

## **Tripartite Agreement in relation to arrangements at the interconnection point at Moffat**

**Dated** 23/11/2021

**National Grid Gas plc**  
(NGG)

**GNI (UK) Limited**  
(GNI (UK))

**Premier Transmission Limited**  
(PTL)

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# Tripartite Agreement

Dated 23/11/2021

## Between

- (1) **National Grid Gas plc (NGG)** a company registered in England with company number 2006000 and whose registered office is at 1-3 Strand, London, WC2N 5 EH;
- (2) **GNI (UK) Limited (GNI (UK))** a company registered in England with company number 02827969 and whose registered office is at 5<sup>th</sup> Floor, 6 Andrew Street, London, EC4A 3AE; and
- (3) **Premier Transmission Limited (PTL)** a company registered in Northern Ireland under company number NI 026421 and whose registered office is at First Floor, The Arena Building, 85 Ormeau Road, Belfast BT7 1SH,  
(each a **Party**, and together the **Parties**).

## Recitals

- A NGG is the transmission system operator for the national gas transmission system in Great Britain (**NGG System**).
- B GNI (UK) is a transmission system operator for the gas interconnector between Moffat in Scotland to the Republic of Ireland and the Isle of Man (the **GNI (UK) System**), which is physically connected to the NGG System at the Moffat Interconnection Point and is responsible for balancing of the GNI (UK) System.
- C PTL is the transmission system operator for the gas interconnector between Twynholm in Scotland and Ballylumford in Northern Ireland, connected to the GNI (UK) System at Twynholm and is responsible for balancing of the PTL System.
- D Gas Networks Ireland Limited (**GNI**) is the transmission system operator for the Republic of Ireland's gas transmission system (**GNI System**), for the transmission of gas to, in and from the Republic of Ireland and is responsible for balancing of the GNI System.
- E NGG and GNI (UK) have entered into the Interconnection Agreement to record the arrangements between NGG and GNI (UK) in respect of the Moffat Interconnection Point and to comply with applicable EU Codes.
- F NGG, GNI (UK) and GNI will on or about the date of this Agreement, at the request of the Regulatory Authorities enter into the GNI Tripartite Agreement to record the arrangements between NGG, GNI (UK) and GNI in respect of the Moffat Interconnection Point which will have been approved by the relevant Regulatory Authorities.
- G The Regulatory Authorities in pursuance of the objectives of Directive 2009/73/EC of the European Parliament and of the Council and in a spirit of cooperation have requested the Parties to execute the arrangements contemplated by this Agreement; and this Agreement is entered into in accordance with such request and with the approval of the relevant Regulatory Authorities to enable the Parties to comply with Relevant EU Requirements.

- H A part of the gas flowing into the PTL System via the Moffat Interconnection Point is offtaken from the PTL System at the PTL Stranraer Exit Point for supply into the distribution network at Stranraer pursuant to the arrangements under the PTL Code for transportation of such gas from the Moffat Interconnection Point between PTL and the Stranraer Operator. Under the Network Code such gas is treated as offtaken by shippers from such distribution network (as part of the Total System (as defined in the Network Code)) and not at the Moffat Interconnection Point.
- I This Agreement is the PTL Tripartite Agreement referred to in the Interconnection Agreement.

**It is agreed:**

**1 Definition and Interpretation**

**1.1 Definitions**

In this Agreement the following terms have the following meanings:

**Affiliate** means any subsidiary or holding company or any other subsidiary of any such holding company, for which purposes a company is a subsidiary of a company within the meaning of section 1159 of the Companies Act 2006.

**Agreement** means this agreement together with its Annexes.

**Alternate Amendment** has the meaning given in Clause 7.8(b).

**Amendment** has the meaning given in Clause 7.2.

**Amendment Proposal** has the meaning given in Clause 7.2.

**Balancing Code** means Commission Regulation (EU) No 312/2014 of 26 March 2014 establishing a Network Code on Gas Balancing of Transmission Networks.

**CAM Code** means Commission Regulation (EU) No 984/2013 of 14 October 2013 establishing a Network Code on Capacity Allocation Mechanisms in Gas Transmission Systems and supplementing Regulation (EC) No 715/2009.

**CER** means the Commission for Energy Regulation being the regulatory authority for the gas market in the Republic of Ireland.

**Code Modification** shall mean a modification to, or a proposal to modify the Network Code.

**Competent Authority** means any local, national or supra-national agency, authority, department, inspectorate, minister, official, court, tribunal or public or statutory person (whether autonomous or not) of the United Kingdom, the Republic of Ireland or the Isle of Man or the European Union which has jurisdiction over NGG or GNI (UK) or PTL or the subject matter of this Agreement (including, without limitation, Ofgem, NIAUR and the CER).

**Consultation Amendment** has the meaning given in Clause 7.8(c).

**Day** means a period beginning at 05.00 hours on any day and ending at 05:00 hours on the following day.

**Direction** means the direction of flow at the Interconnection Point; and in relation to IP Capacity or a Nomination, Direction signifies whether it is capacity required or a Nomination made to offtake gas from the NGG System and deliver it to the PTL System, or offtake gas from the PTL System and deliver it for the NGG System.

**Directive** means any present or future directive, regulation, request, requirement, instruction, code of practice (including the Network Code and the PTL Code), direction or rule of any Competent Authority having the force of law or if not having the force of law, if it is reasonable in all the circumstances for it to be treated as though it had legal force, or with which a Party is otherwise required to comply and any modification, extension or replacement thereof.

**EU Codes** means the Balancing Code, CAM Code and Interoperability Code.

**Exceptional Event** means:

- (a) in relation to the NGG System, a Transportation Constraint as that term is defined in the Network Code; and
- (b) in relation to the GNI (UK) System, any unplanned event that is not reasonably controllable or preventable and that may cause, for a limited period, capacity reductions, affecting thereby the quantity or quality of gas at the Moffat Interconnection Point and which may consequently result in an Exceptional Event (as that term is defined under the GNI Code of Operations) on the GNI System and/or an Exceptional Event (as that term is defined under the PTL Code) on the PTL System; and
- (c) in relation to the PTL System, an Exceptional Event as that term is defined under the PTL Code.

**Gas Day** means, in relation to the application of any provision of this Agreement, the Day in relation to deliveries, offtakes or flow of gas or other operations on which such provision is to apply and references to **D** mean any given Gas Day, references to **D-1** mean the Day before any given Gas Day and references to **D+1** mean the Day after any given Gas Day.

**Gas Deficit Emergency** means a Network Gas Supply Emergency as defined in the NGG "Procedure for Network Gas Supply Emergency" currently version 8.0 July 2012 (as amended or replaced from time to time).

**GNI Code of Operations** means the code of practice for the operation of the GNI System published by GNI pursuant to the provisions of section 13(1) of the Gas (Interim) Regulation Act 2002 and the gas transmission licence issued by the CER and as modified from time to time with the approval of the CER.

**GNI Shipper** means any shipper which is pursuant to GNI Code of Operations for the time being a shipper on the GNI System in respect of the Moffat Interconnection Point.

**GNI System** means the gas transmission system, comprising the transmission system referred to in Recital D and the capacity held by GNI in the GNI (UK) System as described in Clause 2.1(a), in respect of which GNI enters into transportation arrangements with shippers as described in Clause 2.1(c).

**GNI Tripartite Agreement** means the agreement between GNI (UK), NGG and GNI to be entered into on or about the date of this Agreement.

**GNI (UK)/GNI Transportation Agreement** means the transportation agreement dated 31 December 1993 between GNI (UK) and GNI as amended, varied, novated, supplemented from time to time.

**GNI (UK)/PTL Transportation Agreement** means the transportation agreement dated 21 August 1996 between GNI (UK) and PTL as amended, varied, novated, supplemented from time to time.

**GNI (UK) System** has the meaning given in Recital B.

**Interconnection Agreement** means the interconnection agreement between NGG and GNI (UK) dated 25 August 1998, and amended and restated on or about the date of this Agreement, as amended, varied, novated and supplemented from time to time.

**Interoperability Code** means Commission Regulation (EU) No 703/2015 of 30 April 2015 establishing a Network Code on Interoperability and Data Exchange Rules.

**Legal Requirement** means any act of parliament, regulation, licence or Directive of a Competent Authority.

**Legally Required Amendment** has the meaning given in Clause 7.4(b).

**Linked Transporter** means NGG or PTL and **Linked Transporters** means both of them.

**Moffat Interconnection Point** or **Interconnection Point** means the interconnection point at Moffat as defined in the Interconnection Agreement.

**Network Code** means the network code prepared by NGG as from time to time modified pursuant to the licence NGG holds as a gas transporter under the Gas Act 1986.

**NGG Shipper** means any gas shipper which is, pursuant to the Network Code, for the time being a User (as defined in the Network Code) of the NGG System in respect of the Moffat Interconnection Point.

