

FIRMUS ENERGY DISTRIBUTION LIMITED

NETWORK CODE

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SECTION A: SYSTEM CLASSIFICATION

1 Introduction

For the purposes of the Code:

- (a) the "**System**" means the distribution pipeline system owned by the Operator for the conveyance of gas as authorised by the Operator Licence; and
- (b) a "**System Point**" is a point on the System which is designed to permit gas to flow through a single pipe into or out of the System.

2 System Points

The classes of System Point comprise:

- (a) a "**System Entry Point**" is a point at which gas can flow into the System; and
- (b) a "**Supply Meter Point**" is a System Point at which gas may be offtaken from the System for the purposes of supply directly to particular premises.

3 Supply Meter Points

- 3.1 A Supply Meter Point whose Annual Quantity is equal to or greater than 2,196,000 kWh (75,000 therms) shall be classified as a "**DM Supply Meter Point**".
- 3.2 In accordance with Section L13.6 a DM Supply Meter Point may be a "**Firm Supply Meter Point**" or an "**Interruptible Supply Meter Point**".
- 3.3 A Supply Meter Point whose Annual Quantity is not greater than 2,196,000 kWh (75,000 therms) shall be classified as a "**NDM Supply Meter Point**" and:
 - (a) a "**Larger NDM Supply Meter Point**" is an NDM Supply Meter Point with an Annual Quantity that is equal to or greater than 732,000 kWh (25,000 therms); and
 - (b) a "**Smaller NDM Supply Meter Point**" is an NDM Supply Meter Point with an Annual Quantity that is less than 732,000 kWh (25,000 therms).
- 3.4 All:
 - (a) DM Supply Meter Points are Daily Read (in accordance with Section M4);
 - (b) Larger NDM Supply Meter Points are Monthly Read Meters (in accordance with Section M3.5(b)); and
 - (c) Smaller NDM Supply Meter Points are Annually Read Meters (in accordance with Section M3.5(c)).

4 System Entry Points

4.1 A System Entry Point shall be classified as either:

- (a) a “**Transmission System Entry Point**” or “**TSEP**” which is a System Entry Point at which gas can flow into the System from the Upstream Gas Transmission Pipeline; or
- (b) a “**Biomethane System Entry Point**” or “**BSEP**” which is a System Entry Point at which gas can flow into the System from a Biomethane Delivery Facility.

4.2 A TSEP may comprise:

- (a) a single System Point; or
- (b) more than one System Point:

connecting the System to the Upstream Gas Transmission Pipeline covered by the terms of a Transmission System Operator – Distribution System Operator Agreement.

4.3 A BSEP may comprise:

- (a) a single System Point; or
- (b) more than one System Point;

at the same Biomethane Delivery Facility which shall be covered by the terms of a single Network Entry Agreement.

SECTION B: SYSTEM CAPACITY AND DISTRIBUTION CHARGES

1 Use of System

Users may use the System by delivering gas to a System Entry Point and by offtaking gas from a Supply Meter Point.

2 System Capacity

2.1 Users shall be treated as holding System Capacity on a Day at certain System Points in accordance with this Section B.

2.2 The classes of System Capacity are

(a) "System Entry Capacity"; and

(b) "Supply Meter Point Capacity".

2.3 "**System Entry Capacity**" is the capacity a User is treated as utilising in delivering gas to the System at a System Entry Point.

2.4 In relation to System Entry Capacity:

(a) "**Firm System Entry Capacity**" is System Entry Capacity at a TSEP which is not subject to curtailment;

(b) "**Interruptible System Entry Capacity**" is System Entry Capacity at a TSEP which is subject to curtailment; and

(c) the quantity and, where applicable, classification of System Entry Capacity at a BSEP will be as set out in the relevant Network Entry Agreement.

2.5 "**Supply Meter Point Capacity**" is the capacity a User is treated as utilising in offtaking gas from the System at a Supply Meter Point.

2.6 In relation to Supply Meter Point Capacity:

(a) "**Firm Supply Meter Point Capacity**" is Supply Meter Point Capacity which is not subject to curtailment; and

(b) "**Interruptible Supply Meter Point Capacity**" is Supply Meter Point Capacity which is subject to curtailment.

2.7 The Supply Meter Point Capacity which a User may be treated as holding at a Supply Meter Point (in accordance with Sections F and L) shall be limited by the rate and quantities which it is feasible for the Operator to make gas available for offtake at the Supply Meter Point.

3 System Capacity Units

3.1 System Capacity shall be expressed in kWh/Day.

3.2 Where (in the Conveyance Charge Statement or elsewhere) the units in which System Capacity is expressed are 'peak day kWh', such units are the same as those under paragraph 3.1; and references to charges for System Capacity in 'pence per peak day kWh' (or similar

references) shall be construed accordingly.

4 System Entry Capacity

4.1 In respect of each Day a User shall be treated as holding an amount of:

- (a) Firm System Entry Capacity which is equal to the aggregate amount of Firm Supply Meter Point Capacity which the User is treated as holding in accordance with Sections F and L at Firm Supply Meter Points in respect of which it is the Registered User;
- (b) Interruptible System Entry Capacity which is equal to the aggregate amount of Interruptible Supply Meter Point Capacity which the User is treated as holding (in accordance with Section M) at Interruptible Supply Meter Points in respect of which it is the Registered User; and
- (c) System Entry Capacity at a BSEP which is equal to the amount treated as being utilised by the Registered User in accordance with the terms of the relevant Network Entry Agreement.

4.2 For the purposes of the Code in respect of a Day a User's "**Registered**":

- (a) System Entry Capacity shall be the sum of the User's Firm System Entry Capacity, Interruptible System Entry Capacity and System Entry Capacity at a BSEP for the Day determined in accordance with paragraph 4.1; and
- (b) Supply Meter Point Capacity shall be the sum of the Supply Meter Point Capacity which the User is treated as holding:
 - (i) at each NDM Supply Meter Point, in accordance with Section F5, in respect of which it is the Registered User; and
 - (ii) at each DM Supply Meter Point, in accordance with paragraph 10.3 and Section L12, in respect of which it is the Registered User.

5 Distribution Charges

5.1 For the purposes of the Code, "**Distribution Charges**" are charges payable by a User in respect of a distribution arrangement under the Code, and comprise Capacity Charges, Commodity Charges and Customer Charges.

5.2 A User shall not be required to pay charges under the Code as a result of holding System Entry Capacity.

5.3 For the avoidance of doubt, pursuant to the Operator Licence Condition 2.4.1(b) the Operator does not undertake physical balancing of the network and no charges are incurred under this Code in relation to balancing. Notwithstanding this, the Operator has put in place Aggregate Balancing Arrangements which enable a User's Aggregate NI Imbalance (and associated charges) to be accounted for under the NI Network Gas Transmission Code.

5.4 Distribution Charges shall be invoiced and payable in accordance with Section K.

6 Rates and amounts of Distribution Charges

- 6.1 Subject to paragraphs 6.2 and 6.3, the amount or rate of any Distribution Charge payable at any time by a User shall be determined in accordance with the Conveyance Charge Statement in force at the time such Distribution Charge accrues (irrespective of when it is due for payment); and accordingly the rate of the Distribution Charges payable by a User may vary during the period for which the User holds any System Capacity.
- 6.2 In accordance with Condition 2.3.4 of the Operator Licence, the amount or rate of any Distribution Charge may with the approval of the Authority differ from what is provided for in the Conveyance Charge Statement.
- 6.3 In respect of any Distribution Charge:
- (a) in the case of the Capacity Charge;
 - (i) the "**Applicable Daily Rate**" is the daily rate of such charge, in pence per kWh/Day of Capacity;
 - (ii) the "**Applicable Monthly Rate**" is the number of Days in the calendar month times the Applicable Daily Rate; and
 - (iii) the "**Applicable Annual Rate**" is 365 times the Applicable Daily Rate; and
 - (b) in the case of a Commodity Charge, the "**Applicable Commodity Rate**" is the rate of such charge, in pence per kWh of gas flow which may vary depending on the Supply Meter Point classification;
- in each case in accordance with paragraphs 6.1 and 6.2, and (where any such rate varies according to the time of year) as applicable from time to time.
- 6.4 Where the prevailing Conveyance Charge Statement does not provide for the determination of any particular Distribution Charge in any particular case, the rate of such Distribution Charge shall be deemed to be the rate in the preceding Conveyance Charge Statement.

7 Capacity Charge

- 7.1 A "**Capacity Charge**" is a charge in respect of, and determined by reference to the amount of the User's Registered Supply Meter Point Capacity.
- 7.2 A User shall pay a Capacity Charge in respect of each Day in relation to which it is treated as holding Registered Supply Meter Point Capacity.
- 7.3 The Capacity Charge payable by a User in respect of a calendar month shall be determined for the purposes of paragraph 7.1 as the sum of:
- (a) the amount of the User's Registered Supply Meter Point Capacity multiplied by the Applicable Monthly Rate; and
 - (b) in respect of a Firm DM Supply Meter Point, in an overrun month, an amount of Supply Meter Point Capacity equal to the highest capacity ratchet amount multiplied by 1.5 times the Applicable Monthly Rate (the "Overrun charge").

7.4 Where the Operator:

- (a) is required to pay any:
- (i) Postalised Capacity Charge;
 - (ii) Transmission Exit Ratchet; or
- (b) incurs any cost or expense in connection with provision by the Operator of credit support, in respect of the use of or relating to capacity in a pipeline system connected to the System by the Users for the purposes of Users delivering gas to the System:
- (i) the Operator shall be entitled to recover any and all such charges, costs and expenses from Users; and
 - (ii) the amount payable by each User shall be determined in accordance with the methodology (or on such other basis) set out in the prevailing Conveyance Charge Statement.

8 Commodity Charges

- 8.1 A "**Commodity Charge**" is a charge in respect of use of the System, determined by reference to the quantity of the gas flow at a Supply Meter Point.
- 8.2 A User shall pay a Commodity Charge in respect of each Day on which it offtakes gas from the System.
- 8.3 The Commodity Charge payable by a User in respect of a Day shall be determined as:
- (a) in respect of NDM Supply Meter Points, the sum of the Supply Meter Point Demand for each NDM Supply Meter Point in the Users NDM Supply Meter Point Group multiplied by the Applicable Commodity Rate; and
 - (b) in respect of DM Supply Meter Points, the sum of the Supply Meter Point Daily Quantity for the User's Registered DM Supply Meter Points multiplied by the Applicable Commodity Rate.

9 Customer Charge

- 9.1 A "**Customer Charge**" is a charge payable by reason of being the Registered User of a Supply Meter Point.
- 9.2 A User shall pay a Customer Charge in respect of each of the User's Registered Supply Meter Points.

10 Capacity Ratchet and Overrun Charges

- 10.1 If for any reason on any Day in a calendar month ("an **overrun month**") the quantity of gas offtaken by a User at a Firm DM Supply Meter Point exceeds the User's Registered Supply Meter Point Capacity at the relevant Supply Meter Point (each a "capacity ratchet day") the User's Registered Supply Meter Point Capacity at the Firm DM Supply Meter Point shall automatically (a "capacity ratchet") be increased in accordance with paragraph 10.3;
- 10.2 For the purposes of this paragraph 10 in respect of a capacity ratchet day the "capacity ratchet amount" is the amount by which the User's UDQO exceeds the User's Registered Supply Meter

Point Capacity at the Firm DM Supply Meter Point;

- 10.3 Where paragraph 10.1 applies in respect of a Firm DM Supply Meter Point with effect from the first Day of the month following the overrun month the User's Registered Supply Meter Point Capacity at the Firm DM Supply Meter Point shall be the sum of:
- (a) the User's Registered Supply Meter Point Capacity at the Firm DM Supply Meter Point on the last Day of the preceding calendar month; and
 - (b) the highest capacity ratchet amount at the Firm DM Supply Meter Point on any capacity ratchet day in the preceding calendar month.
- 10.4 Where pursuant to Section M8 an Error Revised Quantity has been determined for a Firm DM Supply Meter Point the Operator will re-determine the amounts (if any) of relevant capacity ratchet amounts and Overrun Charges and invoice adjustments will be made by way of debit or credit.
- 10.5 Overrun Charges shall be invoiced and payable in accordance with Section K.

SECTION C: NOMINATIONS

1 Nominations

- 1.1 Users will nominate quantities of gas for delivery to and offtake from the System in respect of each Gas Flow Day in accordance with this Section C for the purposes of enabling the Operator to plan and carry out the operation of the System and to balance deliveries to and offtakes from the System.
- 1.2 For the purposes of the Code:
- (a) a "**Nomination**" is a nomination by a User in respect of a quantity of gas to be delivered to or offtaken from the System on a Gas Flow Day;
 - (b) a "**Renomination**" is a Nomination which revises an earlier Nomination (including a Renomination);
 - (c) an "**Offtake Nomination**" is a Nomination in respect of a quantity of gas to be offtaken from the System and is either an NDM Offtake Nomination or a DM Offtake Nomination;
 - (d) a "**Delivery Nomination**" is a Nomination in respect of a quantity of gas to be delivered to the System; and is either a Biomethane Delivery Nomination or a Transmission Delivery Nomination Required;
 - (e) "**Nomination Quantity**" is the quantity of gas nominated for delivery or offtake in a User's Nomination;
 - (f) an "**NDM Offtake Nomination**" is the quantity of gas nominated for offtake at a User's NDM Supply Meter Point Group;
 - (g) a "**DM Offtake Nomination**" is the quantity of gas nominated for offtake at a DM Supply Meter Point;
 - (h) a "**Biomethane Delivery Nomination**" is a Nomination in respect of a quantity of gas to be delivered to the System at a BSEP;
 - (i) a "**Transmission Delivery Nomination Required**" is a Nomination determined by the Operator in accordance with paragraph 8 in respect of a quantity of gas which is required to be delivered at a TSEP by a User.
- 1.3 References in the Code to a Nomination prevailing at any time before or during the Gas Flow Day are to a Nomination as amended (with the consent of, or as notified by the Operator in accordance with this Section C) up to that time.
- 1.4 For the purposes of the Code a Nomination is made by a User where the User has submitted a Nomination which has been approved or deemed to be approved by the Operator in accordance with this Section C.
- 1.5 Each User shall secure that it makes Nominations in accordance with this Section C for the quantities in which and rates and times at which it expects to deliver gas to or offtake gas from the System each Gas Flow Day.
- 1.6 In relation to the Gas Flow Day the "**Nomination Time**" means 08:00 hours on the Preceding

Day.

- 1.7 Nominations shall be submitted not later than the Nomination Time.
- 1.8 Other than in accordance with paragraph 4 a Nomination submitted by a User (whether approved or otherwise) may not, without the approval of the Operator, be withdrawn, revised or replaced following its submission.
- 1.9 In respect of any Offtake Nomination the "Implied Nomination Flow Rate" is the rate (in kWh/hour) determined as the Nomination Quantity divided by 24.
- 1.10 The "**Renomination Effective Time**" in respect of a DM Offtake Renomination or Biomethane Delivery Renomination is the time with effect from which the change in gas flow rate at the relevant point in respect of which the DM Offtake Renomination or Biomethane Delivery Renomination is made is to occur.
- 1.11 The Renomination Effective Time shall be not less than 2 hours after the time at which the Renomination is submitted and shall in addition comply with paragraph 1.12.
- 1.12 For the purposes of the Code it shall be assumed that any change in the rate of the delivery or the offtake of gas from the System by a User will occur on the hour and accordingly the Renomination Effective Time of any Renomination shall occur on the hour.
- 1.13 Where under this Section C a Nomination is approved or deemed to be approved by the Operator such approval or deemed approval shall not amount to a waiver by the Operator of any requirement of this Section C, irrespective of the failure of such Nomination to comply with such requirement.

2 NDM Offtake Nominations

- 2.1 For the purposes of the Code, for each User, the User's "**NDM Supply Meter Point Group**" is all of the User's Registered NDM Supply Meter Points.
- 2.2 In respect of each Gas Flow Day, the Operator will by not later than the Nomination Time:
 - (a) for each User determine the aggregate demand of the User's NDM Supply Meter Point Group in accordance with Section F3;
 - (b) make on behalf of each User a NDM Offtake Nomination in respect of the User's NDM Supply Meter Point Group; and
 - (c) notify each User of the Nomination Quantity under its NDM Offtake Nominations for the User's NDM Supply Meter Point Group.
- 2.3 The Nomination Quantity for a User's NDM Offtake Nomination will be sum of the NDM Supply Meter Point Demand for each NDM Supply Meter Point in the User's NDM Supply Meter Point Group, determined in accordance with Section F3.

3 NDM Offtake Renominations

- 3.1 With effect from each Demand Forecast Time and each Demand Forecast Update, the

Operator will by making an “**NDM Offtake Renomination**” revise on behalf of each User its NDM Offtake Nomination for the User's NDM Supply Meter Point Group for the Gas Flow Day.

- 3.2 The Nomination Quantity under a NDM Offtake Renomination will be the sum of the revised NDM Supply Meter Point Demand for each NDM Supply Meter Point in the User's NDM Supply Meter Point Group, determined in accordance with Section F3.

4 DM Offtake Nominations

- 4.1 A User nominating quantities of gas for offtake in respect of each Gas Flow Day from the System at a DM Supply Meter Point shall make an Offtake Nomination subject to and in accordance with this paragraph 4.
- 4.2 By not later than the Nomination Time a User shall submit a separate DM Offtake Nomination in respect of each DM Supply Meter Point.
- 4.3 Each DM Offtake Nomination shall specify:
- (a) the Gas Flow Day;
 - (b) the identity of the User;
 - (c) the Supply Meter Point Reference Number; and
 - (d) the quantity of gas nominated for offtake.
- 4.4 A User shall not submit an Offtake Nomination in respect of a DM Supply Meter Point which is a Maintenance Affected Point and in respect of which gas is not available for offtake on the Gas Flow Day or if the Implied Nomination Flow Rate exceeds any rate specified by the Operator pursuant to Section I2.4.
- 4.5 The Operator may reject or (in its discretion) approve a DM Offtake Nomination:
- (a) which is not submitted in accordance with, or does not comply with:
 - (i) the requirements in paragraph 1.7;
 - (ii) the requirements of paragraph 4.3;
 - (b) if the Implied Nomination Flow Rate exceeds 1/24 of the Supply Meter Point Capacity of the Supply Meter Point;
 - (c) if the quantity of gas nominated for offtake is expressed as being a negative quantity.
- 4.6 The Operator shall not be required to approve or reject a DM Offtake Nomination before the Nomination Time.
- 4.7 If in respect of any DM Supply Meter Point:
- (a) a User has not submitted a DM Offtake Nomination by the Nomination Time; or
 - (b) the Operator has rejected a DM Offtake Nomination submitted by a User

the User shall be deemed to have submitted a Nomination for the relevant DM Supply Meter Point in respect of which the quantity nominated for offtake is zero.

- 4.8 A DM Offtake Nomination submitted to the Operator which has not been rejected (in accordance with paragraph 4.5) within 60 minutes after the Nomination Time shall be deemed to have been approved.

5 DM Offtake Renominations

- 5.1 A User may revise a DM Offtake Nomination after the Nomination Time in accordance with this paragraph 5 by making a **“DM Offtake Renomination”**.
- 5.2 A User may make a DM Offtake Renomination at any time between the Nomination Time and 01:00 hours on the Gas Flow Day.
- 5.3 A DM Offtake Renomination shall be submitted in accordance with paragraph 4.3 and shall in addition specify:
- (a) the Renomination Effective Time; and
 - (b) the DM Offtake Nomination (or earlier DM Offtake Renomination) in respect of which it is made.
- 5.4 The Operator may reject or approve a DM Offtake Renomination in accordance with paragraph 4.5; and where the Operator rejects a DM Offtake Renomination the prevailing DM Nomination (or earlier DM Offtake Renomination) shall remain in place.
- 5.5 A DM Offtake Renomination submitted to the Operator which has not been rejected in accordance with paragraph 4.5 within 60 minutes after it was submitted shall be deemed to have been approved.
- 5.6 An approved DM Offtake Renomination shall replace the previous DM Offtake Nomination (or earlier DM Offtake Renomination).
- 5.7 Where the Operator requires or ceases to require Interruption at a DM Supply Meter Point the User shall make a DM Offtake Renomination in accordance with this paragraph 5 which is consistent with the requirement to, or cessation of the requirement to, interrupt the offtake of gas at the relevant DM Supply Meter Point.

6 Biomethane Delivery Nominations

- 6.1 A User nominating gas flows for entry to the System at a BSEP shall forecast its expected gas flow and make a corresponding Biomethane Delivery Nomination subject to and in accordance with this paragraph 6.
- 6.2 By not later than the Nomination Time a User shall submit a separate Biomethane Delivery Nomination in respect of each BSEP at which it is a Registered User.
- 6.3 Each Biomethane Delivery Nomination shall specify:
- (a) the Gas Flow Day;
 - (b) the identity of the User;

- (c) the BSEP;
 - (d) the quantity of gas nominated for delivery to the System; and
 - (e) where requested by the Operator, the hourly flow rate for each hour of the Gas Flow Day.
- 6.4 A User shall not submit a Biomethane Delivery Nomination (or Biomethane Delivery Renomination under paragraph 7) in respect of a BSEP which is a Maintenance Affected Point unless it is for no more than the quantity that can be accommodated by the System during the maintenance.
- 6.5 Where a User at a BSEP intends that there shall be zero flow into the System on a Gas Flow Day, the User shall be required to submit a Biomethane Delivery Nomination for a quantity of zero, including but not limited to where this applies as a result of maintenance.
- 6.6 The Operator may reject or (in its discretion) approve a Biomethane Delivery Nomination:
- (a) which is not submitted by the Nomination Time;
 - (b) if the quantity of gas nominated for delivery is expressed as being a negative quantity.
- 6.7 The Operator shall not be required to approve or reject a Biomethane Delivery Nomination before the Nomination Time.
- 6.8 If in respect of any BSEP:
- (a) a User has not submitted a Biomethane Delivery Nomination by the Nomination Time; or
 - (b) the Operator has rejected a Biomethane Delivery Nomination submitted by a User;
- the User shall be deemed to have submitted a Nomination for the relevant BSEP in respect of which the quantity nominated for delivery is zero.
- 6.9 A Biomethane Delivery Nomination which has not been rejected by the Operator within 60 minutes of the Nomination Time shall be deemed to be accepted.

7 Biomethane Delivery Renominations

- 7.1 A User may revise a Biomethane Delivery Nomination by submitting a **“Biomethane Delivery Renomination”** at any time between the Nomination Time and 01:00 hours on the Gas Flow Day which shall specify:
- (a) the Biomethane Delivery Nomination in respect of which it is made;
 - (b) the Renomination Effective Time;
 - (c) the quantity of gas nominated for delivery to the System; and
 - (d) where requested by the Operator, the hourly flow rate for each hour of the Gas Flow Day.
- 7.2 The Operator may reject, or at its discretion, approve a Biomethane Delivery Renomination which does not meet the requirements of paragraph 7.1; and where the Operator rejects a Biomethane

Delivery Renomination the prevailing Biomethane Delivery Nomination (or earlier Biomethane Delivery Renomination) shall remain in place.

- 7.3 A Biomethane Delivery Renomination which has not been rejected by the Operator within 60 minutes of its submission shall be deemed to be approved.
- 7.4 An approved Biomethane Delivery Renomination shall replace the previous Biomethane Delivery Nomination (or earlier Biomethane Delivery Renomination).
- 7.5 Where the Operator requires (or ceases to require) reduction or cessation of deliveries at a BSEP under the Code, the User shall make a Biomethane Delivery Renomination consistent with that requirement.

8 Transmission Delivery Nomination Required

8.1 By no later than 3 hours after the Nomination Time on a Gas Flow Day the Operator will determine the Transmission Delivery Nomination Required of the User for the Gas Flow Day as the sum of:

- (a) the Nomination Quantity under the User's NDM Offtake Nomination;
- (b) the sum of the Nomination Quantities under each of the User's DM Offtake Nominations;
- (c) the User's Daily Shrinkage Nomination Quantity (calculated in accordance with Section D4.4);

minus

- (d) the sum of the quantities in any Biomethane Delivery Nominations made by the User;

provided always that:

where the sum of the terms in (a) + (b) + (c) above is less than the term in (d) above, the User's Transmission Delivery Nomination Required for the Gas Flow Day shall be **zero**.

8.2 The Operator shall make the Transmission Delivery Nomination Required and any Transmission Delivery Renominations Required on behalf of a User.

9 Transmission Delivery Renomination Required

9.1 With effect from each Demand Forecast Time and each Demand Forecast Update, the Operator will by making a "**Transmission Delivery Renomination Required**" revise on behalf of each User its Transmission Delivery Nomination Required for the Gas Flow Day.

9.2 The Nomination Quantity under each Transmission Delivery Renomination Required will be determined by the Operator using the formula in paragraph 8.1 and using the prevailing quantities in the relevant Nominations or Renominations.

10 Calorific Value information

10.1 Not later than the last Business Day of each calendar month the Operator will make available

to Users the Operator's prevailing estimate of the calorific value for each Day in the following calendar month.

11 Forecast Party Arrangements

11.1 For the purposes of the Code:

- (a) **“Demand Forecast Information”** means a User’s Nomination Quantity for a Gas Flow Day;
- (b) **“Forecasting Party”** means Premier Transmission Limited, as so designated, pursuant to the provisions of its Licence; and
- (c) **“Forecasting Party Agreement”** means the agreement required under the terms of the Operator’s Licence between the Operator and the Forecasting Party which facilitates the exchange of Demand Forecast Information;

11.2 The Operator shall provide Demand Forecast Information to the Forecasting Party in line with the requirements of the Forecasting Party Agreement.

12 Aggregate Balancing Arrangements

12.1 In this Code **“Aggregate Balancing Arrangements”** means arrangements agreed between the Distribution System Operators and the Transmission System Operators under which:

- (a) a User’s DN Exit Allocations as defined under the NI Network Gas Transmission Code in respect of a DN Exit Point are deemed to be equal to their DN Exit Allocations as determined by the relevant Distribution System Operator pursuant to the terms of their respective distribution network codes; and
- (b) gas flows into the distribution networks from BSEPs are accounted for as entry flows at a DBEP as defined under the NI Network Gas Transmission Code:

for the purposes of determining a User’s Aggregate NI Imbalance under the NI Network Gas Transmission Code.

12.2 For the purposes of this Code:

- (a) the **“Information Sharing Agreement”** means the agreement between the Distribution System Operators and the Transmission System Operators whereby the Distribution System Operators agree to provide Aggregate Balancing Information to the Transporter;
- (b) **“Aggregate Balancing Information”** means the information set out in paragraph 12.3 below and the Allocations Information set out in Section D5.2.

12.3 Pursuant to the Information Sharing Agreement, the Operator shall provide the following nominations information for each User to the Transporter:

- (a) Biomethane Delivery Nominations;
- (b) Biomethane Delivery Renominations;
- (c) Transmission Delivery Nomination Required;
- (d) Transmission Delivery Renomination Required;

at each Demand Forecast Time and each Demand Forecast Update in line with the requirements of the Information Sharing Agreement.

13 Liabilities and Indemnities

13.1 In providing the Demand Forecast Information to the Forecasting Party and the Aggregate Balancing Information to the Transporter the Operator will act as a Reasonable and Prudent Operator but shall not be liable as to any loss or liability incurred by a User or otherwise to any User in respect of, or in consequence of, anything done or omitted to be done by the Operator under this Section C.

13.2 Each User:

- (a) undertakes to the Operator that it will not make, raise or assert any claim or action of any kind against the Operator with respect to any matters which relate directly or indirectly to the provision of Demand Forecast Information or Aggregate Balancing Information; and
- (b) shall indemnify and keep indemnified the Operator from and against any and all demands, claims, losses, costs, liabilities and damages of any kind whatsoever and howsoever arising which the Operator may suffer or incur directly or indirectly in relation to or arising from or in connection with any contravention by that User of the undertaking in (a) above.

SECTION D: DAILY QUANTITIES

1 Daily Quantities

- 1.1 For the purposes required by the Code, the quantities of gas treated as delivered to the System and offtaken from the System by each User in respect of each Gas Flow Day shall be determined in accordance with paragraphs 2 and 3.
- 1.2 For the purposes of the Code, in respect of any Gas Flow Day:
- (a) the **“Supply Meter Point Daily Quantity”** is the quantity of gas (being the Metered Quantity) determined as offtaken from the System at a DM Supply Meter Point in accordance with Section M;
 - (b) a User’s **“DM Daily Quantity”** is the sum of the Supply Meter Point Daily Quantity at each of the User’s Registered DM Supply Meter Points;
 - (c) a User’s **“NDM Daily Quantity”** is the aggregate demand of the User’s NDM Supply Meter Point Group determined in accordance with Section F3;
 - (d) a **“User’s Daily Shrinkage Quantity”** or **“UDSQ”** is the quantity of Shrinkage allocated to the User in respect of that Gas Flow Day determined in accordance with paragraph 4.7;
 - (e) a User’s **“Biomethane Daily Quantity Delivered”** or **“BDQD”** is the quantity of gas treated as delivered by a User to the System at all BSEPs at which it is a Registered User on that Gas Flow Day determined in accordance with paragraph 3.1;
 - (f) a User’s **“Transmission Daily Quantity Delivered”** or **“TDQD”** is the quantity of gas treated as delivered by a User to the System at that TSEP on that Gas Flow Day determined in accordance with paragraph 3.2;
 - (g) the **“User’s Daily Quantity Input”** or **“UDQI”** is the quantity of gas treated as delivered by a User to the System on that Gas Flow Day determined in accordance with paragraph 3.3;
 - (h) the **“User Daily Quantity Output”** or **“UDQO”** is the quantity of gas treated as offtaken by a User from the System on that Gas Flow Day determined in accordance with paragraph 2.1;
 - (i) the **“Total Biomethane Daily Quantity Delivered”** or **“TBDQD”** is the total quantity of gas treated as delivered by all Users to the System at all BSEPs on that Gas Flow Day determined as the sum of each User’s BDQD in respect of that Gas Flow Day;
 - (j) the **“Total Transmission Daily Quantity Delivered”** or **“TTDQD”** is the total quantity of gas treated as delivered by all Users to the System at a TSEP on that Gas Flow Day determined as the sum of each User’s TDQD in respect of that Gas Flow Day;
 - (k) in respect of the System as a whole the **“System Daily Quantity Delivered”** or **“SDQD”** is the aggregate quantity of gas delivered to the System that Gas Flow Day determined as the sum of each User’s TDQD in respect of that Gas Flow Day;

and the term **“Daily Quantities”** refers to any or all of the quantities defined in (a) to (k) above as the context requires.

- 1.3 In relation to a System Entry Point, a **“Delivering User”** is a User treated as delivering gas to the

System on that Gas Flow Day.

- 1.4 In relation to a Supply Meter Point, an "**Offtaking User**" is the Registered User of the Supply Meter Point and the person treated as offtaking gas from the System at that point on that Gas Flow Day.
- 1.5 Unless the context otherwise requires, references in the Code to quantities delivered to or offtaken from the System by a User are to the quantities treated in accordance with this Section D as being so delivered or offtaken.
- 1.6 For the purposes of the Code in respect of each Gas Flow Day the Close-out Date is the 5th Day after such Gas Flow Day.
- 1.7 In accordance with Section M8.2 a User may give a Daily Read Error Notice to the Operator in respect of a DM Supply Point for a Gas Flow Day until the Close-out Date for such Gas Flow Day.
- 1.8 At any time after D+1 and before 16:00 on M+6 the Operator may revise provisional Daily Quantities in accordance with paragraph 2.3 and/or paragraph 3.5.

2 Output Quantities

- 2.1 For each Gas Flow Day and for each User, the User's UDQO shall be determined as the sum of;
 - (a) the User's DM Daily Quantity;
 - (b) the User's NDM Daily Quantity; and
 - (c) the User's Delivery Proportion of any amounts of gas vented in accordance with Section G7.6,

for that Gas Flow Day.

- 2.2 On D+1 the Operator shall notify each User of its provisional Daily Quantities for each of the following:
 - (a) NDM Daily Quantity;
 - (b) Supply Meter Point Daily Quantity for each of the User's DM Supply Meter Points;
 - (c) DM Daily Quantity;
 - (d) the User's Delivery Proportion of any amounts of gas vented in accordance with Section G7.6 (if any);
 - (e) UDQO;

and on the D+7 the Operator shall notify the User of provisional Daily Quantities (subject to any revisions made up to the Close-out Date) for each of (a) to (e) above.

- 2.3 At any time between D+1 and M+6, a User's UDQO shall only be adjusted by the Operator as a result of :
 - (a) an adjustment to the Supply Meter Point Daily Quantity following the receipt by the Operator:

- (i) of a Valid Meter Reading; or
 - (ii) of a Daily Read Error Notice (made prior to the close-out Date) pursuant to Section M8.2 in respect of a DM Supply Meter Point; or
- (b) a revision to the aggregate demand for the User's NDM Supply Meter Point Group following:
- (i) a revision to the applicable Scaling Factor for the relevant Gas Flow Day pursuant to Section F3.
 - (ii) a revision due to the provision of meter reads for Larger NDM Supply Point Monthly Read Meters pursuant to Section M; and/or
 - (iii) a revision to the TTDQD and/or a revision of the TBDQD as a consequence of adjustments under Section E12.
- 2.4 For the avoidance of doubt:
- (a) a User's UDQO shall be final at M+6; and
 - (b) a User's provisional UDQO at the Close-out Date may be subject to revision prior to M+6 in accordance with paragraph 2.3.

3 Input Quantities

- 3.1 For each Gas Flow Day and each User the User's BDQD shall be determined as the sum of the BSEP Metered Quantity at each of the BSEPs at which it is a Registered User.
- 3.2 For each Gas Flow Day and each User the User's TDQD shall be determined as follows:
- $$TDQD = UDQO + UDSQ - BDQD$$
- provided always that where this is a negative number the **TDQD = 0**
- and where UDSQ is the User's Daily Shrinkage Quantity determined in accordance with paragraph 4.7.
- 3.3 For each Gas Flow Day and each User the User's UDQI shall be determined as follows:
- $$UDQI = TDQD + BDQD$$
- 3.4 On D+1 the Operator shall notify each User of its provisional Daily Quantities for each of the following:
- (a) BDQD;
 - (b) TDQD;
 - (c) UDSQ;
 - (d) UDQI;

and on D+7 the Operator shall notify the User of its provisional Daily Quantities (subject to any revisions made before Close-out) for each of (a) to (d) above.

3.5 At any time between D+1 and M+6, a User's UDQI shall only be adjusted by the Operator as a result of:

- (a) any adjustments required under paragraph 2.3(a) and/or 2.3(b);
- (b) an adjustment to the User's BDQD pursuant to Section E12; and
- (c) a revision to the TTDQD and/or a revision of the TBDQD as a consequence of adjustments under Section E12.

3.6 For the avoidance of doubt:

- (a) a User's UDQI shall be final at M+6; and
- (b) a User's provisional UDQI at the Close-out Date may be subject to revision prior to M+6 in accordance with paragraph 3.5.

4 Shrinkage

4.1 For the purposes of the Code "**Shrinkage**" means gas in the System which:

- (a) is used by the Operator in connection with the operation of the System, including gas vented from the System by the Operator other than gas vented in accordance with Section G7.6; and
- (b) which is lost or otherwise unaccounted for as offtaken from the System.

4.2 Shrinkage shall:

- (a) include gas offtaken from the System which has been illegally taken:
 - (i) upstream of the point of offtake (in accordance with Section H6) at any Supply Meter Point; and
 - (ii) subject to paragraph (b)(ii), at or at a point downstream of the point of offtake, at a Supply Meter Point, in a case in which the Operator is entitled to recover the value of the gas;
- (b) not include gas offtaken from the System;
 - (i) except as provided in paragraph (a)(ii), illegally taken at or downstream of the point of offtake at any Supply Meter Point;
 - (ii) taken at or at a point downstream of the point of offtake, at a Supply Meter Point of which the Registered User has ceased to be a User pursuant to Section O5, except in the case where, after the Supply Meter Point has been Disconnected, the Operator becomes entitled to recover the value of the gas.

4.3 The Operator shall publish a “**Shrinkage Factor**” for the System for each Gas Year in September in the Preceding Year and the Shrinkage Factor will be used to determine the Shrinkage attributable to gas flows in the System on each Gas Flow Day in that Gas Year.

4.4 A “**Users Daily Shrinkage Nomination Quantity**” shall be calculated as:

$$\text{User's Offtake Nominations} * \text{ShF}$$

where:

“**User’s Offtake Nominations**” is the sum of the User’s DM Offtake Nominations and NDM Offtake Nominations for the relevant Gas Flow Day at each Demand Forecast Time and each Demand Forecast Update; and

ShF is the Shrinkage Factor for the Gas Year in which such Gas Flow Day falls.

4.5 Shrinkage shall be recovered from Users by including the User’s Daily Shrinkage Nomination Quantity in the determination of each User’s Transmission Delivery Nomination Required (in accordance with Section C).

4.6 After the Gas Flow Day, in respect of each Gas Flow Day the “**Daily Shrinkage Quantity**” for the System shall be determined as:

$$\text{Daily Shrinkage Quantity} = \text{SDQD} - \{ \text{SDQD} / (1 + \text{ShF}) \}$$

where:

SDQD is the System Daily Quantity Delivered determined under paragraph 1.2(k); and

ShF is the Shrinkage Factor for the Gas Year in which such Gas Flow Day falls determined in accordance with paragraph 4.3.

4.7 In respect of each Gas Flow Day and each User, a “**User’s Daily Shrinkage Quantity**” or “**UDSQ**” shall be determined as:

$$\text{UDSQ} = \text{Daily Shrinkage Quantity} \times (\text{UDQO} / \text{SDQD})$$

where:

SDQD is the System Daily Quantity Delivered determined under paragraph 1.2(k); and

UDQO is the User’s Daily Quantity Output determined under paragraph 2.1;

and accordingly the User’s UDSQ may be subject to revision between D+1 and M+6 in accordance with paragraphs 2.3 and/or 3.5.

5. Information for the Aggregate Balancing Arrangements

5.1 After the Gas Flow Day, the Operator shall determine each User’s “**DN Exit Allocation**” as follows:

$$\text{DN Exit Allocation} = \text{DM Daily Quantity} + \text{NDM Daily Quantity} + \text{UDSQ}$$

5.2 Pursuant to the Information Sharing Agreement, the Operator shall provide the following (collectively the “**Allocations Information**”) for each User to the Transporter:

- (a) NDM Daily Quantity;
- (b) DM Daily Quantity;
- (c) UDQO;
- (d) UDSQ;
- (e) DN Exit Allocation;
- (f) BDQD; and
- (g) TDQD;

and each item of Allocations Information in respect of a Gas Flow Day shall be referred to as provisional at D+1 and final at M+6 (following any adjustments made under paragraph 2.3 and/or 3.5).

5.3 The Operator shall provide to the Transporter for each User:

- (a) provisional Allocations Information by 16:00 on D+1; and
- (b) final Allocations Information by 16:00 on M+6.

SECTION E: RECONCILIATION

1 Introduction

1.1 "**Individual Reconciliation**" is either DM Reconciliation or Individual NDM Reconciliation.

1.2 "**DM Reconciliation**" is a reconciliation and adjustment in respect of gas offtaken from the System and Commodity Charges, in relation to a DM Supply Meter Point, in respect of:

(a) differences between:

- (i) the quantities assumed to be offtaken on Failed Daily Read Day(s); and
- (ii) the quantities subsequently determined to have been offtaken upon obtaining a Valid Meter Reading; or

(b) differences between:

- (i) the quantities determined to have been offtaken by Meter Reads by Daily Read Equipment; and
- (ii) the quantities subsequently determined to have been offtaken pursuant to a DM Check Read; or

(c) differences between:

- (i) the quantities determined to have been offtaken on a Daily Read Error Day; and
- (ii) the Error Revised Quantity subsequently determined to have been offtaken pursuant to Section M8.10.

1.3 "**Individual NDM Reconciliation**" is a reconciliation and adjustment in respect of gas offtaken from the System and Commodity Charges, in relation to a Larger NDM Supply Meter Point, in respect of differences between:

- (a) the quantities determined as offtaken by a User in accordance with Section F3; and
- (b) the quantities subsequently determined to have been offtaken pursuant to Meter Reads in accordance with Section M3.

1.4 "**Aggregate NDM Reconciliation**" is a reconciliation and adjustment in respect of gas offtaken from the System and Commodity Charges, in relation to Smaller NDM Supply Meter Points.

2 Reconciliation Values

For the purposes of an Individual Reconciliation or Aggregate NDM Reconciliation:

(a) the "**Reconciliation Commodity Charge**" is the adjustment in respect of Commodity Charges in accordance with paragraph 10.1; and

(b) "**Reconciliation Quantity**" means a DM Reconciliation Quantity, an Individual NDM

Reconciliation Quantity or a User Aggregate Reconciliation Quantity.

3 Individual Reconciliation Quantities and Reconciliation Charges

3.1 DM Reconciliation will be carried out (for each relevant Day) in respect of a DM Supply Meter Point after:

- (a) a DM Check Read pursuant to Section M7;
- (b) a Failed Daily Read Day, pursuant to Section M6; and
- (c) where Section M8 applies, a Daily Read Error Day.

3.2 Individual NDM Reconciliation will be carried out (for all Days in the relevant Meter Reading Period) in respect of a Larger NDM Supply Meter Point after each Valid Meter Read pursuant to Section M3.

3.3 Where (following a Supply Point Confirmation) a User becomes the Registered User in respect of a Supply Meter Point, and:

- (a) in the case of an NDM Supply Meter Point, no Opening Meter Reading was provided; and
- (b) in the case of a DM Supply Meter Point, the Supply Point Registration Date was not the Day of a DM Check Read, a Failed Daily Read Day or a Daily Read Error Day

upon the next Individual NDM Reconciliation or (as the case may be) DM Reconciliation, the Reconciliation Charges will be attributed entirely to such User, notwithstanding that a part thereof relates to a period before the Supply Point Registration Date; and accordingly such User will obtain the benefit and bear the risk (and the User who formerly was Registered User of the Supply Meter Point will neither obtain the benefit nor bear the risk) of the Reconciliation Quantity insofar as attributable to the period before the Supply Point Registration Date.

3.4 For the purpose of giving effect to paragraph 3.3 in the case of an NDM Supply Meter Point where no Opening Meter Reading was provided, an Individual NDM Reconciliation will be carried out, as though a Meter Reading had been obtained on the Supply Point Registration Date, by reference to an assumed Metered Volume derived from the Supply Meter Point Demands (in accordance with Section F3), so that the NDM Reconciliation Quantity (relating to the period ending on the Supply Point Registration Date) is zero.

