

### **T3. TRANSITIONAL ARRANGEMENTS FOR THE IMPLEMENTATION OF THE CHANGE IN THE GAS DAY**

#### **T3.1 Introduction**

- T3.1.1 This section T3 sets out the provisions which will apply to give effect to the change in the timing of the Gas Flow Day.
- T3.1.2 For the avoidance of doubt, from 1<sup>st</sup> August 2015 until 29<sup>th</sup> September 2015, the Gas Flow Day shall commence at 06:00 and end at 06:00 on the following day.
- T3.1.3 Gas Flow Day 30<sup>th</sup> September 2015 shall commence at 06:00 on 30<sup>th</sup> September 2015 and end at 05:00 on 1<sup>st</sup> October 2015.
- T3.1.4 Gas Flow Day 1<sup>st</sup> October 2015 shall commence at 05:00 on 1<sup>st</sup> October 2015.
- T3.1.5 With effect from 1<sup>st</sup> October 2015, the modified text of Appendix I (Definitions and Interpretation) as set out in Code Modification Proposal 29 shall apply.



## TRANSITION SECTION T4: NOMINATIONS

### T4.1 Introduction

T4.1.1 This section T4 sets out the provisions which will apply to Shippers from the T4 Implementation Date and sets out when:

- (a) the modified section 2 (*Nominations*) (“**Modified Section 2**”); and
- (b) the modified Appendix 1 (*Definitions and Interpretation*) (“**Nominations Modified Appendix 1**”);

all as set out in Code Modification 31 shall be effective. Existing sections of the Code in force prior to Code Modification 31 becoming effective in accordance with this section T4 are referred to in this section T4 as “**Unmodified**”.

T4.1.2 In this section T4:

- (a) “**T4 Implementation Date**” means the date of implementation of this section T4 which shall be 1<sup>st</sup> July 2015 or, if later, the date the Authority approves Code Modification 31;
- (b) “**Nominations Operational Date**” means a date, determined and published by Premier Transmission, not earlier than the T4 Implementation Date and not later than the First Gas Flow Day in respect of which Nominations and Trade Nominations (as defined in Modified Appendix 1) can first be made under Modified Section 2;
- (c) the “**First Gas Flow Day**” means Gas Flow Day commencing 05:00 on 1<sup>st</sup> October 2015.

### T4.2 Commencement of Modified Section 2

T4.2.1 The provisions of Modified Section 2 shall apply, with respect to the First Gas Flow Day and each subsequent Gas Flow Day, from the Nominations Operational Date, subject to T4.2.2.

T4.2.2 Where, in respect of section 2.5.2, there are fewer than 30 Days between the Nominations Operational Date and the First Gas Flow Day the earliest Day on which Shippers may submit IP Nominations in respect of the First Gas Flow Day (and where applicable subsequent Gas Flow Days which are within 30 Days of the Nominations Operational Date) shall be the Nominations Operational Date.

T4.2.3 The provisions of the Unmodified section 2 shall apply with respect to Gas Flow Days before the First Gas Flow Day.

### T4.3 Cessation of Section 18 (*Moffat Administration Agreement*)

T4.3.1 Section 18 shall cease to apply in accordance with this section T4.3.

T4.3.2 Section 18.1 and section 18.2 shall cease to apply with effect from the T4 Implementation Date (as defined in section T4.1.2(a)).

T4.3.3 Section 18.3 shall apply in respect of nominations submitted under the Unmodified section 2 in respect of Gas Flow Days prior to the First Gas Flow Day but shall not apply in respect of IP Nominations submitted in respect of the First Gas Flow Day and subsequent Gas Flow Days.

T4.3.4 Section 18.4, section 18.5, section 18.6 and section 18.7 shall continue to apply until such time as the Moffat Administration Agreement is terminated unless otherwise specified in this Code.

**T4.4 Commencement of Nominations Modified Appendix I**

T4.4.1 From the T4 Implementation Date, the terms set out in Nominations Modified Appendix I shall, subject to T4.5, become effective as and when use of each of those terms is required in this Code by the coming into force of the provisions set out in this section T4 and shall continue to apply thereafter.

**T4.5 Successional Changes to Appendix I**

T4.5.1 “**CAM Modified Appendix I**” and “**CAM Effective Date**” have the meanings given to them in section T2 implemented or to be implemented in accordance with Code Modification 28.

T4.5.2 Nominations Modified Appendix I adds new defined terms to the Code and where relevant modifies terms set out in CAM Modified Appendix I

T4.5.3 Terms contained in Unmodified Appendix I which are not otherwise amended or deleted by CAM Modified Appendix I, Nominations Modified Appendix I or any other subsequent Code Modifications shall continue to apply in this Code after the CAM Effective Date.

## TRANSITION SECTION T5: ALLOCATIONS

### T5.1 Introduction

T5.1.1 This section T5 sets out the provisions which will apply to Shippers from the T5 Implementation Date and sets out when:

- (a) the modified section 3 (*Allocations*) (“**Modified Section 3**”);
- (b) the modified section 9 (*Measurement and Testing*) (“**Modified Section 9**”); and
- (c) the modified Appendix I (*Definitions and Interpretation*) (“**Allocations Modified Appendix I**”);

all as set out in Code Modification 32 shall be effective. Existing sections of the Code in force prior to Code Modification 32 becoming effective in accordance with this section T5 are referred to in this section T5 as “**Unmodified**”.

T5.1.2 In this section T5:

- (a) “**T5 Implementation Date**” means the date of implementation of this section T5 which shall be 8<sup>th</sup> July 2015 or, if later, the date the Authority approves Code Modification 32;
- (b) “**Allocations Operational Date**” means a date, determined and published by Premier Transmission, not earlier than the T5 Implementation Date and not later than the First OBA Day (in respect of which IP Allocations, Exit Allocations and Trade Allocations will be made pursuant to Modified Section 3);
- (c) the “**First OBA Day**” means Gas Flow Day commencing 05:00 on 1<sup>st</sup> October 2015.

### T5.2 Commencement of Modified Section 3

T5.2.1 Subject to T5.2.3 and T5.2.4, the provisions of Modified Section 3 shall apply, with respect to the First OBA Day and each subsequent Gas Flow Day, from the First OBA Day.

T5.2.2 Subject to T5.2.3 and T5.2.4, the provisions of the Unmodified section 3 shall apply with respect to Gas Flow Days before the First OBA Day.

T5.2.3 Shipper’s Allocation Arrangements (as defined in Unmodified section 3) which have been notified to Premier Transmission prior to the T5 Implementation Date shall be treated (after the T5 Implementation Date) as having been notified as Shipper’s Allocation Arrangements under the Modified Section 3.8 and, for the avoidance of doubt, shall otherwise continue to operate unamended.

T5.2.4 Where there are fewer than 20 Business Days between the Allocations Operational Date and the First OBA Day, and a Shipper wishes to notify Premier Transmission of a Shipper’s Allocation Arrangement pursuant to Modified Section 3 to apply with respect to the First OBA Day (and/or Gas Flow Days thereafter) Premier Transmission may, at its sole discretion, agree to accept and implement such notifications in such shorter timescales as may be feasible.

**T5.3 Commencement of Modified Section 9**

T5.3.1 The provisions of Modified Section 9 shall apply, with respect to the First OBA Day and each subsequent Gas Flow Day, from the First OBA Day.

T5.3.2 The provisions of the Unmodified section 9 shall apply with respect to Gas Flow Days before the First OBA Day.

**T5.4 Cessation of Section 18.5** (*Moffat Administration Agreement – Alteration of Allocation at Moffat Entry Point*)

T5.4.1 Section 18.5 shall apply in respect of all Gas Flow Days before the First OBA Day and for the avoidance of doubt, shall not apply on the First OBA Day or in respected of Days thereafter.

**T5.5 Commencement of Allocations Modified Appendix I**

T5.5.1 From the T5 Implementation Date, the terms set out in Allocations Modified Appendix I shall, subject to T5.6, become effective as and when use of each of those terms is required by the coming into force of the provisions set out in this section T5 and shall continue to apply thereafter.

**T5.6 Successional Changes to Appendix I**

T5.6.1 “**CAM Modified Appendix I**” and “**CAM Effective Date**” have the meanings given to them in section T2 implemented or to be implemented in accordance with Code Modification 28 and “**Nominations Modified Appendix I**” has the meaning given to it in section T4 implemented or to be implemented in accordance with Code Modification 31.

T5.6.2 Allocations Modified Appendix I adds new defined terms to the Code and where relevant modifies terms set out in CAM Modified Appendix I and Nominations Modified Appendix I.

T5.6.3 Terms contained in Unmodified Appendix I which are not otherwise amended or deleted by CAM Modified Appendix I, Nominations Modified Appendix I or Allocations Modified Appendix I, or any other subsequent Code Modifications shall continue to apply in this Code after the CAM Effective Date.

## TRANSITION SECTION T6: INVOICING AND CREDIT

### T6.1 Introduction

T6.1.1 This section T6 sets out the provisions which will apply to Shippers from the T6 Implementation Date and sets out when:

- (a) the modified section 12 (*Charges, Payment and Tax*) (“**Modified Section 12**”);
- (b) the new section 13 (*Credit Procedures*) (“**Modified Section 13**”);
- (c) the modified section 17.8.6 (“**Modified Section 17.8.6**”);
- (d) the modified Appendix 1 (*Definitions and Interpretation*) (“**Invoicing and Credit Modified Appendix 1**”);
- (e) the modified Appendix 4 (*Proforma Documents*) (“**Modified Appendix 4**”) and
- (f) the modified Appendix 5 (*Credit Committee Terms of Reference*) (“**Modified Appendix 5**”);

all as set out in Code Modification 33 shall be effective. Existing sections of the Code in force prior to Code Modification 33 becoming effective in accordance with this section T6 are referred to in this section T6 as “**Unmodified**”.

T6.1.2 In this section T6:

- (a) “**T6 Implementation Date**” means the date of implementation of this section T6 which shall be 31<sup>st</sup> August 2015 or, if later, the date the Authority approves Code Modification 33;
- (b) “**Invoicing Operational Date**” means 1<sup>st</sup> October 2015;
- (c) “**Credit Operational Date**” means a date, determined and published by Premier Transmission, not earlier than the T6 Implementation Date and not later than 18<sup>th</sup> September 2015;

### T6.2 Commencement of Modified Section 12

T6.2.1 The provisions of Modified Section 12 shall apply from the Invoicing Operational Date and for all Days thereafter.

### T6.3 Commencement of Modified Section 13

T6.3.1 The provisions of Modified Section 13 shall apply from the T6 Implementation Date for the Gas Year commencing 1<sup>st</sup> October 2015, subject to section T6.3.2, and for each subsequent Gas Year.

T6.3.2 For the Gas Year commencing 1<sup>st</sup> October 2015 only:

- (a) in respect of modified section 13.2, Premier Transmission shall perform the calculation of Required Level of Credit Support using the information provided in the Shipper Forecast Information Request required under section T1.15;

- (b) in respect of modified section 13.2.11, Premier Transmission shall provide Shippers with the RLCS Form as soon as possible after the T6 Implementation Date;
- (c) in respect of modified section 13.3.17, Shippers shall be required to place their Provided Level of Credit Support and submit a PLCS Form in accordance with modified section 13.3.17 no later than the Credit Operational Date;
- (d) a Shipper shall be permitted to submit a PLCS Adjustment Form at any time following the Credit Operational Date;
- (e) Premier Transmission may, at its sole discretion, record the amount of any STPLCS on the Capacity Platform in such shorter timescales as may be feasible;
- (f) where a Shipper fails to place a sufficient Provided Level of Credit Support by the Credit Operational Date, Premier Transmission shall inform the Shipper, and if a Provided Level of Credit Support is not established within 2 Business Days, this shall constitute an LPC Default and, for the avoidance of doubt, the Terms of Reference at Modified Appendix 5 shall apply and Premier Transmission may convene a meeting of the Credit Committee at the earliest opportunity.

T6.3.3 Unmodified section 13 shall apply in respect of the Gas Year ending 30<sup>th</sup> September until the completion of invoicing of Reconciliation Payments for that Gas Year.

#### **T6.4 Commencement of Invoicing and Credit Modified Appendix I**

T6.4.1 From the T6 Implementation Date, the terms set out in Invoicing and Credit Modified Appendix I shall, subject to T6.5, become effective as and when use of each of those terms is required by the coming into force of the provisions set out in this section T6 and shall continue to apply thereafter.

#### **T6.5 Successional Changes to Appendix I**

T6.5.1 **“CAM Modified Appendix I”** and **“CAM Effective Date”** have the meanings given to them in section T2 implemented or to be implemented in accordance with Code Modification 28, **“Nominations Modified Appendix I”** has the meaning given to it in section T4 implemented or to be implemented in accordance with Code Modification 31, and **“Allocations Modified Appendix I”** has the meaning given to it in section T5 implemented or to be implemented in accordance with Code Modification 32.

T6.5.2 Invoicing and Credit Modified Appendix I adds new defined terms to the Code and where relevant modifies terms set out in CAM Modified Appendix I, Nominations Modified Appendix I and Allocations Modified Appendix I.

T6.5.3 Terms contained in Unmodified Appendix I which are not otherwise amended or deleted by CAM Modified Appendix I, Nominations Modified Appendix I, Allocations Modified Appendix I, or Invoicing and Credit Modified Appendix I or any other subsequent Code Modifications shall continue to apply in this Code after the CAM Effective Date.

#### **T6.6 Commencement of Modified Section 17.8.6, Modified Appendix 4 and Modified Appendix 5**

T6.6.1 The provisions of Modified Section 17.8.6, Modified Appendix 4 and Modified Appendix 5 shall apply from the T6 Implementation Date for the Gas Year commencing 1<sup>st</sup> October 2015 as required by the

provisions of Modified Section 13 coming into force in accordance with section T6.3 and shall continue to apply thereafter.

## TRANSITION SECTION T7: BALANCING AND SCHEDULING

### T7.1 Introduction

T7.1.1 This section T7 sets out the provisions which will apply to Shippers from the T7 Implementation Date and sets out when:

- (a) the new section 4 (*Balancing and Scheduling Charges*) (“**Modified Section 4**”);
- (b) the new section 5 (*Balancing and Shrinkage Gas*) (“**Modified Section 5**”);
- (d) the modified Appendix I (*Definitions and Interpretation*) (“**Balancing Modified Appendix I**”);

all as set out in Code Modification 34 shall be effective. Existing sections of the Code in force prior to Code Modification 34 becoming effective in accordance with this section T7 are referred to in this section T7 as “**Unmodified**”.

T7.1.2 In this section T7:

- (a) “**T7 Implementation Date**” means the date of implementation of this section T7, which shall be 7<sup>th</sup> September 2015 or, if later, the date the Authority approves Code Modification 34;
- (b) “**Balancing Operational Date**” means 1<sup>st</sup> October 2015.

### T7.2 Commencement of Modified Section 4, Modified Section 5 and Balancing Modified Appendix I

T7.2.1 Subject to section T7.2.2, the provisions of Modified Section 4, Modified Section 5 and Balancing Modified Appendix I shall apply from the Balancing Operational Date and for all Days thereafter. The provisions of Unmodified Section 4, Unmodified Section 5 and Unmodified Appendix I (subject to T7.3) shall apply to all Days prior to the Balancing Operational Date.

T7.2.2 No later than 25<sup>th</sup> September 2015 (or where the T7 Implementation Date is later than 25<sup>th</sup> September 2015, as soon as possible thereafter and prior to the Balancing Operational Date), Premier Transmission shall:

- (a) determine the Imbalance Tolerance Percentage (in accordance with Modified Section 4.2) to apply for each Shipper in respect of all Days from the Balancing Operational Date; and
- (b) notify such ITP to each Shipper.

### T7.3 Successional Changes to Appendix I

T7.3.1 “**CAM Modified Appendix I**” and “**CAM Effective Date**” have the meanings given to them in section T2 implemented or to be implemented in accordance with Code Modification 28, “**Nominations Modified Appendix I**” has the meaning given to it in section T4 implemented or to be implemented in accordance with Code Modification 31, “**Allocations Modified Appendix I**” has the meaning given to it in section T5 implemented or to be implemented in accordance with Code Modification 32 and “**Invoicing and Credit Modified Appendix I**” has the meaning given to it in section T6 implemented or to be implemented in accordance with Code Modification 33.