**NGG System** has the meaning given in Recital A.

**NIAUR** means The Northern Ireland Authority for Utility Regulation being the regulatory authority for the gas market in Northern Ireland.

**Ofgem** means the Gas and Electricity Markets Authority being the regulatory authority for the gas market in Great Britain.

**PTL Code** means the transportation code prepared by PTL as from time to time modified pursuant to the licence that PTL holds under the Gas (Northern Ireland) Order 1996.

**PTL Shipper** means any gas shipper which is, pursuant to PTL's Transportation Arrangements, for the time being a shipper on the PTL System in respect of the Moffat Interconnection Point.

**PTL Stranraer Exit Point** means the point on the PTL System where gas is transferred from the PTL System to the Stranraer distribution network.

**PTL System** means the gas transmission system, comprising the gas interconnector referred to in Recital C and the capacity held by PTL in the GNI (UK) System as described in Clause

2.1(a), in respect of which PTL enters into Transportation Arrangements with shippers as described in Clause 2.1(b).

**Reasonable and Prudent Operator** means a person acting, in good faith, to perform its contractual obligations and, in so doing and in the general conduct of its undertaking exercising that degree of skill, diligence, prudence and foresight which would reasonably and ordinarily be expected from a skilled and experienced operator engaged in the same type of undertaking under the same or similar circumstances.

**Regulatory Authority(ies)** means Ofgem, the CER and/or NIAUR or any one or more of them as the case may be.

**Relevant EU Requirement** means in relation to a Party a requirement for any agreement, cooperation or other arrangement between transmission system operators under any provision of an EU Code which is binding on that Party;

**Relevant Interconnection Provisions** means those provisions in this Agreement, which under the Network Code, NGG has committed it will not agree to amend except:

- (a) with the approval of each NGG Shipper who for the time being holds IP Capacity at the Interconnection Point; or
- (b) pursuant to a Code Modification under the Network Code authorising such amendment; or
- (c) as may be required (in NGG's reasonable opinion) to enable any of the Parties to comply with any Legal Requirement.

**Shipper** means a NGG Shipper or a PTL Shipper.

**Stranraer Operator** means the operator of the distribution network at Stranraer as referred to in Recital H.

**System** means the NGG System or the PTL System (as the case may be).

**Transportation Arrangement** means an arrangement made by NGG with a NGG Shipper, or by PTL with a PTL Shipper for the transportation of gas in such Party's System to or from the Moffat Interconnection Point, and a reference to a Transportation Arrangement shall include the Network Code in the case of NGG and the PTL Code in the case of PTL.

1.2 The definitions at Clause 1.1 above, paragraph 2 of Annex A and paragraph 2 of Annex B are solely for the purposes of this Agreement and do not affect any of the corresponding definitions in any other agreement between any of the Parties and/or:

- (a) in the Network Code as between NGG and NGG Shippers;
- (b) in the PTL Code as between PTL and PTL Shippers;
- (c) in the GNI (UK)/PTL Transportation Agreement as between PTL and GNI (UK);
- (d) in the GNI (UK)/GNI Transportation Agreement as between GNI (UK) and GNI;

which may differ from the definitions used in this Agreement.

- 1.3 Any reference in this Agreement to the singular shall (save where the context requires otherwise) include a reference to the plural (and vice versa).
- 1.4 Reference in this Agreement to any statute, statutory instrument or statutory provision includes any amendment, re-enactment or supplement thereto.
- 1.5 References to Annexes and clauses are references to Annexes and clauses of this Agreement and, unless the context otherwise requires, and references to Articles are to Articles of the relevant EU Code.
- 1.6 Unless otherwise provided references to paragraphs are references to paragraphs of the Annex in which such reference is made.
- 1.7 The headings in and to this Agreement (including the Annexes) and in and to the clauses and paragraphs thereof are inserted for convenience only and shall not affect the construction or interpretation.
- 1.8 References to times of the day in this Agreement are to official time in the United Kingdom.
- 1.9 Any reference to a Party shall include its successors in title and permitted assigns.

## **2 Background and framework**

- 2.1 The Parties agree and acknowledge the following:
  - (a) GNI (UK) has contracted all of the capacity in the GNI (UK) System to PTL and GNI under the GNI (UK)/PTL Transportation Agreement and the GNI (UK)/GNI Transportation Agreement;
  - (b) PTL arranges with PTL Shippers for transportation of gas between the Moffat Interconnection Point and exit points on the PTL System; and capacity rights allocated by PTL to PTL Shippers may include rights pursuant to the PTL Code in respect of transportation in the GNI (UK) System utilising capacity held by PTL pursuant to the GNI (UK)/PTL Transportation Agreement;
  - (c) GNI arranges with GNI Shippers for transportation on the GNI System of gas delivered by or on behalf of such GNI Shippers at the Moffat Interconnection Point; and capacity rights allocated by GNI to GNI Shippers may include rights pursuant to the GNI Code of Operations in respect of transportation in the GNI (UK) System utilising capacity held by GNI pursuant to the GNI (UK)/GNI Transportation Agreement; and
  - (d) as a result of the allocation of capacity referred to at (a) above GNI (UK) has not entered into any other arrangements with (or allocated capacity for transportation of gas in the GNI (UK) System to) shippers.
- 2.2 If as a result of the expiry or termination of either of the GNI (UK)/PTL Transportation Agreement or the GNI (UK)/GNI Transportation Agreement or for any other reason including an increase in capacity in the GNI (UK) System, GNI (UK) has unallocated capacity on the GNI (UK) System it may be necessary to vary the terms of this Agreement in accordance with Clause 7.

- 2.3 GNI (UK) and NGG have negotiated the terms of and are amending and restating the Interconnection Agreement as required pursuant to EU Codes. The Interconnection Agreement refers to the nominations matching process in this Agreement.
- 2.4 GNI (UK) and PTL agree pursuant to the request of the Regulatory Authorities to the arrangements with respect to the bundling, in accordance with the terms set out in Annex A, of the capacity held by PTL pursuant to the GNI (UK) / PTL Transportation Agreement. PTL and GNI (UK) agree that such arrangements are without prejudice to any of the terms and conditions of the GNI (UK)/PTL Transportation Agreement and all rights and entitlements of GNI (UK) and PTL pursuant to that agreement.
- 2.5 In light of the arrangements described in Clauses 2.1(a) and 2.1(b), the Parties agree and acknowledge as follows in connection with those arrangements and in relation to Relevant EU Requirements:
  - (a) the arrangements set out in Annex A (*Capacity*) are made inter alia to address such Relevant EU Requirements under Articles 5, 6, 7, 19, 20, 22, 23, and 27 of the CAM Code;
  - (b) the arrangements set out in Annex B (*Nominations*) are the arrangements referred to in Annex G of the Interconnection Agreement and are made to address certain Relevant EU Requirements under Articles 3(c), 8, and 10 and 21 of the Interoperability Code and Article 12(3) of the Balancing Code; and
  - (c) the arrangements set out in Annex C (*Allocations*) are the arrangements referred to in Annex H paragraph 6 of the Interconnection Agreement and are made to address certain Relevant EU Requirements under Article 9(1) of the Interoperability Code.
- 2.6 Pursuant to the Interconnection Agreement, physical flows of gas at the Interconnection Point are only permitted as exit flows from the NGG System and entry flows into the GNI (UK) System and accordingly:
  - (a) firm capacity (in the NGG System or the PTL System) at the Interconnection Point may only be allocated in that Direction; and capacity in the other Direction may only be interruptible; and
  - (b) nominations and allocations (for the purpose of this Agreement) in the Direction of offtake of gas from the GNI (UK) System and delivery to the NGG System are only possible to the extent that there are nominations and allocations of a greater amount in the opposite Direction.

### **3 Duration**

- 3.1 This Agreement shall be effective from the date of this Agreement and (subject to amendment under Clause 7) shall continue until terminated pursuant to Clause 3.2 or 3.3 unless amended or extended pursuant to Clause 7.
- 3.2 Where prior regulatory approval has been obtained, the Parties shall have the option to terminate this Agreement at any time by mutual consent.
- 3.3 If the GNI (UK)/PTL Transportation Agreement is not extended or varied or if alternative arrangements with respect to the availability of capacity in the GNI(UK) System for the transportation of gas from Moffat to Twynholm for Northern Ireland have not been agreed

prior to the termination or expiry of the GNI (UK)/PTL Transportation Agreement or this Agreement has not been amended in accordance with Clause 7 to take account of any such extension or variation to the GNI (UK)/PTL Transportation Agreement or alternative arrangements then this Agreement shall terminate on the expiry or termination of the GNI (UK)/PTL Transportation Agreement or on such other date as may be agreed between the Parties.

- 3.4 Termination shall be without prejudice to the claims of a Party in respect of any breach of this Agreement prior to termination or any right to claim under any indemnity contained in this Agreement that arises prior to termination.