4 DM Reconciliation

4.1 In respect of a DM Supply Meter Point in respect of any Day in the period between DM Check Reads, Failed Daily Read Day or Daily Read Error Day in respect of which Section M8.10 applies, the "**DM Reconciliation Quantity**" is the amount by which the quantity offtaken from the System on the Day differs from the quantity previously assumed or determined (as provided in Sections M4 and M5) to have been offtaken since the relevant preceding Meter Reading.

4.2 The DM Reconciliation Quantity for a Day shall be:

- (a) determined as the DM Check Read Reconciliation Volume (determined in accordance with Section M7.4(b)) or the Failed Daily Read Reconciliation Volume (determined in accordance with Section M6.3(b)) multiplied by the applicable calorific value for the Day;

and

- (b) in the case of a Daily Read Error Day in respect of which Section M8.10 applies, the Error Revised Quantity.

4.3 The DM Reconciliation Quantity is:

- (a) negative where (in accordance with Sections M6 and M7) the DM Check Reconciliation Volume or Failed Daily Read Reconciliation Volume is negative, and positive where it is positive; and
- (b) in respect of a Daily Read Error Day, negative where the Error Revised Quantity is less than the Metered Quantity derived from the original Daily Meter Readings for the Daily Read Error Day and positive where the Error Revised Quantity is greater than the Metered Quantity derived from the original Daily Meter Readings for the Daily Read Error Day.

4.4 The DM Reconciliation Commodity Charge for a Day shall be established by multiplying the DM Reconciliation Quantity by the Applicable Commodity Rate for such Day.

5 Individual NDM Reconciliation

5.1 In respect of a Larger NDM Supply Meter Point, the "**Individual NDM Reconciliation Quantity**" is the amount by which the Metered Quantity differs from the sum of the Supply Meter Point Demand (determined in accordance with Section F3) for the NDM Supply Meter Point for each Day in the Meter Reading Period.

5.2 The Individual NDM Reconciliation Quantity shall be established by:

- (a) dividing the Supply Meter Point Demand for each Day in the Meter Reading Period in respect of the NDM Supply Meter Point by the relevant calorific value for that Day to determine the 'daily NDM volume';
- (b) aggregating the daily NDM volumes for all days in the Meter Reading period to determine the 'aggregate NDM volume';
- (c) dividing the Metered Volume by the aggregate NDM volume to determine the 'NDM reconciliation factor';
- (d) multiplying the Supply Meter Point Demand for each Day in the Meter Reading Period by the NDM reconciliation factor to determine the 'daily metered quantity';
- (e) subtracting the daily metered quantity from the Supply Meter Point Demand for each Day in the Meter Reading Period to establish the 'daily reconciliation quantity'; and
- (f) aggregating the daily reconciliation quantities for all Days in the Meter Reading Period.

5.3 The Individual NDM Reconciliation Quantity is negative where the NDM reconciliation factor (under paragraph 5.2(c)) is greater than one and positive where the NDM reconciliation factor is less than one.

5.4 The Individual NDM Reconciliation Commodity Charge shall be established by:

- (a) multiplying the daily reconciliation quantity (under paragraph 5.2(e)) for each Day in

the Meter Reading Period by the Applicable Commodity Rate; and

- (b) aggregating the daily reconciliation commodity charge adjustment under paragraph (a) for all Days in the Meter Reading Period.

6 Aggregate NDM Reconciliation

- 6.1 Aggregate NDM Reconciliation in respect of Smaller NDM Supply Meter Points will be carried out in respect of each Billing Period.
- 6.2 The quantities the subject of Aggregate NDM Reconciliation shall be the quantities equal and opposite to the net aggregate quantities subject to Individual Reconciliation for a Billing Period and shall (in aggregate and as attributed to each User in accordance with this paragraph 6) be treated as representing the difference between the quantities determined in accordance with Section F3 as offtaken at Smaller NDM Supply Meter Points and the quantities which were actually so offtaken.
- 6.3 Aggregate NDM Reconciliation shall be deemed for the purposes of the Code to be sufficient reconciliation and adjustment (in aggregate for each User) in respect of any differences as is referred to in paragraph 6.2, and accordingly no account shall be taken (other than for the purposes of determining the Annual Quantity of a Smaller Supply Meter Point in accordance with Section F4) of Meter Readings obtained from Smaller NDM Supply Meter Points.

7 Determination of Aggregate NDM Reconciliation Values

For each Billing Period:

- (a) the "**Aggregate NDM Reconciliation Quantity**" is the net aggregate of the Reconciliation Quantities for Supply Meter Points for which Individual Reconciliation was carried out in that Billing Period;
- (b) the "**Aggregate NDM Reconciliation Commodity Charge**" is the Aggregate NDM Reconciliation Quantity multiplied by the Applicable Commodity Rate in relation to such Billing period;
- (c) for each User the "**User Aggregate AQ**" is:

$$\sum_{r=1}^r \sum_{d=1}^d \text{AQrd}$$

where, for each Smaller Supply Point ('r') of which the User is Registered User on a Day ('d') in the Billing Period and AQrd is the Annual Quantity of such Supply Meter Point on a Day;

- (d) the "**Aggregate AQ**" is the sum for all Users of the User Aggregate AQs; and
- (e) for each User the "**User Aggregate Reconciliation Proportion**" (the "**UARP**") is the User Aggregate AQ divided by the Aggregate AQ.

8 User Aggregate NDM Reconciliation

8.1 For each User, in relation to each Billing Period:

(a) the "**User Aggregate NDM Reconciliation Quantity**" is the amount determined as: (UARP

$$* ARQ) * - 1$$

where:

UARP is the User's Aggregate NDM Reconciliation Proportion; and

ARQ is the Aggregate NDM Reconciliation Quantity in each case for the relevant Billing Period;

(b) the "**User Aggregate NDM Reconciliation Commodity Charge**" is the amount determined as:

$$(UARP * ARCC) * - 1$$

where:

UARP is the User's Aggregate NDM Reconciliation Proportion; and

ARCC is the Aggregate NDM Reconciliation Commodity Charge in each case for the relevant Billing Period.

9 Reconciliation Energy Charges

9.1 Reconciliation energy charges (in relation to energy balancing on the System) shall not apply under this Code.

10 Reconciliation Commodity Charges

10.1 In relation to a Billing Period, the Reconciliation Commodity Charge for each User is the sum of:

- (a) the User's DM Reconciliation Commodity Charges calculated in accordance with paragraph 4;
- (b) the User's Individual NDM Reconciliation Commodity Charges calculated in accordance with paragraph 5; and
- (c) the User Aggregate Reconciliation Commodity Charge calculated in accordance with paragraph 8.

10.2 The Reconciliation Commodity Charge determined pursuant to paragraph 10.1 shall be payable:

- (a) where the Reconciliation Commodity Charge is positive, by the User to the Operator; and
- (b) where the Reconciliation Commodity Charge is negative, by the Operator to the User;

10.3 Reconciliation Commodity Charges shall be invoiced and payable in accordance with Section K.

11 Annual Quantity Revision

- 11.1 Where upon the revision of the Annual Quantity of any Larger NDM Supply Meter Point, pursuant to Section L5, the Supply Meter Point becomes a Smaller NDM Supply Meter Point:
- (a) on the next Valid Meter Read, Individual NDM Reconciliation will be carried out in respect of the period from the previous Valid Meter Read to the Day preceding the Day on which the Annual Quantity is treated as being revised pursuant to Section L5 and reference to Meter Reading Period in paragraphs 5.2(d), (e) and (f) shall be construed accordingly; and
 - (b) with effect from the Day on which the Annual Quantity is revised, the Annual Quantity shall be included in the calculation, in respect of the relevant Registered User of the User Aggregate AQ, and of the Aggregate AQ for the purposes of paragraph 7.
- 11.2 Where upon the revision of the Annual Quantity of any Smaller NDM Supply Meter Point pursuant to Section L5 the Supply Meter Point becomes a Larger NDM Supply Meter Point:
- (a) on the next Valid Meter Read Individual NDM Reconciliation will be carried out for the period from the Day on which the Annual Quantity is treated as being revised pursuant to Section L5 until the Meter Read Date and reference to Meter Reading Period in paragraphs 5.2(d), (e) and (f) shall be construed accordingly; and
 - (b) with effect from the Day on which the Annual Quantity is revised, the Annual Quantity shall be excluded from the calculation, in respect of the relevant Registered User of the User Aggregate AQ, and of the Aggregate AQ for the purposes of paragraph 7.

12 System Entry Point Metering Adjustments

Transmission System Entry Point Metering Adjustment Quantities

- 12.1 Where pursuant to the application of terms of the Transmission System Operator - Distribution System Operator Agreement there is an adjustment to the metered quantity at a TSEP for a Gas Flow Day :
- (a) the Operator will determine the adjustment quantity in accordance with the Transmission System Operator –Distribution System Operator Agreement (the "**TSEP Adjustment Quantity**"); and
 - (b) either paragraph 12.3 or paragraph 12.4 shall apply as the circumstances require.

Biomethane System Entry Point Metering Adjustment Quantities

- 12.2 Where pursuant to a Network Entry Agreement at a BSEP there is an adjustment to the BSEP Metered Quantity for a Gas Flow Day:
- (a) the Operator and the relevant Delivery Facility Operator shall determine the "**BSEP Adjustment Quantity**" in accordance with the terms of the Network Entry Agreement; and

(b) either paragraph 12.3 or paragraph 12.4 shall apply as the circumstances require.

Treatment of System Entry Point Adjustment Quantities

- 12.3 Where a meter error at a BSEP and/or a TSEP is identified before M+6 the Operator shall adjust the Aggregate NDM Reconciliation Quantity and determine final Daily Quantities pursuant to Section D.
- 12.4 Where a meter error at a BSEP and/or a TSEP is identified after M+6 the Operator shall notify Users (and the Transporter) and determine appropriate steps to reconcile the quantity and associated Distribution Charges in consultation with the Transporter, Users and the Authority. Any such reconciliation steps will be advised to Users with reasonable advance notice before implementation.

13 Adjustments

- 13.1 Following resolution of a relevant Invoice Query:
- (a) no adjustment shall be made to the calculation of EUC(AAQ)s in respect of any prior Billing Period for the purposes of Aggregate NDM Reconciliation; and
 - (b) any adjustment to the calculation of Reconciliation Quantities or Reconciliation Commodity Charges shall be first accounted for in the next Billing Period.
- 13.2 For the purposes of paragraph 13.1 a "**relevant Invoice Query**" is an invoice query which disputes the proper calculation of Aggregate Reconciliation Quantities or Aggregate Reconciliation Commodity Charges.

SECTION F: NDM DEMAND ESTIMATION AND DEMAND FORECASTING

1 Introduction

1.1 Demand for gas at NDM Supply Meter Points in respect of a Gas Flow Day is estimated in accordance with this Section F for the purposes of determining:

- (a) the amount of Supply Meter Point Capacity which a User will be treated as holding at a NDM Supply Meter Point;
- (b) the Nomination Quantity for a User's Transmission Delivery Nomination Required and Offtake Nominations;
- (c) the quantity of gas treated as offtaken at a NDM Supply Meter Point; and
- (d) the Annual Quantity for a NDM Supply Meter Point for a Gas Year.

1.2 For the purposes of this Section F in respect of a Gas Flow Day:

- (a) "**ActD**" is the total estimated demand for all NDM Supply Meter Points determined after the Gas Flow Day;
- (b) "**EUC(D)**" is the prevailing total estimated demand for all NDM Supply Meter Points belonging to an EUC;
- (c) "**ForD**" is the total estimated demand for all NDM Supply Meter Points determined during the Gas Flow Day (before the 12:00 Demand Forecast Time during the Gas Flow Day);
- (d) "**ForD1**" is the total estimated demand for all NDM Supply Meter Points determined during the Gas Flow Day (between the 12:00 Demand Forecast Time and the 16:00 Demand Forecast Time during the Gas Flow Day and before the end of the Gas Flow Day);
- (e) "**ModD**" is the total estimated demand for all NDM Supply Meter Points determined before the Nomination Time and at the 08:00 Demand Forecast Time on the Preceding Day

in each case as determined by the Operator following the application of the NDM Demand Model.

1.3 The "**EUC(AAQ)**" is the sum of the AQs for Supply Meter Points which belong to the relevant EUC.

2 NDM Demand Model and End User Categories

2.1 NDM Supply Meter Points are categorised, according to the Supply Meter Point Annual Quantity, into three categories, each an "**End User Category**" or "**EUC**".

2.2 The three EUC's are as follows:

- (a) EUC 1 for NDM Supply Meter Points with an Annual Quantity of less than 73,200 kWh (2,500 therms);

- (b) EUC 2 for NDM Supply Meter Points with an Annual Quantity equal to or greater than 73,200 kWh (2,500 therms) but less than 732,000 kWh (25,000 therms); and
- (c) EUC 3 for NDM Supply Meter Points with an Annual Quantity equal to or greater than 732,000 kWh (25,000 therms).

2.3 The Operator will develop and maintain a mathematical model, the "**NDM Demand Model**", which the Operator shall use for the purposes of:

- (a) establishing the relationship between weather and demand at NDM Supply Meter Points; and
- (b) estimating the aggregate demand at NDM Supply Meter Points in each EUC before, during and after each Gas Flow Day.

2.4 The NDM Demand Model variables will be derived from:

- (a) actual and forecast weather data;
- (b) NDM and DM Supply Meter Point demand records maintained by the Operator;
- (c) actual and forecast gas flows at BSEPs and TSEPs;
- (d) actual and forecast gas flows at DM Supply Meter Points;
- (e) the Daily Shrinkage Quantity and the sum of each User's Daily Shrinkage Nomination Quantities;
- (f) actual or forecast quantities of gas to be vented in accordance with Section G7.6; and
- (g) adjustments (if any) to the System Daily Quantity Delivered for a Gas Flow Day.

3 Determination of NDM Supply Meter Point Demand

3.1 In respect of each NDM Supply Meter Point the "**Supply Meter Point Demand**" is the quantity of gas deemed to be offtaken on a Gas Flow Day at the NDM Supply Meter Point determined in accordance with this paragraph 3.

3.2 The Supply Meter Point Demand for a NDM Supply Meter Point shall be determined:

- (a) before the Gas Flow Day, for the purposes of the Operator determining Nomination Quantities for Users NDM Offtake Nominations, as:
$$(EUC(D) / EUC(AAQ)) * AQ$$

- (b) before 12:00 during the Gas Flow Day, for the purposes of the Operator determining Nomination Quantities for Users NDM Offtake Renominations, as:

$$(EUC(D) / EUC(AAQ)) * AQ * SF(f)$$

- (c) between 12:00 and 16:00 during the Gas Flow Day (and at any further Demand Forecast Update between 16:00 and the end of the Gas Flow Day), for the purposes of the Operator determining Nomination Quantities for Users NDM Offtake Renominations, as:
$$(EUC(D) / EUC(AAQ)) * AQ * SF(f1)$$

(d) after the Gas Flow Day, for the purposes of determining Users UDQO, as: $EUC(D) / EUC(AAQ) * AQ * SF(a)$

where for the purposes of paragraphs (a), (b), (c), and (d) in respect of the relevant Gas Flow Day:

EUC(D) is the estimated aggregate demand estimate for the EUC to which the NDM Supply Meter Point belongs;

EUC(AAQ) is the sum of the AQs of NDM Supply Meter Points for the EUC to which the NDM Supply Meter Point belongs;

AQ is the prevailing Annual Quantity for the NDM Supply Meter Point; and

SF is the Scaling Factor calculated in accordance with paragraph 3.3.

3.3 For the purposes of paragraph 3.2 in relation to a Gas Flow Day:

(a) the Scaling Factor "**SF(f)**" is:

$$\text{ForD} / \text{ModD}$$

(b) the Scaling Factor "**SF(f1)**" is:

$$\text{ForD1} / \text{ModD}$$

(c) the Scaling Factor "**SF(a)**" is:

$$\text{Act D} / \text{Mod D}$$

3.4 The Operator will determine (at each relevant time) for each User the aggregate demand of the NDM Supply Meter Point Group as the sum of the Supply Meter Point Demand of the User's Registered NDM Supply Meter Points.

4 NDM Annual Quantities

4.1 The Operator shall determine, in accordance with this paragraph 4, the Annual Quantity for each NDM Supply Meter Point for each Gas Year and notify the relevant Registered User thereof prior to the commencement of the relevant Gas Year.

4.2 For the purposes of paragraph 4 the "**Relevant Period**" in respect of a Gas Year is the 24 month period up to and including 10 August in the Preceding Year.

4.3 In respect of a Gas Year and:

(a) a new NDM Supply Meter Point, the Annual Quantity for the Gas Year in which the new Supply Meter Point is first established shall be the quantity estimated by the first Registered User of the NDM Supply Meter Point for the purposes of Section L5;

(b) a NDM Supply Meter Point in relation to which the Registered User(s) has not obtained 2 Valid Meter Reads at least 6 months apart in the Relevant Period, the Annual Quantity for the Gas Year shall be the Annual Quantity (determined in accordance with this paragraph 4) for the Preceding Year; and

- (c) a NDM Supply Meter Point in relation to which the Registered User has obtained 2 or more Valid Meter Reads at least 6 months apart in the Relevant Period, the Annual Quantity shall be the quantity determined in accordance with paragraph 4.4.
- 4.4. For the purposes of paragraph 4.3(c) the Operator shall determine the Annual Quantity for a Supply Meter Point on the basis of seasonal normal demand assumptions by reference to:
- (a) where the Registered User has obtained in the Relevant Period:
 - (i) 2 Valid Meter Readings for the NDM Supply Meter Point, the Metered Quantity in the period between the 2 Valid Meter Readings;
 - (ii) more than 2 Valid Meter Readings for the NDM Supply Meter Point, the Metered Quantity in the period between the most recent Valid Meter Reading ("**end reading**") in the Relevant Period and the Valid Meter Reading obtained on the date closest to the date falling 12 months prior to the date of the end reading;
 - (b) actual weather conditions experienced in the Preceding Year;
 - (c) seasonal normal demand prevailing for the Gas Year; and
 - (d) a Gas Year comprising of 365 days.

5 Supply Meter Point Capacity

- 5.1 For each Gas Flow Day a User shall be treated for the purposes of the Code as holding in respect of each of its Registered NDM Supply Meter Points an amount of Supply Meter Point Capacity determined as follows:

$$(AQ / 365) / EUC(LF)$$

where:

AQ is the Annual Quantity for the NDM Supply Meter Point in respect of the Gas Year in which the Gas Flow Day falls; and

EUC(LF) is the EUC load factor for the EUC in which the NDM Supply Meter Point belongs as from time to time determined by the Operator and notified to Users.

6 Daily Demand Forecasting

- 6.1 The Operator will obtain from a recognized meteorological services provider at certain times during each Gas Flow Day, actual and forecast weather data.
- 6.2 The Operator will update the NDM Demand Model with the most recent actual and forecast weather and gas flow data, and notify each User by not later than each Demand Forecast Time (and at any such other time (a "**Demand Forecast Update**") if the Operator is of the opinion the prevailing forecast may be substantially inaccurate) of:
- (a) at the 08:00 Demand Forecast Time, the ModD;
 - (b) at the 12:00 Demand Forecast Time, the ForD;
 - (c) at the 16:00 Demand Forecast Time, the ForD1; and

- (d) the latest estimated total demand for each User's NDM Supply Meter Point Group.

6.3 In respect of a Gas Flow Day, “**Demand Forecast Time**” shall mean:

- (a) 08:00 hours on the Preceding Day;
- (b) 12:00 hours on the Gas Flow Day; and
- (c) 16:00 hours on the Gas Flow Day.

6.4 In forecasting demand under this paragraph 6, the Operator will act in good faith and will exercise reasonable skill and care, but the Operator will not be liable (as to any loss or liability incurred by a User or otherwise) to any User in respect of or in consequence of anything done or omitted to be done by the Operator under this paragraph 6.

SECTION G: ENTRY REQUIREMENTS

1 Introduction

- 1.1 The provisions of this Section G shall apply in respect of the delivery of gas to the System at System Entry Points. For the avoidance of doubt, this Section G applies in respect of both BSEPs and TSEPs unless otherwise specified.
- 1.2 Users delivering gas to the System at a System Entry Point shall comply with the relevant requirements of this Section G.
- 1.3 Nothing in the Code confers on any person any entitlement to have any pipeline, plant or other installation connected to the System for the purposes of delivering gas to the System.
- 1.4 Each User acknowledges that the volume, calorific value, quantity and delivery characteristics of gas delivered or tendered for delivery (including by Users in aggregate where applicable) to the System at a System Entry Point, and the compliance or non-compliance with the applicable Gas Entry Conditions in respect thereof, will be established:
 - (a) at a BSEP, by the Operator and the Delivery Facility Operator pursuant to the Network Entry Provisions contained in the relevant Network Entry Agreement; and
 - (b) at a TSEP, by the Operator and the Delivery Facility Operator pursuant to the Transmission System Operator – Distribution System Operator Agreement;

in accordance with the applicable Measurement Provisions and by means of the Measurement Equipment, or equivalent under the Transmission System Operator – Distribution System Operator Agreement, and each User agrees to be bound (for the purposes of the Code) by what is so established.

2 Network Entry Agreement and Network Entry Provisions in respect of BSEPs

- 2.1 For the purposes of the Code in respect of a BSEP, a **“Network Entry Agreement”** is an agreement between the Delivery Facility Operator and the Operator setting out the relevant Network Entry Provisions for the Biomethane Delivery Facility.
- 2.2 A User may not deliver gas to the System at a BSEP prior to:
 - (a) a Network Entry Agreement being agreed and in effect; and
 - (b) being a Registered User at the BSEP.
- 2.3 A **“Registered User”** of a BSEP is a User which has been registered by the Operator at the BSEP in accordance with paragraph 12.
- 2.4 For the purposes of the Code in respect of a BSEP, **“Network Entry Provisions”** are terms and conditions which specify requirements (for the purposes of the Code) in respect of the delivery of gas to the System at the BSEP.

- 2.5 Network Entry Provisions in respect of a BSEP shall include:
- (a) parameters for Gas Entry Conditions in accordance with the requirements of Annex G1; and
 - (b) Measurement Provisions in accordance with the requirements of Annex G2,
- and may include such other provisions as agreed between the Operator and the Delivery Facility Operator.
- 2.6 A Network Entry Agreement may contain provisions other than Network Entry Provisions and Network Entry Provisions may differ between BSEPs.
- 2.7 The existence of a Network Entry Agreement shall not relieve Users of any obligations under the Code and the Operator shall not be required to secure in a Network Entry Agreement any remedy against the Delivery Facility Operator nor to take steps to enforce any provision of a Network Entry Agreement.
- 2.8 A User shall not be entitled or required to be a party to a Network Entry Agreement.
- 2.9 A User applying to be the Registered User at a BSEP shall be responsible for obtaining and shall be deemed to have obtained and be fully informed of the applicable Network Entry Provisions.

3. Amendment of Network Entry Provisions

- 3.1 Subject to paragraph 3.2, the Network Entry Provisions applicable at a BSEP shall not be amended other than by agreement between the Operator and the Delivery Facility Operator.
- 3.2 For the purposes of paragraph 3.1, the Operator will not agree to an amendment of the Network Entry Provisions in a Network Entry Agreement except:
- (a) to enable the Operator or the Delivery Facility Operator to comply with any Legal Requirement; and/or
 - (b) in respect of any proposed amendment which is not a Legal Requirement, in accordance with paragraph 3.3 or paragraph 3.4 as the circumstances require.
- 3.3 Where a proposed amendment under paragraph 3.2(b) shall not, in the sole opinion of the Operator, have any impact on any Users or any other party, the Operator:
- (a) shall inform the Registered User and provide relevant information about the proposed amendment; and
 - (b) ask such Registered User to provide any comments within 10 Business Days on the proposed amendment.
- Any comments provided by the Registered User pursuant to paragraph 3.3(b) may be shared by the Operator with the Delivery Facility Operator as the Operator seeks to agree on the proposed amendment.
- 3.4 Where a proposed amendment under paragraph 3.2(b) may, in the sole opinion of the Operator, have an impact on any User or any other party, the Operator:
- (a) shall inform all Users and provide relevant information about the proposed amendment and the nature of the potential impact; and

- (b) ask such Users to provide any comments within 10 Business Days on the proposed amendment.

Any comments provided by any User pursuant to paragraph 3.4(b) may be shared by the Operator with the Delivery Facility Operator as the Operator seeks to agree on the proposed amendment.

- 3.5 Once the outcome of a proposed amendment under paragraph 3.2(b) has been determined, where the Operator requested comments from a Registered User under paragraph 3.3, or all Users under paragraph 3.4, the Operator shall provide a report on comments received and the outcome of the proposed amendment to such Registered User or all Users respectively.

4. Local Operating Procedures at a BSEP

- 4.1 For the purposes of the Code in respect of a BSEP, “**Local Operating Procedures**” in respect of a BSEP are procedures for coordination between the Operator and the Delivery Facility Operator in connection with the operation of the Biomethane Delivery Facility and the System including:

- (a) the exchange of information between the Operator and the Delivery Facility Operator; and
- (b) provisions for the closure of the remotely operated valve in the event of excursion from the required gas specification including the acceptable range for calorific value.

- 4.2 A Network Entry Agreement may contain Local Operating Procedures.

- 4.3 Local Operating Procedures may provide for the Delivery Facility Operator to provide information to the Operator as to the rates at and quantities in which gas is expected to be delivered to the System at the BSEP and such information may be relied upon by the Operator in the operating and planning of the System.

- 4.4 Except with the prior written consent of the Delivery Facility Operator, the Operator will not, and will not be required to, provide any information provided to the Operator under any Local Operating Procedures to any User.

- 4.5 Local Operating Procedures may provide for the Delivery Facility Operator and the Operator to agree at any time (in such circumstances as may be set out in the Network Entry Agreement) that the quantity of gas to be delivered to the System may be delivered at a rate which may vary during the Gas Flow Day or during a part only of the Gas Flow Day.

- 4.6 Local Operating Procedures may contain procedures pursuant to which the Operator may permit for limited periods the delivery of gas which does not comply with the applicable Gas Entry Conditions.

- 4.7 Where Local Operating Procedures are included in a Network Entry Agreement, the Operator shall be entitled to act in accordance with the provisions of Local Operating Procedures and to assume that the terms on which a User may have purchased gas for delivery to the System take into account thereof and the Operator shall not be in breach of its obligation in paragraph 9 by reason of its so acting.

5 Delivering Users and delivered gas

- 5.1 All gas delivered or tendered for delivery to the System at a System Entry Point on a Day shall be deemed to be delivered or tendered for delivery by the Delivering User(s), irrespective of any act or omission of the Delivery Facility Operator or any other person.

- 5.2 For the purposes of this Section G the “**Delivery Proportion**” for a Delivering User on a Day is:

- (a) at a TSEP, that User's TDQD for that Day divided by the TTDQD at the relevant TSEP for the same Day;
 - (b) at a BSEP (where there is only one Registered User) 100% for the same Day.
- 5.3 The gas delivered or tendered for delivery to the System shall for all purposes of the Code be assumed to be a single homogenous gas stream.
- 5.4 Where on a Day a User delivers gas or tenders gas for delivery to the System each such User shall be treated as delivering or tendering for delivery gas of the same delivery characteristics as that delivered or tendered for delivery by each other such User.

6 Compliance with Gas Entry Conditions

- 6.1 A User shall not deliver gas or tender gas for delivery unless the applicable Gas Entry Conditions are complied with in respect of such gas.
- 6.2 Where non-compliant gas is tendered for delivery to the System the Operator may, from time to time until such time as the relevant Gas Entry Conditions are complied with in respect of gas tendered for delivery, in its discretion either:
- (a) refuse to accept delivery or continued delivery of such gas; or
 - (b) accept such delivery or accept such delivery as to part only of what is tendered for delivery.
- 6.3 The Operator's rights under paragraph 6.2 shall not be prejudiced by its election to accept delivery of non-compliant gas (whether or not it is aware that the gas is non-compliant).
- 6.4 The Operator shall be entitled pursuant to paragraph 6.2 to take any steps available to it (including, but not limited to, any steps pursuant to Local Operating Procedures in respect of a BSEP and/or relevant Emergency Procedures in respect of a TSEP) to limit the rate at which non-compliant gas is delivered to the System or to secure that such gas is not so delivered and in respect of a BSEP, the Operator at its sole discretion shall be entitled to:
- (a) operate the remotely operated valve at the BSEP so as to limit, or prevent, the delivery of gas to the System pursuant to the terms of the Network Entry Agreement; and
 - (b) require the Registered User to make Biomethane Delivery Nominations which reflect the so limited quantity, or with a Nominated Quantity of zero, in respect of each Gas Flow Day during the period in which gas is so limited or prevented, respectively, from entering the System.
- 6.5 Subject to paragraph 7.5, where non-compliant gas has been delivered on any Day to the System, each Delivering User shall be liable to pay to the Operator an amount determined in accordance with paragraph 7.
- 6.6 Where the Operator becomes aware (pursuant to the applicable Measurement Provisions or otherwise) that non-compliant gas is being or has been delivered to the System on any Day, the delivery of which is likely in the Operator's opinion to entitle the Operator to claim any material sum under paragraph 7, the Operator will inform Users of that fact; provided that no failure by the Operator so to inform any User shall affect the Operator's rights under paragraphs 6.5 and 7.
- 6.7 For the purposes of this Section G, subject to paragraph 7.5, "**non-compliant gas**" is gas

delivered or tendered for delivery to the System at a System Entry Point, in respect of which (or the delivery or tendered delivery of which) any of the relevant Gas Entry Conditions is not or was not complied with.

7 Payment in respect of non-compliant gas

- 7.1 Subject to paragraphs 7.2 and 7.3, the amount payable by a Delivering User to the Operator under paragraph 365 shall be its Delivery Proportion at the relevant System Entry Point multiplied by the total of all costs and expenses reasonably incurred by the Operator in consequence of the delivery of the non-compliant gas, including (without limitation) costs and expenses incurred:
- (a) in cleaning or clearing any part of the System; and/or
 - (b) in taking reasonable measures to secure that the System can be operated in accordance with applicable Legal Requirements notwithstanding the delivery or continued delivery of such non-compliant gas.
- 7.2 The amount payable by a Delivering User pursuant to paragraph 7.1 shall not exceed 10% of the amount calculated as the User's Delivery Proportion at the relevant System Entry Point multiplied by the GMO Daily Gas Price.
- 7.3 Where any amount has become payable to the Operator pursuant to paragraph 6.5:
- (a) the Operator shall as soon as reasonably practicable after the Close-out Date so notify each Delivering User specifying:
 - (i) the Day or Days on which non-compliant gas was delivered to the System;
 - (ii) the total quantity of non-compliant gas referred to in paragraph 7.2, and reasonable details of the respect(s) in which the non-compliant gas did not comply with the applicable Gas Entry Conditions;
 - (iii) reasonable details of the costs and expenses referred to in paragraph 7.1 and the purposes for which they were incurred; and
 - (iv) each Delivering User's Delivery Proportion.
 - (b) the amount payable by each Delivering User shall be invoiced and payable in accordance with Section K.
- 7.4 Any dispute as to anything specified by the Operator under paragraph 7.3(a) shall be referred to Expert Determination.
- 7.5 Paragraph 6.5 and this paragraph 7 do not apply and Delivering Users shall not be liable thereunder to the extent that the failure (of gas delivered or tendered for delivery) to comply with Gas Entry Conditions was a failure to comply with a requirement as to pressure; and references in those paragraphs to non-compliant gas shall be construed accordingly.
- 7.6 Where for the purposes of clearing non-compliant gas from the System delivered at a given System Entry Point it is necessary for the Operator to vent gas from the System, each Delivering User's Delivery Proportion of the quantity of gas so vented shall be determined with reference to the relevant formula under paragraph 5.2 pro-rata to the quantity vented and treated as having been offtaken from the System and accordingly deemed to be a part of the UDQO of the Delivering User under Section D2.1; and in such circumstances the Operator will inform all Users as soon as reasonably practicable after such venting.

8 Delivery of gas, title and risk

- 8.1 The applicable Network Entry Provisions will identify (by description or diagram or both) the point of delivery at a System Entry Point.
- 8.2 Title and (without prejudice to any other provision of this Section G) risk in gas delivered to the System shall pass to the Operator at the System Entry Point.
- 8.3 The quantity in which a User shall be treated as having title and risk to gas delivered at a TSEP shall be determined as the User's final TDQD at that TSEP in respect of a Day.
- 8.4 The quantity in which a User shall be treated as having title and risk to gas delivered at a BSEP shall be determined as the User's final BDQD at that BSEP in respect of a Day.
- 8.5 To the extent that it is necessary to determine, in respect of a Gas Flow Day where a User's BDQD is greater than its final DN Exit Allocation (and its TDQD is therefore zero under Section D3.2) such User shall be treated as putting gas into the NI Gas Transmission Network at the TSEP. The quantity for which the User is treated as transferring title and risk to gas in the NI Gas Transmission Network as a result of this provision shall be determined as the quantity which is the difference between its final BDQD and its final DN Exit Allocation.
- 8.6 Each User warrants to the Operator:
- (a) that such User will have title (at the point of delivery) to all gas delivered or tendered for delivery to the System at any System Entry Point by that User; and
 - (b) that all such gas will (at such point) 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, transportation, processing and tendering of gas arising on or before delivery thereof to the System.
- 8.7 Each User shall indemnify the Operator 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 Operator in consequence of any breach of the warranties in paragraph 8.6.
- 8.8 The warranty in paragraph 8.6(a) shall be treated as satisfied where the User has arranged for delivery or tender for delivery of gas to the System by a person or persons who has or jointly have title (at the point of delivery) to such gas and such person passes or persons jointly pass title to such gas to the Operator.

9 Acceptance of gas delivered to System

- 9.1 Subject to the provisions of the Code, the Operator will accept into the System gas tendered for delivery by a User at a System Entry Point where the requirements of this Section G (applicable in respect of such delivery or tendered delivery) are complied with.

10 Entry limitation

- 10.1 The Operator will be relieved of its obligation to accept gas tendered for delivery at a System Entry Point to the extent that, by reason of a Distribution Constraint, the Operator is unable to accept delivery of the gas tendered by Users in aggregate for delivery or its ability to do so

is impaired.

- 10.2 Paragraph 10.1 applies notwithstanding that the aggregate System Entry Capacity held by Users at System Entry Points may exceed the quantity of gas of which the Operator is able on any Day to accept delivery in aggregate at System Entry Points.

11 Restricted delivery of gas

- 11.1 Where the Operator determines that a Distribution Constraint is imminent or has arisen at a System Entry Point the Operator may take any available steps to curtail (or by so informing the Delivery Facility Operator or Users to secure the curtailment of) gas flow rates at the relevant System Entry Point.
- 11.2 Where a Distribution Constraint affects more than one System Entry Point and the Operator takes any steps under paragraph 11.1, it will do so with a view so far as is practicable to apportioning the curtailment of gas flow rates in such manner as appears equitable to the Operator.

12 User Registration at a BSEP

- 12.1 At any time, in order for gas (including commissioning gas) to be permitted to flow into the System at a BSEP, there must be a Registered User at the BSEP.
- 12.2 Only one Registered User is permitted at a BSEP at any given time.
- 12.3 In order to register at a BSEP the User shall submit a request to the Operator to become the Registered User in accordance with paragraphs 12.4 to 12.6.
- 12.4 A User wishing to become the Registered User at a BSEP should submit its request no later than 20 Business Days before its desired Effective Date.
- 12.5 The Operator shall provide a request form to the User to complete and submit in such form as the Operator may consider appropriate from time to time. A request to become the Registered User at a BSEP shall include at least following:
- (a) name of the BSEP;
 - (b) name of the User and contact details for the User's representative;
 - (c) desired Effective Date of the registration;
 - (d) the date from which the User wishes to commence gas flows;
 - (e) a warranty that the User has a contract with the Delivery Facility Operator at the relevant BSEP; and
 - (f) confirmation that a request for a registration at the relevant BSEP (defined as a Distribution Biomethane Entry Point or DBEP in the NI Network Gas Transmission Code) has been submitted to the Transporter.

- 12.6 The Operator shall review a request submitted by the User to become a Registered User at a BSEP. Within 10 Business Days of the later of:

- (a) the Operator being satisfied that the requirements set out in paragraph 12.5 have been met; and
- (b) the Operator having received confirmation from the Transporter that the User is appropriately registered at the BSEP under the NI Network Gas Transmission Code,

it shall issue a registration in respect of the relevant BSEP to the User and record the User as the Registered User of that BSEP from the Effective Date.

12.7 A User may request to withdraw from its registration at a BSEP by submitting a written request to the Operator stating the date from which the User wishes to withdraw (the “**BSEP Withdrawal Date**”). Such a request shall be submitted a minimum of 20 Business Days before the Withdrawal Date.

12.8 Where the User requests to withdraw from its registration at a BSEP, the Operator:

- (a) shall inform the Delivery Facility Operator at the BSEP and the Transporter of such request as soon as reasonably practicable; and
- (b) shall provide confirmation to the User that its registration will be withdrawn (with effect from the BSEP Withdrawal Date) no later than 10 Business Days from the date of receipt of the request.

The User shall remain registered and responsible for the delivery of gas at the BSEP until the BSEP Withdrawal Date.

12.9 For the avoidance of doubt, where a User has withdrawn from its registration at a BSEP under the Code any Biomethane Delivery Nominations at the BSEP shall be rejected by the Operator until such time as there is a Registered User at that BSEP.

ANNEX G1:

GAS ENTRY CONDITIONS

Subject to any exemption to the requirements of
 the Gas Safety (Management) Regulations (NI) 1997
 issued by HSE NI from time to time

Composition/Specification	Range/Value
Wobbe Index	$\leq 51.41 \text{ MJ/m}_3$ and $\geq 47.20 \text{ MJ/m}_3$
Gross Calorific Value	36.9 – 42.3 MJ / m ³ subject to Annex G2 paragraph 8
Hydrocarbon Dewpoint and Water Dewpoint	shall be at such levels that they do not interfere with the integrity or operation of pipes or any gas appliance (within the meaning of regulation 2(1) of the 1997 Regulations) which a consumer could reasonably be expected to operate
Oxygen content	$\leq 0.2\%$ (molar) unless exemption applies
Total Sulphur content (including H ₂ S)	$\leq 50 \text{ mg/m}^3$
Hydrogen Sulphide (H ₂ S) Content	$\leq 5 \text{ mg/m}^3$
Hydrogen Content	$\leq 0.1\%$ (molar)
Impurities	shall not contain solid or liquid material which may interfere with the integrity or operation of pipes or any gas appliance (within the meaning of regulation 2(1) of the 1997 Regulations) which a consumer could reasonably be expected to operate Page 40 of 176 31st August 2018 30th September 2017
Incomplete Combustion Factor (ICF)	≤ 0.48
Sooting Index (SI)	≤ 0.60

ANNEX G2

MEASUREMENT PROVISIONS AT BSEPS

1. This Annex G2 sets out the Measurement Provisions which form part of the Network Entry Provisions in accordance with Section G2 and are the minimum requirements for such provisions which shall be included by the Operator in any Network Entry Agreement at a BSEP.
2. For the purposes of the Code the quantity of gas delivered to the System at a BSEP on a Gas Flow Day (the “**BSEP Metered Quantity**” in respect of that BSEP) shall be determined by reference to the Measurement Equipment at the BSEP.
3. Measurement Equipment at a BSEP shall include:
 - (a) Gas quality (calorimeter/ gas chromatograph);
 - (b) Metering equipment;
 - (c) Communication system;
 - (d) Dedicated flow computer; and
 - (e) any other associated equipment required to fulfil the Delivery Facility Operator’s obligations under the Network Entry Agreement.
4. Measurement Equipment and associated computer and communications equipment will be installed, commissioned, maintained and operated by the Delivery Facility Operator in conjunction with the Operator to meet the requirements of the Measuring Instruments Gas (Meters) Regulations 2006, the Gas Safety (Management) Regulations (Northern Ireland) 1997, the Gas (Northern Ireland) Order 1996 and the principles of the Gas (Calculation of Thermal Energy) Regulations 1996 (as amended).
5. Measurement Equipment (including equipment for measuring gas quality, energy and the delivered volume) must meet the relevant specified British Standards, ISO technical standards or other relevant national or international standards as updated from time to time.
6. The Operator shall require that a gas quality risk assessment is completed by the Delivery Facility Operator using such procedures or standards as may be specified by the Operator from time to time before permitting a connection to the Distribution Network or signing a Network Entry Agreement.
7. The Network Entry Agreement shall contain provisions concerning notifications by the Delivery Facility Operator of changes to the type of waste to be processed at the production site.
8. The Operator shall establish a Target CV for gas tendered for delivery at the BSEP and an Acceptable CV Tolerance (both of which, for the avoidance of doubt, shall lie within the range for Gross Calorific Value set out in Annex G1).
9. The Network Entry Agreement shall provide that the Operator and the Registered User shall have access, given reasonable notices periods, to inspect the equipment and data records, witness

- meter installation, calibration, commissioning and validation processes and perform tests on the equipment.
10. Live/real-time telemetry shall be installed at a BSEP to provide measurement information to the Operator as well as the Delivery Facility Operator.
 11. Measurement Equipment shall be independently validated in accordance with the provisions of the Network Entry Agreement at intervals no greater than annually.
 12. The Network Entry Agreement shall include obligations for the replacement or adjustment of Measurement Equipment as required following validations, and assumptions for the adjustment of measured quantities in the event of components being out of range or needing replacement.
 13. The Network Entry Agreement shall include appropriate settings for alarms for calorific value, Wobbe, Sooting Index, Incomplete Combustion Factor, Specific Gravity, Carbon Dioxide and Odorant levels, and procedures for determining quantities in the event of a failed reading.
 14. Volumes determined using the Measurement Equipment at a BSEP shall be corrected to metric standard temperature and standard pressure conditions (as defined in the Network Entry Agreement) and reported as cubic metres of gas. Measurement of volume shall be without bias and with an uncertainty of plus or minus 1.0% of the volume reading over the specified flow range.
 15. Energy determined using the Measurement Equipment at a BSEP shall be corrected to metric standard temperature and standard pressure conditions (as defined in the Network Entry Agreement) and reported as kWh. The uncertainty of the energy flow must be better than plus or minus 1.1% of the energy flow over the specified flow range.
 16. The Network Entry Agreement shall require that the Delivery Facility Operator keeps records for a period of a minimum of six years for the purposes of adjusting or reconciling any error.
 17. Where the Delivery Facility Operator wishes to make modifications to the Measurement Equipment it shall give a minimum of three months' notice to the Operator and such modifications shall only be accepted by the Operator on completion of validation of the Measurement Equipment pursuant to the Network Entry Agreement.
 18. For the avoidance of doubt, Section L: Supply Meter Points does not apply in respect of BSEPs.

