

CODE OF OPERATIONS
PART H

OPERATIONS

VERSION 4.0
AS AMENDED TO INCORPORATE
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AS AMENDED TO INCLUDE MODIFICATION A058 (CONGESTION
MANAGEMENT PROCEDURES)
AND EXIT CAPACITY TRANSFER

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1. EMERGENCIES

1.1 Emergency and Exceptional Event

1.1.1 "Emergency" means a Natural Gas Emergency or 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 "Exceptional Event" means any unplanned event that is not reasonably controllable or preventable by the Transporter and may cause for a limited period, capacity reductions, affecting the quantity or quality of gas at an Interconnection Point and which may have consequential effects on interactions between the Transporter (or its Affiliate) and the Adjacent TSO and on interactions between the Transporter and Shippers.

1.1.3 ~~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 Exceptional Event;
- (d) ~~(e)~~ an escape or suspected escape of Natural Gas;
- (e) ~~(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;
- (f) ~~(e)~~ events or circumstances in a Connected System (either upstream or downstream of the Transportation System);
- (g) ~~(f)~~ an insufficiency of deliveries of Natural Gas to the Transportation System (including from any Connected System); and/or
- (h) ~~(g)~~ any actual or potential failure of or damage to the Transportation System or any localised part thereof.

1.1.4 ~~1.1.3~~ The existence of an Emergency and/or an Exceptional Event shall be determined by the Transporter, irrespective of the cause of the Emergency

and/or the Exceptional Event and of whether the Transporter or any other person may have caused or contributed to the Emergency or Exceptional Event provided always that a Natural Gas Emergency shall only be declared with the approval of the National Gas Emergency Manager and in accordance with the provisions of the Natural Gas Emergency Plan.

1.1.5 ~~1.1.4~~ An Emergency and/or an Exceptional Event 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 provided always that a Natural Gas Emergency or an Exceptional Event shall continue until such time as it is declared to have ended and (in the case of an Emergency only) in accordance with the provisions of the Natural Gas Emergency Plan (where applicable).

1.1.6 ~~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 or Exceptional Event.

1.1.7 ~~1.1.6~~ The Transporter has been designated as the National Gas Emergency Manager and has developed ~~and entered into the Joint Operational Procedure for the control of Emergencies and has developed the NEM Framework and~~ the Natural Gas Emergency Plan, in the event of any conflict between the Natural Gas Emergency Plan and the provisions of this Code of Operations the provisions of the Natural Gas Emergency Plan shall prevail.

1.2 **Emergency Steps**

1.2.1 The Transporter (including when acting in its capacity as National Gas Emergency Manager), to the extent that it considers necessary, and/or as required by the National Gas Emergency Manager 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 subject and without prejudice to the obligation of Shippers and the Transporter to comply with the instructions of the National Gas Emergency Manager, 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 including Emergency Steps taken at the request or by the direction of the National Gas Emergency Manager, 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 Interconnection Point or 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 Interconnected System and Connected System

The Transporter or its Affiliate may subject always to the Natural Gas Emergency Plan and any instructions of the NGEM 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.

The Transporter may agree with the operator of the Spur Pipeline downstream of the Sub-Sea I/C Offtake the Emergency procedures to be taken with respect to such Connected System setting out the steps to be taken in the event of an Emergency.

The Transporter may agree with the ~~Connected System Operator downstream of~~ Adjacent TSO at an Interconnection Point:

1.3.1 Emergency procedures to be taken with respect to the Interconnected System setting out steps to be taken in the event of an Emergency or in the event of an emergency on the Interconnected System;

1.3.2 Procedures or steps to be taken if there is an Exceptional Event or if there is an exceptional event affecting the Interconnected System.

The Transporter may agree with the []Adjacent TSO at the South-North IP_CSEP emergency procedures to be taken with respect to the ~~Connected~~Adjacent System setting out steps to be taken in the event of an Emergency or Exceptional Event or in the event of ~~aan~~ an emergency or an exceptional event on the ~~Connected System~~Interconnected System. Where the Interconnection Agreement at the Moffat Interconnection Point is executed by an Affiliate of the Transporter any reference to any matter or thing to be done by or for or information to be disclosed or received by the Transporter as party to an applicable Interconnection Agreement shall and shall be deemed to include a reference to such Affiliate and the Transporter shall be entitled to notify information to or receive information from such Affiliate for such purpose.

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, ~~and/or Joint Operational Procedure for the control of Emergencies or the NEM Framework~~ and pursuant to the instructions of, or with the approval of, the NGEM, the Natural Gas Emergency Plan.

1.5 **Shipper Emergency Contacts (Emergencies and Exceptional Events)**

1.5.1 Each Shipper shall provide to the Transporter and to the National Gas Emergency Manager 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 or an Exceptional Event. The contact details to be provided shall be a single telephone number (and a back-up single landline telephone number), a single mobile telephone number (and a single back-up mobile telephone number), a single facsimile number (and a single back-up facsimile number), a single email address (and a single back-up email address) 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

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

¹ [Cross references will be verified following consultation.](#)

- 1.6.1 Each Shipper shall provide to the Transporter and the National Gas Emergency Manager, in respect of any LDM Offtake or DM Offtake at which the Shipper is the Registered Shipper, contact details in a form specified by the Transporter, where such information is not provided to the Transporter pursuant to an End User Agreement. Each Shipper shall advise the Transporter and the National Gas Emergency Manager of any changes in their contact details.
- 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 in accordance with Section 1.6.1 and/or Section 1.6.2 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, or provided pursuant to any applicable End User Agreement 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 Where an Exceptional Event occurs and affects an Interconnection Point the Transporter shall inform notify all Shippers at the Interconnection Point

(a) of the Exceptional Event; and;

(b) the expected duration of the Exceptional Event and;

(c) the anticipated and actual termination of the Exceptional Event.

1.7.3 The Transporter shall notify Shippers at an Interconnection Point of an exceptional event affecting the Interconnected System as soon as reasonably practical after the Transporter is notified by the Adjacent TSO.

1.7.4 ~~1.7.2~~ During an Emergency each Shipper shall:

(d) ~~(a)~~ comply with the Emergency Steps as instructed by the Transporter and co-operate with the Transporter to the extent possible so as to enable the Transporter to take Emergency Steps;

(e) ~~(b)~~ procure compliance by the End User or Third Party Shipper with any such Emergency Steps instructed by the Transporter to the Shipper save to the extent that there is any conflict between such Emergency Steps and the obligation of the End User to the Transporter pursuant to this Code or any applicable End User Agreements;

(f) ~~(c)~~ notify the Transporter of all actions taken by the Shipper and the End User to comply with the Emergency Steps; and

(g) ~~(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).

1.7.5 ~~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 1.7.24, 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.

1.7.6 ~~1.7.4~~ The provisions of this section 1.7 are subject to and without prejudice to the Natural Gas Emergency Plan and any instructions of the NGEM.

1.8 **Entry Point Control, Connected System Exit Point Control, ~~V~~EntryP-IP VEntry Control and ~~V~~ExitIP VExit Control Interconnection Point Control**

Without prejudice to the obligations set out in Section 1.7.4 and where an Exceptional Event occurs and in any case without prejudice to Part D Section 1.4.12, where

Emergency Steps (or such other steps as may be required by the Transporter) include increasing or decreasing the delivery and/or rate of flow of Natural Gas to or from an IP Entry Point and/or Connected System Exit Point and/or ~~VEntryPIP VEntry~~ and/or ~~VExitPIP VExit~~ the Transporter may issue appropriate instructions in respect of such increase or decrease to the Shippers utilising such IP Entry Point or Connected System Exit Point and/or ~~VEntryPIP VEntry~~ and/or ~~VExitPIP VExit~~ or Entry Point, who in turn will exercise their nomination rights under their respective agreements with their Natural Gas suppliers or under their agreements with those parties with whom they have contracted ~~to deliver for~~ Natural Gas at the IP Entry Point, IP CSEP, Connected System Exit Point and/or ~~VEntryP~~ and/or ~~VExitPIP VExit~~ 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 and Sub-Sea I/C Offtake 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) and/or at the Sub-Sea I/C Offtake, the Transporter ~~shall~~may, 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 subject to the provisions of the Natural Gas Emergency Plan and any directions of the NGEM (where applicable) identify those Offtake Points or classes of Offtake Point (as identified below) and/or the Sub-Sea I/C Offtake (as appropriate) 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 Quantity greater than 1,500,000,000 kWh;
- (b) second, any LDM Offtake which has an Annual Quantity 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 Quantity less than or equal to 260,000,000 kWh;
- (d) fourthly, any DM Offtake (but excluding DM Offtake(s) at which the End User is a Priority Customer);
- (e) fifthly, NDM Supply Points at which Natural Gas is offtaken from the Distribution System for consumption by non-household customers (but excluding NDM Offtakes at which the End User is a Priority Customer);
and

- (f) lastly, NDM Supply Points at which Natural Gas is offtaken from the Distribution System for consumption by household customers and DM Offtakes and NDM Supply Points at which the End Users are Priority Customers.

The Shipper(s) at the Sub-Sea I/C Offtake shall in a timely manner and from time to time as requested by the Transporter notify to the Transporter the amount of the Annual Consumption and/or offtake at the Sub-Sea I/C Offtake which is for the purpose of power generation and that which is for the purposes of non-power generation. Where the Transporter requires a reduction in demand or offtake from the Transportation System (or any localised part thereof) including the Sub-Sea I/C Offtake then the Sub-Sea I/C Offtake shall be treated

- (i) with respect to that part of the Annual Consumption or demand at the Sub-Sea I/C Offtake which is in respect of power generation as an equivalent LDM Offtake;
- (ii) with respect to the Annual Consumption or demand which is for non power generation in the same manner as those offtakes in category (f).

1.9.2 In so reducing demand at LDM Exit Points in accordance with Section 1.9.1 the Transporter will comply with the Joint Operational Procedure for the control of Emergencies, subject to the Natural Gas Emergency Plan and the directions of the NGEM, give due consideration, upon notice from a Shipper and in a timely fashion (including at the time of submission of the Long Term LDM Capacity Request) 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 save to the extent that there is any conflict between a notification or communication to the End User or supplier which the Shipper issues on the instruction of the Transporter and the obligation of the End User or supplier to the Transporter pursuant to this Code or any applicable End User Agreement. .

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) which commences 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 1.7.35; 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 1.7.35, 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 other than a Natural Gas 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*).

2. PHYSICAL CONGESTION

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 [at an IP Entry Point and/or an IP CSEP or](#) registered at an Entry Point, at a Connected System Exit Point, at the Sub-Sea I/C Offtake 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 [at or before 18:00 hours](#) on D-1; and

(b) three (3) hours if the OFO is issued after 18:00 hours on D – 1;³

[\(c\) one \(1\) hour if the OFO is issued on D.](#)

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 as otherwise notified by the Transporter to the Shipper; and/or

(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 a Shipper is unable to deliver to the Transportation System or offtake from the Transportation System its Nominated Quantity ~~or, IP Nominated Quantity, Renominated Quantity or IP~~ Renominated Quantity, as the case may be, and where:

(a) there is reduced capacity on the Transportation System or any localised part thereof for reasons of physical or operational constraint, or

(b) the inability to deliver or offtake is at ~~a Relevant~~an Interconnection Point which is Contractually Congested and the Transporter anticipates that it may not be in a position to buyback capacity from Shippers at all or in sufficient quantities or within an appropriate time period.

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~~NOT USED

~~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 IP Entry Point, an Entry Point and/or at the South-North ~~Connected System Exit Point~~IP CSEP

2.5.1 Where the Transporter has issued an initial OFO declaring a Restricted Capacity Day in respect of an IP Entry Point, an Entry Point or the South-North ~~Connected System Exit Point~~IP CSEP, it shall as soon as is reasonably practicable thereafter, issue a further OFO which shall identify each Shipper's Available Active ~~Entry~~IP Entry Capacity, Available Active Entry Capacity or Available Active IP CSEP Offtake Capacity at such affected IP Entry Point, Entry Point or the South-North IP CSEP (as the case may be) 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 (a) which, when applied to a Shipper's Active IP Entry Capacity, Active Entry Capacity or the Shipper's Active ~~South-North~~IP CSEP Offtake Capacity on the Restricted Capacity Day, shall give the available IP Entry Capacity for such Restricted Capacity Day ("Available Active IP Entry Capacity") available Entry Capacity for such Restricted Capacity Day ("**Available Active Entry Capacity**") or available IP CSEP Offtake Capacity (the "Available ~~South-North~~Active IP CSEP Offtake Capacity") (as the case may be) for each Shipper registered as holding IP Entry Capacity, Entry Capacity or IP CSEP Offtake Capacity at the affected IP Entry Point, Entry Point or ("Available Active ~~South-North~~ CSEP Offtake Capacity") at the ~~South-North~~IP CSEP (as the case may be) calculated in accordance with Section 2.5.2 (b) or Section 2.5.2(c) (as the case may be):

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

$$RCP_D = (TAC_D / TPC_D) * 100$$

where:

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

TAC_D = the Transporter's estimate of the total amount of IP Entry Capacity or ~~South-North~~IP CSEP Offtake Capacity available at an affected IP Entry Point, Entry Point or IP CSEP on a Restricted Capacity Day ("**Total Available IP Entry Capacity or Total Available Entry Capacity**" or "**Total Available ~~South-North~~IP CSEP Offtake Capacity**" (as the case may be)); and

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

aggregate ~~South-North~~IP CSEP Offtake Capacity held by Shippers at the ~~South-North~~IP CSEP on a Restricted Capacity Day.

The Restricted Capacity Percentage shall be equal for all Shippers holding Active IP Entry Capacity (~~excluding Back-Up and/or Active Entry Capacity~~)-(or ~~South-North~~Active IP CSEP Offtake Capacity on a Restricted Capacity Day at an affected IP Entry Point, Entry Point or the ~~South-North~~IP CSEP (as the case may be); and

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

$$AAEC_D = AEC_D * RCP_D$$

where:

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

AEC_D = the Active IP Entry Capacity or 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 (a).

- (c) Each Shipper's Available Active ~~South-North~~IP CSEP Offtake Capacity shall be calculated in accordance with the following formula:

$$AAS/NC_D = SNC_D * RCP_D$$

where:

AAS/NC_D = the Available Active ~~South-North~~IP CSEP Offtake Capacity in respect of the Shipper on a Restricted Capacity Day;

SNC_D = the ~~South-North~~IP CSEP Offtake Capacity held by the Shipper in respect of the ~~South-North~~IP CSEP on a Restricted Capacity Day;

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

2.5.3 Each Shipper that receives an OFO in respect of a Restricted Capacity Day at an IP Entry Point or at an Entry Point shall be required to submit a revised IP Nomination, IP Renomination, Nomination(s) or a Renomination(s), as appropriate, so that such:

(a) a Shipper's IP Nomination Confirmed Quantities at the affected IP Entry Point do not in aggregate exceed the Shipper's Available Active IP Entry Capacity at the affected IP Entry Point and/or

(b) the Shipper's IP CSEP Offtake Nomination Confirmed Quantities at the affected IP CSEP do not in aggregate exceed the Shipper's Available Active IP CSEP Capacity; and/or

(c) ~~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 a~~ Shipper's Valid Entry Nomination or Valid Entry Renomination in respect of the affected Entry Point or the Shipper's Valid ~~South-North~~ CSEP Offtake Nominations, or Valid ~~South-North~~ CSEP Offtake Renominations in respect of a Restricted Capacity Day is less than, or equal to, its Available Active Entry Capacity, or Available Active ~~South-North~~ CSEP Offtake Capacity (as the case may be).

