

UNIFIED CODE OF OPERATIONS

PART H OPERATIONS

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EMERGENCIES  
CONGESTION MANAGEMENT  
ENTRY POINTS  
OFFTAKE POINTS

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VERSION 1.01  
POST CONSULTATION DRAFT  
18 FEBRUARY 2005

### **IMPORTANT NOTE**

The Commission directed Bord Gáis Éireann to develop legal drafting of the Unified Code of Operations ("**UCOP**") to reflect the Business Rules published by the Commission on 23 July 2004 and the underlying principles of the GMOWG Business Models, and to publish the legal drafting so developed for consultation with industry.

The Consultation Legal Drafting in respect of Part H (*Operations*) was published on the 19 November 2004. The attached represents the legal drafting of Part H (*Operations*) of the UCOP re-drafted by Bord Gáis Éireann in accordance with the directions of the Commission following consultation with industry participants including the Commission, Shippers and the Transporter.

**Part H**

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## 1. EMERGENCIES

### 1.1 Emergency

1.1.1 "**Emergency**" means any event or circumstance or combination of events or circumstances which have occurred or may occur and which in the opinion of the Transporter adversely affects, or may adversely affect, the safety or operational integrity of the Transportation System or any localised part thereof or which results or may result in the safety of life, property or the environment being at risk, a Network Emergency and, where the context requires, a reference to an Emergency includes the event or circumstance which gives rise to such Emergency.

1.1.2 An Emergency may include:

- (a) the safe conveyance of Natural Gas by the Transportation System or any localised part thereof being significantly at risk;
- (b) Natural Gas conveyed by the Transportation System being at such a pressure or of such a quality as to constitute, when offtaken from the Transportation System or any localised part thereof, a danger to life, property or the environment;
- (c) an escape or suspected escape of Natural Gas;
- (d) the Transporter's ability to maintain safe pressures within the Transportation System or any localised part thereof being affected or threatened by an interruption or disruption to the Transportation System or a Connected System;
- (e) events or circumstances in a Connected System (either upstream or downstream of the Transportation System);
- (f) an insufficiency of deliveries of Natural Gas to the Transportation System (including from any Connected System); and/or
- (g) any actual or potential failure of or damage to the Transportation System or any localised part thereof.

1.1.3 The existence of an Emergency shall be determined by the Transporter, irrespective of the cause of the Emergency and of whether the Transporter or any other person may have caused or contributed to the Emergency.

1.1.4 An Emergency shall continue until such time as the Transporter determines that the circumstances referred to in this Section 1.1 no longer apply, that no further Emergency Steps are required and that normal operation of the Transportation System and full implementation of this Code may be resumed.

1.1.5 The Transporter shall take such steps as it considers necessary to restore Natural Gas transportation and normal operation of the Transportation System as soon as reasonably practicable after an Emergency.

## 1.2 **Emergency Steps**

- 1.2.1 The Transporter, to the extent that it considers necessary, may take steps and may require Shippers to take steps to avert and/or reduce the likelihood of, or likely scale of, an Emergency or to overcome or contain an Emergency and/or to avert or reduce the hazard presented by an Emergency and/or to restore Natural Gas supply and normal operation of the Transportation System (including through the possible sale or purchase of Natural Gas) in the course of and/or following the taking of any such steps ("**Emergency Steps**"). Emergency Steps may include action to be taken or not to be taken as the case may be by the Transporter or a Shipper (as instructed by the Transporter).
- 1.2.2 The Transporter and each Shipper acknowledge that in an Emergency their respective interests shall be subordinated to the need to take Emergency Steps in accordance with this Section 1.
- 1.2.3 In view of the importance of co-ordination of Emergency Steps, a Shipper shall only take Emergency Steps in accordance with this Section 1 and in accordance with an instruction given by the Transporter.
- 1.2.4 No Emergency Steps taken, or steps taken as a consequence of such Emergency Steps, by the Transporter or any Shipper in compliance with any requirements of this Section 1 shall be a breach of any provision of this Code or any Ancillary Agreement. In particular the Transporter shall not be in breach of its obligation to accept Natural Gas tendered for delivery to the Transportation System at an Entry Point or to make Natural Gas available for offtake from the Transportation System to the extent that, as a result of any Emergency Steps taken, Natural Gas tendered for delivery is not accepted or Natural Gas is not made available for offtake.
- 1.2.5 Nothing in this Section 1 shall relieve a Shipper from any of its financial obligations arising under this Code or any Ancillary Agreement.

## 1.3 **Connected System**

The Transporter may agree with each Connected System Operator the Emergency procedures to be taken with respect to Connected Systems, setting out the steps to be taken in the event of an Emergency by the Connected System Operator.

## 1.4 **Emergency Preparedness**

In the event of an Emergency and in addition to the measures referenced in this Section 1, the Transporter shall implement, to the extent relevant, its Transmission System Emergency procedures and/or Distribution System Emergency procedures.

## 1.5 **Shipper Emergency Contacts**

- 1.5.1 Each Shipper shall provide to the Transporter contact details at which the Shipper or its Authorised Representative shall be contactable twenty four (24) hours a day in the event of an Emergency. The contact details to be provided

shall be a single telephone number, a single facsimile number and the job title(s) of relevant personnel.

- 1.5.2 The details required under this Section 1.5 shall be kept up to date and for these purposes a Shipper shall notify the Transporter of any change in such details promptly and, in any event, not later than five (5) Business Days in advance of effecting such change.
- 1.5.3 If a Shipper does not provide the required details or maintain such details up to date, or if the Authorised Representative cannot be contacted at any time at the contact details provided by the Shipper in accordance with Section 1.5.1, then, without prejudice to any other rights which the Transporter has under this Code, the Transporter may (notwithstanding that an Emergency does not then exist) suspend (in whole or in part) the Shipper's rights under this Code by notice to the Shipper in accordance with Part I (*Legal and General*) Section 4 (*Suspension and Termination*) until such time as the Transporter confirms that the Shipper has complied with its obligations under this Section 1.5. In such circumstances, the Transporter shall not be liable to any such Shipper for any costs, losses or expenses incurred in connection with any such suspension of rights and the Shipper shall indemnify the Transporter in respect of any such costs, losses or expenses incurred in respect of any such suspension of rights and the Shipper shall indemnify the Transporter in respect of any actions, costs or claims arising as a result thereof.