SECTION H: EXIT REQUIREMENTS

1 Introduction

- 1.1 The provisions of this Section H shall apply in respect of the offtake of gas from the System at Supply Meter Points.
- 1.2 Nothing in the Code confers on any person any entitlement to have any premises, pipeline, plant or other installation connected to the System for the purposes of offtaking gas from the System.
- 1.3 Nothing in the Code shall prevent the Operator from exercising any entitlement or discharging any duty under the Order or pursuant to the Operator Licence which may involve the disconnection of or refusal to convey gas to any Supply Meter Point.
- 1.4 Where under the Order or pursuant to the Operator Licence, the Operator is not required to connect or to maintain a connection of, or has exercised or is entitled to exercise any right to disconnect, or is required to disconnect, any premises, or (having disconnected them) is not required to reconnect any premises, or is entitled to refuse to convey gas to or to allow gas to be conveyed to any premises, the Operator will not be in breach of its obligation to make gas available for offtake from the System at the relevant Supply Meter Point(s).
- 1.5 The Operator will inform User(s) as soon as reasonably practicable after exercising an entitlement (as described in paragraph 1.4) to disconnect or refuse to convey gas or allow gas to be conveyed.

2 Offtake of gas from the System

- 2.1 In respect of a User and a Day, the "**User's Offtake Proportion**" shall be:
 - (a) in respect of the gas offtaken from the System on the Day, the User's UDQO divided by the sum of all User's UDQOs for the Day;
 - (b) in respect of gas offtaken at a Registered Supply Meter Point on the Day, 1.
- 2.2 Subject to the provisions of the Code, the Operator will make gas available for offtake by User(s) from the System at the point of offtake (in accordance with paragraph 6) in accordance with the requirements of paragraph 3.2 at each Supply Meter Point where the requirements (other than requirements to be complied with by the Operator) of this Section H are complied with.

3 Offtake Requirements

- 3.1 For the purposes of the Code, the "**Applicable Offtake Requirements**" are any standards as to gas composition and pressure in respect of gas made available by the Operator as may be prescribed from time to time by the Department of Economic Development pursuant to Article 64(i) of the Order.
- 3.2 Gas made available by the Operator for offtake at any Supply Meter Point will comply with the Applicable Offtake Requirements, subject to paragraph 3.6.

- 3.3 Where non-compliant gas is made available for offtake from the System at a Supply Meter Point, the Offtaking User may, from time to time until such time as the Applicable Offtake Requirements are complied with in respect of gas made available for offtake at such point, in its discretion, either:
- (a) offtake or continue to offtake such gas, in which case paragraph 4 shall apply; or
 - (b) decline to offtake or to continue to offtake such gas, in which case paragraph 5 shall apply.
- 3.4 A User's rights under paragraph 3.3 shall not be prejudiced by its election to offtake non-compliant gas (whether or not it is aware that the gas is non-compliant).
- 3.5 Subject to paragraph 4.5, where non-compliant gas has been offtaken on any Day from the System at a Supply Meter Point, the Operator shall be liable to pay to each Offtaking User an amount determined in accordance with paragraph 4.
- 3.6 Subject to paragraph 4.5, for the purposes of this Section H non-compliant gas is gas made available for offtake from the System at a Supply Meter Point in respect of which any of the Applicable Offtake Requirements is not or was not complied with.
- 3.7 Where a User becomes aware that non-compliant gas is being made available for offtake from the System it shall inform the Operator as soon as reasonably practicable.
- 3.8 Where the Operator becomes aware that non-compliant gas is being made available for offtake from the System it shall inform Users as soon as reasonably practicable.

4 Payment in respect of non-compliant gas

- 4.1 Subject to paragraph 4.2, the amount payable by the Operator to an Offtaking User under paragraph 3.5 shall be all reasonable costs and expenses reasonably incurred by the User in consequence of the offtake of the non-compliant gas, including (without limitation) costs and expenses incurred:
- (a) in cleaning or clearing any part of the relevant pipework downstream of the Supply Meter Point; and/ or
 - (b) in taking reasonable measures to secure that non compliant gas can be made fit for use in the Consumer's Plant.
- 4.2 The amount payable by the Operator to an Offtaking User shall not exceed 10% of the amount calculated as the User's Offtake Proportion of the total quantity of non-compliant gas offtaken by Users from the System at the relevant Supply Meter Point on the relevant Day multiplied by the GMO Daily Gas Price.
- 4.3 Where any amount has become payable to an Offtaking User pursuant to paragraph 3.5:
- (a) the User shall as soon as reasonably practicable so notify the Operator specifying:
 - (i) the relevant Supply Meter Point and the Day or Days on which non-compliant gas was offtaken from the System;
 - (ii) the total quantity of non-compliant gas referred to in paragraph 4.2, and reasonable details of the respect(s) in which the non-compliant gas did not comply with the Applicable Offtake Requirements; and

- (iii) reasonable details of the costs and expenses referred to in paragraph 4.1 and the person(s) by whom and purposes for which they were incurred.
 - (b) the amount payable by the Operator shall be invoiced and payable in accordance with Section K.
- 4.4 Any dispute as to anything specified by a User under paragraph 4.3 shall be referred to Expert Determination.
- 4.5 Paragraph 3.5 and this paragraph 4 do not apply and the Operator shall not be liable thereunder to the extent that the failure (of gas offtaken) to comply with Applicable Offtake Requirements was:
- (a) a failure to comply with the Applicable Offtake Pressure; and references in those paragraphs to non-compliant gas shall be construed accordingly; or
 - (b) caused by the delivery to the System of non-compliant gas by a Delivering User on the relevant Day.

5 Gas not made available for offtake

- 5.1 Subject to compliant gas being made available to the Operator at the System Entry Point(s), where:
- (a) the Operator is or has been in breach of its obligation to make gas available for offtake from the System at a Supply Meter Point; or
 - (b) gas made available for offtake from the System at a Supply Meter Point does not comply with the Applicable Offtake Requirements and an Offtaking User declined (in accordance with 3.3(b)) to offtake such gas

the further provisions of this paragraph 5 shall apply.

- 5.2 The Operator will pay to the Registered User an amount determined as:

$$C * (1 - X / Y) * P$$

where:

- C is the amount of the Supply Meter Point Capacity held by the User at the Supply Meter Point on the relevant Day;
- X is in the case of a DM Supply Meter Point, the quantity of gas which was made available for offtake from the System on the relevant Day;
- Y is in the case of a DM Supply Meter Point, the Nominated Quantity under the DM Offtake Nomination for the relevant Supply Meter Point, provided that:
 - (i) no account shall be taken of any DM Offtake Renomination on the Day when the failure occurred or first occurred, after the time at which the Registered User first became aware of such failure; and
 - (ii) Y shall not exceed the amount of Supply Meter Point Capacity which the User is treated as holding at the Supply Meter Point, disregarding any increase therein applied for after the relevant failure first occurred;

X/Y is in the case of an NDM Supply Meter Point, zero; and

P is the Applicable Daily Rate of the Capacity Charge.

- 5.3 For the purpose of paragraph 5.2, any dispute as to the quantity of gas which was made available for offtake at the relevant DM Supply Meter Point on the relevant Day shall be referred to Expert Determination.

6 Point of offtake

- 6.1 The point of offtake shall be the individual Supply Meter Point.
- 6.2 Title and (without prejudice to paragraph 4) risk in gas offtaken from the System at a Supply Meter Point shall pass to the Offtaking User at the relevant point of offtake in accordance with paragraph 6.1.
- 6.3 The Operator warrants to each User that the Operator will have title (at the point of offtake) to all gas made available for offtake from the System at any Supply Meter Point by that User, and that all such gas will (at such point) 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 offtake thereof from the System.
- 6.4 The Operator shall indemnify each User and hold it harmless against any loss, liability, damage, claim, action, proceeding, cost and expense suffered or incurred by or made or brought against such User in consequence of any breach of the warranty in paragraph 6.3.

7 User Offtake Obligations

- 7.1 In accordance with Section L12, a User is not entitled to offtake gas from the System at a DM Supply Meter Point at a rate which exceeds the Supply Point Offtake Rate, and a User shall take all reasonable steps to ensure that gas is not offtaken at such a rate.
- 7.2 Where:
- (a) the Operator believes on reasonable grounds that gas is being or will be offtaken from the System at a DM Supply Meter Point at a rate which exceeds the Supply Point Offtake Rate; and
 - (b) In the Operator's reasonable judgment System security may be prejudiced as a result the Operator may take any steps available to it to secure the required reduction in the rate of or the discontinuance of offtake of gas from the System at the Supply Meter Point.
- 7.3 The steps referred to in paragraph 7.2 include the Disconnection of the relevant premises; but the Operator will endeavour not to take this step where alternative steps are available and adequate in the circumstances.
- 7.4 The Operator will not be obliged under any provision of the Code to make gas available for offtake from the System by a User at a DM Supply Meter Point:
- (a) at any time, at a rate which exceeds the Supply Point Offtake Rate; or

- (b) on any Day, in a quantity which exceeds the amount of Supply Meter Point Capacity which the User is treated as holding at the relevant Supply Meter Point.

SECTION I: MAINTENANCE

1 Introduction

- 1.1 The Operator shall undertake maintenance of the System in accordance with the applicable Legal Requirements and this Section I.
- 1.2 In undertaking maintenance activities the Operator will be relieved of its obligations in respect of the delivery and offtake of gas subject to and in accordance with paragraph 2.4.
- 1.3 References in this Section I to maintenance of any part of the System include any works in connecting the pipework of third parties to the System and any inspection, repair, replacement, reinstatement, recommissioning, development and extension thereof, and works preparatory to such maintenance or required for the return to service of such part of the System after such maintenance.
- 1.4 For the purposes of this Section I a "**Maintenance Relevant Facility**" is a Connected Delivery Facility, and a "**Maintenance Relevant Party**" is any User or Delivery Facility Operator.

2 Maintenance of the System

- 2.1 The Operator shall give reasonable notice of maintenance requirements to relevant Users including the date on which maintenance is to commence.
- 2.2 For the purposes of this paragraph 2, a relevant User is a User who at the relevant time holds System Capacity at a System Point at which the delivery or offtake of gas will be affected by maintenance, provided that the Operator may elect to give any notification under this paragraph 2 to all Users generally.
- 2.3 The Operator shall plan and undertake maintenance in a way that has regard to the operational requirements and legal constraints of the Operator, is consistent with normal working practices and will, so far as reasonably possible, minimise disruption to any affected Maintenance Relevant Facility or Maintenance Relevant Party.
- 2.4 To the extent that on any Day it is not feasible for the Operator to make available gas for offtake from the System by a User at a Supply Meter Point, or to accept into the System gas tendered for delivery by a User at a System Entry Point, or (in either case) its ability to do so is restricted, by reason of its carrying out any maintenance:
 - (a) such System Point is a "**Maintenance Affected Point**";
 - (b) the Operator will be relieved of its obligations under Section G9 to accept into the System gas tendered for delivery, or (as the case may be) under Section H2 to make gas available for offtake from the System, at such System Point; and
 - (c) where the Operator is of the opinion that a restricted delivery or offtake of gas at such System Point may be accepted or made available, the maximum rate at which gas may be so delivered or offtaken.
- 2.5 Subject to paragraphs 2.6 and Section O10 the Operator will not be relieved by virtue of paragraph 2.4(b) of its obligations under Sections G9 or H2 in respect of a Maintenance Affected Point:
 - (a) in the case of a System Entry Point, on more than 15 Days in any Gas Year or on

- more than 45 Days in any three consecutive Gas Years;
- (b) in the case of a Supply Meter Point with an Annual Quantity equal to or greater than 732,000 kWh (25,000 therms), on more than 8 days in any Gas Year or on more than 20 days in any three consecutive Gas Years;
 - (c) in the case of a Supply Meter Point with an Annual Quantity less than 732,000 kWh (25,000 therms), on more than 10 days in any five consecutive Gas Years.
- 2.6 Where for reasons of Force Majeure, the Operator is unable to commence or to complete any maintenance in respect of any Supply Meter Point or System Entry Point:
- (a) the relevant number of Days or period specified in or pursuant to paragraph 2.5 shall be increased by such period for which the completion of the maintenance was delayed by reasons of Force Majeure;
 - (b) if the Operator has commenced such maintenance, for so long as the Operator is unable to carry out or to continue to carry out the maintenance, such point shall nevertheless continue to be a Maintenance Affected Point.
- 2.7 Where the Operator is relieved from liability for the non-performance of any obligations under this Section I as a result of Force Majeure, the Operator shall use all reasonable endeavours to overcome or circumvent such Force Majeure.
- 2.8 For the avoidance of doubt a User will remain liable to pay Capacity Charges in respect of its System Capacity it is treated as holding at any System Point notwithstanding that the Operator is unable to accept delivery of gas or make gas available for offtake at such point by reason of the carrying out of maintenance of the System.

3 Provision of information by Users

- 3.1 Following a request from the Operator for the purposes of this Section I or for purposes connected to conditions in the Operator's Licence in respect of the development of the System, a User shall provide the Operator with:
- (a) information regarding the quantities of gas the User expects to deliver to and offtake from the System during the period in relation to which the Operator's request relates; and
 - (b) such other information as the Operator may reasonably require for such purposes.

SECTION J: EMERGENCIES

1 Introduction

1.1 In this Section J:

- (a) "**Regulations**" means the Gas Safety (Management) Regulations (NI) 1997 and references to particular Regulations shall be construed accordingly;
- (b) "**Supply Emergency**" has the meaning given in the Regulations;
- (c) "**NEC**" means the person from time to time who is the NI network emergency co-ordinator in accordance with the Regulations;
- (d) references to the Operator do not include the Operator in its capacity as NEC where it has been so appointed;
- (e) "**NEC Safety Case**" means the safety case of the Northern Ireland NEC in accordance with 10 (4) of the Regulations; and
- (f) "**Department**" means the Department of Enterprise, Trade & Investment for Northern Ireland.

1.2 This Section J provides for the following matters:

- (a) requirements to be complied with by Users in respect of Gas Supply Emergencies to enable the Operator to discharge its responsibilities (pursuant to the Regulations and any other Legal Requirement) in respect of Gas Supply Emergencies; and
- (b) the consequences for the Operator and Users of a Gas Supply Emergency in respect of the application of the Code.

1.3 Without prejudice to the duty of co-operation under 6(1) of the Regulations, a User shall not be required in a Gas Supply Emergency to comply with any requirement notified to it by the Operator pursuant to this Section J where it would be manifestly unreasonable to expect the User to do so; and where a User is of the opinion that it is (by reason of this paragraph 1.3) excused from complying with any requirement under this Section J it shall forthwith notify the Operator of that fact and if so requested co-operate with the Operator to the maximum extent reasonable in the circumstances to establish what alternative requirement (whether or not contemplated by this Section J) it would be able to comply with; provided that paragraph 6.3 shall (insofar as capable of applying) apply in respect of compliance with any such alternative requirement.

1.4 A User shall not be excused by virtue of paragraph 1.3 from any of the provisions in paragraph 6.

2 Gas Supply Emergency

2.1 For the purposes of the Code, a "**Gas Supply Emergency**" means any situation which has resulted in, or could result in, a loss of pressure to end users which would require action to prevent one or more Supply Emergencies occurring or such other meaning as shall be set out in the NEC Safety Case and notified to Users; and any reference in any other Section of the Code to an "**Emergency**" is a reference to a Gas Supply Emergency.

2.2 In particular, but without limitation, a Gas Supply Emergency may exist where the Operator's

ability to maintain safe pressures within the System is affected or threatened by any actual or potential interruption or disruption to or insufficiency of deliveries of gas to the System, or by any actual or potential failure of or damage to any part of the System.

- 2.3 A "**Network Gas Supply Emergency**" means any situation which has resulted in, or could result in, loss of pressure in the primary system (the upstream system), resulting in a loss of pressure in the secondary systems or such other meaning as shall be set out in the NEC Safety Case and notified to Users; and any other Gas Supply Emergency is a "**Local Gas Supply Emergency**" (that is, local gas supply emergency as referred to in the NEC Safety Case).
- 2.4 In accordance with the NEC Safety Case, the existence, duration and cessation of a Network Gas Supply Emergency is to be determined by the NEC.
- 2.5 The Operator confirms that in its opinion any Gas Supply Emergency including a "**Potential Network Gas Supply Emergency**" will constitute a network emergency (as referred to in the NEC Safety Case).
- 2.6 In this Section J:
- (a) "**Stage**" means a stage (from 1 to 4) of the Network Gas Supply Emergency Procedure as described in the NEC Safety Case, and a Network Gas Supply Emergency is of a particular Stage where the NEC has determined that the relevant stage of such procedures applies in relation to such Gas Supply Emergency;
 - (b) a "**Potential Network Gas Supply Emergency**" is a potential network gas supply emergency as described in the NEC Safety Case namely where the information available to the NEC at stage 1 indicates that there is sufficient time, and sufficient gas available, for the primary system to be re-balanced without recourse to stage 2 action; and
 - (c) unless expressly otherwise provided, references to a Gas Supply Emergency or a Network Gas Supply Emergency do include a Potential Network Gas Supply Emergency.
- 2.7 The existence of a Local Gas Supply Emergency shall be determined by the Operator in its sole judgement and irrespective of the cause of and of whether the Operator or any other person may have caused or contributed to the Local Gas Supply Emergency.
- 2.8 A Local Gas Supply Emergency will continue until such time as the Operator determines that the circumstances which resulted in or might result in a supply emergency no longer apply, that no further Emergency Steps are required, and that normal operation of the System and implementation of the Code may be resumed.

3 Emergency Steps

- 3.1 For the purposes of the Code, subject to paragraph 3.10, "**Emergency Steps**" are steps to be taken by the Operator or a User:
- (a) to avert and/or to reduce the probability of or the probable scale of a Gas Supply Emergency and/or to prepare for the occurrence of a Gas Supply Emergency; or
 - (b) to overcome or contain a Gas Supply Emergency and/or to avert or reduce the hazard presented by it, and/or to restore gas supply and normal operation of the System and implementation of the Code following the taking of any such steps.

- 3.2 Users and the Operator acknowledge that in a Gas Supply Emergency their business interests will be subordinate to the need to take Emergency Steps in accordance with this Section J.
- 3.3 Nothing in this Section J or the Emergency Procedures shall limit the ability of the Operator to take any action or step necessitated in its judgement in the interests of safety by a Gas Supply Emergency (including a Potential Network Gas Supply Emergency).
- 3.4 In view of the importance of co-ordination of Emergency Steps, no User is to take any Emergency Steps other than in accordance with a requirement of this Section J or the Emergency Procedures or pursuant to any other request made by the Operator to which the conditions as described in paragraph 2.1 applies.
- 3.5 No Emergency Step taken or other thing done or not done, by the Operator or any User, pursuant to (and in compliance with any requirements under) this Section J shall be a breach of any provision of the Code; and in particular the Operator will not be in breach of its obligation to accept gas tendered for delivery to the System at a System Entry Point or to make gas available for offtake from the System at a Supply Meter Point to the extent that (as a result of any such step taken or thing done or not done) gas tendered for delivery is not accepted or gas is not made available for offtake in accordance with the Operator's obligations under Sections G6 and H2.
- 3.6 It is acknowledged that, in a Gas Supply Emergency (including a Potential Network Gas Supply Emergency), the Operator may pursuant to Regulation 8(2) or 8(4) request or permit gas which does not comply with the applicable Gas Entry Conditions to be delivered to the System at a System Entry Point.
- 3.7 "**Emergency Procedures**" means such documents as are prepared by the Operator in consultation with the Health and Safety Division of the Department, Users and others, setting out details of inter alia, planned Emergency Steps as from time to time revised; and the Operator will provide without charge to each User a copy of the Emergency Procedures, and any update thereof or revision thereto upon preparing such Emergency Procedures or making such update or revision.
- 3.8 For the purposes of this Section J:
- (a) a "**Priority Consumer**" is a non-domestic consumer whose name appears on the list established (and from time to time amended) by the Operator in accordance with Condition 2.7.9 of the Operator Licence; and the relevant Supply Meter Point is a "**Priority Supply Meter Point**"; and
- (b) "**Priority Criteria**" means the criteria designated by the Department pursuant to that Condition and, if the Department has not designated criteria, or to the extent that such designated criteria are not expressed to be exhaustive, any other criteria which the Operator may from time to time notify to Users for the purposes of assisting the Operator to determine which consumers should be given priority in accordance with that Condition.
- 3.9 The Operator may agree with a Delivery Facility Operator upon procedures or steps to be taken in an Emergency by the Operator or a Delivery Facility Operator and may give effect to such procedures or steps in addition to or in lieu of any Emergency Steps pursuant to this Section J.
- 3.10 Any request or instruction given by the Operator to a User in a Gas Supply Emergency shall be treated as being to the extent that paragraph 6 shall (where relevant) apply in relation

thereto, a request or instruction made pursuant to this Section J, unless in either case such request or instruction is not capable of being construed as such.

- 3.11 Without prejudice to paragraph 3.10, nothing in this Section J shall preclude the Operator from making any request to a User in respect of any Emergency pursuant to the relevant Supplier's Licence.

4 Emergency Preparedness

- 4.1 Users are required to comply with the requirements in this paragraph 4 with a view to ensuring an adequate level of preparedness for the occurrence of a Gas Supply Emergency.

- 4.2 Each User shall make the Delivery Facility Operator aware or, alternatively, shall ensure its upstream Supplier makes the Delivery Facility Operator aware, of the terms of this Section J, in so far as they may be affected thereby.

- 4.3 Each User shall provide to the Operator:

- (a) a single telephone number and a single facsimile number and a single email address by means of each of which the Operator may contact, 24 hours a Day, a representative of the User in a Gas Supply Emergency for any purpose pursuant to this Section J; and
- (b) the name(s) or title(s) of the User's representatives who may be contacted using the details set out in paragraph 4.3(a)..

- 4.4 Each such representative shall be a person having appropriate authority and responsibilities within the User's organisation to act as the primary contact for the Operator in the event of a Gas Supply Emergency.

- 4.5 The details required under paragraph 4.3 shall be provided by an Applicant User before becoming a User and shall at all times be maintained up to date; and for these purposes the User shall notify to the Operator any change in such details promptly and where possible in advance.

- 4.6 Each User shall:

- (a) take all reasonable steps to ascertain, in relation to any Supply Meter Point in respect of which the User submits a Supply Meter Point Confirmation or of which it is the Registered User, whether the consumer satisfies or (as the case may be) has come to satisfy the Priority Criteria;
- (b) where it believes that the consumer does satisfy the Priority Criteria, (where it is the Registered User, promptly upon forming that belief) so notify the Operator, stating the identity of the consumer and the basis for its belief; and
- (c) where:
 - (i) a User becomes the Registered User at a Supply Meter Point in relation to which the consumer is a Priority Consumer; or
 - (ii) the Operator confirms pursuant to paragraph 4.16 that a consumer in relation to which that User is the Registered User is a Priority Consumer;

notify that consumer (in terms reasonably specified by the Operator having regard

to Condition 2.7.9 of the Operator's Licence) of the circumstances in which it need not comply with instructions to reduce or cease, or in which it may resume or increase, the consumption of gas in a Gas Supply Emergency.

- 4.7 Where the Operator adds the name of a consumer to the list described in paragraph 3.8 it shall inform the Registered User in relation to that consumer of such addition.
- 4.8 The Registered User shall promptly inform the Operator if it becomes aware (and shall take reasonable steps to ensure that it does become aware) that the consumer at a Priority Supply Meter Point ceases to satisfy the Priority Criteria.
- 4.9 Where the Operator removes the name of a consumer from the list described in paragraph 3.8 it shall inform the User that is the Registered User in relation to that consumer, of such removal.
- 4.10 Where the Operator informs a User that a consumer in relation to which that User is the Registered User has been removed from the list described in paragraph 3.8, that User shall notify the consumer of the change to the circumstances in which it may reduce, cease, resume or increase the consumption of gas in a Gas Supply Emergency.
- 4.11 Each User shall (subject to the other requirements of this Section J), in respect of each Priority Supply Meter Point of which it is the Registered User, provide to the Operator the name and/or title of one representative of the consumer, together with a telephone number by means of which the Operator may contact such representative during normal working hours on a Business Day.
- 4.12 Each User shall ensure that all required Emergency Contacts shall at all times be maintained up to date; and for these purposes the User shall notify to the Operator any change in such details promptly and where possible in advance.
- 4.13 Each User shall secure that all of its relevant personnel are familiar with the Emergency Procedures.
- 4.14 For the purposes of paragraph 4.13 a User's relevant personnel are personnel employed or engaged by the User whose functions or areas of responsibility are such that (in order to enable the User to comply with any requirement of this Section J) they are likely to be required to take any decision or action in a Gas Supply Emergency.
- 4.15 Each User shall establish and maintain such procedures as may be necessary:
- (a) to facilitate compliance by the User with the requirements of this paragraph 4; and
 - (b) to enable the User to comply with the requirements of paragraph 5 in a Gas Supply Emergency.
- 4.16 Each User shall take all reasonable steps within its power to ensure that, in so far as may be necessary to give effect to the requirements of this Section J, the procedures established by it under paragraph 4.15 are co-ordinated with:
- (a) the Emergency Procedures; and
 - (b) with any procedures established by the Delivery Facility Operators relating to Gas Supply Emergencies, or the procedures established by other Users under this paragraph 4; and shall consult with such other parties accordingly.

4.17 The User shall if requested by the Operator provide to the Operator a copy of the procedures from time to time established by it under paragraph 4.15; and the Operator shall be at liberty to disclose to and discuss with any Competent Authority any such procedures provided to it.

5 Occurrence of a Gas Supply Emergency

5.1 Where the NEC declares a Network Gas Supply Emergency (including a Potential Network Gas Supply Emergency), or a local Gas Supply Emergency arises, the Operator will:

- (a) inform Users, as soon as reasonably practicable of the commencement of the Gas Supply Emergency, whether it is a Local or a Network Gas Supply Emergency and (in the case of a Network Gas Supply Emergency) whether it is a Potential Network Gas Supply Emergency or of the Stage thereof, and (insofar as reasonably practicable) the nature, extent and expected duration of the Gas Supply Emergency;
- (b) thereafter keep Users reasonably informed as to material changes to the information provided under paragraph (a) (including any change in the Stage of a Network Gas Supply Emergency) and material developments in respect of the Gas Supply Emergency; and
- (c) inform Users as soon as reasonably practicable when the NEC has informed the Operator, or (as the case may be) the Operator has determined (in accordance with paragraph 2.8) that the Gas Supply Emergency is no longer continuing.

5.2 Upon being informed of a Gas Supply Emergency (including a Potential Network Gas Supply Emergency) a User shall brief all relevant personnel (as defined in 4.13) as to the existence and nature of the Gas Supply Emergency.

5.3 During a Gas Supply Emergency each User is required:

- (a) to comply with the Emergency Procedures in so far as applicable to the User in the circumstances;
- (b) to comply (in the case of a Network Gas Supply Emergency, including a Potential Network Gas Supply Emergency) with the requirements of paragraph 5.7 and (in the case of any Gas Supply Emergency) with the requirements (insofar as applicable to Users) of paragraph 5.9 as to Emergency Steps in relation to the delivery and offtake of gas to and from the System;
- (c) to cooperate with the Operator, to the extent within the User's power (and without thereby rendering the User unable to comply with any requirement to take Emergency Steps itself), so as to enable the Operator to take Emergency Steps in accordance with the Emergency Procedures; and
- (d) in so doing to comply with the Operator's instructions and requests (made for the purposes of paragraphs (a), (b) and (c)) as soon as reasonably practicable.

5.4 Where there is any conflict between any requirements under this Section J or the Emergency Procedures as to anything to be done by a User, the Operator may decide which requirement is to prevail, which decision will relieve the User of any obligation under the Code to comply with the conflicting requirement.

5.5 A User shall not be required to comply with any requirements under this paragraph 5 applying in respect of any Gas Supply Emergency (including a Potential Network Gas Supply Emergency) until and unless the User has been informed by the Operator of the existence of such Gas Supply

Emergency.

- 5.6 Emergency Steps may require increases in deliveries of gas to the System or reductions in the offtake of gas from the System or both.
- 5.7 In a Network Gas Supply Emergency (including a Potential Network Gas Supply Emergency) each User shall:
- (a) comply with any request from time to time made by the Operator to inform and/or keep informed the Operator of the maximum rates at which and/or quantities in which gas can be delivered to the System by the User at any System Entry Point at such time(s) or over such period(s) as the Operator may specify; and
 - (b) if requested by the Operator, take such steps as may be available (pursuant to contract) to the User to secure any increase in the maximum rates or quantities referred to in paragraph (a), for example by arranging the deferment of maintenance or other works in respect of gas production or processing facilities.
- 5.8 In a Network Gas Supply Emergency each User shall comply with all instructions by the Operator to deliver gas to the System at System Entry Points in such quantities and at such rates as the Operator may specify, up to the maximum quantities or rates which are available (by the exercise of all contractual rights as to the supply of gas or otherwise) to the User, irrespective of the commercial terms of such supplies, and irrespective of the quantities of gas being off taken from the System by the User.
- 5.9 Where Emergency Steps include the reduction or discontinuance of offtake of gas the Operator shall in so far as is practicable comply with the Emergency Procedures in respect of the reduction or discontinuance of the offtake of gas at a Supply Meter Point.
- 5.10 The Operator will declare a Gas Supply Emergency to have ceased only:
- (a) with effect from the start of a Day; and
 - (b) with at least 24 hours notice to Users to enable the implementation of those provisions of Section C which are to be implemented on the Preceding Day.

6 Consequences of Emergency

- 6.1 In respect of each Day or part of a Day during a Network Gas Supply Emergency:
- (a) the provisions of Section B regarding capacity ratchets and Overrun Charges shall not apply in the event the Operator requests that the User offtake (or continue to offtake) gas from the System during the Network Gas Supply Emergency;
 - (b) Section C will not apply;
 - (c) the determination of daily quantities may be deferred;
 - (d) the Close-out Date may be deferred;
 - (e) where the Operator requests or permits the delivery of gas to the System which does not comply with the applicable Gas Entry Conditions, Section G7 will not apply.
- 6.2 In a Gas Supply Emergency any other provision of the Code which would in any particular case conflict with the implementation of this Section J shall to that extent not apply.

- 6.3 As soon as is reasonably practicable, in respect of each Day during a Gas Supply Emergency, the Operator will determine, and notify to Users, the daily quantities calculated in accordance with Section D.

SECTION K: INVOICING AND PAYMENT

1. Introduction

- 1.1 The amounts payable by Users to the Operator and by the Operator to Users in accordance with the Code will be invoiced and payable in accordance with this Section K.
- 1.2 The Operator will submit to each User Invoice Documents in respect of each Billing Period in accordance with this Section K.
- 1.3 For the purposes of this Section K:
- (a) subject to paragraph 2.11, a "**Billing Period**" is a calendar month;
 - (b) a "**Billing Day**" is a Day in a Billing Period;
 - (c) an "**Invoice Document**" is an invoice document submitted by the Operator to a User pursuant to this Section K;
 - (d) an "**Invoice Item**" is an item (in respect of all charges of a particular kind) shown as payable by the Operator or by a User in an Invoice Document (including where relevant a self-bill amount in accordance with paragraph 1.4); and
 - (e) the "**Invoice Amount**" in relation to an Invoice Item is the amount shown as payable by the User or the Operator in respect of that item under the relevant Invoice Document.
- 1.4 An Invoice Document may show as an Invoice Amount an amount (a "**self-bill amount**") payable by the Operator to a User in respect of which Regulation 13(3) of the Value Added Tax Regulations 1995 is to apply.
- 1.5 An Invoice Document may contain an adjustment by way of credit ("**Invoice Credit**") in respect of an Invoice Amount in another Invoice Document.
- 1.6 An Invoice Document shall take effect as a separate invoice in respect of each Invoice Item, but without prejudice to paragraph 4.
- 1.7 No delay by the Operator in submitting an Invoice Document shall prejudice the liability (once such Invoice Document has been submitted) of the Operator or the User for the amounts subject thereto.
- 1.8 For each Billing Period separate Invoice Documents (as described in paragraph 1.9) will be submitted to each User in respect of amounts payable (if any) under different provisions of the Code.
- 1.9 The types (each an "**Invoice Type**") of Invoice Document to be submitted are Capacity Invoices, Commodity Invoices, Reconciliation Energy Invoices, Adjustment Invoices, Interest Invoices and Ad-hoc Invoices in accordance with paragraph 2.
- 1.10 Each Invoice Document will specify:
- (a) the identity of the User;
 - (b) the Billing Period to which the Invoice Document (other than as respects any Invoice Credit) relates;

- (c) the Invoice Type;
 - (d) in respect of each Invoice Item, the Invoice Amount;
 - (e) a unique number by which the Invoice Document may be identified, and a reference number for each Invoice Item; and
 - (f) the amount of Value Added Tax (if any) payable in respect of each Invoice Item and the further details required under Regulation 14 of the Regulations referred to in paragraph 1.4.
- 1.11 An Invoice Document which contains an Invoice Credit will also identify the Invoice Document and Invoice Item to which the Invoice Credit relates and the amount of the Invoice Credit.
- 1.12 Each Invoice Document will be accompanied by a remittance advice ("**Invoice Remittance Advice**") to be completed by the User in accordance with paragraph 3.9.
- 1.13 Invoice Documents will be accompanied by the relevant supporting data in respect of each Invoice Item.
- 1.14 An Invoice Document will not be invalid solely by reason of its not being accompanied by any particular item of relevant supporting data, but (in accordance with paragraph 4.5(c)(i)) the specificity of any Invoice Query will depend on the extent to which such data was provided.
- 1.15 Subject to paragraphs 1.17 and 1.18 the Operator shall submit Invoice Documents as soon as reasonably practicable after the Billing Period to which they relate.
- 1.16 All amounts expressed as payable by a User or the Operator pursuant to the Code, and whether the amount thereof is set out in the Code or determined by reference to the Conveyance Charge Statement or otherwise, are exclusive (unless expressly otherwise stated) of any applicable Value Added Tax (and accordingly Value Added Tax shall be paid by the paying party where payable in respect of any such amount).
- 1.17 Notwithstanding paragraph 1.15, the Operator may, at any time (whether before or after the User Discontinuance Date) after submitting to a User a Termination Notice under Section O5.11, submit to that User any Invoice Document in respect of any Billing Period or part of a Billing Period ending at or before the time at which the Operator submits such Invoice Document.
- 1.18 Where the Operator has submitted a Termination Notice to a User, all amounts payable by that User to the Operator or by the Operator to the User (whether the Invoice Document in which such amounts are shown was submitted before or after the date of the Termination Notice) shall be immediately payable notwithstanding paragraph 3.1.
- 1.19 Subject to paragraph 1.21, where it appears to the Operator that any Invoice Amount has been incorrectly stated in an Invoice Document, the Invoice Amount may be adjusted by an Adjustment Invoice or as the case may be an Ad-hoc Invoice submitted by the Operator in accordance with paragraph 2.4 or 2.8 (and the Operator will not be required to revise and resubmit the original Invoice Document).
- 1.20 An adjustment (by way of debit) representing an increase in an Invoice Amount shall be a new Invoice Amount in respect of which the Invoice Due Date will be the Invoice Due Date of the relevant Adjustment Invoice or Ad-hoc Invoice.

- 1.21 In the absence of fraud, after the expiry of 12 months (or any other period agreed between the Operator and the User) after the Invoice Due Date (in accordance with paragraph 3.1) in respect of any Invoice Document:
- (a) no adjustment may be made to an Invoice Amount under that Invoice Document, other than:
 - (i) an adjustment of which the Operator had given notice to the User; or
 - (ii) an adjustment pursuant to an Invoice Query raised by a User (in accordance with paragraph 4) before the expiry of such period;
 - (b) no Invoice Query may be raised in respect of the Invoice Document; and
 - (c) the Invoice Document shall (subject to any adjustments already made and any permitted under paragraph (a)) be deemed to be final and conclusive as to the amounts shown as payable thereunder.
- 1.22 The provisions of this Section K whereby an Invoice Amount may be adjusted or an Invoice Query raised are without prejudice to the provisions of the Code pursuant to which determinations of quantities delivered to and offtaken from the System are made final.
- 1.23 Invoice Documents will be submitted by the Operator to Users by Electronic Means.

2 Invoice Types

- 2.1 Capacity Invoices, Commodity Invoices and Reconciliation Energy Invoices are Invoice Documents of the Invoice Types described in Annex K-1.
- 2.2 Subject to paragraph 2.3, the Invoice Items to be comprised in each of the Invoice Types referred to in paragraph 2.1 are set out in Annex K-1.
- 2.3 Upon not less than 3 months notice to Users, the Operator may include in any Invoice Document of an Invoice Type referred to in paragraph 2.1 Invoice Items which previously were or would have been contained in an Ad-hoc Invoice.
- 2.4 An Adjustment Invoice is an Invoice Document containing Invoice Credits or Invoice Amounts (if not contained in an Ad-hoc Invoice) representing adjustments (by way of credit or debit) to Invoice Amounts contained in one or more Capacity Invoices or Commodity Invoices.
- 2.5 The amount of interest (if any) payable in respect of any amount payable or repayable pursuant to an Adjustment Invoice will be shown in an Ad-hoc Invoice or Interest Invoice and not in the relevant Adjustment Invoice.
- 2.6 An Interest Invoice is an Invoice Document containing Invoice Amounts representing interest payable pursuant to paragraph 3.13 (other than pursuant to paragraph 4.8) by a User or the Operator in respect of an Invoice Amount under any Invoice Document (including an earlier Interest Invoice).
- 2.7 An Ad-hoc Invoice is an Invoice Document in respect of an amount not included in another Invoice Type.
- 2.8 The Operator may submit an Ad-hoc Invoice to any User at any time (but subject to paragraph 1.21) in respect of any amount (not included in another Invoice Type) which, at

any time prior to the submission of such Invoice Document, becomes payable or repayable by the User or the Operator to the other pursuant to any provision of the Code.

- 2.9 An Ad-hoc Invoice may also contain adjustments (by way of credit or debit) in respect of any Invoice Amount, other than adjustments to be contained (in accordance with paragraph 2.4) in Adjustment Invoices.
- 2.10 An Adjustment Invoice, Interest Invoice or Ad-hoc Invoice may contain Invoice Amounts (or Invoice Credits in respect of Invoice Amounts) accruing (before such invoice is submitted):
- (a) in the calendar month in which the Invoice Document is submitted; and/or
 - (b) in more than one calendar month.
- 2.11 A reference to a Billing Period in the context of an Adjustment Invoice, Interest Invoice or Ad-hoc Invoice is to the period from the date of accrual of the first to that of the last accruing Invoice Amount contained in such Invoice Document.

3 Invoice Payment

- 3.1 Subject to paragraph 4.6, the Invoice Amounts under each Invoice Document shall be paid (by the User to the Operator or by the Operator to the User, as the case may be) on or before the Invoice Due Date.
- 3.2 The "**Invoice Due Date**" in respect of an Invoice Document is the day ending at 24:00 hours on:
- (a) subject to paragraph (b), whichever is the later of:
 - (i) the 12th Day after the Day on which the Invoice Document was deemed to be received in accordance with Section O11; and
 - (ii) the 20th Day after the last Day of the Billing Period to which the Invoice Document relates;
 - (b) where the Day (the "**target due date**") determined under paragraph (a) is not a Business Day:
 - (i) subject to paragraph (ii), the Business Day (whether before or after the target due date) which is nearest to the target due date; or
 - (ii) if the nearest Business Days before and after the target due date are equally near, the nearest Business Day after the target due date.
- 3.3 Payment of any amount payable under the Code shall be made in pounds sterling in same day funds to the account of the payee at a bank in the United Kingdom notified to the paying party in accordance with paragraph 3.4.
- 3.4 The Operator will notify each User, and each User shall notify the Operator, of the account name and number, and the name, address and sort code of the account bank, to which payments to the Operator by such User or (as the case may be) to such User by the Operator are to be made, within 5 Business Days after the User Accession Date, and of any change in such details not less than 30 Days before such change occurs.
- 3.5 The payer shall instruct the bank remitting payment of any amount payable under the Code

- to quote the number (under paragraph 1.10(e)) of the relevant Invoice Document to the payee's bank when remitting such payment.
- 3.6 Without prejudice to paragraph 4.6, amounts payable under the 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, 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.
- 3.7 If, in respect of a payment to be made to the Operator by a User, any deduction or withholding is required to be made by the law of any country other than a country of the United Kingdom, the User shall:
- (a) ensure that the amount of such withholding or deduction does not exceed the minimum so required;
 - (b) forthwith pay the Operator such additional amounts as will ensure that the net amount received by the Operator will be equal to that which would have been received had no deduction or withholding been made; and
 - (c) pay the amount withheld or deducted to the relevant authority in accordance with the relevant requirement of law, and provide to the payee a receipt issued by such authority or (if such a receipt is not available) a certificate in respect of such payment.
- 3.8 Where payment of any amount is made pursuant to an Invoice Document, the User shall complete and submit to the payee the Invoice Remittance Advice not later than the Day on which payment is made (but no inability of the User to do so shall affect its obligation to make payment).
- 3.9 The completed Invoice Remittance Advice shall specify:
- (a) the date when payment is to be made;
 - (b) the amounts, by reference to each Invoice Item (payable to the Operator) specified in the Invoice Document, in respect of which the payment is to be made, and the total amount to be paid; and
 - (c) any amount or amounts, by reference to each Invoice Item, in respect of which payment is not being made pursuant to paragraph 4.6.
- 3.10 Where the Operator makes payment of any amount pursuant to an Invoice Document, the Operator will not later than the date on which payment is made notify the User of details equivalent to those to be specified in an Invoice Remittance Advice pursuant to paragraph 3.9 (but no inability of the Operator to do so shall affect its obligation to make payment).
- 3.11 Where the Operator or a User makes payment under more than one Invoice Document on the same Day, it shall secure that a separate remittance is made in respect of each Invoice Document.
- 3.12 Where the Invoice Document number is not quoted with any remittance made by or on behalf of a User, and no Invoice Remittance Advice corresponding to the remittance is submitted, the Operator will endeavour to obtain the User's instructions (by telephone

or facsimile or Electronic Means)) as to the application thereof; but if it has not (by the Business Day following the Day of the remittance) obtained such instructions, the Operator will apply the amount remitted to or towards Invoice Amount(s) in order of Invoice Due Date (the earliest first) and proportionately as between Invoice Amounts with the same Invoice Due Date, but applying such amount last to any Invoice Amounts which are subject to an Invoice Query.