2.5.4 The Transporter shall reject any IP Entry Nomination which specifies an IP Nomination Quantity which is (or is in aggregate with any other IP Nomination Confirmed Quantity for that Shipper for the same Day at the IP Entry Point) in excess of the Shipper's Available Active IP Entry Capacity at the affected IP Entry Point and 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. The Transporter shall reject any Nomination or Renomination in respect of the ~~South-North~~ IP CSEP which specifies a IP Nominated Quantity ~~or a Renominated Quantity~~ in excess of a Shipper's Available Active ~~South-North~~ IP CSEP Offtake Capacity 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 IP Entry Capacity, Available Active Entry Capacity or Available Active ~~South-North~~ IP CSEP Offtake Capacity if it updates the Restricted Capacity Percentage at the IP Entry Point, Entry Point or the ~~South-North~~ IP CSEP (as applicable) 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 (c) if its Valid Entry Nomination or Valid Entry Renomination exceeds its revised Available~~

~~Active Entry Capacity or to make a Renomination accordingly in accordance with Section 2.5.3 if its Valid South North CSEP Offtake Nomination or its Valid South North CSEP Offtake Renomination exceed its revised Available South North CSEP Offtake Capacity~~ submit an IP Renomination or a Renomination in order to secure that such Shipper's Aggregate IP Nomination Confirmed Quantities at the affected Interconnection Point and/or a Valid Entry Nomination or Valid Entry Renomination at the affected Entry Point or the Shipper's Aggregate IP CSEP Offtake Nomination Confirmed Quantities at the IP CSEP in respect of the Restricted Capacity Day is less than or equal to its Available Active IP Entry Capacity, Available Active Entry Capacity or Available Active IP CSEP Offtake Capacity (as the case may be).b.

2.6 Trade of IP Entry Capacity or Entry Capacity on a Restricted Capacity Day

- 2.6.1 All trading of IP Entry Capacity and/or Entry Capacity in respect of an affected IP Entry Point or 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 IP Entry Capacity and/or 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 IP Entry Point or at an Entry Point shall be permitted to trade ~~Primary~~IP Entry Capacity or Entry Capacity in accordance with Part C (*Capacity*) Section ~~35~~ (IP Capacity Trades) or Section 4 (*Entry Capacity Trades*) throughout the Restricted Capacity Day.
- 2.6.4 An IP Entry Capacity Trade or an Entry Capacity Trade that is accepted by the Transporter subsequent to the issue of an OFO specifying the Available Active IP Entry Capacity or Available Active Entry Capacity shall reduce the Available Active IP Entry Capacity or Available Active Entry Capacity of the Transferor Shipper and increase the Available Active IP Entry Capacity or Available Active Entry Capacity of the Transferee Shipper by the amount of the Available Active IP Entry Capacity or Available Active Entry Capacity (as the case may be) that is the subject matter of any accepted IP Capacity

Trade or 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 IP Entry Capacity Trade or Entry Capacity Trade Request in respect of an affected IP Entry Point or an affected Entry Point on a Restricted Capacity Day, which requests a trade of an amount of IP Entry Capacity or 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 IP Entry Capacity ~~that is Retained Primary~~ or Active Entry Capacity.

2.7 **Restricted Capacity at LDM Offtakes and DM Offtakes and at the Sub-Sea I/C 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 1.9.1.
- 2.7.3 In addition to Section 2.7.2 and only with respect to Registered Shippers at LDM Exit Points or the Sub-Sea I/C Offtake, 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 including at the time of submission of the Long Term LDM Capacity Request) 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 at or in respect of an individual LDM 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;
- (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 or in respect of a LDM 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;
- (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 Primary DM Exit Capacity"** means the amount of Aggregate Primary 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,
- (f) **"Available Sub-Sea I/C Offtake Capacity"** means the amount of Sub-Sea I/C Offtake Capacity available to a Registered Shipper at the Sub-Sea I/C Offtake 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.

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).

Each Shipper that receives an OFO pursuant to Section 2.7.4 that refers to Sub-Sea I/C Offtake Capacity in respect of the Sub-Sea I/C Offtake shall be required to submit a revised Nomination or a Renomination, as appropriate, so that such Shipper's Valid Sub-Sea I/C Offtake Nomination or Valid Sub-Sea I/C Offtake Renomination at the Sub-Sea I/C Offtake on the Restricted Capacity Day is less than or equal to such Shippers Available Sub-Sea I/C Offtake Capacity at the Sub-Sea I/C Offtake.

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 Primary DM Exit Capacity.

2.7.8 The Transporter may issue further OFOs to Shippers at any time revising such Shippers' Available Active LDM Exit Capacity, Available Aggregate Primary DM Exit Capacity or Available Active LDM Supply Point Capacity or Available DM 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 Primary 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, Available Sub-Sea I/C Offtake Capacity or Available Aggregate Primary 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, 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, or Valid Sub-Sea I/C Offtake Nomination or Valid Sub-Sea I/C Offtake 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, Available Sub-Sea I/C Offtake Capacity or Available Aggregate Primary 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~~ Request in respect of LDM 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~~ or LDM Supply Point Capacity Title Transfer Request, as appropriate, in respect of a LDM Offtake 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~~ Not Used

~~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 Sub Sea I/C Offtake Capacity and/or Available Active South North CSEP Offtake Capacity and/or Available Aggregate Primary 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 Sub Sea I/C Offtake Capacity and/or Available Active South North CSEP Offtake Capacity or Available Aggregate Primary 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 ~~Without prejudice to the Transporters right to determine and submit IP Nomination Processed Quantities for a Shipper in accordance with Section 2.15; each Shipper shall ensure the IP Nominated Quantity specified in such Shipper's IP Entry Nomination(s) or IP CSEP Offtake Nominations are in aggregate less than or equal to the Shipper's Available Active IP Entry Capacity or Available Active IP CSEP Offtake Capacity at the applicable IP Entry Point or IP CSEP Offtake (as the case may be).~~

2.11.2 ~~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 Sub-Sea I/C ~~Offtake Capacity or Available Active South North CSEP~~ Offtake Capacity or Available Aggregate Primary DM Exit Capacity (as the case may be).

2.11.3 ~~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 IP Entry Capacity, Active Entry Capacity, Active LDM Exit Capacity, Sub-Sea I/C Offtake Capacity, Active ~~South North~~IP CSEP Offtake Capacity or Aggregate Primary DM Exit Capacity, are references to such Shipper's Available Active IP Entry Capacity or Available Active Entry Capacity or Available Active LDM Exit Capacity or Available Sub-Sea I/C Offtake Capacity or Available Active ~~South North~~IP CSEP Offtake Capacity or Available Aggregate Primary 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.

2.11.4 ~~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 Sub-Sea I/C Offtake Capacity or Available Active ~~South North~~IP CSEP Offtake Capacity or Available Aggregate Primary 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 or Available Aggregate Primary DM Exit Capacity (as the case may be) on the Restricted Capacity Day unless the effect of such Nomination or Renomination would be to alleviate the effect of the Restricted Capacity Day.

2.11.5 Without prejudice to Section 2.15 on a Restricted Capacity Day the Transporter may for a Shipper determine an IP Nomination Processed Quantity which is the lesser of:

(1) the Shippers IP Nomination Quantity;

(2) the Shippers applicable Available Active Capacity;

and where a Shipper has more than one IP Entry Nomination and/or more than one IP CSEP Offtake Nomination for the Restricted Capacity Day the Transporter may apply the Shippers Available Active IP Capacity among the Shipper's applicable IP Nominations pro rata to the relevant IP Nominated Quantities in such IP Nominations.

2.11.6 ~~2.11.4-A~~ On notification by the Transporter to the Shipper a Shipper shall not be entitled to submit Interruptible Nominations or Interruptible IP Nominations to the Transporter and the Transporter shall be entitled to reject any such Interruptible Nominations or Interruptible IP Nominations it receives. Where a Shipper has ~~an IP Nomination Confirmed Quantity in respect of an Interruptible IP Nomination or~~ Valid Nomination ~~or~~, Valid Renomination which is Interruptible in accordance with the Code, then such Shipper shall renominate such that the Shipper's Valid Nomination or IP Nomination Confirmed Quantity in respect of the Interruptible IP Nomination shall be zero.

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 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 Primary 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;
- (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;

- (d) registered at a Connected System Exit Point at which Nominations are Interruptible shall not offtake Natural Gas at such Connected System Exit Point;
- (e) registered at the Sub-Sea I/C Offtake shall not offtake Natural Gas in excess of such Shipper's Available Sub-Sea I/C Offtake Capacity; and
- (f) registered at the ~~South-North~~IP CSEP shall not offtake Natural Gas in excess of such Shipper's Available Active ~~South-North~~IP CSEP Offtake Capacity.

2.13 Capacity Overruns on a Restricted Capacity Day

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

(a) Active IP Entry Capacity at an affected IP Entry Point shall be deemed to be equal to the Shipper's Available Active IP Entry Capacity;

(b) ~~(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;

(c) ~~(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;

(d) ~~(c)~~ Aggregate Primary DM Exit Capacity shall be deemed to be equal to such Shipper's Available Aggregate Primary DM Exit Capacity;

(e) ~~(d)~~ Active LDM Supply Point Capacity shall be deemed to be such Shipper's Available Active LDM Supply Point Capacity;

(f) ~~(e)~~ DM Supply Point Capacity shall be deemed to be such Shipper's Available DM Supply Point Capacity;

(g) ~~(f)~~ Sub-Sea I/C Offtake Capacity shall be deemed to be such Shipper's Available Sub-Sea I/C Offtake Capacity; and

(h) ~~(g)~~ ~~South-North~~IP CSEP Offtake Capacity shall be deemed to be such Shipper's Available Active South-North CSEP Offtake 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 DM 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 .

2.15 IP Processed Quantities – Exceptional Events/Restricted Capacity Days

2.15.1 Where an Exceptional Event is notified by the Transporter and affects an IP Entry Point and/or an IP CSEP subject to 2.15.3 the Transporter may:

(i) in respect of each Shipper at the affected IP Entry Point or IP CSEP Offtake which submits an IP Entry Nomination or IP CSEP Offtake Nomination develop an IP Nomination Processed Quantity which is the lesser of:

(a) the applicable IP Nominated Quantity specified in the Shipper's IP Entry Nomination or IP CSEP Offtake Nomination; or;

(b) such quantity as shall when aggregated with any other IP Nominated Quantity in the Shippers IP Entry Nomination or the IP CSEP Offtake Nomination (as applicable) for the Day shall be not more than the Shipper's Available Active IP Entry Capacity or Available Active IP CSEP Offtake Capacity (as the case may be);

(ii) in respect of a Shipper which has a prevailing IP Nomination Confirmed Quantity for the Day at the IP Entry Point or IP CSEP, develop an IP Nomination Processed Quantity which is the lesser of:

(a) the Shipper prevailing IP Confirmed Quantity; or

(b) such quantity as shall when aggregated with any other IP Nominated Quantity in the Shippers IP Entry Nomination or IP CSEP Offtake Nomination (as applicable) for the Day shall be not more than the Shippers Available Active IP Entry Capacity, or Available Active IP CSEP Offtake Capacity (as the case may be)

and in each case:

(1) shall submit such IP Nomination Processed Quantity to the IP Matching Procedure; and

(2) notify the Shipper of any revised IP Nomination Confirmed Quantity;

2.15.2 Where the Transporter is notified by an Adjacent TSO that an exceptional event affect the Interconnected System for a Day at an Interconnection Point, the Transporter shall in respect of each Shipper within an IP Nomination Confirmed Quantity in respect of that Day generate an IP Nomination Processed Quantity for each such Shipper and submit that IP Nomination Processed Quantity to the Matching Procedure in the next available Matching Cycle unless the Shipper itself submits an IP Nomination at the affected Interconnection Point for that Matching Cycle. Where the Transporter generates an IP Nomination Processed Quantity for a Shipper pursuant to this Section 2.15.2 it shall reflect to Shipper prevailing IP Nomination Processed Quantity.

2.15.3 Where an Exceptional Event affects an Interconnection Point, and the Transporter is also notified of an exceptional event affecting the Interconnected System Section 2.15.1 will apply.

2.15.4 Where as Emergency (including any Exceptional Event which is declared as, or results in an Emergency) affects an Interconnection Point then the Transporter may in respect of each Shipper submitting an IP Entry Nomination or IP CSEP Offtake Nomination, and in respect of each Shipper with a prevailing IP Nomination Confirmed Quantity develop an IP Nomination Processed Quantity in an amount which the Transporter considers may alleviate the Emergency and submit such IP Nomination Processed Quantity to the Matching Procedure.

2.15.5 The Transporter shall notify the Shipper of any revised IP Nomination Confirmed Quantity following the IP Matching Procedure.

2 A CONTRACTUAL CONGESTION

2 A.1. Contractual Congestion at Relevant Interconnection Points

2 A.1.1. For the purpose of this Code:

- (a) **"Advance Buyback Agreement"** has the meaning in Section 2.A.16.2;
- (b) **"Assessment Period"** means a period commencing at 065.00 hours on 1 April in a Gas Year and ending 054.59 on 1 April in the subsequent Gas Year;
- (c) **"Buyback Offer Close Time"** has the meaning in Section 2.A.16.3;
- (d) **"Capacity Surrender Acceptance Notice"** has the meaning in Section 2.A.6.1;
- (e) **"Capacity Surrender Availability Period"** means a continuous period of one or more Months commencing on the first Day of a Month and ending on the last Day of that or a subsequent Month;
- (f) **"Capacity Surrender Available Amount"** has the meaning in Section 2.A.5.1;
- (g) **"Capacity Surrender Request"** has the meaning in 2.A.5.1;
- (h) **"Capacity Surrender Window"** means a period of seven days commencing at 065.00 hours on the first Day of the calendar month which is two months prior to the first day of a Capacity Surrender Availability Period specified in a Capacity Surrender Request and ending at 054.59 hours on the seventh day after the opening of that Capacity Surrender Window;
- (i) **"Contractual Congestion"** means in respect of a ~~Relevant~~ Interconnection Point that the level of demand for firm capacity exceeds the ~~T~~Technical ~~C~~Capacity (i) as determined in accordance with Section 2.A.2.2 or (ii) as determined by the Transporter (with approval of the Commission) by reference to the Monitoring Report published by the Agency for the Co-operation of Energy Regulators ("ACER") in accordance with Annex 1 (paragraph 2.2.1(3) of Regulation (EC) No. 715/2009 as amended) at the Entry Point or at the Connected System Exit Point at that ~~Relevant~~ Interconnection Point and **"Contractually Congested"** shall be construed accordingly;
- (j) **"Contractually Congested Point"** means an IP Entry Point or a ~~Connected System Exit Point at a Relevant Interconnection Point~~IP CSEP [] which is Contractually Congested and shall

where the context so requires include a Deemed Contractually Congested Point;