T7.3.2 Balancing Modified Appendix I adds new defined terms to the Code and where relevant modifies terms set out in CAM Modified Appendix I, Nominations Modified Appendix I, Allocations Modified Appendix I and Invoicing and Credit Modified Appendix I.

T7.3.3 Terms contained in Unmodified Appendix I which are not otherwise amended or deleted by CAM Modified Appendix I, Nominations Modified Appendix I, Allocations Modified Appendix I, Invoicing and Credit Modified Appendix I, Balancing Modified Appendix I or any other subsequent Code Modifications shall continue to apply in this Code after the CAM Effective Date.

**T7.4 Changes to Section 2 and Section 8**

T7.4.1 The amendments to section 2 set out in this Code Modification 34 amend the text implemented as part of Code Modification 31 with effect from the T7 Implementation Date.

T7.4.2 The amendments to section 8 set out in this Code Modification 34 amend the text implemented as part of Code Modification 28 with effect from the T7 Implementation Date.

## **TRANSITION SECTION T8: EXCEPTIONAL EVENTS AND EMERGENCIES**

### **T8.1 Introduction**

T8.1.1 This section T8 sets out the provisions which will apply to Shippers from the T8 Implementation Date and sets out when:

- (a) the new section 6 (*Exceptional Events and Emergencies*) (“**Modified Section 6**”);
- (b) modified section 12.1.4 (“**Modified Section 12.1.4**”);
- (c) modified section 17.6 (“**Modified Section 17.6**”); and
- (d) the modified Appendix I (*Definitions and Interpretation*) (“**Section 6 Modified Appendix I**”),

all as set out in Code Modification 35 shall be effective. Existing sections of the Code in force prior to Code Modification 35 becoming effective in accordance with this section T8 are referred to in this section T8 as “**Unmodified**”.

T8.1.2 In this section T8:

- (a) “**T8 Implementation Date**” means the date of implementation of this section T8 which shall be 7<sup>th</sup> September or, if later, the date the Authority approves Code Modification 35; and
- (b) “**Section 6 Operational Date**” means 1<sup>st</sup> October 2015.

### **T8.2 Commencement of Modified Section 6, Modified Section 12.1.4 and Modified Section 17.6**

T8.2.1 The provisions of Modified Section 6, Modified Section 12.1.4 and Modified Section 17.6 shall apply in respect of the Gas Flow Day commencing on the Section 6 Operational Date and for all Gas Flow Days thereafter.

T8.2.2 Unmodified Section 6, Unmodified Section 12.1.4 and Unmodified Section 17.6 shall apply in respect of all Gas Flow Days up to and including 30<sup>th</sup> September 2015, but not in respect of Gas Flow Days thereafter.

### **T8.3 Commencement of Section 6 Appendix I**

T8.3.1 From the T8 Implementation Date, the terms set out in Section 6 Modified Appendix I shall, subject to T8.4, become effective as and when use of each of those terms is required by the coming into force of the provisions set out in this section T8 and shall continue to apply thereafter.

### **T8.4 Successional Changes to Appendix I**

T8.4.1 In this section T8:

- (a) **“CAM Modified Appendix I”** and **“CAM Effective Date”** have the meanings given to them in section T2 implemented or to be implemented in accordance with Code Modification 28;
- (b) **“Nominations Modified Appendix I”** has the meaning given to it in section T4 implemented or to be implemented in accordance with Code Modification 31;
- (c) **“Allocations Modified Appendix I”** has the meaning given to it in section T5 implemented or to be implemented in accordance with Code Modification 32;
- (d) **“Invoicing and Credit Modified Appendix I”** has the meaning given to it in section T6 implemented or to be implemented in accordance with Code Modification 33;
- (e) **“Balancing Modified Appendix I”** has the meaning given to it in section T7 implemented or to be implemented in accordance with Code Modification 34;

together, the **“Modified Appendix I Terms”**.

T8.4.2 Section 6 Modified Appendix I adds new defined terms to the Code and where relevant modifies terms set out in the Modified Appendix I Terms.

T8.4.3 Terms contained in Unmodified Appendix I which are not otherwise amended or deleted by the Modified Appendix I Terms or any other subsequent Code Modifications shall continue to apply in this Code after the CAM Effective Date.

**TRANSITION SECTION T9:  
TRANSITIONAL ARRANGEMENTS FOR THE  
INTRODUCTION OF CONGESTION MANAGEMENT PROCEDURES**

**T9.1 Introduction**

T9.1.1 This section T9 will apply from the T9 Implementation Date and sets out when the provisions of:

- (a) the:
  - (i) modified section IA.3.4;
  - (ii) modified section IA.3.19;
  - (iii) new section IA.16;
  - (iv) new section IA.17;
  - (v) new section IA.18; and
  - (vi) new section IA.19;(together, the “**Modified CMP Sections**”); and
- (b) the amendments to section IB.11 and sections I2.5.2;
- (c) the modified Appendix I (*Definitions and Interpretation*) (the “**CMP Modified Appendix I**”); and

all as set out in Code Modification 36, shall be effective. Existing terms or sections of the Code in force prior to Code Modification 36 becoming effective in accordance with this section T9 are referred to in this section T9 as “**Unmodified**”.

T9.1.2 In this section T9:

- (a) “**T9 Implementation Date**” means 1<sup>st</sup> October 2015 or if later the date the Authority approves Code Modification 36;
- (b) “**Activation Test**” means the test set out in the OS Scheme and CMP Methodology Statement for the determination of contractual congestion;
- (c) “**CMP Activation Date**” means the date at which the Activation Test is passed; and
- (d) “**OS Effective Date**” means a date specified by Premier Transmission which shall be 6 months after the CMP Activation Date or sooner where feasible.

**T9.2 Commencement of Modified CMP Sections**

T9.2.1 The Modified 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 Premier Transmission otherwise determines that the procedures in any or all of those sections are required, in accordance with the OS Scheme and CMP Methodology Statement [and the Licence], in which case Premier Transmission 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.

T9.2.2 The Modified CMP Sections shall not apply before the date determined under section T9.2.1.

T9.2.3 Shippers shall not be able to submit Surrender Offers in accordance with section IA.17, or Buyback Offers in accordance with section IA.19 before the OS Effective Date.

T9.2.4 In respect of sections IA.17 and IA.19, Premier Transmission shall inform Shippers in writing of the means by which it proposes to administer sections IA.17 and IA.19 at the CMP Activation Date, or such date published in accordance with section T9.2.1(b), and may amend or update this information from time to time, by informing the Shippers in writing.

### **T9.3 Commencement of Amended Sections IB.11 and 12.5.2**

T9.3.1 The amendments to sections IB.11 and section 12.5.2 pursuant to Code Modification 36 shall take effect from the T9 Implementation Date.

### **T9.4 Commencement of CMP Modified Appendix I**

T9.4.1 From the T9 Implementation Date, the terms set out in CMP Modified Appendix I shall, subject to T9.4, become effective as and when use of each of those terms is required by the coming into force of the provisions set out in this section T9 and shall continue to apply thereafter.

### **T9.5 Successional Changes to Appendix I**

T9.5.1 In this section T9:

- (a) **“CAM Modified Appendix I”** and **“CAM Effective Date”** have the meanings given to them in section T2 implemented or to be implemented in accordance with Code Modification 28;
- (b) **“Nominations Modified Appendix I”** has the meaning given to it in section T4 implemented or to be implemented in accordance with Code Modification 31;
- (c) **“Allocations Modified Appendix I”** has the meaning given to it in section T5 implemented or to be implemented in accordance with Code Modification 32;
- (d) **“Invoicing and Credit Modified Appendix I”** has the meaning given to it in section T6 implemented or to be implemented in accordance with Code Modification 33;
- (e) **“Balancing Modified Appendix I”** has the meaning given to in section T7 implemented or to be implemented in accordance with Code Modification 34; and

(f) **“Section 6 Modified Appendix I”** has the meaning given to it in section T8 implemented or to be implemented in accordance with Code Modification 35.

T9.5.2 CMP Modified Appendix I adds new defined terms to the Code and where relevant modifies terms set out in CAM Modified Appendix I, Nominations Modified Appendix I, Allocations Modified Appendix I, Invoicing and Credit Modified Appendix I, Balancing Modified Appendix I and Legal and General Modified Appendix I.

T9.5.3 Terms contained in Unmodified Appendix I which are not otherwise amended or deleted by CAM Modified Appendix I, Nominations Modified Appendix I, Allocations Modified Appendix I, Invoicing and Credit Modified Appendix I, Balancing Modified Appendix I, Section 6 Modified Appendix I or CMP Modified Appendix I or any other subsequent Code Modifications shall continue to apply in this Code after the CAM Effective Date.

## TRANSITION SECTION T10: LEGAL AND GENERAL

### T10.1 Introduction

T10.1.1 This section T10 sets out the provisions which will apply to Shippers from the T10 Implementation Date and sets out when the provisions of:

- (a) the modified:
  - (i) section 14 (*Liabilities and Indemnities*);
  - (ii) section 15 (*Force Majeure*);
  - (iii) section 16 (*Termination*);
  - (iv) section 19 (*Confidentiality*);
  - (v) section 20 (*General*);
  - (vi) section 21 (*Governing Law and Dispute Resolution*);
  - (vii) Appendix 5, paragraph 1.1(10);
  - (viii) Appendix 5, paragraph 6.1(C);
  - (ix) Appendix 5, paragraph 6.2;
- (b) the new:
  - (i) section 17.10.7; and
  - (ii) section 17.10.8;

(T10.1.1(a) and (b) together are referred to in this section T10 as the "**Modified Legal and General Sections**");

(c) the amendments to sections 2.7.11 and 2.7.12 (the "**Section 2 Amendments**"); and

(d) the modified Appendix 1 (*Definitions and Interpretation*) (the "**Legal and General Modified Appendix 1**");

all as set out in Code Modification 37 shall be effective in accordance with this section T10. Existing terms or sections of the Code in force prior to Code Modification 37 becoming effective in accordance with this section T10 are referred to in this section T10 as "**Unmodified**".

T10.1.2 In this section T10:

- (a) "**T10 Implementation Date**" means the date of implementation of this section T10 which shall be 11<sup>th</sup> September or, if later, the date the Authority approves Code Modification 37;
- (b) "**Legal and General Operational Date**" means 1<sup>st</sup> October 2015.

**T10.2 Commencement of Modified Legal and General Sections and Legal and General Modified Appendix I**

T10.2.1 The Modified Legal and General Sections and Legal and General Modified Appendix I shall apply in respect of the Gas Flow Day commencing at 05:00 on the Legal and General Operational Date and for all Gas Flow Days thereafter.

T10.2.2 The Unmodified sections 14, 15, 16, 19,20 and 21, and the Unmodified Appendix 5 paragraphs 1.1(10),6.1(C) and 6.2 shall apply in respect of all Gas Flow Days up to and including 30<sup>th</sup> September 2015 but not in respect of Gas Flow Days thereafter.

**T10.3 Section 2 Amendments**

T10.3.1 The Section 2 Amendments shall, from the T10 Implementation Date, revise the text of section 2 set out in Code Modification 31 and shall become effective in accordance with section T4.2

**T10.4 Successional Changes to Appendix I**

T10.4.1 In this section T10:

- (a) **“CAM Modified Appendix I”** and **“CAM Effective Date”** have the meanings given to them in section T2 implemented or to be implemented in accordance with Code Modification 28;
- (b) **“Nominations Modified Appendix I”** has the meaning given to it in section T4 implemented or to be implemented in accordance with Code Modification 31;
- (c) **“Allocations Modified Appendix I”** has the meaning given to it in section T5 implemented or to be implemented in accordance with Code Modification 32;
- (d) **“Invoicing and Credit Modified Appendix I”** has the meaning given to it in section T6 implemented or to be implemented in accordance with Code Modification 33;
- (e) **“Balancing Modified Appendix I”** has the meaning given to it in section T7 implemented or to be implemented in accordance with Code Modification 34;
- (f) **“Section 6 Modified Appendix I”** has the meaning given to it in section T8 implemented or to be implemented in accordance with Code Modification 35;
- (g) **“CMP Modified Appendix I”** has the meaning given to it in section T9 implemented or to be implemented in accordance with Code Modification 36;

together the **“Modified Appendix I Terms”**

T10.4.2 Legal and General Modified Appendix I adds new defined terms to the Code and where relevant modifies terms set out in the Modified Appendix I Terms.

T10.4.3 Terms contained in Unmodified Appendix I which are not otherwise amended or deleted by the Modified Appendix I Terms or any other subsequent Code Modifications shall continue to apply in this Code after the CAM Effective Date.



## APPENDIX I<sup>4</sup>

### DEFINITIONS AND INTERPRETATION

#### Part I - Definitions

In this Code:

<b>"Accession Agreement"</b>	means an agreement between Premier Transmission and a Shipper pursuant to which the Shipper agrees to be bound by this Code;
<b>"ACER"</b>	means the Agency for Co-operation of Energy Regulators;
<b>"Accounting Ratios"</b>	means FFO Interest Coverage and FFO to Total Debt;
<b>"Actual Monthly Charge"</b>	has the meaning given to it in Condition 2.1.5 of the Licence;
<b>"Additional IP Entry Capacity"</b>	has the meaning given to it in section 1A.16.2;
<b>"Adjacent Bundling Request"</b>	has the meaning given to it in section 1A.10.9;
<b>"Adjacent Transporter"</b>	has the meaning given to it in section 1A.3.11(a);
<b>"Adjacent Transporters"</b>	has the meaning given to it in section 1A.3.11(a);
<b>"Adjacent Transporter's Rulebook"</b>	has the meaning given to it in section 1A.3.11(b);
<b>"Adjusted Final Allocation at Exit"</b>	has the meaning given to it in section 9.1.2 (a);
<b>"Adjusted Monthly Charge"</b>	has the meaning given to it in Condition 2.1.5 of the Licence;
<b>"Adjustment Amount"</b>	has the meaning given to it in section 12.13.2;
<b>"Advance Buyback Agreement"</b>	has the meaning given to it in section 1A.19.2;
<b>"Advance Buyback Offer"</b>	means a Buyback Offer which is made available to Premier Transmission as a result of an Advance Buyback Agreement and <b>"Advance Buyback Offers"</b> shall be construed accordingly;
<b>"Affected Party"</b>	has the meaning given to it in section 15.1;
<b>"Affiliate"</b>	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

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<sup>4</sup> Please note this is a compiled version of Appendix I containing all the successional changes referred to in all of the Transition Sections, as well as unmodified terms which have not been amended by the modifications made prior to 1<sup>st</sup> October 2015

save that the expression in the section “a majority” shall be deemed to be “one half”;