#### 1.6 **Emergency Contacts at LDM Offtakes and DM Offtakes**

- 1.6.1 Each Shipper shall provide to the Transporter, in respect of any LDM Offtake or DM Offtake at which the Shipper is the Registered Shipper, contact details at which the End User, or its Authorised Representative, shall be contactable twenty four (24) hours a day in the event of an Emergency. The contact details to be provided shall be a single telephone number, a single facsimile number and the job title(s) of relevant personnel.
- 1.6.2 The details required under this Section 1.6 shall be provided by a Shipper at the time at which the Shipper becomes the Registered Shipper at the LDM Offtake and/or DM Offtake and shall at all times be maintained up to date. For these purposes, a Shipper shall require the End User to notify the Shipper of any change in details in advance of any such change and the Shipper shall notify the Transporter of any change in such details promptly and, in any event, not later than five (5) Business Days in advance of effecting such change.
- 1.6.3 If a Shipper does not provide the required contact details or maintain such details up to date or if the End User's Authorised Representative at or in respect of an Offtake Point cannot be contacted at any time at the contact details provided by the Shipper in accordance with Section 1.6.1, then, without prejudice to any other rights which the Transporter has under this Code, the Transporter may (notwithstanding that an Emergency does not then exist) suspend (in whole or in part) the Shipper's rights under this Code in respect of the relevant Offtake Point by notice to the Shipper in accordance with Part I

*(Legal and General)* Section 4 (*Suspension and Termination*) until such time as the Transporter confirms that the Shipper has complied with its obligations under this Section 1.6. In such circumstances, the Transporter shall not be liable to any such Shipper for any costs, losses or expenses incurred in connection with any such suspension of rights in respect of the relevant Offtake Point and the Shipper shall indemnify the Transporter in respect of any such costs, losses or expenses incurred in respect of any such suspension of rights and the Shipper shall indemnify the Transporter in respect of any actions, costs or claims arising as a result thereof.

## 1.7 Occurrence of an Emergency

1.7.1 Where an Emergency arises, the Transporter shall inform all Registered Shippers of the commencement and (so far as practicable) the nature, extent and expected duration of the Emergency by such means as is reasonably available to the Transporter at the time. The Transporter shall (so far as practicable) thereafter keep the Shippers informed of any material changes and developments in respect of the Emergency and, subject to Section 1.9.7, shall notify the Shippers as soon as reasonably practicable of the time at which the Transporter considers the Emergency has ceased.

1.7.2 During an Emergency each Shipper shall:

- (a) comply with the Emergency Steps as instructed by the Transporter and cooperate with the Transporter to the extent possible so as to enable the Transporter to take Emergency Steps;
- (b) procure compliance by the End User with any such Emergency Steps instructed by the Transporter to the Shipper;
- (c) notify the Transporter of all actions taken by the Shipper and the End User to comply with the Emergency Steps; and
- (d) comply with directions issued by the Transporter to bring an Emergency to an end or to prevent an Emergency (as the case may be).

1.7.3 In addition to the right of the Transporter to require a Shipper to take Emergency Steps pursuant to this Section 1 and the Shipper's obligations pursuant to Section 1.7.2, the Transporter shall at all times during an Emergency retain the absolute right to impose upon any Shipper by way of notice to such Shipper any obligation and/or responsibility that it considers may be reasonable or necessary to resolve and/or to mitigate the impact of such Emergency and each Shipper shall comply with any such obligation and/or responsibility upon receipt of such notice from the Transporter.

## 1.8 Entry Point Control

Without prejudice to the obligations set out in Section 1.7.2, where Emergency Steps include increasing or decreasing the delivery and/or rate of flow of Natural Gas to an Entry Point the Transporter may issue appropriate instructions in respect of such increase

or decrease to the Shippers utilising such Entry Point, who in turn will exercise their nomination rights under their respective agreements with their Natural Gas suppliers as necessary and/or as requested by the Transporter to the extent practical but at all times using all reasonable endeavours.

## 1.9 Offtake Point Control

1.9.1 Where Emergency Steps include the reduction or discontinuance of offtake of Natural Gas at any Offtake Point(s) on the Transportation System (or any localised part thereof), the Transporter shall, where practicable, first seek voluntary reductions of offtake by Shippers and if the Transporter cannot achieve the requisite reduction of offtake voluntarily in a timely manner, the Transporter may require a Shipper or Shippers to reduce demand for Natural Gas on the Transportation System (or any localised part thereof) (so far as the Transporter considers practicable and necessary). The Transporter shall identify those Offtake Points or classes of Offtake Point (as identified below) in respect of which it requires a reduction in offtake and shall have regard to the following order of priority (subject to the Interconnector Treaties and any future Directive impacting upon such order and requiring compliance by the Transporter and any subsequent modification resulting therefrom):

- (a) first, any LDM Offtake which has an Annual Consumption greater than 1,500,000,000 kWh;
- (b) second, any LDM Offtake which has an Annual Consumption greater than 260,000,000 kWh and less than or equal to 1,500,000,000 kWh;
- (c) third, any LDM Offtake which has an Annual Consumption less than or equal to 260,000,000 kWh;
- (d) fourth, any DM Offtake;
- (e) fifth, NDM Supply Points at which Natural Gas is offtaken from the Distribution System for consumption by non-household customers; and
- (f) lastly, NDM Supply Points at which Natural Gas is offtaken from the Distribution System for consumption by household customers and priority institutional customers.

1.9.2 In so reducing demand at LDM Exit Points in accordance with Section 1.9.1 the Transporter will give due consideration, upon notice from a Shipper and in a timely fashion (including, where appropriate, during the negotiation of the relevant LDM Agreement between a Shipper and the Transporter) and where practicable as to enable End Users to discontinue offtake in such a manner as to protect so far as possible essential or major capital items of plant, or to allow the End User to change to alternative fuels (where practicable).

1.9.3 Where, pursuant to an Emergency, the Transporter instructs a Shipper to give any notification or communication to an End User or supplier, the Shipper shall



comply with such instruction and procure that the End User or supplier complies with such instruction.

- 1.9.4 Without prejudice to the Transporter's ability to take any Emergency Steps and any other rights which the Transporter may have under this Code, the Transporter may disconnect any Offtake Point at which a Registered Shipper and/or the End User do not comply with any instruction given under this Section 1.
- 1.9.5 The order in which, following an Emergency, offtake of Natural Gas at Offtake Points is restored shall (so far as is practicable) be the inverse of that under Section 1.9.1.
- 1.9.6 The Transporter shall not unduly discriminate between Offtake Points within each of the above categories listed in Section 1.9.1 in reducing demand on the Transportation System.
- 1.9.7 For the purposes of calculating Balancing Charges in accordance with Part E (*Balancing and Shrinkage*) Section 1 (*Balancing*), an Emergency shall be deemed to cease only with effect from the start of the Day (i.e. 06:00 hours) after the time notified by the Transporter to the relevant Shippers as the time that the Emergency has ceased. For all other purposes the Emergency shall be deemed to cease at the time specified in the notice issued by the Transporter in accordance with Section 1.7.1.

#### 1.10 **Consequences of Emergency**

- 1.10.1 In the event of an Emergency, the Transporter may suspend any of the provisions of this Code and/or any Ancillary Agreement (save for the financial obligations of a Shipper under this Code and/or any Ancillary Agreement) with respect to any Shipper. The provisions of the Code that may be suspended include those in relation to the balancing regime (and associated Balancing Charges and Scheduling Charges) and Capacity Overrun Charges.
- 1.10.2 The Transporter and each Shipper acknowledge that during an Emergency it may be necessary for each of them to divert resources from other activities which may potentially result in a temporary impairment of their respective abilities subsequently to perform their respective obligations (other than any financial obligations) pursuant to this Code and any Ancillary Agreement and acknowledge that any such impairment resulting from such diversion of resources shall not constitute a breach of this Code or any Ancillary Agreement, but may constitute Force Majeure pursuant to Part I (*Legal and General*) Section 3 (*Force Majeure*).