- (k) **"Contractual Congestion Effective Date"** shall mean the date as published by the Transporter with the approval of the Commission and which date shall not be later than the first Day of the Gas Year which commences following the relevant Assessment Period;
- (l) **"Deemed Contractually Congested Point"** shall have the meaning in Section 2.A.1.4;
- (m) **"Interconnection Point Capacity Report"** has the meaning in Section 2.A.3.1;
- (n) **"Minimum Surrender Amount"** has the meaning in Section 2.A.5.1;
- ~~(o) **"Moffat Interconnection Point"** shall mean the Connected System Point at Moffat as described in the Moffat CSA;~~
- (o) ~~(p)~~ **"Monitoring Report"** has the meaning in Section 2.A.9.1;
- (p) ~~(q)~~ **"Monitoring Period"** has the meaning in Section 2.A.9.2;
- (q) **"Pre Auction Period"** shall in respect of any Capacity Surrender Request be five (5) Business Days prior to the date by which the Transporter must in accordance with Part C (*Capacity*) Section 2.2.5 notify the amount of Available IP Entry Capacity or IP CSEP Offtake Capacity (as the case may be) in that Capacity Auction;
- (r) **"Offering Shipper"** has the meaning in Section 2.A.16.5;
- (s) **"Oversubscription and Buyback Scheme"** has the meaning in Section 2.A.14.1;
- (t) **"Oversubscription Capacity"** has the meaning in Section 2.A.14;
- (u) **"Prescribed Unexpired Booking Period"** shall mean a period of one calendar year after the last day of a Monitoring Period and which period may extend over two consecutive Long Term Capacity Bookings;
- ~~(v) **"Relevant Interconnection Point"** shall for the purpose of this Section 2A mean the South-North Interconnection Point, the Moffat Interconnection Point and any other interconnection point between adjacent entry-exit systems, irrespective of whether they are physical or virtual, between two or more Member States of the EU or within the same Member State insofar as the points are subject to booking procedures;~~
- (v) ~~(w)~~ **"Revised Underutilisation Notice"** has the meaning in Section 2.A.10.7;

- ~~(x) "South North Interconnection Point" shall mean the Connected System Point at Gormanston, County Meath as described in the South North CSA;~~
- (w) ~~(y)~~ **"Surrendered Capacity"** means IP Entry Capacity or ~~Connected or Connected System~~ IP CSEP Offtake Capacity in respect of which the Transporter has accepted the Shipper's Capacity Surrender Request as specified in a Capacity Surrender Acceptance Notice;
- (x) ~~(z)~~ **"Surrendered Capacity Acceptance Amount"** has the meaning in Section 2.A.6.2;
- (y) ~~(aa)~~ **"Surrendered Capacity Duration"** means the period or periods as specified in a Capacity Surrender Acceptance Notice in respect of which the Transporter accepts a Shippers Valid Capacity Surrender Request;
- (z) ~~(bb)~~ **"Surrendering Shipper"** means a Shipper which has submitted a Valid Capacity Surrender Request;
- (aa) ~~(ee)~~ **"Systematically Underutilised Capacity"** has the meaning in Section 2.A.10.2;
- (bb) ~~(dd)~~ **"Unbooked Capacity"** means the difference between the ~~T~~ F technical ~~C~~ E capacity at a Contractually Congested Point and the aggregate ~~C~~ E capacity booked by Shippers at that Contractually Congested Point;
- (cc) ~~(ee)~~ **"Underutilisation Notice"** shall have the meaning in Section 2.A.10.3 and shall include a Revised Utilisation Notice where the context so requires;
- (dd) ~~(ff)~~ **"Underutilising Shipper"** means a Shipper at a Contractually Congested Point in respect of where an Underutilisation Notice or a Revised Underutilisation Notice has been issued and not withdrawn;
- (ee) ~~(gg)~~ **"Valid Buyback Offer"** has the meaning in Section 2.A.16.6;
- (ff) ~~(hh)~~ **"Valid Capacity Surrender Request"** has the meaning in Section 2.A.5.5;
- (gg) ~~(ii)~~ **"Withdrawable Capacity"** means that amount of a Shippers Systematically Underutilised Capacity which the Transporter reserves the right to withdraw from a Shipper in accordance with Section 2.A.12 and which shall be calculated as the difference between the Shippers Systematically Underutilised Capacity during the relevant Monitoring Period and the Shipper's peak day allocation plus 5% of such peak day allocation;
- (hh) **"Withdrawal Availability Period"** has the meaning in Section 2.A.10.3;

- ~~(ii)~~ ~~(jj)~~ **"Withdrawal Notice"** has the meaning in Section 2.A.13.
- ~~(jj)~~ ~~(kk)~~ **"Withdrawal Period"** has the meaning in Section 2.A.13;
- ~~(kk)~~ ~~(H)~~ **"Withdrawn Capacity"** has the meaning in Section 2.A.13.

- 2 A.1.2. The Transporter shall, with the approval of the Commission, decide whether the level of demand for firm capacity at a ~~Relevant~~an Interconnection Point exceeds the ~~T~~echnical ~~C~~apacity at that Relevant Interconnection Point in accordance with Section 2.A.2.2.
- 2 A.1.3. The provisions of this Part H (*Operations*) Section 2A (*Contractual Congestion*) shall apply only with respect to an IP Entry Point and/or a ~~Connected System Exit Point located at a Relevant Interconnection Point. A Virtual Entry Point or a Virtual Exit~~IP CSEP. An IP VEntry or an IP VExit Point may not be a Contractually Congested Point for so long as there is no ~~F~~irm Capacity available at such ~~Virtual Entry Point or Virtual Exit Point~~IP VEntry or IP VExit respectively notwithstanding that such ~~Virtual Entry Point or Virtual Exit Point~~IP VEntry or IP VExit may be located at a ~~Relevant~~an Interconnection Point which is Contractually Congested.
- 2 A.1.4. The Transporter may with the approval of the Commission decide that ~~one or more of the provisions of Sections 2 A.4 to 2 A.7 (inclusive)~~ shall apply with respect to an IP Entry Point or a ~~Connected System Exit Point~~IP CSEP located at a ~~Relevant~~an Interconnection Point notwithstanding that such ~~Relevant~~ Interconnection Point is not Contractually Congested (each a **"Deemed Contractually Congested Point"**).
- 2 A.1.5. An IP Entry Point or a ~~Connected System Exit Point at a Relevant~~or an IP CSEP at an Interconnection Point shall become and/or shall cease to be a Contractually Congested Point with effect from such Day as the Transporter with the approval of the Commission may determine in accordance with this Code.
- 2 A.1.6. The Transporter shall give effect to the provision of this Part H (*Operations*) Section 2A (*Contractual Congestion*) so as to ensure that Capacity Surrender Available Amounts, Withdrawable Capacity and Oversubscription Capacity may be made available to Shippers pursuant to the relevant provisions of Part C (*Capacity*) with effect from the applicable Contractual Congestion Effective Date.
- 2 A.1.7. Nothing in this Section 2A shall affect the Transporter's right to give effect to the provision of Part H (*Operations*) Section 2 (*Physical Congestion*) and without prejudice to the generality of the foregoing the Transporter shall not be required to buyback capacity in accordance with Section 2.A.16 prior to issue of an Operational Flow Order, or

prior to declaring a Difficult Day or a Restricted Capacity Day or an Exceptional Event at a Contractually Congested Point.

2 A.2. Annual Assessment

2 A.2.1. The Transporter shall conduct an annual assessment of IP Capacity Bookings and Shippers applications for firm capacity at each IP Entry Point and at each ~~Connected System Exit Point at a Relevant~~ IP CSEP at an Interconnection Point to determine whether the level of demand for capacity at that IP Entry Point or ~~Connected System Exit Point~~ IP CSEP exceeds the applicable ~~T~~technical ~~C~~capacity.

2 A.2.2. The demand for firm capacity at an IP Entry Point or a ~~Connected System Exit Point at a Relevant~~ at a IP CSEP at an Interconnection Point shall be deemed to exceed the applicable ~~T~~technical ~~C~~capacity where:

- (a) the aggregate amount of
 - (i) IP Entry Capacity booked by Shippers at the relevant IP Entry Point; or
 - (ii) ~~Connected System~~ IP CSEP Offtake Capacity booked by Shippers at the relevant ~~Connected System Exit Point~~ IP CSEP (as the case may be); and

in each case the amount of Capacity requested by Shippers at the same IP Entry Point and/or ~~Connected Systems Exit Point~~ IP CSEP (as the case may be) exceeds the applicable ~~T~~technical ~~C~~capacity at such point for a period of fifteen (15) or more Gas Days (of which not less than five (5) shall be consecutive Gas Days) in an Assessment Period; or

- (b) the aggregate firm capacity booked by Shippers at the relevant IP Entry Point or ~~Connected System Exit Point~~ IP CSEP (as the case may be) exceeded ninety five per cent (95%) of the applicable ~~T~~technical ~~C~~capacity for more than thirty one (31) Gas Days of which not less than fifteen (15) were consecutive Gas Days in an Assessment Period; and

~~and in either case~~

in each case excluding any Days in respect of which an Emergency or an Exceptional Event has been declared or is continuing and in either case the Transporter reasonably expects that such IP Capacity Bookings with respect to firm capacity and/or requests for capacity as referred to at (a) or (b) may recur

or be exceeded in the next Assessment Period having due regard to:

- (i) ~~(e)~~ the Transporter reasonably expects that such Capacity Bookings with respect to firm capacity and/or requests for capacity as referred to at (a) or (b) may recur or be exceeded in the next Assessment Period having due regard to:
- (ii) ~~(iii)~~ the forecast demand for firm capacity at the relevant IP Entry Point ~~or Connected System Exit Point~~ or IP CSEP; and
- (iii) ~~(iv)~~ any contributory factors associated with the level of demand for firm capacity in the Assessment Period referred to at (a) and/or (b) and the likelihood of the recurrence of such factors.

2 A.3. Notification of Contractual Congestion

2 A.3.1. The Transporter shall produce a report (a "**Interconnection Point Capacity Report**") of each Annual Assessment undertaken pursuant to 2.A.2.1 and deliver it to the Commission not later than twenty (20) Business Days after the end of each Assessment Period. Each Interconnection Point Capacity Report shall identify:

- (a) the ~~Relevant~~ Interconnection Point to which it relates;
- (b) the IP Entry Point or ~~Connected System Exit Point~~ IP CSEP (if any) referred to in the Interconnection Point Capacity Report which ~~are~~ is Contractually Congested;
- (c) the IP Entry Point or ~~Connected System Exit Point~~ IP CSEP (if any) which in the Transporters opinion should be regarded as Contractually Congested or Deemed Contractually Congested Point(s); and
- (d) which (if any) Contractually Congested Point(s) have ceased to be or should cease to be a Deemed Contractually Congested;

2 A.3.2. The Commission shall within 2 weeks after receipt of the Interconnection Point Capacity Report confirm to the Transporter the Commissions agreement or otherwise as to whether:

- (a) a specified IP Entry Point ~~or Connected System Exit Point~~ or IP CSEP, as referred to in the Interconnection Point

Capacity Report at which the Transporter considers the demand for firm capacity exceeds the ~~T~~technical ~~C~~capacity and accordingly is a Contractually Congested Point;

- (b) which (if any) IP Entry Point or ~~Connected System Exit Point~~IP CSEP referred to in the Interconnection Point Capacity Report and should be a Deemed Contractually Congested Point; and/or
- (c) any Contractually Congested Point should cease to be a Contractually Congested Point.

2 A.3.3. Where an IP Entry Point or ~~Connected System Exit Point~~IP CSEP is a Contractually Congested Point, the ~~Relevant~~ Interconnection Point at which the Contractually Congested Point is located shall be Contractually Congested.

2 A.3.4. The Transporter shall with the approval of the Commission notify Shippers of any decision that any ~~Relevant~~ Interconnection Point is Contractually Congested ~~and~~, the location of any Contractually Congested Point(s) and the applicable Contractual Congestion Effective Date.

2 A.4. Surrender of Contracted Capacity

2 A.4.1. The Transporter shall as soon as practicable after a decision has been made (with the approval of the Commission) that ~~a Relevant~~an Interconnection Point is Contractually Congested notify Shippers that requests by Shippers to surrender capacity at the Contractually Congested Point at that ~~Relevant~~ Interconnection Point may be submitted in accordance with ~~this~~ Section 2.A.5.

2 A.4.2. Primary Capacity held by a Shipper for a duration which is ~~Multi Annual, Annual~~Yearly, Quarterly or Monthly at a Contractually Congested Point may be offered for surrender pursuant to Section 2.A.5; IP Capacity held for a duration which is Daily or which is Secondary IP Capacity may not be the subject matter of a Capacity Surrender Request.

2 A.4.3. The Transporter shall in accordance with Section 2.A.5.10 include Capacity Surrender Available Amount(s) as specified in a Valid Capacity Surrender Request(s) in the capacity available to be booked by Shippers in accordance with Part C (*Capacity*) at the relevant Contractually Congested Point the Transporter shall not and shall not be required to publish the extent to which capacity made available is specifically as a result of Valid Capacity Surrender Request(s).

- 2 A.4.4. The Transporter may accept (in whole or in part) the surrender of Shipper's Capacity pursuant to a Shipper's Valid Capacity Surrender Request in order to allocate capacity to Shippers who have requested capacity at the relevant Contractually Congested Point where there is insufficient Unbooked Capacity available to meet a Shipper's request for IP Capacity at that Contractually Congested Point.
- 2 A.4.5. Shippers rights and obligations in relation to capacity which is the subject matter of a Valid Capacity Surrender Request shall continue in full force and effect save as otherwise provided pursuant to this Code.
- 2 A.4.6. A Shipper shall not reduce such Shippers Retained Primary IP Entry Capacity or ~~Connected System~~ IP CSEP Offtake ~~Capacity~~ (as the case may be) below the Capacity Surrender Available Amount for the Surrendered Capacity Availability Period in that Shipper's Valid Capacity Surrender Request or any part of it.

The Shipper's rights and obligations with respect to Surrendered Capacity shall be suspended for the Surrendered Capacity Duration save as otherwise expressly provided.

2 A.4.7. The Transporter may limit the number of Capacity Surrender Requests which the Transporter may accept at a Contractually Congested Point to not more than ten Capacity Surrender Requests at each Contractually congested Point in respect of each Surrendered Capacity Duration.

2 A.4.8. Where the Transporter notifies the Adjacent TSO at an Interconnection Point that an IP Entry Point or an IP CSEP Offtake is Contractually Congested then:

(a) a Capacity Surrender Request in respect of Bundled IP Capacity submitted on the JBP is both a Capacity Surrender Request pursuant to this Code and a request to surrender corresponding Adjacent System IP Capacity pursuant to the Interconnected System Transportation Arrangements; and

(b) a request to surrender Capacity on the Interconnected System which is Bundled with IP Capacity pursuant to the applicable Interconnected System Transportation Arrangements may

constitute an application to surrender IP Capacity with which it is Bundled pursuant to his Code.

This Code governs the Shipper's Capacity Surrender Request in respect of IP Capacity and does not govern the Shipper's application for surrender of Corresponding Adjacent System IP Capacity which application is made in accordance with the applicable Interconnected System Transportation Arrangements.