<b>“Aggregate Allocable Irish-Side Capacity”</b>	has the meaning given to it in section 1A.4.17;
<b>“Aggregate Bid Quantity”</b>	has the meaning given to it in section 1A.8.3(c);
<b>“Aggregate Change”</b>	has the meaning given to it in section 2.7.16(a);
<b>“Aggregate Exit Nominated Quantity”</b>	has the meaning given to it in section 2.10.1(c) and <b>“Aggregate Exit Nominated Quantities”</b> shall be construed accordingly;
<b>“Aggregate IP Entry Nominated Quantity”</b>	means the sum of all Shippers’ IP Entry Nominated Quantities for Gas Flow Day D in respect of the Transportation System;
<b>“Aggregate NI Entry Allocation”</b>	has the meaning given to it in section 3.4.2 and <b>“Aggregate NI Entry Allocations”</b> shall be construed accordingly;
<b>“Aggregate NI Exit Allocation”</b>	has the meaning given to it in section 3.10.2 and <b>“Aggregate NI Exit Allocations”</b> shall be construed accordingly;
<b>“Aggregate NI Imbalance” or “ANII”</b>	has the meaning given to it in section 4.1.1(c);
<b>“Aggregate Surrender Quantity”</b>	has the meaning given to it in section 1A.17.2(f);
<b>“Aggregate Throughput”</b>	has the meaning given to it in section 5.6.1(a);
<b>“Aggregate VRF IP Exit Nominated Quantity”</b>	has the meaning given to it in section 3.2.1(h);
<b>“Align Communication”</b>	has the meaning given to it in section 20.1.2;
<b>“Align System”</b>	has the meaning given to it in section 20.1.1;
<b>“Allocable IP Entry Capacity”</b>	has the meaning given to it in section 1A.7.3;
<b>“Allocable VRF IP Exit Capacity”</b>	has the meaning given to it in section 1A.7.4;
<b>“Amended IP Renomination”/ “ARN<sub>s</sub>”</b>	has the meaning set out in section 2.7.18 and <b>“Amended IP Renominations”</b> shall be construed accordingly;
<b>“Annual Quarterly Auctions”</b>	has the meaning given to it in section 1A.5.1(b);
<b>“Annual Yearly Auctions”</b>	has the meaning given to it in section 1A.5.1(a);
<b>“Ascending Clock Auction”</b>	has the meaning given to it in section 1A.8.2;
<b>“Assignee Shipper”</b>	means a Shipper to whom IP Entry Capacity is assigned or proposed to be assigned to in accordance with section 1A.12 or to whom Exit Capacity is

	assigned or proposed to be assigned to in accordance with section 1B.10, as appropriate;
<b>“Assigned IP Entry Capacity”</b>	has the meaning given to it in section 1A.12.4(c);
<b>“Assigned Exit Capacity”</b>	has the meaning given to it in section 1B.10.4(a);
<b>“Assignor Shipper”</b>	means a Shipper which assigns or wishes to assign its IP Entry Capacity in accordance with section 1A.12 or its Exit Capacity in accordance with section 1B.10, as appropriate;
<b>“Auction”</b>	has the meaning given to it in section 1A.4.2(a);
<b>“Auction Allocated Quantity”</b>	has the meaning given to it in section 1A.4.2(f);
<b>“Auction Calendar”</b>	has the meaning given to it in section 1A.4.2(b);
<b>“Auction Date”</b>	has the meaning given to it in section 1A.8.3(a);
<b>“Auction Information”</b>	has the meaning given to it in section 1A.4.2(c);
<b>“Auction Information Time”</b>	has the meaning given to it in section 1A.4.2(d);
<b>“Auction Premium”</b>	has the meaning given to it in section 1A.4.2(e);
<b>“Auction Quantity”</b>	has the meaning given to it in section 1A.4.2(h);
<b>“Auction Year”</b>	has the meaning given to it in section 1A.4.2(g);
<b>“Authorised Person”</b>	has the meaning given to it in section 17.5.1(f) and <b>“Authorised Persons”</b> shall be construed accordingly;
<b>“Authority”</b>	means the Northern Ireland Authority for Utility Regulation;
<b>“Automatic Bidding”</b>	has the meaning given to it in section 1A.4.2(i);
<b>“Auxiliary Payment”</b>	shall have the meaning given to it in the Licence;
<b>“Available Exit Capacity”</b>	has the meaning given to it in section 1B.1.5;
<b>“Available IP Capacity”</b>	has the meaning given to it in section 1A.3.18;
<b>“Available IP Entry Capacity”</b>	has the meaning given to it in section 1A.3.19;
<b>“Average PS Code Charges”</b>	has the meaning given to it in section 13.2.7;
<b>“Balancing Gas”</b>	has the meaning given to it in section 5.2.1;
<b>“Balancing Gas Costs”</b>	has the meaning given to it in section 5.6.1(d);
<b>“Ballylumford Exit Point”</b>	means the Exit Point located at Ballylumford power station from which gas is offtaken for the supply of gas to the power station;
<b>“bar”</b>	has the meaning given to it in ISO 1000: 1981 (E);

<b>“Belfast Gas”</b>	means Belfast Gas Transmission Limited;
<b>“Belfast Gas Code”</b>	means the network code prepared by Belfast Gas pursuant to its Licence;
<b>“Belfast Gas Exit Point No 1”</b>	means a notional point at the point of offtake from the Transportation System at Ballylumford shown in part II of appendix 3 in respect of which, inter alia, capacity is allocated for the purposes of submitting Belfast Gas Exit Point No 1 Nominations;
<b>“Belfast Gas Exit Point No 2”</b>	means a notional point at the point of offtake from the Transportation System at Ballylumford shown in part II of appendix 3 in respect of which, inter alia, capacity is allocated for the purposes of submitting Belfast Gas Exit Point No 2 Nominations;
<b>“Belfast Gas Exit Point No 3”</b>	means a notional point at the point of offtake from the Transportation System at Ballylumford shown in part II of appendix 3 in respect of which, inter alia, capacity is allocated for the purposes of submitting Belfast Gas Exit Point No 3 Nominations;
<b>“Belfast Gas Postalised Network Incentive Scheme Bank Account”</b>	has the meaning given to it in the Belfast Gas Code;
<b>“Belfast Gas System”</b>	means the gas pipeline owned by Belfast Gas which connects the PTL System at Ballylumford in Northern Ireland to the BGE (UK) Downstream System at the Carrickfergus Connected Systems Point and Phoenix’s distribution network in the Greater Belfast area;
<b>“Belfast Network Exit Point”</b>	means the points in Belfast at which gas exits the NI Network;
<b>“Belfast Metering Agreement”</b>	means a deed of agreement made between Premier Transmission and Belfast Gas relating to the use of certain meter reading equipment;
<b>“BGE (UK)”</b>	means GNI Limited, a company incorporated in England and Wales with company registration number 02827969 and references to BGE(NI) also mean GNI (UK) Limited;
<b>“BGE (UK) Code”</b>	means the Code governing the relationship between BGE (UK) Limited and its Shippers in respect of the BGE (UK) Downstream System;
<b>“BGE (UK) Downstream System”</b>	means the pipeline owned and operated by BGE (UK) which connects the Belfast Gas System at the Carrickfergus Connected Systems Point to the north west of Northern Ireland and to the South-North Interconnection Point;
<b>“BGE (UK) Shipper”</b>	means a person shipping gas on the BGE (UK) Downstream System;
<b>“BGE (UK) Upstream System”</b>	means the pipeline and associated facilities operated by BGE (UK) connecting the national gas transmission system at Moffat to, inter alia, Twynholm in Scotland through which BGE (UK) transports gas for Premier Transmission pursuant to the BGE (UK) Transportation Agreement;

<b>“BGE (UK) Transportation Agreement”</b>	means the agreement dated 21 August 1996 made between BGE (UK) and Premier Transmission pursuant to which BGE (UK) transports gas for Premier Transmission through the BGE (UK) Upstream System as amended and restated from time to time;
<b>“Bid”</b>	has the meaning given to it in section IA.4.2(j) and <b>“Bids”</b> shall be construed accordingly;
<b>“Bid Price”</b>	has the meaning given to it in section IA.9.3;
<b>“Bid Quantity”</b>	has the meaning given to it in section IA.4.2(k);
<b>“Bid Round”</b>	has the meaning given to it in section IA.4.2(l);
<b>“Bid Round Price”</b>	has the meaning given to it in section IA.8.3(b);
<b>“Bid Window”</b>	has the meaning given to it in section IA.4.2(m);
<b>“BPR<sub>BR-1</sub>”</b>	has the meaning given to it in section IA.8.5(a);
<b>“BPR<sub>LPFBR</sub>”</b>	has the meaning given to it in section IA.8.5(b);
<b>“Bundled”</b>	has the meaning given to it in section IA.3.10(a);
<b>“Bundled Auction”</b>	has the meaning given to it in section IA.4.3(a);
<b>“Business Day”</b>	means a day (other than a Saturday or Sunday) on which banks are generally open for business in Belfast;
<b>“Buyback Cap”</b>	has the meaning given to it in the PTL Postalised Network Incentive Payments Procedure;
<b>“Buyback Invitation”</b>	has the meaning given to it in section IA.19.4;
<b>“Buyback Notification”</b>	has the meaning given to it in section IA.19.11 and <b>“Buyback Notifications”</b> shall be construed accordingly;
<b>“Buyback Offer”</b>	has the meaning given to it in section IA.19.5 and <b>“Buyback Offers”</b> shall be construed accordingly;
<b>“Buyback Offer Price”</b>	has the meaning given to it in section IA.19.5(e);
<b>“Buyback Payment”</b>	means a payment which shall be payable by Premier Transmission to a Shipper in respect of IP Capacity in accordance with the OS Scheme and <b>“Buyback Payments”</b> shall be construed accordingly;
<b>“Calorific Value”</b>	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 15° C with excess air at the same temperature and pressure as the gas when the products of combustion are cooled at 15° 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 6976-1:1983(E);
<b>“Capacity Platform”</b>	has the meaning given to it in section IA.6.1;

<b>“Capacity Platform Operator”</b>	has the meaning given to it in section 1A.6.1;
<b>“Carrickfergus Connected Systems Point”</b>	means the point at Carrickfergus at which the Belfast Gas System connects with the BGE (UK) Downstream System;
<b>“Carry Forward”</b>	has the meaning given to it in section 1A.9.11(e);
<b>“Charges”</b>	means any charge payable to/from Premier Transmission either under its Licence or this Code;
<b>“Charging Methodology Statement”</b>	is the document of that name in a form from time to time approved by the Authority and published by the Designated Pipeline Operators in a manner so approved which sets out the basis for the calculation of Charges;
<b>“CC Invoice”</b>	has the meaning given to it in section 12.6.1;
<b>“Class”</b>	has the meaning given to it in section 1A.3.8;
<b>“Clearing Price”</b>	has the meaning given to it in section 1A.4.2(n);
<b>“Closes”</b>	has the meaning given to it in section 1A.8.3(e);
<b>“Code” or “Transportation Code”</b>	means this code governing the relationship between Premier Transmission and a Shipper in relation to the transportation of gas on the Transportation System;
<b>“Code Modification”</b>	means a modification to the Code in accordance with the Modification Rules;
<b>“Commodity Value of Trades”</b>	has the meaning given to it in section 13.2.1(a);
<b>“Competent Authority”</b>	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) of the European Union (including any Member State thereof) which has jurisdiction over Premier Transmission or a Shipper regarding the subject matter of this Code;
<b>“Competing Capacity”/ “CC”</b>	has the meaning given to it in section 1A.8.44(a);
<b>“Confidential Information”</b>	has the meaning given to it in section 19.1.1;
<b>“Confirmed Exit Nomination Quantity”</b>	has the meaning given to it in section 2.11.4 and <b>“Confirmed Exit Nomination Quantities”</b> shall be construed accordingly;
<b>“Confirmed IP Nomination Quantity”</b>	has the meaning given to it in section 2.6.4 and <b>“Confirmed IP Nomination Quantities”</b> shall be construed accordingly;

<b>“Confirmed Trade Nomination”</b>	has the meaning given to it in section 2.13.2(f) and <b>“Confirmed Trade Nomination Quantities”</b> shall be construed accordingly;
<b>“Confirmed Trade Quantity”</b>	has the meaning given to it in section 2.13.2(e) and <b>“Confirmed Trade Quantities”</b> shall be construed accordingly;
<b>“Congestion Management Procedures” or “CMP”</b>	means the arrangements for surrender of IP Entry Capacity, purchase of IP Entry Capacity by Premier Transmission and Long Term Use it or Lose it;
<b>“Connected Facilities”</b>	means the facilities immediately downstream of an Exit Point whether or not owned by a Shipper;
<b>“Connected System”</b>	means any transportation system connected to the Transportation System;
<b>“Connected System Operator”</b>	means the operator of a Connected System;
<b>“Counterparty IP Nomination”</b>	has the meaning given to it in section 2.4.2 and <b>“Counterparty IP Nominations”</b> shall be construed accordingly;
<b>“Counterparty IP Renomination”</b>	has the meaning given to it in section 2.4.2 and <b>“Counterparty IP Renominations”</b> shall be construed accordingly;
<b>“Counterparty Shipper”</b>	has the meaning given to it in section 2.4.2 and <b>“Counterparty Shippers”</b> shall be construed accordingly;
<b>“CPI”</b>	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 CHV) or, if such index is no longer published, such comparable alternative as the Authority deems appropriate;
<b>“CPO Activities”</b>	has the meaning given to it in section 1A.6.3;
<b>“CPO Rules and Processes”</b>	has the meaning given to it in section 1A.6.8(a);
<b>“Credit Application”</b>	has the meaning given to it in section 13.1.2;
<b>“Credit Committee”</b>	shall have the meaning given in the Terms of Reference;
<b>“Credit Period”</b>	shall have the meaning given it in Section 13.2.1(e);
<b>“Curtailed Quantity”</b>	has the meaning given to it in section 2.7.12(b);
<b>“D”</b>	means a given Gas Flow Day;
<b>“D-1”</b>	means the Day before D;
<b>“D-1 Predicted Capacity Shortfall”</b>	has the meaning given to it in section 6.2.1;
<b>“D+1”</b>	means the Day after D;
<b>“D+5”</b>	means the fifth Day after D;

<b>“Daily IP Entry Capacity”</b>	has the meaning given to it in section 1A.3.2(c);
<b>"Daily Gas Price"</b>	has the meaning given to it in section 4.1.1 (a);
<b>“Daily Gas Quantity”</b>	has the meaning given to it in the Moffat Administration Agreement;
<b>"Day"</b>	means a period beginning at 06:00 hours on any day and ending at 06:00 hours on the following day and Daily shall be construed accordingly;
<b>“Day D Capacity Shortfall”</b>	has the meaning given to it in section 6.3.1;
<b>"Day of Greatest Allocated Quantity"</b>	has the meaning given to it in section 1B.7.1(b);
<b>"Debt Notice"</b>	shall have the meaning given to it in the Licence;
<b>"Debt Payment"</b>	shall have the meaning given to it in the Licence;
<b>"Debt Repayment"</b>	shall have the meaning given to it in the Licence;
<b>“Default”</b>	has the meaning given to it in section 13.5.1;
<b>“Default Nomination Notice”</b>	has the meaning given to it in the Moffat Administration Agreement;
<b>“Default Renomination Notice”</b>	has the meaning given to it in the Moffat Administration Agreement;
<b>“Defaulting Party”</b>	has the meaning given to it in section 16.3.1A(a);
<b>“Deferred Buyback Payment”</b>	has the meaning given to it in section 12.5.6 and <b>“Deferred Buyback Payments”</b> shall be construed accordingly;
<b>“Delivery Characteristics”</b>	means the characteristics of gas delivered or tendered for delivery to the Transportation System in respect of which Gas Specification apply;
<b>"Designated Pipe-line Operator"</b>	means a person licensed to convey gas under Article 8(1)(a) of the Order through the Postalised System;
<b>"Designation Date"</b>	shall have the meaning given to it in the Licence;
<b>“Direction of Change”</b>	has the meaning given to it in section 2.7.16(b);
<b>"Directions"</b>	means any direction made by the Credit Committee in accordance with the Terms of Reference and <b>“Direction”</b> shall be construed accordingly;
<b>"Directive"</b>	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;
<b>“Disbursement Amount”</b>	has the meaning given to it in section 5.6.2 and <b>“Disbursement Amounts”</b> shall be construed accordingly;
<b>“Disbursement Ratio”</b>	has the meaning given to it in section 5.6.1(c);



<b>"Disclosing Party"</b>	has the meaning given to it in section 19.1.2;
<b>"Dispute"</b>	has the meaning given to it in section 21.2.1;
<b>"Dispute Notice"</b>	has the meaning given to it in section 21.2.2;
<b>"Distribution Network Operator"/"DNO"</b>	means the operator of a gas distribution network which is connected to the NI Network;
<b>"Distribution Nominations"</b>	has the meaning given to it in section 6.2.3 (c);
<b>"Distribution Profile Nominations"</b>	has the meaning given to it in section 6.2.3(c);
<b>"Distribution Utility"</b>	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;
<b>"Double-Sided"</b>	has the meaning given to it in section 2.4.7(a);
<b>"Downstream Exit Capacity Surrender Application"</b>	has the meaning given to it in section 1B.8.2(e);
<b>"Downstream Load Category"</b>	has the meaning given to it in section 4.2.1 and <b>"Downstream Load Category No 1"</b> and so on shall be construed accordingly;
<b>"Downstream Load Statement"</b>	has the meaning given to it in section 17.9.1;
<b>"Downstream Supplier"</b>	means a Gas Supplier which is downstream of a Connected System;
<b>"Downstream System Operator"</b>	means the operator of a system which is downstream of a Connected System;
<b>"Due Date"</b>	means the date on which payment of an invoice in respect of any PS Transmission Amounts and PS Code Charges falls due, being the 10 <sup>th</sup> 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;
<b>"ECB Rate"</b>	has the meaning given to it in section 1A.4.9;
<b>"Effective Surrender Quantity"</b>	has the meaning given to it in section 1A.17.13;
<b>"EIC"</b>	means a European identity code which Shippers shall be required to use to identify their organisation on the Capacity Platform and on the Align System;
<b>"Election Notice"</b>	has the meaning given to it in section 16.6.1(b);
<b>"Eligible IP Renominations"</b>	has the meaning given to it in section 2.7.15 and <b>"Eligible IP Renomination"</b> shall be construed accordingly;