#### 1.11 **Costs**

- 1.11.1 The Transporter shall:

- (a) not be liable for any costs incurred by a Shipper which arise out of an Emergency or as a result of taking any Emergency Steps or any other steps imposed by the Transporter in accordance with Section 1.7.3; and
  - (b) be Cash Neutral with regard to any costs incurred by the Transporter in respect of an Emergency or as a result of taking any Emergency Steps or any other steps imposed by the Transporter in accordance with Section 1.7.3, which costs shall be charged to the Disbursements Account.
- 1.11.2 Each Shipper shall be liable for its own costs incurred in respect of an Emergency save, however, that if the offtake of Natural Gas by a Shipper ("**First Shipper**") is reduced pursuant to Section 1.9 (*Offtake Point Control*) with the effect that the First Shipper's Natural Gas is offtaken by another Shipper ("**Benefiting Shipper**"), the Benefiting Shipper shall pay the First Tier Imbalance Price for that quantity of the First Shipper's Natural Gas offtaken by such Benefiting Shipper to the Transporter on behalf of the First Shipper and the Transporter shall pay such sums so received to the First Shipper.

#### 1.12 **Report and Audit**

- 1.12.1 The Transporter shall, following each Emergency prepare a report ("**Emergency Report**") in respect of such Emergency and shall provide a copy of such Emergency Report to the Commission.
- 1.12.2 In the event of an Emergency, either the Commission and/or the affected Shippers may require within six (6) Months of the end of such Emergency that an audit shall be conducted by a reputable, independent expert to determine the cause and what, if any, remedial actions may need to be taken to minimise the likelihood of such Emergency arising again.
- 1.12.3 Where the Commission or the affected Shippers require appointment of an independent expert in accordance with Section 1.12.2, the Transporter shall appoint an appropriate, internationally recognised professional entity approved by the Commission and provide to such entity all reasonable information such as to allow such entity to establish:
- (a) the cause of the Emergency; and
  - (b) where relevant, the remedial actions that need to be taken to minimise the likelihood of such Emergency arising again.
- 1.12.4 A copy of the audit report ("**Audit Report**") prepared pursuant to Section 1.12.3 shall be provided to the Commission. A summary of the audit report shall be made available to such Shippers who have paid for such review in accordance with Section 1.12.5.
- 1.12.5 The cost of such audit, if requested by Shippers, shall be shared between the Shippers that requested the audit. The cost of any remedial measures, if any, effected by the Transporter and resulting from the audit, shall be recoverable from all Shippers in such manner as may be determined by the Transporter with

the approval of the Commission taking into account the nature and scope of any such remedial measures.

- 1.12.6 In the event that the audit determines that the Emergency would not have occurred but for the Wilful Misconduct of the Transporter, then the Transporter shall be entitled to dispute such determination in accordance with Part I (*Legal and General*) Section 6 (*Dispute Resolution*). The Transporter shall only be liable to any Shipper, in any event, to the extent specified in Part I (*Legal and General*) Section 2 (*Liabilities and Indemnities*).

1.13 **Network Emergency Manager**

The Transporter has been designated the Network Emergency Manager in accordance with the Transmission Licence. The provisions of this Code shall be modified to include details of the arrangements and procedures established by the Transporter as Network Emergency Manager.

## 2. CONGESTION MANAGEMENT

### 2.1 Operational Flow Order

2.1.1 "**Operational Flow Order**" or "**OFO**" means an order issued by the Transporter to Shippers on or before a Difficult Day or a Restricted Capacity Day (as the case may be), or in anticipation of a Difficult Day or a Restricted Capacity Day (as the case may be), to prevent a Difficult Day or a Restricted Capacity Day (as the case may be) occurring in respect of the Transportation System or any localised part thereof, instructing Shippers in accordance with this Section 2.

2.1.2 Each Shipper registered at an Entry Point, at a LDM Exit Point, or at a TCDM Exit Point shall comply with an OFO as soon as reasonably practicable and in any event within:

- (a) six (6) hours if the OFO is issued on Day D-1; and
- (b) three (3) hours if the OFO is issued after 18:00 hours on Day D – 1.

2.1.3 Each Shipper registered at a LDM or DM Supply Point shall comply with an OFO as soon as reasonably practicable and in any event within:

- (a) six (6) hours if the OFO is issued on or before 18:00 hours on D – 1;
- (b) three (3) hours if the OFO is issued after 18:00 on D – 1; and
- (c) one (1) hour if the OFO is issued on D.

### 2.2 Difficult Day

2.2.1 "**Difficult Day**" means a Day declared by the Transporter where there is insufficient flexibility available on the Transportation System or any localised part thereof to accommodate Shippers' within-day profiles at LDM Offtake(s), other than those profiles which specify a uniform offtake rate.

2.2.2 The Transporter may declare a Difficult Day and instruct the Shippers affected by the Difficult Day by issuing an initial OFO and each such Shipper shall be required to comply with the OFO in accordance with its terms.

2.2.3 The Transporter may through the issuance of an OFO on a Difficult Day:

- (a) require a Registered Shipper to offtake from a LDM Offtake, its Nominated Quantity or Renominated Quantity (or that part of such quantity of Natural Gas which has not already been offtaken) at a uniform rate but without prejudice to the Shipper's right to make a Renomination in accordance with the provisions of Part D (*Nominations, Allocations and NDM Supply Point Reconciliation*) Section 1 (*Nominations and Renominations*) and the relevant Ramp Rates and notice periods as outlined in this Code and/or the relevant LDM Agreement;

- (b) without prejudice to Section 1 (*Emergencies*) and this Section 2, take any available steps to ensure that Natural Gas is offtaken at a uniform rate at each LDM Offtake.

2.2.4 The declaration of a Difficult Day shall not affect the percentage tolerance levels specified in Part E (*Balancing and Shrinkage*) Section 1 (*Balancing*).

### 2.3 **Restricted Capacity Day**

2.3.1 "**Restricted Capacity Day**" means a Day declared by the Transporter on which there is reduced capacity on the Transportation System or any localised part thereof for reasons of physical or operational constraints such that a Shipper is unable to deliver to the Transportation System or offtake from the Transportation System its Nominated Quantity or Renominated Quantity, as the case may be.

2.3.2 The Transporter may declare a Restricted Capacity Day and instruct each Shipper affected by the Restricted Capacity Day by issuing an OFO(s) and each Shipper shall be required to comply with an OFO in accordance with its terms.

2.3.3 The Transporter may issue an OFO(s) before and/or during a Restricted Capacity Day.

### 2.4 **Back-Up Entry Capacity on a Restricted Capacity Day**

2.4.1 If the Transporter issues an OFO declaring a Restricted Capacity Day in respect of an Entry Point, Shippers shall not be entitled to utilise Back-Up Capacity reserved at such affected Entry Point.