#### **4 Operational provisions**

- 4.1 PTL and NGG agree to implement and comply with Annex A in relation to bundling of capacity held by PTL pursuant to the GNI (UK)/PTL Transportation Agreement and marketing of that capacity by PTL to PTL Shippers including as Bundled IP Capacity with capacity made available by NGG to NGG Shippers.

- 4.2 The Parties agree to implement and comply with Annex B in relation to matching of nominations by NGG Shippers and PTL Shippers as contemplated by Annex G of the Interconnection Agreement.

- 4.3 The Parties agree to implement and comply with Annex C in relation to allocation of quantities to NGG Shippers and PTL Shippers which reflects the allocation principles described in Annex H paragraph 6 of the Interconnection Agreement.

- 4.4 In relation to Exceptional Events it is agreed that:

- (a) information concerning Exceptional Events occurring on the NGG System will be communicated (pursuant to the Interconnection Agreement) by NGG to GNI (UK) and not directly to PTL;
- (b) information concerning Exceptional Events occurring on the PTL System will be communicated by PTL to GNI (UK) (in accordance with the GNI (UK)/PTL Transportation Agreement and this Agreement) and not directly to NGG;
- (c) GNI (UK) will communicate information with respect to Exceptional Events which it receives from PTL to NGG and which it receives from NGG to PTL;
- (d) the obligations to communicate information referred to in paragraphs (a), (b) and (c) are to be carried out as soon as reasonably practicable after the relevant Party becomes aware of or receives information relating to the Exceptional Event; and
- (e) such arrangements are made to address the Relevant EU Requirements in Article 10(1) and (2) of the Interoperability Code.

- 4.5 The reference conditions in the definitions of **calorific value** and **cubic metre** in the Interconnection Agreement apply at the Interconnection Point.

- 4.6 Each Party notifies its respective Shippers of any Exceptional Event or curtailment pursuant to its respective Transportation Arrangements.

#### **5 Scope of Agreement**

- 5.1 The scope of this Agreement is limited to the matters provided for in Clause 4 and ancillary matters provided for in this Agreement.
- 5.2 Accordingly this Agreement does not govern the following:
  - (a) the relationship between NGG and GNI (UK) in respect of physical interconnection (at the Interconnection Point) between the NGG System and the GNI (UK) System (which is governed by the Interconnection Agreement);
  - (b) the relationship between NGG, GNI (UK) and GNI concerning the arrangements for capacity bundling, nominations matching and communications in exceptional events in respect of the Moffat Interconnection Point (which is governed by the GNI Tripartite Agreement);
  - (c) the relationship between GNI (UK) and PTL in respect of interconnection between the GNI (UK) System and the PTL System, and capacity in the GNI (UK) System, which is governed by the GNI (UK)/PTL Transportation Agreement.
- 5.3 This Agreement is entered into for the purpose of facilitating compliance with the requirements of the applicable Regulatory Authorities and Relevant EU Requirements and nothing in this Agreement shall alter, or shall be relied on or construed in a manner which alters, the nature of the relationship as between GNI (UK) and PTL pursuant to the GNI (UK)/PTL Transportation Agreement.

## **6 General**

- 6.1 Without prejudice to any other agreement between any of the Parties, nothing in this Agreement shall of itself:
  - (a) impose or confer on any Party any obligation to or entitlement against another Party to deliver gas to or offtake gas from such other Party's system, or as to the rates, quantities, pressure and quality of gas so delivered or offtaken (it being acknowledged that the only persons having such obligations or entitlements are NGG Shippers in respect of the NGG System and PTL Shippers in respect of the PTL System);
  - (b) make any provision of any Transportation Arrangement of any Party, the GNI (UK)/PTL Transportation Agreement or the GNI (UK)/GNI Transportation Agreement binding as between any of the Parties;
  - (c) (without prejudice to paragraph (a) above and other provisions of this Agreement) impose or confer on any Party any obligation to deliver or offtake gas at the Moffat Interconnection Point;
  - (d) confer on any NGG Shipper or PTL Shipper (or any gas shipper of an assignee of any Party under Clause 14) any right or entitlement as against any Party; or
  - (e) impose or confer on either NGG, NGG Shippers, PTL or PTL Shippers any obligation or entitlement against GNI (UK) to deliver gas to or offtake gas from the GNI (UK) System, or as to the rates, quantities, pressure and quality of gas so delivered or offtaken (it being acknowledged that the obligations or entitlements of NGG Shippers, PTL Shippers and/or any party which is for the time being a shipper on the GNI (UK) System) are addressed in other agreements or applicable codes of operations).

- 6.2 This Agreement shall not require any Party to reinforce any part of its System or to take any other step with a view to it being feasible to accept the delivery of gas into, or make gas available for offtake from its System at the Moffat Interconnection Point in any quantities or at any rate.
- 6.3 Each of NGG and PTL acknowledges that (in the case of NGG) PTL's Transportation Arrangements and (in the case of PTL) NGG's Transportations Arrangements contain or may contain provisions pursuant to which the delivery or offtake of gas to or from that Party's System by (in the case of NGG) NGG Shippers and (in the case of PTL) PTL Shippers may be suspended or discontinued and/or the rate of such delivery or offtake may be limited.
- 6.4 NGG acknowledges that the GNI (UK)/PTL Transportation Agreement contains or may contain provisions pursuant to which the offtake of gas from the NGG System at the Moffat Interconnection Point by PTL may be suspended or discontinued or the rate of such delivery of offtake may be limited.
- 6.5 PTL acknowledges that the Interconnection Agreement contains provisions in connection with profiling of gas flows and flow rate changes at the Interconnection Point as well as Network Entry Provisions and Operating Procedures pursuant to which the offtake of gas from the NGG System and the rate of change in offtake of such gas from the NGG System at the Moffat Interconnection Point may be affected or limited.
- 6.6 Save as expressly provided otherwise in this Agreement, each Party will perform its duties under this Agreement in accordance with the standard of a Reasonable and Prudent Operator and in compliance with the terms and conditions of this Agreement and agreed procedures.

## 7 Amendment of this Agreement

- 7.1 The Parties may, at any time, amend this Agreement in accordance with this Clause 7.
- 7.2 Any Party may propose an amendment to this Agreement (an **Amendment**) to the other Parties by sending written notice to the other Parties (an **Amendment Proposal**). The Amendment Proposal shall include:
  - (a) a description of the relevant proposed Amendment in sufficient detail to enable the other Parties to evaluate the proposed Amendment in full, together with its reasons for proposing the Amendment;
  - (b) draft legal text implementing the proposed Amendment;
  - (c) a statement of whether an Amendment is required for compliance with a Legal Requirement applying to any Party;
  - (d) the date by which the proposing Party wishes the proposed Amendment to be implemented (if any);
  - (e) (where the proposing Party is NGG or GNI (UK)), a statement of whether an associated amendment has been or will be proposed to the Interconnection Agreement and/or the GNI Tripartite Agreement.
- 7.3 Each of the receiving Parties shall within fifteen (15) Business Days after the date on which the Amendment Proposal was sent (the **date** of the Amendment Proposal), give notice to the

proposing Party and the other receiving Party (having given such Amendment Proposal reasonable consideration):

- (a) stating whether it agrees with the Amendment Proposal or not, and if it does not, specifying what it disagrees with and the reasons for which it disagrees; and
- (b) if such receiving Party wishes to propose an alternative Amendment, setting out the details in Clause 7.2; and/or
- (c) stating whether it requires further information, together with a statement of the further information it requires, to evaluate the Amendment Proposal (in which case the proposing Party will provide such additional information to both other Parties as soon as reasonably practicable, and in any event within ten (10) Business Days and the receiving Parties shall repeat the steps in Clause 7.3(a) and (b) following receipt of such additional information).

7.4 Representatives of the Parties shall meet within 45 Business Days after the date of the Amendment Proposal or if later within 30 Business Days after the provision of any further information required pursuant to Clause 7.3 to discuss *inter alia*:

- (a) whether the proposed Amendment is an Amendment on which:
  - (i) any Party is required to consult under the Interoperability Code; or
  - (ii) the relevant Regulatory Authorities may require NGG, GNI (UK) or PTL to consult prior to seeking regulatory approval;

and if any Party considers that the proposed Amendment satisfies either (i) or (ii) above, the proposed Amendment will be treated as requiring such consultation;

- (b) whether an Amendment is required for compliance with a Legal Requirement (**a Legally Required Amendment**); and if the Parties are unable to agree, Clause 7.7 will apply;
- (c) the Amendment Proposal and any alternative Amendment proposed under Clause 7.3(b), with a view to agreeing upon whether and if so what amendments are to be made to this Agreement.