2 A.4.9. A Shipper shall submit separate Capacity Surrender Request for Bundled IP Capacity and for Unbundled IP Capacity;

2 A.5. Capacity Surrender Requests

2 A.5.1. A Shipper at a Contractually Congested Point may ~~notify~~submit on the ~~Transporter by way of JBP~~ a request (a "Capacity Surrender Request") ~~of its application~~ to surrender capacity at a Contractually Congested Point which shall specify the information required by the Transporter to process the Capacity Surrender Request including:

- (a) the identity (including Shipper ID) of the Shipper;
- (b) the Contractually Congested Point in respect of which the Capacity Surrender Request is submitted which shall be the Moffat IP Entry Point or the South/~~North~~IP CSEP;
- (c) the ~~Relevant~~ Interconnection Point;
- (d) the duration and Capacity Booking reference of the IP Entry Capacity or South/North IP CSEP Offtake Capacity (as the case may be) which is proposed to be surrendered;
- (e) the amount of IP Entry Capacity or South/North CSEP Offtake Capacity (in kWh/day) which is available to the Transporter for acceptance by way of surrender (the "Capacity Surrender Available Amount") which shall not be less than 100,000 kWh/day;

(f) whether the Capacity Surrender Available Amount is Bundled IP Capacity or Unbundled IP Capacity;

(g) ~~(f)~~ the minimum amount of Capacity ("Minimum Surrender Amount") the Shipper is prepared to

surrender and which amount shall not be less than 100,000 kWh/day;

(h) ~~(g)~~—the proposed Capacity Surrender Availability Period which shall be a Month or a whole number of consecutive Months;

(i) ~~(h)~~—the first Day of the proposed Capacity Surrender Availability Period which shall be the first Day of a calendar month;

(j) ~~(i)~~—the last Day of the proposed Capacity Surrender Availability Period which shall be the last Day of a calendar month;

2 A.5.2. ~~(j)~~ The submission by the Shipper of a Capacity Surrender Request shall constitute an undertaking by the Shipper to hold not less than the Capacity Surrender Available Amount as Retained Primary IP Entry Capacity or ~~South-North~~ IP CSEP Offtake Capacity (as the case may be) available for acceptance by the Transporter at the specified Contractually Congested Point for the duration of the Capacity Surrender Availability Period: or any part of it save:

(a) where the Transporter rejects the Capacity Surrender Request or

(b) in respect of any period for which the Capacity Surrender Available Amount can no longer be allocated by the Transporter pursuant to the Annual Yearly Capacity Auction, the Annual Quarterly Capacity Auction, a Rolling Monthly Capacity Auction or a Rolling Day Ahead IP Capacity Auction.

2 A.5.3. ~~2 A.5.2.~~—The Transporter will reject a Capacity Surrender Request for any of the following reasons:

(a) the Capacity Surrender Request is not submitted in accordance with Section 2 A.5.1;

(b) the Capacity Surrender Request is not submitted within the applicable Capacity Surrender Window;

(c) the Capacity Surrender Request specifies a proposed Capacity Surrender Availability Period which does not commence on the first Day of a calendar month and/or end on the last Day of a calendar month¹;

- (d) the Capacity Surrender Request does not specify a Capacity Surrender Availability Period comprising one or more consecutive calendar months^{1,2};
- (e) the Capacity Surrender Request specifies a Capacity Surrender Available Amount which is in excess of the Retained Primary IP Entry Capacity or the South-North IP CSEP Offtake Capacity held by the Shipper (and disregarding such Shippers Daily IP Capacity) at the Contractually Congested Point in respect of the specified Capacity Surrender Availability Period^{1,2};
- (f) the Capacity Surrender Available Amount is less than 100,000 kWh/day;
- (g) the request does not relate to a Contractually Congested Point;
- (h) the Capacity Surrender Request specifies (in whole or in part) IP a capacity which is not held for a duration which is Multi-Annual, Annual Yearly, Quarterly or Monthly^{1,2};
- (i) the Capacity Surrender Availability Period specified in the Capacity Surrender Request is such that the relevant capacity cannot be made available in any applicable Capacity Auction;
- (j) the Capacity Surrender Request is in respect of Bundled IP Capacity and the Adjacent TSO has rejected the corresponding request pursuant to the Interconnected System Transportation Arrangements;
- (k) the Capacity Surrender Request refers to both Bundled IP Capacity and Unbundled IP Capacity;
- (l) (i) the Shipper is in breach of the Code.

2 A.5.4. ~~2-A.5.3.~~ Subject as hereinafter provided the Transporter will process any Capacity Surrender Request within three (3) Business Days after ~~the closure receipt~~ of the ~~applicable~~ Capacity Surrender ~~Window~~Request.

2 A.5.5. ~~2-A.5.4.~~ The A Capacity Surrender Request which is not submitted in accordance with 2.A.5.1 may be automatically rejected on the JBP. Where a Capacity Surrender Request is rejected for any other reason, the Transporter shall notify the Shipper of the reason for rejection of any Capacity Surrender Request as soon as reasonably

practicable and in any event not later than three (3) Business Days after closure of the applicable Capacity Surrender Window.

2 A.5.6. ~~2 A.5.5.~~ Where the Transporter approves a Capacity Surrender Request the Transporter shall notify the Shipper of such approval. A Capacity Surrender Request approved by the Transporter shall be a valid Capacity Surrender Request (a "**Valid Capacity Surrender Request**").

2 A.5.7. ~~2 A.5.6.~~ A Surrendering Shipper shall save as otherwise provided pursuant to this Code retain full rights and obligations with respect to the Capacity Surrender Available Amount (including with respect to the submission of IP Nominations) save that the Surrendering Shipper ~~shall not reduce its Retained Primary Capacity at the Entry Point or its Connected System Offtake Capacity (as the case may be) below the Capacity Surrender Available Amount for the Capacity Surrender Availability Period.;~~

(a) ~~shall not reduce its Retained Primary Capacity at the Entry Point or its Primary IP CSEP Offtake Capacity (as the case may be) below the Capacity Surrender Available Amount;~~

(b) ~~may not submit relevant IP Nominations utilising the Surrender Available Amount for the Capacity Surrender Availability Period. The restriction on a Shipper's right to submit IP Nominations utilising the IP Capacity which is part of a Capacity Surrender Available Amount shall cease to apply for any part of the Capacity Surrender Availability Period which for the relevant capacity amount cannot be made available pursuant to Part C (Capacity) and Section 2A.5.10..~~

(c)

2 A.5.8. ~~2 A.5.7.~~ A Shipper may withdraw a Capacity Surrender Request at any time before the Capacity Surrender Request becomes a Valid Capacity Surrender Request.

~~2 A.5.8. A Shipper may withdraw a Valid Capacity Surrender Request prior to the opening of the Monthly Capacity Booking Window for the first month of the Capacity Surrender Availability Period.~~

2 A.5.9. [Not needed]

2 A.5.10. ~~2 A.5.9.~~ The Transporter shall make the Capacity Surrender Available Amount specified in each Shipper's Valid Capacity Surrender Request (in each case as

amended pursuant to any Valid Capacity Surrender Update submitted prior to the applicable Pre Auction Period) available to be booked by Shippers at the relevant Contractually Congested Point ~~in accordance with Part C (Capacity) provided that such capacity shall not be made available by way of Daily Capacity in respect of any Day after 18:00 hours on D - 1.~~ in an Annual Yearly IP Capacity Auction, the Annual Quarterly IP Capacity Auctions and/or the Rolling Monthly IP Capacity Auction(s) or the Rolling Day Ahead Daily IP Capacity Auction provided always that the Capacity Surrender Available Amount; and

- (a) shall only be included in any Capacity Auction which is in respect of IP Capacity of a duration which is within the Capacity Surrender Availability Period; and
- (b) in accordance with Part C (Capacity) provided that such capacity shall not be made available by way of Within Day IP Capacity.

2 A.5.11. The Shipper may request the amendment or withdrawal of a Valid Capacity Surrender Request by submitting an update request ("Capacity Surrender Update") which shall specify the information required by the Transporter to process the request including:

- (a) the reference of the Capacity Surrender Request to which the Capacity Surrender Update relates
- (b) the revised Capacity Surrender Available Amount specified in kWh/d (which may be the same as the prevailing Capacity Surrender Available Amount where the update is in respect of the Capacity Surrender Availability Period); and
- (c) the revised Capacity Surrender Availability Period (which may be the same as the prevailing Capacity Surrender Availability Period if the Capacity Surrender Update is to amend the Capacity Surrender Availability Amount).

2 A.5.12. The Transporter shall reject a Capacity Surrender Update if:

- (a) the Capacity Surrender Update is not submitted in accordance with Section 2.A.5.11; or
- (b) the Capacity Surrender Update is submitted after the commencement of a Pre Auction Period in

respect of any Capacity Auction in which the Capacity Surrender Available Amount has been included by the Transporter; or

(c) the Capacity Surrender Update refers to Bundled IP Capacity and the Adjacent TSO has rejected the update in accordance with the Interconnected System Transportation Arrangements.

2 A.5.13. The Transporter shall notify the Shipper of its acceptance or rejection of a Capacity Surrender Update within three Business Days after receipt of the Capacity Surrender Update by the Transporter;

2 A.5.14. Where the Transporter notifies the Shipper of the rejection of its Capacity Surrender Update it shall notify the Shipper of the reason for rejection of the Capacity Surrender Update.

2 A.6. Acceptance of Surrender

2 A.6.1. The Transporter shall issue a notice (a "**Capacity Surrender Acceptance Notice**") to a Surrendering Shipper of the acceptance by the Transporter of a surrender of a Capacity Surrender Available Amount specified in any Valid Capacity Surrender Request. A Capacity Surrender Acceptance Notice may be in respect of all or part of a Capacity Surrender Available Amount or for any Year, Quarter, Month or Day, Day or number of consecutive Days within the Capacity Surrender Availability Period.

2 A.6.2. A Capacity Surrender Acceptance Notice shall specify:

- (a) the Shipper's Valid Capacity Surrender Request to which the notice relates;
- (b) the amount of capacity (the "**Surrendered Capacity Acceptance Amount**") in respect of which the acceptance is made and which amount shall not exceed the Capacity Surrender Available Amount specified in the Valid Capacity Surrender Request, and shall not be less than the Minimum Surrender Amount;
- (c) the period in respect of which the Capacity Surrender Acceptance Notice is made (the "**Surrendered Capacity Duration**") which shall be a Year, Quarter, Month or Day or number of consecutive Days or a Month within the Capacity Surrender Availability Period as specified in the Valid Capacity Surrender Request.

- 2 A.6.3. Where there are a number of Valid Capacity Surrender Requests which could be accepted in order to meet Shippers requests for capacity pursuant to Part C (*Capacity*), the Transporter shall select the Valid Capacity Surrender Requests in the order in which they were received by the Transporter as determined by reference to the time stamp of the Valid Capacity Surrender Request.
- 2 A.6.4. The Transporter may issue multiple Capacity Surrender Acceptance Notices with respect to the same Valid Capacity Surrender Request.
- 2 A.6.5. A Capacity Surrender Acceptance Notice shall be issued to the Shipper not later than ~~18:00~~two hours ~~on D - 2~~after closure of the ~~first day of the Surrendered Capacity Duration~~Auction in which the relevant IP Capacity was allocated.

2 A.7. Consequence of Capacity Surrender Acceptance

- 2 A.7.1. Where the Transporter ~~accepts~~issues a ~~Shippers Valid Capacity Surrender Request~~Acceptance Notice:
- (a) the Shippers Retained Primary IP Capacity and Active IP Capacity at the Contractually Congested Point shall be reduced by the Surrendered Capacity Acceptance Amount and for the Surrendered Capacity Duration;
 - (b) all of the Shippers rights and obligations (including IP Capacity Charges) with respect to the Surrendered Capacity Acceptance Amount shall be suspended for the Surrendered Capacity Duration;
 - (c) if the IP Capacity in respect of which the Capacity Surrender Acceptance Notice was issued is Bundled IP Capacity the Transporter may notify the Adjacent TSO of such acceptance.

2 A.8. Capacity Usage Monitoring and Long Term Use It or Lose It - General

- 2 A.8.1. The Transporter shall monitor the use of ~~capacity~~IP Capacity by ~~Registered~~ Shippers at ~~a Relevant Interconnection~~each IP Entry Point and each IP CSEP and shall produce Monitoring Reports with respect to the usage of such capacity in accordance with Section 2 A.9.

2 A.8.2. The Transporter shall determine in accordance with Section 2.A.9 to 2.A.13 the amount (if any) of a Registered Shipper's Booked IP Capacity held at a Contractually Congested Point which may be withdrawn in the event that capacity at that Contractually Congested Point is required by other Shippers, and there is insufficient capacity otherwise available by way of Unbooked Capacity or Capacity Surrender Available Amounts to meet such Shippers capacity requests.

2 A.9. Monitoring and Monitoring Reports

2 A.9.1. The Transporter shall monitor the extent to which a Registered Shipper utilises Yearly or Quarterly Long Term Primary IP Capacity booked by the Shipper at an Entry Point and/or at a ~~Connected System Exit Point~~ IP CSEP located at a ~~Relevant~~ Interconnection Point and which capacity has a Prescribed Unexpired Booking Period and shall produce a report of such usage (a "**Monitoring Report**").

2 A.9.2. Each Monitoring Report shall be in respect of the six month period from 1 October until 31 March or from 1 April to 30 September (each a "**Monitoring Period**").

2 A.9.3. The Transporter shall within six weeks following the end of each such Monitoring Period submit the Monitoring Report to the Commission.

2 A.10. Notice of Systematic Underutilisation of Capacity

2 A.10.1. The Transporter shall make a preliminary determination as to whether a Shipper's IP Entry Capacity or Connected System IP CSEP Offtake Capacity (as the case may be) which is held for a duration of a year or of a Quarter at a Contractually Congested Point is systematically underutilised in accordance with Section 2.A.10.2 and based on, inter alia, the information contained in the Monitoring Reports produced in accordance with Section 2.A.9.

~~2 A.10.2. A Shipper's Capacity Booking at a Contractually Congested Point shall be considered to be systematically underutilised ("**Systematically Underutilised Capacity**") where:~~

2 A.10.2. (a) A Shipper's IP Capacity Booking at a Contractually Congested Point shall be considered to be systematically underutilised ("**Systematically Underutilised Capacity**")

where: the Shipper's Capacity is held pursuant to one or more continuous Long Term Yearly IP Capacity Bookings and/or Quarterly IP Capacity Booking(s) and in each of two consecutive Monitoring Reports the Nominations in respect of such capacity were on average less than eighty per cent (80%) of the Shipper's average Capacity; or

~~(b) in two consecutive Monitoring Reports it is noted that there have been repeated downward Renominations from close to one hundred per cent (100%) of the Shipper's Booked Capacity.~~

2 A.10.3. Not Used.

2 A.10.4. ~~2-A.10.3.~~ The Transporter shall issue a notice on GNI (IT) Systems (an "**Underutilisation Notice**") to a Shipper of the Transporter's preliminary determination that the Shipper's Long Term Yearly IP Capacity or Quarterly IP Capacity has been determined to be systematically underutilised at a Contractually Congested Point and which Underutilisation Notice shall specify:

- (a) the Shipper ID of the Shipper to which the Underutilisation Notice relates;
- (b) the Contractually Congested Point to which the Underutilisation Notice relates;
- (c) the IP Capacity Booking reference(s) of the Shipper's Long Term IP Capacity Bookings to which the Underutilisation Notice relates;
- (d) the Withdrawable Capacity; and
- (e) the period within which the Withdrawable Capacity may be withdrawn by the Transporter (the "**Withdrawal Availability Period**").