2.4.2 A Shipper registered as holding Primary Entry Capacity at an Entry Point affected by an OFO shall be permitted to activate any Onshore Back-Up Entry Capacity reserved at an Entry Point not affected by an OFO in accordance with Part C (*Capacity*) Section 4 (*Back-Up Entry Capacity*).

### 2.5 **Restricted Capacity at an Entry Point**

2.5.1 Where the Transporter has issued an initial OFO declaring a Restricted Capacity Day in respect of an Entry Point, it shall as soon as is reasonably practicable thereafter, issue a further OFO which shall identify each Shipper's Available Active Entry Capacity at such affected Entry Point on such Day calculated in accordance with Section 2.5.2(b).

2.5.2 The Transporter shall determine the percentage (Restricted Capacity Percentage) in accordance with Section 2.5.2(a) which, when applied to a Shipper's Active Entry Capacity on the Restricted Capacity Day, shall give the available Entry Capacity for such Restricted Capacity Day ("**Available Active Entry Capacity**") for each Shipper registered as holding Entry Capacity at the affected Entry Point calculated in accordance with Section 2.5.2(b):

- (a) "**Restricted Capacity Percentage**" means the percentage calculated by the Transporter in accordance with the following formula:

$$\mathbf{RCP_D} = (\mathbf{TAC_D} / \mathbf{TPC_D}) * \mathbf{100}$$

where:

$RCP_D$  = the Restricted Capacity Percentage for a Restricted Capacity Day;

$TAC_D$  = the Transporter's estimate of the total amount of Entry Capacity available at an affected Entry Point on a Restricted Capacity Day ("**Total Available Entry Capacity**"); and

$TPC_D$  = the aggregate Primary Entry Capacity held by Shippers (which is not Back-Up Capacity) registered at the Entry Point on a Restricted Capacity Day.

The Restricted Capacity Percentage shall be equal for all Shippers holding Active Entry Capacity (excluding Back-Up Entry Capacity) on a Restricted Capacity Day at an affected Entry Point;

- (b) each Shipper's Available Active Entry Capacity shall be calculated by the Transporter in accordance with the following formula:

$$\mathbf{AAEC_D} = \mathbf{AEC_D} * \mathbf{RCP_D}$$

where:

$AAEC_D$  = the Available Active Entry Capacity in respect of the Shipper on a Restricted Capacity Day;

$AEC_D$  = the Active Entry Capacity held by the Shipper at an affected Entry Point on a Restricted Capacity Day; and

$RCP_D$  = the Restricted Capacity Percentage for a Restricted Capacity Day calculated in accordance with Section 2.5.2(a).

2.5.3 Each Shipper that receives an OFO in respect of a Restricted Capacity Day at an Entry Point shall be required to submit a revised Nomination(s) or a Renomination(s), as appropriate, so that such Shipper's Valid Entry Nomination or Valid Entry Renomination in respect of the affected Entry Point in respect of a Restricted Capacity Day is less than, or equal to, its Available Active Entry Capacity.

2.5.4 The Transporter shall reject any Nomination or Renomination in respect of an affected Entry Point which specifies a Nominated Quantity or a Renominated Quantity in excess of a Shipper's Available Active Entry Capacity at the affected Entry Point in respect of a Restricted Capacity Day.

- 2.5.5 The Transporter may, at any time, issue further OFOs revising each Shipper's Available Active Entry Capacity if it updates the Restricted Capacity Percentage at the Entry Point for the Restricted Capacity Day. Following receipt of any such OFO, a Shipper shall be required to make a Renomination accordingly in accordance with Section 2.5.3 if its Valid Entry Nomination or Valid Entry Renomination exceeds its revised Available Active Entry Capacity.

## 2.6 Trade of Entry Capacity on a Restricted Capacity Day

- 2.6.1 All trading of Entry Capacity in respect of an affected Entry Point on or in respect of a Restricted Capacity Day will be suspended until such time as the Transporter has informed Shippers of their Available Active Entry Capacity in accordance with Section 2.5 where the Transporter issues:

- (a) an initial OFO; and/or
- (b) any subsequent OFO that advises Shippers that the Transporter proposes to recalculate the Restricted Capacity Percentage.

- 2.6.2 An Entry Capacity Trade Request submitted in respect of Entry Capacity at an affected Entry Point but not accepted prior to the issuance of an OFO as referred to in Section 2.6.1 shall be rejected. A Shipper whose Entry Capacity Trade Request is so rejected shall be entitled to submit an amended Entry Capacity Trade Request once it has received a subsequent OFO specifying its Available Active Entry Capacity.

- 2.6.3 Subject to Sections 2.6.1, 2.6.2 and 2.6.5, a Shipper registered at an affected Entry Point shall be permitted to trade Primary Entry Capacity in accordance with Part C (*Capacity*) Section 3 (*Entry Capacity Trades*) throughout the Restricted Capacity Day.

- 2.6.4 An Entry Capacity Trade that is accepted by the Transporter subsequent to the issue of an OFO specifying Available Active Entry Capacity shall reduce the Available Active Entry Capacity of the Transferor Shipper and increase the Available Active Entry Capacity of the Transferee Shipper by the amount of the Available Active Entry Capacity that is the subject matter of any accepted Entry Capacity Trade submitted after the issue of an OFO in respect of a Restricted Capacity Day.

- 2.6.5 The Transporter shall reject an Entry Capacity Trade Request in respect of an affected Entry Point on a Restricted Capacity Day, which requests an Entry Capacity Trade Quantity amount greater than the amount of Entry Capacity determined by multiplying the Restricted Capacity Percentage by the portion of the Transferor Shipper's Active Entry Capacity that is Retained Primary Entry Capacity.

## 2.7 Restricted Capacity at LDM Offtakes and DM Offtakes

- 2.7.1 Where the Transporter has declared a Restricted Capacity Day which affects the offtake of Natural Gas from the Transportation System or any localised part

thereof, the Transporter shall allocate the capacity on the Transportation System or affected localised part thereof ("**Restricted Capacity**") among Shippers in accordance with Sections 2.7.2, 2.7.3 and 2.7.4.