- 3.13 Without prejudice to Section O5.11, where any amount payable under an Invoice is not paid on or before the Invoice Due Date, the paying party shall pay interest, after as well as before judgement, at the Applicable Interest Rate, on the unpaid amount from the Invoice Due Date until the Day on which payment is made.
- 3.14 For the avoidance of doubt paragraph 3.13 shall not be construed as permitting late payment of any Invoice Amount.
- 3.15 Where pursuant to any provision of this Section K interest is payable by the Operator or a User, such interest shall accrue on a daily basis and on the basis of a 365 day year.
- 3.16 Interest payable under this Section K will be compounded to the extent and by virtue of being invoiced (not more frequently than each calendar month) in an Interest Invoice, late payment of which will itself be subject to interest in accordance with paragraphs 3.13, 3.15 and this paragraph 3.16.
- 3.17 The "**Applicable Interest Rate**" is the rate of interest, expressed as a percentage rate per annum, payable in respect of amounts overdue for payment, or subject to repayment, under the Code.
- 3.18 The Applicable Interest Rate shall be LIBOR plus three per cent (3%).

4 Invoice Queries

- 4.1 For the purposes of this Section K an "**Invoice Query**" is any question or dispute as to the proper calculation of any amount shown as payable by a User or the Operator under an Invoice Document or as to whether any such amount is or was properly payable.
- 4.2 A User shall notify the Operator of any Invoice Query by written notice.
- 4.3 The Operator and the relevant User will endeavour to resolve Invoice Queries by agreement.
- 4.4 Any reference in this Section K:
- (a) to the resolution of an Invoice Query is a reference to the resolution thereof by agreement (at any time) between the Operator and the relevant User or by determination thereof (in accordance with paragraph (b)); and
 - (b) to the determination of an Invoice Query is a reference:
 - (i) to the resolution of a dispute in respect thereof under any provision of Section N where applicable;
 - (ii) except as provided in paragraph (i), to the outcome of any proceedings commenced by the Operator or the relevant User in respect thereof.
- 4.5 Where a User wishes to raise any Invoice Query in respect of an amount shown as payable by the User under an Invoice Document, the User may, not later than the Day before the Invoice

Due Date, notify (in accordance with paragraph 4.2) such Invoice Query to the Operator, specifying:

- (a) the Invoice Type, date and number of the Invoice Document;
 - (b) the Invoice Item to which the Invoice Query relates;
 - (c) an explanation of the basis on which the Invoice Query arises, and the amount of the Invoice Amount which is subject to the Invoice Query:
 - (i) identified by reference to the particular item of relevant supporting data (in accordance with paragraph 1.10(e)) in respect of which the Invoice Query arises, on the basis of the level of greatest detail of such relevant supporting data provided to the extent that such data was provided by the Operator; and
 - (ii) where the basis of the Invoice Query is that the value of any parameter by reference to which the Invoice Amount is determined is incorrectly stated in such relevant supporting data, the amount (estimated as accurately as is reasonably practicable) by which such value is incorrectly stated; and
 - (d) the amount of the Invoice Amount which is not subject to the Invoice Query, determined on the basis that only so much of the Invoice Amount as is identified in paragraph (c) is subject to the Invoice Query.
- 4.6 Where a User raises an Invoice Query in accordance with the requirements of paragraph 4.5 (but not otherwise), the amount subject to the Invoice Query (in accordance with paragraph 4.5(c)) shall not be payable on the Invoice Due Date, but without prejudice to paragraph 4.8.
- 4.7 Except as provided in paragraph 4.5, but without prejudice to paragraph 4.10, the whole amount shown as payable by a User in any Invoice Document shall be payable on the Invoice Due Date.
- 4.8 Where pursuant to paragraph 4.5 any amount is not paid on the Invoice Due Date by a User, the amount (if any) which is agreed or determined (following resolution of the Invoice Query) to be payable by the User shall be payable upon such resolution, and interest from the Invoice Due Date shall be payable in accordance with paragraph 3.13 (but subject to paragraph 4.9) on such amount.
- 4.9 For the purposes of paragraph 4.8 interest will be payable at the Applicable Interest Rate until the expiry of 2 Business Days after the date of resolution of the Invoice Query.
- 4.10 Subject to paragraph 1.21, nothing in this paragraph 4 shall prevent a User from raising any Invoice Query other than pursuant to paragraphs 4.5 and 4.7, including in respect of any amount after payment has been made in respect of such amount, or from paying any such amount at the same time as notifying an Invoice Query in respect thereof; provided that (without prejudice to the resolution of the Invoice Query) no constructive trust or other implied term as to the receipt or application by the payee of the amount paid shall arise.
- 4.11 Where, upon the resolution of an Invoice Query or otherwise, it is agreed or determined that any amount or part of any amount paid should not have been paid, the payee shall repay such overpaid amount with interest at the Applicable Interest Rate from the date on which payment was made to it or if later the Invoice Due Date until the date of such repayment.
- 4.12 An Invoice Query may not be raised by a User in relation to any delay on the part of the Operator in submitting an Invoice Document.
- 4.13 As soon as reasonably practicable after any Invoice Query is resolved, and in any event by

the end of the second following month, the Operator will prepare and submit to the relevant User an appropriate Invoice Document in respect of the amount (if any) agreed or determined to be payable or repayable by the Operator or the relevant User.

ANNEX K-1: INVOICE TYPES AND INVOICE ITEMS

1 Capacity Invoice

A "**Capacity Invoice**" is an Invoice Document in respect of the following separate Invoice Items:

- (a) Capacity Charges; and
- (b) Overrun Charges.

2 Commodity Invoice

A "**Commodity Invoice**" is an Invoice Document in respect of the following separate Invoice items:

- (a) Commodity Charges;
- (b) Customer Charges; and
- (c) Reconciliation Commodity Charges.

SECTION L: SUPPLY METER POINTS

1 Supply Meter Point and Registered User

- 1.1 For the purposes of the Code:
- (a) the "**Registered User**" of a Supply Meter Point is the User in whose name the Supply Meter Point is registered; and
 - (b) a "**Supply Meter Point Registration**" is the registration of a Supply Meter Point in the name of a User pursuant to paragraph 9.7(a) or (where applicable) to paragraph 6.6.
- 1.2 Only one User may be the Registered User in respect of a Supply Meter Point.
- 1.3 A User may apply for a Supply Meter Point Registration ("**Proposed Supply Meter Point Registration**") subject to and in accordance with paragraphs 6 to 9 (inclusive) and may withdraw from a Supply Meter Point Registration subject to and in accordance with paragraphs 10 or 11.
- 1.4 The "**Supply Meter Point Registration Date**" in respect of a Supply Meter Point is the date of the Supply Meter Point Registration in accordance with paragraphs 6 to 9 (inclusive).
- 1.5 A reference in the Code in the context of a User to a "**Registered**" Supply Meter Point is to a Supply Meter Point of which the User is the Registered User.
- 1.6 In this Section L "**Supply Meter Point Distribution Charges**" means Customer Charges, Commodity Charges, Capacity Charges; and in the context of a Supply Meter Point or Proposed Supply Meter Point a reference to details of Supply Meter Point Distribution Charges is to the applicable rate or amount thereof in accordance with Section B6.

2 Offtake of gas

- 2.1 Subject to paragraph 11.5 the gas offtaken from the System at a Supply Meter Point will (in accordance with Section D2) be attributed for the purposes of the Code to the Registered User; and the Registered User accepts (for the purposes of the Code) responsibility for such offtake of gas by itself or any other person whether or not authorised by the Registered User.
- 2.2 In accordance with Section A2 a Supply Meter Point is a System Point at which gas may (in accordance with the Code) be offtaken from the System for the purposes of supply directly to particular premises.
- 2.3 In accordance with Section M2 a Supply Meter Installation is required to be installed at each Supply Meter Point.

3 Daily Read Metering

- 3.1 In accordance with Section A3.4, all DM Supply Meter Points are Daily Read in accordance with Section M1.7.
- 3.2 The Daily Read Requirement shall apply in respect of each relevant Supply Meter Point whose Annual Quantity is greater than 2,196,000k kWh (75,000 therms).

- 3.3 For the purposes of paragraph 3.2:
- (a) the "**Daily Read Requirement**" is the requirement that the Supply Meter at a Supply Meter Point shall be Daily Read; and
 - (b) a relevant Supply Meter Point is a Supply Meter Point in respect of which the Annual Quantity is greater than 2,196,000 kWh (75,000 therms), and any other Supply Meter Point as the Operator considers appropriate.
- 3.4 Where a User submits a Supply Meter Point Confirmation in respect of a Proposed Supply Meter Point where the Daily Read Requirement applies but is not satisfied, the Operator may reject such Supply Meter Point Confirmation.
- 3.5 Where a confirmation is rejected in accordance with paragraph 3.4 and the Daily Read Requirement applies in respect of a Supply Meter Point pursuant to paragraph 3.2 but is not satisfied, the Operator will arrange for the satisfaction of such requirement (by the installation of Daily Read Equipment at the relevant Supply Meter Point), subject to and in accordance with Section M2, as soon as reasonably practicable, and will inform the User when the Daily Read Requirement is satisfied.

4 Supply Meter Point Register

- 4.1 The Operator will establish and (without prejudice to paragraph 4.8) will maintain a register ("**Supply Meter Point Register**") of all Supply Meter Points and Supply Meter Point Premises.
- 4.2 In the Supply Meter Point Register:
- (a) each Supply Meter Point will be identified by a unique number (the "**Supply Meter Point Reference Number**") assigned with effect from the date of the Code or the date that the Supply Meter Point is entered in the register;
 - (b) the identity of the Registered User of each Supply Meter Point will be identified by a unique number (the "**Supply Meter Point Registration Number**") assigned with effect from each Supply Meter Point Registration Date;
 - (c) for each Supply Meter Point the post code ("**Meter Post Code**") of the address at which the Supply Meter is located will be recorded; and
 - (d) such further details will be recorded as the Operator may reasonably require from time to time.
- 4.3 The Supply Meter Point Reference Number will continue to be assigned to a Supply Meter Point which has been Disconnected or Isolated.
- 4.4 The Supply Meter Point Reference Number and the Supply Meter Point Registration Number will not be changed during the relevant Supply Meter Point Registration.
- 4.5 A User shall not be entitled to have access to the information contained in the Supply Meter Point Register except to the extent the Code provides for such information to be made available to such User.
- 4.6 Subject to paragraphs 4.7, 4.8 and 4.9 upon a request by any User identifying a Supply Meter Point by quoting the Supply Meter Point Reference Number and Meter Post Code (SMP

Request), the Operator will provide to the User the following details recorded in the Supply Meter Point Register:

- (a) the address of the Supply Meter Point Premises;
- (b) the manufacturer's serial number;
- (c) the prevailing Annual Quantity;
- (d) where the Supply Meter Point is a NDM Supply Meter Point, the EUC; and
- (e) where the Supply Meter Point is a DM Supply Meter Point:
 - (i) details of the Daily Read Equipment;
 - (ii) the historical daily usage at the SMP in kWh for each Day during at least the last 12 calendar months, the latest monthly information being from the month preceding the month in which the request was made by the User;
 - (iii) the maximum hourly offtake rate and the maximum daily offtake rate; and
 - (iv) whether the Supply Meter Point is Firm or Interruptible, and where Interruptible, the Firm Allowance, and if a ONI Supply Meter Point, the number of Days firmus energy estimates interruption will be required and the number of Days in the current Gas Year on which interruption has been required.
- (f) the Meter Group
- (g) the Tenure Category

4.7 A User making a SMP Request undertakes to the Operator that it:

- (a) has obtained the consent of the consumer at the Supply Meter Point to which the SMP Request relates to the disclosure by the Operator to the User of the information referred to in paragraph 4.6;
- (b) will retain evidence of the consumer's consent; and
- (c) will promptly provide such evidence to the Operator following any request by the Operator to do so following a SMP Request.

4.8 Without prejudice to paragraph 4.9, the Operator shall provide the information referred to in paragraph 4.6 in accordance with the prevailing SMP Response Statement

4.9 The Operator shall not be required to provide the User with information in relation to a Supply Meter Point following a SMP Request:

- (a) unless it is reasonably satisfied the consumer has given its consent to such disclosure (and the Operator may refuse to provide the User with the information under paragraph 4.6 where, acting reasonably, it is not satisfied such is the case);
- (b) where the Operator has requested the User provide it with evidence of the consumer's consent for the purposes of paragraph 4.7 and such evidence:

- (i) has not been provided; or
- (ii) has been provided, but in the Operator's opinion acting reasonably, is insufficient for the purposes of enabling the Operator to confirm the consumer has given its consent.

4.10 Following the rejection of a Supply Meter Point Confirmation pursuant to paragraph 8.9(a) or (b):

- (a) the Proposing User may within 10 Business Days after such rejection notify the Operator that the User considers that any details recorded in respect of the Proposed Supply Meter Point in the Supply Meter Point Register are incorrect, or that details which should be so recorded are absent from the Supply Meter Point Register; and
- (b) where the User so notifies the Operator:
 - (i) the User shall at the same time provide details of what it considers the relevant details should be and its reasons for so considering; and
 - (ii) the Operator will, as soon as reasonably practicable after the User's notification, consider the details and reasons provided by the User, and where it is reasonably satisfied that any of the relevant details in the Supply Meter Point Register are incorrect, or that details which should be so recorded are absent from the Supply Meter Point Register, the Operator will (within 5 Days after being so satisfied) amend the Supply Meter Point Register in respect of such details and will not reject (on the same grounds) a further Supply Meter Point Confirmation in respect of the Proposed Supply Meter Point.

4.11 Without prejudice to any other provision of the Code, Users and the Operator agree:

- (a) to cooperate with a view to ensuring that the information contained in the Supply Meter Point Register is at all times as accurate as is possible; and
- (b) each to use reasonable endeavours to secure that it becomes aware, insofar as it might reasonably be expected to become aware, of any inaccuracy in the information contained in the Supply Meter Point Register, and to inform (in the case of a User) the Operator or (in the case of the Operator) the Registered User of such inaccuracy;

but nothing in this paragraph 4.11 shall imply that the Supply Meter Point Register is capable of being amended other than as provided in this Section L or Section M.

4.12 The Operator shall prepare and publish the SMP Response Statement specifying the time by which it will endeavour to respond to a User with the information referred to in paragraph 4.6 following the submission of a SMP Request.

4.13 The SMP Response Statement may be revised from time to time by the Operator, subject to:

- (a) the Authority giving its written consent to the revision; and
- (b) the Operator giving Users not less than twenty (20) Business Days written notice of the coming into effect of the revised statement.

4.14 The “**Meter Group**” for a Supply Meter installed at a Supply Meter Point is either

- (a) a credit Supply Meter or

- (b) a Pay As You Go Supply Meter
 - or
 - (c) a Quantum Supply Meter
- 4.15 The '**Tenure Category**' of a Supply Meter Point included in the Supply Meter Point Register is either
- (a) Domestic or
 - (b) Industrial and Commercial
- 4.16 A User may submit a request to the Operator to review the Tenure Category of a Supply Meter Point ("**Tenure Category Review Request**") in accordance with the Evidence for Incorrect Tenure Category Document.
- 4.17 A User making a Tenure Category Review Request in accordance with the Evidence for Incorrect Tenure Category Document undertakes to the Operator that it:
- (a) has obtained the consent of the consumer at the Supply Meter Point to which the request relates to the disclosure by the User to the Operator of the information referred to in the Evidence for Incorrect Tenure Category Document;
 - (b) will retain evidence of the consumer's consent; and
 - (c) will promptly provide such evidence to the Operator following any request by the Operator to do so.
- 4.18 Without prejudice to paragraph 4.19, the Operator shall undertake a Tenure Category Review of a Supply Meter Point in accordance with the prevailing Evidence for Incorrect Tenure Category Document.
- 4.19 The Operator shall not be required to consider the information in relation to a Supply Meter Point following a Tenure Category Review Request if it is not satisfied that any of the requirements of clause 4.17 have not been met.
- 4.20 The Evidence for Incorrect Tenure Category Document may be revised from time to time by the Operator, subject to:
- (a) the Authority giving its written consent to the revision; and
 - (b) the Operator giving Users not less than twenty (20) Business Days written notice of the coming into effect of the revised document.

5 Annual Quantity

- 5.1 Subject to paragraph 5.2, the "**Annual Quantity**" in respect of a Supply Meter Point at any

time in a Gas Year is:

- (a) in the case of a DM Supply Meter Point the aggregate of the Supply Meter Points Daily Quantities for each Day in the period of 12 months ending on 31 July in the Preceding Year; and
- (b) in the case of an NDM Supply Meter Point, the quantity determined in accordance with Section F4.

5.2 The Annual Quantity of a New Supply Meter Point for the period from the First Supply Point Registration Date until:

- (a) in the case of a DM Supply Meter Point, the end of the Gas Year in which such Supply Point Registration Date occurred or, if the First Supply Point Registration Date occurred after 31 July in any Gas Year, the end of the second following Gas Year; and
- (b) in the case of an NDM Supply Meter Point, the end of the Gas Year in which such Supply Point Registration Date occurred,

shall be the estimated quantity in accordance with paragraph 5.3.

5.3 Where a User submits a Supply Meter Point Confirmation in respect of a Proposed Supply Meter Point which is a New Supply Meter Point:

- (a) the User shall provide to the Operator the User's estimate of the quantity which the User expects to be offtaken from the System at the Supply Meter Point in a 12 month period under seasonal normal conditions, which estimate shall (if the Supply Point Confirmation becomes effective) be the Annual Quantity of the Supply Meter Point;
- (b) where the Supply Meter Point is Daily Read, the Nominated Supply Meter Point Capacity shall not be less than the User's estimate of the maximum quantity of gas to be offtaken on any Day in the next 12 months on the basis of reasonable assumptions as to weather conditions; and
- (c) The User's estimates under paragraphs (a) and (b) shall be made in good faith and after all appropriate enquiries of the consumer and on the basis of reasonable skill and care.

5.4 Where a DM Supply Meter Point becomes an NDM Supply Meter Point or an NDM Supply Meter Point becomes a DM Supply Meter Point:

- (a) the Annual Quantity of the Supply Meter Point for the Gas Year in which such change occurs shall not be affected; and
- (b) for the following Gas Year:
 - (i) in the case of an NDM Supply Meter Point which has become a DM Supply Meter Point, the Annual Quantity shall be the same as that for the Gas Year in which the change occurred; and
 - (ii) in the case of a DM Supply Meter Point which has become an NDM Supply Meter Point, the Annual Quantity shall be determined in accordance with Section F4.

5.5 Where a Supply Meter Point has been Disconnected or Isolated, the Annual Quantity for the Gas Year in which the Disconnection or Isolation takes place shall be unaffected by such

Disconnection or Isolation; and the following and subsequent Gas Years, until the end of the Gas Year (if any) in which the Supply Meter Point is reconnected or has had its connection restored, the Annual Quantity shall be the same as that in the year of Disconnection or Isolation.

- 5.6 The Operator will notify to each User the Annual Quantity applicable for the Gas Year in advance of the commencement of the Gas Year by no later than 14 September of each Gas Year.
- 5.7 Following the notification of the Annual Quantity of any NDM Supply Meter Point for any Gas Year:
- (a) the Registered User may, not later than 31 December of the Gas Year, notify the Operator that the User considers that the Annual Quantity fails to satisfy the requirement in paragraph 5.8, either:
 - (i) by reason of a change in the basis on which gas was consumed by the consumer during the Preceding Year; or
 - (ii) on the basis of substantial evidence as to the actual consumption of gas during the Preceding Year; and
 - (b) where a User so notifies the Operator:
 - (i) The User at the same time shall provide to the Operator details of the User's reasons or evidence for its view and an estimate of the quantity which the User considers should be the Annual Quantity; and
 - (ii) the Operator will consider the details provided by the User, and where its is reasonably satisfied that the Annual Quantity substantially fails to satisfy the requirement in paragraph 5.8, will agree to revise the Annual Quantity for the relevant Gas Year to such quantity that the Operator reasonably determines does satisfy such requirement.
- 5.8 The requirement referred to in paragraph 5.7 is that the Annual Quantity should represent reasonable assumptions as to the quantity offtaken (or in the case of a New Supply Meter Point, which would have been offtaken) from the System in the period of 12 months ending 31 July in the Preceding Gas Year.
- 5.9 Where the Operator agrees to revise the Annual Quantity under paragraph 5.7(b)(ii):
- (a) the Registered User may submit a Supply Point Reconfirmation (in accordance with paragraph 7.2) in respect of the relevant Supply Meter Point on the basis of the revised Annual Quantity;
 - (b) with effect from the Supply Meter Point Registration Date in respect of such Supply Point Reconfirmation, Distribution Charges and Reconciliation Energy Charges (so far as to be determined by reference to or directly or indirectly a function of Annual Quantity) shall be determined by reference to the revised Annual Quantity; and
 - (c) no adjustment, revision or re-determination in respect of any such Distribution Charges or Reconciliation Energy Charges in respect of any Day before the Supply Point Registration Date will be made, it being agreed that such amounts will be determined by reference to the Annual Quantity notified by the Operator pursuant to the foregoing provisions of this paragraph 5 unless or until any revision is made pursuant to paragraph (a).

- 5.10 Subject to paragraph 5.11, unless the Registered User shall have given notice to the Operator in accordance with paragraph 5.7 by 31 December of the Gas Year, the Annual Quantity notified by the Operator under paragraph 5.6 shall be the Annual Quantity for the Gas Year and shall be binding on the Operator and the User.
- 5.11 Where, after notifying the Annual Quantities for any Gas Year under paragraph 5.6, the Operator notifies any User before 31 December in the Gas Year that a material error has been made in the calculation of any such Annual Quantities, the Operator and the User concerned will discuss in good faith the manner in which and time at which such error may be corrected, having regard in particular to the need to ensure that the User continues to enjoy the benefit (in relation to corrected Annual Quantity) of paragraphs 5.7 and 5.9.

6 Registration

- 6.1 A User may apply to become the Registered User in respect of a Supply Meter Point in accordance with paragraphs 6 to 9 (inclusive).
- 6.2 In order for a User (the "**Proposing User**") to become the Registered User in respect of a Supply Meter Point the Proposing User must make a Supply Meter Point Confirmation in accordance with paragraph 8 which must become effective in accordance with paragraph 9.
- 6.3 For the purposes of paragraphs 6 to 9 (inclusive) a "**Proposed**" Supply Meter Point is the Supply Meter Point which is the subject of a Proposed Supply Meter Point Registration.
- 6.4 In respect of a Proposed Supply Meter Point Registration a "**Supply Meter Point Confirmation**" is a communication by a Proposing User to the Operator requesting Supply Meter Point Registration in respect of a Proposed Supply Meter Point.
- 6.5 The Code provides that the Operator will or may reject in certain cases a Supply Meter Point Confirmation; and any reference in this Section L to such a rejection by the Operator is to a rejection in accordance with any such provision of the Code.
- 6.6 Where the Operator has given Termination Notice (under Section O5) to a User, the Operator may decide:
- (a) to reduce any of the periods and/or curtail any of the procedures provided for in this Section L in relation to any Supply Meter Point Confirmation by any other User in respect of; or
 - (b) to implement any other procedure for the registration in the name of any other User (who wishes to become the Registered User) of,
- any Supply Meter Points of which the Discontinuing User was the Registered User.
- 6.7 Unless the context otherwise requires, references in this Section L to details to be included in a Supply Meter Point Confirmation are to details which would (if the Proposing User submits a Supply Meter Point Confirmation and/or if the Supply Meter Point Confirmation becomes effective) apply in respect of the Proposed Supply Meter Point Registration.
- 6.8 The Operator may not accept a request for the User to become a Registered User at a Supply Meter Point where the Tenure Category of the Supply Meter Point on the Supply Meter Point Register is not a Tenure Category assigned to the User under Section O3.10.

7 Registration: Existing Supply Meter Points

7.1 In relation to a Proposed Supply Meter Point Registration:

- (a) an "**Existing Supply Meter Point**" is a Supply Meter Point which (at the relevant time) is the subject of an existing Supply Meter Point Registration; and
- (b) an "**Existing Registered User**" is a User (who may be the Proposing User) who is the Registered User in respect of an Existing Supply Meter Point.

7.2 A "**Supply Meter Point Reconfirmation**" is a Supply Meter Point Confirmation submitted by the Existing Registered User of the Existing Supply Point.

8 Registration: Supply Meter Point Confirmations

8.1 A User may submit a Supply Meter Point Confirmation to the Operator in accordance with this paragraph 8.

8.2 By making a Supply Meter Point Confirmation in respect of a Proposed Supply Meter Point the Proposing User:

- (a) warrants to the Operator that, as at the Proposed Supply Meter Point Registration Date, there will be in force a contract or contracts for the supply to the consumer of the gas offtaken by such User from the System at the Proposed Supply Meter Point; and
- (b) agrees (if the confirmation becomes effective) to be the Registered User in respect of the Proposed Supply Meter Point.

8.3 A Supply Meter Point Confirmation may not be made, and the Operator will reject any Supply Meter Point Confirmation submitted in respect of a Proposed Supply Meter Point in respect of which any other Supply Meter Point Confirmation has been made and is (in accordance with paragraph 8.7) outstanding.

8.4 The Operator may reject a Supply Meter Point Confirmation in accordance with Section O4.

8.5 The "**Proposed Supply Meter Point Registration Date**" in respect of a Supply Meter Point Confirmation is the date with effect from which the Proposing User wishes to become the Registered User in respect of the Proposed Meter Supply Point.

8.6 The Proposed Supply Meter Point Registration Date shall be:

- (a) not more than 3 months after the Supply Meter Point Confirmation is submitted; and
- (b) not less than 15 Business Days after the Supply Meter Point Confirmation is submitted.

8.7 A Supply Meter Point Confirmation shall be outstanding until it is rejected by the Operator in accordance with paragraph 8.9 or lapses in accordance with paragraph 9.6, or (where it becomes effective) until the Supply Meter Point Registration Date.

8.8 A Supply Meter Point Confirmation shall specify:

- (a) the identity of the Proposing User;

- (b) the Supply Meter Point Reference Number and the Meter Post Code of such Supply Meter Point and the address of the Supply Meter Point Premises;
- (c) the Proposed Supply Meter Point Registration Date;
- (d) the proposed Supply Meter Point Hourly Offtake Rate and Supply Meter Point Daily Offtake Rate in respect of the DM Supply Meter Point in accordance with paragraph 12; and
- (e) where the Supply Meter Point has an Annual Quantity that is equal to or greater than 732,000 kWh (25,000 therms), Emergency Contact Details.

8.9 The Operator will reject the Supply Meter Point Confirmation where:

- (a) the Supply Meter Point Confirmation is not made strictly in accordance with the requirements of paragraph 8.8;
- (b) in the case of paragraph 8.8(b), the Supply Meter Point Reference Number specified is not identified in the Supply Meter Point Register with the specified Meter Post Code, or any of the details specified pursuant thereto are not identified in the Supply Meter Point Register with any premises or with the premises identified by any other of such details;
- (c) the Supply Meter Point is Isolated or where the Supply Meter Point is Disconnected but remains Registered to a User; or
- (d) the circumstances in paragraph 8.10(a) or (b) apply,

and the Operator may reject the Supply Meter Point Confirmation where the Supply Meter Point Confirmation does not comply with any other requirement provided for in this Section L or in any other case where such rejection is provided for in the Code.

8.10 The Operator will reject a Supply Meter Point Confirmation (a "**relevant**" Supply Meter Point Confirmation) where, by reference to the number of Supply Meter Point Confirmations previously submitted by Users on the Day on which the relevant Meter Point Confirmation is submitted where:

- (a) the relevant Supply Meter Point Confirmation exceeds the Applicable SMP Daily Limit;
- (b) following the SMP Validation Time, the Supply Meter Point Confirmation would exceed the Aggregate SMP Daily Limit.

8.11 For the purposes of paragraph 8.10 a Supply Meter Point Confirmation submitted:

- (a) after 17:00 on a Day; or
- (b) on a Day other than Business Day

shall be treated as being submitted on the next following Business Day (and in advance of any Supply Meter Point Confirmation submitted on such Business Day).

8.12 Where the Operator rejects the Supply Meter Point Confirmation, the Operator will, as soon as reasonably practical and in any event within 5 Business Days after receipt of the Supply Meter Point Confirmation, inform the Proposing User of the provision of the Code pursuant to which the Supply Meter Point Confirmation was rejected (and where such rejection was

pursuant to paragraph 8.9(a), the requirement of paragraph 8.8 which was not complied with).

- 8.13 By no later than the 4th Business Day prior to the Supply Meter Point Registration Date, the Proposing User may notify the Operator that they wish to cancel a Supply Meter Point Confirmation (the “**Supply Meter Point Confirmation Cancellation**”).
- 8.14 Where the Operator receives a Supply Meter Point Confirmation Cancellation in accordance with paragraph 8.13 the Supply Meter Point Confirmation shall lapse and be of no effect, and the Operator shall so inform the Existing Registered User by no later than the proposed Supply Meter Point Registration Date.
- 8.15 The Operator will not be concerned with the basis of any Supply Meter Point Confirmation Cancellation nor with any question as to whether such Supply Meter Point Confirmation Cancellation is well founded.
- 8.16 For the purposes of this paragraph 8:
- (a) “**Aggregate SMP Daily Limit**” is the number of Supply Meter Point Confirmations;
 - (b) “**Applicable SMP Daily Limit**” is the Aggregate SMP Daily Limit, or such lesser number of Supply Meter Point Confirmations in relation to a particular category of Supply Meter Points;
 - (c) “**SMP Validation Time**” is the time on a Business Day identified as such in the prevailing, **SMP Confirmation Statement**’.
- 8.17 The Operator shall prepare and publish the SMP Confirmation Statement specifying the Aggregate SMP Daily Limit, any Applicable SMP Daily Limit and the SMP Validation Time.
- 8.18 The SMP Confirmation Statement may be revised from time to time by the Operator, subject to:
- (a) the Authority giving its written consent to the revision; and
 - (b) the Operator giving Users not less than twenty (20) Business Days written notice of the coming into effect of the revised statement.”

9 Registration: Existing Supply Meter Points not already withdrawn

- 9.1 Where, at the time a User submits a Supply Meter Point Confirmation which is not rejected by the Operator, there is any Existing Supply Meter Point in respect of which a Supply Meter Point Withdrawal has not been submitted:
- (a) the Operator will, within 2 Business Days after the Supply Meter Point Confirmation was submitted, notify the Existing Registered User of the submission of the Supply Meter Point Confirmation and the Proposed Supply Meter Point Registration Date, and also the identity of the Proposing User; and
 - (b) the Operator will, within 2 Business Days after the Supply Meter Point Confirmation was submitted, notify the Proposing User of the identity of the Existing Registered User; and

- (c) the Existing Registered User may, up to but not after the 7th Business Day after the **Supply Meter Point Confirmation Date** (the "**Objection Deadline**"), submit to the Operator an objection ("**Supply Meter Point Objection**") in respect of such Existing Supply Meter Point.
- 9.2 No Supply Meter Point Objection may be submitted, nor (if purportedly submitted) shall be effective:
- (a) by an Existing Registered User, after the Objection Deadline;
 - (b) (for the avoidance of doubt) in respect of an Existing Supply Meter Point in respect of which the Existing Registered User has submitted a Supply Meter Point Withdrawal; or
 - (c) unless it identifies the basis for the objection, being a basis for objection identified in the Supply Meter Point Objection Code.
- 9.3 Where an Existing Registered User submits a Supply Meter Point Objection to the Operator, the Operator will notify such objection to the Proposing User within 2 days after such objection.
- 9.4 The Operator will not be concerned with the basis for any Supply Meter Point Objection nor with any question as to whether such an objection is well founded.
- 9.5 A User may withdraw a Supply Meter Point Objection up to but not after the Objection Deadline.
- 9.6 Where a Supply Meter Point Objection is made and is not withdrawn in accordance with paragraph 9.5, the Supply Meter Point Confirmation shall lapse and be of no effect, and the Operator will so inform the Existing Registered User.
- 9.7 Where no Supply Meter Point Objection is made, or a (if any) Supply Point Objection made is withdrawn:
- (a) the Supply Meter Point Confirmation shall be effective and the Supply Meter Point shall be registered in the name of the Proposing User with effect from the Proposed Supply Meter Point Registration Date; and
 - (b) the Existing Registered User shall be deemed to have submitted a Supply Meter Point Withdrawal in accordance with paragraph 10 in respect of the relevant Existing Supply Meter Point.
- 9.8 In the case of a Supply Meter Point Confirmation within paragraph 9.1, the Operator will notify the Proposing User, after the Objection Deadline and not later than the second Day before the Proposed Supply Meter Point Registration Date, whether the Supply Meter Point Confirmation has become effective, setting out the details of the Supply Meter Point to be recorded in the Supply Meter Point Register.
- 9.9 The "**Supply Meter Point Objection Code**" is the document of that name jointly prepared and maintained, and revised from time to time, by Users and approved by the Authority, identifying the basis on which a User may submit a Supply Meter Point Objection to the Operator in accordance with this paragraph 9.
- 9.10 The "**Supply Meter Point Confirmation Date**" is the date on which the SMP Confirmation is received by the Operator in accordance with Section O11.

9A Registration: New Supply Meter Points

9A.1 For the purposes of the Code:

- (a) the "Chosen User" is a User who is nominated by a consumer as the consumer's gas supplier in accordance with the New I&C Connection Procedures;
- (b) the "Commissioning User" has the meaning given in the New Domestic Connection Procedures;
- (c) the "Default User" has the meaning given in the New I&C Connection Procedures;
- (d) "New Domestic Connection" has the meaning given in the New Domestic Connection Procedures;
- (e) the "New Domestic Connection Procedures" are the procedures of that name prepared and maintained by the Operator and applying in respect of New Domestic Meter Points;
- (f) a "New Domestic Meter Point" is a Supply Meter Point located at a New Domestic Connection;
- (g) "New I&C Connection" has the meaning given in the New I&C Connection Procedures;
- (h) the "New I&C Connection Procedures" are the procedures of that name prepared and maintained by the Operator and applying in respect of New I&C Meter Points;
- (i) a "New I&C Meter Point" is a Supply Meter Point located at a New I&C Connection;
- (j) the "Preferred User" is a User who is nominated by a consumer as the consumer's preferred gas supplier in accordance with the New Domestic Connection Procedures (referred to as the "Nominated Registered User" in the New Domestic Connection Procedures).

9A.2 On first registration of a:

- (a) New Domestic Meter Point in the Supply Meter Point Register the Registered User shall be, in accordance with the New Domestic Connection Procedures, the Commissioning User; and
- (b) New I&C Meter Point in the Supply Meter Point Register the Registered User shall be, in accordance with the New I&C Connection Procedures, the Chosen User or the Default User.

9A.3 Where the Commissioning User is not the Preferred User the Preferred User may become the Registered User of a New Domestic Meter Point, subject to and in accordance with paragraphs 6 to 9 (inclusive).

- 9A.4 Where the Preferred User is the Commissioning User, any subsequent Supply Meter Point Registration of the New Domestic Meter Point shall be in accordance with paragraphs 6 to 9 (inclusive).
- 9A.5 Where the Default User is not the Chosen User the Chosen User may become the Registered User of a New I&C Meter Point, subject to and in accordance with paragraphs 6 to 9 (inclusive).
- 9A.6 Where the Chosen User is the Default User, any subsequent Supply Meter Point Registration of the New I&C Meter Point shall be in accordance with paragraphs 6 to 9 (inclusive).
- 9A.7 The Operator and Users shall each comply with the New Domestic Connection Procedures and the New I&C Connection Procedures.

10 Supply Meter Point Withdrawal

- 10.1 In order for a User to cease to be the Registered User in respect of a Supply Meter Point:
- (a) a User must submit, or be deemed in accordance with paragraph 9.7(b) to submit, a request ("**Supply Meter Point Withdrawal**") for withdrawal; and
 - (b) the Supply Meter Point Withdrawal must become effective, in accordance with this paragraph 10.
- 10.2 The Registered User in respect of a Supply Meter Point (the "**Withdrawing Supply Meter Point**") may at any time submit to the Operator a Supply Meter Point Withdrawal specifying:
- (a) the identity of the User (the "**Withdrawing User**");
 - (b) the Supply Meter Point Reference Number of the Supply Meter Point (the "**Withdrawing Supply Meter Point**"); and
 - (c) the address and post code of the Withdrawing Supply Meter Point.
- 10.3 Where a User submits a Supply Meter Point Withdrawal the User is obliged to secure Disconnection of the Withdrawing Supply Meter Point, except for instances where the Supply Meter Point is subject to a Supply Meter Point Confirmation.
- 10.4 Where a Withdrawing Supply Meter Point is comprised in a Proposed Supply Meter Point for which the Supply Meter Point Confirmation becomes effective, the Operator will so notify the Withdrawing User not later than 2 Business Days after the date on which it is known that the Supply Meter Point Confirmation will become effective.
- 10.5 A Supply Meter Point Withdrawal shall become effective only where the Withdrawing Supply Meter Point either is subject to a Supply Meter Point Confirmation or has been Disconnected; and the date with effect from which the Supply Meter Point Withdrawal is effective shall be the Supply Meter Point Registration Date or the date of such Disconnection.
- 10.6 For so long as a Supply Meter Point Withdrawal has not become effective in accordance with paragraph 10.5, the Withdrawing User shall remain liable for Distribution Charges in respect of the Withdrawing Supply Meter Point.
- 10.7 When a Supply Meter Point Withdrawal has become effective in accordance with paragraph

10.5, the User shall cease to be the Registered User and the Supply Meter Point Registration shall be cancelled.

- 10.8 Where a Supply Meter Point Withdrawal becomes effective (under paragraph 10.5) in respect of an NDM Supply Meter Point and the Proposing User provides an Opening Meter Reading in accordance with Section M3.17, the Operator will, within 5 Business Days after such Meter Reading was provided to it, notify such Meter Reading to the Withdrawing User and inform the Withdrawing User whether it passed the validation referred to in Section M3.12.
- 10.9 In accordance with Section M3.17 an Opening Meter Reading for an NDM Supply Meter Point obtained within a period of 5 Business Days commencing on the Day 2 Business Days before the Supply Meter Point Registration Date will be deemed for all purposes of the Code to have been obtained on the Supply Meter Point Registration Date.

11 Disconnection and Isolation

- 11.1 For the purposes of the Code "**Isolation**" of a Supply Meter Point means the isolation, but not Disconnection by the Operator of the Supply Meter Point for the purposes of securing that gas cannot be offtaken from the System at such point, in such manner as the Operator may in any case determine; and "**Isolate**" or "**Isolated**" shall be construed accordingly.
- 11.2 For the purposes of the Code, "**Disconnection**" of a Supply Meter Point means the removal or decommissioning of the gas service in such manner as the Operator may in any case determine; and "**Disconnect**" or "**Disconnected**" shall be construed accordingly.
- 11.3 For the purposes of the Code, the "**Disconnection and Isolation Siteworks Procedures**" are the procedures of that name, and any update thereof or revision thereto, prepared and maintained by the Operator and applying in respect of the request by a User for the Disconnection or Isolation of a Supply Meter Point.
- 11.4 Where a Supply Meter Point has been Isolated, the Registered User will continue to be responsible for gas offtaken from the System at the Supply Meter Point and accordingly liable for Distribution Charges in respect of the Isolated Supply Meter Point.
- 11.5 Subject to paragraph 11.6 where a Supply Meter Point has been Disconnected (and unless and until its connection is restored) the person who is or was the Registered User of the Supply Meter Point shall, unless the Registered User's request for Disconnection included the confirmation referred to in paragraph 11.9(g) (which confirmation the User has not subsequently withdrawn in accordance with paragraph 11.13(b)), cease to be responsible for gas offtaken from the System at the Supply Meter Point.
- 11.6 Subject to Section M3.21 and M3.22, where Disconnection or Isolation is carried out at a Supply Meter Point the Registered User must obtain and provide to the Operator a Valid Meter Reading obtained not earlier than the time at which the Disconnection or Isolation was carried out.
- 11.7 A User may request the Operator to Disconnect or Isolate a Registered Supply Meter Point, subject to and in accordance with paragraphs 11.8 to 11.17 (inclusive).
- 11.8 A User may only request a Disconnection or Isolation in accordance with the applicable procedures for siteworks ("**Disconnection and Isolation Siteworks Procedures** ") published by the Operator at the time of the User's request and at the time at which the Disconnection or Isolation is carried out.

- 11.9 The User's request must specify:
- (a) the identity of the User;
 - (b) the relevant Supply Meter Point Reference Number of the Supply Meter Point;
 - (c) the date, not less than 15 Business Days after the User's request is submitted, on which Disconnection or Isolation is requested (which date shall not be binding on the Operator);
 - (d) the address and postcode of the Supply Meter Point;
 - (e) confirmation as to whether the request requires the Disconnection or Isolation of the Supply Meter Point;
 - (f) such further details (including details of the reason for the Disconnection or Isolation and details of the consumer) as may be required under the Disconnection and Isolation Siteworks Procedures; and
 - (g) if the User wishes to remain the Registered User of the Supply Meter Point, following Disconnection.
- 11.10 Unless a User's request has been rejected in accordance with the Disconnection and Isolation Siteworks Procedures, the Operator will respond to the User's request confirming that the Disconnection or Isolation Request has been accepted, and specifying the date, not earlier than and on or as soon as is in the circumstances reasonably practicable after the requested date, on which the Disconnection or Isolation is to be carried out, subject to and in accordance with the Disconnection and Isolation Siteworks Procedures.
- 11.11 Where a User requests a Disconnection or Isolation the Operator will be entitled to assume that any Legal Requirement or code of practice relating to the cessation of supply to the consumer has been complied with.
- 11.12 A User's request for Disconnection or Isolation will be cancelled where the User is or will no longer be the Registered User of the Supply Meter Point on the Day on which the Disconnection or Isolation is to be carried out.
- 11.13 A User may:
- (a) cancel a request made by it for Disconnection or Isolation by notice to the Operator not later than 12:00 hours on the Day preceding the Day on which the Disconnection or Isolation is to be carried out; provided that the Operator will use reasonable endeavours to accept notice of such cancellation given later than such time.
 - (b) following a request for Disconnection or Isolation which included the confirmation referred to in paragraph 11.9(g), withdraw such confirmation by giving not less than 5 day's notice to the Operator, following which the Registered User shall cease to be responsible for the offtake of gas from the System at the Supply Meter Point.
- 11.14 The terms (as to payment and otherwise) upon which the Operator carries out a Disconnection or Isolation will be those of the Disconnection and Isolation Siteworks Procedures (which does not form a part of and is not incorporated into the Code); and accordingly nothing in the Code shall make the Operator liable to the User for any failure or delay in carrying out a requested Disconnection or Isolation.