2 A.10.5. ~~2-A.10.4.~~ The Shipper may within one month of the date of the Underutilisation Notice make submissions to the Transporter:

- (a) as to why the Shipper's nonutilisation of the specified Systematically Underutilised Capacity is justified; and/or
- (b) where the Underutilisation Notice relates to IP Entry Capacity provide evidence that the Shipper has offered under reasonable conditions the Shippers Systematically Underutilised Capacity by way of IP Entry Capacity Trade, Advance

Buyback Agreement or Valid Capacity Surrender Request; and/or

- (c) that the Shipper accepts that the Shipper's IP Capacity is Systematically Underutilised but is of the view that the amount of the Withdrawable Capacity should be reduced in which case the Shipper shall specify the amount of the Shipper's Capacity which the Shipper considers Withdrawable Capacity.

2 A.10.6. ~~2-A.10.5.~~ The Transporter shall review any submissions made by a Shipper in accordance with Section 2 A.10.45 and shall notify the Shipper of the Transporter's acceptance and/or rejection of the Shippers submissions.

2 A.10.7. ~~2-A.10.6.~~ Where the Transporter rejects the Shipper's submissions the Transporter shall confirm the Underutilisation Notice as issued and shall specify the reasons for the Transporter's rejection of the Shipper's submissions.

2 A.10.8. ~~2-A.10.7.~~ Where the Transporter accepts the Shipper's submissions in whole or in part then the Transporter may either cancel the Underutilisation Notice or issue to the Shipper a revised Underutilisation Notice (a "**Revised Underutilisation Notice**") which shall:

- (a) identify the Underutilisation Notice to which the Revised Underutilisation Notice relates;
- (b) specify the amount of Withdrawable Capacity (which may be the same as the amounts specified in the Underutilisation Notice or may be a revised amount);
- (c) specify the Withdrawal Availability Period (which may be the same as the period in the Underutilisation Notice); and
- (d) specify, where applicable, the reasons why the Transporter has rejected any part or parts of the Shipper's submission.

2 A.11. Underutilisation Notice Referral

2 A.11.1. The Shipper may, within 10 days of the date of the issue of a Transporter's rejection (in whole or in part) of a Shipper's submission in response to an Underutilisation Notice, refer the Underutilisation Notice, the Shipper's submissions made in response to the Underutilisation

Notice (including any Revised Underutilisation Notice) and the Transporter response to the Shippers submissions to the Commission and the Shipper shall provide a copy of such referral to the Transporter.

2 A.11.2. The Commission may request each of the Transporter and the Shipper to provide such information as the Commission may reasonably require in order to make a decision as to whether:

- (a) the Underutilisation Notice or Revised Underutilisation Notice should be cancelled; or
- (b) the Underutilisation Notice or Revised Underutilisation Notice should be confirmed; or
- (c) the Underutilisation Notice or Revised Underutilisation Notice should be amended;

and the ~~Commission may~~Commission may notify each of the Transporter and the Shipper of its decision as soon as practical.

2 A.11.3. Where the Commission notifies the Transporter and the Shipper that the Underutilisation Notice or Revised Underutilisation Notice should be withdrawn, or amended the Transporter shall:

- (a) notify the Shipper of the withdrawal of the Underutilisation Notice or Revised Underutilisation Notice;
- (b) issue a Revised Underutilisation Notice;

in each case in accordance with the decision of the Commission as notified.

A Revised Underutilisation Notice shall supercede any previously issued Underutilisation Notice or Revised Underutilisation Notice.

2 A.11.4. If the Commission is not in a position to make a determination in respect of any Underutilisation Notice which is referred to the Commission under this Section 2.A.11 within three months of the date of the Underutilisation Notice, the Commission may on one or more occasions extend the period in which the determination may be made by a period or periods of one or more calendar months.

2 A.12. Withdrawal of Capacity pursuant to Underutilisation Notice

2 A.12.1. The Transporter may in accordance with this Code withdraw any Withdrawable Capacity in accordance with the then applicable Underutilisation Notice or Revised Underutilisation Notice after the expiry of three months (or such longer period as may be specified by the Commission in a notice issued under Section 2.A.11.4) following the date on which the Underutilisation Notice is first issued (notwithstanding that the first Underutilisation Notice has been superseded by a Revised Underutilisation Notice, or that the Underutilisation Notice or Revised Underutilisation Notice has been referred to the Commission in accordance with Section 2.A.11) unless:

(a) the Commission has determined that the Underutilisation Notice or Revised Underutilisation Notice should be cancelled or withdrawn; or

~~(b) the Commission has directed the withdrawal of such capacity be deferred in order to facilitate the Commission's review of the Underutilisation Notice, the Shippers submissions, the Revised Underutilisation Notice and any other matter; or~~

(b) ~~(e)~~ the Commission has determined that a further Revised Underutilisation Notice be issued in which case the Transporter may proceed with the withdrawal of capacity in accordance with any Revised Underutilisation Notice issued in accordance with the decision of the Commission.

2 A.12.2. A Shipper shall not reduce its [Retained] Primary IP Capacity at the IP Entry Point or Shippers ~~Connected System~~ IP CSEP Offtake Capacity at the Contractually Congested Point to less than the amount of the Withdrawable Capacity for the specified Withdrawal Availability Period.

2 A.12.3. An Underutilising Shipper shall retain its rights and obligations with respect to Withdrawable Capacity save in respect of any Withdrawn Capacity specified by the Transporter is a Withdrawal Notice and for the specified Withdrawal Period .

2 A.12.4. Where the Transporter is entitled to withdraw any Withdrawable Capacity in accordance ith this Section 2A.12, then the Transporter shall include the relevant Withdrawable Capacity in the amount of IP Capacity

notified by the Transporter in accordance with Part C (Capacity) Section 2.2.5 and the Withdrawable Capacity shall then be included in the relevant Capacity Auction in respect of each duration within the Withdrawal Availability Period.

2 A.13. Withdrawal of Underutilised Capacity

2 A.13.1. Where Shippers have applied for Capacity at a Contractually Congested Point and the Transporter requires to withdraw any Shipper's Withdrawable Capacity in whole or in part in order to allocate capacity to a Shipper requesting capacity the Transporter shall ~~may~~ issue a notice (a "**Withdrawal Notice**") to an Underutilising Shipper which notice shall include the following information:

- (a) the Shipper ID of the Underutilising Shipper;
- (b) the Underutilisation Notice or the Revised Underutilisation Notice to which the Withdrawal Notice relates;
- (c) the applicable Contractually Congested Point;
- (d) the amount of Withdrawable Capacity which is being withdrawn (the "**Withdrawn Capacity**") which shall not be greater than the Withdrawable Capacity or less than 100,000 kWh;
- (e) the period ("**Withdrawal Period**") for which the Capacity is withdrawn (which shall be within the Withdrawal Availability Period) and shall be a number of consecutive Days or a Month or a number of consecutive Months shall be for any duration within the Withdrawal Availability Period.

2 A.13.2. A Withdrawal Notice shall be issued to the Underutilising Shipper:

- (a) where the Withdrawal Period is ~~a Month or a number of consecutive calendar Months~~ for a duration other than a Day, not later than the close of business on the day which is ~~seventwo~~ seventwo days ~~prior to the first day of the Withdrawal Period~~ Business Days after the closing of the Capacity Auction in which the withdrawn capacity;

- (b) where the Withdrawal Period is a ~~Gas Day or a number of consecutive Gas Days~~ Day not later than 187:00 hours on D-~~2~~ before the first Day of the Withdrawal Period1.

2 A.13.3. Without prejudice to the Transporters right to issue a Withdrawal Notice within a Withdrawal Availability Period the Transporter shall not issue a Withdrawal Notice in respect of a period if there is sufficient Unbooked Capacity, and or Capacity available pursuant to Valid Capacity Surrender Requests to meet the requirements of a Shipper(s) requesting capacity in respect of that period.

2 A.14. Oversubscription and Buyback

2 A.14.1. The Transporter shall develop and propose to the ~~ERC~~ Commission an incentive based mechanism (an "**Oversubscription and Buyback Scheme**") whereby the Transporter is financially incentivised to make capacity ("**Oversubscription Capacity**") in excess of the ~~T~~ technical ~~C~~ capacity available to be booked by Shippers at an IP Entry Point or ~~Connected System Exit Point~~ IP CSEP located at a ~~Relevant~~ Interconnection Point which is Contractually Congested and whereby the Transporter may buy ~~capacity~~ IP Capacity from Shippers at that Relevant Interconnection Point.

2 A.14.2. The Oversubscription and Buyback Scheme shall be implemented in such form as may be approved by the Commission and may be varied from time to time with the approval of the Commission.

2 A.14.3. The ~~C~~ capacity component of any tariff paid by any Shipper who has booked Oversubscription Capacity and any costs incurred by the Transporter in connection with the buyback of capacity in accordance with the Oversubscription and Buyback Scheme shall be shared between Shippers and the Transporter in accordance with the Oversubscription and Buyback Scheme.

2 A.14.4. Oversubscription Capacity shall only be made available as Daily IP Capacity in accordance with Part C (*Capacity*) and this Part H (*Operations*) Section 2A (*Contractual Congestion*).

2 A.14.5. Oversubscription Capacity shall be allocated to Shippers requesting capacity at a Contractually Congested Point where there is insufficient capacity otherwise available (including any Capacity Surrender Available Amounts and Withdrawable Capacity) to allocate capacity to Shipper's at that Contractually Congested Point.

2 A.14.6. The Transporter shall prior to buying back any [IP Capacity](#) [in accordance with this Code](#) assess whether it may maintain the integrity of the Transportation System (in whole or in part) in a more cost efficient manner through other operational or commercial means.

2 A.14.7. If the Transporter is unable, either through exercise of its rights pursuant to an Advance Buyback Agreement or through the acceptance of Valid Buyback Offers to buy back from Shippers a sufficient amount of Capacity to maintain the integrity of the Transportation System or any localised part thereof the Transporter may be required to apply certain of the provisions of Part H (*Operations*) Section 2 (*Physical Congestion*).

2 A.15. Oversubscription Capacity

2 A.15.1. The Transporter shall, for each Day with effect from the Contractual Congestion Effective Date calculate (in accordance with the Oversubscription and Buyback Scheme) the amount of Oversubscription Capacity which the Transporter acting as a Reasonable and Prudent Operator can make available at a Contractually Congested Point in respect of such Day. The amount of Oversubscription Capacity which the Transporter may make available in respect of a Day:

- (a) shall not exceed the maximum amount (if any) of Oversubscription Capacity as prescribed pursuant to the Oversubscription and Buyback Scheme;
- (b) may in respect of any Day, having regard to the prevailing circumstances, be zero;
- (c) shall on a Difficult Day, Restricted Capacity Day, [an Exceptional Event](#) or in case of an Emergency be zero.

2 A.15.2. The Transporter:

- (a) shall ~~publish~~[notify](#) the amount of Oversubscription Capacity which it shall make available in respect of a Day by 14.00 hours on D – 1; and
- (b) may vary the amount of Oversubscription Capacity so ~~published~~[notified](#) at any time.

2 A.15.3. The Transporter shall notify Shippers after the end of each ~~q~~[Quarter](#) of:

- (a) the aggregate amount of Oversubscription Capacity made available in the previous ~~quarter~~Quarter; or any part thereof; and
- (b) the aggregate amount of Oversubscription Capacity booked by Shippers in the relevant ~~quarter~~Quarter or any part thereof.

2 A.15.4. Oversubscription Capacity shall be made available to Shippers by the Transporter in accordance with Part C (*Capacity*) and the Transporter shall not and shall not be required to identify specifically IP Capacity which is made available pursuant to Part C (Capacity) by way of Oversubscription Capacity. Oversubscription Capacity shall be sold as Primary Capacity and shall as regards the Shipper booking that Capacity be indistinguishable from any other Primary Capacity booked by a Shipper.

2 A.16. Capacity Buyback

2 A.16.1. Where the Transporter has made Oversubscription Capacity available to Shippers in respect of a Day then the Transporter may purchase Capacity from Shippers for that Day at the Contractually Congested Point in order to maintain the operational integrity of the Transportation System or any localised part thereof.

2 A.16.2. The Transporter may ~~enter into an agreement(s) (an "Advance Buyback Agreement") with a Shipper~~invite Shippers through a tender process (a "Buyback Tender") to commit to sell to the Transporter IP Capacity at a Contractually Congested Point ~~whereby a Shipper may commit to the Transporter to sell Capacity to the Transporter~~ at a price to be calculated in accordance with the agreement to be entered into with the Transporter (the "Advance Buyback Agreement") for any Day or Days within a defined period of time.

2 A.16.3. The Transporter may in respect of any Day which the Transporter requires to buy IP Capacity at a Contractually Congested Point, notify Shippers of the Transporter's requirement to buyback Capacity and shall publish an invitation (a "**Buyback Invitation**") to Shippers to submit an offer to the Transporter to sell IP Capacity to the Transporter. The Buyback Invitation shall specify such information as the Transporter may require to process the offer including:

- (a) the Contractually Congested Point;

- (b) the Day in respect of which the IP Capacity is required by the Transporter;
- (c) the total amount of ~~capacity~~IP Capacity which the Transporter wishes to buy at the Contractually Congested Point;
- (d) ~~[the minimum~~ IP Capacity ~~amount which a Shipper may specify in a Buyback Offer;]~~
- (e) the time (the "**Buyback Offer Close Time**") by which any Buyback Offer in response to the Buyback Invitation must be submitted to the Transporter.

2 A.16.4. A Buyback Invitation may be published at any time up to 18.00 hours on the Day in respect of which the Capacity is required.

2 A.16.5. Registered Shippers at a Contractually Congested Point may in response to a Buyback Invitation submit an offer (a "**Buyback Offer**") which shall specify:

- (a) the Shipper ID of the Shipper submitting the offer ("**Offering Shipper**");
- (b) the Contractually Congested Point at which the Shipper is offering the capacity;
- (c) the Buyback Invitation to which the Buyback Offer relates;
- (d) the amount of capacity which the Shipper is offering to the Transporter (which shall not be less than the minimum amount as specified in the Buyback Invitation);
- (e) the Capacity Booking reference of the Shipper's Capacity Booking from which the Capacity is offered ~~for surrender~~;
- (f) confirmation that the Shipper has Retained Primary IP Capacity at the Contractually Congested Point equal to or in excess of the amount of capacity specified by the Shipper pursuant to paragraph (d) and for the Day or Days specified in the Buyback Invitation;

- (g) the price in c/kWh (the "**Buyback Offer Price**") at which the Shipper offers the capacity for sale to the Transporter.

2 A.16.6. A Buyback Offer which:

- (a) is submitted in accordance with Section 2A.16.5; and
- (b) meets the requirements of the Buyback Invitation;

shall be a valid Buyback Offer (a "**Valid Buyback Offer**").

[A Shipper which is a party to an Advance Buyback Agreement at the Contractually Congested Point shall be deemed to have submitted a Valid Buyback Offer where the Advance Buyback Agreement relates to the Day or Days specified in the Buyback Invitation.](#)

2 A.16.7. The Transporter shall notify a Shipper if the Buyback Offer is not a Valid Buyback Offer not later than 30 minutes after Buyback Offer Close Time where the Transporter does not notify the Shipper of the rejection or otherwise of a Buyback Offer by within a said period of thirty (30) minutes after the Buyback Offer Close Time then the Buyback Offer shall be deemed to be rejected.