<b>“Eligible Pass-Through Cost”</b>	has the meaning given to it in the Licence;
<b>“Emergency”</b>	has the meaning given to it in section 6.5.2;
<b>“Emergency Steps”</b>	has the meaning given to it in section 6.6.1;
<b>“End User”</b>	means any person listed in part I of appendix 3 and <b>“End Users”</b> shall be construed accordingly ;
<b>“Enhanced Pressure”</b>	has the meaning given to it in section 8.3.2;
<b>“Enter”</b>	has the meaning given to it in the Licence and <b>“Entering”</b> shall be construed accordingly;
<b>“Entry Point”</b>	means a point at which gas may be transferred into the Transportation System;
<b>“ENTSOG”</b>	means the European Network of Transmission System Operators for Gas, an ‘Association Internationale Sans But Lucratif’ established under Belgian law;
<b>“Equivalent Agency”</b>	has the meaning given to it in section 13.3.4;
<b>“Equivalent Interconnected System Capacity”</b>	has the meaning given to it in section 1A.3.12(c);
<b>“Equivalent Rating”</b>	shall have the meaning given to it in section 13.3.4;
<b>“Euro-based Auction”</b>	has the meaning given to it in section 1A.4.8;
<b>“Exceptional Event”</b>	has the meaning given to it in section 6.1.2(b);
<b>“Excess Amount”</b>	has the meaning given to it in section 13.3.24;
<b>“Exit”</b>	has the meaning given to it in the Licence and <b>“Exiting”</b> shall be construed accordingly;
<b>“Exit Allocation”</b>	has the meaning given to it in section 3.5.1 and <b>“Exit Allocations”</b> shall be construed accordingly;
<b>“Exit Capacity”</b>	has the meaning given to it in section 1B.1.2(a);
<b>“Exit Capacity Application”</b>	has the meaning given to it in section 1B.3.2 and <b>“Exit Capacity Applications”</b> shall be construed accordingly;
<b>“Exit Capacity Application”</b>	has the meaning given to it in section 1B.3.2 and <b>“Exit Capacity Applications”</b> shall be construed accordingly;
<b>“Exit Capacity Assignment”</b>	has the meaning given to it in section 1B.10.1 and <b>“Exit Capacity Assignments”</b> shall be construed accordingly;
<b>“Exit Capacity Assignment Application”</b>	has the meaning given to it in section 1B.10.4;
<b>“Exit Capacity Assignment Period”</b>	has the meaning given to it in section 1B.10.4(b);

<b>“Exit Capacity Period”</b>	has the meaning given to it in section 1B.3.2(b);
<b>“Exit Capacity Surrender Application”</b>	has the meaning given to it in section 1B.8.2 and <b>“Exit Capacity Surrender Applications”</b> shall be construed accordingly;
<b>“Exit Capacity Transfer”</b>	has the meaning given to it in section 1B.9.2 and <b>“Exit Capacity Transfers”</b> shall be construed accordingly;
<b>“Exit Capacity Transfer Period”</b>	has the meaning given to it in section 1B.9.3;
<b>“Exit Capacity Utilisation Report”</b>	has the meaning given to it in section 1B.7.1;
<b>“Exit Nomination”</b>	has the meaning given to it in section 2.8.2(a) and <b>“Exit Nominations”</b> shall be construed accordingly;
<b>“Exit Nominated Quantity”</b>	has the meaning given to it in section 2.10.1(b) and <b>“Exit Nominated Quantities”</b> shall be construed accordingly;
<b>“Exit Nomination Quantity”</b>	has the meaning given to it in section 2.10.1(a) and <b>“Exit Nomination Quantities”</b> shall be construed accordingly;
<b>“Exit Renomination”</b>	has the meaning given to it in section 2.8.2(b) and <b>“Exit Renominations”</b> shall be construed accordingly;
<b>“Exit Renomination Effective Time”</b>	has the meaning given to it in section 2.9.12(b);
<b>“Exit Point”</b>	has the meaning given to it in section 8.1.3 and Exit Points shall be construed accordingly;
<b>“Exit Point Adjustment Day”</b>	has the meaning given to it in section 9.5.2;
<b>“Exit Point Adjustment Quantity”</b>	has the meaning given to it in section 9.5.2(a);
<b>“Exit Point Registration”</b>	means a registration issued by Premier Transmission evidencing that the Shipper is registered at the Exit Point;
<b>“Exit Point Registration Application”</b>	has the meaning given to it in section 17.6.1;
<b>“Exit Quantity”</b>	has the meaning given to it in section 9.4.1;
<b>“Exit Ratchet Payment”</b>	means any Ratchet Charges determined under section 1B.12 and as described in the Charging Methodology Statement;
<b>“Expert”</b>	means an expert appointed in accordance with section 21.2.4;
<b>“Expert Determination”</b>	has the meaning given to it in section 21.2.4;

<b>"Fallback IP Entry Allocation Rule"</b>	has the meaning given to it in section 3.2.5;
<b>"FDA UIOLI"</b>	means the firm day-ahead use-it-or-lose-it mechanism set out in point 2.2.3 of Annex I to Regulation (EC) No. 715 / 2009, as amended by a Commission Decision of 24 August 2012;
<b>"FDA UIOLI Implementation Date"</b>	means the date on which Premier Transmission brings FDA UIOLI into effect in respect of its network (which cannot be later than 1 July 2016);
<b>"FDA UIOLI Rules"</b>	means the rules which are (or, as the context requires, are to be) embodied in this Code with respect to FDA UIOLI with effect from the FDA UIOLI Implementation Date;
<b>"FFO Interest Coverage"</b>	has the meaning given to it in section 13.3.7(e)(i);
<b>"FFO to Total Debt"</b>	has the meaning given to it in section 13.3.7(e)(ii);
<b>"FPCapCt"</b>	has the meaning given to it in section 4.5.2;
<b>"Final Exit Allocation"</b>	has the meaning given to it in section 3.5.3 and <b>"Final Exit Allocations"</b> shall be construed accordingly;
<b>"Final IP Entry Allocation"</b>	has the meaning given to it in section 3.3.2 and <b>"Final IP Entry Allocations"</b> shall be construed accordingly;
<b>"Final VRF IP Exit Allocation"</b>	has the meaning given to it in section 3.3.4 and <b>"Final VRF IP Exit Allocations"</b> shall be construed accordingly;
<b>"Firm"</b>	has the meaning given to it in section 1A.3.3 so far as it relates to IP Capacity and section 1B.1.3 so far as it relates to Exit Capacity;
<b>"First Round Allocation"</b>	has the meaning given to it in section 1A.9.25(b);
<b>"First Time Undersell"</b>	has the meaning given to it in section 1A.8.3(d);
<b>"First Time Undersell Bid Round"</b>	has the meaning given to it in section 1A.8.4(a);
<b>"Flow Direction"</b>	has the meaning given to it in section 1A.2.1(a);
<b>"Flow Order"</b>	has the meaning given to it in section 6.1.2 (a);
<b>"Flow Rate"</b>	means the instantaneous rate of flow of gas expressed in kW;
<b>"Forecast Other Charges"</b>	has the meaning given to it in section 13.2.8(b);
<b>"Forecast Postalised Annual Capacity Charge"</b>	means the charge for annual capacity determined in accordance with the Licence and the Charging Methodology Statement;
<b>"Forecast Postalised Charges"</b>	has the meaning given to it in the Licence;
<b>"Forecast Postalised Commodity Charge"</b>	has the meaning given to it in the Licence and <b>"Forecast Postalised Commodity Charges"</b> shall be construed accordingly;
<b>"Forecast Short Term"</b>	

<b>Charges"</b>	has the meaning given to it in section 13.2.8(a);
<b>"Forecast Supplier Quantity"</b>	has the meaning given to it in section 13.2.1(b);
<b>"Forecast VRF IP Exit Quantity"</b>	has the meaning given to it in section 13.2.1(c);
<b>"Forecast VRF Quantity"</b>	means the the quantity of gas which a Shipper forecasts it will exit from the NI Network in the Reverse Flow Direction;
<b>"Forward Flow Direction"</b>	has the meaning given to it in section 1A.2.1(b);
<b>"Force Majeure"</b>	has the meaning given to it in section 15.1;
<b>"GB Uniform Network Code"</b>	means the network code as in force from time to time, which governs the operation of the national gas transmission system 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).
<b>"FTU Bid Round"</b>	has the meaning given to it in section 1A.8.4(a);
<b>"gas"</b>	means any hydrocarbons or mixture of hydrocarbons and all associated gases consisting primarily of methane which at 15°C and at atmospheric pressure is (or are) predominantly in a gaseous state;
<b>"Gas Flow Day"</b>	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;
<b>"Gas Products and Time Factors Table"</b>	has the meaning given to it in the Licence;
<b>"Gas Specification"</b>	has the meaning given to it in section 7.3.1;
<b>"Gas Supplier"</b>	shall have the meaning given to it in the Licence, section 2A.1.1 Definitions;
<b>"Gas Supply Licence"</b>	means a licence to supply gas granted under Article 8 (1) (b) of the gas (Northern Ireland) Order 1996;
<b>"Gas Year"</b>	shall mean the period of time beginning at 06:00 hours from 1 October in any calendar year to 06:00 hours on 1 October in the next succeeding calendar year and <b>"Yearly"</b> shall be construed accordingly;
<b>"GB Allocable Capacity"</b>	has the meaning given to it in section 1A.4.15;
<b>"GB - NI Auction"</b>	has the meaning given to it in section 1A.4.14;
<b>"GB - ROI Auction"</b>	has the meaning given to it in section 1A.4.14;
<b>"Generation Utility"</b>	means a utility involved in the production of electricity;
<b>"Hour Bar"</b>	has the meaning given to it in section 2.2.5;
<b>"Imbalance"</b>	has the meaning given to it in section 4.1.1(f);

<b>“Imbalance Charge”</b>	has the meaning given to it in section 4.1.1(b) and <b>“Imbalance Charges”</b> shall be construed accordingly;
<b>“Imbalance Tolerance Percentage” or “ITP”</b>	has the meaning given to it in section 4.2.1;
<b>“Imbalance Tolerance Quantity” or “ITQ”</b>	has the meaning given to it in section 4.2.3;
<b>“Incentive Scheme Payments”</b>	means payments which shall be payable by Premier Transmission to a Shipper in accordance with the OS Scheme;
<b>“Indemnified Liabilities”</b>	means liabilities, actions, proceedings, claims, losses, costs, demands, damages, expenses and fines of every kind and nature, including legal expenses;
<b>"Indicative Application for Exit Capacity"</b>	has the meaning given to it in section 1B.2.1;
<b>"Indicative Capacity Reduction Notice”</b>	has the meaning given to it in section 1.10.7;
<b>“Indicative Withdrawal Notice”</b>	has the meaning given to it in section 1A.18.4;
<b>“Initial Exit Allocation”</b>	has the meaning given to it in section 3.5.2 and <b>“Initial Exit Allocations”</b> shall be construed accordingly;
<b>“Initial IP Entry Allocation”</b>	has the meaning given to it in section 3.3.1 and <b>“Initial IP Entry Allocations”</b> shall be construed accordingly;
<b>“Initial VRF IP Exit Allocation”</b>	has the meaning given to it in section 3.3.3 and <b>“Initial VRF IP Exit Allocations”</b> shall be construed accordingly;
<b>“Initiating Transporter”</b>	means either Premier Transmission 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;
<b>"Integrated Utility"</b>	means a utility which operates both as a Distribution Utility and Transmission Utility;
<b>“Intended Withdrawal Notice”</b>	has the meaning given to it in section 1A.18.7(c);
<b>“Interconnected System”</b>	has the meaning given to it in section 1A.3.12(a);
<b>“Interconnected System Capacity”</b>	has the meaning given to it in section 1A.3.12(b);
<b>“Interconnection Point” / “IP”</b>	has the meaning given to it in section 1A.2.1 (d);
<b>“Interruption”</b>	has the meaning given to it in section 1A.3.3;
<b>“Interruption Rolling Day-Ahead Auctions”</b>	has the meaning given to it in section 1A.5.1(e);

<b>“Interruptible VRF IP Exit Capacity”</b>	has the meaning given to it in section 1A.3.2(g);
<b>“Invoice Day”</b>	has the meaning given to it in Section 12.8.1;
<b>“IP Allocation”</b>	has the meaning given to it in section 3.2.1(a) and <b>“IP Allocations”</b> shall be construed accordingly;
<b>“IP Capacity”</b>	has the meaning given to it in section 1A.3.2(a);
<b>“IP Capacity Assignment”</b>	has the meaning given to it in section 1A.12.1 and <b>“IP Capacity Assignments”</b> shall be construed accordingly;
<b>“IP Capacity Assignment Application”</b>	has the meaning given to it in section 1A.12.4;
<b>“IP Capacity Assignment Period”</b>	has the meaning given to it in section 1A.12.4(d);
<b>“IP Capacity Duration”</b>	has the meaning given to it in section 1A.3.6 and <b>“IP Capacity Durations”</b> shall be construed accordingly;
<b>“IP Capacity Period”</b>	has the meaning given to it in section 1A.3.9;
<b>“IP Capacity Product”</b>	means as described in the Gas Products and Time Factors Table;
<b>“IP Capacity Transaction”</b>	has the meaning given to it in section 1A.3.4;
<b>“IP Capacity Transfer”</b>	has the meaning given to it in section 1A.11.2 and <b>“IP Capacity Transfers”</b> shall be construed accordingly;
<b>“IP Capacity Transfer Period”</b>	has the meaning given to it in section 1A.11.4(b);
<b>“IP Entry Allocation”</b>	has the meaning given to it in section 3.2.1(b) and <b>“IP Entry Allocations”</b> shall be construed accordingly;
<b>“IP Entry Capacity”</b>	has the meaning given to it in section 1A.3.2(b);
<b>“IP Entry Capacity Overrun Payment”</b>	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;
<b>“IP Entry Nomination”</b>	has the meaning given to it in section 2.3.2(b) and <b>“IP Entry Nominations”</b> shall be construed accordingly;
<b>“IP Entry Point”</b>	means an Entry Point which is located at an Interconnection Point and <b>“IP Entry Points”</b> shall be construed accordingly;
<b>“IP Entry Quantity”</b>	has the meaning given to it in section 9.2.1;
<b>“IP Entry Renomination”</b>	has the meaning given to it in section 2.3.2(e) and <b>“IP Entry Renominations”</b> shall be construed accordingly;
<b>“IP Measured Quantity”</b>	the Northern Ireland share of the quantity of gas delivered at the Moffat Entry Point, determined by National Grid using readings taken from the Measurement Equipment at the Moffat Entry Point as described in section 9.1.1(a);

<b>“IP Nominated Quantity”</b>	has the meaning given to it in section 2.6.13 and <b>“IP Nominated Quantities”</b> shall be construed accordingly;
<b>“IP Nomination”</b>	has the meaning given to it in section 2.3.2(a) and <b>“IP Nominations”</b> shall be construed accordingly;
<b>“IP Nomination Quantity”</b>	has the meaning given to it in section 2.3.2(g) and <b>“IP Nomination Quantities”</b> shall be construed accordingly;
<b>“IP Registration”</b>	means an entry point registration issued by Premier Transmission evidencing that the Shipper is registered at either an IP Entry Point and/or a VRF IP Exit Point at an IP;
<b>“IP Registration Application”</b>	has the meaning given to it in section 17.5.1;
<b>“IP Renomination”</b>	has the meaning given to it in section 2.3.2(d) and <b>“IP Renominations”</b> shall be construed accordingly;
<b>“IP Renomination Amendment Quantity”/ “RAQ”</b>	has the meaning given to it in section 2.7.17(a);
<b>“IP Renomination Effective Time”</b>	has the meaning given to it in section 2.5.12(b);
<b>“Joule”</b>	means the joule as defined in ISO 80000-1:2009;
<b>“Kilojoule”</b>	means one thousand (1000) joules;
<b>“Kilowatt” and “KW”</b>	mean one (1) Kilojoule per second;
<b>“Kilowatt Hour” and “kWh”</b>	mean three thousand six hundred (3600) Kilojoules;
<b>“Large Price Step”/“LPS”</b>	has the meaning given to it in section 1A.8.6;
<b>“Large Price Step Bid Round”</b>	has the meaning given to it in section 1A.8.4(c);
<b>“Last Pre-FTU Bid Round”</b>	has the meaning given to it in section 1A.8.4(b);
<b>“Legal Requirement”</b>	means any law, statute or Directive that is in force in the jurisdiction where the Transportation System is situated from time to time;
<b>“LIBOR”</b>	means the rate which is the average of the figure or figures published by the Financial Times representing the mid-point of the rates (bid and ask) applicable to one month Interbank Sterling Interest Rates in the London Interbank Market on each fifteenth day of each month occurring between the date on which the unpaid amount(s) should have been paid to Premier Transmission and the date on which it is settled. If the LIBOR rate is available on any fifteenth day but is not published in the Financial Times in respect of such day for any reason, the LIBOR rate chosen shall be that offered by Barclays Bank plc to other leading banks in the London Interbank Market for one month Sterling deposits. If such fifteenth day is not a day on which LIBOR rates are quoted in the London Interbank Market, the LIBOR rate to be used shall be that quoted on the next following day on which such rates are quoted;
<b>“Licence”</b>	means, at any time, the licence (as amended from time to time) to convey gas or participate in the conveyance of gas granted under Article 8(1)(a) of



the Gas (Northern Ireland) Order 1996 (as amended) which is held by Premier Transmission at that time.

