Proposed Modification & Initial Modification Report No.35
Section 6: Exceptional Events and Emergencies

1st July 2015

Please find attached details of Proposed Modification 35 and Initial Modification Report 35 raised by Premier Transmission Ltd (PTL) as required under Section 2 and 3 of the PTL Transportation Code Modification Rules.

A Description of the nature and purpose of the modification
This proposal is being made to revise Section 6 (Exceptional Events and Emergencies) of the PTL Code, to take account of the introduction of the entry-exit model in Northern Ireland and, in particular, introducing the term 'exceptional event', which is required under the EU Interoperability Code.

B How the modification better facilitates the relevant objective
The Relevant Objective, (condition 2.4 of the PTL Licence) will be better facilitated by the Licensee’s Network Code as a result of this modification. The proposed changes will contribute to the secure, safe, reliable, efficient and economic development of the Network by ensuring that the Code arrangements for emergencies and constraint situations are revised to reflect the introduction of an entry-exit regime in Northern Ireland and to maintain compliance with EU Regulations.

C The clauses of the Transportation Code that require amendment
This proposal will revise the text of section 6. It will also introduce Transition section T8 which deals with the implementation of the revisions to section 6 and the associated definitions in Appendix 1, along with minor changes in section 12 and 17.

D Impact on other Designated Pipeline Operator’s Network Codes:
PTL has worked with BGTL and GNI (UK) to develop a co-ordinated approach to the Codes, and the TSOs are aiming to keep the changes to the GNI (UK) Code and the Premier Transmission Code as aligned/identical as possible. Premier Transmission is issuing a corresponding Modification Proposal, and the necessary changes will be introduced into the BGTL Code via a Modification Proposal later this summer.

E The date proposed for implementation
PTL suggests that the proposed implementation date is 7th September 2015.

F How to Respond
Please send responses no later than 30th July 2015 to:

Stephen English: Stephen.English@mutual-energy.com
Premier Transmission Limited
First Floor, The Arena Building
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Belfast
BT7 1SH
G. Further Information on the Modification Proposal

Introduction

The text of this proposal has been developed following Industry Consultation on draft Business Rules published on 1st December 2014, which primarily covered the implementation of Capacity Allocation Mechanisms. Section 19 of those Business Rules set out the approach to revision of Section 6 of the Codes, including that the TSOs were not proposing extensive changes to the rules governing constraints and emergencies. It set out that:

a) the definitions of D-1 Predicted Capacity Shortfall and Day D Capacity Shortfall would be revised to take into account the presence of independent entry and exit capacity products and nominations;

b) rules for entry control and exit control in an emergency would be essentially unchanged, although it would be clarified that the NI TSOs will be able to direct nominations and renominations using Flow Orders at both entry and exit; and

c) in relation to the consequences of an emergency, scheduling charges shall not apply (as now), imbalances will be calculated in aggregate (as set out in the Allocations Business Rules) and the cashout price will continue to be the daily gas price regardless of the application of balancing tolerances.

In developing the proposed code text, the TSOs have continued with this ‘minimal change’ approach to the code drafting and made changes reflecting the points set out above. In addition, one further set of changes in relation to emergencies has been proposed (reflecting recent updates to the emergency procedures), clarifying that the TSOs act under the direction of NINEC in an emergency.

No Shippers responded to the Business Rules consultation on this topic.

Overview

The proposed changes to the Code text are as follows:

- Revised definition of Flow Order to include Exceptional Events
- Introduction of a definition for Exceptional Events
- Definition of System Capability to replace the old concept of ‘Available Firm Capacity’ which was used in the point-to-point regime
- Introduction of a ‘Declaration’ of a D-1 Predicted Capacity Shortfall or a Day D Capacity Shortfall (to clarify that Shippers are first informed of the situation with a view to Shippers adjusting their own Nominations in order to avoid the mandatory application of Flow Orders by the TSOs)
- Introduction of provisions to allow for Flow Orders to be applied in respect of IP Entry Nominations
- Clarification over timing for compliance with Flow Orders when issued on D-1 or on D
- Minor clarifications to emergencies section, in particular to clarify that where an emergency has been declared, the TSOs are acting under the direction of NINEC and any request to Shippers is therefore a statutory requirement rather than purely a contractual matter under the code, and inclusion of a definition of Priority Order (previously erroneously missing)
- An addition to Section 17 to include the provision of emergency contact information in the requirements for an Exit Point Registration
- Generally, removal of references to Firm Capacity and Interruptible Capacity, replacing those terms with references to IP Entry Capacity and Exit Capacity in line with the new sections 1A and 1B of the Code, implemented in accordance with the CAM Code Modification 28.
Transition Section T8
This brings the revisions to the Code text into force.