- 2.7.2 The Transporter shall allocate Restricted Capacity on the Transportation System or any localised part thereof among Shippers in a fair and not unduly discriminatory manner and in an order of priority which is the inverse of that set out in Section 1.9.
- 2.7.3 In addition to Section 2.7.2 and only with respect to Registered Shippers at LDM Exit Points, the Transporter shall, where practicable, have regard to:
- (a) an individual Shipper's or End User's requirements to enable such Shipper or End User to discontinue offtake in a manner which allows them to preserve essential or major capital items of plant where any such Shipper or End User has notified the Transporter of its requirement in a timely fashion;
  - (b) where a Shipper or End User has a facility to change to alternative fuels and has notified the Transporter accordingly, to allow any such Shipper or End User to effect such change; and
  - (c) the potential to mitigate serious adverse consequences for any Shipper or End User (which has identified such potential consequences to the Transporter in a timely fashion) having regard to the requirements of the Transportation System or any localised part thereof.
- 2.7.4 The Transporter shall issue to each Registered Shipper at an affected LDM Offtake or DM Offtake, an OFO instructing such Shipper as to its share of the Restricted Capacity in respect of each affected Offtake Point at which the Shipper is a Registered Shipper.
- 2.7.5 For the purposes of this Code:
- (a) "**Available Active LDM Exit Capacity**" means the amount of Active LDM Exit Capacity available to a Registered Shipper pursuant to a LDM Agreement at or in respect of an individual LDM Offtake Point and separately in respect of each LDM Agreement on or in respect of a Restricted Capacity Day as notified to such Shipper by the Transporter in an OFO issued pursuant to Section 2.7.4;
  - (b) "**Available DM Exit Capacity**" means the amount of DM Exit Capacity available to a Registered Shipper at or in respect of an individual DM Offtake Point on or in respect of a Restricted Capacity Day as notified to such Shipper by the Transporter in an OFO issued pursuant to Section 2.7.4;
  - (c) "**Available Active LDM Supply Point Capacity**" means the amount of LDM Supply Point Capacity available to a Registered Shipper at an individual LDM Supply Point and separately in respect of each LDM



Agreement on or in respect of a Restricted Capacity Day as notified to such Shipper by the Transporter in an OFO issued pursuant to Section 2.7.4;

- (d) "**Available DM Supply Point Capacity**" means the amount of DM Supply Point Capacity available to a Registered Shipper at an individual DM Supply Point on or in respect of a Restricted Capacity Day as notified to such Shipper by the Transporter in an OFO issued pursuant to Section 2.7.4; and
- (e) "**Available Aggregate Active DM Exit Capacity**" means the amount of Aggregate Active DM Exit Capacity available to a Shipper on a Restricted Capacity Day at or in respect of the DM Offtakes at which it is the Registered Shipper, which shall be the sum of such Shipper's:
  - (i) Available DM Exit Capacity at or in respect of the relevant affected DM Offtake(s) (as notified to the Shipper in the relevant OFO pursuant to Section 2.7.4) on the Restricted Capacity Day; and
  - (ii) the sum of the DM Exit Capacity held at or in respect of DM Offtakes on the Restricted Capacity Day not affected by an OFO,

adjusted to take account of any Exit Capacity Transfers.

2.7.6 Each Shipper that receives an OFO pursuant to Section 2.7.4 that refers to LDM Exit Capacity in respect of a LDM Offtake(s), shall be required to submit a revised Nomination or a Renomination, as appropriate, so that such Shipper's Valid Exit Nomination or Valid Exit Renomination at the affected LDM Offtake(s) on the Restricted Capacity Day is less than or equal to such Shipper's Available Active LDM Exit Capacity(ies) in respect of such LDM Offtake(s).

2.7.7 Each Shipper that receives an OFO pursuant to Section 2.7.4 that refers to DM Exit Capacity at or in respect of a DM Offtake(s) shall be required to submit a revised Nomination or a Renomination, as appropriate, so that such Shipper's Valid Exit Nomination or Valid Exit Renomination at or in respect of the DM Offtake(s) at which it is the Registered Shipper for the Restricted Capacity Day is less than or equal to such Shipper's Available Aggregate Active DM Exit Capacity.

2.7.8 The Transporter may issue further OFOs to Shippers at any time revising such Shippers' Available Active Exit Capacity or Available Active Supply Point Capacity (as the case may be) at, or in respect of, the relevant Offtake Point(s) on the Restricted Capacity Day. Following receipt of any such OFO, Shippers shall be required to make a Renomination if their Valid Exit Nomination or Valid Exit Renomination in respect of the LDM Offtake(s) and the DM Offtake(s) at which it is the Registered Shipper for the Restricted Capacity Day exceeds the revised Available Active LDM Exit Capacity or Available Aggregate Active DM Exit Capacity, as appropriate, specified in the OFO.

- 2.7.9 The Transporter shall reject any Nomination or Renomination in respect of an affected Offtake Point(s) which specifies a Nominated Quantity or a Renominated Quantity in excess of such Shipper's Available Active LDM Exit Capacity or Available Aggregate Active DM Exit Capacity (as the case may be) in respect of a Restricted Capacity Day.
- 2.7.10 Where a Shipper fails to achieve a Valid Nomination or a Valid Renomination in accordance with Sections 2.7.6, or 2.7.7 or 2.7.8, the Transporter shall be entitled to exercise its right to revoke or limit a Valid Nomination or a Valid Renomination in accordance with Part D (*Nominations, Allocations and NDM Supply Point Reconciliation*) Section 1.5 (*Revocation of Valid Nominations*) in respect of such Shipper's Valid Exit Nomination or Valid Exit Renomination, on the basis that such Shipper is not entitled to have a Valid Nomination or a Valid Renomination which specifies a Nominated Quantity in excess of its Available Active LDM Exit Capacity or Available Aggregate Active DM Exit Capacity, as appropriate.
- 2.8 Transfer of Exit Point/Supply Point Capacity on a Restricted Capacity Day**
- 2.8.1 An Exit Capacity Transfer Request, Exit Capacity Transfer Update Request or Exit Capacity Transfer Reduction Request in respect of a category of Exit Capacity or a LDM Supply Point Capacity Title Transfer Request, LDM Supply Point Capacity Title Transfer Update Request or LDM Supply Point Capacity Title Transfer Reduction Request in respect of LDM Supply Point Capacity submitted by a Shipper, but not accepted by the Transporter prior to the issue of an OFO in respect of the Transportation System or any localised part thereof, shall be rejected if it relates to an Offtake Point(s) which is affected by a Restricted Capacity Day or a category of Exit Capacity or Supply Point Capacity which is affected by a Restricted Capacity Day.
- 2.8.2 The Transporter shall reject any Exit Capacity Transfer Request, Exit Capacity Transfer Update Request, Exit Capacity Transfer Reduction Request or LDM Supply Point Capacity Title Transfer Request, LDM Supply Point Capacity Title Transfer Update Request or LDM Supply Point Capacity Title Transfer Reduction Request, as appropriate, in respect of a category of capacity or an Offtake Point affected by a Restricted Capacity Day submitted following the issue of an OFO.
- 2.9 Effect of a Restricted Capacity Day at NDM Supply Points**
- If a Restricted Capacity Day has an impact on any NDM Supply Point the Transporter may declare an Emergency according to the provisions of Section 1 (*Emergencies*).
- 2.10 Zero Imbalance Position on a Restricted Capacity Day**
- Following receipt of an Operational Flow Order, a Shipper which is required to make a Renomination so as to ensure that such Shipper's Nominated Quantity or Renominated Quantity is less than or equal to its Available Active Entry Capacity and/or Available Active LDM Exit Capacity and/or Available Aggregate Active DM Exit Capacity, as

appropriate, shall have an additional hour to nominate a Zero Imbalance Position, so that within two (2) hours of being notified by the Transporter of its Available Active Entry Capacity or Available Active LDM Exit Capacity and/or Available Aggregate Active DM Exit Capacity (as the case may be), the Shipper shall make such Renominations as may be necessary in order to achieve a Zero Imbalance Position.