<b>"Licence Charges"</b>	means the charges which Premier Transmission is entitled by virtue of its Licence to recover from any Shipper;
<b>"Licensed Software and Materials"</b>	has the meaning given to it in section 20.3.1;
<b>"Lisburn Exit Point"</b>	is the point at which gas can flow out of the BGE (UK) Downstream System and into a distribution pipe-line owned and operated by Phoenix. The Lisburn Exit Point is owned and operated by BGE (UK);
<b>"Linked"</b>	has the meaning given to it in section 1A.4.14;
<b>"Long Term Use it or Lose it"</b>	means arrangements for the monitoring of long term IP Capacity utilisation and the withdrawal of IP Capacity;
<b>"LPC Default"</b>	has the meaning given to it in section 13.4.2;
<b>"LPS Bid Round"</b>	has the meaning given to it in section 1A.8.4(c);
<b>"LTUIOLI Capacity"</b>	has the meaning given to it in section 1A.18.7(a);
<b>"LTUIOLI Procedures"</b>	means the procedures for Long Term Use it or Lose it as set out in the OS Scheme and CMP Methodology Statement;
<b>"LTUIOLI Shipper"</b>	has the meaning given to it in section 1A.18.1;
<b>"M"</b>	means a given Month;
<b>"M+1"</b>	means the first Gas Flow Day of the Month following M;
<b>"M+5"</b>	means the fifth Business Day of the Month following M;
<b>"M+12"</b>	means the 12 <sup>th</sup> day of the Month following M;
<b>"MAA Rights"</b>	has the meaning given to it in section 18.4.1;
<b>"Maintenance"</b>	has the meaning given to it in section 10.1.2 (a);
<b>"Maintenance Days"</b>	has the meaning given to it in section 10.1.2(b) and <b>"Maintenance Day"</b> shall be construed accordingly;
<b>"Maintenance Programme"</b>	has the meaning given to it in section 10.2.2;
<b>"Marginal Imbalance Quantity" or "MIQ"</b>	has the meaning given to it in section 4.2.4;
<b>"Matching" / "Matched"</b>	has the meaning given to it in section 2.6.7;
<b>"Matching Procedures and Rules"</b>	has the meaning given to it in section 2.6.6;
<b>"Matching Transporter"</b>	means either Premier Transmission or the Adjacent Transporter, as agreed between them and approved by the Authority, who is responsible for applying the Matching Rules and Procedures;

<b>"Maximum Allowed Unsecured Credit"</b>	has the meaning given to it in section 13.3.2;
<b>"Maximum Available Interruptible VRF IP Exit Capacity"</b>	means the maximum amount of Interruptible VRF IP Exit Capacity which shall be made available at an IP as published by Premier Transmission from time to time;
<b>"Maximum Offtake Rate"</b>	means the maximum rate at which gas may be offtaken at an Exit Point as set out in part I of appendix 3;
<b>"Measurement Equipment"</b>	has the meaning given to it in section 9.1.2 (b);
<b>"Meeting Notice"</b>	shall have the meaning given to it in paragraph 3 of the Terms of Reference;
<b>"Mid Year Date"</b>	means 30 April;
<b>"Minimum Bid Quantity"</b>	has the meaning given to it in section 1A.4.2(o);
<b>"Minimum Eligible Quantity"</b>	has the meaning given to it in section 1A.4.2(p);
<b>"Minimum Pressure"</b>	has the meaning given to it in section 8.3.1;
<b>"Mismatched Delivery"</b>	has the meaning given to it in section 14.1.1;
<b>"Modification Rules"</b>	means the rules prepared by Premier Transmission, pursuant to its Licence, to facilitate modification of the Code as required from time to time in accordance with its Licence;
<b>"Modified Imbalance Charge"</b>	means the Imbalance Charge to be applied following the circumstances set out in section 2.10.2(b) in accordance with section 4.3.5;
<b>"Moffat Administration Agreement"</b>	means the agreement dated 13 October 1998 under which BGE (UK) is appointed by persons shipping gas to and from the Moffat Entry Point as Moffat Agent for the purposes, inter alia, of matching nominations and allocating quantities of gas at the Moffat Entry Point;
<b>"Moffat Agent"</b>	means the person appointed as an agent pursuant to the Moffat Administration Agreement;
<b>"Moffat Agent Default Registration Form"</b>	means a Moffat Agent Default Registration Form as set out in the Moffat Administration Agreement;
<b>"Moffat Entry Point"</b>	means 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 facilities of BGE (UK) at the point at which gas enters the Transportation System;
<b>"Moffat VRF IP Exit Point"</b>	has the meaning given to it in section 8.1.4;

<b>"Month"</b>	means a period beginning at 06: 00 hours on the first day of any calendar month and ending at 06: 00 hours on the first day of the next succeeding calendar month and the word <b>"Monthly"</b> shall be construed accordingly;
<b>"Monthly IP Entry Capacity"</b>	has the meaning given to it in section 1A.3.2(d);
<b>"Monthly Postalised Commodity Payment"</b>	means a monthly payment for gas quantities allocated to a Shipper determined in accordance with the Licence and set out in the Charging Methodology Statement;
<b>"Monthly Postalised Daily IP Entry Capacity Payment"</b>	means a monthly payment for Daily IP Entry Capacity determined in accordance with section 12.4 as set out in the Charging Methodology Statement;
<b>"Monthly Postalised Exit Capacity Payment"</b>	means a monthly payment for Exit Capacity determined in accordance with section 12.4 as set out in the Charging Methodology Statement;
<b>"Monthly Postalised Interruptible VRF IP Exit Capacity Payment"</b>	means a monthly payment for Interruptible VRF IP Exit Capacity determined in accordance with section 12.4 as set out in the Charging Methodology Statement;
<b>"Monthly Postalised Monthly IP Entry Capacity Payment"</b>	means a monthly payment for Monthly IP Entry Capacity determined in accordance with section 12.4 as set out in the Charging Methodology Statement;
<b>"Monthly Postalised Quarterly IP Entry Capacity Payment"</b>	means a monthly payment for Quarterly IP Entry Capacity determined in accordance with section 12.4 as set out in the Charging Methodology Statement;
<b>"Monthly Postalised Yearly IP Entry Capacity Payment"</b>	means a monthly payment for Yearly IP Entry Capacity determined in accordance with section 12.4 as set out in the Charging Methodology Statement;
<b>"MSCMD" and "mscmd"</b>	means million(s) Standard Cubic Metre(s) per day;
<b>"MSCMH" and "mscmh"</b>	means million(s) Standard Cubic Metre(s) per hour;
<b>"National Grid"</b>	means National Grid plc which is responsible for the transportation of gas in the NTS;
<b>"Negative Imbalance"</b>	has the meaning given to it in section 4.1.1(d);
<b>"Negative Implied IP Nomination Flow Rate"</b>	has the meaning given to it in section 2.5.15;

<b>“Negative Implied Exit Nomination Flow Rate”</b>	has the meaning given to it in section 2.9.15;
<b>“Net Assets”</b>	means, on any particular date, Total Assets minus Total Liabilities, as of such date;
<b>“Network”</b>	has the meaning given to it in the Terms of Reference;
<b>“Network Code”</b>	means the Network Code prepared by BG Transmission plc pursuant to the public gas transporters licence granted or treated as granted to it pursuant to section 7 of the Gas Act 1986 (as amended by the Gas Act 1995) as from time to time modified;
<b>“NI large price step”</b>	has the meaning given to it in section 1A.8.8;
<b>“NI Network”</b>	means the BGE (UK) Downstream System, the Belfast Gas System and the PTL System;
<b>“NI Network Exit Point”</b>	means an exit point at which gas exits a part of the NI Network other than the PTL System;
<b>“NI Network Operating Agreement” or “NINOA”</b>	means the agreement made between BGE (UK), Belfast Gas and Premier Transmission entered into on or around 1 October 2004 relating to certain issues connected with the NI Network;
<b>“NI Non-competing Capacity”/“NI NCC”</b>	has the meaning given to it in section 1A.8.44(b);
<b>“NI Postalised Network Disbursement Bank Account”</b>	means a separate bank account set up by Premier Transmission pursuant to the NINOA, into which and from which Premier Transmission shall pay the amounts detailed in Section 5.3 of this Code in accordance with the Postalised Network Disbursement Procedure;
<b>“NI Reserve Price”</b>	has the meaning given to it in section 1A.4.2(q);
<b>“NI Share”</b>	has the meaning given to it in section 1A.4.2(r);
<b>“Nominated Quantity”</b>	has the meaning given to it in section 2.2.1(d) and <b>“Nominated Quantities”</b> shall be construed accordingly;
<b>“Nomination”</b>	has the meaning given to it in section 2.2.1(a) and <b>“Nominations”</b> shall be construed accordingly;
<b>“Nomination Quantity”</b>	has the meaning given to it in section 2.2.1(c) and <b>“Nomination Quantities”</b> shall be construed accordingly;
<b>“Non-Compliant Gas”</b>	has the meaning given to it in section 7.3.2;
<b>“Non-Defaulting Party”</b>	has the meaning given to it in section 16.3.1A(b);
<b>“Non-OBA Day”</b>	has the meaning given to it in section 3.2.1(g) and <b>“Non-OBA Days”</b> shall be construed accordingly;

<b>"Northern Ireland Network Emergency Co-ordinator"</b>	has the meaning given to it in the Gas Safety (Management) Regulations (NI) 1997;
<b>"Notional S&amp;P Credit Rating"</b>	means a credit rating assigned to a Shipper in accordance with section 13.3.7;
<b>"NPCC Default"</b>	has the meaning given to it in section 13.5.1(a);
<b>"NPTP Default"</b>	has the meaning given to it in section 13.5.1(a);
<b>"NTS"</b>	means the national transmission system and has the meaning given to it in the GB Uniform Network Code
<b>"NTS Shipper"</b>	means a holder of a gas shipper's licence granted or treated as granted under the Gas Act 1986 (as amended by the Gas Act 1995);
<b>"OBA"</b>	has the meaning given to it in section 3.2.1(d);
<b>"OBA Day"</b>	has the meaning given to it in section 3.2.1(f) and <b>"OBA Days"</b> shall be construed accordingly;
<b>"OCPLCS"</b>	has the meaning given to it in section 13.3.2;
<b>"Off-Spec Gas"</b>	has the meaning given to it in section 8.4.2;
<b>"Offtake Rate"</b>	means the Flow Rate of gas expressed in kW for offtake of gas at an Exit Point;
<b>"OS Scheme"</b>	is the scheme which sets out arrangements for the sale of Oversubscription Capacity and the purchase of IP Entry Capacity by Premier Transmission in accordance with the Licence;
<b>"OS Scheme and CMP Methodology Statement"</b>	means the document published by Premier Transmission containing the OS Scheme and the methodology supporting the implementation of congestion management procedures;
<b>"Other Party"</b>	has the meaning given to it in section 15.1;
<b>"Outstanding PS Code Charges"</b>	has the meaning given to it in section 12.7.2;
<b>"Overrun Charges"</b>	has the meaning given to it in section 1A.13.1;
<b>"Overrun Quantity"</b>	has the meaning given to it in section 1A.13.2;
<b>"Party"</b>	means either Premier Transmission or a Shipper and <b>"Parties"</b> means Premier Transmission and a Shipper or Shippers;
<b>"Oversubscription Capacity"</b>	means Additional IP Entry Capacity over and above the Technical IP Entry Capacity that may be made available by Premier Transmission as a result of the application of the OS Scheme;
<b>"Payable Amount"</b>	has the meaning given to it in section 12.4.4;
<b>"Payable Exit Capacity"</b>	

<b>Price</b>	has the meaning given to it in section 12.4.3;
<b>“Payable IP Capacity Price”</b>	has the meaning given to it in section 12.4.1;
<b>“Permitted Purpose”</b>	has the meaning given to it in section 19.1.3;
<b>“Permitted Range”</b>	has the meaning given to it in section 9.1.2 (c);
<b>“Phoenix”</b>	means Phoenix Natural Gas Limited;
<b>“Phoenix Distribution System”</b>	means the distribution system owned and operated by Phoenix;
<b>“PLCS Adjustment Form”</b>	has the meaning given to it in section 13.3.19;
<b>“PLCS Form”</b>	has the meaning given to it in section 13.3.17;
<b>“Positive Imbalance”</b>	has the meaning given to it in section 4.1.1(e);
<b>“Postalised Network Disbursement Procedure”</b>	means the procedure established pursuant to the NINOA for the purpose of the administration of the NI Postalised Network Disbursement Bank Account;
<b>“Postalised System”</b>	has the meaning given to it in the Terms of Reference;
<b>“PoT Account”</b>	means the bank account into which all monies paid by Gas Suppliers in respect of PS Transmission Payments should be paid in accordance with section 12.9.1(a);
<b>“Premier Transmission”</b>	means Premier Transmission Limited;
<b>“Prescribed Form”</b>	means, in relation to any notice or other document referred to in this Code, the form reasonably prescribed by Premier Transmission from time to time;
<b>“President of the IGEM”</b>	has the meaning given to it in section 21.4.1(b);
<b>“Prevailing IP Entry Allocation Rule”</b>	has the meaning given to it in section 3.2.3;
<b>“Priority Order”</b>	has the meaning given to it in section 6.10.1;
<b>“Processed IP Nomination Quantity”</b>	has the meaning given to it in section 2.6.3 and <b>“Processed IP Nomination Quantities”</b> shall be construed accordingly;
<b>“Profile Nomination”</b>	means a nomination or renomination to Premier Transmission of an aggregate quantity of gas to be offtaken in each hour over the relevant Day at an Exit Point and <b>“Profile Nominations”</b> shall be construed accordingly;
<b>“Prospective Shipper”</b>	has the meaning given to it in section 17.1;
<b>“Provided Level of Credit Support”</b>	means in respect of a Shipper or Prospective Shipper the sum of the Secured Credit Support and Unsecured Credit Support which it has provided to Premier Transmission in accordance with section 13;