7.5 Prior to or at the meeting to be held in accordance with Clause 7.4,

- (a) NGG will notify the other Parties whether it considers, in its sole discretion, that the Amendment relates to a Relevant Interconnection Provision under the Network Code;
- (b) GNI (UK) will notify the other Parties whether it considers in its sole discretion, that the Amendment is an amendment in respect of which GNI (UK) or GNI is required to consult with GNI Shippers in accordance with the provisions of any applicable EU Code or GNI Code of Operations; and
- (c) PTL will notify the other Parties whether it considers in its sole discretion that the Amendment is an amendment in respect of which PTL is required to consult with Shippers in accordance with the provisions of the PTL Code or any applicable EU Code,

and if any Party considers that the proposed Amendment satisfies Clause 7.5(a), (b) or (c), respectively the proposed Amendment will be treated as requiring such consultation or, in the case of NGG, relating to a Relevant Interconnection Provision under the Network Code.

- 7.6 If agreement is not reached on any matter set out in Clause 7.4(a) or (c) within 30 Business Days after the meeting of the Parties' representatives pursuant to that Clause, directors or other senior representatives of the Parties with authority to settle any disagreement will, within 20 Business Days of a written request from one Party to the others, meet in a good faith effort to resolve any disagreement.
- 7.7 If, within 20 Business Days after the date of the meeting referred to in Clause 7.4, the Parties are unable to reach agreement on whether an Amendment is Legally Required:
  - (a) the Parties shall jointly consult with (including making available a director or other senior representative to meet jointly with) Ofgem together with the CER and NIAUR, with a view to reaching agreement, and
  - (b) if the disagreement is not resolved within 20 Business Days after such meeting with the Regulatory Authorities, any Party may refer the disagreement as to whether an Amendment is Legally Required for determination by an expert in accordance with Clause 13, prior to any Party taking any further steps in respect of such Amendment.
- 7.8 Within 150 Business Days after the date of an Amendment Proposal (or as soon as practicable after a determination under Clause 7.7(b)) the Parties will record:
  - (a) whether they agree upon the Amendment to be made to this Agreement and (if so) the agreed form of that Amendment; or
  - (b) if the Parties do not agree upon the Amendment to be made to this Agreement, the forms of the Amendment which each of them proposes (each being an Alternate Amendment). Where possible the Parties will cooperate, notwithstanding this Clause 7, with a view to having two rather than three separate Alternate Amendments, and where two of the Parties agree on an Alternate Amendment, it shall be treated for the purposes of this Clause as proposed by both of them; and
  - (c) whether the Amendment is to be consulted on pursuant to Clause 7.4(a), 7.5(a), 7.5(b) and/or 7.5(c) (a **Consultation Amendment**).
- 7.9 Following the procedures in Clauses 7.1 to 7.8, subject to Clause 7.7:
  - (a) if the Parties have agreed on an Amendment, Clause 7.11 shall apply;
  - (b) if the Parties have not agreed on an Amendment, and an Amendment is Legally Required, then:
    - (i) subject to paragraph (ii), Clause 7.13 shall apply;
    - (ii) if the Parties agree that the proposed Amendment relates to a technical matter, Clause 7.12 shall apply;
  - (c) if the Parties have not agreed on an Amendment, and an Amendment is not Legally Required, the Amendment Proposal (and any alternative Amendment proposed under Clause 7.3(b)) shall lapse, and no further action shall be taken in respect of the

Amendment Proposal or alternative Amendment, and no Party shall be obliged to amend this Agreement.

- 7.10 Where Clause 7.9(b)(i) or 7.9(b)(ii) applies, if at any time before submission to the relevant Regulatory Authorities, the Parties reach agreement on an Amendment, Clause 7.11 will apply in respect of the Amendment from that time onwards.

### **Agreement on proposed Amendments**

- 7.11 If the Parties have agreed on an Amendment:

- (a) where the Amendment relates to a Relevant Interconnection Provision, NGG will, in accordance with the Network Code propose a Code Modification (but may in parallel seek to obtain approval of the NGG Shippers to the proposed Amendment), unless NGG considers that it is entitled, pursuant to the Network Code, to agree the Amendment because it is Legally Required in Great Britain, in which case it will consult with Users to the extent that NGG considers appropriate;
- (b) if it is a Consultation Amendment the Parties (as applicable) will consult upon the Amendment as set out in Clause 7.14 below, without prejudice to any legally required consultation procedure and prior to taking any further steps as set out in (c) to (h) below;
- (c) each of GNI (UK) and PTL will submit the Amendment, incorporating any changes as agreed between the Parties, to Ofgem for approval under any applicable Interconnection Licence Condition, and, in the case of an Amendment which is a Consultation Amendment, together with the results of consultation;
- (d) GNI (UK) will procure that GNI will submit the Amendment, incorporating any changes as agreed between the Parties, to the CER for approval and, in the case of an Amendment which is a Consultation Amendment, together with the results of consultation;
- (e) PTL will submit the Amendment, incorporating any changes as agreed between the Parties, to NIAUR for approval and, in the case of an Amendment which is a Consultation Amendment, together with the results of consultation;
- (f) where (as provided in Clause 7.2(e)) an associated amendment to the Interconnection Agreement or the GNI Tripartite Agreement has also been proposed, the Parties shall defer implementation of the Amendment pending finalisation of any proposed amendment to such other Agreements, unless this would contravene a Legal Requirement;
- (g) subject to paragraph (f), upon and subject to the approval of all the Regulatory Authorities and (where applicable under paragraph (a)) approval of the relevant Code Modification, the Parties shall amend this Agreement to incorporate the Amendment; and
- (h) if any Regulatory Authority does not approve any Amendment, the proposal will lapse (but this does not prevent a Party from making a new Amendment Proposal taking into account any comments made by the Regulatory Authorities when rejecting the proposals).

### **Non-Agreed Amendment - Technical Matter**

7.12 If the Parties have not agreed on an Amendment (where one is Legally Required), and they agree that the proposed Amendment relates to a technical matter:

- (a) before taking any of the steps in accordance with Clause 7.11, the Parties will refer each Alternate Amendment to an expert to determine, in accordance with Clause 13 what Amendment is necessary on the following basis:
  - (i) the Amendment should (unless the Parties agree otherwise) be the minimum necessary for compliance with the relevant Legal Requirement; and
  - (ii) the Amendment should create the least adverse consequences for each Party consistent with enabling compliance with the relevant Legal Requirement,
- and in so determining, the expert may choose one of the Alternate Amendments or decide on another Amendment; and
  - (iii) the expert shall have regard to each Alternate Amendment;
  - (iv) the expert shall be required to provide the text for the Amendment that the expert determines, and to determine the date from which such amendment is to be effective; and
- (b) the Amendment decided by the expert shall be treated as an agreed Amendment for the purposes of Clause 7.11 (and no other proposed Amendment will be pursued further).

#### **Non-Agreed Amendment - not a Technical Matter**

7.13 If the Parties have not agreed on an Amendment (where one is Legally Required) and they do not agree that the proposed Amendment relates to a technical matter or they agree that the proposed Amendment does not relate to a technical matter:

- (a) the requirements in paragraphs 7.11(a) to (e) shall apply, and the Parties shall comply with those requirements, in respect of each Alternate Amendment separately but simultaneously, for the avoidance of doubt Clause 7.14(g) shall apply to each Alternate Amendment, such that a Party may change its Alternate Amendment following consultation prior to submission of such Alternate Amendment to the Regulatory Authorities for approval;
- (b) Clause 7.11(f) shall apply in relation to the Alternate Amendment (if any) which is approved;
- (c) subject to Clause 7.11(f), upon and subject to:
  - (i) the approval, in relation to one of the Alternate Amendments, of Ofgem (for each of GNI (UK) and PTL) under the applicable Interconnection Licence Condition and (where applicable under paragraph (a)) approval of the relevant Code Modification; and
  - (ii) the approval, in relation to the same Alternate Amendment, of the CER; and
  - (iii) the approval, in relation to the same Alternate Amendment, of NIAUR;

- the Parties shall amend this Agreement to incorporate that Alternate Amendment;
- (d) if one of the Alternate Amendments is not approved as provided in Clause 7.13(c), the proposals will lapse (but this does not prevent a Party from making a further Amendment Proposal taking into account any comments made by the Regulatory Authorities when rejecting the proposals).

### **Consultation Amendments**

- 7.14 The basis on which the Parties shall consult in respect of a Consultation Amendment under Clause 7.11(b) is:
- (a) where consultation is required under Clause 7.4(a), the Parties will contemporaneously consult with their shippers on the Amendment or (as the case may be) each Alternate Amendment;
- (b) if the Amendment(s) relate to a Relevant Interconnection Provision, the consultation by NGG will be by way of consultation under the Network Code modification procedures (unless NGG obtains the approval of all Users at the relevant Interconnection Point);
- (c) where consultation is required by GNI (UK) or GNI under Clause 7.5(b), GNI (UK) and GNI will consult with their shippers on the Amendment or (as the case may be) each Alternate Amendment in accordance with the GNI Code of Operations;
- (d) where consultation is required by PTL under Clause 7.5(c), PTL will consult with its Shippers on the Amendment or (as the case may be) each Alternate Amendment in accordance with the PTL Code;
- (e) NGG, GNI (UK) and PTL will endeavour to coordinate the consultations under paragraphs (a) to (d) as applicable;
- (f) in the case of an agreed Amendment, the Parties may change the Amendment following consultation undertaken pursuant to this Clause 7.14 if the Parties agree on the changes to be made to the Amendment, but not otherwise;
- (g) in the case of Alternate Amendments, each Party may change its Alternate Amendment following consultation (and in the case of NGG, in the case of a Relevant Interconnection Provision, to the extent permitted by the Network Code modification rules). If a Party changes its Alternate Amendment it will discuss the changes with the other Parties.