#### 2.11 **Nominations on a Restricted Capacity Day**

On a Restricted Capacity Day:

- 2.11.1 Each Shipper shall ensure that the Nominated Quantities or Renominated Quantities specified in such Shipper's Nominations or Renominations, are less than or equal to such Shipper's relevant Available Active Entry Capacity or Available Active LDM Exit Capacity or Available Aggregate Active DM Exit Capacity (as the case may be).
- 2.11.2 The provisions of Part D (*Nominations, Allocations and NDM Supply Point Reconciliation*) Section 1 (*Nominations and Renominations*) shall be read and construed as if all references therein to a Shipper's Active Entry Capacity, Active LDM Exit Capacity or Active DM Exit Capacity, are references to such Shipper's Available Active Entry Capacity or Available Active LDM Exit Capacity or Available Aggregate Active DM Exit Capacity (as the case may be) and each of the Shipper's and the Transporter's rights and obligations shall be read and construed accordingly.
- 2.11.3 The Transporter shall reject any Nominations or Renominations submitted by a Shipper which are in excess of such Shipper's Available Active Entry Capacity, or Available Active LDM Exit Capacity or Available Aggregate Active DM Exit Capacity (as the case may be) and shall also reject any Nominations or Renominations by any Shipper in excess of such Shipper's Active Capacity on the Restricted Capacity Day unless the effect of such Nomination or Renomination would be to alleviate the effect of the Restricted Capacity Day.

#### 2.12 **Offtake of Natural Gas on a Restricted Capacity Day**

On a Restricted Capacity Day a Shipper:

- (a) registered at a LDM Offtake shall not offtake Natural Gas in excess of such Shipper's Available Active LDM Exit Capacity(ies) or Available Active LDM Supply Point Capacity (as the case may be) in respect of each LDM Agreement specifying such LDM Offtake;
- (b) registered as holding DM Exit Capacity shall not offtake:
  - (i) quantities of Natural Gas in excess of such Shipper's Available Aggregate Active DM Exit Capacity;
  - (ii) at any one TCDM Exit Point, quantities of Natural Gas in excess of such Shipper's Available DM Exit Capacity in respect of such TCDM Exit Point; and/or

- (iii) at a DM Supply Point, quantities of Natural Gas in excess of such Shipper's Available DM Supply Point Capacity in respect of such DM Supply Point; and
- (c) registered as holding NDM Exit Capacity shall not offtake at any NDM Supply Point Natural Gas in excess of such Shipper's Supply Point Capacity in respect of such NDM Supply Point.

## 2.13 Capacity Overruns on a Restricted Capacity Day

2.13.1 For the purposes of determining any Capacity Overruns applicable to a Shipper on a Restricted Capacity Day, a Shipper's:

- (a) Active Entry Capacity at an affected Entry Point shall be deemed to be equal to a Shipper's Available Active Entry Capacity, adjusted for any Entry Capacity Trades;
- (b) Active LDM Exit Capacity at or in respect of affected LDM Offtake Points shall be deemed to be equal to such Shipper's Available Active LDM Exit Capacity;
- (c) Aggregate Active DM Exit Capacity shall be deemed to be equal to such Shipper's Available Aggregate Active DM Exit Capacity;
- (d) Active LDM Supply Point Capacity shall be deemed to be such Shipper's Available Active LDM Supply Point Capacity; and
- (e) DM Supply Point Capacity shall be deemed to be such Shipper's Available DM Supply Point Capacity.

2.13.2 Where a Registered Shipper at a TCDM Exit Point affected by a Restricted Capacity Day offtakes Natural Gas at such TCDM Exit Point at a rate or quantity which is in breach of an OFO then, without prejudice to the provisions of Part I (*Legal and General*) Section 4 (*Suspension and Termination*), such Shipper shall be in breach of this Code and shall incur an Exit Capacity Overrun Charge calculated in accordance with Part C (*Capacity*) Section 10.4.5 (*Exit Capacity Overrun Charge*) for which the Exit Capacity Overrun Quantity shall be the difference between the quantity of Natural Gas offtaken by such Shipper at such TCDM Exit Point and such Shipper's Available Active Exit Capacity in respect of such TCDM Exit Point in respect of such Day.

## 2.14 Restricted Capacity Day Report

2.14.1 The Transporter shall act to mitigate the effects of a Restricted Capacity Day and, consistent with the other provisions of this Code, will not knowingly act in any manner which the Transporter would expect to result in an increase in the probability of a Restricted Capacity Day occurring. The Transporter shall issue a report following each Restricted Capacity Day (or series of Days) to the Commission and the affected Shippers after issuing an OFO in respect of a Restricted Capacity Day(s).

- 2.14.2 The Transporter shall not be liable for any costs incurred by a Shipper arising out of a Difficult Day or a Restricted Capacity Day, howsoever incurred.

### 3. ENTRY POINTS

#### 3.1 Entry Point Requirements

- 3.1.1 A Registered Shipper shall deliver or tender for delivery Natural Gas to the Transportation System at an Entry Point in accordance with the Entry Point Requirements applicable to such Entry Point.
- 3.1.2 Each Shipper registered at an Entry Point shall be provided by the Transporter with details of the requirements for the delivery of Natural Gas to such Entry Point ("**Entry Point Requirements**"), including:
- (a) the location of the Entry Point;
  - (b) the conditions applicable to that Entry Point as to the pressure and specification of Natural Gas delivered or tendered for delivery to the Transportation System at the Entry Point (including those matters referenced in Part G (*Technical*) Section 1 (*Specifications: Quality and Pressure*));
  - (c) the Measurement Provisions with respect to an Entry Point as described in Part G (*Technical*) Section 3 (*Measurement*) ("**Entry Point Measurement Provisions**");
  - (d) the requirements for the delivery of Natural Gas to such Entry Point contained in any CSA where a CSA is in existence for such Entry Point; and
  - (e) the existence of any Entry Point Procedures.
- 3.1.3 The Entry Point Requirements referenced in this Section 3.1 shall be subject to and reflect:
- (a) the provisions of any applicable CSA; or
  - (b) in the absence of a CSA or to the extent the CSA does not include all of the information referred to in Section 3.1.2, the provisions of Part G (*Technical*) Section 1 (*Specifications: Quality and Pressure*) and Section 3 (*Measurement*) in respect of each relevant Entry Point.
- 3.1.4 The Transporter shall, only to the extent that such requirements are not already made available pursuant to obligations elsewhere in this Code, make available to Shippers the relevant Entry Point Requirements. The absence of a CSA shall not preclude Shippers from making Natural Gas available for delivery to the Transportation System at an Entry Point.
- 3.1.5 In the event that a Registered Shipper fails to comply with the Entry Point Requirements applicable to an Entry Point at which the Registered Shipper is delivering or tendering for delivery Natural Gas, the Shipper shall indemnify the Transporter for all costs, losses and expenses arising as a result of any such failure, which shall include all claims, charges, demands, costs, losses and/or

payments due or arising in respect of a Connected System and/or generally upstream of an Entry Point made by any person (including such Shipper or any third party) delivering, directly or indirectly, Natural Gas to the Transmission System at an Entry Point. Such indemnity shall include any claim with respect to the cost of Capacity Charges, the commodity element of the Tariff, Scheduling Charges, Overrun Charges, Balancing Charges and failure to interrupt charges (including, by way of example, imbalance charges arising under the UK Network Code).