- 11.15 A Supply Meter Point will be treated as Disconnected or Isolated for the purposes of the Code (until and unless reconnection or restoration of the connection of the Supply Meter Point has occurred) with effect from the Day on which the Disconnection or Isolation was carried out.
- 11.16 Nothing in the Code shall prevent the Operator from Disconnecting or Isolating any Supply Meter Point at the request of any person where it appears to the Operator that it is necessary to do so for the purposes of ensuring safety; and, for the avoidance of doubt, where it does so the Operator shall not be in breach of its obligation to make gas available for offtake.
- 11.17 Where pursuant to paragraph 11.16 the Operator Disconnects a Supply Meter Point at the request of a person other than the Registered User:
- (a) the Operator will inform the Registered User; and
 - (b) nothing in the Code shall make the Registered User liable to make any payment to the Operator in respect of the carrying out of the Disconnection.
- 11.18 Where at the time of requesting a Disconnection the Registered User included the confirmation referred to in paragraph 11.9(g), the Registered User shall, until such time as any withdrawal of such confirmation in accordance with paragraph 11.13(b) is effective, remain the Registered User of the Disconnected Supply Meter Point and accordingly liable for Distribution Charges in respect of the Disconnected Supply Meter Point.
- 11.19 The Operator and the Users shall each comply with the Disconnection and Isolation Siteworks Procedures.

12 Offtake rate and capacity

- 12.1 This paragraph 12 applies only in respect of DM Supply Meter Points.
- 12.2 For the purposes of this paragraph 12 in respect of a DM Supply Meter Point:
- (a) the "**Supply Meter Point Hourly Offtake Rate**" is the maximum rate (in kWh/hour) at which a User is permitted to offtake gas from the System at the DM Supply Meter Point;
 - (b) the "**Supply Meter Point Daily Offtake Rate**" is the maximum rate (in kWh/Day) at which a User is permitted to offtake gas from the System at the DM Supply Meter Point;
 - (c) the "**maximum hourly offtake rate**" is the maximum instantaneous rate (in kWh/hour) which the Operator determines to be the maximum rate at which it is feasible to make gas available for offtake at the DM Supply Meter Point; and
 - (d) the "**maximum daily offtake rate**" is the maximum rate (in kWh/Day) which the Operator determines to be the maximum rate at which it is feasible to make gas available for offtake at the DM Supply Meter Point.
- 12.3 A User shall apply for a Supply Meter Point Hourly Offtake Rate (or revised Supply Meter Point Hourly Offtake Rate) and a Supply Meter Point Daily Offtake Rate (or revised Supply Meter Point Daily Offtake Rate):
- (a) when submitting a Supply Meter Point Confirmation (as a Proposing User) in respect of a Proposed DM Supply Meter Point; and
 - (b) whenever the User becomes aware that the maximum hourly or daily offtake rate at a

Registered DM Supply Meter Point may be or has been subject to any increase.

- 12.4 Wherever a User applies for a Supply Meter Point Hourly Offtake Rate (or a revised Supply Meter Point Hourly Offtake Rate) and a Supply Meter Point Daily Offtake Rate (or revised Supply Meter Point Daily Offtake Rate):
- (a) the User shall estimate the maximum instantaneous rate (in kWh/hour) and the maximum rate (in kWh/Day) at which it is likely to offtake gas, in good faith and after all appropriate enquiries of the consumer and on the basis of reasonable skill and care; and
 - (b) the Supply Meter Point Hourly Offtake Rate and Supply Meter Point Daily Offtake Rate for which the User applies shall be not less than, nor substantially more than, such estimates.
- 12.5 A User shall take all reasonable steps to secure that it becomes aware of any increase (whether by reason of a change in the size or nature of, or the nature of the use of, the Consumer's Plant or otherwise) in the maximum hourly and daily offtake rate before and (in any event) as soon as reasonably practicable after such increase occurs.
- 12.6 Where a Proposing User submits a Supply Meter Point Confirmation for a DM Supply Meter Point, in which the nominated Supply Meter Point Hourly Offtake Rate or Supply Meter Point Daily Offtake Rate exceeds the existing Supply Meter Point Hourly Offtake Rate or Supply Meter Point Daily Offtake Rate:
- (a) a Supply Meter Point Confirmation will not become effective until the Operator has assessed whether it is feasible to make available gas for offtake at the nominated Supply Meter Point Hourly Offtake Rate or Supply Meter Point Daily Offtake Rate; and
 - (b) where the Operator determines that the nominated Supply Meter Point Hourly Offtake Rate or Supply Meter Point Daily Offtake Rate exceeds the maximum hourly offtake rate or the maximum daily offtake rate, the Supply Meter Point Hourly Offtake Rate or Supply Meter Point Daily Offtake Rate for a Supply Meter Point Confirmation which becomes effective will be the maximum hourly offtake rate or the maximum daily offtake rate determined by the Operator.
- 12.7 For the purposes of the Code the Supply Meter Point Capacity which a User shall be treated as holding on a Day at a Registered DM Supply Meter Point shall be equal to the Supply Meter Point Daily Offtake Rate determined in accordance with this paragraph 12.
- 12.8 The Supply Meter Point Capacity which a User is treated as holding at a DM Supply Meter Point for any Day in a Gas Year shall not be less than the highest Supply Meter Point Daily Quantity for the Supply Meter Point on any Day in the Preceding Year.
- 12.9 The Supply Meter Point Hourly Offtake Rate at a Supply Meter Point shall not be less than 1/24 of the Supply Meter Point Daily Offtake Rate for the Supply Meter Point.

13 Interruption: general

- 13.1 A Supply Meter Point is eligible to be designated an Interruptible Supply Meter Point in any Gas Year for which its Annual Quantity is greater than 2,196,000 kWh (75,000 therms).
- 13.2 By proposing that a Supply Meter Point is designated as Interruptible with effect from an Eligible Status Change Date, or submitting a Supply Meter Point Confirmation in respect of an Interruptible Supply Meter Point, and by not proposing an Interruptible Supply Meter Point is

redesignated as Firm with effect from an Eligible Status Change Date, the Registered User represents to the Operator that the requirement in paragraph 13.3 will be complied with.

- 13.3 The requirement referred to in paragraph 13.2 is that the contract or contracts of supply to the consumer, in force at the Eligible Status Change Date or (as the case may be) the Supply Point Registration Date, oblige the consumer to give effect to Interruption (including in the case where the requirement for Interruption is notified by the Operator under paragraph 18.4).
- 13.4 Subject to the further provisions of this paragraph 13, where at any time a Supply Meter Point is eligible to be an Interruptible Supply Meter Point in accordance with the paragraph 13, the Registered User may by giving notice to the Operator not later than the Change Request Deadline propose that the Supply Meter Point is designated as being Interruptible with effect from an Eligible Status Change Date.
- 13.5 A Supply Meter Point which has been designated as Interruptible will continue to be so designated until and unless it is re-designated as Firm under paragraphs 14 or 15.
- 13.6 For the purposes of the Code:
- (a) a Supply Meter Point is "**Interruptible**" where the offtake of gas from the System at the Supply Meter Point is subject to Interruption in accordance with paragraph 15, and otherwise is "**Firm**";
 - (b) an "**Interruptible Supply Meter Point**" is a Supply Meter Point which is for the time being designated as Interruptible; and
 - (c) a "**Firm Supply Meter Point**" is a Supply Meter Point which is not for the time being designated as Interruptible (including one which has been re-designated as Firm).
- 13.7 For the purposes of this Section L:
- (a) a reference to a Supply Meter Point changing status is a reference to the Supply Meter Point becoming a Firm Supply Meter Point where it was Interruptible or becoming an Interruptible Supply Meter Point where it was Firm; and where a Supply Meter Point has changed status it will (but without prejudice to the provisions of this paragraph 13 pursuant to which it may change status) continue to be treated as having done so irrespective of the Registered User of the Supply Meter Point;
 - (b) an "**Eligible Status Change Date**" is a date with effect from which a Firm Supply Meter Point may become Interruptible or an Interruptible Supply Meter Point may become Firm;
 - (c) in relation to a Supply Meter Point at any time an Eligible Status Change Date is:
 - (i) if the Supply Meter Point has at no time changed status, any date;
 - (ii) except as provided in paragraph (i), the date in respect of which is not less than 12 months after the most recent date on which the Supply Meter Point changed status, (for the purposes of which the date of a change in status of a Supply Meter Point pursuant to paragraph 14.5 shall not be counted);
 - (d) in relation to an Eligible Status Change Date the "**Change Request Deadline**" is the Day two months before such Eligible Status Change Date; and
 - (e) where a User submits a Supply Meter Point Confirmation which becomes effective in respect of a Supply Meter Point, the Operator will if requested by the User provide

to the User as soon as reasonably practicable after the Supply Meter Point Registration Date such information as may be necessary to enable the User to ascertain the Eligible Status Change Date.

- 13.8 Where a User submits a Supply Meter Point Confirmation in respect of a Proposed Supply Meter Point that is an Existing Supply Meter Point which (at the Proposed Supply Meter Point Registration Date) is Interruptible, the Proposed Supply Meter Point will (if the Supply Meter Point Confirmation becomes effective) be an Interruptible Supply Meter Point, except that if the Supply Meter Point Confirmation was submitted before the Change Request Deadline and the Proposed Supply Meter Point Registration Date is not later than an Eligible Status Change Date, the Proposer User may propose that the Supply Meter Point is re-designated as Firm with effect from the Eligible Status Change Date;
- 13.9 Where a User has submitted a Supply Meter Point Confirmation which will (in accordance with paragraph 9.7) become effective, no Existing Registered User may submit a notice proposing that the relevant Existing Supply Meter Point is designated as Interruptible or re-designated as Firm.
- 13.10 A notice proposing designation of a Supply Meter Point as Interruptible or re-designating a Supply Meter Point as Firm with effect from an Eligible Status Change Date may be revoked by the Registered User before but not after the Change Request Deadline; and accordingly a User who submits a Supply Meter Point Confirmation after the Change Request Deadline may not propose the re-designation (as Interruptible or Firm) of the Supply Meter Point until the next following Eligible Status Change Date.
- 13.11 Without prejudice to the generality thereof, the indemnity provided for in Section O12.1 shall apply in respect of the taking of any steps or the exercise by the Operator of any entitlement provided for in this paragraph 13.

14 Interruption: Firm Allowance

- 14.1 The Registered User of an Interruptible Supply Meter Point (the "**relevant Supply Meter Point**") may apply (subject to paragraph 14.2) in accordance with paragraphs 14.3 and 14.4 for a firm allowance up to (or subject to paragraph 14.3, above) 30% of the peak daily off take at the relevant Supply Meter Point ("**Firm Allowance**").
- 14.2 Where a Firm Allowance is in force under paragraph 14.3;
- (a) the Firm Allowance shall be treated as an exception to paragraph 18.2(b) such that the requirement that no gas shall be offtaken be read as no gas, other than the Firm Allowance shall be offtaken, and at a hourly rate not exceeding 12.5% of the Firm Allowance unless otherwise agreed with the Operator in advance;
 - (b) the Registered User shall pay to the Operator the Administration Charges (if any) set out in the Conveyance Charge Statement;
 - (c) the Registered User shall pay to the Operator a charge (the "**IFA Charge**") calculated as the applicable charge as set out in the Conveyance Charge Statement;
 - (d) for the purposes of determining the IFA Charges payable by the Registered User in respect of the provision of a Firm Allowance at the relevant Supply Meter Point, the Firm Allowance shall be regarded as Supply Meter Point Capacity of a Firm Supply Meter Point;
 - (e) all amounts payable under this paragraph 14 shall be payable at any time after the Registered User's election and shall be invoiced and payable in accordance with

Section K; the charges shall be fixed regardless of the date on which the application was made and are not refundable; and

- (f) where the Operator requires Interruption at the relevant Supply Meter Point the provisions of paragraph 18 shall apply.

14.3 Applications under paragraph 14.1 in respect of a relevant Supply Meter Point in which there is no Current Firm Allowance in force, or in respect of which an increase is required to a Current Firm Allowance, the increase:

- (a) shall be for a period commencing 1st October or (if later in the Gas Year) the date of receipt by the Operator of the confirmation in accordance with paragraph (c) and ending on 30th September;
- (b) shall be accepted, or rejected by the Operator within 15 Business Days;
- (c) if accepted by the Operator, are open for confirmation by the Registered User for 5 Business Days from the date of the acceptance;
- (d) for a Firm Allowance of 58,614 kWh (2,000 therms/Day) or less shall be considered in the order in which they were received by the Operator;
- (e) for a Firm Allowance in excess of 58,614 kWh (2,000therms/Day), received by the Operator prior to 1st October in respect of the next Gas Year shall, unless otherwise indicated on the application, be treated initially as an application for a Firm Allowance of 58,614 kWh/Day (2,000 therms/Day) the balance being processed on or after 1st October, in the order in which they were received by the Operator; (f) for a Firm Allowance in excess of 58,614 kWh (2,000 therms/Day), received by the Operator on or after 1st October in respect of the year commencing 1st October, shall be treated in the order in which they were received by the Operator;
- (g) for a Firm Allowance greater than 30% of the peak daily off take which exceeds 58,614 kWh/Day (2,000 therms/Day) shall be treated as if it were an application for 30% of the peak daily off take in accordance with paragraphs(e) or (f); and
- (h) may be refused by the Operator where the hourly rate of offtake is greater than 12.5% of the Firm Allowance or where in the Operator's Opinion the Firm Distribution Requirement is not satisfied in respect of such Supply Meter Point.

14.4 Applications under paragraph 14.1 in respect of a relevant Supply Meter Point for which a Firm Allowance is currently in force ("**Current Firm Allowance**"):

- (a) may be made by the Registered User in accordance with the following process:
 - (i) on or before 1st September, the Operator shall issue to the Registered User of a relevant Supply Meter Point with a Current Firm Allowance renewal notice, offering the Firm Allowance for the following year commencing 1st October; and
 - (ii) the Registered User may accept all or part of such renewal offer at any time before 15th September;
- (b) shall be for a period of 12 months commencing on 1st October.

14.5 Where another User is to become the Registered User of a relevant Supply Meter Point, the Proposing User shall, at least 2 but not more than 7 Business Days prior to the proposed

Supply Meter Point Registration Date, notify the Operator of such change. The Firm Allowance shall transfer to the new Registered User from the Supply Meter Point Registration Date.

- 14.6 All communication under this paragraph 14 shall be made by the Operator and/or the Registered User by telephone or facsimile or by Electronic Means.
- 14.7 An application under this paragraph 14 shall not re-designate an Interruptible Supply Meter Point as Firm for the purposes of the Code.

15 Interruption: re-designation as Firm

- 15.1 Where a Supply Meter Point is for the time being an Interruptible Supply Meter Point:
- (a) subject to paragraph 15.2 and except where the Supply Meter Point is or is to be an Operator Nominated Interruptible (ONI) Supply Meter Point, the Registered User may propose the Supply Meter Point is re-designated as Firm with effect from an Eligible Status Change Date, by giving notice to the Operator not later than the Change Request Deadline; and
 - (b) where the Supply Meter Point ceases to be eligible in accordance with paragraph 13.1 in respect of any Gas Year, the Supply Meter Point shall unless the Operator otherwise determines be re-designated as Firm with effect from the first Eligible Status Change Date in that Gas Year.
- 15.2 Where pursuant to any provision of this paragraph 15 it is proposed that a Supply Meter Point is to be re-designated or designated as Firm with effect from an Eligible Status Change Date, and the Operator determines and notifies the User that the Firm Distribution Requirement is not satisfied the designation or re-designation as Firm will not be effective (subject to paragraph 15.5) and the Supply Meter Point will continue to be an Interruptible Supply Meter Point.
- 15.3 In the case of a re-designation as Firm pursuant to paragraph 15.1(a), any notification by the Operator under paragraph 15.2 will be given not later than one month after the relevant Change Request Deadline.
- 15.4 For the purpose of the Code the "**Firm Distribution Requirement**" in respect of an Interruptible Supply Meter Point is the requirement that (after taking into account the Operator's ability to Interrupt at other Interruptible Supply Meter Points) it would be feasible to make gas available for off take at the Supply Meter Point (if the Supply Meter Point were Firm) at a rate not less than the Supply Meter Point Off take Rate and in quantities (in a 24 hr period) in the amount of the Supply Meter Point Capacity which a User would hold upon its re-designation as Firm.
- 15.5 Where at any time:
- (a) a Supply Meter Point is Interruptible; and
 - (b) the Registered User demonstrates to the reasonable satisfaction of the Operator that, by reason of a substantial change, which has occurred since and was not reasonably foreseeable at the most recent Change Request Deadline, in the physical nature of the Consumer's requirements for the supply of gas, the Consumer requires the Supply Meter Point to be Firm,

the User may (subject to paragraph 15.2) propose that the Supply Point is re-designated as Firm with effect from any later Day.

- 15.6 Where in any Gas Year a Supply Meter Point is re-designated as Firm pursuant to paragraph 15.5, until the first Eligible Status Change Date which is more than 12 months after the date of such re-designation, the Supply Meter Point may not be re-designated as an Interruptible Supply Meter Point (irrespective of the Registered User).

16 Interruption: ONI sites

- 16.1 Where the Operator determines that the relevant number of Days (in accordance with paragraph 16.2) would exceed the Interruption Allowance in any Gas Year, the Operator may with effect from 1st October (or any other Day agreed with the Registered User) designate an Interruptible Supply Meter Point as being an "**ONI Supply Meter Point**" by giving notice of not less than 12 months (or such lesser period as the Registered User may agree) to the Registered User.
- 16.2 For the purposes of paragraph 16.1 the relevant number of Days is the number of Days on which, after taking into account the Operator's ability to interrupt at other Interruptible Supply Meter Points, the Operator estimates that, in a year of 1-in-50 Severe Annual Demand, interruption would be required at the Supply Meter Point.
- 16.3 Where the Operator designates an Interruptible Supply Meter Point as an ONI Supply Meter Point, the Operator's notice to the Registered User will specify:
- (a) the number of days (exceeding the Interruption Allowance) on which the Operator may Interrupt the Supply Meter Point in accordance with paragraph 18; and
 - (b) the reductions in Applicable Commodity Rates referred to in paragraph 16.4.
- 16.4 The Applicable Commodity Rates payable by the Registered User in respect of a ONI Supply Meter point will be subject to reductions as provided (by reference to the Interruption Allowance in excess of the Interruption Allowance) in the Conveyance Charge Statement.
- 16.5 The Operator may from time to time by a further notice (of not less than 12 months) under paragraph 16.1 or by agreement with the Registered user alter the Interruption Allowance of an ONI Supply Meter Point.
- 16.6 The Operator may withdraw the designation of a Supply Meter Point as an ONI Supply Meter Point by giving notice of not less than 12 months (or such lesser period as the Registered User may agree) to the Registered User.
- 16.7 Where a User submits a Supply Meter Point Confirmation which becomes effective in respect of an Interruptible Supply Meter Point:
- (a) if any Existing Supply Meter Point is, or pursuant to a notice given by the Operator to the Existing Registered User pursuant to paragraph 16.1 would have become, an ONI Supply Meter Point, the Proposed Supply Meter Point shall be, or as the case may be (with effect from the date when the Existing Supply Meter Point would have become an ONI Supply Meter Point) shall become, an ONI Supply Meter Point; and
 - (b) any Existing Supply Meter Point is, but pursuant to a notice given by the Operator pursuant to paragraph 16.6 would have ceased to be, an ONI Supply Meter Point, the

Proposed Supply Meter Point shall (with effect from the date when the Existing Supply Meter Point would have ceased to be an ONI Supply Meter Point) cease to be an ONI Supply Meter Point.

- 16.8 The Operator will notify the Proposing User in respect of an Interruptible Supply Meter Point of whether (and where applicable the date from which) the Supply Meter Point is or is to become, and/or is to cease to be, an ONI Supply Meter Point pursuant to paragraphs 16.7.

17 Interruption: requirements at Supply Meter Point

- 17.1 Where a User is or is to become the Registered User of one or more Interruptible Supply Meter Points the User shall:

- (a) not later than the relevant date (in accordance with paragraph 17.4) in respect of the First Interruptible Supply Meter Point of which it becomes Registered User, provide to the Operator at least one telephone number and at least one facsimile number and at least one email address (but not more than 4 numbers in total) by means of which the Operator may contact, 24 hours a Day, a representative of the User, and the name(s) or title(s) of not more than 3 representatives of the User who may be contacted using such details;
- (b) maintain the details provided under paragraph (a) up to date, and notify the Operator of any change in such details before such change takes effect; and
- (c) secure that at all times on each Day one of such representatives is available and capable of being so contacted by telephone or by facsimile or by Electronic Means.

- 17.2 A User shall, in relation to each Interruptible Supply Meter Point of which it is or is to become the Registered User:

- (a) not later than the relevant date (in accordance with paragraph 17.4), provide to the Operator:
 - (i) the names and/or job titles of representatives of the consumer ("**interruption contacts**") (who, for the avoidance of doubt, may be the same contacts as those referred to in Section J as "**Emergency Contacts**"), provided that the total number of interruption contacts provided for under this paragraph (and Emergency Contacts provided for under Section J) shall not exceed 5 in relation to any Supply Meter Point;
 - (iii) at least one (but not more than four) telephone number(s) for each interruption contact of which the Operator may contact, 24 hours a day, at least one interruption contact;
 - (iv) one facsimile number, for the purposes of receiving communications pursuant to Section L and Section J, which is able to receive transmissions 24 hours a day; and
 - (v) one email address, for the purposes of receiving communications by Electronic Means, pursuant to Section L and Section J.
- (b) take all reasonable steps to secure that the details provided under paragraph (a) are maintained up to date and to notify the Operator of any change in such details before such change takes effect;

- (c) take all reasonable steps to secure that at all times on each Day one of such representatives is available and capable of being so contacted by telephone and by facsimile and by Electronic Means; and
 - (d) secure that the consumer acknowledges the right of the Operator to contact the consumer in the circumstances in paragraph 17.4 and undertakes to comply with any notification by the Operator thereunder.
- 17.3 For the purposes of enabling the Operator to plan the exercise of its rights as to Interruption of Interruptible Supply Meter Points, in relation to each Gas Year the Registered User of an Interruptible Supply Meter Point will, if so required by the Operator, not later than the relevant date (in accordance with paragraph 17.4) and thereafter from time to time upon any significant change in such details, obtain from the Consumer and provide to the Operator the Consumer's best estimate of the following details:
- (a) whether or not gas is likely in normal circumstances to be offtaken at or between particular times of Day specified by the Operator for the purposes of this paragraph 17.3;
 - (b) the maximum quantity of gas to be offtaken on any Saturday and on any Sunday; and
 - (c) holiday periods in each year during which gas will not be offtaken from the System at the Supply Meter Point.
- 17.4 For the purposes of this paragraph 17, the relevant date in respect of an Interruptible Supply Meter Point is the date on which the User submits a Supply Meter Point Confirmation in respect of the Supply Meter Point or where a firm Supply Meter Point is re-designated as an interruptible Supply Meter Point, the date of such re-designation.
- 17.5 Where in relation to any Interruptible Supply Meter Point (but without prejudice to Section C in relation to Renominations), the Registered User:
- (a) exercises (other than pursuant to an Interruption Notice under paragraph 19.1) any entitlement to require the consumer to discontinue consuming gas offtaken from the System on a Day; or
 - (b) having exercised such an entitlement, authorises the consumer to resume such consumption the Registered User will as soon as reasonably practicable (and in accordance with paragraph 17.7) inform the Operator of the matters set out in paragraph 17.6, provided that the Registered User shall use reasonable endeavors to inform the Operator not more than one hour after such discontinuance and/or not less than one hour before such resumption.
- 17.6 The matters to be informed by the Registered User to the Operator pursuant to paragraph 17.5 are:
- (a) the identity of the Interruptible Supply Meter Point;
 - (b) the time with effect from which the consumer will be required to discontinue, or authorised to resume, consumption; and
 - (c) an estimate of the amount by which the quantity of gas offtaken will increase or decrease as a result of such discontinuance or resumption.
- 17.7 For the purposes of paragraph 17.5 the User will give the relevant information to the Operator by means of telephone or facsimile or Electronic Means.

18 Interruption

18.1 For the purposes of the Code "**Interruption**" at a Supply Meter Point means interruption on The Operator's instruction (for one or more Days or parts of a Day) of the offtake of gas from the System at each Supply Meter Point, and references to a Supply Meter Point being interrupted and to the Operator's right to Interrupt a Supply Meter Point shall be construed accordingly.

18.2 Where (in accordance with this paragraph 18) the Operator requires Interruption at a Supply Meter Point:

- (a) the Registered User shall secure that the requirement in paragraph (b) is complied with;
- (b) the requirement is that no gas (beyond the Shutdown Tolerance) shall be offtaken from the System at the Supply Meter Point, with effect from the Interruption Start Time (in accordance with paragraph 19.1) and until such time as the Operator shall specify in accordance with paragraph 19.4; and
- (c) the Registered User has a Firm Allowance greater than 3,000 kWh/Day (100 therms/Day) granted in accordance with paragraph 14 then no Shutdown Tolerance shall be available in accordance with paragraph (b); provided where the Firm Allowance is less than 3,000 kWh/Day (100 therms/Day) a residual Shutdown Tolerance of 3,000 kWh/Day (100 therms/Day) less the Firm Allowance shall be available.

18.3 Subject to paragraph 18.5, the Operator may require Interruption at an Interruptible Supply Meter Point:

- (a) on any Day on which there is or the Operator anticipates that there would otherwise be a relevant Distribution Constraint (in accordance with paragraph 18.4); and
- (b) on not more than 3 Days in any Gas Year, where the Operator has any reasonable doubt as to whether the requirements in paragraph 13.3 are satisfied or the provisions of this paragraph 18 in relation to Interruption are or are capable of being complied with in respect of the Supply Meter Point, for the purposes of verifying such matters.

18.4 A relevant Distribution Constraint is a Distribution Constraint which would be relieved (in whole or in part) by the discontinuance or suspension of offtake at the Interruptible Supply Meter Point (provided that the Operator will not be required to exercise its entitlement to require Interruption in respect of an Interruptible Supply Meter Point which is a Maintenance Affected Point pursuant to Section I2.4).

18.5 The number of Days (including parts of a Day) in respect of which the Operator requires Interruption in respect of an Interruptible Supply Meter Point in any Gas Year shall not exceed the following (the "**Interruption Allowance**"):

- (a) except in the case of an ONI Supply Meter Point, the Interruption Allowance detailed in the current Conveyance Charge Statement; and
- (b) in the case of a ONI Supply Meter Point, the number of Days for the time being specified pursuant to paragraph 16.3(a)

provided that a Day in respect of which the Operator gives more than one Interruption Notice shall be counted only as one Day of Interruption at the Supply Meter Point.

- 18.6 Where a Supply Meter Point Confirmation in respect of an Interruptible Supply Meter Point becomes effective on a Day other than 1st October;
- (a) Days (in the Gas Year in which the Supply Meter Point Registration Date falls) in respect of which the Operator required Interruption of the Existing Supply Meter Point, up to but not including the Supply Meter Point Registration Date, shall be counted towards the use of the Interruption Allowance; provided that where the Proposed Supply Meter Point is a new Supply Meter Point the number of Days so counted shall be the average of the number of Days of Interruption in the relevant Gas Year in respect of each Interruptible Existing Supply Meter Point;
 - (b) upon request of the Proposing User made after the Supply Meter Point Registration Date, the Operator will inform the Registered User of the number of Days counted towards the use of the Interruption Allowance pursuant to paragraph (a); and
 - (c) where the proposed Supply Meter Point is a new Supply Meter Point:
 - (i) if the Supply Meter Point Registration Date is before 1 April in the relevant Gas Year, the Interruption Allowance shall be in accordance with paragraph 18.5; and
 - (ii) if the Supply Meter Point Registration Date is on or after 1 April in the relevant Gas Year, the Interruption Allowance shall be reduced from that determined in accordance with paragraph 18.5 by 1/6th for each completed month in such Gas Year after 1st April and before the Supply Meter Point Registration Date.
- 18.7 The exercise by the Operator of any right (other than pursuant to this paragraph 18) to require or secure the discontinuance or reduction of offtake at any Supply Meter Point shall not count towards the use of Interruption Allowance or otherwise count as Interruption for the purposes of this paragraph 18.

19 Interruption: notification requirements

- 19.1 Where the Operator has a requirement for interruption in respect of one or more Supply Meter Points, the Operator will give to the Registered User, by telephone or facsimile or Electronic Means, not less than 4 hours before the time ("**Interruption Start Time**") with effect from which Interruption is required, notice ("**Interruption Notice**") specifying:
- (a) the Supply Meter Points to be Interrupted;
 - (b) the Day;
 - (c) the Interruption Start Time; and
 - (d) the Operator's estimate (which will not bind the Operator) of time at which the requirement for Interruption will cease to apply.
- 19.2 The User shall, by telephone or facsimile or Electronic Means (or otherwise in accordance with this paragraph 19):
- (a) not later than 30 minutes after Interruption Notice was given, acknowledge receipt of that notice;
 - (b) not later than 4 hours after Interruption Notice was given, confirm to the Operator

that Interruption (in accordance with such notice) has taken place or will take place;
and

- (c) as soon as reasonably practicable, notify the Operator of any facts or circumstances known to the User that might prevent Interruption from taking place or cause Interruption to take place after the Interruption Start Time.

19.3 Where the User has not acknowledged receipt of an Interruption Notice within 30 minutes after such notice was given, the Operator may not less than 3 hours before the Interruption Start Time notify the requirements for Interruption at each relevant Supply Meter Point directly to the consumer, specifying the Day and Interruption Start Time.

19.4 Where the Operator has given an Interruption Notice in respect of any Supply Meter Point, as soon as reasonably practicable after the Operator determines that the requirement for Interruption no longer applies or will at certain time cease to apply (having regard to the circumstances in accordance with paragraph 18.3 in which such notice was given), the Operator will so notify the User specifying the time (where later than the time of such notification) at which the requirement for Interruption will no longer apply.

20 Interruption: Failure to Interrupt

20.1 For the purposes of the Code:

- (a) subject to paragraph (b), there is a "**Failure to Interrupt**" at an Interruptible Supply Meter Point where, on any occasion on which the Operator requires Interruption in respect of the Supply Meter Point, the requirement in paragraph 18.2(b) is not complied with in respect of each Supply Meter Point at any time on any Day (the "**Failure Day**") during the period referred to in that paragraph;
- (b) a failure to comply with a requirement for Interruption pursuant to paragraph 18.3(b):
 - (i) will not be counted as a Failure to Interrupt for the purposes of paragraph 20.7;
 - (ii) subject to paragraph (i), will be counted as a Failure to Interrupt if:
 - (1) the User does not demonstrate to the reasonable satisfaction of the Operator that all appropriate steps are being taken to ensure that such a failure does not recur at the relevant Supply Meter Point; or
 - (2) the failure is the third failure occurring at the relevant Supply Meter Point during the same Gas Year to comply with a requirement for Interruption pursuant to paragraph 18.3(b)

but not otherwise;

- (c) for the purposes of this paragraph 20 a Supply Meter Point Reconfirmation shall be treated as being the same Supply Meter Point as the Existing Supply Meter Point.
- (d) the "**Period of Interruption**" is the period between the Interruption Start Time and the time specified in accordance with paragraph 19.4;
- (e) "**Shutdown**" means that in the event of interruption all of the gas consuming plant at the Supply Meter Point has been turned off so that it is not consuming gas; and

- (f) "**Shutdown Tolerance**" means the amount of gas not exceeding 3,000kWh/Day (100 therms/Day) which may be offtaken, in the event of a Shutdown, at an Interruptible Supply Meter Point.

20.2 Where there is a Failure to Interrupt at an Interruptible Supply Meter Point:

- (a) irrespective of whether the Failure to Interrupt resulted from Force Majeure, where the Operator determines that the Failure to Interrupt results in significant risk to System security, the Operator may take any steps available to it to Disconnect or Isolate the Interruptible Supply Meter Point; and
- (b) save where the Failure to Interrupt resulted from Force Majeure or, in exceptional circumstances, where the Registered User can Demonstrate to the Operator's reasonable satisfaction that it made all reasonable efforts to Shutdown (including but not limited to ensuring that appropriate action is taken at the Supply Meter Point but despite such efforts gas in excess of the Shutdown Tolerance flowed):
- (i) the Registered User shall on the first Day of the first Failure to Interrupt in any Gas Year, pay a charge determined as the relevant Applicable Failure to Interrupt Charge as specified in the current Conveyance Charge Statement and will be equal to the difference between the annual distribution charges for a firm Supply Meter Point and that for an equivalent Interruptible Supply Meter Point; and
- (ii) the Registered User shall pay, on all days other than the first Day of the first Period of Interruption in each Gas Year, a charge determined as:

$$X = 100 * (Y * Z)$$

where:

- X is the amount payable in respect of each Day;
- Y is the quantity of gas offtaken at the Supply Meter Point (in kWh) on the Day; and
- Z is the Applicable Commodity Rate.

20.3 Where the Operator takes any such steps as are referred to in paragraph 20.2(a) the Registered User will be liable to reimburse to the Operator the costs and expenses incurred by the Operator in taking such steps and in any subsequent reconnection or restoration of the connection of the Supply Meter Point.

20.4 The charges payable under paragraph 20.2(b) and 20.3 will be invoiced and payable in accordance with Section K.

20.5 The Registered User shall secure that there is made available to the Operator such access to the Supply Meter Point as shall be required for the purposes of paragraph 20.2(a).

20.6 In addition to the provisions of paragraphs 20.2 and 20.5, where (disregarding any Failure to Interrupt which resulted from Force Majeure):

- (a) in any Gas Year in which there has on any Day been a Failure to Interrupt at any Registered Interruptible Supply Meter Point(s) of a User, there is on a later Day a Failure to Interrupt (at the same or any other Registered Interruptible Supply Meter Point(s)), and
- (b) the number of occasions (including the failure(s) on such later Day) on which there

have been failures to Interrupt at the User's Registered Supply Meter Points is equal to or greater than:

- (i) 5; or
- (ii) if more, the number (rounded up to the nearest whole number) equal to 5% of the mean of the numbers of Interruptible Supply Meter Points of which the User is the Registered User at the time of each such Failure to Interrupt

in determining which each failure at any Supply Meter Point shall count separately, paragraph 20.7 shall apply.

20.7 In the circumstances in paragraph 20.6, subject to paragraph 20.8:

- (a) all of the Interruptible Supply Meter Points of which the User is Registered User, other than those within paragraph (b), shall automatically be redesignated as Firm with effect from the Failure Day;
- (b) in relation to each such Supply Meter Point in respect of which the Operator determines that the Firm Distribution requirement would not be satisfied:
 - (i) the Supply Meter Point shall be treated as being a Firm Supply Meter Point for the purposes of determining the Supply Meter Point Distribution Charges payable by the User, but shall be treated (subject to paragraph (ii)) as being an Interruptible Supply Meter Point for other purposes of the Code;
 - (ii) the Operator will be at liberty to inform the consumer of the occurrence and consequences of the circumstances in paragraph 20.6; and
 - (iii) the Operator may elect that (in relation to any or all requirements for Interruption) paragraphs 19.1, 19.2 and 19.3 shall not apply and may notify the consumer in accordance with paragraph 19.4 but without first communicating with the User; and
- (c) until the expiry of the Gas Year following that in which the Failure to Interrupt occurred, the User may not designate any Supply Meter Point (including any which was re-designated as Firm under paragraph (a) or is treated as Firm under paragraph (b)) as Interruptible and may not submit a Supply Meter Point Confirmation in respect of any Proposed Supply Meter Point which is Interruptible;

20.8 Paragraph 20.7 shall not apply where the User demonstrates to the Operator's reasonable satisfaction that the User had taken all reasonable steps to comply with the requirements to Interrupt and that the Failure to Interrupt occurred despite the taking of such steps.

20.9 Where an Interruptible Supply Meter Point, other than one which was the subject of a Failure to Interrupt referred to in paragraph 20.2, was re-designated as Firm pursuant to paragraph 20.7(a), any User who is not the User which was the Registered User of such Interruptible Supply Meter Point, may designate such Firm Supply Meter Point as Interruptible with effect from the Supply Meter Point Registration Date.

20.10 No Day on which there is a Failure to Interrupt at a Supply Meter Point shall count towards use of the Interruption Allowance in respect of that Supply Meter Point.

20.11 The following shall not be Force Majeure affecting a User for the purposes of this paragraph 20:

- (a) the unavailability of any such representative as is referred to in paragraphs 17.1 or 17.2 of the User or the consumer to be contacted by the Operator, other than for

wholly unforeseeable and unavoidable reasons (which must also satisfy the conditions for being Force Majeure); and

- (b) the fact there is no facility for the Consumer's Plant to operate with a supply of fuel or energy alternative to or in substitution.

SECTION M: METERING

1 Introduction

- 1.1 This Section M contains provisions for the metering of the offtake of gas from the System at Supply Meter Points and the determination pursuant to such metering of the quantities of gas so offtaken.
- 1.2 Paragraph 2 sets out requirements in respect of the installation of meters and other equipment at Supply Meter Points.
- 1.3 For the purposes of the Code, in relation to a Supply Meter Point:
- (a) the "**Supply Meter Installation**" is the meter and associated equipment and installations installed or to be installed at a consumer's premises, including associated pipework, regulator, filters, valves, seals, housings and mountings;
 - (b) the "**Supply Meter**" is the meter comprised in the Supply Meter Installation; and
 - (c) the premises to which gas offtaken from the System at the Supply Meter Point is or is to be supplied are the "**Supply Meter Point Premises**".
- 1.4 A Supply Meter Installation includes (where installed pursuant to this Section M) any meter by-pass (under paragraph 2.15) and Daily Read Equipment (under paragraph 4) and/or any corrector installed by the Operator, or with the Operator's consent.
- 1.5 For the purposes of this Section M "**Meter Installation Works**" means the installation, testing, maintenance, repair or replacement of a Supply Meter Installation or any part thereof.
- 1.6 References in this Section M to the Registered User in the context of a Supply Meter Installation or a Supply Meter are to the Registered User of the Supply Meter Point at which it is installed.
- 1.7 A Supply Meter is a "**Daily Read**" Supply Meter where Daily Read Equipment is installed as a part of the Supply Meter Installation and has become operational in accordance with paragraph 4.7; and a Supply Meter which is not a Daily Read Supply Meter is a "**Non-Daily Read**" Supply Meter.
- 1.8 The requirements of the Code for obtaining Meter Readings:
- (a) from Non-Daily Read Supply Meters are set out in paragraph 3; and
 - (b) from Daily Read Supply Meters are set out in paragraph 4.
- 1.9 For the purposes of this Section M, in relation to a User a "**Relevant**" Supply Meter is the Supply Meter at a Supply Meter Point of which the User is the Registered User.
- 1.10 For the purposes of the Code, in relation to a Supply Meter:
- (a) a "**Meter Reading**" is:
 - (i) the reading of the index of the Supply Meter or, where Daily Read Equipment is installed, the Metered Volume in the defined period, and

- (ii) where a corrector is installed as described in paragraph 1.4, the corrected and the uncorrected readings of the corrector;

except that where Daily Read Equipment and such a corrector are installed, a Meter Reading need not include both the reading under paragraph (i) and the uncorrected reading under paragraph (ii);

- (b) a "**Meter Read**" is the obtaining (by appropriate means) of a Meter Reading and, in the case of a Non-Daily Read Supply Meter, any further details as may reasonably be required by the Operator.
- (c) an "**On-site Meter Read**" is a Meter Read undertaken by a person visiting the Supply Meter Point Premises (as opposed to an automated meter read);
- (d) a "**Customer Read**" is a Meter Reading in respect of a Supply Meter obtained by inspection of the Supply Meter by the owner or occupier of the Supply Meter Point Premises (and not by inspection by a Meter Reader or automated meter read); and
- (e) except in the case of a Meter Reading obtained by Daily Read Equipment, a Meter Reading obtained at any time on a given Day shall be treated as obtained at the start of that Day.

1.11 In relation to a Meter Read:

- (a) the "**Metered Volume**" is the volume (corrected for temperature and pressure in accordance with the appropriate legal requirements) of gas determined as having been offtaken at the Supply Meter Point during:
 - (i) in the case of a Non-Daily Read Supply Meter, the Meter Reading Period (as defined in paragraph 3.5(d)(ii);
 - (ii) in the case of a Daily Read Supply Meter, the relevant Day or other period in accordance with paragraph 4; and
- (b) the "**Metered Quantity**" is the quantity determined by multiplying the Metered Volume by the applicable calorific value.

1.12 A "**Meter Reader**" is a person appointed to undertake Meter Reads in respect of a Supply Meter.

1.13 For the purposes of this Section M:

- (a) Meter Readings are required (for the purposes of the Code) to be validated;
- (b) "**validation**" means the testing of the validity of the Meter Reading in accordance with the Code Validation Rules; and
- (c) the "**Code Validation Rules**" are the rules and procedures in the document so entitled published by the Operator, as from time to time amended.

1.14 If the Operator has reasonable doubts about the validity of the Meter Reading then the Meter Reading shall be ignored and another Meter Reading obtained as soon as reasonably possible.

1.15 In this Section M "**IGE Meter Recommendation**" means any recommendation or standard from time to time issued or updated by the Institute of Gas Engineers in respect of the nature,

type, design, specification or manufacture of any Supply Meter Installation or part thereof (which do not form a part of the Code).

- 1.16 Section O7 applies in respect of the ownership of data relating to Meter Readings and each User shall secure that its arrangements with any Meter Reader are consistent with that requirement.
- 1.17 Where a meter examiner finds or the Operator or a User believes that a Supply Meter is or has been registering erroneously, the relevant adjustment shall be made:
- (a) in the case of a Non-Daily Read Meter in respect of a Larger NDM Supply Meter Point, as an adjustment in respect of the Metered Quantity for the purpose of Individual NDM Reconciliation pursuant to Section E5 (and accordingly since the date of the preceding Valid Meter Read); and
 - (b) in the case of a Daily Read Supply Meter, by way of DM Reconciliation on the basis that the adjusted Meter Reading is treated as a DM Check Read (irrespective of the period since the preceding DM Check Read) in accordance with paragraph 7.
- 1.18 For the purposes of paragraph 1.17 the relevant adjustment is an adjustment in respect of the amount by which it is determined that the Supply Meter has over or under registered the volume of gas offtaken from the System at the relevant Supply Meter Point, which amount shall be either:
- (a) the amount agreed by the Operator and the User, or
 - (b) if either the Operator or the User shall so require the amount determined by Expert Determination.
- 1.19 The Operator may issue guidance for assisting with the agreement of adjustment amounts under paragraph 1.18, but any such guidance shall not be binding on any User or the Operator.