<b>"PS Code Charges"</b>	means Imbalance Charges, Scheduling Charges, any Enhanced Pressure charge or any other charge the basis of which is set out in this Code (and not the Licence) from time to time;
<b>"PS Gas Supplier"</b>	means any person who is entitled to exit gas from the Postalised System and <b>"PS Gas Suppliers"</b> shall be construed accordingly;
<b>"PS Invoice"</b>	shall have the meaning given to it in section 12.5.1;
<b>"PS Transmission Amounts"</b>	shall have the meaning given to it in section 12.5.2(a);
<b>"PTL Daily Profile"</b>	means the quantity of energy (expressed in kWh and set out in an hourly profile) to be delivered to the Transportation System at Moffat Entry Point and which is submitted by Premier Transmission to BGE(UK) in accordance with the BGE(UK) Transportation Agreement;
<b>"PTL Postalised Network Incentive Scheme Bank Account"</b>	has the meaning given to it in section 12.17.1;
<b>"PTL Postalised Network Incentive Payments Procedure"</b>	has the meaning given to it in section 12.17. 2;
<b>"PTL System"</b>	means the gas pipeline system and associated facilities, owned and operated by Premier Transmission, connecting Twynholm in Scotland, to Ballylumford in Northern Ireland by an on-shore and sub-sea pipeline and Stranraer in Scotland by an on-shore pipeline;
<b>"Quantity"</b>	means a quantity of gas expressed in kWh calculated by multiplying the volume by the applicable calorific value and <b>"quantities"</b> shall be construed accordingly;
<b>"Quarter"</b>	shall mean a period of 3 calendar months, with each successive Quarter commencing at 06:00 hrs on 1 October, 1 January, 1 April and 1 July respectively and <b>"Quarterly"</b> shall be construed accordingly;
<b>"Quarterly IP Entry Capacity"</b>	has the meaning given to it in section 1A.3.2(e);
<b>"Quarterly Exit Quantities"</b>	shall have the meaning given to it in the Licence;
<b>"Ratchet Amount"</b>	has the meaning given to it in section 1B.12.1(a);
<b>"Ratchet Charge"/"RC"</b>	has the meaning given to it in section 1B.12.1;
<b>"Ratchet Month"</b>	has the meaning given to it in section 1B.12.1;
<b>"Reallocation"</b>	has the meaning given to it in section 3.7.1;
<b>"Reasonable and Prudent Operator"</b>	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;

<b>"Receiving Party"</b>	has the meaning given to it in section 19.1.4;
<b>"Recognised Standard"</b>	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 the European Union, as from time to time applicable;
<b>"Reconciliation Payment"</b>	shall have the meaning given to it in the Licence and <b>"Reconciliation Payments"</b> shall be construed accordingly;
<b>"Registered Exit Capacity"</b>	has the meaning given to it in section 1B.1.4;
<b>"Registered IP Capacity"</b>	has the meaning given to it in section 1A.3.16;
<b>"Registered IP Entry Capacity"</b>	has the meaning given to it in section 1A.3.17;
<b>"Registration"/ "Registrations"</b>	has the meaning given to it in section 17.4.1;
<b>"Relevant Day"</b>	has the meaning given to it in section 1B.7.1(c);
<b>"Relevant Exit Point"</b>	has the meaning given to it in section 1B.7.1(a);
<b>"Relevant Objective"</b>	has the meaning given to it in section 1B.7.3;
<b>"Relevant Provision"</b>	has the meaning given to it in section 1A.14.4;
<b>"Relevant Shipper"</b>	has the meaning given to it in section 1B.7.1(a);
<b>"Remaining Unallocated Quantity"</b>	has the meaning given to it in section 1A.9.18(c);
<b>"Renomination"</b>	has the meaning given to it in section 2.2.1(b) and <b>"Renominations"</b> shall be construed accordingly;
<b>"Required Level of Credit Support"</b>	means in respect of a Shipper or Prospective Shipper the minimum level of credit which Premier Transmission shall require such Shipper or Prospective Shipper to establish and maintain in accordance with section 13;
<b>"Retiring Shipper"</b>	shall have the meaning given to it in section 17.10.1;
<b>"Reverse Flow Direction"</b>	has the meaning given to it in section 1A.2.1(c);
<b>"Revised Distribution Nominations"</b>	has the meaning given to it in section 6.2.3 (c)(i);
<b>"Revised Power Station Nominations"</b>	has the meaning given to it in section 6.2.2;
<b>"RLCS Form"</b>	has the meaning given to it in section 13.2.11;
<b>"ROI Allocable Capacity"</b>	has the meaning given to it in section 1A.4.16;
<b>"ROI Non-competing Capacity"/"ROI NCC"</b>	has the meaning given to it in section 1A.8.44(c);
<b>"ROI Entry Capacity"</b>	refers to entry capacity in the ROI System at the point of interconnection between the ROI System and the NTS at Moffat in Scotland;



<b>“ROI System”</b>	is the transportation system of the Republic of Ireland which is connected to the BGE(UK) Downstream System at the South-North Interconnection Point and to the NTS at Moffat in Scotland;
<b>“Rolling Day-Ahead Auctions”</b>	has the meaning given to it in section 1A.5.1(d);
<b>“Rolling Monthly Auctions”</b>	has the meaning given to it in section 1A.5.1(c);
<b>“RPI”</b>	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 <b>“Monthly Digest of Statistics”</b> or any successor to such Index published by such Office or any Department of HM Government;
<b>“RPI<sub>n</sub>”</b>	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;
<b>“RPI<sub>0</sub>”</b>	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;
<b>“Scheduled Maintenance”</b>	has the meaning given to it in section 10.1.2 (c);
<b>“Scheduling Charge”</b>	has the meaning given to it in section 4.4.2 and <b>“Scheduling Charges”</b> shall be construed accordingly;
<b>“Scheduling Difference” or “SD”</b>	has the meaning given to it in section 4.4.3;
<b>“Scheduling Tolerance Percentage” or “STP”</b>	has the meaning given to it in section 4.4.4;
<b>“Scheduling Tolerance Quantity” or STQ”</b>	has the meaning given to it in section 4.4.5;
<b>“Second Due Date”</b>	means 15 Business Days after the Due Date;
<b>“Second Round Allocation”</b>	has the meaning given to it in section 1A.9.25(d);
<b>“Secured Credit Support”</b>	has the meaning given to it in section 13.3.4;
<b>“Securer”</b>	has the meaning given to it in section 13.3.5;
<b>“Shared Exit Point”</b>	has the meaning given to it in section 3.6.1;
<b>“Shipper”</b>	means a person other than Premier Transmission who, for the time being, has acceded to and is bound by this Code by an Accession Agreement and <b>“Shippers”</b> shall be construed accordingly;
<b>“Shipper’s Allocation Arrangement”</b>	has the meaning given to it in section 3.8.1;
<b>“Shipper Forecast Information Request”</b>	has the meaning given to it in section 11.2.2;
<b>“Shortfall Declaration”</b>	has the meaning given to it in section 6.1.4;

<b>“Shortfall in Price”</b>	has the meaning given to it in section 6.11.4(b);
<b>“Short Term Auction”</b>	has the meaning given to it in section 13.4.6;
<b>“Short Term Capacity Products”</b>	has the meaning given to it in section 13.2.8(c);
<b>“Shrinkage Gas”</b>	has the meaning given to it in section 5.1;
<b>“Single-Sided”</b>	has the meaning given to it in section 2.4.7(b);
<b>“Small Price Step”/“SPS”</b>	has the meaning given to it in section 1A.8.6;
<b>“Small Price Step Bid Round”</b>	has the meaning given to it in section 1A.8.4(d);
<b>“SONI”</b>	means SONI Limited, the operator of the electricity transmission system in Northern Ireland, a company incorporated in Northern Ireland with company number NI038715;
<b>“South-North Entry Point”</b>	is the point at the South-North Interconnection Point at which which gas may flow into the BGE(UK) Downstream System from the ROI System;
<b>“South-North Interconnection Point”</b>	is the point of interconnection between the BGE(UK) Downstream System and the ROI System at which gas may flow into the BGE(UK) Downstream System from the ROI System;
<b>“South-North VRF IP Exit Point”</b>	is a notional point at the point of interconnection between the BGE(UK) Downstream System and the ROI System at which gas may be deemed to flow from the BGE(UK) Downstream System into the ROI System;
<b>“SPS Bid Round”</b>	has the meaning given to it in section 1A.8.4(d);
<b>“SPS Fraction”</b>	has the meaning given to it in section 1A.8.7(a)(ii);
<b>“Standard Cubic Metre”</b>	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;
<b>“Starting Price”</b>	has the meaning given to it in section 1A.4.2(s);
<b>“Steering Difference”</b>	has the meaning given to it in section 3.2.1(e);
<b>“STPLCS”</b>	has the meaning given to it in section 13.3.1;
<b>“STR LCS<sub>min</sub>”</b>	has the meaning given to it in section 13.2.9;
<b>“Stranraer Distribution System Operator”</b>	means the Connected System Operator at the Stranraer Exit Point;
<b>“Stranraer Exit Point”</b>	means the Exit Point located outside Stranraer from which gas is oftaken for the supply of gas to Stranraer;
<b>“Supplemental Payment”</b>	shall have the meaning given to it in the Licence;

<b>“Supplier Utility”</b>	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;
<b>“Surrender”</b>	has the meaning given to it in section 1A.17.2(a) and <b>“Surrenders”</b> shall be construed accordingly;
<b>“Surrender Deadline”</b>	has the meaning given to it in section 1A.17.2(d);
<b>“Surrender Offer”</b>	has the meaning given to it in section 1A.17.2(b) and <b>“Surrender Offers”</b> shall be construed accordingly;
<b>“Surrender Quantity”</b>	has the meaning given to it in section 1A.17.2(e) and <b>“Surrender Quantities”</b> shall be construed accordingly;
<b>“System Average Price”</b>	has the meaning given to it in the GB Uniform Network Code;
<b>“System Capability”</b>	has the meaning given to it in section 6.1.2(c);
<b>“Technical Exit Capacity”</b>	has the meaning given to it in section 1B.1.2(b);
<b>“Technical IP Entry Capacity”</b>	has the meaning given to it in section 1A.7.1;
<b>“Ten Year Statement”</b>	has the meaning given to it in section 11.1.1;
<b>“Total Actual Commodity Quantity”</b>	means the sum of a Shipper's Final Exit Allocations exceeding the level it estimated in its Credit Application;
<b>“Total Bid Quantity”</b>	has the meaning given to it in section 1A.8.44(f);
<b>“Total Forecast Commodity Quantity”</b>	has the meaning given to it in section 13.2.1(d);
<b>“Total Scheduling Charge”</b>	has the meaning given to it in section 4.4.7;
<b>“Total Shipper Exit Nominated Quantity”</b>	means the sum of all Shipper's Exit Nominated Quantities for Gas Flow Day D in respect of the Transportation System;
<b>“Total System Aggregate Throughput”</b>	has the meaning given to it in section 5.6.1(b);
<b>“Termination Default”</b>	has the meaning given to it in Section 16.2.1;
<b>“Termination Invoice”</b>	has the meaning given to it in Section 16.5.3;
<b>“Termination Notice”</b>	means a notice to terminate an Accession Agreement served by a Party pursuant to section 16.3.3 and 16.3.4 or section 16.3.7 and 16.3.8, as applicable;
<b>“Terminating Shipper”</b>	has the meaning given to it in section 16.6.1(a);
<b>“Terms of Reference”</b>	means the Terms of Reference appended to this Code in Appendix 5;
<b>“Total Assets”</b>	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;

<b>"Total Liabilities"</b>	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;
<b>"Trade Allocation"</b>	has the meaning given to it in section 3.11.1 and <b>"Trade Allocations"</b> shall be construed accordingly;
<b>"Trade Buy Allocation"</b>	has the meaning given to it in section 3.11.4(a) and <b>"Trade Buy Allocations"</b> shall be construed accordingly;
<b>"Trade Buy Nomination"</b>	has the meaning given to it in section 2.13.2(b) and <b>"Trade Buy Nominations"</b> shall be construed accordingly;
<b>"Trade Nomination"</b>	has the meaning given to it in section 2.13.2(a) and <b>"Trade Nominations"</b> shall be construed accordingly;
<b>"Trade Nomination Processing Time"</b>	has the meaning given to it in section 2.13.10;
<b>"Trade Nomination Quantity"</b>	has the meaning given to it in section 2.13.2(d) and <b>"Trade Nomination Quantities"</b> shall be construed accordingly;
<b>"Trader"</b>	has the meaning given to it in section 17.4.4 and <b>"Traders"</b> shall be construed accordingly;
<b>"Trade Sell Allocation"</b>	has the meaning given to it in section 3.11.4(b) and <b>"Trade Sell Allocations"</b> shall be construed accordingly;
<b>"Trade Sell Nomination"</b>	has the meaning given to it in section 2.13.2(c);
<b>"Trading Counterparty"</b>	has the meaning given to it in section 2.13.2(g);
<b>"Trading Point"</b>	means a notional point within the NI Network at which gas may be traded between Shippers;
<b>"Trading Point Registration"</b>	means a registration issued by Premier Transmission evidencing that the Shipper is registered at the Trading Point;
<b>"Trading Point Registration Application"</b>	has the meaning given to it in section 17.7.1;
<b>"Transfer Exit Point"</b>	has the meaning given to it in section 1B.9.4(b);
<b>"Transfer IP"</b>	has the meaning given to it in section 1A.11.4(c);
<b>"Transfer Proposal"</b>	has the meaning given to it in section 1A.11.10;
<b>"Transferee Shipper"</b>	means a Shipper to whom Available IP Capacity at an IP is transferred to or proposed to be transferred to in accordance with section 1A.11 or to whom Available Exit Capacity at an Exit Point is transferred to or proposed to be transferred to in accordance with section 1B.9 as appropriate;
<b>"Transferred Exit Capacity"</b>	has the meaning given to it in section 1B.9.4(a);

<b>“Transferred IP Capacity”</b>	has the meaning given to it in section 1A.11.4(a);
<b>“Transferor Shipper”</b>	means a Shipper which transfers or wishes to transfer its Available IP Capacity at an IP in accordance with section 1A.11 or its Available Exit Capacity at an Exit Point in accordance with 1B.9, as appropriate;
<b>"Transit Shipper"</b>	means a Shipper which only ships gas through the Transportation System for exit into another part of the Postalised System (and which does not exit gas from the Transportation System into a pipeline outside of the Postalised System);
<b>"Transmission Utility"</b>	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;
<b>"Transportation System"</b>	means the PTL System and the capacity held by Premier Transmission in the BGE (UK) Upstream System;
<b>“Tripartite Agreement”</b>	means the tripartite agreement in relation to arrangements at the interconnection point at Moffat between National Grid, BGE(UK) and Premier Transmission dated 29 <sup>th</sup> September 2015;
<b>"UF"</b>	has the meaning given to it in section 4.5.2;
<b>"UFC"</b>	has the meaning given to it in section 4.5.2;
<b>"Unauthorised Flow Charge"</b>	has the meaning given to it in section 4.5.2 and <b>“Unauthorised Flow Charges”</b> shall be construed accordingly;
<b>“Unbundled”</b>	has the meaning given to it in section 1A.3.10(b);
<b>“Unbundled Auction”</b>	has the meaning given to it in section 1A.4.3(b);
<b>“Underutilisation”</b>	means a lack of utilisation of IP Entry Capacity determined in accordance with the OS Scheme and CMP Methodology Statement;
<b>“Uniform Offtake Rate”</b>	means in respect of a Day the Aggregate Nominated Quantity divided by twenty four (24) and in respect of part of a Day the Aggregate Nominated Quantity less the quantity of gas which has been offtaken, if any, divided by the number of hours in the Day remaining;
<b>“Uniform Price Auction”</b>	has the meaning given to it in section 1A.9.2;
<b>“Unpaid OS Amount”</b>	has the meaning given to it in section 12.5.6;
<b>"Unsecured Credit Support"</b>	has the meaning given to it in section 13.3.4;
<b>“Unsold Technical IP Entry Capacity”</b>	has the meaning given to it in section 1A.7.2;
<b>“Usage Reports”</b>	has the meaning given to it in section 1A.18.2;
<b>"Utility Categorisation"</b>	means the categorisation of a utility as one of the following: a Transmission Utility, a Distribution Utility, an Integrated Utility or a Generation Utility;
<b>“US Default”</b>	has the meaning given to it in section 13.5.2;

<b>“UTC”</b>	means coordinated universal time;
<b>“validate”</b>	has the meaning given to it in section 9.1.2 (d) and <b>“validation”</b> and <b>“validated”</b> and <b>“validated”</b> shall be construed accordingly;
<b>“Valid Buyback Offer”</b>	has the meaning given to it in section 1A.19.7 and <b>“Valid Buyback Offers”</b> shall be construed accordingly;
<b>“Valid Surrender Offer”</b>	has the meaning given to it in section 1A.17.7 and <b>“Valid Surrender Offers”</b> shall be construed accordingly;
<b>“VRF IP Exit Allocation”</b>	has the meaning given to it in section 3.2.1(c) and <b>“VRF IP Exit Allocations”</b> shall be construed accordingly;
<b>“VRF IP Exit Nomination”</b>	has the meaning given to it in section 2.3.2(c) and <b>“VRF IP Exit Nominations”</b> shall be construed accordingly;
<b>“VRF IP Exit Point”</b>	has the meaning given to it in section 8.1.4 and <b>“VRF IP Exit Points”</b> shall be construed accordingly;
<b>“VRF IP Exit Renomination”</b>	has the meaning given to it in section 2.3.2(f) and <b>“VRF IP Exit Renominations”</b> shall be construed accordingly;
<b>“Value Added Tax” or “VAT”</b>	means the tax applied pursuant to the Value Added Tax Act 1994;
<b>“Verifying Accountant”</b>	has the meaning given to them in section 6.11.4;
<b>“Website”</b>	Premier Transmission’s website located at url <a href="http://www.premier-transmission.com">http://www.premier-transmission.com</a> or such other url as Premier Transmission may notify to Shippers from time to time;
<b>“Wilful Misconduct”</b>	means in relation to either party 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.
<b>“Withdrawal”</b>	has the meaning given to it in section 1A.18.13 and <b>“Withdrawals”</b> shall be construed accordingly;
<b>“Written Submission”</b>	has the meaning given to it in section 1A.18.5;
<b>“Y”</b>	means a given Gas Year;
<b>“Y-1”</b>	means the Gas Year immediately preceding Y;
<b>“Y+1”</b>	means the Gas Year following Y and <b>“Y+5”</b> , <b>“Y+6”</b> and <b>“Y+15”</b> shall be construed accordingly;
<b>“Year-End Postalised Charges”</b>	has the meaning given to it in the Licence; and
<b>“Yearly IP Entry Capacity”</b>	has the meaning given to it in section 1A.3.2(f).