- 3.1.6 The Registered Shippers shall not be liable to the Transporter in respect of any material claims, charges, demands, costs, losses and/or payments arising as aforesaid to the extent that they result from a failure by the Transporter to act as a RPO in the performance of its obligations under a CSA.
- 3.1.7 The existence of a CSA shall not relieve Shippers or the Transporter of any obligations under this Code and the Transporter shall not be required (for itself or for the benefit of any Shipper) to secure in a CSA any remedy against the Upstream Operator nor to take steps to enforce any provisions of a CSA.
- 3.1.8 Without prejudice to a Shipper's obligations pursuant to Section 3.1.5 above, to the extent that:
- (a) a Registered Shipper fails to comply with the Entry Point Requirements applicable to an Entry Point other than as a result of failure by the Transporter to perform any requirement under the CSA applicable to such Entry Point; and
  - (b) such failure by the Registered Shipper adversely affects the ability of the Transporter to operate the Transportation System, or any localised part thereof, or to comply with any Legal Requirement or any provision (other than a provision with which the failure to comply has no significant consequences for the Transporter or any Shipper) of this Code,

then the Transporter shall be entitled to refuse (until such time as the Transporter is reasonably satisfied that such non-compliance has been remedied) to accept delivery by a Registered Shipper, to the Transportation System, of Natural Gas at the relevant Entry Point, in which case the Transporter shall notify all affected Shippers of such refusal and (subject to any duties of confidentiality) of the relevant circumstances therefor.

- 3.1.9 To the extent that any changes to the Entry Point Requirements for each Entry Point are required in order to comply with any new or changed Legal Requirement, in respect of Natural Gas conveyed by means of, or tendered for delivery to, the Transportation System, the Entry Point Requirements shall be deemed to incorporate any such changes with effect from the time at which the Legal Requirement comes into force (unless expressly provided otherwise under any special delivery arrangements) and, as soon as reasonably practicable thereafter, the Transporter shall notify the Registered Shippers at such Entry Point of any amendments made to the Entry Point Requirements.

### 3.2 **Moffat Entry Point**

- 3.2.1 The Moffat Entry Point is located in South West Scotland.
- 3.2.2 Natural Gas shall be deemed to enter the Transportation System at the Moffat Entry Point.

### 3.3 **Inch Entry Point**

- 3.3.1 The Inch Entry Point is located at Inch in County Cork.
- 3.3.2 Natural Gas shall be deemed to enter the Transportation System at the Inch Entry Point.

### 3.4 **New Entry Points**

- 3.4.1 The Transporter shall, subject to Sections 3.4.2 and 3.4.3, facilitate new Entry Points to the Transmission System when and wherever practicable and where commercially and technically feasible in order to secure as diverse, safe, economic and secure a supply of Natural Gas as possible to the Transportation System.
- 3.4.2 The Transporter shall enter into good faith negotiations for CSA(s) in respect of any proposed new Entry Point(s) on appropriate terms. Natural Gas shall be delivered or tendered for delivery to the Transmission System from such new Entry Point(s) in accordance with the provisions of the relevant CSA for such new Entry Point(s) and this Code.
- 3.4.3 The Transporter will not enter into any CSA(s) which would in the reasonable opinion of the Transporter have a material adverse impact on Shippers in general without first advising Shippers of the provision which the Transporter believes will have such material effect. Subject to the agreement of the other contracting parties thereto, any CSA for a new Entry Point shall be made publicly available by the Transporter following its execution and the Shippers shall, in any event, not be liable in respect of any obligations which they may incur in respect of a CSA of which they were unaware.

### 3.5 **Administrative Procedures at an Entry Point**

- 3.5.1 All Registered Shippers who have Entry Capacity reserved at the same Entry Point may propose to the Transporter procedures for the management of (a) the matching of nominations made by a Third Party Shipper and the relevant Registered Shipper at that Entry Point, and/or (b) Allocations at that Entry Point. Such procedures ("**Entry Point Procedures**") may be introduced either at the time of, or prior to, or as soon as possible following, the implementation of this Code and may outline principles to be established in respect of the matching of nominations ((a) above), and/or the allocation procedures ((b) above) and any related activities at an Entry Point.
- 3.5.2 If the proposed Entry Point Procedures referred to in Section 3.5.1 are acceptable to the Transporter, the Transporter shall notify all relevant Shippers



of its acceptance of such Entry Point Procedures and the date from which the same shall be effective and all relevant Shippers shall be bound by such Entry Point Procedures from such effective date. Where Shippers propose Entry Point Procedures in respect of the Moffat Entry Point during the term of the PTL Agreement, such Entry Point Procedures shall not be binding, and the Transporter shall not accept the same, unless PTL agrees to be bound thereby.

- 3.5.3 Agreement by and between relevant Shippers and the Transporter with respect to Entry Point Procedures shall constitute an authority to the Transporter from all relevant Shippers to accept Allocations or such other information as may be authorised to be provided to the Transporter pursuant to such Entry Point Procedures and to provide information in accordance with such Entry Point Procedures. The Transporter shall not be liable to such Shippers, or any of them, in respect of any consequence of the acceptance by the Transporter of such Entry Point Procedures or the implementation thereof. All relevant Shippers hereby waive any and all rights of action against the Transporter in respect of any loss, damage or otherwise that may be suffered by any such Shipper as a result of such Entry Point Procedures and the reliance by the Transporter thereon and on any information received pursuant thereto.
- 3.5.4 Where Entry Point Procedures have been agreed by all Shippers using such Entry Point, all Shippers with Entry Capacity registered at such Entry Point or applying for Entry Capacity at such Entry Point shall adhere to and comply with such Entry Point Procedures together with any subsequent arrangements modifying the same and such Entry Point Procedures (and modifications thereof) shall be applied by the Transporter.
- 3.5.5 The Transporter is under no obligation, express or implied, to verify that the relevant Entry Point Procedures have been complied with and no action by the Transporter should be construed as such.
- 3.5.6 Where a Shipper does not adhere to such Entry Point Procedures the Transporter may suspend such Shipper's right to make Nominations or Renominations in respect of such Entry Point.