2 A.16.8. The Transporter may decide to purchase capacity pursuant to an Advance Buyback Agreement and/or pursuant to a Valid Buyback Offer. [\(including pursuant to a Valid Buyback Offer deemed to be submitted pursuant to Section 2A.16.6\).](#) The Transporter shall select which (if any) Valid Buyback Offers it shall accept (in whole or in part) and/or the amount of Capacity which it shall purchase pursuant to an Advance Buyback Agreement having due regard to:

- (a) the amount of capacity which the Transporter requires; and
- (b) the financial implications pursuant to the available Advance Buyback Agreement(s) and/or any applicable Valid Buyback Offers.

2 A.16.9. The Transporter may accept a Valid Buyback Offer in whole or in part and in particular the Transporter may without limitation accept a Valid Buyback Offer in respect of part only of the Capacity specified in the Valid Buyback Offer.

2 A.16.10. Where the Transporter accepts a Valid Buyback Offer or capacity available to the Transporter pursuant to an Advance Buyback Agreement (in whole or in part) the Transporter shall notify (a "**Buyback Notification**") the Shipper of such acceptance not later than 21.00 hours on Day D or, if later, one hour after the applicable Buyback Offer Close Time.

2 A.16.11. A Buyback Notification shall include the following information:

- (a) the Shipper ID of the Shipper;
- (b) the Buyback Offer or Advance Buyback Agreement to which the Buyback Notification relates;
- (c) the Contractually Congested Point at which the capacity is required;
- (d) the Day in respect of which the Buyback Offer is accepted;
- (e) the amount of capacity in respect of which the Buyback Offer is accepted; and
- (f) the unit price (in c/kWh) which the Transporter shall pay to the Shipper which shall be equal to the Buyback Offer Price as specified in the Shipper's Buyback Offer, or the price as calculated in accordance with the Advance Buyback Agreement (as the case may be).

2 A.16.12. The total aggregate amount of capacity specified in Buyback Notification(s) issued by the Transporter in respect of any Day may vary from the amount requested in the Buyback Invitation(s) issued by the Transporter in respect of that Day.

2 A.16.13. Where the Transporter issues a Buyback Notification or accepts capacity pursuant to an Advance Buyback Agreement the Transporter shall reduce the Offering Shipper's Primary Capacity held by the Shipper at the Contractually Congested Point by the amount specified in the Buyback Notification and for the Day specified in the Buyback Notification.

2 A.17. Capacity Availability and IP Capacity Charges - Transporter's obligations to make Capacity available

2 A.17.1. The Transporter shall include:

- (a) Each Shipper's Capacity Surrender Available Amount(s) as specified in each Valid Capacity Surrender Request;
- (b) Each Shippers Withdrawable Capacity; and
- (c) Oversubscription Capacity

in the Capacity made available to Shippers in accordance with the relevant provisions of Part C (*Capacity*) provided always:

- (i) an individual Shipper's Capacity Surrender Available Amount shall only be made available ~~for~~in a Capacity Auction which takes place after the expiry of the Pre Auction Period and for a duration within the applicable Capacity Surrender Availability Period;
- (ii) an individual Shipper's Withdrawable Capacity shall be made available in accordance with Section 2.A.12.4 for a period up to the applicable Withdrawal Availability Period; and
- (iii) Oversubscription Capacity shall be only made available as Daily Capacity; and

the Transporter shall and shall be entitled, when determining the amount of Capacity which may be made available to Shippers pursuant to Part C (*Capacity*) and the duration in respect of which such capacity shall be so made available, be entitled to have regard to all Shippers' Capacity Surrender Availability Amounts, all Shippers' Withdrawable Capacity, the applicable Capacity Surrender Availability Periods and the Withdrawal Availability Period(s) in aggregate.

2 A.17.2. The Transporter shall not when making capacity available pursuant to Part C (*Capacity*) be obliged to identify the extent to which such capacity made available is or forms part of any other Shipper's Capacity Surrender Availability Amounts and/or Shippers' Withdrawable Capacity or Oversubscription Capacity.

2 A.18. Capacity Allocation Priority Order

2 A.18.1. At a Contractually Congested Point capacity made available by the Transporter shall be deemed to have been booked by Shippers as follows:

- (a) where the amount of capacity applied for by Shippers is less than the Unbooked Capacity at the relevant Contractually Congested Point all capacity booked by Shippers shall be deemed to be allocated out of Unbooked Capacity;
- (b) where the amount of Capacity applied for by Shippers is in excess of the Unbooked Capacity at the Contractually Congested Point then the Transporter shall be deemed to have allocated capacity to Shippers as follows:
 - i. ~~(i)~~ firstly, utilising the Unbooked Capacity;
 - ii. ~~(ii)~~ secondly, utilising ~~capacity~~ IP Capacity available by reference of Shippers' Capacity Surrender Available Amounts;
 - iii. ~~(iii)~~ thirdly, utilising IP Capacity made available by reference to Shippers' Withdrawable Capacity; and
 - iv. ~~(iv)~~ fourthly, (with respect to Daily Capacity only) utilising Oversubscription Capacity;

and in having regard where relevant to the relevant periods for which Capacity Surrender Available Amounts and Withdrawable Capacity are available for allocation by the Transporter.

2 A.19. Capacity Charges

- 2 A.19.1. The Shipper shall be relieved of the ~~€~~capacity component of the applicable tariff in respect of such Shipper's Surrendered Capacity, Withdrawn Capacity and/or the amount of capacity in respect of which a Shipper's Buyback Offer is accepted by the Transporter in accordance with this Code.
- 2 A.19.2. Where the Transporter has issued a Buyback Notification to a Shipper there shall be included in any applicable Invoice issued to the Shipper an Invoice Item in respect of the difference between:
 - (a) the ~~€~~capacity component of applicable tariff in respect of the amount of capacity in respect of which a Shipper's Buyback Offer is accepted; and

- (b) the applicable Buyback Offer Price or the price as calculated in accordance with the Advance Buyback Agreement (as the case may be).

and such Invoice Item shall be included in the Invoice with respect to the month in which the Buyback Notification is issued.

3. ENTRY POINTS AND VIRTUAL 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 provided always that where an Entry Point is configured within a Bi-Directional CSP then Section 5 of this Part H shall apply.

~~The provisions of this Section 3 shall apply (as appropriate) at a VEntryP.~~

~~The provision of Section 3.5 shall apply with respect to interruption of VEntryP Capacity.~~

3.1.2 The provisions of Section • (Interconnection Point)² of this Part H shall apply to IP Entry Points. 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;
- (e) the existence of any Entry Point Procedures; and
- (f) the existence of any OBA.

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 subject always to the requirements of Part G (*Technical*) Section 1 (*Specifications Quality and Pressure*); or

² The Interconnection Point Section has been published for consultation as a separate document; it will be merged into Part H.

(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.

(c) the provisions of any OBA.

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~~Not Used

~~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 ~~South-North VEntryP~~Not Used

~~3.4.1 The South-North VEntryP is located at the South-North CSEP.~~

~~3.4.2 Natural Gas shall be deemed to virtually enter the Transportation System at the South-North VEntryP.~~

3.5 ~~VEntryP Capacity Interruption and Failure to Interrupt Charges~~Not Used

~~3.5.1 Without prejudice to any other rights which the Transporter may have pursuant to the Code the Transporter may for operational reasons reduce the amount of Available Daily Interruptible VEntryP Capacity at the VEntryP in respect of a Day and shall notify Shippers of such reduction by way of a notice (“VEntryP Capacity Interruption Notice”).~~

~~3.5.2 The VEntryP Capacity Interruption Notice shall specify:~~

- (a) ~~the VEntryP to which the notice relates;~~
- (b) ~~the affected Day to which the notice applies;~~
- (c) ~~the amount of the reduced Available Daily Interruptible VEntryP Capacity (the “Reduced Available Daily Interruptible VEntryP Capacity”) at the VEntryP in respect of the affected Day(s).~~

~~3.5.3 Where the Transporter publishes the reduced Available Daily Interruptible VEntryP Capacity in respect of a Day before close of the VEntryP Capacity Booking Window with respect to such Day then the Transporter shall in accordance with Part C (Capacity) allocate up to the Reduced Daily Interruptible VEntryP Capacity to Shippers in accordance with the process in Part C (Capacity) Section 2.3.~~

~~3.5.4 Where the Transporter publishes the Reduced Available Daily Interruptible VEntryP Capacity in respect of a Day after the close of the VEntryP Capacity Booking Window with respect to that Day and where the aggregate of the Booked Daily Interruptible VEntryP Capacity of all Shippers at the VEntryP exceeds the Reduced Available Daily Interruptible VEntryP Capacity in respect of that Day then the Transporter shall allocate the Reduced Available Daily Interruptible VEntryP Capacity among Shippers pro rata to such Shipper’s Booked Daily Interruptible VEntryP Capacity and shall notify each Registered Shipper at the VEntryP of such Shipper’s share of the Reduced Available Daily Interruptible VEntryP Capacity in respect of the Day (the “Reduced Daily Interruptible VEntryP Capacity”).~~

~~3.5.5 A Shipper registered at a VEntryP shall be liable to a charge (“VEntryP Failure to Interrupt Charge”) calculated in accordance with this Section 3.5 for a Day in respect of which the Transporter has notified the Shipper of a Shipper’s reduced Daily Interruptible VEntryP Capacity where the Shipper does not renominate such that the Shipper’s prevailing Valid VEntryP Renomination is in respect of a nominated quantity which does not exceed the Shipper’s Reduced Daily Interruptible VEntryP Capacity.~~

~~3.5.6 The Failure to Interrupt Charge will be calculated in accordance with the following formula:~~

$$FTIc = \frac{(NOMq - Reap) * M * T}{1000}$$

where:

- FTIc = the Failure to Interrupt Charge;
- NOMq = the Nominated Quantity in the Shipper’s prevailing Valid Nomination or Valid VEntryP Renomination;
- Reap = the Shipper’s Reduced Daily Interruptible

	VEntryP Capacity.
M ≡	8
T ≡	the applicable Capacity Charges with respect to the South-North CSEP Offtake Capacity.

~~3.5.7 A Shipper's liability for VEntryP Failure to Interrupt Charges shall continue notwithstanding that the Transporter may have exercised its entitlement to revoke or limit a Shipper's Valid VEntryP Nomination in accordance with Part D (Nominations, Allocations and Supply Point Reconciliation) Section 1.5.1.~~

~~3.5.8 A Shipper's liability with respect to Failure to Interrupt Charge shall be in addition to any liability which a Shipper may have with respect to a VEntryP Capacity Overrun in respect of the Day.~~

~~3.5.9 Notwithstanding that a Shipper shall be notified of a Reduced Daily Interruptible VEntryP Capacity in respect of a Day the Shipper shall remain liable to pay all charges with respect to the Shipper's Booked Daily Interruptible VEntryP Capacity in respect of the Day.~~

3.6 Bellanaboy Entry Point

3.6.1 The Proposed Bellanaboy Entry Point is located at Bellanaboy Bridge, Co. Mayo.

3.6.2 The Proposed Bellanaboy Entry Point shall become the Bellanaboy Entry Point in accordance with Part F (*Administration*) Section 1.3.

3.6.3 Natural Gas shall be deemed to enter the Transportation System at the Bellanaboy Entry Point.

3.6.4 The Proposed Bellanaboy Entry Point shall become a Commissioning Connected System Point in accordance with Section 3.7.4 and the Transporter shall publish Commissioning Reverse Flow Arrangements in respect of it in accordance with Section 3.7.5.

3.6.5 Natural Gas offtaken pursuant to any applicable Commissioning Reverse Flow Arrangements or Operational Reverse Flow Arrangements shall be deemed to be offtaken from the Transportation System at the Commissioning Connected System Point or the Bellanaboy Entry Point (as the case may be).

3.7 New Entry Points and Commissioning Connected System Point(s)

3.7.1 The Transporter shall, subject to Sections 3.7.2 and 3.7.3, 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.

- 3.7.2 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.
- 3.7.3 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.
- 3.7.4 The Transporter may, (at the request of the relevant Connected System Operator and with the approval of the Commission) and where operationally and technically feasible and in order to facilitate new Entry Points, designate a new Entry Point or a Proposed Entry Point connected or to be connected to a Gas Source at which Natural Gas is required to be offtaken from the Transportation System to facilitate commissioning of Upstream Facilities, a commissioning Connected System Point (“**Commissioning Connected System Point**”).
- 3.7.5 Without prejudice to the generality of Section 3.7.1 the Transporter shall (including where so requested by the Connected Systems Operator at a Commissioning Connected System Point) and with the approval of the Commission publish arrangements (“**Commissioning Reverse Flow Arrangements**”) to facilitate booking of capacity and offtake of Natural Gas by Commissioning Shippers at a Commissioning Connected Point in order to facilitate commissioning of facilities at or immediately upstream of the Commissioning Connected System Point.
- 3.7.6 Shippers notified in writing to the Transporter by the Connected System Operator at a Commissioning Connected System Point (“**Commissioning Shippers**”) may reserve capacity to facilitate the offtake of Natural Gas at a Commissioning Connected System Point in accordance with this Code and applicable Commissioning Reverse Flow Arrangements. A Commissioning Shipper shall comply with the applicable Commissioning Reverse Flow Arrangements which shall constitute a part of this Code as if set out fully herein provided however, in the event of any conflict between the applicable Reverse Flow Arrangements and the remaining provisions of this Code the Code shall prevail.

3.8 **Administrative Procedures at an Entry Point**

- 3.8.1 Procedures (“**Entry Point Procedures**”) for the management of the matching of Nominations made by a Third Party Shipper and the relevant Registered Shipper at an Entry Point, and/or Allocations at an Entry Point may be proposed to the Transporter by all Shippers who have Entry Capacity reserved at the same Entry Point or all Shippers who have been certified by the Connected System Operator at a Proposed Entry Point, as constituting all of the Shippers who have an entitlement to Natural Gas upstream of the Proposed Entry Point provided one or more of them have submitted Entry Capacity Requests in respect of the Proposed Entry Point and which requests have been accepted by the Transporter.
- 3.8.2 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. For the avoidance of doubt where the Transporter accepts Entry Point Procedures in respect of a Proposed Entry Point such Entry Point Procedures shall apply only with effect from the date upon which the Proposed Entry Point becomes an Entry Point in accordance with this Code. If the proposed Entry Point Procedures referred to in Section 3.68.1 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.~~
- 3.8.3 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.
- 3.8.4 Where Entry Point Procedures have been proposed by Shippers and accepted by the Transporter in accordance with this Section 3.8, 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.

- 3.8.5 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.
- 3.8.6 Where a Shipper does not adhere to such Entry Point Procedures the Transporter shall suspend such Shipper's right to make Nominations or Renominations in respect of such Entry Point until such time as the Shipper shall have adhered to such Entry Point Procedures.

3.9 **Offtake Profile Notice at Entry Points**

- 3.9.1 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.
- 3.9.2 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.

3.10 **Operational Balancing Agreement**

- 3.10.1 The Transporter may enter into an OBA with a Connected System Operator at an Entry Point or at a Proposed Entry Point.
- 3.10.2 The Transporter will not enter into any OBA(s) without first advising Shippers of the terms of the OBA.
- 3.10.3 An OBA shall be made publicly available by the Transporter prior to its execution. Shippers acknowledge that the provisions of OBA(s) may impact on the quantity of Natural Gas to be allocated to Shippers at the Entry Point to which such OBA relates in respect of a Day.