Legal Text
Please find below the full legal text for this Code Modification Proposal, set out in the following order:

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Replace existing section 6 with this revised section 6 to read as follows:

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-1 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-1 Predicted Capacity Shortfall or Day D Capacity Shortfall

6.1.4 Where Premier Transmission determines that there is a D-1 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-1 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-1 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-1 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-1 Predicted Capacity Shortfall

6.2.1 If at any time on D-1 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-1 in respect of any hour on Day D will exceed the System Capability available in respect of that hour,

(a “D-1 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-1 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-1 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-1 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-1 Predicted Capacity Shortfall; and

(b) whether Premier Transmission believes that the D-1 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-1 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-1 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-1 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-1 Predicted Capacity Shortfall in the following order:

(i) on the first occasion on which Premier Transmission declares any Day D-1 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-1 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-1 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-1 Predicted Capacity Shortfall, Premier Transmission shall promptly inform Phoenix, the Downstream System Operator and the Stranraer Distribution System Operator of:
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(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-1 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-1 Predicted Capacity Shortfall; and

(ii) whether Premier Transmission believes that the D-1 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-1 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-1 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-1 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-1 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-1 Predicted Capacity Shortfall.
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(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-1 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-1 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
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
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(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-1 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
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(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-1 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:
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(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 1 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.

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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:
Section 17: Proposed Legal Text

(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).
Section 17: Proposed Legal Text

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.
Amend section 12.1.4 to read as follows:

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 (Emergencies).
Amend section 17.6 to read as follows:

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.

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Transition Section T8

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

(b) the modified Appendix 1 (Definitions and Interpretation) (“Section 6 Modified Appendix 1”),

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 7th September or, if later, the date the Authority approves Code Modification 35; and

(b) “Section 6 Operational Date” means 1st 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 30th September 2015, but not in respect of Gas Flow Days thereafter.

T8.3 Commencement of Section 6 Appendix 1

T8.3.1 From the T8 Implementation Date, the terms set out in Section 6 Modified Appendix 1 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 1

T8.4.1 In this section T8:

(a) “CAM Modified Appendix 1” and “CAM Effective Date” have the meanings given to them in section T2 implemented or to be implemented in accordance with Code Modification 28;
Appendix 1: Proposed Legal Text

(b) “Nominations Modified Appendix 1” has the meaning given to it in section T4 implemented or to be implemented in accordance with Code Modification 31;

(c) “Allocations Modified Appendix 1” 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 1” has the meaning given to it in section T6 implemented or to be implemented in accordance with Code Modification 33;

(e) “Balancing Modified Appendix 1” has the meaning given to it in section T7 implemented or to be implemented in accordance with Code Modification 34;

[together, the “Modified Appendix 1 Terms”.

T8.4.2 Section 6 Modified Appendix 1 adds new defined terms to the Code and where relevant modifies terms set out in the Modified Appendix 1 Terms.

T8.4.3 Terms contained in Unmodified Appendix 1 which are not otherwise amended or deleted by the Modified Appendix 1 Terms or any other subsequent Code Modifications shall continue to apply in this Code after the CAM Effective Date.

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Amend Appendix 1 to include new terms (and modify existing terms) to read as shown in the list below:

APPENDIX 1

DEFINITIONS AND INTERPRETATION

“Aggregate IP Entry Nominated Quantity” means the sum of all Shippers’ IP Entry Nominated Quantities for Gas Flow Day D in respect of the Transportation System;

“Distribution Nominations” has the meaning given to it in section 6.2.3-(c)(b)(iv);

“Distribution Profile Nominations” has the meaning given to it in section 6.2.3-(c);

“Exceptional Event” means any unplanned event that may cause, for a limited period, capacity reductions affecting the quantity of gas at an Interconnection Point; has the meaning given to it in section 6.1.2(b);

“Flow Order” has the meaning given to it in section 6.1.2-(b) 6.1.2(a);

“Interruptible Nomination for Ballylumford” has the meaning given to it in section 6.1.2(c);

“Maintenance Days” has the meaning given to it in section 10.1.2-(b) and “Maintenance Day” shall be construed accordingly;

“Priority Order” has the meaning given to it in section 6.10.1;

“Profile Nomination” 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 “Profile Nominations” shall be construed accordingly;

“Revised Distribution Nominations” has the meaning given to it in section 6.2.3(c)(i)(b)(iv)(aa);

“Shortfall Declaration” has the meaning given to it in section 6.1.4;

“Shortfall in Price” has the meaning given to it in section 6.11.4-(b);

“SONI” means S.O.N.I. SONI Limited, the operator of the electricity transmission system in Northern Ireland, and a subsidiary of Viridian Group plc, a company incorporated in Northern Ireland with company number NI038715;

“System Capability” has the meaning given to it in section 6.1.2(c);

“Total Shipper Exit Nominated Quantity” means the sum of all Shipper’s Exit Nominated Quantities for Gas Flow Day D in respect of the Transportation System;