### **General**

- 7.15 Each Party shall bear its own costs of the preparation of all documentation and negotiation of changes, save as where otherwise agreed in writing by the Parties, except that the experts costs shall be paid in accordance with Clause 13.
- 7.16 The Parties may, except in respect of the period for consultation set out in Clause 7.14 vary, by agreement of all of the Parties, any of the time periods or procedures set out in this Clause 7, subject always for the avoidance of doubt to each Party complying with any Legal Requirement relating to such time periods.

- 7.17 Nothing agreed between the Parties amends this Agreement or otherwise binds the Parties (except as to these procedures) until and unless an Amendment is approved by the Regulatory Authorities.
- 7.18 The Parties acknowledge that it is their mutual aim to conclude and implement an amendment to this Agreement within twelve (12) months of an Amendment Proposal being received in respect of that Amendment.
- 7.19 The Parties shall inform the Regulatory Authorities of the implementation of an Amendment within ten (10) days after its implementation.
- 7.20 No Party shall be obliged to comply with any provision of this Agreement to the extent that such compliance would place such Party in breach of a Legal Requirement and the Party shall not be in breach of this Agreement as a result of any such failure provided such Party notifies the other Parties of:
- (a) the applicable Legal Requirement,
  - (b) the provision of this Agreement with which the Party cannot lawfully comply,
- and proposes an Amendment in accordance with Clause 7 as soon as reasonably practical.
- 7.21 GNI (UK) and NGG agree that where a proposed amendment of the Interconnection Agreement relates to any of the provisions of the Interconnection Agreement listed in Clause 7.22:
- (a) they will give PTL the opportunity (pursuant to consultation as required under the Interconnection Agreement or otherwise) to make representations as to whether the amendment would adversely affect the rights and obligations of PTL under this Agreement; and
  - (b) such representations will be included in the materials submitted to the Regulatory Authorities when submitting such Amendment to the Regulatory Authorities for approval in accordance with an applicable licence condition and/or applicable statutory provision.
- 7.22 The provisions of the Interconnection Agreement are:
- (a) defined terms which are used in this Agreement;
  - (b) clauses 12 (*Dispute Resolution*) and 13 (*Expert*);
  - (c) Annex G (*Matching Process for the Purpose of Interoperability Code*);
  - (d) Annex H (*Operational Balancing Account and Allocation Principles*); and
  - (e) Annex I (*Capacity Optimisation Process*)

## **8 Liability**

- 8.1 No Party shall be liable to another Party with respect to a failure of any Shipper to comply with NGG's or PTL's Transportation Arrangements or, in the case of GNI (UK), the GNI (UK)/PTL Transportation Agreement or the GNI (UK)/GNI Transportation Agreement, as applicable.

- 8.2 Each Party (the **first Party**) shall itself bear the risk of any loss, damage or liability which the first Party may suffer:
- (a) arising in connection with or as a result of another Party's performance or failure to perform (whether negligently or otherwise) its obligations set out in Annex A (*Capacity*), Annex B (*Nominations*) or Annex C (*Allocations*), except as expressly provided in any such Annex; or
  - (b) in consequence of or acting on any information provided by any other Party under this Agreement, irrespective of the accuracy or completeness of such information, without prejudice to any provision in this Agreement for the correction or adjustment of any incompleteness or inaccuracy,
- and the first Party accordingly waives any liability (in contract or tort or otherwise) of any other Party in respect of any such loss, damage or liability of the first Party.
- 8.3 Without prejudice to any other provision of this Agreement excluding or limiting the liability of any Party to any other Party, and subject to Clause 8.6, no Party shall be liable to any other Party for:
- (a) any claim for loss, damage and/or expense of a third party; or
  - (b) any indirect loss, indirect damage, indirect cost and indirect financial harm, of whatever kind and nature suffered by the other Party under or in connection with this Agreement, howsoever caused (including the default or negligence of the other Party or a breach of any duty owed in law by the other Party).
- 8.4 Nothing in this Agreement limits a Party's liability for injury or death caused by negligence.
- 8.5 Nothing in this Agreement limits a Party's liability for any loss, damage or liability caused by the wilful default of, or fraudulent misrepresentation or fraudulent concealment by, that Party.
- 8.6 Without prejudice to any other agreement between the Parties, each Linked Transporter (A) agrees to indemnify each other Party on demand in respect of any costs, losses or damages incurred by such other Party as a result of a relevant claim made by a Shipper of Linked Transporter A against such other Party arising out of any failure by the other Party to comply with any provision of this Agreement (whether negligently or otherwise) in respect of:
- (a) the determination of the Processed Nomination Quantity or Confirmed Nomination Quantity in respect of such Shipper's Nomination; or
  - (b) the determination of the quantities to be allocated (pursuant to a Nomination) to such Shipper,
- and the terms referred to in sub-clauses (a) and (b) above shall have the meanings assigned thereto under paragraph 2 of Annex B.
- 8.7 For the purposes of Clause 8.6 a relevant claim is a claim in respect of costs, losses or damages of the Shipper arising pursuant to the provisions of Linked Transporter A's Transportation Arrangements.

- 8.8 The indemnity in Clause 8.6 shall not apply in respect of any claim made by a Shipper pursuant to any contract between that Shipper and any Party other than Linked Transporter A or for fraudulent misrepresentation or fraudulent concealment by another Party.

## **9 Information and Confidentiality**

- 9.1 Each of NGG and PTL may disclose the terms of this Agreement to its respective Shippers (or a person who intends to become such a Shipper), and GNI (UK) may disclose the terms of this Agreement to GNI and GNI Shippers, and each Party may disclose the terms of this Agreement pursuant to any Legal Requirement, to any Competent Authority and to any expert for the purpose of expert determination.
- 9.2 Each Party may disclose any information obtained from any other Party pursuant to this Agreement respectively to any Shipper of such Party and to any agent of any such Shipper, in each case to the extent contemplated by this Agreement or so far as required for the purposes of or in order to comply with their respective Transportation Arrangements or in the case of GNI (UK), the GNI (UK)/PTL Transportation Agreement and the GNI (UK)/GNI Transportation Agreement.
- 9.3 Each Party may disclose any information obtained from either of the other Parties pursuant to this Agreement to any Competent Authority or pursuant to any Legal Requirement.
- 9.4 No Party may disclose information in relation to the affairs of any individual Shipper which it receives pursuant to this Agreement save to the extent required by law or necessary to perform its obligations pursuant to this Agreement or any agreement referred to in this Agreement.
- 9.5 Subject to Clauses 9.2 and 9.3 and 9.4, each Party shall keep confidential and shall not disclose any information relating to the affairs of the other Parties which it obtains pursuant to this Agreement, other than information which is in the public domain or which it also obtains (other than under a duty of confidence) other than pursuant to this Agreement and save to the extent to which it is required to disclose such information by any Legal Requirement.
- 9.6 Nothing in this Agreement shall require any Party to operate its System in accordance with any instructions or information received from another Party.
- 9.7 This Clause is without prejudice to the provisions as to confidentiality of:
- (a) any Transportation Arrangement, as between (as the case may be):
    - (i) PTL and PTL Shippers; or
    - (ii) NGG and NGG Shippers;
  - (b) the GNI (UK)/PTL Transportation Agreement, as between GNI (UK) and PTL; or
  - (c) the GNI (UK)/GNI Transportation Agreement as between GNI (UK) and GNI.
  - (d) the Interconnection Agreement, as between GNI (UK) and NGG.

## **10 Force majeure**

- 10.1 For the avoidance of doubt, the provisions of this Agreement shall be without prejudice to any question as to whether a Party is entitled, as a result of circumstances constituting force

majeure for the purposes of its Transportation Arrangements (or, in the case of GNI (UK), the GNI (UK)/PTL Transportation Agreement), to any relief in respect of its obligations (or liability in respect of its obligations).