2 Supply Meter Installation

- 2.1 The Registered User shall (subject to paragraph 2.8) secure that at each Supply Meter Point there is installed, operated and maintained in proper working order, for registering the volume of gas offtaken from the System at the Supply Meter Point, a Supply Meter Installation:
- (a) complying with the requirements of paragraph 2.2, and located at a point in accordance with paragraph 2.3, and
 - (b) including such further equipment (including Daily Read Equipment and any corrector) as may be required in accordance with the further provisions of this Section M.
- 2.2 The Supply Meter Installation shall be of a type and standard of design and accuracy complying with, and shall be installed in compliance with, the IGE Meter Recommendations, and any other applicable Legal Requirements, as in force at the date of installation of the Supply Meter Installation, and shall be stamped in accordance with Article 22 of the Order.
- 2.3 The point at which the Supply Meter Installation is to be installed shall be such point as shall be required by or shall be in accordance with any applicable Legal Requirement.

- 2.4 Nothing in this Section M prevents a User from securing that a Supply Meter Installation conforms to higher standards than are (or provides any function in addition to what is) required pursuant to paragraph 2.2.
- 2.5 As contemplated by the IGE Meter Recommendations, the design and specification of certain Supply Meter Installations (where required to be installed) will need to be agreed with the Operator on a case by case basis.
- 2.6 Supply Meter Installations installed as at the date of the Code shall be deemed (for the purposes of the Code) to comply with the requirements of paragraphs 2.2 and 2.3, provided that this shall not prejudice any requirement for the installation of a different Supply Meter Installation arising by reason of a change in the nature of or the use of the Consumer's Plant after the Supply Meter Installation was installed.
- 2.7 Whenever a Supply Meter Installation is replaced or modified (other than by the Operator pursuant to paragraph 2.8) the Registered User shall provide to the Operator such information concerning the replacement or modification, within such period, as the Operator may reasonably prescribe.
- 2.8 Paragraphs 2.9 to 2.12 apply where the Operator provides or has provided (whether before or after the date of the Code) the Supply Meter Installation or any part of it.
- 2.9 Where this paragraph 2.9 applies, except as the Operator may otherwise agree in an ancillary agreement with the Registered User:
- (a) subject to paragraphs (d) and (e), the Operator will be responsible at its cost (except as to the cost of providing housing) for securing (on behalf of the Registered User) the installation (in accordance with paragraph 2.2), maintenance, repair and replacement of the Supply Meter Installation or relevant part thereof provided by the Operator, within a reasonable time after a request to do so;
 - (b) the Customer Charge payable by the Registered User will include (in accordance with the Conveyance Charge Statement) a component in respect of the provision and maintenance of the Supply Meter Installation by reference to the nature of the Supply Meter Installation which is installed;
 - (c) the Registered User shall secure that there are made available (without charge to the Operator) at the Supply Meter Point premises:
 - (i) a suitable site (at a location complying with paragraph 2.3) at the Supply Meter Point premises, and suitable support, protection and security, for the Supply Meter Installation;
 - (ii) supplies of power, water and drainage as appropriate for the Supply Meter Installation;
 - (iii) such access, at all reasonable times and in any event between 08:00 and 17:00 hours on any Business Day, to the Supply Meter Point premises as shall be required to enable the Operator to carry out all Meter Installation Works required pursuant to paragraph (a);
 - (d) the Registered User shall take all reasonable steps to secure that the Supply Meter Installation is not damaged or otherwise mistreated; and
 - (e) ownership of the Supply Meter Installation shall remain with the Operator (or any person to whom the Operator may transfer ownership); and the Registered User shall

take all reasonable steps to secure that any notice to that effect affixed thereto by the Operator shall not be removed or defaced.

- 2.10 Nothing in paragraph 2.9 requires the Operator:
- (a) to replace any part of a Supply Meter Installation other than where such replacement is necessary as a result of the failure (including by reason of damage, normal wear or tear or defective design or manufacture) thereof;
 - (b) to carry out any Meter Installation Works other than for the purposes of maintaining or repairing or (where required under paragraph (a)) replacing a Supply Meter Installation or part thereof provided by the Operator; and
 - (c) except in the case of routine maintenance, to carry out any Meter Installation Works until reasonable notice has been given to the Operator of the requirement for such works.
- 2.11 Nothing in this Section M prevents the Operator from providing at the request of a consumer a Supply Meter Installation which conforms to higher standards than are (or provides any function in addition to what is) required pursuant to paragraph 2.2, provided that (unless the Registered User has otherwise agreed) the amount of the Customer Charge payable by the Registered User will not thereby be increased.
- 2.12 Where, as a result of any failure or defect in any Supply Meter Installation provided by the Operator, gas cannot be offtaken from the System at the relevant Supply Meter Point, the Operator will not be in breach (by reason thereof) of its obligation to make gas available for offtake from the System until:
- (a) written notice of such failure, defect or requirement has been given to the Operator; and
 - (b) the expiry after such notice of a reasonable period for the Operator to carry out the required Meter Installation Works.
- 2.13 The Registered User shall take all reasonable steps to ensure that:
- (a) no person improperly breaks any seal affixed to any part of the Supply Meter Installation or tampers or otherwise interferes with any Supply Meter Installation; and
 - (b) upon each visit to the Supply Meter Point premises by any representative of that User or by any person (other than the Operator where it is engaged as Meter Reader) engaged (by that User or the consumer) to obtain an On-site Meter Read, there is promptly reported to the Operator any evidence which is or ought (having regard to the purposes for which such person is visiting the premises) to be apparent to such representative or person of the breaking of any such seal or of any such tampering or interference (including any activated tamper alarm) or otherwise of theft or attempted theft of gas.
- 2.14 In the circumstances permitted by and agreed with the Operator (but not otherwise), a meter by-pass may be installed (as a part of the Supply Meter Installation) at a Supply Meter Point.
- 2.15 A "**meter by-pass**" is an installation by means of which the consumer may divert the flow of gas, so as not to pass through the Supply Meter, and thereby secure the continued offtake of gas at the Supply Meter Point, in the event of any failure of part of the Supply Meter Installation which would impede the flow of gas through the meter; and the "**Meter By-pass Procedures**" are the procedures published from time to time by the Operator in respect of the installation and operation of a meter by-pass.

2.16 Where a meter by-pass is installed at a Supply Meter Point:

- (a) the Registered User shall secure that the consumer is fully informed of the Meter By-pass Procedures before a meter by-pass may be opened;
- (b) the Registered User shall take all reasonable steps to secure that:
 - (i) the meter by-pass is utilised only in the circumstances permitted in and in accordance with the procedures required by the Operator, and that its utilisation is discontinued, and (except where the Supply Meter Installation is provided by the Operator, in which case notification to the Operator in accordance with paragraph (ii) shall be sufficient) the Supply Meter Installation is repaired or replaced, at the earliest possible time in accordance with such requirements;
 - (ii) upon the utilisation of the meter by-pass the consumer records the time at which it is utilised and the reading of the index of the Supply Meter, and gives notice to the Operator and to the Registered User, in accordance with the requirements of the Operator;
- (c) on any Day on which the meter by-pass is utilised, the volume of gas offtaken through the meter by-pass shall be estimated by the Operator and agreed with the Registered User and such estimated volume will be added to the Metered Volume determined in the next following Meter Read.

2.17 The Registered User shall take all reasonable steps to comply with the requirements of the Operator for the purposes of paragraph 2.16.

2.18 Where as a result of any Meter Installation Works undertaken (pursuant to paragraph 2.9 or otherwise) by the Operator in relation to an applicable Supply Meter Point, the relevant Meter Information recorded in the Supply Meter Point Register ceases to be accurate, the Operator will after completing such works:

- (a) amend the Supply Meter Point Register as soon as is reasonably possible so as to record the change in relevant Meter Information required as a result of such works; and
- (b) provide to the Registered User details of the amendment made pursuant to paragraph (a).

2.19 For the purposes of paragraph 2.18:

- (a) an "**applicable**" Supply Meter Point is a Supply Meter Point, in relation to which the Operator provides (in accordance with paragraph 2.9) the Supply Meter Installation; and
- (b) relevant Meter Information is such Meter Information as is specified in paragraph 3.6.

2.20 The Registered User shall be responsible for providing to the Operator information for updating the Supply Meter Point Register in respect of Supply Meter Points in relation to which paragraph 2.18 does not apply.

3 Meter Reading: NDM Supply Meters

3.1 Valid Meter Readings are required to be obtained from Non-Daily Read Supply Meters and provided to the Operator for the purposes of:

- (a) Individual NDM Reconciliation under Section E5; and
 - (b) the determination of Annual Quantities under Section F4.
- 3.2 Users are responsible for obtaining Valid Meter Readings from Non-Daily Read Supply Meters in accordance with this paragraph 3 and for the validation (in accordance with paragraph 1.13) of such Meter Readings.
- 3.3 A Meter Reading obtained from a Non-Daily Read Supply Meter is a "**Valid Meter Reading**" and the relevant Meter Read a "**Valid Meter Read**" where the Meter Reading has passed validation in accordance with paragraph 1.13, and has been notified to the Operator in accordance with paragraph 3.10.
- 3.4 A Customer Read obtained will (subject to the requirements of 3.3) be a Valid Meter Reading unless no Valid Meter Reading other than a Customer Read has been obtained:
- (a) in the case of a Monthly Read Meter, in the preceding 2 calendar months; and
 - (b) in the case of an Annual Read Meter, in the preceding 14 calendar months.
- 3.5 For the purposes of this Section M:
- (a) the "**Meter Reading Frequency**" in respect of a Non-Daily Read Supply Meter is the expected frequency of Meter Reads for the purposes of the Code;
 - (b) the Meter Reading Frequency of a Non-Daily Read Supply Meter (a "**Monthly Read Meter**") is monthly where its Annual Quantity is not less than 732,000 kWh (25,000 therms);
 - (c) the Meter Reading Frequency of a Non-Daily Read Supply Meter (an "**Annual Read Meter**") is annual where its Annual Quantity is less than 732,000 kWh (25,000 therms); and
 - (d) in relation to a Non-Daily Read Supply Meter:
 - (i) the "**Meter Read Date**" is the date of a Valid Meter Read;
 - (ii) the "**Meter Reading Period**" in respect of a Meter Read is the period to the Meter Read Date from the preceding Meter Read Date.
- 3.6 For the purposes of the Code, "**Meter Information**" is the information maintained by the Operator in the Supply Meter Point Register in relation to a Supply Meter Installation, comprising the following details (insofar as the Operator has been informed of or otherwise holds such details)
- (a) the location of the Supply Meter Installation at the Supply Meter Point Premises;
 - (b) number of dials, units and serial numbers of the Supply Meter and any corrector; and
 - (c) meter access details, being details intended to facilitate the obtaining by Meter Readers of access to the Supply Meter; plus any other details that may be reasonably required by the Operator.
- 3.7 A User may inform the Operator of any respect in which the User considers that the Meter Information is incorrect by submitting a notification ("**Meter Information Notification**") specifying what the User believes to be the correct details.

- 3.8 In order to ensure that Meter Information is as accurate as practicable, the Registered User shall:
- (a) in accordance with Section L4.11(b), use reasonable endeavours to secure that it becomes aware, insofar as it might reasonably be expected to become aware, of any respect in which Meter Information provided to it by the Operator is or becomes incorrect or out of date, including giving appropriate instructions to the Meter Reader for the time being; and
 - (b) submit to the Operator a Meter Information Notification as soon as reasonably practicable after the User becomes aware that the Meter Information is or has become incorrect or out of date.
- 3.9 As soon as reasonably practicable after a Meter Information Notification is submitted, the Operator will revise the Meter Information in accordance with such notification, unless the Operator is not satisfied that the details contained in the notification are correct, in which case it will so notify the User, and the Operator and the User shall co-operate with a view to establishing the correct details; and once such details are established the Operator will make any required revision of the Meter Information; and a Meter Information Notification shall be 'outstanding' for the purpose of the Code until the Meter Information has been revised pursuant thereto or it has been established that the details in such notification were incorrect.
- 3.10 Meter Readings will be provided to the Operator by such means as is agreed with the Operator and will be provided by the User to the Operator by not later than the 5th Day following the Meter Read date.
- 3.11 For the purposes of paragraph 3.10, where a corrector is installed at a Supply Meter all readings comprised (in accordance with paragraph 1.10(a)) in the Meter Reading will be provided to the Operator.
- 3.12 The Operator will subject Opening Meter Readings submitted to it to validation (which is additional to that required to be undertaken by Users), and may subject any other Meter Reading submitted to it to validation; but the Operator may accept all Valid Meter Readings notwithstanding that such validation may be failed.
- 3.13 Each User shall secure, in relation to Monthly Read Meters, that a Valid Meter Reading is obtained for each Relevant Monthly Read Meter, not less frequently than once every calendar month; such reading to be taken in the last 4 Business Days of the relevant calendar month.
- 3.14 Each User shall secure, in relation to Annual Read Meters, that a Valid Meter Reading is obtained for each Relevant Annual Read Meter, not less frequently than once every 12 months.
- 3.15 Where a User has failed to comply with paragraph 3.13 in respect of a Monthly Read Meter or, as the case may be, paragraph 3.14 in respect of an Annual Read Meter then, in the case of:
- (a) a Monthly Read Meter if there has been a failure to comply for 2 successive months; and
 - (b) an Annual Read Meter if the period since the last Valid Meter Read is 14 months or more then in the event that access to permit the meter to be read during the following month:
 - (i) is not permitted or arranged by the Registered User or the person whom the Operator reasonably believes to be the Registered User; or

- (ii) is not available because the Registered User cannot be ascertained or found then the Operator will use its reasonable endeavours to obtain a Meter Read and may exercise its powers of entry granted under Schedule 5 of the Order and take such further action in relation to the Disconnection of the supply to the Supply Meter Point as the Operator deems necessary, or take such other action as the Operator deems sufficient to protect the integrity of the System and ensure the safety of the public.
- 3.16 Where a Proposing User submits a Supply Meter Point Confirmation which becomes effective for an NDM Supply Meter Point paragraphs 3.17 to 3.20 (inclusive) shall apply.
- 3.17 The Proposing User shall secure that a Valid Meter Reading (an "**Opening Meter Reading**") is obtained from the Non-Daily Read Meter referred to in paragraph 3.16:
 - (a) for a Meter Read Date within the required date range (in accordance with paragraph 3.19); and
 - (b) provided to the Operator not later than 16:00 hours on the 7th Business Day after the Supply Point Registration Date.
- 3.18 Within 2 business days of receipt of an Opening Meter Read pursuant to paragraph 3.17(a), the Operator will notify the Withdrawing User of the Opening Meter Read; and if within 2 business days of receiving the Opening Meter Read from the Operator, the Withdrawing User notifies the Operator that it rejects the Opening Meter Read, then paragraph 3.20 will apply.
- 3.19 For the purposes of paragraph 3.17(a) the required date range is the period of 5 Business Days commencing 2 Business Days before the Supply Meter Point Registration Date.
- 3.20 Where an Opening Meter Reading is not provided to the Operator by the date required under paragraph 3.17(b), or if the Operator receives a rejection notice pursuant to paragraph 3.18:
 - (a) a notional Meter Reading will be used for the purposes of Individual NDM Reconciliation in accordance with Section E5; and
 - (b) the Operator will not later than 15 Business Days after the Supply Meter Point Registration Date provide such notional Meter Reading to the Proposing User and the Withdrawing User as an estimated Meter Reading.
- 3.21 The Registered User shall secure that a Valid Meter Reading is obtained and provided to the Operator:
 - (a) (as required by Section L11.6) upon the Disconnection or Isolation of any Supply Meter Point; and
 - (b) upon the replacement (whether for examination, inspection, repair, maintenance or exchange or otherwise) of any Supply Meter, in respect of both the replaced and the replacement meter.
- 3.22 Where the Operator undertakes the Disconnection or Isolation of a Supply Meter Point in a manner which involves the Operator having access to the Supply Meter, the Operator will be responsible (on behalf of the Registered User) for complying with paragraph 3.21.
- 3.23 Where (in accordance with paragraph 2.9) the Operator undertakes the replacement of a Supply Meter, the Operator will be responsible (on behalf of the Registered User) for complying with paragraph 3.21(b).

- 3.24 Upon the provision of a Valid Meter Reading in respect of a Non-Daily Read Supply Meter the Operator will calculate the Metered Volume and the Metered Quantity.
- 3.25 The Operator will maintain records of Valid Meter Readings provided to it, in such form and for such time (but not in any event exceeding 5 years) as shall be requisite for the purposes of paragraph 3.24.

4. Daily Read Equipment

- 4.1 For the purposes of the Code "**Daily Read Equipment**" is equipment, of a design and standard of manufacture specified (consistently with any Legal Requirements) by the Operator for the purposes of this Section M, which enables Meter Readings to be obtained by the Operator remotely at set intervals.
- 4.2 Daily Read Equipment comprises:
- (a) a device for capturing from the Supply Meter, and/or (where installed) a corrector, data which constitutes or permits the derivation of a Meter Reading; and
 - (b) a telephone line or radio transmitter and/or such other equipment as shall be required for transmitting such data to the Operator.
- 4.3 Daily Read Equipment is required to be designed to be capable of enabling Meter Readings to be obtained at intervals of 6 minutes (and greater intervals) and of having the intervals at which Meter Readings are obtained set remotely (by means of the equipment referred to in paragraph 4.2(b)).
- 4.4 Daily Read Equipment may (where designed to be capable of such installation) be installed in connection with more than one Supply Meter.
- 4.5 Unless otherwise agreed between the Operator and a User, the Operator will (in accordance with paragraph 2.9) be responsible for furnishing, installing, making operational and maintaining Daily Read Equipment.
- 4.6 Where the Operator furnishes or has furnished Daily Read Equipment, with effect from the date upon which the relevant Supply Meter Point becomes a DM Supply Meter Point, the Registered User shall pay the appropriate component of the Customer Charge in accordance with the Conveyance Charge Statement.
- 4.7 Daily Read Equipment installed at a Supply Meter Point will be treated as being operational (for the purposes of paragraph 1.7) with effect from the later of:
- (a) Day on which the Operator notifies the Registered User that the equipment is operational; and
 - (b) the first Day on which the Operator provides to the User a Valid Meter Reading obtained by means of such equipment.
- 4.8 Subject to paragraph 4.9, where Daily Read Equipment is furnished and installed by the Operator in accordance with paragraph 4.5, the Operator will, upon request by the Registered User and provided it is operationally feasible to do so, permit an arrangement whereby either the User or the consumer (but not both) shall have access to the Daily Read Equipment for the purposes of obtaining directly readings from the Supply Meter Installation.
- 4.9 In any case where an arrangement is permitted under paragraph 4.8:

- (a) the Registered User shall bear or secure that the consumer bears all costs incurred in connection with such arrangement, and shall secure that such arrangement will not interfere with the Supply Meter Installation or its operation, or with the obtaining of Meter Readings under paragraph 5.1;
- (b) such arrangement shall not be taken as implying any contractual relationship between the Operator and the consumer; and
- (c) data obtained by the Registered User or consumer shall have no significance for the purposes of the Code.

4.10 Where, upon an inspection (pursuant to a Daily Read Error Notice or otherwise) of Daily Read Equipment, the Operator finds that the Reed Switch is not functioning correctly, or is the cause of the Daily Read Equipment not functioning correctly:

- (a) the Operator shall so notify the Registered User as soon as reasonably practicable after its inspection;
- (b) the Operator shall:
 - (i) take reasonable steps to arrange for a gas meter examiner to attend (so soon as such a person may be available to attend) at the Supply Meter Point Premises, so as to allow the seal on the Supply Meter lawfully to be broken for the purposes of enabling the Reed Switch to be repaired or replaced, and (upon the attendance of such an examiner and provided that appropriate access to the Supply Meter is provided) repair or replace the Reed Switch; and
 - (ii) not later than one month after its notification to the User under paragraph (a), unless the Reed Switch has already been repaired or replaced, inform the User of the date by which the Operator expects that the Reed Switch will be repaired or replaced, and (where such date is later than one month after such inspection) provide reasonable evidence that despite taking reasonable steps the Operator has been unable to arrange for the attendance of a gas meter examiner or (but without prejudice to paragraph (c)) to secure (having given reasonable prior notice of an appointment to a User) the required access to the Supply Meter before such date;
 - (iii) thereafter inform the User of any change in such expected date, and provide reasonable evidence that any delay has arisen notwithstanding the Operator's compliance with paragraph (i); and
- (c) the User shall take reasonable steps to make such arrangements with the consumer as may be required for the purposes of paragraph (b)(i);

4.11 For the purposes of paragraph 4.10 a "**Reed Switch**" is a component of, and contained within, a Supply Meter, which enables the functioning of Daily Read Equipment.

5 Meter Readings: DM Supply Meters

5.1 Where a Supply Meter is Daily Read:

- (a) the Operator will obtain (and the User authorises the Operator to obtain) by means of the Daily Read Equipment (where it is operational) a Meter Reading for the start and for the end of each Day; and

- (b) the Operator may so obtain Meter Readings at other times within the Day.
- 5.2 The Operator is responsible for validation of the Meter Readings in accordance with paragraph 1.13.
- 5.3 In respect of a Daily Read Supply Meter:
- (a) "**Daily Meter Readings**" for a Day are Meter Readings obtained by the Operator in accordance with paragraph 5.1 for the start and the end of the Day;
 - (b) subject to paragraphs (c) and 8 "**Valid Meter Readings**" for a Day are Daily Meter Readings which have been subject to and not rejected by validation in accordance with paragraph 1.13, and are provided to the relevant User; and
 - (c) the Daily Meter Reading for the start of a Day will not be a Valid Meter Reading if it differs from the Valid Meter Reading for the end of the preceding Day.
- 5.4 Subject to paragraph 6, the Operator will calculate for each Daily Read Supply Meter each Day:
- (a) the Metered Volume, by reference to the Valid Meter Readings for the Day obtained in accordance with paragraph 5.1(a); and
 - (b) the Metered Quantity, by reference to the Metered Volume.

6 Failure to obtain Meter Readings

- 6.1 Subject to paragraph 8, Valid Meter Readings for a Day obtained from Daily Read Equipment at any time up to and including the Close Out Date will be used for the purposes of paragraph 5.4.
- 6.2 Where for any Day (a "**Failed Daily Read Day**") Valid Meter Readings for the Day are not obtained by the Close-Out Date:
- (a) the Metered Volume for the Failed Daily Read Day shall (irrespective in the case of an Interruptible Supply Meter Point of whether interruption was required on the Day or the same Day in the preceding week) be assumed to be the same as the Metered Volume (whether determined under paragraph 5.4 or this paragraph 6.2) for the same Day in the immediately preceding week; and
 - (b) there will be a subsequent DM Reconciliation in accordance with Section E4.
- 6.3 After a Failed Daily Read Day, upon the restoration of operation of the Daily Read Equipment (except where paragraphs 1.17, 1.18 and 1.19 apply), the Operator will determine:
- (a) the volume offtaken on such Day, by reference to a Valid Meter Reading then obtained, in accordance with paragraph 6.4; and
 - (b) for the purposes of DM Reconciliation the amount (the "**Failed Daily Read Reconciliation Volume**") by which the Metered Volume assumed under paragraph 6.2 is greater (in which case such amount shall be positive) or less (in which case such amount shall be negative) than the volume determined under paragraph (a).
- 6.4 For the purposes of paragraph 6.3(a):

- (a) where:
- (i) the reason for the earlier failure to obtain Valid Meter Readings for the Failed Daily Read Day was the failure of that part of the Daily Read Equipment referred to in paragraph 4.2(b) and not the part referred to in paragraph 4.2(a)); and
 - (ii) accordingly, Valid Meter Readings are later obtained for the Failed Daily Read Day, the volume offtaken on the Day shall be the Metered Volume determined on the basis of such Valid Meter Readings; and
- (b) except as provided in paragraph (a):
- (i) the Metered Volume for the period of all of the consecutive Failed Meter Read Days will be determined (on the basis of the Valid Meter Reading obtained for the start of the first such Day and for the end of the last such Day under paragraph 5.4 or paragraph (a) above); and
 - (ii) such Metered Volume will be apportioned between such Days in the proportions of the assumed Metered Volumes under paragraph 6.2.

7 DM Check Read

- 7.1 The Operator will at intervals of approximately 12 months, and may on other occasions on which it undertakes an inspection, repair or maintenance of the Daily Read Equipment, arrange an On-Site Meter Read (a "**DM Check Read**") in respect of each Daily Read Supply Meter.
- 7.2 The Registered User shall use best endeavours to secure that the Operator is given such access to the Supply Meter Point Premises and the Supply Meter as it reasonably requires to carry out a DM Check Read.
- 7.3 In respect of any DM Check Read the Metered Volume will be determined by reference to the period to the date of such Meter Read from the date of the preceding DM Check Read.
- 7.4 Where upon a DM Check Read the Metered Quantity differs from the sum (the "**previous metered quantity**") of the Metered Quantities determined in accordance with the foregoing provisions of paragraph 6 and this paragraph 7, by more than 100,000 kWh (3,413 therms) the Operator will determine and notify to the Registered User:
- (a) the amount of such difference; and
 - (b) for each Day in such period, a part (the "**DM Check Reconciliation Volume**" which shall be positive where the previous metered quantity exceeds the Metered Quantity in respect of the DM Check Read, and otherwise negative) of the amount determined under paragraph (i), in accordance with paragraph 7.5.
- 7.5 For the purposes of paragraph 7.4(b) the amount determined under paragraph 7.4(a) will be apportioned to Days in the relevant period in the same proportions as the Metered Volumes determined for such Days under paragraphs 5 and 6.
- 7.6 For the avoidance of doubt where following a DM Check Read the Metered Quantity differs from the previous metered quantity by a quantity less than or equal to the quantity referred to in paragraph 7.4, the Operator shall not be required to account to Users, pursuant to any provision of the Code or otherwise, for the quantity of gas representing such difference.

- 7.7 DM Reconciliation in respect of DM Check Reconciliation will be carried out in accordance with Section E4.

8 Daily Read Errors

- 8.1 For the purposes of this paragraph 8:

- (a) there is a "**Daily Read Error**" in respect of a Daily Read Supply Meter on a Day where, by reason of the Daily Read Equipment not functioning correctly, and not by reason of a failure of any other part of the Supply Meter Installation, the volume of gas which is determined on the basis of the Daily Meter Readings provided by the Operator to the User (pursuant to paragraph 9) differs from the Metered Consumption;
- (b) "**Metered Consumption**" is the volume of gas which was offtaken from the System at the Supply Meter Point on the Day, as registered by the Supply Meter and any corrector (and not what is determined by reference to the Daily Meter Readings obtained by the Daily Read Equipment);
- (c) where the Supply Meter Installation includes a corrector, references to volume are to volume as corrected for temperature and/or pressure by such corrector; and
- (d) Daily Read Equipment functions correctly where it functions within a tolerance of accuracy of 1%;

- 8.2 In respect of any Day (a "**Daily Read Error Day**"), other than a Failed Daily Read Day, a User may until the 5th Day after the Day on which the Operator provided to the User the Daily Meter Readings in respect of a Relevant Daily Read Supply Meter, give notice ("**Daily Read Error Notice**") to the Operator:

- (a) to the effect that (notwithstanding validation under paragraph 1.13) the User considers that there was a Daily Read Error on the Day; and
- (b) specifying the volume (the "**User Volume Estimate**") which the User considers to have been the Metered Consumption on the Day.

- 8.3 Where a User gives a Daily Read Error Notice:

- (a) the Operator will, as soon as reasonably practicable and wherever possible within 3 Business Days after such written notice, (subject to being given sufficient access) inspect the Daily Read Equipment;
- (b) upon or as soon as reasonably practicable after its inspection, the Operator will provide to the User a notice stating:
 - (i) whether in the Operator's judgement the Daily Read Equipment is functioning correctly; and
 - (ii) where in its judgement the Daily Read Equipment is not functioning correctly, the Operator's estimate (the "**Operator Volume Estimate**"), in accordance with paragraph 8.4 where applicable, and after taking account of the User Volume Estimate, of what was the Metered Consumption for the Daily Read Error Day, and the basis for its estimate;
- (c) notwithstanding the Daily Read Error Notice and the Operator's notice under paragraph (b), except as provided in paragraph 8.8 the volume determined by reference to

the Daily Meter Readings will be used to determine the User's UDQO for the purposes of the Code; and

- (d) subject to paragraph (c), and unless otherwise agreed, the Operator's statement under paragraph (b) will be final and its estimate will apply for the purposes of paragraph 8.10 unless the User gives notice ("**rejection notice**") to the Operator within 5 Business Days after the Operator's notice that the User does not accept the Operator's judgement under paragraph (b)(i) or its estimate under paragraph (b)(ii).

8.4 Where the Daily Read Equipment is found not to be functioning correctly, and it is not apparent when the equipment started to function incorrectly, unless the Operator and the User otherwise agree it shall be assumed (for the purposes of estimating the Metered Consumption for the Daily Read Error Day) that such equipment started to function incorrectly on the Day following the Day on which the Daily Read Equipment was last inspected by the Operator (whether pursuant to this paragraph 8 or any annual or other maintenance inspection) to the Day of the Operator's inspection under paragraph 8.3(a).

8.5 The costs and expenses incurred by the Operator in carrying out the inspection pursuant to paragraph 8.3(a) shall be borne:

- (a) if the amount of the User Volume Estimate differs from the volume determined by reference to the Daily Meter Readings by less than 10%, by the User;
- (b) except as provided in paragraph (a), and subject to paragraph (c):
 - (i) where the User did not give a rejection notice:
 - (1) by the User where in the Operator's judgement the Daily Read Equipment was functioning correctly, and
 - (2) otherwise by the Operator;
 - (ii) where the User gave rejection notice, by the Operator where it was agreed or the expert determined that the Daily Read Equipment was not functioning correctly and that the Metered Consumption was closer to the User Volume Estimate than to the Operator Volume Estimate, and otherwise by the User; and
- (c) if upon such inspection the Operator found that the Supply Meter (or corrector) itself is reading erroneously, by the Operator (except where the Operator is not the owner of the Supply Meter).

8.6 Where the User gives a rejection notice, then unless the Operator and the User agree otherwise:

- (a) there shall be referred to Expert Determination the following questions:
 - (i) whether the Daily Read Equipment was functioning correctly, unless in the Operator's judgement (under paragraph 8.3(b)(i)) it was not; and
 - (ii) unless the expert determines that the Daily Read Equipment was functioning correctly, what is the best available estimate (in accordance with paragraph 8.4 where applicable) of the Metered Consumption;
- (b) the costs of the expert shall be borne by the User where:
 - (i) the expert determines (under paragraph (a)(i)) that the Daily Read Equipment

was functioning correctly; or

- (ii) the Metered Consumption determined (under paragraph (a)(ii)) by the expert was closer to the Operator Volume Estimate than to the User Volume Estimate;

and otherwise by the Operator.

8.7 Where:

- (a) a User has submitted a Daily Read Error Notice in respect of a Day; and
- (b) the User considers that there was a Daily Read Error in respect of any subsequent Day, up to:
 - (i) the Day of the Operator's inspection under paragraph 8.3(a); or
 - (ii) (where the Daily Read Equipment is found not to be functioning correctly) the Day of its repair or replacement under paragraph 8.11

then unless the Operator agrees otherwise the further provisions of this paragraph 8 shall not apply in relation to such subsequent Day unless the User gives a Daily Read Error Notice for such Day, but the giving of such notice shall not require a further inspection pursuant to paragraph 8.3.

8.8 For the purposes of determining the User's Supply Meter Point Daily Quantity for the relevant Supply Meter Point, where a User submits a Daily Read Error Notice not later than the Close-out Date in relation to the Daily Read Error Day:

- (a) if by the Close-out Date:
 - (i) the Operator has undertaken an inspection under paragraph 8.3(a); and
 - (ii) the User has informed the Operator that it accepts the Operator Volume Estimate notified by the Operator under paragraph 8.3(b);

the value of the Metered Quantity derived from the Operator Volume Estimate shall be substituted for the value of the Metered Quantity derived from the original Daily Meter Readings; and

- (b) the Operator may (before the Close-out Date) by agreement with the User substitute, for the value of the Metered Quantity derived from the original Daily Meter Readings, the value derived from the User Volume Estimate or such other value as the Operator and the User shall agree.

8.9 The Operator may also agree with the User to adjust (for the purposes of determining the User's Supply Meter Point Daily Quantity for the relevant Supply Meter Point) the Metered Quantity determined for each Day after the first Daily Read Error Day, until the Day referred to in paragraph 8.7(b)(i) or (ii), on a basis reflecting an agreed degree of error.

8.10 Except in a case where a substituted or adjusted value of the Metered Quantity was (before the Close-out Date) used pursuant to paragraph 8.8 or 8.9, upon the estimated Metered Consumption being agreed or established (pursuant to this paragraph 8):

- (a) the Operator will determine (as nearly as may be) the Metered Quantity ("**Error Revised Quantity**") for the Day on the basis of such Metered Consumption;
- (b) DM Reconciliation will be carried out to adjust for the difference between the Error

Revised Quantity and the Supply Meter Point Daily Quantity previously applied (before M+6) in the determination of the User's final UDQO for the Daily Read Error Day; and

- (c) in the case where there was a capacity ratchet amount determined on a Daily Read Error Day, the capacity ratchet amount will be recalculated using the Error Revised Quantity and the revised capacity ratchet will be applied pursuant to Section B10.4 and if, as a consequence, the capacity ratchet amount is either smaller or larger, the Overrun charge will be re-determined (and the difference between the Overrun Charge first calculated and the revised Overrun Charge will be invoiced and payable in accordance with Section K).

- 8.11 Where it is agreed or determined that the Daily Read Equipment is not functioning correctly, the Operator will at its expense as soon as is reasonably practicable repair or replace the Daily Read Equipment.

9 Provision of Meter Readings

- 9.1 The Operator will provide to each User (where required to do so in accordance with this Section M) each Valid Meter Reading for each of the User's Registered Supply Meter Points as soon as reasonably practical following the date of the Valid Meter Reading, but in any event shall do so by not later than the 2nd Day following the date of the Valid Meter Reading.

SECTION N: DISPUTE RESOLUTION

1. Introduction

- 1.1 This Section N provides for the resolution of certain disputes between the Operator and Users.
- 1.2 For the purposes of this Section N:
- (a) a "**dispute**" is any dispute or difference arising between the Operator and any User or Users under or in connection with the Code or the Framework Agreement or any ancillary agreement; and
 - (b) in respect of any dispute "**parties**" means the Operator and the User or Users party to such dispute, and "**party**" shall be construed accordingly.
- 1.3 For the purposes of the Code "**Expert Determination**" means the determination of an expert pursuant to paragraphs 2 to 8 (inclusive).
- 1.4 Where the Code provides or the parties have agreed that a dispute is to be referred to or resolved by Expert Determination:
- (a) paragraphs 2 to 8 (inclusive) shall apply; and
 - (b) subject to paragraph 1.6, no party shall commence proceedings in any court in respect of or otherwise in connection with such dispute.
- 1.5 The parties may agree to refer any dispute (including such a dispute as is referred to in paragraph 1.4) to mediation in accordance with paragraphs 9 to 15 (inclusive).
- 1.6 Nothing in this Section N shall prevent any party from seeking interim or interlocutory relief in any court.
- 1.7 Except where otherwise provided in this Section N, any notice, submission, statement or other communication relating to any dispute to be given pursuant to this Section N by or to any party, an expert, a mediator, or a User shall be in writing.
- 1.8 Where two or more Users are parties to a dispute any such notice, submission, statement or communication to be given by them may be given by them jointly (and any reference to the party or parties by whom and to whom it is to be given shall be construed accordingly).
- 1.9 For the purposes of any limit under this Section N on the length of any submission or statement or any attachments thereto a "**page**" is a single-sided A4 sheet which may contain single spaced type in a normal font size.

2 Expert Determination

- 2.1 A dispute which is to be referred to or resolved by Expert Determination shall be determined by an individual appointed as expert in accordance with paragraphs 2 to 8 (inclusive).
- 2.2 No person shall be nominated as a proposed expert under paragraph 2.4 or 2.5 unless that person has the requisite qualifications to resolve a dispute referable under the Code to Expert Determination by virtue of his education, experience and training.
- 2.3 Any party to a dispute which is to be resolved by or referred to Expert Determination may give notice of the dispute in accordance with paragraph 2.4.
- 2.4 The notice shall be given to each other party and shall:
- (a) provide brief details of the issues to be resolved; and
 - (b) nominate four persons as proposed experts.
- 2.5 Within 5 Business Days after any notice under paragraph 2.3 was given, each party (other than the party giving such notice) shall by notice to each other party nominate four persons as proposed experts (who may but need not be listed experts).
- 2.6 The parties shall endeavour within 10 Business Days after the notice under paragraph 2.3 was given to agree upon the selection of an expert, and may meet for this purpose; failing such agreement the parties shall refer the appointment of an expert to the president from time to time of the Law Society of Northern Ireland.

3 Appointment of the expert

- 3.1 Upon the selection under paragraph 2.6 of an expert, the parties shall forthwith notify the expert selected of his selection and request him to confirm within 5 Business Days whether or not he is willing and able to accept the appointment.
- 3.2 The notification to the expert shall include the following:
- (a) the names of the parties and a summary of the dispute;
 - (b) a request that the expert provide the confirmation required under paragraph 6;
 - (c) a request for confirmation of the expert's scale of fees;
 - (d) a statement that the expert's fees and expenses will be paid as provided in paragraph 8;
 - (e) a statement that the information disclosed in the notification is confidential and that it should not be disclosed, copied or revealed whether the appointment is accepted or not;
 - (f) a copy of paragraphs 2 to 8 (inclusive); and
 - (g) a request for confirmation that the expert is able and willing to act in accordance with the timescales and procedure set out herein.
- 3.3 If the selected expert is unwilling or unable to accept the appointment, or shall not have

confirmed his willingness and ability to accept such appointment within the period required under paragraph 3.1, or the amount of his remuneration or terms of his appointment are not agreed within the period required under paragraph 3.4, the parties shall endeavour to agree upon the selection of another expert within 3 Business Days, failing which another expert shall be selected in accordance with paragraph 2.

- 3.4 The parties shall use their best endeavours to ensure that the terms of the contract of appointment of the expert are agreed with him within 10 Business Days following his confirmation of ability and willingness to act, and agree that if the parties are unable to agree with the expert the amount of his remuneration or any other terms of his appointment then:
- (a) if one or more of the parties is not willing to agree what the expert proposes, such amount or terms shall be determined by the president for the time being of the Law Society of Northern Ireland whose decision shall be final and binding on the parties to the dispute and whose costs of such reference shall be borne by the parties to the dispute equally; and
 - (b) if none of the parties is willing to agree what the expert proposes, or the expert is not willing to agree what is determined pursuant to paragraph (a), another expert shall be selected in accordance with paragraph 2.
- 3.5 The expert shall be an independent contractor and the relationship of the parties and the expert shall in no event be construed to be that of principal and agent or master and servant.
- 3.6 The expert shall not act as an arbitrator (and accordingly the provisions of the Arbitration (Northern Ireland) Orders as in force from time to time shall not apply) nor as mediator.
- 3.7 The expert shall not be held liable for any act or omission unless it shall be shown that the expert has acted fraudulently or in bad faith.

4 Timetable and Procedure for appointment of expert

- 4.1 No later than 5 Business Days following his appointment, the expert shall by giving reasonable notice to each party, convene a meeting with the parties at which he shall raise any matters upon which he requires clarification and discuss with the parties any additional procedural requirements he or they may have.
- 4.2 The parties shall, not later than 10 Business Days after the appointment of the expert, submit to the expert and to each other party written submissions of not more than 10 pages in length together with all supporting documentation, information and data which they wish to submit in respect of the dispute; and the parties may also submit a statement of facts which they have agreed between themselves to the expert.
- 4.3 Each party may, not later than 20 Business Days after the appointment of the expert, submit to the expert and each other party written submissions of not more than 10 pages in length, together with any additional supporting documentation, information and data, in reply to the submissions made under paragraph 4.2.
- 4.4 The expert shall disregard any documentation, information, data or submissions supplied or made (other than pursuant to paragraph 4.9) by any party later than 20 Business Days after his appointment unless the same are provided in response to a request from the expert.
- 4.5 If the expert shall wish to obtain independent professional and/or technical advice in connection with the dispute:

- (a) he shall first provide the parties with details of the name, organisation and estimated fees of the professional or technical adviser; and
 - (b) he may engage such adviser with the consent of the parties (which consent shall not be unreasonably withheld) for the purposes of obtaining such professional and/or technical advice as he may reasonably require.
- 4.6 The expert may at his discretion and at any time request information from any of the parties orally but shall only do so in the presence of the other parties.
- 4.7 At any time after the period referred to in paragraph 4.3 expires, with the written consent of the parties, the expert may (but shall not be required to) convene a hearing upon giving the parties reasonable notice.
- 4.8 The expert shall provide a draft of his determination, which shall be a report in writing giving reasons for the determination, to the parties not later than 35 Business Days following his appointment.
- 4.9 Each party may, within 10 Business Days following delivery of the draft determination, submit to the expert any documentation, information, data, submissions or comments not exceeding 5 pages in length on or in respect of the draft determination.
- 4.10 The expert shall submit his final determination, which shall be a report in writing giving reasons for his determination of the dispute, to the parties not later than 50 Business Days following his appointment.
- 4.11 If the expert fails to submit the final determination by the time required under paragraph 4.10, at the request of any party another expert may be appointed in accordance with the provisions of paragraph 2 and the appointment of the previous expert shall cease unless, the previous expert shall have submitted his final determination hereunder, in which case the new expert shall be forthwith informed that his services will not be required.

5 Effect of expert's determination

- 5.1 The expert's final determination shall (if given in accordance with the timescales and procedure as described in 4.10 and 4.11) 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 paragraph 2.
- 5.2 Except as provided in paragraph 5.1, no party shall commence proceedings in respect of or refer to any court, any finding by the expert, whether made at any time after his appointment or in his determination, as to the dispute or the construction of, or otherwise in respect of the Code or any Ancillary Agreement.

6 Conflict of interests and expert

- 6.1 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 under his contract with the parties.
- 6.2 If after his appointment the expert becomes aware of any interest or duty which conflicts or potentially conflicts with the performance of his duties under his contract with the parties, the expert shall inform the parties forthwith of such conflict giving full details thereof.
- 6.3 Any party may within 5 Business Days of the disclosure of any such conflict or potential 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 paragraph 2 (and the rejected expert shall not be nominated for such selection).

7 Confidentiality regarding Expert Determination

- 7.1 The parties and the expert shall keep the fact that the Expert Determination is taking place and its outcome confidential.
- 7.2 All documentation, information, data, submissions and comments disclosed or delivered whether in writing or otherwise by any party to the expert or to any other party either in connection with or in consequence of the appointment of the expert shall be regarded and treated as confidential; and the expert and the parties shall not disclose any or all of the documentation, information, data, submissions and comments including the contents and copies thereof in any form except in connection with any proceedings in any court which a party is not prohibited under this Section N from commencing.