3.11 **Offtake of Natural Gas at Entry Points**

- 3.11.1 The Transporter may where technically and operationally feasible enter into arrangements (“**Operational Reverse Flow Arrangements**”) to make quantities of Natural Gas available for offtake at an Entry Point connected to a Gas Source in order to facilitate operational start up requirements of facilities upstream of the Entry Point and where there is no alternative source of Natural Gas available to meet the operational requirements of such upstream facilities. Any such Natural Gas shall be made available for offtake on such terms as may be agreed by the Transporter with the approval of the Commission and which terms may be included in an OBA (where appropriate).
- 3.11.2 For the avoidance of doubt, the offtake of Natural Gas for commissioning facilities upstream of a new Entry Point or a Proposed Entry Point as contemplated by Section 3.7 or for operational reasons pursuant to 3.11 shall not mean or imply that an Entry Point shall be an Exit Point (or a Bi Directional CSP) within the meaning of this Code.

4. **OFFTAKE POINTS**

4.1 **General**

- 4.1.1 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.
- 4.1.2 The provisions of this Section 4 shall apply (as appropriate) at a VExitP including without prejudice to the generality of the foregoing Section 4.3.
- 4.1.3 The provisions of Section 4.6 shall apply with respect to interruption of VExitP Capacity.

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 ;
 - (ii) in the case of a TCDM Exit Point, at a quantity and/or rate which exceeds the MHQ;
 - (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.

4.2.4 The Shipper acknowledges that it shall be the obligation of the Shipper to procure a copy of any applicable End User Agreement from the End User prior to such Shipper becoming Registered Shipper at the LDM Offtake or the DM Offtake (as the case may be). The Transporter shall on request provide an End User Agreement to a Shipper only when:

- (a) the Shipper is a Registered Shipper at the relevant Offtake Point; or
- (b) with the prior written consent of the relevant End User.

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.

4.6 ~~VExitP Capacity Interruption and Failure to Interrupt Charges~~ Not Used

~~4.6.1 Without prejudice to any other rights which the Transporter may have pursuant to the Code the Transporter may for operational reasons reduce the amount of Available Daily Interruptible VExitP Capacity at a VExitP in respect of a Day and shall notify Shipper(s) of such reduction by way of a notice (“VExitP Capacity Interruption Notice”).~~

~~4.6.2 The VExitP Capacity Interruption Notice shall specify:~~

~~(a) the VExitP to which the notice relates;~~

~~(b) the affected Day(s) to which the notice applies;~~

~~(c) the amount of the reduced Available Daily Interruptible VExitP Capacity (the “Reduced Available Daily Interruptible VExitP Capacity”) at the VExitP in respect of the affected Day(s);~~

~~4.6.3 Where the Transporter publishes the Reduced Available Daily Interruptible VExitP Capacity in respect of a Day before close of the VExitP Capacity Booking Window with respect to such Day then the Transporter shall in accordance with Part C (Capacity) allocate up to the Reduced Daily Interruptible VExitP Capacity to Shippers in accordance with the process in Part C (Capacity) Section 6.14.~~

~~4.6.4 Where the Transporter publishes the Reduced Available Daily Interruptible VExitP Capacity in respect of a Day after the close of the VExitP Capacity Booking Window with respect to that Day and where the aggregate of the~~

~~Booked Daily Interruptible VExitP Capacity of all Shippers at the VExitP exceeds the Reduced Available Daily Interruptible VExitP Capacity in respect of that Day then the Transporter shall allocate the Reduced Available Daily Interruptible VExitP Capacity among Shippers pro rata to such Shippers Booked Daily Interruptible VExitP Capacity and shall notify each Registered Shipper at the VExitP of such Shipper's share of the Reduced Available Daily Interruptible VExitP Capacity in respect of the Day (the "**Reduced Daily Interruptible VExitP Capacity**").~~

~~4.6.5 A Shipper registered at a VExitP shall be liable to a charge ("**VExitP Failure to Interrupt Charge**") calculated in accordance with this Section 4.6 for a Day in respect of which the Transporter has notified the Shipper of a Shipper's Reduced Daily Interruptible VExitP Capacity where the Shipper does not Renominate such that the Shippers prevailing Valid VExitP Renomination is in respect of a Nominated Quantity which does not exceed the Shipper's reduced Daily Interruptible VExitP Capacity.~~

~~4.6.6 The Failure to Interrupt Charge will be calculated according to the following formula:~~

$$FTIC = (Nom_q - R_{cap}) \times M \times T$$

where:

FTIC	=	the failure to interrupt charge;
Nom_q	=	the Nominated Quantity in the Shipper's prevailing Valid Nomination or Valid VExitP Renomination
R_{cap}	=	the Shipper's Reduced Daily Interruptible VExitP Capacity;
M	=	8
T	=	the applicable Entry Capacity Charges with respect to Daily Entry Capacity at the Entry Point configured within the Bi-Directional CSP at which the VExitP is located.

~~4.6.7 The Shipper's liability for a VExitP Failure to Interrupt Charge shall continue notwithstanding the Transporter may have exercised its entitlement to revoke or limit a Shipper's Valid VExitP Nomination in accordance with Part D (Nominations, Allocations and Supply Point Reconciliation) Section 1.5.5.~~

~~4.6.8 A Shipper's liability with respect to Failure to Interrupt Charge shall be in addition to any liability which a Shipper may have with respect to a VExitP Capacity Overrun in respect of the Day.~~

~~4.6.9 Notwithstanding that a Shipper shall be notified of a Reduced Daily Interruptible VExitP Capacity in respect of a Day the Shipper shall remain liable to pay all charges with respect to the Shippers Booked Daily Interruptible VExitP Capacity in respect of the Day.~~

5. BI-DIRECTIONAL CONNECTED SYSTEM POINTS

5.1 General

5.1.1 A Connected System Point which is not an Interconnection Point may be designated by the Transporter from time to time as a Bi-Directional CSP where it is technically, operationally and/or commercially feasible to deliver gas to and offtake gas at the Connected Systems Point. ~~The Connected System Point may also be designated by the Transporter from time to time as a Bi-Directional CSP where a VExitP is designated at an Entry Point in accordance with the Code or where a VEntryP is designated at a Connected System Exit Point in accordance with the Code.~~ The Transporter may with the approval of the Commission, notify Shippers that a Connected System Point ceases to be designated as a Bi-Directional CSP and any such notice shall specify the date from which the Connected System Point shall cease to be so designated. For the avoidance of doubt when a Connected System Point ceases to be designated at a Bi-Directional CSP the Connected System Point may be an Entry Point or a Connected System Exit Point pursuant to this Code.

The provisions of this Section 5 are in addition to and not in substitution for Section 3 (*Entry*) and Section 4 (*Offtake Point*) provided however the provisions of this Section 5 shall prevail over the provisions of Section 3 (Entry Points) and Section 4 (Offtake Points) at a Bi-Directional CSP.

5.1.2 A Shipper shall not be entitled ~~physically or virtually~~ to deliver Natural Gas to or offtake Natural Gas from the Transmission System at a Bi-Directional CSP unless there is a valid and subsisting CSA with respect to such Bi-Directional CSP provided always that the Commission may from time to time direct that a Shipper shall be entitled to deliver or offtake Natural Gas at a Bi-Directional CSP notwithstanding that there is no valid and subsisting CSA where the Commission is satisfied that the Transporter is in any such event able to exercise its rights and satisfy its obligations pursuant to the Code (including with respect to metering).

5.1.3 Where the CSA at a Bi-Directional CSP is executed by an Affiliate of the Transporter any reference to any matter or thing to be done by or for, or information to be disclosed or received by, the Transporter as party to an applicable CSA shall and shall be deemed to include a reference to such

Affiliate and the Transporter shall be entitled to notify information to or receive information from such an Affiliate for such purpose.⁴³

5.2 Bi-Directional CSP Requirements

- 5.2.1 A Registered Shipper at an Entry Point configured within a Bi-Directional CSP shall deliver or tender for delivery Natural Gas to the Transmission System at an Entry Point which is comprised within a Bi-Directional CSP in accordance with the Code, the relevant provisions of the applicable CSA and the Bi-Directional CSP Requirements applicable at such Entry Point. ~~A Shipper registered at a VEntryP configured within a Bi-Directional CSP shall be entitled to deliver Natural Gas at the VEntryP in accordance with this Code, the applicable CSA and the applicable Bi-Directional CSP requirements. For the avoidance of doubt Natural Gas may not be physically delivered to the Transportation System at a VEntryP.~~
- 5.2.2 A Shipper registered at a Connected System Exit Point configured within a Bi-Directional CSP shall be entitled to offtake Natural Gas at the Bi-Directional CSP in accordance with the Code, the applicable CSA and the applicable Bi-Directional CSP Requirements; ~~A Shipper registered at a VExitP configured within a Bi-Directional CSP shall be entitled to offtake Natural Gas at the VExitP in accordance with this Code, the applicable CSA and the applicable Bi-Directional CSP requirements. For the avoidance of doubt Natural Gas may not be physically offtaken from the Transportation System at a VExitP.~~
- 5.2.3 Each Shipper registered at an Entry Point or a Connected System Exit Point ~~or VExitP~~ configured within the Bi-Directional CSP shall be provided by the Transporter with details of the requirements (the “**Bi-Directional CSP Requirements**”) for the delivery of or offtake of Natural Gas at such Bi-Directional CSP including:
- (a) the location of the Entry Point ~~or VEntryP~~ configured within the Bi-Directional CSP;
 - (b) the location of the Connected System Exit Point ~~or VExitP~~ configured within the Bi-Directional CSP;
 - (c) 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*));

⁴³ Amend definition of “CSA” to refer to Affiliate of Transporter. Amend definition of “CSO”.

- (d) the measurement provisions with respect to the Entry Point as described in Part G (*Technical*) Section 3 (*Measurement*);
- (e) the conditions applicable to that Connected System Exit Point as to the pressure and specification of Natural Gas made available for offtake from the Transmission System at the Connected System Exit Point (including those matters referenced in Part G (*Technical*) Section 1 (*Specifications: Quality and Pressure*) and the Measurement provisions within the Bi-Directional CSP as described in Part G (*Technical*) Section 3 (*Measurement*));
- (f) the requirements for delivery and/or offtake of Natural Gas at such Bi-Directional CSP contained in the applicable CSA; and
- (g) the existence of any Bi-Directional CSP Procedures.

5.2.4 The Bi-Directional CSP Requirements referenced in this Section 5 shall be subject to and reflect:

- (a) the provisions of the applicable CSA subject always to the provisions of Part G (*Technical*) Section 1 (*Specifications, Quality and Pressure*);
- (b) to the extent that the CSA does not include all of the information referenced in Section 5.2.3 with respect to the delivery of Natural Gas at the Entry Point configured within the Bi-Directional CSP the provisions of Part G (*Technical*) Section 1 (*Specifications: Quality and Pressure*) and Section 3 (*Measurement*) in respect of such Entry Point;
- (c) to the extent that the CSA does not include all of the information referenced in Section 5.2.3 with respect to the offtake of Natural Gas at the Bi-Directional CSP the provisions of Part G (*Technical*) (Section 1) (*Specifications: Quality and Pressure*) and Section 3 (*Measurement*) shall apply; and
- (d) if the Commission approves delivery or offtake of Natural Gas at a Bi-Directional CSP pursuant to Section 5.1.2 any requirement which the Commission may specify in such approval.

5.2.5 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 Bi-Directional CSP Requirements.

5.2.6 In the event that a Registered Shipper fails to comply with the Bi-Directional CSP Requirements applicable to:

- (a) the Entry Point ~~or VEntryP~~ configured within the Bi-Directional CSP at which the Shipper is delivering, or tendering for delivery, Natural Gas to the Transmission System; and/or

- (b) the Connected System Exit Point ~~or VExitP~~ configured within the Bi-Directional CSP at which the Shipper is offtaking Natural Gas from the Transmission System;

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, claims and/or payments due or arising in respect of a Connected System and/or generally upstream of the Bi-Directional CSP made by any person (including such Shipper or any Third Party) delivering directly or indirectly Natural Gas to the Transmission System at the Entry Point or ~~VEntryP or~~ entitled to the benefit directly or indirectly of Natural Gas offtaken from the Transmission System at the Connected System Exit Point ~~or VExitP~~. 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 or any other charges arising upstream or downstream of the CSP, then the Registered Shipper shall not be liable to the Transporter in respect of any material claims, charges, demands, costs, losses and/or payments arising as aforesaid including to the extent that they result from a failure by the Transporter to act as an RPO in the performance of its obligations under the CSA.

- 5.2.7 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 provision of the CSA.

- 5.2.8 Without prejudice to a Shipper's obligations pursuant to Section 5.2.6 above, to the extent that:

- (a) A Registered Shipper fails to comply with the Bi-Directional CSP Requirements applicable at a Bi-Directional CSP Point other than as a result of a failure by the Transporter to perform any requirement under the CSA applicable to such Bi-Directional CSP; 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 or make available for offtake by a Registered Shipper to or from the Transportation System of Natural Gas at the relevant Bi-Directional CSP, 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.

To the extent that any changes to the Bi-Directional CSP Requirements for the delivery to or offtake of Natural Gas at the Bi-Directional CSP 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 Transmission System the Bi-Directional CSP Requirements shall be deemed to incorporate any such changes with effect from the time of 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 Bi-Directional CSP of any amendments made to the applicable Entry Point Requirements or offtake requirements (as the case may be).

- 5.2.9 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 the Code or any Ancillary Agreement the Transporter is not obliged, or is relieved from its obligation to accept Natural Gas tendered for delivery at or to make Natural Gas available for offtake at a Bi-Directional CSP.

Each Shipper shall indemnify the Transporter against all claims, charges, demands and payments due or arising upstream or downstream of the Bi-Directional CSP in respect of any person (including itself and any Connected System Operator).

5.3 **General provisions relating to offtake of Natural Gas at a Connected System Exit Point ~~or VExitP or delivery of Natural Gas at a VEntryP~~**

- 5.3.1 A Shipper shall not be entitled to offtake Natural Gas at a Connected System Exit Point within a Bi-Directional CSP:

- (a) at any time at a rate which exceeds 1/24th of the Shipper's Valid CSEP Exit Nomination;
- (b) on any Day of a quantity which exceeds the Shipper's Nominated Quantity; and/or
- (c) in a manner inconsistent with an Interruption Notice.

- 5.3.2 ~~A Shipper shall not be entitled to offtake Natural Gas at a VExitP configured within a Bi-Directional CSP:~~ Not Used

- ~~(d) on any Day which exceeds the Shipper's Nominated Quantity in the Shippers prevailing Valid VExitP Nomination; and/or~~
- ~~(e) on any Day any quantity which exceeds the Shipper's Booked Daily Interruptible VExitP Capacity; or Reduced Interruptible VExitP Capacity (as applicable); and/or~~
- ~~(f) on any Day other than by way of backhaul.~~

- 5.3.3 Where in the Transporters opinion Natural Gas is being offtaken from the Transportation System at a Bi-Directional CSP and the integrity of the Transportation System or any localised part thereof may be 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 Bi-Directional CSP.

5.4 Designated Bi-Directional CSP(s)

- 5.4.1 The Inch Bi-Directional CSP is located at Inch in County Cork and comprises the Inch Entry Point and the Inch Storage Exit Point.

All CSEP Exit Nominations at the Inch Storage Exit Point shall be Interruptible CSEP Exit Nominations.