- 10.2 For the purposes of this Agreement, a **Force Majeure Event** shall mean any event or circumstance or combination of events or circumstances which is beyond the reasonable control of a Party and which, or the effect of which, adversely affects the performance by that Party of its obligations under or pursuant to this Agreement provided, however, that any such event or circumstance, or combination of events or circumstances, shall not constitute a Force Majeure Event hereunder if it could have been prevented, overcome, or remedied by the affected Party through the exercise of reasonable diligence and reasonable care. Force Majeure Events hereunder shall include (without limitation) each of the following events and circumstances, but only to the extent that each satisfies the above requirements:
  - (a) any act of war (whether declared or undeclared), hostilities, invasion, armed conflict or act of foreign enemy, blockade, embargo, mobilisation, requisition, revolution, riot, insurrection, civil commotion or disorder, act of terrorism, or sabotage;
  - (b) an act of God;
  - (c) radioactive contamination, ionising radiation or contamination by radioactivity from any nuclear fuel, or from any nuclear waste from the combustion of nuclear fuel, radioactive toxic explosive, or other hazardous properties;
  - (d) strikes, works to rule or go-slows;
  - (e) earthquake, tidal wave, flood, storm, cyclone, typhoon, tornado, lightning, landslip or landslide or adverse weather or climatic conditions;
  - (f) fire or explosion;
  - (g) epidemic or plague;
  - (h) unlawful, illegal, criminal or negligent acts of third parties;
  - (i) any event or circumstances of a nature analogous to the foregoing.
- 10.3 If, by reason of a Force Majeure Event, a Party is wholly or partially unable to carry out its obligations under this Agreement, the affected Party shall give the other Parties notice of the Force Majeure Event as soon as practicable, describing the Force Majeure Event and the obligations affected together with an estimate of the period of time that the affected Party will be unable to perform the obligations and any other relevant matters.
- 10.4 Failure by the affected Party to give notice of a Force Majeure Event to the other Parties as required by Clause 10.3 shall not prevent the affected Party from giving such notice at a later time; provided however, that in such case, the affected Party shall not be excused pursuant to Clause 10.6 from any failure or delay in complying with its obligations under or pursuant to this Agreement until the notice required by Clause 10.3 has been given.
- 10.5 The affected Party shall use all reasonable efforts to mitigate the effects of a Force Majeure Event, including, but not limited to, the payments of all sums of money which are reasonable and cost effective in the light of the likely efficacy of the mitigation measures. This Clause 10.5 shall not oblige the affected Party to settle any labour dispute.

- 10.6 So long as the affected Party has, at all times since the occurrence of the Force Majeure Event, complied with its obligations under Clause 10.5 and continues so to comply, then:
- (a) the affected Party shall not be liable for any failure or delay in performing its obligations (other than the obligation on the part of any Party to make any payments to another Party under or pursuant to this Agreement) to the extent that such failure or delay has been caused or contributed to by the Force Majeure Event or its effects; and
  - (b) the time limits and deadlines for the performance by the affected Party of its obligations under this Agreement (other than the obligation on the part of any Party to make any payments to another Party under or pursuant to this Agreement) which are affected by such Force Majeure Event shall be extended Day to Day for so long as the relevant Force Majeure Event or its effects continue.

## **11      Emergencies**

The Parties acknowledge that, where emergency circumstances affect any of their respective physical systems, the necessary cooperation and the chain of communication will be between NGG and GNI (UK) (under the Interconnection Agreement), and between GNI (UK) and PTL (under the GNI (UK)/PTL Transportation Agreement); and unless all the Parties otherwise agree, NGG and PTL will not communicate directly for the management of such emergency circumstances.

## **12      Dispute resolution**

- 12.1 For the purposes of this Agreement, a dispute is any dispute or difference, arising out of or in connection with this Agreement, except for any difference concerning an Amendment to this Agreement.
- 12.2 Nothing in this Agreement shall prevent any Party from seeking interim or interlocutory relief in any court.
- 12.3 Where the Agreement provides or the Parties agree to refer a matter to an expert for determination, any Party may refer a matter to an expert in accordance with Clause 13.
- 12.4 A Party shall give a written notice detailing the subject matter of a dispute to each other Party to a dispute and shall provide relevant supporting information as is reasonable with the notice.
- 12.5 The Parties to a dispute shall use reasonable endeavours to resolve the dispute within thirty (30) days after the date of receipt of the notice by the last Party to receive written notice in accordance with Clause 12.4.
- 12.6 If the Parties to a dispute are unable to resolve the dispute within the period specified in Clause 12.5, the dispute will be settled in the English courts, save where the matter may be referred to an expert for determination in accordance with Clause 12.3.
- 12.7 Except where otherwise provided in this Agreement, any notice, submission, statement or other communication relating to any dispute to be given pursuant to this Agreement by or to any Party or an expert, shall be in writing.

- 12.8 If a dispute arises under this Agreement, which is to be resolved in the English courts and raises issues relevant to the GNI Tripartite Agreement, GNI shall be notified of the issues in dispute by NGG and GNI (UK).
- 12.9 If a dispute arises under the Interconnection Agreement which is to be resolved by expert determination pursuant to clauses 12 and 13 of the Interconnection Agreement and such dispute raises issues which could affect the rights or obligations of any Party pursuant to this Agreement, NGG and GNI (UK) shall notify PTL with full details of such issues as soon as reasonably practicable in writing and PTL may participate in the determination pursuant to clauses 12 and 13 of the Interconnection Agreement as if it were a party to that agreement to the extent that the dispute relates to such issues. Where PTL decides to participate in a determination pursuant to clause 12 and 13 of the Interconnection Agreement in this manner, all references to "Party", "Parties", "party" or "parties" in clauses 13.3 to 13.28 of the Interconnection Agreement shall be deemed to include PTL. The determination of the expert in any determination under the Interconnection Agreement, where PTL has received prior written notification from NGG and GNI (UK) pursuant to this Clause 12.9 that the dispute raises issues relevant to this Agreement, shall be final and binding on PTL in relation only to the issues relevant to this Agreement (whether or not PTL actually does participate) save in the event of fraud or manifest error.

## **13 Expert determination**

- 13.1 A dispute which is to be referred to or resolved by determination by an expert shall be determined by an individual appointed as expert in accordance with this Clause 13.
- 13.2 A Party seeking the referral of such matter to an expert shall give notice to the other Parties that it wishes an expert to be appointed and with such notice shall provide:
  - (a) details of the matter which it proposes shall be resolved by the expert;
  - (b) nominate two (2) persons as proposed experts; and
  - (c) the proposed terms of reference.
- 13.3 Within seven (7) days after service of the notice under Clause 13.2 was given, each Party (other than the Party giving such notice) may by notice to each other Party nominate up to two (2) other persons as proposed experts.
- 13.4 The Parties shall endeavour to agree upon the selection of an expert within fourteen (14) days after service of the notice under Clause 13.2 and may meet for this purpose.
- 13.5 If, within twenty-one (21) days from the service of the notice under Clause 13.2, the Parties have failed to agree upon the identity of the expert and/or the terms of reference then the matter may be referred by any Party to the President for the time being of the Law Society of England and Wales who shall be requested to select the expert in accordance with this Clause and, if willing to do so, settle the terms of reference of such expert within thirty (30) days and whose decision shall be final and binding on the parties to the dispute.
- 13.6 Upon an expert being agreed or selected under the foregoing provisions of this Clause any Party shall forthwith notify such expert of his selection and of the proposed terms of his appointment and shall request him to confirm within fourteen (14) days to the Parties whether or not he is willing and able to accept the appointment on the terms proposed.

- 13.7 The notification to the expert shall include the following:
  - (a) the names of the Parties and a summary of the dispute;
  - (b) the proposed terms of his appointment;
  - (c) a statement that the information disclosed in the notification is confidential and that it should not be disclosed, copied or revealed whether the appointment is accepted or not; and
  - (d) a request for confirmation that the expert is able and willing to act in accordance with the proposed terms of his appointment.
- 13.8 If the expert shall be either unwilling or unable to accept the appointment or has not confirmed his willingness and ability to accept such appointment within the period referred to in Clause 13.6 then (unless the Parties are able to agree on the appointment of another expert) the matter may be referred by any Party to the President for the time being of the Law Society of England and Wales who shall be requested to make a further selection and the process shall be repeated until an expert is found who accepts the appointment in accordance with the proposed terms.
- 13.9 No later than seven (7) days following his appointment, the expert shall, by giving reasonable notice to each Party, convene a meeting with the Parties at which he shall raise any matters upon which he requires clarification, and discuss with the Parties any additional procedural requirements he or they may have.
- 13.10 The Parties shall, not later than fourteen (14) days after the appointment of the expert, submit to the expert and to each other Party written submissions of not more than ten (10) pages in length together with all supporting documentation, information and data which they wish to submit in respect of the dispute and the Parties may also submit a statement of facts which they have agreed between themselves to the expert.
- 13.11 Each Party may, not later than twenty-eight (28) days after the appointment of the expert, submit to the expert and the other Parties written submissions of not more than ten (10) pages in length, together with any additional supporting documentation, information and data, in reply to the submissions made under Clause 13.10.
- 13.12 The expert shall disregard any documentation, information, data or submissions supplied or made (other than pursuant to Clause 13.14) by any Party later than twenty-eight (28) days after his appointment unless the same are provided in response to a request from the expert.
- 13.13 If the expert wishes to obtain independent professional and/or technical advice in connection with the dispute:
  - (a) he/she shall first provide the Parties with details of the name, organisation and estimated fees of the professional or technical adviser; and
  - (b) he/she may engage such adviser with the consent of the Parties (such consent not be unreasonably withheld) for the purposes of obtaining such professional and/or technical advice as he may reasonably require.
- 13.14 The expert may, at his discretion and at any time, request information from any of the Parties orally but shall only do so in the presence of all other Parties to the dispute.