## Part II - Interpretation

- 2.1 Unless the context otherwise requires, any reference in this Code to:
- 2.1.1 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;
  - 2.1.2 any agreement or instrument is to the same as amended, novated, modified, supplemented or replaced from time to time;
  - 2.1.3 **"including"** shall mean including but not limited to;
  - 2.1.4 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;
  - 2.1.5 time shall be construed by reference to whatever time may from time to time be in effect in England; and
  - 2.1.6 the singular shall include the plural and vice versa.
- 2.2 Where a word or expression is defined in this Code, cognate words and expressions shall be construed accordingly.
- 2.3 Headings in this Code are for ease of reference only and shall not affect its construction.
- 2.4 References to **"this Code"** shall mean the sections and Annexes of this Code and shall be read as one document.
- 2.5 References in this Code to sections and appendices are to sections and appendices of this Code.
- 2.6 References to a rate of flow of gas shall be deemed to refer to a rate expressed in Megawatts.
- 2.7 References to a quantity of gas shall be to its energy expressed in Megawatt hours.

**APPENDIX 2**  
**GAS SPECIFICATION**

**Part I**

**Gas combustion characteristics**

WOBBE - Index	47.2 – 54.7 MJ/m <sup>3</sup>
Gross Calorific Value	36.9 to 42.3 MJ/m <sup>3</sup>
Relative Density	0.55 to 0.70

**Part II**

**Upper limits of gas impurities**

Hydrocarbon Dewpoint	<-2° C up to and including 150 bar
Water Dewpoint	<- 10° C up to and including 150 bar
Fog, Dust, Liquids	Technically Pure
Oxygen	0.5%
Non-Combustibles	7%
Total sulphur	50 mg/m <sup>3</sup>
Mercaptan Sulphur	8 mg/m <sup>3</sup>
Hydrogen Sulphide	5 mg/m <sup>3</sup>

The above list of impurities does not include gases which normally are not present in gases e.g. hydrogen, carbon monoxide, and olefins.



### APPENDIX 3

#### EXIT POINT INFORMATION

##### Part I

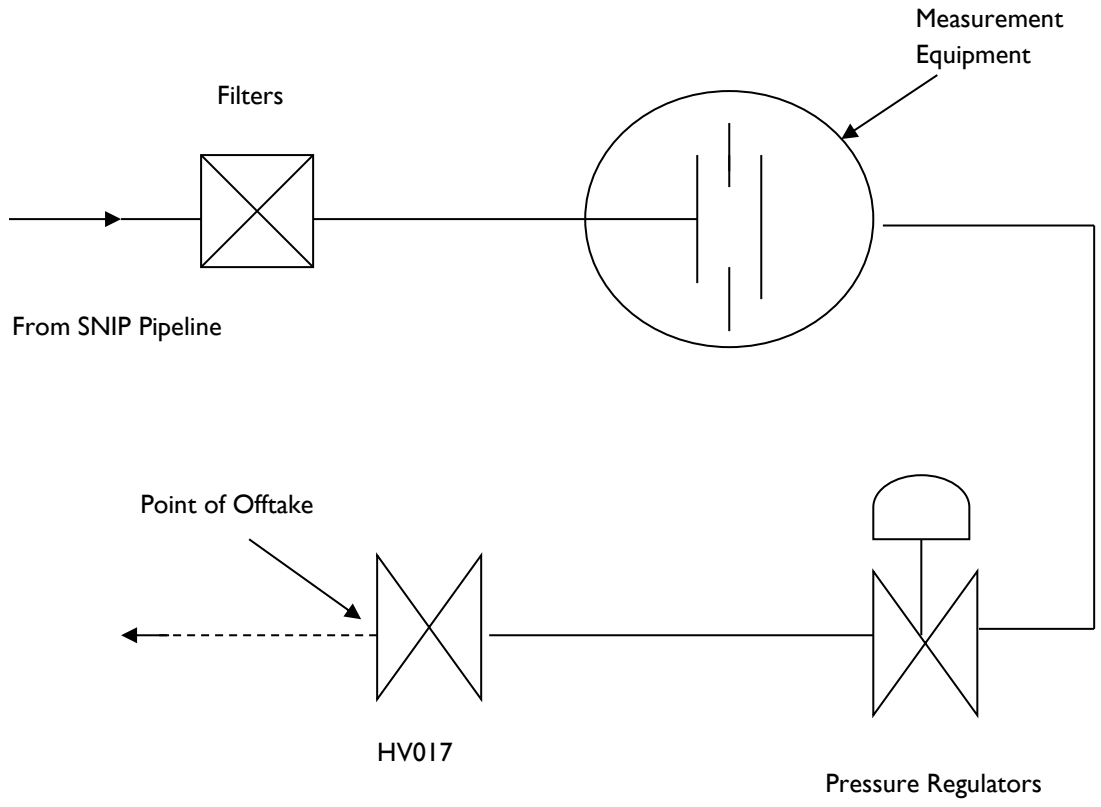
	<b>Minimum Pressure (section 8.3)</b>	<b>Maximum Offtake Rate (section 8.2)</b>	<b>Ramp Rate (section 8.2)</b>	<b>Maximum Maintenance Days (section 10)</b>	<b>End User</b>
Ballylumford Exit Point	12 bar	3,580,000 kWh	87,000 KW/min for up to 39 minutes  182,000 KW/min for up to 2 minutes  3,540,000 KW/min for up to 10 seconds **	15 *	Premier Power Limited
Stranraer Exit Point	12 bar	150,000 kWh	8,440kWh	zero	Scotia Gas Networks plc
Belfast Gas Exit Point No 1, Belfast Gas Exit Point No 2 and Belfast Gas Exit Point No 3	12 bar	3,580,000 kWh	8,440 kWh	zero	Phoenix suppliers

\* To be 20 Maintenance Days in any Gas Year in which Premier Transmission or BGE (UK) install compression on their respective systems. Furthermore, any Maintenance Days shall be consecutive.

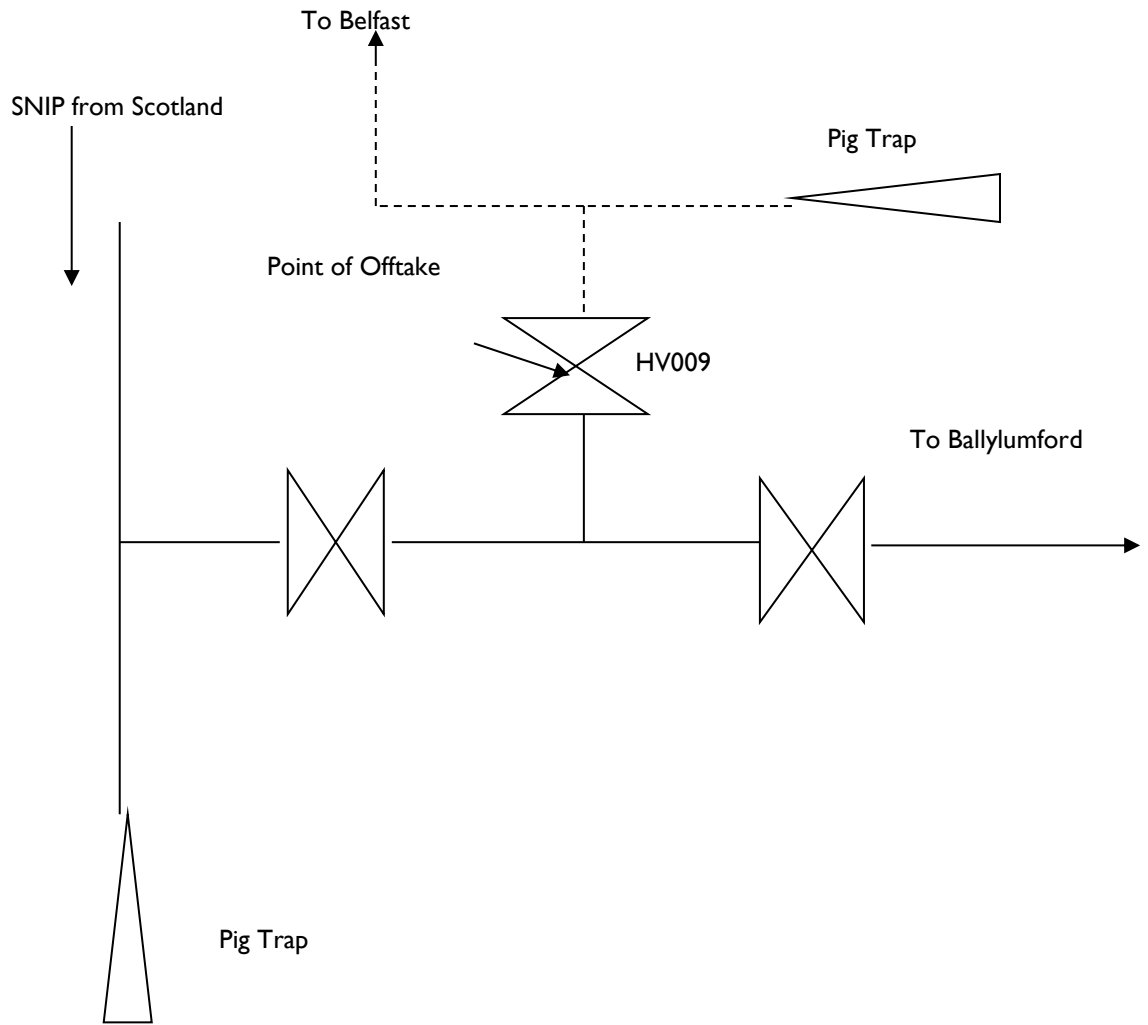
\*\* This equates to a spinning reserve of 21,000 therms at Ballylumford Power Station.

**Part II**

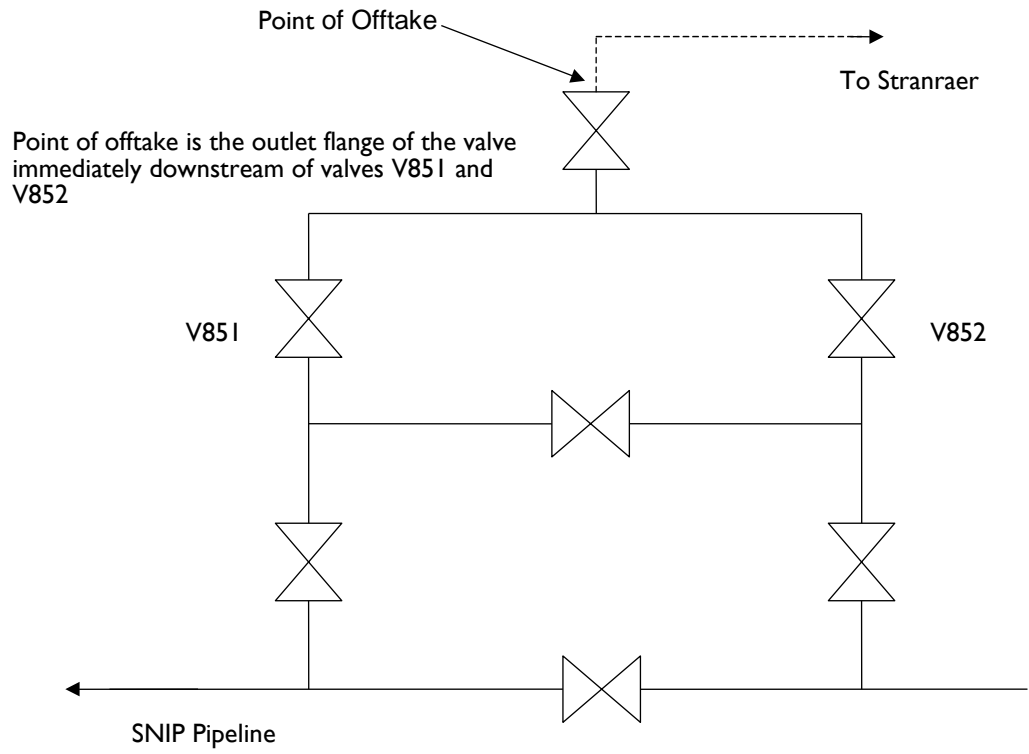
**Ballylumford Exit Point**



**Belfast Gas Exit Point No 1,  
Belfast Gas Exit Point No 2 and  
Belfast Gas Exit Point No 3**



# Stranraer Exit Point



## APPENDIX 4

### PROFORMA DOCUMENTS

#### Part I - Form of Guarantee (section 13.3.4(b))

**THIS GUARANTEE** is made the [ ] day of [ ] 20[ ] by [ ] a company [registered in England and having its registered office] [whose principal place of business is] at [ ] (the "**Guarantor**") in favour of Premier Transmission Limited a company registered in Northern Ireland (Number N.I.26421) having its registered office at First Floor, The Arena Building, 85 Ormeau Road, Belfast, BT7 1SH ("**Premier Transmission**").

#### WHEREAS

- (A) [ ] a company [registered in England and having its registered office] [whose principal place of business is] at [ ] (the "**Shipper**") is a party to an Accession Agreement dated [ ] (the "**Accession Agreement**") by which it has agreed to be bound by the terms of the Transportation Code.
- (B) This Guarantee is made pursuant to the Transportation Code for the purposes of providing security for indebtedness of the Shipper in respect of its payment obligations under the Transportation 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.

**[NOW THIS DEED WITNESSETH and the Guarantor hereby agrees] [IT IS AGREED]** as follows:

- 1 In this Guarantee:
  - "**Transportation Code**" has the meaning given to it in the Accession Agreement and the terms "**PS Transmission Amounts**" and "**Due Date**" have the respective meanings given to them under the Transportation Code;
  - "**Payment Default**" means any failure by the Shipper to pay an amount properly due under an invoice issued in accordance with the Transportation Code by the Due Date;
  - "**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 Premier Transmission pursuant to clause 2 of this Guarantee representing the amount unpaid by the Shipper under an invoice issued in accordance with the Transportation 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 Premier Transmission by the time and in the manner contemplated in sections 13.3.22 and/or 13.3.23 and/or 13.4.2 of the Transportation 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 Premier Transmission pursuant to this Guarantee); 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, [In consideration of the payment of £1 payable on demand by Premier Transmission to the Guarantor] 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 Premier Transmission pay [the Demanded Overdue Sum] [% of the Demanded Overdue Sum] into the following bank account:- **[Note: This will be the PoT Account.]** .
- 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 Premier Transmission stating that the Demanded Overdue Sum exceeds any PS Transmission Amounts (as defined in the Transportation

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 Premier Transmission in such written demand.