Natural Gas shall be deemed to enter the Transportation System or be offtaken from the Transportation System (as the case may be) at the Inch Entry Point and the Inch Storage Exit Point respectively configured within the Inch Bi-Directional CSP.

~~5.4.2 The Moffat Bi Directional CSP is designated as such with effect from 16 December 2011 and is located at the Moffat Entry Point at the point of interconnection between the Transportation System and the upstream system operated by National Grid and comprises the Moffat Entry Point and the VExitP.~~

~~Natural Gas shall be deemed to enter the Transportation System or be virtually offtaken (by way of backhaul only) from the Transportation System (as the case may be) at the Moffat Entry Point and the Moffat VExitP respectively configured within the Moffat Bi Directional CSP.~~

~~5.4.3 The South North Bi Directional CSP is designated as such with effect from 1 July 2012 located at Gormanston County Meath and comprises the South North Connected System Exit Point and the VEntryP.~~

~~5.4.4 Natural Gas shall be deemed to be offtaken from the Transportation System or be virtually delivered (by way of backhaul only) to the Transportation System (as the case may be) at the South North Connected System Exit Point and the South North VEntryP respectively configured within the South North Bi Directional CSP.~~

~~5.4.5 The provisions of Section 5.5 (Administrative Procedures at a Bi Directional CSP) shall not apply at the South North Bi Directional CSP.~~

5.5 Administrative Procedures at a Bi-Directional CSP

- 5.5.1 All Registered Shippers at an Entry Point configured within a Bi-Directional CSP together with all Registered Shippers at a Connected System Exit Point ~~and/or VExitP (as the case may be)~~ configured within the same Bi-Directional CSP 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(s) at that Bi-Directional CSP; and/or
 - (b) Allocations at the Entry Point and the Connected System Exit Point ~~of VExitP (as the case may be)~~ within such Bi-Directional CSP.

Such procedures (“**Bi-Directional CSP Procedures**”) may be introduced either at the time of or prior to or as soon as possible following the implementation of this Code or the establishment of any CSP as a Bi-Directional CSP and may outline principles to be established in respect of the matching of Nominations (as referred to at (a) above) and/or the allocation procedures (as referred to at (b) above) and any related activities at the Bi-Directional CSP.

- 5.5.2 If the proposed Bi-Directional CSP Procedures referred to at Section 5.5.1 are acceptable to the Transporter the Transporter shall notify all relevant Shippers of its acceptance of such Bi-Directional CSP Procedures and the date from which same shall be effective and all relevant Shippers shall be bound by such Bi-Directional CSP Procedures from such effective date.
- 5.5.3 Agreement by and between relevant Shippers and the Transporter with respect to Bi-Directional CSP 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 Bi-Directional CSP Procedures and to provide information in accordance with such Bi-Directional CSP 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 Bi-Directional CSP Procedures or the implementation thereof. All relevant Shippers hereby waive any and all rights of actions against the Transporter in respect of any loss, damage or otherwise that may be suffered by any such Shipper as a result of such Bi-Directional CSP Procedures and the reliance of the Transporter thereon and on any information received pursuant thereto or as a result of any information delivered by the Transporter pursuant thereto.
- 5.5.4 Where Bi-Directional CSP Procedures have been agreed by all Shippers using such Bi-Directional CSP and accepted by the Transporter in accordance with Section 5.5.2, all Shippers with Entry Capacity registered at the Entry Point within such Bi-Directional CSP or applying to be a Registered Shipper at the CSEP ~~or VExitP (as the case may be)~~ within such Bi-Directional CSP shall adhere to and comply with such Bi-Directional CSP Procedures together with any subsequent arrangements modifying same and such Bi-Directional CSP Procedures (and modifications thereto) shall be applied by the Transporter.

- 5.5.5 The Transporter is under no obligation, express or implied, to verify that the relevant Bi-Directional CSP Procedures have been complied with and no action by the Transporter should be construed as such.
- 5.5.6 Where a Shipper does not adhere to such Bi-Directional CSP Procedures the Transporter may suspend such Shipper's right to make Nominations or Renominations for quantities of Natural Gas to be delivered to or offtaken at and to receive Allocations in respect of an Entry Point or Connected System Exit Point ~~or VExitP (as the case may be)~~ at such Bi-Directional CSP.

5.6 CSA at a Bi-Directional CSP

- 5.6.1 In relation to a Bi-Directional CSP, the Connected System Agreement may provide for the Connected System Operator to notify the Transporter or for the Transporter to notify the Connected System Operator in relation to each Day:
- (a) a quantity of Natural Gas to be delivered at an Entry Point ~~or at a VEntry Point~~ configured within a Bi-Directional CSP on a Day; and/or
 - (b) a quantity of Natural Gas to be offtaken at the Connected System Exit Point ~~or VExitP~~ configured within a Bi-Directional CSP;
 - (c) an aggregate quantity of Natural Gas nominated for delivery at the Bi-Directional CSP on a Day;
 - (d) an aggregate quantity of Natural Gas nominated for offtake at the Bi-Directional CSP on a Day;
 - (e) a profile for the delivery to or offtake of Natural Gas on a Day at the Bi-Directional CSP;
 - (f) a quantity of Natural Gas metered as delivered at the Entry Point on a Day (which may be zero);
 - (g) a quantity of Natural Gas metered as offtaken at the Connected System Exit Point on a Day (which may be zero); and
 - (h) a quantity which represents the aggregate physical quantity determined as having flowed on the Day at the Bi-Directional CSP which will (if there were physical gas flows in both directions within the Day) reflect the net amount and direction (Entry or Exit) of such flows; ;
 - ~~(i) quantity of Natural Gas deemed as offtaken at the VExitP on a Day (which may be zero) and which quantity shall be the VExitP EDOQ or if different the VExitP Profile Quantity; and~~
 - ~~(j) a quantity of Natural Gas deemed as delivered at the VEntryP on a Day (which may be zero) and which quantity shall be the VEntryP EDOQ or if different the VEntryP Profile Quantity.~~

- 5.6.2 The Transporter shall be entitled but not obliged to rely on any information provided to the Transporter pursuant to the CSA and shall have no responsibility to investigate or verify any quantity notified under Section 5.6.1.

For the avoidance of doubt the quantities of Natural Gas profiled for delivery to or offtake from the Transportation System on a Day may differ from the quantity nominated by Shippers for delivery to or offtake from the Transportation System in respect of that Day (and may differ from the net quantities so nominated).

All Shippers hereby waive any and all rights of action in respect of any loss, damage or otherwise that may be suffered by any such Shipper as a result of reliance by the Transporter on information received pursuant to the CSA as a result of delivery by the Transporter of information pursuant to the CSA.

5.7 ~~Interim arrangements at the Moffat VExitP~~ Not Used

~~5.7.1 The Entry Point Procedures which currently apply with respect to the Moffat Entry Point do not constitute Bi Directional CSP Procedures within the meaning of Section 5.5. It is acknowledged by the Transporter and by Shippers that it is not feasible to develop, propose and approve Bi Directional CSP Procedures at and in respect of the Moffat Bi Directional CSP to be effective prior to and with respect to the Moffat Virtual Reverse Flow season which shall commence in the Gas Year commencing 1 October 2011. The following interim provisions shall apply with respect to the Moffat Bi Directional CSP for the Gas Year commencing 1 October 2011 or for such other period as may be approved by the Transporter with the consent of the Commission.~~

~~5.7.2 Notwithstanding that the Entry Point Procedures with respect to the Moffat Entry Point do not constitute Bi Directional CSP Arrangements within the meaning of Section 5.5; if Shippers propose a modification the Entry Point Procedures at the Moffat Entry Point such that:~~

- ~~(a) Shippers acknowledge that the aggregate of the matched Nominations pursuant to the Entry Point Procedures will be notified to the Transporter; and~~
- ~~(b) that the aggregate of the Matched Nominations will be notified to the Transporter and/or its Affiliate or any party required to develop the profile for Natural Gas to be delivered at the Moffat Entry Point; and~~
- ~~(c) that the Allocation provisions of the Entry Point Procedures meet the requirements of Part D (Section 2.13) such that for avoidance of doubt the aggregate of the Entry Allocations shall equal the quantity metered as delivered at the Entry Point plus the VExitP EODQ or if different the VExitP Profile Quantity.~~

~~then the Transporter may treat the modified Entry Point Procedures as Bi-Directional CSP Procedures for the purpose of the Code and for the period for which these interim arrangements shall apply in accordance with this Code.~~

5.8 Profile Notices at a Bi-Directional CSP

- 5.8.1 The Transporter may develop and make available to the Connected System Operator profile notices related to the delivery or offtake of Natural Gas to the Transportation System at a Bi-Directional CSP on any Day. The Transporter may enter such agreements with Connected System Operators (including pursuant to any CSA), Shippers, Third Party Shippers and other Third Parties relating to the provision of profile notices as the Transporter may consider appropriate.
- 5.8.2 The Transporter shall not be liable to the Shippers, or any of them, in respect of the development or provision of any such profile notice or the failure to develop and/or provide such profile notices other than in accordance with the terms and conditions of such agreements as may be developed and agreed between the Transporter and Shippers (or other parties) in connection with such profile notices. Each Shipper 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 profile notices or the failure to provide such notices save 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 profile notices.

6. SUB-SEA I/C OFFTAKE

6.1 Sub-Sea I/C Offtake Arrangements

- 6.1.1 The Transporter may, subject to Section 6.2.5, enter into such agreements (the “**Sub-Sea I/C Offtake Agreement(s)**”) with respect to the offtake of Natural Gas at the Sub-Sea I/C Offtake including with respect to access to ownership, operation and/or maintenance of facilities and the provision of information from time to time to the Transporter.

6.2 Sub-Sea I/C Offtake Requirements

- 6.2.1 On any Day a Shipper shall be entitled to offtake quantities at the Sub-Sea I/C Offtake in accordance with, and subject to, the provisions of the Code and the provisions of the Sub-Sea I/C Offtake Agreement(s). On any Day the Transporter shall subject to the Sub-Sea I/C Offtake Agreement(s) make available for offtake at the Sub-Sea I/C Offtake quantities in accordance with and subject to the provisions of the Code.
- 6.2.2 Each Shipper registered at the Sub-Sea I/C Offtake shall be provided by the Transporter with details of the requirements for the offtake of Natural Gas at the Sub-Sea I/C Offtake (“**Sub-Sea I/C Offtake Requirements**”) including:

- (a) the location of the Sub-Sea I/C Offtake;
- (b) the conditions applicable to the Sub-Sea I/C Offtake as to the pressure and specification of Natural Gas made available for offtake from the Transportation System at the Sub-Sea I/C Offtake (including those matters referenced in Part G (*Technical*) Section 1 (*Specifications, Quality and Pressure*));
- (c) the measurement provisions with respect to the Sub-Sea I/C Offtake as described in Part G (*Technical*) Section 3 (*Measurement*) (“**Sub-Sea I/C Offtake Measurement Provisions**”); and
- (d) those requirements for the offtake of Natural Gas at the Sub-Sea I/C Offtake contained in Sub-Sea I/C Offtake Agreement(s) (if any) with which the Shipper must comply.

6.2.3 The Sub-Sea I/C Offtake Requirements referenced in this Section 6 shall be subject to and reflect:

- (a) the provisions of any applicable Sub-Sea I/C Offtake Agreement(s); and
- (b) to the extent that the Sub-Sea I/C Offtake Agreement(s) does not include all of the information referenced in Section 6.2.2, provisions of Part G (*Technical*) Section 1 (*Specifications, Quality and Pressure*) and Section 3 (*Measurement*) in respect of the Sub-Sea I/C Offtake.

6.2.4 In the event of any failure or non-compliance by any party with the provisions of the Sub-Sea I/C Offtake Agreement(s) (or any of them) 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 make available for offtake by a Registered Shipper at the Sub-Sea I/C Offtake, in which case the Transporter shall notify all affected Shippers of such refusal and (subject to any duties of confidentiality) of the relevant reasons therefor.

6.2.5 The Transporter will not enter into any Sub-Sea I/C Offtake Agreement(s) which would, in the reasonable opinion of the Transporter, have a material adverse effect on Shippers at the Sub-Sea I/C Offtake without first advising such Shippers of the provision which the Transporter believe will have such material effect.

6.2.6 The Transporter shall not be obliged to make the provisions of the Sub-Sea I/C Offtake Agreement(s) publicly available.

6.2.7 The Transporter shall not be obliged to seek any remedy with respect to the non-compliance by any party with the Sub-Sea I/C Offtake Agreement(s) nor shall the Transporter be obliged to seek to enforce any provisions of the Sub-Sea I/C Offtake Agreement(s) or require any third party to do so.

6.3 **General Provisions relating to Offtake at the Sub-Sea I/C Offtake**

- 6.3.1 The Transporter shall be entitled but not obliged to rely on any information provided to the Transporter pursuant to the Sub-Sea I/C Offtake Agreement(s) and shall have no responsibility to investigate or verify any quantity or information provided pursuant thereto.
- 6.3.2 A Shipper's obligations to make any payment to the Transporter in connection with the transportation of Natural Gas shall not be affected by the existence of any circumstances which in accordance with the Code and/or any Ancillary Agreements, the Transporter is not obliged, or is relieved of its obligation, to make Natural Gas available for offtake at the Sub-Sea I/C Offtake.
- 6.3.3 The Transporter will not be obliged under any provisions of this Code and/or any Ancillary Agreement(s) to make Natural Gas available for offtake at the Sub-Sea I/C Offtake:
 - (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
 - (c) the Shipper's Sub-Sea I/C Offtake Capacity or Available Sub-Sea I/C Offtake Capacity (as the case may be).

7. ~~SPECIFIC PROVISIONS FOR SOUTH-NORTH BI-DIRECTIONAL CSP~~NOT USED

7.1 ~~The physical configuration of the Transportation System is such that:~~Not Used

~~7.1.1 all Natural Gas offtaken from the Transportation at the South North CSEP must be delivered to the Transportation System at the Moffat Entry Point and transported utilising that part of the Transportation System described as the Second Interconnector Pipeline (I/C2); and~~

~~7.1.2 all Natural Gas virtually delivered to the Transportation System at the Virtual Entry Point configured within the South North Bi-Directional CSP will be delivered to I/C2 and must be virtually offtaken from the Transportation System at the Moffat Virtual Exit Point.~~

~~The Transportation arrangements referred to at 7.1.1 and 7.1.2 being the "S/N Transportation Services".~~

7.2 ~~A Shipper shall be required to have a Shipper ID ("Shipper ID S/N") to avail of the S/N Transportation Services and such Shipper ID S/N may not be utilised for any other capacity or any other purpose pursuant to this Code. For the avoidance of doubt Shippers may utilise a Shipper ID S/N for all purposes related to:~~Not Used

~~7.2.1 South North CSEP Offtake Capacity;~~

~~7.2.2 — Daily Interruptible VEntryP Capacity;~~

~~7.2.3 — Moffat Entry Capacity; and~~

~~7.2.4 — Daily Interruptible VExitP Capacity.~~

~~and any such capacity so held may only be utilised by the Shipper for the purpose of S/N Transportation Services but without prejudice to the Shipper's right to effect Entry Capacity Trades (as a Transferor Shipper or as a Transferee Shipper including as between separate Shipper ID held by such Shipper).~~

~~7.3 — A Shipper ID S/N shall not entitle the Shipper to effect transactions at the IBP or to enter into an I/C Inventory Agreement.~~

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