- 13.15 At any time after the period referred to in Clause 13.9 expires, with the written consent of the Parties, the expert may (but shall not be required to) convene a hearing upon giving the Parties reasonable notice.
- 13.16 The expert shall provide a draft of his determination, which shall be a report in writing giving reasons for the determination, to the Parties not later than forty-nine (49) days following his appointment.
- 13.17 Each Party may, within fourteen (14) days following delivery of the draft determination, submit to the expert any documentation, information, data, submissions or comments not exceeding five (5) pages in length on or in respect of the draft determination.
- 13.18 The expert shall submit his final determination, which shall be a report in writing giving reasons for his determination of the dispute, to the Parties not later than seventy (70) days following his appointment.
- 13.19 If the expert fails to submit the final determination by the time required under Clause 13.18, at the request of any Party another expert may be appointed in accordance with the provisions of this Clause 13 and the appointment of the previous expert shall cease unless, before the appointment of the new expert, the previous expert shall have submitted his final determination hereunder, in which case the new expert shall be forthwith informed that his services will not be required.
- 13.20 No person shall be appointed to act as the expert under this Agreement:
  - (a) who at the time of his appointment is a director, office holder or employee of or directly or indirectly retained as a consultant to either of the Parties or an Affiliate of any of them; and
  - (b) unless he/she shall have the relevant experience and/or training to determine the matter in dispute in accordance with the terms of reference.
- 13.21 The expert shall be an independent contractor and the relationship of the Parties and the expert shall in no event be construed to be that of principal and agent.
- 13.22 The expert shall be deemed not to be an arbitrator but shall render his determination as an expert and the provisions of the Arbitration Act 1996 (as amended from time to time) and the law relating to arbitration shall not apply to such expert or his determination or the procedure by which he reaches his determination.
- 13.23 The determination of the expert shall be final and binding upon the Parties save in the event of fraud or manifest error, in which case another expert may be appointed in accordance with the provisions of this Clause 13.
- 13.24 Each of the Parties shall bear its own costs of providing all data, information and submissions given by it and the costs and expenses of all the counsel, witnesses and employees retained by it but the costs and expenses of the expert and any independent advisors to the expert and any costs of his appointment and any costs and expenses of the President for the time being of the Law Society of England and Wales shall be borne equally by the Parties.
- 13.25 The expert shall provide the Parties with a breakdown of:
  - (a) his fees; and

- (b) his reasonable expenses, including the fees of and reasonable expenses incurred by any technical or professional advisers.
- 13.26 The expert's fees and expenses shall be payable by the Parties to the dispute in equal amounts, unless the expert (having regard to the conduct of the Parties with respect to the dispute in question) shall direct in his final determination that such costs and expenses should be borne by one or more of the Parties, in which case the Parties shall pay such fees and expenses in accordance with such direction.
- 13.27 If the terms of the expert's appointment provide for the payment of his fees and expenses before the delivery of the final determination, the Parties shall pay such fees and expenses in equal amounts, and shall make adjustment payments inter se following any such direction as is referred to in Clause 13.26.

## **14 Miscellaneous**

### **14.1 Restrictions on assignment**

- 14.1.1 Subject to Clause 14.1.2 any Party may assign this Agreement to any Affiliate of such Party, and with the consent of the other Parties (which shall not unreasonably be withheld) to any other person, provided in each case that the assignee is capable of complying with the obligations of the assigning Party and that the assignee shall enter into an agreement substantially in the form in Annex D with the other Parties covenanting to be bound by the obligations of the assigning Party under this Agreement as if the assignee had originally been named in this Agreement in place of the assigning Party, whereupon the assigning Party shall be released from all further obligations under this Agreement.
- 14.1.2 Neither of the Linked Transporters shall appoint any other person to operate its System without first informing and consulting with the other Parties as to such appointment and agreeing or procuring such other person to agree to such procedural and operational requirements as the other Parties may reasonably require in connection with such appointment; provided nothing in this Clause 14.1.2 shall restrict a Party from lawfully appointing a third party to provide services to such Party in connection with the operation of that Party's System (including but not limited to, the provision of services in connection with the operation of control room).

### **14.2 Governing Law**

This Agreement is governed by the laws of England and Wales.

### **14.3 Notices**

- 14.3.1 Where any notice or other communication (other than operational communications under Annexes A, B or C) is to be given or made by any Party to another Party under this Agreement:
- (a) such communication shall be in writing and may be delivered to the recipient or sent by first class prepaid letter (airmail if sent overseas) or facsimile transmission to the address or facsimile transmission number of the recipient as set out in Clause 14.3.2 below or such other address or number as may be notified hereunder by that Party from time to time for this purpose;

- (b) such communication shall be deemed to have been given or made and delivered, if by post, on the second Business Day after posting (or on the fifth Business Day after posting if sent by airmail), if by delivery, when left at the relevant address (or on the first Business Day thereafter if left on a non-Business Day), and (subject to sub-clause (c)(ii) below) if by facsimile transmission between the hours of 09:00 and 17:00 on a Business Day, at the time of receipt by the sender of confirmation of complete transmission and otherwise on the first Business Day after transmission;
- (c) where a communication by facsimile is received in an incomplete or illegible form:
  - (i) if the recipient so requests (by telephone or otherwise), the sender shall promptly retransmit the communication to the recipient; and
  - (ii) provided that the request for retransmission was made no later than the first Business Day following the deemed day of receipt (in accordance with sub-clause (b) above) of the first facsimile, the communication shall not be deemed to have been received until the time (being between 09:00 and 17:00 hours on a Business Day) of receipt by the sender of confirmation of such retransmission.

#### 14.3.2 For the purposes of Clause 14.3.1(a) above:

- (a) notices and other communications to NGG (other than operational communications) shall be sent to:

National Grid Gas plc  
NGT National Grid House  
Warwick Technology Park  
Gallows Hill  
Warwick  
CV34 6DA

Marked for the attention of: Customer Services Manager

Facsimile Number: 01926 656605

- (b) notices and other communications to GNI (UK) (other than operational communications) shall be sent to:

GNI (UK) Limited  
5<sup>th</sup> Floor  
6 Andrew Street  
London EC4A 3AE

Marked for the attention of: the Company Secretary

Facsimile Number: 00353 21 5006101

- (c) notices and other communications to PTL (other than operational communications) shall be sent to:

Premier Transmission Limited  
First Floor  
The Arena Building

85 Ormeau Road  
Belfast  
BT7 1SH

Marked for the attention of: Gas Contracts Manager

Facsimile Number: 02890 249673

#### **14.4 Communications and data exchange**

14.4.1 In this Clause 14.4:

- (a) **Data** means data to be sent by one Party to any other Party under any provision of this Agreement;
- (b) a reference to a system is to the information technology system or systems established by a Party to produce, receive, handle and process Data.

14.4.2 Where this Agreement makes specific provision as to how a particular communication between any Parties is to be sent, this Clause 14.4 applies subject to that provision.

14.4.3 Each Party shall:

- (a) make such arrangements (including providing and maintaining systems and making arrangements with third party providers) as are reasonably necessary to ensure it is able to send Data to and receive Data from other Parties pursuant to the provisions of this Agreement and in accordance with the further provisions of this Clause;
- (b) keep the other Parties informed of the arrangements made pursuant to paragraph (a).

14.4.4 The Parties shall coordinate and cooperate with each other in implementing Clause 14.4.3 in order to ensure the compatibility of their respective arrangements.

14.4.5 In relation to Data , the arrangements in this Clause 14.4 are agreed in compliance with the requirements of Articles 22 and 23 of the Interoperability Code.

14.4.6 Each Party (the first Party) shall:

- (a) (in relation to Data to be sent electronically) ensure it has appropriate virus protection to manage the risk of sending infected files of Data to any Party and of receiving infected files of Data from any Party;
- (b) ensure that only authorised, appropriately qualified personnel are allowed to have access to and deal with the Data received from any Party;
- (c) notify the other Parties without delay of any unauthorised access which has or may have occurred to the first Party's system;
- (d) ensure it has appropriate security measures to prevent unauthorised access of its system;
- (e) ensure that it has all necessary rights to send Data (as envisaged by the provisions of this Agreement) to any Party, and to authorise the other Parties to deal with the Data in the way envisaged under this Agreement;

- (f) make appropriate arrangements to maintain the security of Data received from the any Party;
- (g) maintain the confidentiality of Data received from other Parties, and only deal with such Data as envisaged by the provisions of this Agreement;
- (h) ensure that any third party to which the first Party transfers Data received from any other Party maintains its confidentiality and deals with it only as permitted under this Agreement;
- (i) (in relation to Data to be sent electronically) ensure the security and reliability of communications of Data to any Party through agreed arrangements for encryption, electronic signatures and non-repudiation by signed confirmation;
- (j) ensure the other Parties are informed in a timely manner prior to any planned unavailability of the first Party's system.