### 3.6 **Offtake Profile Notice at Entry Points**

- 3.6.1 The Transporter may develop and make available to the Connected System Operator in relation to any Entry Point offtake profile notices relating to the delivery of Natural Gas at an Entry Point on any Day. The Transporter may enter into such agreements with Connected System Operators, Shippers, Third Party Shippers and other Third Parties relating to the provision of offtake profile notices as the Transporter may consider appropriate.
- 3.6.2 The Transporter shall not be liable to the Shippers, or any of them, in respect of the development and provision of any such offtake profile notice or the failure to develop and/or provide such offtake profile notice other than in accordance with the terms and conditions of such agreement(s) as may be developed and agreed between the Transporter and Shippers in connection with offtake profile

notices. Each Shipper hereby waives any and all rights of action against the Transporter in respect of any loss, damage or otherwise that may be suffered by any Shipper as a result of the development and provision of such offtake profile notices or the failure to provide such notices in respect of rights of action expressly contained in such agreement(s) as may be developed and agreed between the Transporter and Shippers in connection with offtake profile notices.

#### 4. OFFTAKE POINTS

##### 4.1 General

The Transporter and each Shipper acknowledge that an Exit Point from the Transmission System may also (subject to any Modifications which may be required by the Transporter) become an Entry Point for the purposes of this Code and vice versa.

##### 4.2 Offtake Requirements

4.2.1 On any Day, a Shipper shall be entitled to offtake Quantities in accordance with, and subject to, the provisions of the Code.

4.2.2 Where in the Transporter's opinion:

- (a) Natural Gas is being offtaken from the Transportation System:
  - (i) in the case of a LDM Offtake, at a quantity and/or rate which exceeds the MHQ and/or Ramp Rate or where the notice period has not expired (as specified in the LDM Agreement); or
  - (ii) in the case of a TCDM Exit Point, at a quantity and/or rate which exceeds the MHQ; or
  - (iii) in the case of a DM Supply Point, at a quantity and/or rate which exceeds the MHQ; or
  - (iv) in the case of a NDM Supply Point, at a rate which exceeds the relevant offtake limits; and
- (b) the integrity of the Transportation System or any localised part thereof is prejudiced as a result or where the service to other Shippers is likely to be adversely affected or compromised,

the Transporter may take any appropriate steps available to it to secure the required reduction in the rate of flow of, or the discontinuance of, the offtake of Natural Gas from the Transportation System at the relevant Offtake Point.

4.2.3 The steps referred to in Section 4.2.2 may, following (where practicable) appropriate notice, include the disconnection of the equipment or facilities at the relevant Offtake Point but (without prejudice to any other provision of this Code (including any rights which the Transporter may have pursuant to Part I (*Legal and General*) Section 4 (*Suspension and Termination*)) the Transporter shall endeavour not to take this step where in its opinion alternative steps are available and adequate in the circumstances.

##### 4.3 General Provisions Relating to Offtake

4.3.1 Where under this Code or any Ancillary Agreement or under any applicable Legal Requirement, the Transporter is not required to connect to, or to maintain a connection in respect of, or has exercised or is entitled to exercise any right to

disconnect, or is required to disconnect, any equipment or facilities at the Offtake Point in order to prevent the flow of Natural Gas to any End User's Facilities, or (having carried out any such disconnection) is not required to reconnect any such equipment or facilities to allow the flow of Natural Gas to any End User's Facilities, the Transporter shall not be in breach for failing to comply with its obligation to make Natural Gas available for offtake from the Transportation System at the relevant Offtake Point.

4.3.2 A Shipper's obligation to make any payments to the Transporter in connection with the transportation of Natural Gas shall not be affected by the existence of any circumstances under which, in accordance with this Code and/or any Ancillary Agreement, the Transporter is not obliged, or is relieved of its obligations, to make Natural Gas available for offtake from an Offtake Point.

4.3.3 Each Shipper shall indemnify the Transporter against all claims, charges, demands and payments due or arising downstream of an Offtake Point in respect of any person (including itself and any End User) offtaking, directly or indirectly, Natural Gas at the relevant Offtake Point.

4.3.4 The Transporter will not be obliged under any provision of this Code and/or any Ancillary Agreement to make Natural Gas available for offtake from the Transportation System by a Shipper at an Offtake Point:

(a) at any time, at a rate which exceeds the MHQ; and/or

(b) on any Day, of a quantity which exceeds the Shipper's Nominated Quantity and/or the Shipper's Active Capacity.

#### 4.4 **Natural Gas Offtaken at an Offtake Point: Compressors**

4.4.1 Where Natural Gas is offtaken for supplying a compressor, the Transporter may, by notice to the relevant Shipper, require the relevant Shipper to procure that an appliance is installed and kept in use to effectively prevent pressure fluctuation in the Transportation System or any localised part thereof and to prevent any other inconvenience or danger which may be caused to the Transporter and/or End Users or Shippers of Natural Gas. The Shipper shall comply with, or procure compliance with, any such notice and shall be responsible for paying, or procuring the payment of, all costs associated with such compliance.

4.4.2 Where a Shipper is required by this Section 4.4 to keep in use any such appliance, or procure that any such appliance is kept in use, the Shipper shall, keep or procure that such appliance is kept in proper order and repair and replace or repair it if it is not in proper order or shall procure that an End User will do so. The Shipper shall be responsible for paying, or procuring the payment of all costs associated with compliance or procuring compliance with this Section 4.4.2.

4.4.3 Without prejudice to any rights which the Transporter may have pursuant to this Code, and in particular Part I (*Legal and General*) Section 4 (*Suspension and*

*Termination*), if a Shipper defaults in complying with any provision of this Section 4.4, the Transporter may suspend offtake of Natural Gas by such Shipper at the relevant Offtake Point and shall not be required to resume the supply of such Natural Gas until the default has been remedied to the reasonable satisfaction of the Transporter.

#### 4.5 **Discontinuance of Supply at an Offtake Point**

- 4.5.1 Without prejudice to any rights which the Transporter may have pursuant to Part I (*Legal and General*) Section 4 (*Suspension and Termination*), if the Transporter has reason to believe that any Shipper (or End User for whom the Shipper has procured Natural Gas) has offtaken Natural Gas other than in accordance with this Code and/or any relevant Ancillary Agreement, or has offtaken Natural Gas so as to prejudice the integrity of the Transportation System (or any localised part thereof) or has interfered with the offtake of Natural Gas elsewhere on the Transportation System, the Transporter may following notification to the Shipper that the Transporter has reason to believe that Natural Gas has been offtaken, or that Natural Gas has been offtaken, as aforesaid discontinue the supply of Natural Gas to the relevant Offtake Point until such breach of this Code and/or any Ancillary Agreement is remedied and/or such interference has ceased and been remedied and/or the integrity of the Transportation System (or any localised part thereof) is restored to the reasonable satisfaction of the Transporter. There shall be no obligation on the Transporter to provide a notice of such discontinuance in those circumstances where the Transporter deems it necessary to effect such discontinuance without notice.
- 4.5.2 Notwithstanding discontinuance of the supply of Natural Gas under this Section 4.5, the Shipper will remain liable for all charges pursuant to this Code in respect of the Offtake Point for so long as the Shipper is the Registered Shipper at that Offtake Point and the Shipper shall indemnify the Transporter in respect of any claim by an End User with respect to such discontinuance.