8 Costs of expert

- 8.1 Each party shall bear its own costs including without limitation costs of providing documentation, information, data, submissions or comments in relation to a dispute referred to Expert Determination and all costs and expenses of all witnesses and other persons retained by it.
- 8.2 The expert shall provide the parties with a breakdown of:
 - (a) his fees; and
 - (b) his reasonable expenses, including the fees of and reasonable expenses incurred by any technical or professional advisers.
- 8.3 The expert's fees and expenses under paragraph 8.2 shall be payable by the parties in equal amounts, unless the expert (having regard to the conduct of the parties with respect to the dispute in question) shall direct in his final determination that such costs and expenses should be borne by one or some only of the parties, in which case the parties shall pay such fees and expenses in accordance with such direction.
- 8.4 If the terms of the expert's appointment provide for the payment of his fees and expenses before the delivery of the final determination, the parties shall pay such fees and expenses in equal amounts, and shall make adjustment payments inter se following any such direction as

is referred to in paragraph 8.3.

9 Mediation

A dispute which is to be referred to mediation shall be referred to a single mediator who shall explore the interests of the parties to the dispute and encourage the parties to resolve the dispute in light of such interests.

10 Appointment of mediator

- 10.1 Within 5 Business Days after agreeing to refer a dispute to mediation the parties shall meet and use their best endeavours to agree upon a person to act as mediator, unless they have agreed upon a mediator when agreeing so to refer the dispute.
- 10.2 Where the parties agree upon a mediator they shall request such person to accept appointment as mediator, and shall use all reasonable endeavours to agree (between themselves and with the mediator) upon the terms of his appointment.
- 10.3 A person shall be treated as appointed as a mediator for the purposes of paragraphs 9 to 15 (inclusive) when he has confirmed his acceptance to act as mediator in accordance herewith.

11 Procedure and timetable for appointment of mediator

- 11.1 Within 5 Business Days following his appointment, the mediator shall require each party to provide him with a written summary of the dispute, which written summary shall not exceed 5 pages.
- 11.2 The mediator may in his discretion:
 - (a) request any party to provide him with copies of any documentation or information which he believes will assist to explain any such summary; and
 - (b) provide any such written summary and/or any information or copy documentation received under paragraph (i) to the other party(ies) to the dispute.
- 11.3 Within 10 Business Days following his appointment, the mediator shall contact the parties and shall arrange to meet them.
- 11.4 Each party shall attend the meeting with the mediator with a maximum of three representatives, one of whom shall be a person with decision making authority in relation to the subject matter of the dispute and one of whom may be the legal adviser of that party.
- 11.5 No additional persons shall attend without the prior written consent of the mediator.
- 11.6 The mediator may convene more than one meeting with the parties but shall not convene any meetings later than 40 Business Days following his appointment, unless the parties agree otherwise.
- 11.7 The mediator may at his discretion meet each party on his own whether during a meeting attended by the other parties or otherwise, but he shall not disclose to any other party matters disclosed to him in such circumstances without the consent of the disclosing party.
- 11.8 At any meeting attended by the parties, the mediator may require each party to make a brief

presentation of its case and he may also require the other parties to reply to another party's presentation.

- 11.9 The mediator shall not act as an arbitrator (and accordingly the provisions of the Arbitration (Northern Ireland) Orders as in force from time to time shall not apply).

12 Result of mediation

- 12.1 The mediator shall encourage the parties to resolve the dispute by agreement and may also discuss informally with any party his own views as to the merits of the dispute.
- 12.2 If the dispute remains unresolved 45 Business Days after the mediator's appointment the mediator shall, if so requested by any party, advise the parties of his views and may, at his discretion, also inform them of what he considers to be a fair settlement of the dispute.
- 12.3 No party shall be bound to adopt the views or advice expressed or provided by the mediator.
- 12.4 If the dispute is resolved or the parties accept the views and advice of the mediator under paragraph 12.2, the parties shall use their best endeavours, within 5 Business Days after such resolution or acceptance, to enter into a settlement agreement which shall:
- (a) set out the terms accepted by the parties or on which the dispute was resolved; and
 - (b) contain provisions of confidentiality similar to those set out in paragraph 13.
- 12.5 Such settlement agreement shall be made pursuant to the law of Northern Ireland and courts in Northern Ireland shall be given exclusive jurisdiction over any dispute arising from the settlement agreement.

13 Confidentiality of Mediation

- 13.1 The mediator and the parties, their representatives and advisers and any person connected in any way with the mediation shall keep confidential the fact that the mediation is taking place, and its outcome, and all documents, submissions, statements, information and data including anything revealed orally or otherwise during the mediation and any settlement agreement except as may be necessary for implementation or enforcement of the settlement agreement.
- 13.2 All documents and information prepared by a party for and disclosed in the mediation, and all discussions which take place with a party during the course of the mediation, shall be afforded the same protection from discovery as 'Without Prejudice' negotiations in proceedings in court; provided that this shall not preclude any document, which may have been disclosed during the mediation but was not prepared solely for use in the mediation, from being discoverable in any proceedings.

14 Costs of Mediation

- 14.1 The parties shall, unless they agree otherwise bear their own costs and expenses of whatsoever nature of the mediation.
- 14.2 The parties shall bear the fees and expenses of the mediator and the mediator's appointment and all administrative costs arising from the mediation equally.

15 Further proceedings

- 15.1 The mediator shall not act in any subsequent legal or similar proceedings in respect of the dispute in which he acted as mediator.
- 15.2 The mediator shall not be held liable for any act or omission unless it shall be shown that he has acted fraudulently or in bad faith.

SECTION O: GENERAL

1 Introduction

- 1.1 References to the "**Code**" are to this Network Code Principal Document as from time to time modified in accordance with the Modification Rules or the Operator Licence; and references to the Code include the Code as given contractual effect by the Framework Agreement.
- 1.2 For the purposes of this Section O "**Network Code Framework Agreement**" or "**Framework Agreement**" means an agreement in such form as may be required by the Operator pursuant to which the Code is made binding upon the Operator and each User.
- 1.3 In this Section "**Party**" means in the context of the Network Code Framework Agreement, the Operator or any User.
- 1.4 Except where the Code expressly provides otherwise or disapplies this paragraph 1.4, neither the Code nor the Framework Agreement creates contractual rights or liabilities between Users inter se.
- 1.5 Paragraph 1.4 shall not apply in respect of paragraphs 12 to 20 (inclusive).

2 Operator as a user

- 2.1 This paragraph 2 applies until such time as the Operator ceases to hold a Supplier's Licence.
- 2.2 For as long as the Operator is the holder of a Supplier's Licence and authorised to supply gas to premises connected to the System paragraph 2.3 shall apply.
- 2.3 Where this paragraph 2.3 applies:
 - (a) the Code shall be treated as having effect between the Operator in its capacity as holder of a Conveyer's Licence ("**Network Operator Capacity**") and the Operator in its capacity as holder of a Supplier's Licence ("**Operator Supplier Capacity**") (each an "**Operator Capacity**") and accordingly:
 - (i) references in the Code to a User will be treated as including a reference to the Operator Supplier Capacity;
 - (ii) it is acknowledged that the Code does not (and cannot) create contractual rights and liabilities between the two Operator Capacities;
 - (b) the Operator will:
 - (i) account for payments to be made by it pursuant to the Code in each Operator Capacity;
 - (ii) secure accounting records are maintained sufficient to allow separate identification of the payments referred to in paragraph (i) and the calculation of the amount of such payments; and
 - (iii) nominate personnel in respect of each Operator Capacity and such personnel shall conduct operations under the Code in accordance with the relevant Sections in respect of the Operator Capacity in respect of which they have been so nominated;

- (c) paragraphs 4 to 20 (inclusive) shall not apply as between the Operator in respect of each Operator Capacity;
- 2.4 Nothing in this paragraph 2 shall require the Operator to establish separate subsidiaries or (other than provided for in paragraph 2.3(b)) to prepare separate accounts, or maintain separate bank accounts, in respect of each Operator Capacity.
- 2.5 This paragraph 2 is without prejudice to the requirements of the Operator Licence.

3 User admission

- 3.1 In order to become a User a person (the "**Applicant User**") must:
- (a) satisfy or secure satisfaction of the requirements in paragraph 3.2; and
 - (b) accede to the Framework Agreement and thereby agree to be bound by the Code.
- 3.2 The requirements referred to in paragraph 3.1(a) are as follows:
- (a) the Applicant User shall have applied to the Operator, in such form as the Operator may from time to time prescribe, giving the following details:
 - (i) the name of the Applicant User;
 - (ii) the legal nature of the Applicant User, and where the Applicant User is not a company incorporated under the Companies (Northern Ireland) Order 1986, such further information concerning the constitution of the Applicant User as the Operator may reasonably require;
 - (iii) the address and telephone and facsimile numbers and email addresses of the Applicant User, and the individual for whose attention notice is to be marked, for the purposes of notice under paragraph 11.7 and 11.12; and
 - (iv) where the Applicant User is not a company incorporated under the Companies (Northern Ireland) Order 1986, an address for service in accordance with paragraph 19.3;
 - (b) a Supplier's Licence shall have been granted to the Applicant User which is in force and in respect of which no notice of revocation has been given, and the Applicant User shall have provided a copy of such licence to the Operator;
 - (c) the Applicant User shall have provided the emergency contact details required under Section J4.3;
 - (d) the Applicant User shall have obtained from the Operator one or more copies of the Code and such other documents referred to in the Code or the Framework Agreement as the Operator shall from time to time prescribe for the purposes of this paragraph ;
 - (e) the Applicant User shall have been assigned an initial Code Credit Limit in accordance with paragraph 4; and
 - (f) the Applicant User shall have complied with the requirements of the New Entrant Readiness Pack and the Authority shall have given notice to the Operator confirming the Authority is satisfied the Applicant User has made adequate preparation for

operation as a User in a specific Tenure Category.

- 3.3 An Applicant User may accede to the Framework Agreement before the requirements of paragraph 3.2(e), is satisfied.
- 3.4 Where in accordance with paragraph 3.3 an Applicant User has acceded to the Framework Agreement, the Applicant User and the Operator shall be bound by this Section O and the Applicant User shall for such purposes only be treated as a User.
- 3.5 The Applicant User will become a User with effect from the Day ("**User Accession Date**") which is 3 Business Days after satisfaction of the last of the requirements under paragraphs 3.1 and 3.2 to be satisfied.
- 3.6 Upon the Applicant User becoming a User pursuant to paragraph 3.5 the Operator will so notify the Applicant User, specifying the Operator's notice details, including the notice details of any Agent appointed by the Operator for the purposes of paragraph 8.3.
- 3.7 Where the Supplier's Licence held by a User limits or restricts the premises to which the User may arrange for the conveyance of gas by the System or in any other way limits or restricts the activities which the User is authorised to carry on:
- (a) the User shall be solely responsible for compliance with such limit or restriction and (subject to paragraph (b)) the Operator shall not in the implementation of the Code as respects such User be concerned with such limit or restriction; and
 - (b) the Operator shall be at liberty in its discretion to (but shall not be required to) withhold from the User any right or entitlement pursuant to the Code so as to give effect to such limit or restriction.
- 3.8 Unless expressly otherwise provided in the Code or agreed by the Operator, a person may only be one User, and accordingly a person who is for the time being a User may not make a further application to be admitted as a User.
- 3.9 For the purposes of the Code the "**New Entrant Readiness Pack**" is the document of that name jointly prepared and published by the Operator and the Authority setting out the preparatory steps to be undertaken by an Applicant User in order to become a User.
- 3.10 Upon the Applicant User becoming a User pursuant to clause 3.5 the Operator will assign the appropriate Tenure Category as specified in 3.2 (f) for the purpose of the User submitting a Supply Meter Point Confirmation to the Operator to become the Registered User at a Supply Meter Point.

4 Code Credit Limits

- 4.1 The Operator will, in accordance with the Code Credit Rules, determine and assign to each User a Code Credit Limit, and will keep each User informed of its Code Credit Limit (as revised in accordance with paragraph 4.8) for the time being.
- 4.2 The "**Code Credit Rules**" are the rules from time to time established and revised by the Operator and issued to Users setting out (inter alia):
- (a) the principles on which the Operator will assess and from time to time revise (in accordance with paragraph 4.8) its assessment of the credit-worthiness of Users (and persons providing surety for Users) and establish Code Credit Limits; and

- (b) the basis on which a User may (with a view to increasing its Code Credit Limit) provide surety or security for Relevant Code Indebtedness, or (with a view to reducing its Relevant Code Indebtedness) make prepayments to the Operator.
- 4.3 The Code Credit Rules do not form a part of the Code and (but without prejudice to the further provisions of this paragraph or to anything done pursuant to the code Credit Rules) compliance with the Code Credit Rules is not an obligation on the Operator or Users. However the Code Credit Rules provide general guidance to the Operator and User as described in Section 4.2(a) and 4.2(b) hereof."
- 4.4 Nothing in the Code or the Code Credit Rules shall constitute any duty of care or other obligation on the part of the Operator (whether to or for the benefit of the User in question or Users in general) in relation to the implementation of the Code Credit Rules or the provisions of this paragraph 4.
- 4.5 For the purposes of the Code:
- (a) a "**Code Credit Limit**" is an amount representing a User's maximum permitted Relevant Code Indebtedness;
- (b) "**Relevant Code Indebtedness**" is:
- (i) the aggregate amount, including Reconciliation Energy Charges, for which a User is at any time liable to the Operator pursuant to the Code, determined on the basis of amounts accrued (and in accordance with paragraph (c) where applicable) and irrespective of whether such amounts have been invoiced under Section K or (where invoiced) have become due for payment; less
- (ii) any amount which has been paid to the Operator by the User by way of prepayment, on the basis that the Operator may apply such amount without the User's consent in or towards payment of amounts referred to in paragraph (i), and which has not yet been so applied;
- (c) for the purposes of paragraph (b)(i) a User's liability for Capacity Charges in respect of a Day shall be treated as accruing on such Day; and
- (d) for the purposes of paragraph (b)(i) a User's liability for Reconciliation Energy Charges or Commodity Charges on a Day shall be treated as accruing on the 6th Day after such Day.
- 4.6 For the avoidance of doubt, the amount of a User's Relevant Code Indebtedness shall be determined by reference to the relevant provisions of the Code, and nothing in the Code shall be construed as withdrawing from a User any right to dispute whether the Operator has correctly calculated such amount in any case, or from the Operator any right to dispute the validity of any Invoice Query submitted by any User.
- 4.7 Without prejudice to paragraph 4.6, where a User has submitted an Invoice Query in accordance with Section K4 in respect of any Invoice Document the Operator will review and give due consideration to such Invoice Query before taking any steps pursuant to paragraph 4.12.
- 4.8 A User's Code Credit Limit may from time to time be reviewed and revised, in accordance with the Code Credit Rules, on notice of not less than 15 Days (or any lesser period agreed by the User) to the User:
- (a) at the Operator's or the User's request;

- (b) where any published credit rating of the User or any person providing surety for the User is revised downwards; and
 - (c) where (but without prejudice to any requirement of the Code Credit Rules) any instrument of surety or security expires or is determined.
- 4.9 Where a Supplier of Last Resort (as defined in paragraph O6.1 (b)) has been appointed and paragraph O6.2 applies, such Supplier of Last Resort's Code Credit Limit will be reviewed and may be revised by the Operator in accordance with paragraph O6.3.
- 4.10 Subject to paragraph 4.11, the Operator will bear the costs and fees it incurs (but not any costs incurred by the User) in connection with any review of a User's Code Credit Limit in accordance with paragraph 4.8.
- 4.11 The Operator will not be obliged to agree to any request of the User under paragraph 4.8 unless the User agrees to reimburse to the Operator the reasonable costs and fees payable by the Operator to any third party in accordance with the Code Credit Rules in connection with such request.
- 4.12 Where and for so long as the Relevant Code Indebtedness of a User for the time being exceeds 80% of the User's Code Credit Limit, the Operator shall be entitled to reject a Supply Meter Point Confirmation under Section L until such time as the User's Relevant Code Indebtedness is reduced to less than 70% of its Code Credit Limit.
- 4.13 Subject to paragraph 4.12, where and for so long as the Relevant Code Indebtedness of a User for the time being exceeds 100% of the User's Code Credit Limit, the Operator may give a Termination Notice (in accordance with paragraph 5.11) to the User.
- 4.14 Any instrument of surety or security provided by a User pursuant to the Code Credit Rules (and whether or not entered into by the User) shall not be a part of the Code; and no provision of or modification of the Code, nor any inconsistency between the Code and any such instrument, and nothing done by the Operator pursuant to the Code, shall prejudice or invalidate any such instrument.
- 4.15 Where a User has provided surety or security pursuant to the Code Credit Rules the User (or the person giving the surety) may request the Operator to release all or any of such security or agree to a reduction in any maximum amount of such surety.
- 4.16 Following a request by a User under paragraph 4.15, the Operator will as soon as reasonably practicable and, except where the User also requests a review (by an agency appointed by the Operator for such purposes) and revision of its Code Credit Limit, in any event not more than 10 Business Days after such request, release security, or agree to a reduction in surety, to such extent or by such amount as will permit the condition in paragraph 4.17 to be satisfied.
- 4.17 The condition referred to in paragraph 4.16 is that the amount of the User's Relevant Code Indebtedness at the date of such release or reduction is not more than 70% of the amount of the User's Code Credit Limit, determined in accordance with the Code Credit Rules on the basis of the release of security or reduction in surety (and taking account of any alternative surety or security provided by the User).
- 4.18 A User may (inter alia) provide security for the purposes of the Code Credit Rules in the form of a deposit in a bank account where:
- (a) the account is in the joint names of the User and the Operator;

- (b) interest on the amount deposited in the account will accrue for the benefit of the User;
- (c) the User and the Operator have irrevocably instructed the bank, in terms reasonably satisfactory to the Operator and the User, to make payment to the Operator of amounts (up to the amount deposited in the account) which have become due for payment to the Operator (but having regard to the time at which pursuant to Section K4 payment is due where an Invoice Query has been raised) against reasonable evidence provided by the Operator that payment of such amount has become due (but such instruction shall be without prejudice to any provision of Section K as to the payment of interest);
- (d) the bank shall have agreed with the Operator and the User that the amounts deposited in the account may not be set-off or otherwise applied by the bank in respect of any indebtedness of the User or other person; and
- (e) amounts (other than in respect of interest earned) standing to the credit of the account will not be paid to the User except with the Operator's written agreement (but subject to paragraph 4.16).

5 Discontinuing Users and termination

- 5.1 A User may cease to be a User pursuant to this paragraph 5; and for the purposes of the Code a **"Discontinuing User"** is a User who so ceases to be a User and the **"User Discontinuance Date"** is the date with effect from which (in accordance with this paragraph 5) a Discontinuing User ceases to be a User.
- 5.2 Upon a User ceasing to be a User subject to paragraphs 5.13 and 7.11, the Framework Agreement shall cease to bind the Discontinuing User and (as respects the Discontinuing User) the Operator.
- 5.3 The Operator will as soon as reasonably practicable after the User Discontinuance Date notify all other Users of a User ceasing to be a User.
- 5.4 A User may at any time by giving notice (**"Discontinuance Notice"**) to the Operator apply to cease to be a User.
- 5.5 Where a User has given notice under paragraph 5.4 the User may not cease to be a User until such time as:
 - (a) all amounts payable or which may become payable by the User to the Operator pursuant to any provision of the Code or the Framework Agreement have been paid in full;
 - (b) the User is not the Registered User of any Supply Meter Point;
 - (c) there is no outstanding Reconciliation Quantity in respect of the User; and
 - (d) any outstanding breach, being a breach capable of remedy and of which the Operator has given notice to the User, by the User of any provision of the Code or the Framework Agreement shall have been remedied.
- 5.6 Where a User has given notice under paragraph 5.4, the User and the Operator shall remain bound by the Code and the Framework Agreement until the requirements of paragraph 5.5 are satisfied.
- 5.7 Where a User has given notice under paragraph 5.4, after the satisfaction of the last of the requirements of paragraph 5.5 to be satisfied:

- (a) with effect from the 5th Business Day following such satisfaction, the User will cease to be a User; and
- (b) without prejudice to paragraph 5.8, the Operator will as soon as reasonably practicable inform the User of the date on which it ceases to be a User under paragraph (a).

5.8 Notwithstanding paragraph 5.7, without prejudice to paragraph 5.2, the Operator or (as the case may be) the Discontinuing User shall remain liable, subject to and in accordance with the Code, to the other and (in the case of the Discontinuing User, subject to paragraph 1.4) to each other User, after the User Discontinuance Date:

- (a) for any amount which was or becomes payable under the Code in respect of any period before the User Discontinuance Date; and
- (b) in respect of any outstanding breach of any provision of the Code or the Framework Agreement where such breach was not (for the purposes of paragraph 5.5(d)) capable of remedy or (notwithstanding that paragraph) was capable of remedy but was not remedied.

5.9 For the purposes of this paragraph there shall have occurred a "**User Default**" in relation to a User (the "**Defaulting User**") in any of the following events or circumstances:

- (a) where in relation to any amount (or amounts in aggregate) of not less than £5,000 which has become due for payment by the Defaulting User under the Code (excluding for the avoidance of doubt amounts the subject of an Invoice Query which by virtue of Section K4.6 have not become due for payment):
 - (i) the Defaulting User has not paid the amount in full by the 5th Business Day after the due date for payment; and
 - (ii) on or after the 5th Business Day after the due date for payment the Operator has given notice to the Defaulting User requiring payment of such amount; and
 - (iii) the Defaulting User has not paid such amount in full by the 5th Business Day after the date of the Operator's notice under paragraph (ii); or
- (b) in accordance with paragraph 4.13; or
- (c) where:
 - (i) the Defaulting User is in material breach, other than such a breach as is referred to in paragraph 5.15, of any material provision (other than a payment obligation) of the Code; and
 - (ii) the breach is capable of remedy by the Defaulting User; and
 - (iii) the Operator has given notice (making reference to this paragraph 5.9) of such breach to the Defaulting User; and
 - (iv) within 14 Days after the Operator's notice under paragraph (iii), the Defaulting User does not either:
 - (1) remedy the breach in all material respects, where the breach is capable of remedy within such period of 14 Days; or
 - (2) where the breach is not so capable of remedy, provide to the Operator

a programme (setting out the steps to be taken by the User and the timetable for taking such steps) for the remedy of the breach as soon as is reasonably practicable; and

- (v) in the case in paragraph (iv)(2), the Defaulting User does not:
 - (1) remedy the breach in all material respects with all reasonable diligence and in accordance with the programme provided under that paragraph or a revised programme pursuant to paragraph (2); and
 - (2) where notwithstanding the reasonable diligence of the User it is not reasonably practicable for the User to remedy the breach in accordance with that programme, provide to the Operator a revised such programme; and
- (vi) the breach remains unremedied in any material respect after the expiry of 7 Days after a further notice by the Operator to the Defaulting User to the effect that the Defaulting User has not complied with paragraph (iv) or (v); or

(d) where:

- (i) the Defaulting User is in material breach, other than such a breach as is referred to in paragraph 5.15, of any relevant provision (other than a payment obligation) of the Code; and
- (ii) the breach is not capable of remedy; and
- (iii) the Operator has given notice (making reference to this paragraph 5.9) of the breach to the Defaulting User; and
- (iv) at any time within the period of 12 months following the Operator's notice under paragraph (iii), there occurs a further material breach by the Defaulting User of the same provision of the Code; and
- (v) the Operator has given a notice of such further breach to the Defaulting User and a period of 7 Days has expired following such notice; or

(e) where:

- (i) the Defaulting User is unable to pay its debts (within the meaning of Article 103(1) or (2) of the Insolvency (Northern Ireland) Order 1989, but subject to paragraph 5.10), or any voluntary arrangement is proposed in relation to it under Section I of that Act or it enters into any composition or scheme of arrangement (other than for the purpose of a bona fide solvent reconstruction or amalgamation); or
- (ii) the Defaulting User has a receiver (which expression shall include an administrative receiver within the meaning of Article 5(1) of the Insolvency (Northern Ireland) Order 1989 of the whole or any material part of its assets or undertaking appointed; or
- (iii) the Defaulting User has an administration order under Article 21 of the Insolvency (Northern Ireland) Order 1989 made in relation to it; or
- (iv) the Defaulting User passes any resolution for winding-up (other than for the purpose of a bona fide solvent reconstruction or amalgamation); or

- (v) the Defaulting User becomes subject to an order by the High Court for winding-up;
 - (vi) the User has been terminated as a party to the NI Network Gas Transmission Code by the Transporter; or
- (f) where the Supplier's Licence granted to the Defaulting User is determined or revoked or otherwise ceases to be in force for any reason whatsoever, or such licence is assigned unless such assignment is contemporaneous with an assignment by the User of all of its rights and obligations under the Code and the Framework Agreement in accordance with paragraph 13.
- 5.10 For the purposes of paragraph 5.9(e)(i), Article 103(1)(a) of the Insolvency (Northern Ireland) Order 1989 shall have effect as if for the sum specified therein, there was substituted '£5,000'; and the Defaulting User shall not be deemed to be unable to pay its debts for the purposes of that paragraph if any such demand as is mentioned in the said Section is being contested in good faith by the Defaulting User with recourse to all appropriate measures and procedures.
- 5.11 Upon the occurrence of a User Default, and at any time after such occurrence at which the User Default is continuing, the Operator may give notice ("**Termination Notice**") to the Defaulting User to the effect that the User shall cease to be a User with effect from the date (which may be any date on or after the date on which the notice is given) specified in the notice.
- 5.12 Where the Operator gives Termination Notice to a Defaulting User, with effect from the date specified in the notice, the User will cease to be a User and paragraph 5.2 shall apply.
- 5.13 The giving of Termination Notice and the application of paragraph 5.12 shall not affect the rights and obligations of the Operator and the Defaulting User under the Code or the Framework Agreement (including rights and obligations in respect of the User Default, and in respect of amounts including interest payable by either Party, and rights and obligations arising pursuant to any provision of the Code in respect of the User's ceasing to be a User) accrued up to the date referred to in paragraph 5.12, which shall continue to be enforceable notwithstanding that paragraph.
- 5.14 Upon the occurrence of a User Default or where the Operator has given Termination Notice it shall be entitled to inform such persons as it thinks fit of such User Default or Termination Notice (as applicable) including but not limited to the Authority, Distribution System Operators, including the Delivery Facility Operator in relation to any System Entry Point at which the Defaulting User held System Capacity, and any person from whom the Operator believes the Defaulting User to have purchased gas for delivery to the System, or with whom the Operator believes the Defaulting User has arranged for the conveyance of gas directly or indirectly to the System.
- 5.15 For the purposes of paragraph 5.9(c)(i) and (d)(i) the following breaches are excluded:
- (a) a breach which results from a breach by the Operator of the Code;
 - (b) the delivery or tendered delivery by the User of non-compliant gas (as described in Section G3);
 - (c) a breach other than a wilful breach of a provision of the Code where the Code specifically provides some remedy for such breach and such other remedy may reasonably be considered to be adequate in the circumstances.

- 5.16 For the purposes of paragraph 5.9(d)(i) a breach is a material breach of a relevant provision where and only where:
- (a) the breach is wilful or reckless; or
 - (b) in the case of any provision, as a result of the breach the Operator or any other User is in material breach of any material provision of the Code or any Legal Requirement or incurs any material liability or expense; or
 - (c) where the breach is one of a series of related or substantially similar breaches and the Operator has previously given the User seven (7) days notice that, in the event that the User continues to breach the provisions of the Code in a similar manner that it may give Termination Notice to such User.
- 5.17 On giving Termination Notice to any User the Operator shall be entitled to set off all monies received from the Defaulting User subsequent to the date of such Termination Notice against any payments due from such User firstly in respect of Distribution Charges and secondly against Reconciliation Energy Charges.

6 Supplier of Last Resort

6.1 For the purposes of this paragraph 6:

- (a) where a User has been given a Termination Notice by the Operator (under Section O5), all Supply Meter Points in respect of which the Discontinuing User was the Registered User immediately prior to the User Discontinuance Date shall be "Terminated Supply Meter Points";
- (b) a "Supplier of Last Resort" is a User whom by virtue of Article 24A of the Order has been directed by the Authority to supply gas in accordance with that article in respect of any or all of the Terminated Supply Meter Points;
- (c) "day of notification" is the Day on which the Operator receives written notice from the Authority of the appointment and identity of the Supplier of Last Resort;
- (d) a "Supplier of Last Resort Event" commences on the Day, specified in the direction of the Authority, from which the Supplier of Last Resort is directed to supply gas in respect of any Terminated Supply Meter Point and continues for such a period as may be specified in the direction (being no longer than six months); and
- (e) "Distribution System Operators" means parties authorised to convey gas through distribution pipelines by virtue of holding a licence granted under Article 8(1)(a) of the Order as further set out in Section P.

6.2 Where the Authority directs a Supplier of Last Resort to supply gas in respect of a Terminated Supply Meter Point, then notwithstanding any other provision of the Code, such Supplier of Last Resort shall become the Registered User of the Terminated Supply Meter Points specified in the Authority's written notice, thereby accepting the benefit of the rights and the burden

of obligations under the Code and the Framework Agreement in respect of the Terminated Supply Meter Points (including without limitation the payment of charges set out in the Conveyance Charge Statement in respect thereof) with effect from and including the date of the appointment of the Supplier of Last Resort by the Authority.

- 6.3 A Supplier of Last Resort's Code Credit Limit will be reviewed and may be revised by the Operator as follows:
- (a) The Operator shall undertake a review of the Supplier of Last Resort's Code Credit Limit in accordance with the Supplier of Last Resort Arrangements and shall advise the Supplier of Last Resort, as soon as reasonably practicable thereafter, of any further security that will be required to be provided by the Supplier of Last Resort in accordance with paragraph 6.3 (b);
 - (b) in the event that following the review referred to in paragraph 6.3(a) the Operator notifies the Supplier of Last Resort that additional security is required, then the Supplier of Last Resort shall be obliged to provide the requisite security in accordance with the Code Credit Rules (as appropriate) in favour of the Operator as soon as reasonably practicable after the day of notification but in any event no later than 6 weeks from the day of notification and upon receipt of that security the Operator shall revise the Supplier of Last Resort's Code Credit Limit as soon as reasonably practicable thereafter; and
 - (c) in the event that security is required to be provided by the Supplier of Last Resort pursuant to paragraph 6.3(a) but the Supplier of Last Resort fails to provide the security in accordance with paragraph 6.3(b), then the Operator shall be entitled to exercise those rights and remedies available to it pursuant to section O4.
- 6.4 Where the Authority directs a Supplier of Last Resort in respect of a Terminated Supply Meter Point the Supplier of Last Resort Arrangements shall apply.
- 6.5 The "**Supplier of Last Resort Arrangements**" are the documents, prepared and maintained by Users and Distribution System Operators and approved by the Authority (as amended or replaced from time to time), that outline the processes that should be followed both in the initiation of, during and after the circumstances of a Supplier of Last Resort Event.

7 Information and confidentiality

- 7.1 The Operator shall secure that Protected Information is not disclosed to any person other than:
- (a) an officer or employee of the Operator;
 - (b) a professional adviser of or consultant to the Operator or of an Operator Agent;
 - (c) without prejudice to any requirement under the Operator Licence, any 10% Affiliate of the Operator;

- (d) any subcontractor of the Operator or any officer, employee, professional adviser or consultant of such subcontractor; or
- (e) as required by any provision of the Code

in any such case in accordance with the requirements of paragraph 7.7 or used by the Operator for any purpose other than the carrying on of the Operator Activities.

7.2 Each User shall secure that Protected Information is not disclosed to any person other than:

- (a) an officer or employee of the User whose province it is to know the same; or
- (b) a professional adviser of or consultant to that User or a User Agent appointed by that User; or
- (c) a 10% Affiliate; or
- (d) subject to paragraph 7.4, a consumer or a supplier; or
- (e) as required by a provision of the Code,

in any such case in accordance with the requirements of paragraph 7.7;

7.3 Paragraph 1.4 shall not apply in respect of this paragraph 7.

7.4 For the purposes of paragraph 7.2(d) Protected Information may be disclosed to the consumer to the extent reasonably necessary to enable the conclusion and implementation of a contract of supply to the consumer.

7.5 In this paragraph 7 "**Protected Information**" means:

- (a) for the purposes of the Operator's obligations under paragraph 7.1 any information relating to the affairs of a User which is obtained by the Operator pursuant to or in the course of the implementation or performance of the Code or the Framework Agreement or the implementation of the Modification Rules; and
- (b) for the purposes of a User's obligations under paragraph 7.2 any information relating to the affairs of the Operator or of another User which is obtained by the User pursuant to or in the course of the implementation or performance of the Code or the Framework Agreement to which the User and (in relation to another User) that other User are party, or the implementation of the Modification Rules.

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

7.7 Where Protected Information is disclosed by the Operator as permitted under paragraph 6.1(a) or by a User as permitted under paragraph 7.2, the Disclosing Party shall (without prejudice to its obligations under paragraph 7.1 or 7.2) take reasonable steps to secure that the person to whom the information is disclosed:

- (a) is aware of the Disclosing Party's obligations under paragraph 7.1 or 7.2 in relation thereto, and
- (b) does not use or disclose the information other than as is permitted of such Party in accordance with paragraph 7.1 or 7.2.

7.8 For the purposes of this paragraph 7, "**Disclosing Party**" and "**Protected Party**" shall be construed as follows:

- (a) for the purposes of the Operator's obligations under paragraph 7.1, the Disclosing Party is the Operator and the Protected Party is the User to whose affairs any Protected Information relates; and
- (b) for the purposes of a User's obligations under paragraph 7.2, the Disclosing Party is such User and the Protected Party is the Party (either the Operator or another User) to whose affairs any Protected Information relates.

7.9 Nothing in paragraph 7.1 or 7.2 shall apply:

- (a) to the disclosure by the Disclosing Party of Protected Information to which the Protected Party has consented in writing;
- (b) to any Protected Information which:
 - (i) before it is obtained by the Disclosing Party is in the public domain; or
 - (ii) after it is obtained by the Disclosing Party enters the public domain, in either case otherwise than as a result of a breach by the Disclosing Party of its obligations under paragraph 7.1 or 7.2;
- (c) to the disclosure of any Protected Information to any person if and to the extent that the Disclosing Party is required to make such disclosure to such person:
 - (i) in compliance with any Legal Requirement; or
 - (ii) pursuant to any provision of Section N or pursuant to any judicial or other arbitral process or tribunal having jurisdiction in relation to the Disclosing Party;
- (d) to the disclosure of Protected Information to any lending or other financial institution proposing to provide or arrange the provision of finance to the Disclosing Party, where and to the extent that the disclosure of such information is reasonably required for the purposes of the provision or arrangement of such finance, and provided that the person to whom the information is disclosed undertakes in writing to and in terms reasonably satisfactory to the Protected Party to maintain the confidentiality of such information; and
- (e) to the disclosure of any Protected Information to the Authority.

7.10 Nothing in paragraph 7.1 shall apply:

- (a) to the disclosure by the Operator of Protected Information:
 - (i) to any person to the extent such disclosure is required pursuant to the Modification Rules;
 - (ii) to any User Agent where the disclosure by the Operator of such Protected Information to the appointing User would not have infringed paragraph 7.1; or
- (b) to the disclosure by any User of Protected Information to any Operator Agent where the disclosure by such User of such Protected Information would not have infringed

paragraph 7.2.

- 7.11 The provisions of paragraphs 7.1 to 7.10 (inclusive) shall continue, for a period of 3 years after the User Discontinuance Date, to bind a Discontinuing User and (as respects the Discontinuing User) the Operator and each other User, notwithstanding that the Discontinuing User has ceased to be a User and irrespective of the reason for such cessation.
- 7.12 Nothing in the Code or the Framework Agreement shall be construed as requiring the Operator to disclose or use any information in breach of any requirement of the Operator Licence.
- 7.13 Subject to paragraph 7.14(a), the data, including metering data, which is processed by or recorded or maintained by the Operator pursuant to the Code (including all intellectual property rights in such data) shall belong to the Operator; and subject to paragraph 7.14(b) the Operator may, but without prejudice to paragraph 7.1 or any other requirement of the Code, use and deal with such data as it thinks fit.
- 7.14 Where pursuant to the Code a User provides or arranges for the provision of data to the Operator:
- (a) such data (as provided to the Operator by the User) shall belong to the User;
 - (b) the User hereby grants to the Operator a perpetual, non-exclusive, royalty-free licence (which shall survive the User Discontinuance Date) in respect of such data and all intellectual rights therein to use, copy, adapt and deal with such data for the purposes of performance and implementation of the Code and for other purposes contemplated by the Code; and
 - (c) paragraph 7.13 shall apply in respect of data derived (pursuant to any process) by the Operator from such data and in all compilations created by or on behalf of the Operator of such data.
- 7.15 Where pursuant to the Code the Operator provides data to a User, the User shall (but without prejudice to paragraph 7.2) be entitled without charge to use such data for the purposes of performance and implementation of the Code, and for other purposes contemplated by the Code, but not otherwise.
- 7.16 For the avoidance of doubt, the provisions of the Code are without prejudice to the requirements of the Data Protection Act 1998.

8 Agents

- 8.1 The Operator and any User may, subject to and in accordance with this paragraph 8, appoint another person to be its agent (an "**Agent**") for the purposes of making and receiving Code Communications or particular Code Communications on its behalf.
- 8.2 For the purposes of the Code, a "**User Agent**" is a person who has been appointed as Agent of a User, in accordance with paragraph 8.1.
- 8.3 For the purposes of the Code, an "**Operator Agent**" is a person who has been appointed as Agent of the Operator in accordance with paragraph 8.1.
- 8.4 A User or the Operator may appoint more than one person as Agent, but no more than one person in respect of any particular category of Code Communications.

- 8.5 A User wishing to appoint an Agent shall give notice to the Operator:
- (a) specifying the identity of the appointing User and the proposed Agent;
 - (b) specifying the categories of Code Communication for which the Agent is to be appointed, or specifying that the Agent is appointed for all such categories; and
 - (c) specifying the Day in accordance with paragraph 8.7 with effect from which the appointment is to take effect.
- 8.6 In the event that the Operator wishes to appoint an Operator Agent it shall give notice to all Users:
- (a) specifying the identity of the proposed Operator Agent;
 - (b) specifying the categories of Code Communication for which the Operator Agent is to be appointed, or specifying that the Operator Agent is appointed for all such categories; and
 - (c) specifying the Day in accordance with paragraph 8.7 with effect from which the appointment is to take place.
- 8.7 The appointment of an Agent shall be effective from the Day specified in accordance with paragraph 8.5(c) or 8.6(c) as the case may be, and shall continue, subject to any change under paragraph 8.10, until terminated in accordance with paragraph 8.8 or 8.9 as the case may be.
- 8.8 The appointing User may terminate the appointment of a User Agent by giving notice to the Operator to that effect specifying the date in accordance with paragraph 8.10 with effect from which such termination is to take effect.
- 8.9 The Operator may terminate the appointment of an Operator Agent by giving notice to all Users to that effect specifying the date in accordance with paragraph 8.10 with effect from within such termination is to take effect.
- 8.10 The date with effect from which an Agent is appointed, the categories of Code Communication in respect of which an Agent is appointed amended or the termination of the appointment of an Agent, shall be not less than 5 Business Days after the User's notice to the Operator thereof, or as the case may be the Operator's notice to Users thereof.
- 8.11 A Code Communication given by a User Agent in its capacity as User Agent shall identify the appointing User on whose behalf the Code Communication is given, and (subject to paragraph 8.12) shall not be effective unless it does so.
- 8.12 Where a User Agent who is itself a User gives any Code Communication which does not state that it is given on behalf of an appointing User and identify that User, such Code Communication shall be treated as given by the User Agent on its own account in its capacity as User.
- 8.13 Any Code Communication given by a User Agent within the categories for which such agent is appointed shall be deemed to have been given by and shall be binding on the appointing User, and the Operator shall be entitled without enquiry as to the agent's authority to rely on such Code Communication for all purposes of the Code.
- 8.14 A User who has appointed a User Agent may continue itself to give Code Communications.
- 8.15 Where a User has appointed one or more User Agents:

- (a) the User shall be responsible for ensuring that the actions of the User and each such agent are not in conflict; and
 - (b) where any Code Communication is given by the User or any such agent:
 - (i) to the extent any further Code Communication is subsequently given by any of them which (in accordance with the Code) is effective to modify or revoke the earlier Code Communication, the earlier Code Communication shall be so modified or revoked; and
 - (ii) except as provided in paragraph (i), any Code Communication subsequently given by any of them which conflicts with the earlier Code Communication will be disregarded.
- 8.16 The Operator shall not be responsible for any unauthorised use or disclosure by a User Agent of information relating to the appointing User.
- 8.17 Any Code Communication given by an Operator Agent within the categories for which such agent is appointed shall be deemed to have been given by and shall be binding on the appointing Users shall be entitled without enquiry as to the agent's authority to rely on such Code Communication for all purposes of the Code.
- 8.18 In the event that the Operator has appointed an Operator Agent, it may continue itself to give Code Communications.
- 8.19 Where the Operator has appointed one or more Operator Agents:
- (a) the Operator shall be responsible for ensuring that its actions and those of each such agent are not in conflict; and
 - (b) where any Code Communication is given by the Operator or any such agent:
 - (i) to the extent any further Code Communication is subsequently given by any of them which (in accordance with the Code) is effective to modify or revoke the earlier Code Communication, the earlier Code Communication shall be so modified or revoked; and
 - (ii) except as provided in paragraph (i), any Code Communication subsequently given by any of them which conflicts with the earlier Code Communication will be disregarded.