- 4 [In consideration of the payment of £1 payable on demand by Premier Transmission to the Guarantor, if] If there is a Security Default, the Guarantor shall within [14] days of receipt of a written demand from Premier Transmission pay the Demanded Security Default Sum to such bank account of Premier Transmission as is specified in such written demand.
- 5 The Guarantor's aggregate liability to Premier Transmission hereunder in respect of Demanded Overdue Sums and Demanded Security Default Sums shall not be greater than [£.]
- 6 Amounts payable by the Guarantor under this Guarantee 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 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 Premier Transmission such further amounts as may be necessary to ensure that Premier Transmission 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 Premier Transmission [or until the Shipper has arranged the release of the Guarantor in accordance with the provisions of the Transportation 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.
- 8 The obligations of the Guarantor under this Guarantee are in addition to and not in substitution for any other security which Premier Transmission may now or in the future hold in relation to the payment obligations of the Shipper under the Transportation Code ("**Liabilities**") or any of them and may be enforced without Premier Transmission first having recourse to any such security and without Premier Transmission 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 Premier Transmission 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 Accession Agreement or the Transportation 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 Premier Transmission 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 Accession Agreement, the Transportation 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 Premier Transmission) 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 Premier Transmission 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 Premier Transmission shall be entitled to recover the value or amount of such obligations subsequently as if such settlement or discharge or arrangement had not occurred. Premier Transmission 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 Transportation 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 Premier Transmission or, in competition with Premier Transmission, 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 Premier Transmission; 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 Premier Transmission.
- 12 The Guarantor represents and warrants to Premier Transmission 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;
  - (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 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;
  - (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 Premier Transmission (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 Premier Transmission at the address for Premier Transmission stated in this Guarantee (or such other address as is notified by it to the Guarantor from time to time).
- 14 Premier Transmission 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 Accession Agreement without the consent of the Guarantor being required and any such assignment shall not release the Guarantor from liability 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 England and the Guarantor hereby submits to the exclusive jurisdiction of the Courts of England *[and appoints/insert name and address of person/company registered/resident in UK 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 Premier Transmission such percentage as is specified in clause 2 or 3 of this Guarantee of each and every Demanded Sum].]*

**[IN WITNESS]** *whereof the Guarantor has caused this Guarantee to be executed as its deed the day and year first before written.]*

The Common Seal of [.] was hereunto affixed in the presence of:

[.] Director

[.] Director/Company Secretary

*[Alternative if consideration included in clause 2:]*

**IN WITNESS** whereof, this Guarantee has been executed for and on behalf of *[Guarantor]* the day and year first before written

Signature.....

Name .....

Position .....

In the presence of .....

Signature .....

Name .....

Position .....



**Part II - Form of Letter of Credit**  
(section 13.3.4(d))

To: Premier Transmission Limited

First Floor  
The Arena Building  
85 Ormeau Road  
Belfast  
BT7 1SH

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 [.] (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 Transportation Code (the "**Code**") and Accession Agreement to which Premier Transmission Limited and the Shipper are [about to become] parties (together the "**Documents**" which term shall include any document, as from time to time modified, which is by virtue of such Code or Accession 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 [£.] and that we shall not be required to pay claims made by you under this letter of credit which are received by us after the expiry date 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:- [**Note: This will be the PoT Account**] 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 13.3.22 and/or 13.3.23 and/or 13.4.2 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 or on your behalf stating that the amount demanded exceeds the PS Transmission Amounts (as 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 (1993 revision) International Chamber of Commerce Publication No.500 insofar as the same are applicable (but so that Article 41 thereof shall be deemed excluded and the second sentence of Article 17 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 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 English Law and in the event of any dispute relating thereto we hereby agree to submit to the exclusive jurisdiction of the Courts of England

- 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 5

### CREDIT COMMITTEE

#### Terms of Reference

#### I. Purpose of the Committee

I.1 The Credit Committee is appointed, on behalf of Designated Pipe-line Operators, PS Gas Suppliers and Shippers to manage the credit risk associated with the following defaults by a PS Gas Supplier or Shipper:

- (A) an NPTP Default, and/or an NPCC Default;
- (B) a “**Termination Default**” which shall occur in any of the following circumstances, in accordance with section 16 of the Network Code:

- (1) if the Provided Level of Credit Support fails to meet the Required Level of Credit Support from time to time (an “LPC Default”);
- (2) the non-payment of all or part of a PS Invoice by a PS Gas Supplier by the Second Due Date;
- (3) the non-payment of all or part of any three or more PS Invoices by a PS Gas Supplier by their respective Due Dates;
- (4) the non-payment of all or part of a CC Invoice by a PS Gas Supplier by the Second Due Date;
- (5) the non-payment of all or part of any three or more CC Invoices by a PS Gas Supplier by their respective Due Dates;
- (6) if a PS Gas Supplier shall have failed to submit a Nomination to the relevant Designated Pipe-line Operator for a period exceeding 12 months and shall have first consulted with the PS Gas Supplier and obtained its agreement or the agreement of the Authority to such termination;
- (7) if a PS Gas Supplier, if it has an Exit Point Registration in respect of an Exit Point in Northern Ireland or an IP Registration, has ceased to hold a valid Gas Supply Licence;
- (8) if a Shipper, if it has an Exit Point Registration in respect of an Exit Point in Northern Ireland or an IP Registration, has ceased to hold a valid Gas Supply Licence unless that Shipper has prior written consent from the Authority to either:
  - (i) hold IP Capacity or Exit Capacity; or
  - (ii) have entitlement to Enter gas to, and Exit gas from, the NI Network as if it had a Gas Supply Licence,

provided that the Shipper submits to the relevant Designated Pipe-line Operator a copy of such consent from the Authority;

- (9) if a Shipper has an Exit Point Registration in respect of an Exit Point in Northern Ireland or an IP 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 IP Capacity or Exit Capacity; or

- (ii) have entitlement to Enter gas to, and Exit gas from, the NI Network as if it had a Gas Supply Licence,

and such Shipper ceases to hold the relevant consent from the Authority; or

- (10) if there is a breach of section 16.3.1 of the Network Code and such breach is referred to the Credit Committee in accordance with the provisions of section 16.3.1 of the relevant Network Code,

provided that, in respect of (4) or (5), none of the CC Invoices to which they relate, is subject to a bona fide dispute in accordance with section 12.11.3 of the Network Code; or

- (C) if an administrator is appointed over any part of the assets of a Designated Pipe-line Operator or PS Gas Supplier (an “**Administration Default**”)

1.2 The Credit Committee shall also be empowered to direct, subject to the Authority’s consent, and pursuant to a request made by a Designated Pipe-line Operator or PS Gas Supplier in accordance with section 13.5.2 of the Network Code, whether a PS Gas Supplier 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. Any such request shall be deemed a “**US Default**” on the part of the PS Gas Supplier in respect of which the request is made.

1.3 Each of the defaults referred to in paragraphs 1.1 and 1.2 shall be a “Default” for the purposes of these Terms of Reference (“**Terms**”) and the relevant PS Gas Supplier or Shipper shall be the “**Defaulting Shipper**”.

1.4 The Credit Committee shall from time to time, when called upon in accordance with these Terms, instruct a Designated Pipe-line Operator from whose Designated Network a Defaulting Shipper exits gas (a “**Primary DPO**”) 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.

1.5 These Terms shall come into effect on 01 October 2004.

## 2. Interpretation

2.1 Except as expressly provided in these Terms or where the context otherwise requires, all terms that are defined in the Network Code to which these Terms are attached, where used in these Terms, shall have the same meaning as is ascribed to them in the Network Code. A reference to a section of a Network Code in these Terms shall, if appropriate, be treated as a reference to the equivalent section in another Network Code.

2.2 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:

“**Business Hours**” means any time between the hours of 09:00 and 17:00 Greenwich Mean Time on a Business Day;

“**Defaulting Shipper**” has the meaning given to it in paragraph 1.3;

“**Direction**” means a direction of the Credit Committee, in respect of a Default, that is issued to the relevant Primary DPO, any other Designated Pipe-line Operators and/or to a PS Gas Supplier in relation to the relevant Default and which direction is given in accordance with paragraph 6 of these Terms;

“**Licence**” means the licence to convey gas held by the relevant Designated Pipe-line Operator;

<b>“Meeting Notice”</b>	means a notice of a Credit Committee meeting containing all information listed in paragraph 3.3 of these Terms (if available);
<b>“Members”</b>	means all members of the Credit Committee, being: (a) all Designated Pipe-line Operators; (b) all PS Gas Suppliers from time to time; and (c) the Authority;
<b>“Network”</b>	means, in relation to gas pipe-lines owned by the relevant Designated Pipe-line Operator, the gas pipe-lines designated by an order made pursuant to Article 59 of the Energy (Northern Ireland) Order 2003;
<b>“Network Code”</b>	means a particular Designated Pipe-line Operator’s code governing the terms on which PS Gas Suppliers which are party to or bound by that code may convey gas through the Designated Pipe-line Operator’s pipe-line network;
<b>“Postalised System”</b>	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;
<b>“Primary DPO”</b>	has the meaning given to it in paragraph 1.4;
<b>“PSA”</b>	has the meaning given to that term in each Designated Pipe-line Operator's Licence;
<b>“PS Gas Supplier”</b>	means any person who is entitled to exit gas from the Postalised System; and
<b>“PS Transmission Payments”</b>	means any payment which a Designated Pipe-line Operator is entitled or obliged to charge a PS Gas Supplier in accordance with Condition 2A of such Designated Pipe-line Operator’s Licence.
<b>“Shipper”</b>	has the meaning given to it in Appendix I Definitions and Interpretations;

### 3. Convening the Committee

#### 3.1 Meetings of the Credit Committee:

- (A) shall be convened by a Primary DPO on the occurrence of any Default; or
- (B) may be requisitioned by any PS Gas Supplier or Designated Pipe-line Operator if it is permitted to do so in accordance with the provisions of a Network Code,

on the giving of no less than 3 Business Days’ written notice (a **“Meeting Notice”**) to all of the Members in accordance with the provisions of this paragraph.

#### 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.

#### 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) the name(s) of the Member(s) calling or requisitioning the meeting;

- (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 chairman.
- 3.4 Each Meeting Notice shall be served by the Member calling the meeting on each other Member by post to their respective addresses as specified in Schedule I to these Terms, or by fax and post to a Member who supplies a fax number in Schedule I or to such other address and/or fax number as may be, from time to time, notified by a Member to each other Member as its address and/or fax number 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 shall take place at the offices of the Authority unless another venue is unanimously agreed by all the Members entitled to attend such meeting.
- 4. Chairman, Quorum and Adjournment**
- 4.1 The chairman of a meeting of the Credit Committee (the "**Chairman**") shall be the relevant Primary DPO, provided that if the Primary DPO which is appointed Chairman is not present at the meeting then, before any business is conducted at such a meeting, the Member(s) present shall appoint a Chairman by agreement and provided further that the Chairman shall be any one of the Designated Pipe-line Operators or the Authority present at the meeting, and if no agreement is reached, shall be the Authority. If there is more than one Primary DPO in relation to the relevant PS Gas Supplier, or if there is no relevant Primary DPO then the Authority shall decide (having regard to the matters to be discussed at the meeting and any relevant financial consequences such matters may have in respect of each Primary DPO or other Designated Pipe-line Operator) which of the Primary DPOs or (where there is no Primary DPO) the Designated Pipe-line Operators shall be the Chairman.
- 4.2 The quorum for a meeting of the Credit Committee shall be at least two PS Gas Suppliers 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:
- (i) only one PS Gas Supplier is eligible to vote on such matters, in which case the quorum shall be that PS Gas Supplier; or
  - (ii) no PS Gas Supplier is eligible to vote on such matters, in which case the Chairman 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 Chairman 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 Chairman 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 PS Gas Supplier entitled to vote at that adjourned meeting shall comprise a quorum or, if no PS Gas Supplier is entitled to vote at that adjourned meeting, the Chairman shall constitute a quorum.
- 4.4 Subject to paragraph 4.7, before the meeting, the Chairman 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 Primary DPO and Defaulting Shipper prior to the meeting; and

- (B) requesting from the PSA the PS Invoices required to calculate the voting rights of each member in accordance with paragraph 8.1.

4.5 At the meeting, the Chairman shall be responsible for:

- (A) chairing that meeting of the Credit Committee;
- (B) directing a discussion of:
  - (1) 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 Primary DPO prior to the meeting;
  - (2) appropriate steps to be taken by the Primary DPO to remedy the Default, with reference to the Licence and the relevant Network Code; and
  - (3) appropriate sanctions, if any, to be applied by the Primary DPO to the Defaulting Shipper.

4.6 After the meeting, the Chairman 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) each Designated Pipe-line Operator;
- (C) the PS Gas Supplier in respect of which the Default under consideration arose; and
- (D) in relation to any Directions which are put to the vote of the Credit Committee that pertain to an NPCC Default, PS Gas Suppliers not party to the relevant Network Code.

5.3 Subject to paragraphs 5.2(C) and (D) , each PS Gas Supplier 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 Chairman shall have a vote. In no other circumstances shall the Chairman, 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 Network Code:

- (A) where a Termination Default or an Administration Default has occurred, require a Primary DPO to terminate its Defaulting Shipper's Accession Agreement;
- (B) where a Termination Default or an Administration Default has occurred, require a Primary DPO not to terminate its Defaulting Shipper's Accession Agreement;
- (C) where a breach of section 16.3.1 of the Network Code has occurred, to determine whether that breach of the Network Code is capable of remedy;
- (D) where any Default has occurred, require a Primary DPO 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 NPTP Default, or the Primary DPO's Account in respect of an NPCC Default;
- (E) where any Default has occurred, require a Primary DPO 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 Primary DPO 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 NPTP Default or an NPCC Default, require the Primary DPO 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 a Primary DPO 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 the PS Gas Suppliers, they may vote to direct a Primary DPO that no further action need be taken in respect of that non-payment;
- (J) in the event of a US Default, a Direction in accordance with paragraph 1.2;
- (K) where any Default has occurred, require a Primary DPO to disallow the Defaulting Shipper from:
  - (1) acquiring IP Capacity and/or Exit Capacity by a transfer;
  - (2) reserving additional IP Capacity and/or Exit Capacity;
  - (3) submitting an IP Nomination and/or Exit Nomination;
  - (4) 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 13.5.3 of the Network Code, require a Primary DPO to re-assess a PS Gas Supplier's Required Level of Credit Support and/or a PS Gas Supplier'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 PS Gas Suppliers in accordance with any relevant Licence.

- 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 16.3.1 of the Network 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 NPTP Default, it may only direct the Primary DPO to enforce security up to the value calculated in accordance with section 13.2.5 of the Network Code or, where appropriate, the equivalent sections in another Network Code; and
  - (B) an NPCC Default, it may only direct the Primary DPO to enforce security up to the value calculated in accordance with section 13.2.6 of the Network Code or, where appropriate, the equivalent sections in another Network 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 he is not physically present at the place where the meeting is held if he is 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**”) it may in writing appoint a nominee (a “**Nominee**”) to speak and/or vote for it. 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 Network 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 PS Gas Supplier.
- 7.8 The proceedings of the Credit Committee shall be conducted in private.
- 7.9 The Chairman 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 Chairman 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 Chairman.
- 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) he becomes bankrupt or compounds with his creditors;
- (C) he, or any body of which he is, or has been, a director, partner or controller be the subject of any complaint or investigation of misconduct or of malpractice in connection with his or its business affairs and the Authority decides that it is undesirable that he represent a Member; or
- (D) he is 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 he 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 Payments 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 Chairman 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 Chairman.

## **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.

**Addresses**

***[NOTE: addresses and fax numbers of all Designated Pipe-line Operators and Shippers to be included.]***

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