9 Liability and related issues

- 9.1 Subject to the further provisions of this paragraph 9, each Party agrees and acknowledges that:
- (a) no Party shall be liable to any other Party for loss arising from any breach of the Code or the Framework Agreement, other than (but without prejudice to any other provision of the Code which excludes or limits liability in respect of any breach) for loss directly resulting from such breach and which at the relevant date was reasonably foreseeable as not unlikely to occur in the ordinary course of events from such breach in respect of:
 - (i) physical damage to the property of any other Party; and/or

- (ii) the liability (in law) of any other such Party to any other person for loss in respect of physical damage to the property of such person; and
 - (b) no Party shall in any circumstances be liable in respect of any breach of the Code or the Framework Agreement to any other Party for:
 - (i) any loss of profit, loss of revenue, loss of use, loss of contract, loss of goodwill, increased cost of working, or increased or additional costs in respect of the procurement or conveyance of gas;
 - (ii) any indirect economic or consequential loss; or
 - (iii) except as provided in paragraphs 9.1(a) and 9.5, loss resulting from the liability of any other Party to any other person howsoever and whensoever arising.
- 9.2 For the purposes of paragraph 9.1(a) the "**relevant date**" is the date of the Framework Agreement, except that where the breach in question would not have been a breach of the Code but for a modification (pursuant to the Modification Rules or the Operator Licence) of the Code subsequent to the date of execution of the Framework Agreement, the relevant date shall be the date of such modification.
- 9.3 The amount or amounts for which a Party may be liable to any other Party or Parties pursuant to paragraphs 9.1(a) in respect of any one event or circumstance constituting or resulting in the first Party's breach of a provision of the Code or the Framework Agreement shall not exceed:
- (a) as respects the liability of the Operator to any one User or of any one User to the Operator, £1,000,000; and
 - (b) as respects the liability in aggregate of the Operator to Users collectively or of Users collectively to the Operator, £2,000,000.
- 9.4 Paragraph 9.1 is without prejudice to any provision of the Code which provides for an indemnity, or which provides for any Party to make a payment to another.
- 9.5 Nothing in the Code shall exclude, limit or constitute an indemnity in respect of the liability of any Party for death or personal injury resulting from the negligence of such Party.
- 9.6 The rights and remedies of the Parties pursuant to the Code and the Framework Agreement exclude and are in place of any rights or remedies of any Party in tort (including negligence and nuisance) or misrepresentation (other than fraudulent misrepresentation) in respect of the subject matter of the Code or the Framework Agreement; and accordingly, but without prejudice to paragraph 9.5 each Party (to the fullest extent permitted by law):
- (a) waives any rights or remedies; and
 - (b) releases each other Party from any duties or liabilities
- arising in tort or misrepresentation (other than fraudulent misrepresentation) in respect of the subject matter of the Code or the Framework Agreement.
- 9.7 Without prejudice to paragraph 9.6, where any provision of the Code provides for any amount to be payable by a Party upon or in respect of that Party's breach of any provision of the Code or the Framework Agreement, 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 circumstance giving rise thereto.
- 9.8 For the avoidance of doubt, nothing in this paragraph 9 shall prevent any Party from or restrict

it in enforcing any obligation (including suing for a debt) owed to it under or pursuant to the Code or the Framework Agreement.

- 9.9 Each provision of this paragraph 9 shall be construed as a separate and severable contract term, and shall as respects any Discontinuing User survive that User ceasing to be a User.
- 9.10 The amount or amounts for which a Party may be liable to any other Party or Parties pursuant to any indemnity provided for in the Code in respect of any one event or circumstance giving rise to liability under such indemnity shall not exceed:
- (a) as respects the liability of the Operator to any one User or of any one User to the Operator, £5,000,000; and
 - (b) as respects the liability in aggregate of the Operator to Users collectively or of Users collectively to the Operator, £10,000,000.
- 9.11 Subject to paragraph 9.12, each User shall, save as otherwise provided by the Code, indemnify and hold harmless the Operator in respect of any claims against the Operator made by any consumer to which such User supplies gas, and any producer from which such User procures gas in respect of any loss or damage incurred or claimed to have been incurred by such consumer or producer, against the Operator in respect of any failure by the Operator to accept the delivery of, or make available for offtake, gas, and all costs and expenses incurred by the Operator in connection thereto.
- 9.12 The indemnity in favour of the Operator set out in paragraph 9.11 shall not extend to any claims made against the Operator in respect of any losses in respect of any unlawful act or save where such claims arose as a result of any action taken by the Operator in accordance with the provisions of the Code, any claims in respect of physical damage.

10 Force Majeure

- 10.1 In the 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 the Code, including any:
- (a) war declared or undeclared, threat of war, act of public enemy, terrorist act, blockade, revolution, riot, insurrection, civil commotion, public demonstration, sabotage, act of vandalism;
 - (b) act of God;
 - (c) strike, lockout or other industrial disturbance;
 - (d) explosion, fire, fault or failure of plant, equipment or other installation which the Affected Party could not prevent or overcome by the exercise of the degree of skill, diligence, prudence and foresight which would reasonably and ordinarily be expected from a skilled and experienced operator engaged in the same kind of undertaking under the same or similar circumstances;

- (e) governmental restraint or the coming into force of any regulation, licence or Directive of any Competent Authority;
 - (f) suspension, withdrawal or change in the terms of any licence, permit or consent;
 - (g) structural shift or subsidence affecting generally a part or parts of the System or any area or areas of the route of the pipelines comprised in the System;
 - (h) the occurrence of an event constituting force majeure for the purposes of the NI Network Gas Transportation Code.
- 10.2 Subject to paragraph 10.4 and without prejudice to any other provisions of the 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 the Code then its obligations shall be suspended to the extent the Affected Party's ability to perform is hindered by the Force Majeure event.
- 10.3 A Force Majeure event shall not relieve a party from any liability or obligation to:
- (a) make payments due under the 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
 - (b) give any notice due under the Code.
- 10.4 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:
- (a) developments in the matters so notified; and
 - (b) 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.
- 10.5 Any Party whose failure to perform obligations has been relieved under the provisions of this paragraph 10 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.

11 Notices and communications

- 11.1 The Code anticipates that Code Communications may be given by delivery, by facsimile or (where specifically provided) by electronic means or (in certain cases) by telephone in accordance with this paragraph 11 provided that the particular means of giving Code Communications shall be determined from time to time by the Operator and notified to Users.
- 11.2 Any reference in the Code to the time or date of any Code Communication, or the giving or making of a Code Communication, is a reference to the time or date when (in accordance with this paragraph) the Code Communication is deemed to have been received by the Party to which it was sent.

- 11.3 Subject to paragraph 11.4, a Code Communication which is given after 17:00 hours on a Day shall be deemed to have been received on the following Day.
- 11.4 Paragraph 11.3 does not apply in respect of:
- (a) a Nomination or Interruption Notice; or
 - (b) a communication to be made (in accordance with Section J) during an Emergency.
- 11.5 References in paragraph 11.5 to 11.11 (inclusive) to a notice are to any Code Communication or other notice or communication to be given by one Party to another under the Framework Agreement.
- 11.6 Any notice shall be in writing and shall be addressed to the recipient Party or at the recipient Party's address or facsimile number or email address referred to in paragraph 11.7, and marked for the attention of the representative (identified by name or title) referred to in that paragraph, or to such other address or facsimile number or email address and/or marked for such other attention as the recipient Party may from time to time specify by notice given in accordance with paragraphs 11.5 to 11.11 (inclusive) to the Party giving the notice.
- 11.7 The initial address or facsimile number or email address of a Party, and representative for whose attention notices are to be marked, shall be as specified by a User pursuant to paragraph 3.2(a)(iii) or by the Operator pursuant to paragraph 3.6.
- 11.8 Any notice given by delivery shall be given by letter delivered by hand.
- 11.9 Any notice shall be deemed to have been received:
- (a) in the case of delivery by hand, when delivered; or
 - (b) in the case of delivery by facsimile or Electronic Means, 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.
- 11.10 Where a notice is sent by facsimile or Electronic Means:
- (a) the Party giving the notice shall (but without prejudice to paragraph 11.9(b)) if requested by the recipient Party, resend as soon as reasonably practicable the notice by facsimile or Electronic Means; and
 - (b) in the case of a Termination Notice, the Operator will in any event, within 2 Days following the sending of such facsimile or email, send to the recipient Party a copy of the notice by first class prepaid post (airmail if overseas).
- 11.11 A Party may specify different addresses or facsimile numbers or email addresses and representatives pursuant to paragraph 11.6 for the purposes of notices of different kinds or relating to different matters.
- 11.12 For the purposes of enabling Code Communications to be given (where required or permitted to be so given) by telephone:
- (a) the Operator shall provide to each User and each User shall provide to the Operator not more than 3 telephone numbers (or such other number as they may agree) and details (by name or title) of the representative to whom the Party giving such a

- communication should speak;
- (b) each Party shall use reasonable endeavours to ensure that a Party seeking to give such communication will at any time be able to contact a representative (of the first Party) by means of one of such telephone numbers; and
 - (c) the Operator and each User shall, if either of them shall so request, establish such further procedures as may be reasonable and appropriate for the purposes of ensuring:
 - (i) that a Code Communication being given by telephone may be identified by the recipient as such; and/or
 - (ii) that such communications may be given securely, without delay and effectively.
- 11.13 Where a Party seeking to give a Code Communication by telephone is unable to contact a representative of the receiving Party, such Party must give the communication by facsimile or by Electronic Means and the communication will not be deemed to have been given except in accordance with paragraph 11.9(b).
- 11.14 Unless otherwise agreed between the relevant Parties a Code Communication may not be given as a message recorded on a telephone answering device.
- 11.15 Where a Code Communication is given by telephone:
- (a) the Operator will promptly after the telephone communication is completed make and keep a record in which the time and content of the Code Communication is logged, but may do so by recording the telephone communication;
 - (b) the Code Communication shall be treated as given at the time at which the telephone communication is completed.
- 11.16 A Party may specify different telephone numbers and representatives pursuant to paragraph 11.12 for the purposes of receiving by telephone Code Communications of different kinds or relating to different matters.
- 11.17 For the purposes of paragraph 11.15, Users shall be taken to have consented to any recording of Code Communications made by telephone.
- 11.18 Where an Invoice Document is submitted by electronic means:
- (a) the electronic format and other requirements (if any) for the submission of such Invoice Document shall be those determined by the Operator from time to time and notified to Users;
 - (b) where the Operator modifies the electronic format or other requirements, the Operator shall be required to give Users reasonable notice thereof before such modifications shall be effective for the purposes of the submission of further Invoice Documents; and
 - (c) each such Invoice Document shall in addition be submitted in writing.

12 Delivery Facility Operators

12.1 Where:

- (a) the Code provides for the Operator to do anything at or affecting the delivery of gas to the System at any System Entry Point;
- (b) in doing that thing the Operator complies with the requirements of the Code and any other agreement with the User or Delivery Facility Operator in relation thereto and does not act unlawfully; and
- (c) by reason of the Operator's doing that thing the Delivery Facility Operator or the User suffers loss or damage or claims to have done so or otherwise makes any claim or complaint or brings any action or proceeding against the Operator (other than pursuant to a contract between the Operator and such Delivery Facility Operator)

each User shall indemnify the Operator and hold it harmless against any liability to such Delivery Facility Operator or User in respect of any such loss damage, claim, complaint, action or proceeding, and all costs and expenses incurred in connection therewith.

12.2 Nothing in the Code or the Framework Agreement shall be construed as imposing upon the Operator any obligation or duty to or enforceable by a producer, consumer or Delivery Facility Operator; and no User shall make any commitment to any producer, consumer or Delivery Facility Operator binding on or purporting to bind the Operator.

12.3 Nothing in the Code or the Framework Agreement shall prevent the Operator from exercising any right or remedy which it may have against any person other than a User.

13 Assignment

13.1 Subject to paragraphs 13.4 and 13.5, a Party may assign in their entirety its rights under the Code and the Framework Agreement:

- (a) to a 33 % Affiliate of such Party; or
- (b) with the prior agreement in writing of each relevant other Party, which shall not unreasonably be withheld, to any person.

13.2 For the purposes of this paragraph 13, a relevant other Party is:

- (a) where the assigning Party is the Operator, each other User; and
- (b) where the assigning Party is a User, the Operator.

13.3 Except as provided in paragraph 13.1, a Party shall not assign or transfer and shall not purport to assign or transfer any of its rights or obligations under the Code or the Framework.

13.4 No assignment shall be made to a person unless:

- (a) where the assigning Party is the Operator, that person holds a Conveyer's Licence; or
- (b) where the assigning Party is a User, that person holds a Supplier's Licence and has complied with the other requirements which (if the person were an Applicant User) it would be required under paragraph 3 to comply with.

13.5 Where a Party assigns its rights under the Code and the Framework Agreement to a person

(including a 33% Affiliate) pursuant to paragraph 13.1:

- (a) it shall be a condition precedent to such assignment that such person shall enter into an Agreement with each relevant other Party covenanting to be bound by the Framework Agreement and the Code;
 - (b) the assigning Party shall be released from obligations under the Code and the Framework Agreement arising after the time at which the assignment is effective, but shall remain liable for any obligations accruing up to such time.
- 13.6 Any credit limit required under the Code shall be determined separately for a person to whom a User assigns its rights under paragraph 13.1(b); and the assigning Party may not assign its own credit limit.
- 13.7 A reference in the Code or the Framework Agreement to any Party shall be deemed to include a reference to that Party's successors and assigns.

14 Operator performance

- 14.1 In relation to exercising its discretion and performing obligations under the Code the Operator shall at all times act as a Reasonable and Prudent Operator, save that the foregoing shall not apply to the extent that:
- (a) there is any standard of performance already provided for by any statute, regulation or licence condition to which the Operator is subject; or
 - (b) the Operator would thereby be required to act in a manner which would conflict with any Legal Requirement.
- 14.2 The operation of this paragraph 14 shall not invalidate any determination made by, or act of, the Operator pursuant to the Code, or any Code Communication.

15 Waiver

- 15.1 No delay by or omission of any Party in exercising any right, power, privilege or remedy under the Code or the Framework Agreement shall operate to impair such right, power, privilege or remedy or be construed as a waiver thereof.
- 15.2 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.

16 Language

Every Code Communication, and every notice or other communication to be given by one Party to another under the Framework Agreement, shall be in the English language.

17 Severance

If any provision of the Code or the Framework Agreement 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,

unenforceability or illegality shall not prejudice or affect the remaining provisions of the Code or the Framework Agreement which shall continue in full force and effect notwithstanding the same.

18 Entire agreement

- 18.1 The Code and the Framework Agreement contain or expressly refer to the entire agreement between the Parties with respect to the subject matter thereof, 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 therefrom.
- 18.2 Each Party acknowledges that in entering into the Framework Agreement it does not rely on any representation, warranty or other understanding not expressly contained in the Code or the Framework Agreement.
- 18.3 Nothing contained in a document (other than the Framework Agreement) referred to in the Code, beyond what is expressly contemplated by the Code as being contained in such document or is necessary for the purposes of giving effect to a provision of the Code, shall modify or have any effect for the purposes of the Code or be construed as relevant to the interpretation of the Code.

19 Jurisdiction

- 19.1 Subject and without prejudice to the provisions of Section N as to Expert Determination, all the Parties irrevocably agree that the courts of Northern Ireland are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Code and the Framework Agreement and that accordingly any suit, action or proceeding (collectively "**proceedings**") arising out of or in connection with the Code or the Framework Agreement may be brought in such courts.
- 19.2 Each Party irrevocably waives any objection which it may have now or hereafter to the laying of the venue of any proceedings in any such court as is referred to in paragraph 19.1 and any claim that any such proceedings have been brought in an inconvenient forum and further irrevocably agrees that a judgment in any proceedings brought in Northern Ireland shall be conclusive and binding upon such Party and may be enforced in the courts of any other jurisdiction.
- 19.3 Any Party which is not a company incorporated under the Companies (Northern Ireland) Order 1986 shall provide to the Operator an address in Northern Ireland for service of process on its behalf in any proceedings.

20 Governing law

- 20.1 The Code and the Framework Agreement shall be governed by, and construed in all respects in accordance with, the law of Northern Ireland.

SECTION P: INTERPRETATION

1 Defined Terms

In addition to terms defined elsewhere in the Code, the following terms and expressions are used with the following meanings in the Code:

“Acceptable CV Tolerance”: the tolerance around the Target CV within which the Operator will accept gas tendered for delivery at a Biomethane Delivery Facility on a given Gas Flow Day;

“Aggregate NI Imbalance”: has the meaning given to it under the NI Network Gas Transmission Code;

“Authority”: the Northern Ireland Authority for Utility Regulation;

“Biomethane Delivery Facility”: a facility at which biomethane may be delivered to the System;

“Belfast Gas Transmission Limited”: is a company incorporated and registered in Northern Ireland with company number NI026420;

“Code Communication”: any communication to be given by a User or the Operator (including any notification, application, nomination, confirmation, request, approval, acceptance, invoice or other notice to be given, made or submitted) under the Code;

“Code Modification”: a modification of the Code pursuant to the Modification Rules or the Operator Licence;

“Competent Authority”: the Authority, or any local, national or supra-national agency, authority, department, inspectorate, minister, official, court, tribunal or public or statutory person (whether autonomous or not) of the United Kingdom (or any government thereof) or the European Union which has jurisdiction over the Operator or a User or the subject matter of the Code;

“Connected Delivery Facility”: a facility or pipeline system operated by one person and connected to the System at one or more System Entry Points including, where applicable, a Biomethane Delivery Facility;

“Consumer’s Plant”: in respect of any Supply Meter Point, the plant and/or equipment in which gas offtaken from the System at that point is to be used (including any plant or equipment in which gas is compressed or otherwise treated before being consumed);

“Conveyance Charge Statement”: the prevailing statement furnished by the Operator to the Authority under Condition 2.2.2 of the Operator Licence;

“Conveyance Licence”: a licence to convey gas granted under Article 8(1)(a) of the Order;

“Delivery Facility Operator”: the operator of a Connected Delivery Facility including, where applicable, a Biomethane Delivery Facility;

“Directive”: any present or future directive, request, requirement, instruction, code of practice, direction or rule of any Competent Authority (but only if it has the force of law or, 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 or with which a Party is otherwise required to comply), and any modification, extension or replacement thereof;

“Distribution System Operator”: each of Phoenix Natural Gas Limited, SGN NG and the Operator and **“Distribution System Operators”** means all of them together;

“Effective Date”: the date at which a User’s registration at a BSEP takes effect;

"Electronic Means" means primarily communication by email but includes communication by such other electronic means as the Operator may determine appropriate from time to time and notify Users that it intends to use;

“Emergency Contacts”: are the names of individuals provided to the operator and telephone numbers relating to such individuals as are required where the Supply Meter Point has an Annual Quantity that is equal to or greater than 732,000 kWh (25,000 therms). The Registered User shall provide to the Operator the name and/or title of at least one (but not more than three) representatives (emergency contacts) of the consumer. For each of the emergency contact the Registered User must provide at least one (but not more than four) telephone number(s) on which the Operator may contact, 24 hours a day, the Emergency Contact. The Registered User must also provide one facsimile number for the consumer which is able to receive transmission 24 hours a day;

"Evidence for Incorrect Tenure Category Document" is the document of that name jointly prepared and maintained, and revised from time to time, by Operators and approved by the Authority, identifying the evidence a User must submit to the Operator when requesting a review the Tenure Category of a Supply Meter Point and the timeline for such reviews;

“firmus distribution”: Firmus Energy (Distribution) Limited, a company incorporated and registered in England and Wales with company number 05375370 and whose registered office address is at 35 Great St. Helen's, London, England, EC3A 6AP;

"Gas Entry Conditions": in respect of a System Entry Point are the limits or other requirements as to composition, pressure, temperature and other characteristics of gas delivered or tendered for delivery to the System at a point of delivery specified in Annex G-1;

“GNI (UK) Limited”: is a company incorporated and registered in England and Wales with company number 02827969;

“HSE NI”: the Health and Safety Executive Northern Ireland;

"Legal Requirement": any national, municipal or state statute, ordinance or other law, regulation, by-law, order or decree (including, without limitation, any Act of the Northern Ireland Assembly, Act of the UK Parliament or regulation of the European Union); any form of delegated legislation; any treaty or international convention; any regulation, licence, or Directive of a Competent Authority as is applicable to a Party (including, for the avoidance of doubt, any licence issued to a Party pursuant to the Gas Order);

“Measurement Equipment”: metering, sampling, analysis and other related equipment installed, or to be installed, at a BSEP or a TSEP;

"Measurement Provisions": in respect of a System Entry Point are the procedures, methods and standards by which:

- (a) gas delivered or tendered for delivery to the System is measured, sampled and analysed;
- (b) the volume, calorific value, quantity and delivery characteristics of such gas will be determined, estimated or agreed between the Operator and the Delivery Facility

Operator; and

- (c) the Operator and the Delivery Facility Operator will inform each other of the determinations referred to in (b);

and, in relation to a BSEP, are as further set out in Annex G2.

"Phoenix Natural Gas Limited": a company incorporated and registered in Northern Ireland with company number NI32809 and whose registered office address is at 197 Airport Road West, Belfast, BT3 9ED;

"Modification Rules": the modification rules (which do not form part of and are not incorporated into the Code) prepared by the Operator pursuant to Condition 2.4.5 of the Operator Licence, as from time to time modified pursuant to that Condition;

"NI Network Gas Transmission Code": is the network code prepared by the Belfast Gas Transmission Limited, GNI (UK) Limited, Premier Transmission Limited and West Transmission Limited, in respect of their transmission pipe-lines pursuant to their Operator Licences;

"Operator": firmus energy Distribution Limited;

"Operator Activities": the carrying on of the Operator's gas transportation business (as defined in the Operator Licence), the operation, administration, maintenance and development of the System, facilitation of connections to the System and the implementation and performance of the Code and the Framework Agreement;

"Operator Licence": the Conveyance Licence granted to the Operator, as from time to time in force;

"Order": the Gas (Northern Ireland) Order 1996;

"Postalised Capacity Charge": means any payment which a transmission pipeline operator whose network is connected to the System is entitled or obliged to charge for capacity on the transmission system in accordance with the relevant condition of its licence.

"Premier Transmission Limited": is a company incorporated and registered in Northern Ireland with company number NI026421;

"Reasonable and Prudent Operator": a person acting in good faith, with the intention of performing its 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 person complying with Legal Requirements engaged in the same type of undertaking in similar conditions and circumstances.

"Recognised Standard": any technical, engineering or other standard, issued or published by any governmental body or 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;

"Supplier's Licence": a licence for the supply of gas granted under Article 8(1)(c) of the Order; or in the context of any User or Applicant User the licence so granted to that User or Applicant User;

"**SMP Confirmation Statement**" means the prevailing statement of that name published by the Operator for the purposes of Section L8.

"**SMP Response Statement**" means the prevailing statement of that name published by the Operator for the purposes of Section L4.

"**Transmission Exit Ratchet**" has the same meaning as "Ratchet Charge" as such term is defined in the NI Network Gas Transmission Code.

"**User**": a person, other than the Operator, who is for the time being bound by the Code pursuant to the Framework Agreement.

"**West Transmission Limited**": is a company incorporated and registered in Northern Ireland with company number NI073229;

2 Interpretation

- 2.1 Unless the context otherwise requires, words and expressions defined in or for the purposes of the Order and not otherwise defined in the Code shall have the meanings ascribed thereto under the Order.
- 2.2 In the Code, unless the context otherwise requires:
- (a) a reference to a particular Section, paragraph, or Annex is to a paragraph or Section of or Annex to a Section of the Network Code Principal Document;
 - (b) a reference in a particular Section to a particular paragraph is to a paragraph of that Section;
 - (c) words in the singular may be interpreted as including the plural and vice versa;
 - (d) the word 'including' is to be construed without limitation; and
 - (e) a derivative term of any defined or interpreted term shall be construed in accordance with the relevant definition or interpretation.
- 2.3 A reference in the Code to any Legal Requirement shall be construed, at any particular time, as including a reference to any modification, extension or re-enactment (before or after the date of the Code) of that Legal Requirement in force at that time.
- 2.4 A reference to the Order includes where the context permits a reference to directions, prescriptions or regulations made pursuant to the Order.
- 2.5 Section and paragraph headings in the Code and clause headings in the Framework Agreement and shall not affect the interpretation of any provision thereof.

3 Times and dates

- 3.1 For the purposes of the Code:
- (a) "**Business Day**" means a Day other than a Saturday or a Sunday, or a Day which begins at 05:00 hours on a bank holiday in Northern Ireland;

- (b) "**Day**" means the period from 05:00 hours on one day until 05:00 hours on the following day;
- (c) "**Gas Flow Day**" means, in relation to the application of any provision of the Code, the Day in relation to deliveries, offtakes or flows of gas or other operations on which such provision is to apply;
- (d) "**Gas Year**" means the period from 1st October in any year until and including 30th September in the following year;
- (e) "**Preceding Day**" means the Day before the Gas Flow Day; and
- (f) in relation to any Gas Year the "**Preceding Year**" is the Gas Year ending at the start of such Gas Year;

3.2 Unless the context otherwise requires, a reference in the Code:

- (a) to a calendar day (such as 1st January) or a day of the week (such as Sunday) is to the Day which begins at 05:00 hours on that day;
- (b) to a week is to the period from 05:00 hours on a day until 05:00 hours on the 7th day following;
- (c) to a month (or a number of months) is to the period from 05:00 hours on a day in one month until 05:00 hours on the same day of the month which follows (or follows by the relevant number of months), or if there is no such day in such month 05:00 hours on the first day of the next following month;
- (d) to a calendar month is to the period from 05:00 hours on the first day of a month until 05:00 hours on the first day of the following month, and references to a particular calendar month (such as January) shall be construed accordingly;
- (e) to a year is to the period from 05:00 hours on a day in one year until 05:00 hours on the same day (or where the day in the first year was 29th February, on 1st March) in the following year; and
- (f) to a calendar year (such as 2004) is to be construed accordingly.

3.3 References to times of the day in the Code are to official time in the United Kingdom.

3.4 Except where otherwise provided:

- (a) where anything is to be done under the Code by or not later than a Day or any period under the Code is to run to a Day, such thing may be done or such period shall run up to the end of such Day; and
- (b) where anything is to be done under the Code from or not earlier than a Day or any period under the Code is to run from a Day, such thing may be done or such period shall run from the start of such Day.

3.5 Where under any provision of the Code the Operator or a User is required to provide any information by a certain date or time, the relevant provision shall be taken to include a requirement that such information shall be provided not earlier than is reasonable before such date or time.

4 Distribution Constraint

- 4.1 A "**Distribution Constraint**" is a constraint in or affecting any part of the System at any time, as a result of which (having regard to operational requirements as to pressures in the System) gas flows in any part of the System are or (but for anything done by the Operator) would be restricted, whether such constraint results from the size of any part of the System, the operation or failure to operate of any part of the System, or the extent or distribution of supply or demand in any part of the System.
- 4.2 A System Point is "**affected**" by a Distribution Constraint where the Operator is or (but for anything done by the Operator) would be unable to accept delivery of gas or make available gas for offtake at that System Point, or its ability to do so is impaired, by reason of a Distribution Constraint.
- 4.3 A Distribution Constraint includes a constraint which arises by reason of programmed maintenance or other maintenance.

5 Costs and expenses

- 5.1 For the purposes of any provision of the Code which requires a User or the Operator to pay or reimburse to the Operator or a User (as the case may be) any costs or expenses incurred by the Operator or the User in undertaking any works or performing any service:
- (a) such costs and expenses shall be treated as including a reasonable and appropriate amount in respect of internal costs, including costs of capital, personnel, and materials and reasonable overhead costs, so far as the scope of what is so included is reasonable and appropriate in the circumstances;
 - (b) no element of profit (other than what is implicit in cost of capital under paragraph (a)) shall be included in such costs and expenses;
 - (c) in the case where a User is to pay or reimburse the Operator, where works or services of the same, or of a similar, kind are undertaken or performed by the Operator under engagements of service for Users or others, such costs and expenses shall be deemed to be the charges that would at the relevant time be made by the Operator for any such engagement for the relevant works or services (or those most similar); and
 - (d) any dispute as to the amount of such costs and expenses shall be referred to Expert Determination.

6 Demand

- 6.1 For the purposes of the Code "**demand**" or "**demand for gas**", in or in respect of the System or any part of or point on the System, and on any Day or in any other period, is the quantity of gas, offtaken or to be offtaken from the System or that part of the System or at that point on that Day or in that period.
- 6.2 Demand may be stated on a basis which includes attributable shrinkage (so as to be comparable to quantities delivered to the System), or includes attributable shrinkage, or which does not include shrinkage.
- 6.3. Unless otherwise stated references in the Code to demand:
- (a) at the level of Supply Meter Points are exclusive of shrinkage; and

- (b) at the level of the System are inclusive of all shrinkage.
- 6.4 For the purposes of the Code, in relation to the System and in respect of any Gas Year:
- (a) "**peak day demand**" is the highest demand for gas on any Day in that year;
- (b) "**annual demand**" is the aggregate demand for gas on all Days in that year;
- (c) "**1-in-20 peak day demand**" is the peak day demand that, in a long series of winters, with connected load being held at levels appropriate to the winter in question, would be exceeded in one out of 20 winters, each winter being counted only once; and
- (d) "**1-in-50 Severe Annual Demand**" is the annual demand represented by the area (above a demand threshold of zero) under the 1-in-50 load duration curve, being the curve which, in a long series of years, with connected load held at the levels appropriate to the year in question, would be such that the volume of demand above any given demand threshold (represented by the area under the curve and above the threshold) would be exceeded in one out of 50 years.
- 6.5 A reference in the Code to "**seasonal normal**" demand is a reference to demand under seasonal normal conditions.

7 GMO Daily Gas Price

The "**GMO Daily Gas Price**" is the daily gas price determined and published in accordance with the relevant provisions of the NI Network Gas Transmission Code (as amended from time to time).

8 Miscellaneous

- 8.1 A reference in the Code to:
- (a) a "**consumer**" is a reference to a person who is supplied at particular premises with gas conveyed to particular premises by means of the System; and
- (b) a "**producer**" is a reference to a person from whom a User has contracted to buy gas.
- 8.2 Where any provision of the Code requires or entitles the Operator to "**publish**" any information or document, the Operator will provide such information or document to each User, any other person to whom the Operator may (pursuant to the Operator Licence or any other Legal Requirement or any provision of the Code) be required to provide such information and (subject to Section O6) such other persons as the Operator shall think fit.
- 8.3 A reference in the context of any provision of the Code to a "**representative**" of any person is a reference to any director, officer or employee of that person or any agent, consultant or contractor appointed or engaged by that person for purposes connected with the subject matter of the relevant provision of the Code.
- 8.4 A reference in the Code to the quantities in which or rate or pressure at which it is "**feasible**" for the Operator to make gas available for offtake from the System at a Supply Meter Point is a reference to what is in the Operator's reasonable judgement operationally and technically

feasible without prejudicing System security, without reinforcement of the System and without prejudicing the Operator's ability to perform its obligations under the Code, or any other contract for the conveyance of gas on the System, or to comply with any Legal Requirement;

8.5 An "**Affiliate**" of a specified percentage in relation to a body corporate is:

- (a) another body corporate which holds not less than the specified percentage of the voting rights of the first body corporate; or
- (b) a subsidiary of the first body corporate or of such a body corporate as is referred to in paragraph (a);

and for these purposes 'voting rights', 'holding' voting rights and 'subsidiary' are to be construed in accordance with Article 4 of the Companies (Northern Ireland) Order 1986.

9 Technical interpretation

9.1 In the Code, unless the context otherwise requires, "**gas**" means any hydrocarbons or mixture of hydrocarbons and other gases consisting primarily of methane which at a temperature of 15^oC and an absolute pressure of 1.01325 bar are or is predominantly in the gaseous state.

9.2 Unless the context otherwise requires, for the purposes the Code:

- (a) a "**quantity**" of gas is a quantity in kWh; and
- (b) a "**volume**" of gas is a volume in MCM.

9.3 The following terms have the following meanings in the Code: "**bar**": the bar as defined in ISO 1000-1981(E);

"**Cubic Metre**" or "**M³**": when applied to gas, that amount of gas which at a temperature of 15^oC and an absolute pressure of 1.01325 bar and being free of water vapour occupies one 1 cubic metre;

"**degree Celsius**" and "**°C**": the particular interval between the temperature in Kelvin and the temperature 273.15 Kelvin as defined in ISO 1000-1981(E);

"**gauge**" or its abbreviation "**g**": when used in relation to pressure, the pressure in excess of 1 standard atmosphere where 1 standard atmosphere is 1.01325 bar;

"**calorific value**": that number of Megajoules produced by the complete combustion at a constant absolute pressure of 1.01325 bar of 1 Cubic Metre of gas at a temperature of 15^oC with excess air at the same temperature and pressure as the gas when the products of combustion are cooled to 15^oC 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);

"**hour**": the hour as defined in ISO 1000-1981(E);

"**Joule**": the joule as defined in ISO 1000-1981(E);

"**kilogram**": the kilogram as defined in ISO 1000-1981(E);

"**kWh**": 3,600,000 Joules;

"**mbar**": one thousandth of a bar;

"**MCM**": 1,000,000 Cubic Metres;

"**Megajoule**" or "**MJ**": 1,000,000 Joules;

"**metre**": the metre as defined in ISO 1000-1981(E);

"**mol%**": molecular percentage;

"**MW**": 1,000,000 Watts;

"**pascal**": the pascal as defined in ISO 1000-1981(E)

"**ppm**": parts per million by volume;

"**Relative Density**": shall mean the mass of a volume of dry gas divided by the mass (expressed in the same units) of an equal volume of dry standard air as defined in ISO 6976-1:1983(E) both such gases being at a temperature of 15⁰C and an absolute pressure of 1.01325 bar; and Relative Density (REAL) shall for the avoidance of doubt be REAL as defined in ISO 6976-1:1983(E);

"**second**": the second as defined in ISO 1000-1981(E);

"**Specific Gravity**": the mass of a volume of dry gas divided by the mass (expressed in the same units) of an equal volume of dry standard air (as defined in ISO 6976-1:1983(E)) both gases being at a temperature 15⁰C and an absolute pressure of 1.01325 bar;

"**Watt**": 1 Joule per second; and

"**Wobbe Index**": when applied to gas, the calorific value divided by the square root of the Relative Density.

10 Calorific Value

10.1 A reference in the Code to "**calorific value**" or to the "**relevant calorific value**" of gas delivered to or offtaken from the System shall be a reference:

- (a) in the context of a System Entry Point, to the calorific value of gas delivered to the System established in accordance with the relevant provisions (if any) of the Network Entry Provisions;
- (b) in the context of a any Supply Meter Point (except in the circumstances of paragraph (c)) where the quantity of gas conveyed to such point is calculated in accordance with firmus energy's volume correction methodology and the principles of the the Gas (Calculation of Thermal Energy) Regulations 1996, to the calorific value established by the Operator pursuant to those provisions; and
- (c) where there is calorimetric equipment installed (by or with the approval of the Operator) at the relevant Supply Meter Point, to the calorific value ascertained by means of such equipment.

10.2 Any reference to a quantity of gas delivered or to be delivered to, or offtaken or to be offtaken from, the System at a System Entry Point or (as the case may be) a Supply Meter Point shall be construed in accordance with paragraph 10.1 above.

- 10.3 Where to give effect to any provision of the Code it is necessary to compare an amount of gas which is or is to be delivered to or offtaken from the System, or a rate of such delivery on offtake, expressed in terms of quantity, with such an amount or rate expressed in terms of volume, a conversion shall be made on the basis of the applicable calorific value in accordance with paragraph 10.1.
- 10.4 Where to give effect to any provision of the Code it is necessary to do so, a rate of delivery or offtake of gas to or from the System, or any amount of System Capacity, expressed in quantity or volume units per Day, or per hour, or in kW, shall be treated as expressed in any other such units on the basis of the appropriate conversion.
- 10.5 References in the Code to quantities in therms are explanatory only and of no effect for the purposes of the Code (and the rates at which quantities in kWh are converted to quantities in therms are not uniform).

11 Transitional Arrangements for the Implementation of the Change in Definition of a Day

- 11.1 This section 11 sets out the provisions which will apply to give effect to the change in the timing of the Day.
- 11.2 The Day of 30th September 2015 shall commence at 06:00 on 30th September 2015 and end at 05:00 on 1st October 2015.
- 11.3 The Day of 1st October 2015 shall commence at 05:00 on 1st October 2015.
- 11.4 For clarity up to and including the 29th September 2015 any reference to a Day is to the Day which begins at 06:00 hours on that day and ends at 06:00 on the following Day.

DEFINED TERMS

TERM	WHERE DEFINED
1-in-20 peak day demand	P6.4(c)
1-in-50 Severe Annual Demand	P6.4(d)
ActD	F1.2(a)
adjustment amount	E12(a)
Affected	P4.2
Affected Party	O10.1
Affiliate	P8.5
Agent	O8.1
Aggregate AQ	E7(d)
Aggregate NDM Reconciliation	E1.4
Aggregate NDM Reconciliation Commodity Charge	E7(b)
Aggregate NDM Reconciliation Energy Charge	E7(a)
Aggregate NDM Reconciliation Quantity	E7(a)
Annual Demand	P6.4(b)
Annual Quantity	L5.1
Annual Read Meter	M3.5(c)
Applicable	M2.19(a)
Applicable Annual Rate	B6.3(a)
Applicable Commodity Rate	B6.3(b)
Applicable Daily Rate	B6.3(a)
Applicable Monthly Rate	B6.3(a)
Applicable Interest Rate	K3.17
Applicable Offtake Requirements	H3.1
Applicant User	O3.1
Bar	K1.3(b)

TERM	WHERE DEFINED
Belfast Gas Transmission Limited	P1
Billing Day	P9.3
Billing Period	K1.3(a)
Business Day	P3.1(a)
calorific value	P9.3
calorific value	P10.1
Capacity Charge	B7.1
Capacity Invoice	K-1
capacity ratchet	B10.1
capacity ratchet amount	B10.2
capacity ratchet day	B10.1
Code	O1.1
Code Communication	P1
Code Credit Limit	O4.5(a)
Code Credit Rules	O4.2
Code Modification	P1
Code Validation Rules	M1.13
Commissioning User	9A.1(a)
Commodity Charge	B8.1
Commodity Invoice	K-1
Competent Authority	P1
Connected Delivery Facility	P1
Consumer	P8.1(a)
Consumer's Plant	P1
Conveyance Charge Statement	P1
Conveyer's Licence	P1
Cubic Metre or M³	P9.3

TERM	WHERE DEFINED
Current Firm Allowance	L14.4
Customer Charge	B9.1
Customer Read	M1.10(d)
Daily Meter Readings	M5.3(a)
Daily Read	M1.7
Daily Read Equipment	M4.1
Daily Read Error	M8.1(a)
Daily Read Error Day	M8.2
Daily Read Error Notice	M8.2
Daily Read Requirement	L3.3(a)
Daily Shrinkage Quantity	D4.4
Day	P3.1(b)
day of notification	O6.1(c)
Defaulting User	O5.9
degree Celsius and 0C	P9.3
Delivering User	D1.2(d)
Delivery Facility Operator	P1
Delivery Nomination	C1.2(d)
Delivery Proportion	G2.2
Demand	P6.1
demand for gas	P6.1
Demand Forecast Information	C9.1
Demand Forecast Time	F6.4
Department	J1.1(f)
Directive	P1
Director	P1
Disclosing Party	O7.8

TERM	WHERE DEFINED
Disconnection	L11.2
Disconnection and Isolation Siteworks Procedures	L11.8
Discontinuance Notice	O5.4
Discontinuing User	O5.1
Dispute	N1.2(a)
Distribution Charges	B5.1
Distribution Constraint	P4.1
Distribution System Operators	O6.1(e)
DM Check Read	M7.1
DM Check Reconciliation Volume	M7.4(b)
DM Offtake Nomination	C4.2
DM Reconciliation	E1.2
DM Reconciliation Quantity	E4.1
DM Supply Meter Point	A3.1
Eligible Status Change Date	L13.7(b)
Emergency	J2.1
Emergency Contacts	P1
Emergency Procedures	J3.7
Emergency Steps	J3.1
end reading	F4.4(a)(ii)
End User Category or EUC	F2.1
Error Revised Quantity	M8.10(a)
EUC(AAQ)	F2.3
EUC(D)	F2.5
Evidence for Incorrect Tenure Category Document	L4.16
Existing Registered User	L7.1(b)
Existing Supply Meter Point	L7.1(a)
Expert Determination	N1.3

TERM	WHERE DEFINED
Failed Daily Read Day	M6.2
Failed Daily Read Reconciliation Volume	M6.3(b)
Failure Day	L20.1(a)
Failure to Interrupt	L20.1(a)
Feasible	P8.4
Firm	L13.6(a)
Firm Allowance	L14.1
Firm Distribution Requirement	L15.4
Firm Supply Meter Point	A3.2
Firm Supply Meter Point	L13.6(c)
Firm Supply Meter Point Capacity	B2.6
Firm System Entry Capacity	B2.4
Force Majeure	O10.1
ForD	F1.2(c)
Forecasting Party	C9.1
Forecasting Party Agreement	C9.1
Framework Agreement	O1.2
Gas	P9.1
Gas Entry Conditions	P1
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Network Code Modification Log

Modification Number	Description of Proposed Modification	Proposed By	Proposed Modification – Date Issued	Utility Regulatory Approval (yes / no)	Date of Utility Regulator Approval / Rejection	Actual Implementation date	Notes
001	Clarification on the application of Reconciliation Energy Charges	feDL	29/05/2013	Yes	05/08/2013	12/08/2013	
002	Inclusion of the Domestic New Connection Process into the Network Code and supporting Domestic New Connection Procedure	feDL	25/03/2015	Yes	10/09/2015	01/10/15	
003	Changes required for the Northern Ireland European Development Project	feDL	08/06/2015	Yes	03/08/2015	01/10/2015	
004	SMP Confirmation - validation of tenure category	feDL	02/11/2015	Yes	18/01/2016	15/02/2016	
005	Inclusion of the I&C New Connection Process into the Network Code and supporting I&C New Connection Procedure	feDL	22/12/2015	Yes	12/02/2016	01/03/2016	
006	Inclusion of requirements for implementation of a Forecasting Party within the Northern Ireland Transmission regime	feDL	16/06/17	Yes	09/08/2017	30/09/2017	

Modification Number	Description of Proposed Modification	Proposed By	Proposed Modification – Date Issued	Utility Regulatory Approval (yes / no)	Date of Utility Regulator Approval / Rejection	Actual Implementation date	Notes
007	Introduction of EUC 1 daily demand profiles for both the domestic and the industrial & commercial tenures	Flogas Natural Gas	27/09/2017	No	12/12/2017	N/A	
008	Inclusion of arrangements to facilitate a designated Supplier of Last Resort / general housekeeping modifications	feDL	09/07/2018	Yes	28/08/2018	31/08/2018	
009	Tenure Classification Modification	feDL	09/11/2018	Yes	11/02/2019	18/02/2019	
010	Introduction of AQ threshold for the classification of Daily Metered SMPs	feDL	20/09/2019	Yes	21/01/2020	01/10/2020	
011	Introduction of mechanism to facilitate the recovery of the credit support costs incurred by DNOs for booking Transmission Exit Capacity	feDL	19/11/2020	Yes	26/02/2021	05/03/2021	
013	Introduction of Biomethane System Entry Points and Aggregate Balancing	feDL	02/09/2022	Yes	30/11/2022	01/12/2022	
012	SMP Disconnection and Isolation methods and the associated arrangements for Withdrawal of SMP Registration	feDL	01/04/2022	Yes	03/03/2023	03/04/2023	Includes the removal of the Isolation Siteworks Agreement. The Disconnection and Isolation Siteworks

								Procedures supersede the Isolation Siteworks Agreement.
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