14.4.7 The standard required of each Party under Clause 14.4.6(a), 14.4.6(d) and 14.4.6(f) is the standard of a Reasonable and Prudent Operator.

14.4.8 If and for so long as any failure or unavailability (including any planned unavailability) of any Party's system occurs which disrupts or may disrupt the exchange of Data between the Parties, the Parties agree to apply agreed contingency arrangements.

14.4.9 If a Party (Party **A**) fails to comply with the obligations in Clause 14.4.6:

- (a) Party A will not have any liability to either of the other Parties (Party **B**) in respect of the failure, except as provided in Clause 14.4.10;
- (b) Party B may take any reasonable steps to protect itself and its systems from any adverse consequences of Party A's failure (which in theory may include suspending the transfer of Data for so long as such failure continues);
- (c) no Party shall have any liability to another (in respect of failed Data transfers) in a case where Party B takes any steps within paragraph (b).

14.4.10 In case of a breach by Party A of the obligations in Clause 14.4.6(e), 14.4.6(g) and 14.4.6(h), Party A will indemnify the other Parties against any liability to any Shipper resulting from such breach (excluding any liability arising under any contract between Party B and such Shipper).

## **14.5 Entire Agreement**

- 14.5.1 This Agreement and the documents referred to in this Agreement set out the entire agreement between the Parties as to the subject matter of this Agreement. It supersedes all previous agreements between the Parties on the subject matter of this Agreement.
- 14.5.2 No other term, express or implied, forms part of this Agreement. No usage, custom or course of dealing forms part of or affects this Agreement.
- 14.5.3 The only claim, right or remedy available to a Party for a representation expressly set out in this Agreement shall be damages for breach of contract.
- 14.5.4 Each Party waives all claims, rights and remedies for all representations:

- (a) made to it by any person before entering this Agreement; and
- (b) not set out in this Agreement.

- 14.5.5 Each Party acknowledges that, in deciding to enter this Agreement, it has not relied on any such representation.
- 14.5.6 This Clause does not exclude or restrict liability for fraudulent misrepresentation or fraudulent concealment.

#### **14.6 Jurisdiction**

Subject to Clauses 12 and 13 the Parties irrevocably agree that the English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with this Agreement. Each Party agrees to waive any objection to the English courts on the grounds of venue or that the forum is not appropriate.

#### **14.7 Rights of Third Parties**

The Contracts (Rights of Third Parties) Act 1999 shall not apply to this Agreement. A person who is not a Party (including any employee, office, agent, representative or sub-contractor of any Party) shall have no rights (whether under the Contracts (Rights of Third Parties) Act 1999 or otherwise) to enforce any term of this Agreement which expressly or by implication confers a benefit on that person, without the express prior agreement in writing of the Parties, which agreement must refer to this Clause.

#### **14.8 Counterparts**

The Parties may execute this Agreement in any number of counterparts, each of which is an original. A set of counterparts, executed by all the Parties, together forms one and the same instrument.

**Signed** by the Parties or their duly authorised representatives

**Signed by**  
for and on behalf of  
**National Grid Gas plc**

DocuSigned by:  
  
James Abrahams  
B9641A22871C4EC...

**Signed by**  
for and on behalf of  
**GNI (UK) Limited**

DocuSigned by:  
  
Denis O'Sullivan  
5C656B08262241...

**Signed by**  
for and on behalf of  
**Premier Transmission Limited**



## Annex A - Capacity

### 1 Introduction

- 1.1 This Annex A sets out arrangements between the Linked Transporters in connection with:
  - (a) the allocation to PTL Shippers and NGG Shippers and holding, surrender and transfer by those Shippers of Bundled IP Capacity at the Interconnection Point;
  - (b) the coordination required by the Linked Transporters in relation to interruptible capacity at the Interconnection Point; and
  - (c) capacity maximisation at the Interconnection Point.
- 1.2 The only bundling arrangements for capacity held by PTL pursuant to the GNI (UK)/PTL Transportation Agreement shall be in accordance with this Annex and the PTL Code.
- 1.3 For the purposes of this Annex references to IP Capacity do not include capacity in the PTL System allocated by PTL to the Stranraer Operator under the Stranraer Transportation Arrangement.
- 1.4 The technical capacity at the Interconnection Point is published on the websites of the Parties and details of IP Capacity available for Auction will be published on the booking platform.

### 2 Interpretation

- 2.1 In this Annex:

**Auction** means an auction of IP Capacity of a particular period, Direction and class;

**Auction Premium** means the amount by which the clearing price in an Auction exceeds the starting price;

**Bundled** means, in relation to firm IP Capacity in one System, that it is, or is to be, bundled with firm IP Capacity in the other System either (a) for the purposes of allocation in a single Auction, or (b) (when held by a Shipper) for the purposes of the transfer of (and certain other transactions in respect of) such IP Capacity; and a reference to Bundled IP Capacity held by a Shipper in either System is to what is recorded as Bundled by the Linked Transporter of that System; and **Unbundled** shall be construed accordingly;

**Bundled Capacity Auction** means an Auction of Bundled IP Capacity;

**class of IP Capacity** means whether it is firm or interruptible;

**IP Capacity** means, for each of the Linked Transporters, capacity (defined in accordance with that Linked Transporter's Transportation Arrangements) in that Linked Transporter's System which may be held by that Linked Transporter's Shippers in connection with the offtake or (as the case may be) delivery of gas to that System at the Interconnection Point; and where applicable a reference to IP Capacity is to IP Capacity in each System of the same period, Direction, class and (where applicable) amount;

**period** of IP Capacity means the period for which such IP Capacity (in the same amount for each Day of such period) is or is to be allocated or held;

**Platform Operator** means the operator of the booking platform on which certain activities with respect to IP Capacity by the Linked Transporters and/or their Shippers are to be carried out;

**Platform Rules and Processes** means the rules, systems, processes and algorithms of the Platform Operator applied and used by the Platform Operator in performing the functions contemplated by this Agreement.

### **3 Transportation Arrangements**

- 3.1 This paragraph 3 summarises certain provisions of each Linked Transporter's Transportation Arrangements relating to Auctions and Bundled IP Capacity, on the basis of which this Annex operates; and each Linked Transporter confirms that it considers its Transportation Arrangements to be consistent with this paragraph 3 and otherwise compatible with the provisions of this Annex. If any inconsistency is found between the provisions of a Linked Transporter's Transportation Arrangements relating to IP Capacity and this Annex the Parties will discuss the matter with a view to agreeing whether to amend this Annex and/or pursue a modification to the relevant Linked Transporter's Transportation Arrangements. For the avoidance of doubt whilst this is being discussed and agreed the PTL Code shall prevail as between PTL and PTL Shippers and the Network Code shall prevail as between NGG and NGG Shippers.
- 3.2 IP Capacity is allocated to Shippers by way of Auctions:
  - (a) for capacity products (defined by period, and by Direction) and available amounts of capacity;
  - (b) held at intervals and at times; and
  - (c) under ascending clock or uniform price auction algorithms,  
which comply with the CAM Code.
- 3.3 IP Capacity in one System is to be Bundled with IP Capacity in the other System for the purposes of allocation by Auctions to the extent required by the CAM Code (and otherwise may be allocated Unbundled).
- 3.4 Bundled IP Capacity is to be allocated to Shippers in a single Auction on a single booking platform.
- 3.5 The amount of technical IP Capacity which is to be withheld from allocation in an Auction for an annual period is:
  - (a) for the five (5) gas years following the Auction date, the lesser of the available IP Capacity and 10% of technical capacity;
  - (b) for the remaining ten (10) gas years, the lesser of the available IP Capacity and 20% of technical capacity.
- 3.6 The amount of IP Capacity in one System which may be allocated in an Auction for an annual period (other than the following year) as Unbundled depends on the amount of IP Capacity in the other System which is already allocated.

- 3.7 The starting price in any Bundled Capacity Auction is the sum of reserve prices specified by each of the Linked Transporters.
- 3.8 Any Auction Premium in a Bundled Capacity Auction is to be allocated between the Linked Transporters in percentages agreed by them.
- 3.9 In a Bundled Capacity Auction under the ascending clock auction algorithm:
  - (a) the large price step is to be the sum of large price steps specified by each of the Linked Transporters; and
  - (b) the small price step is to be a specified fraction (agreed by each of the Linked Transporters) of the large price step.
- 3.10 Under each Linked Transporter's Transportation Arrangements, where (in relation to any Auction) the amount of IP Capacity (in the NGG System) available for allocation in aggregate at the Interconnection Point, is less than the sum of the amounts of IP Capacity available for allocation in the PTL System and the capacity available for allocation in the GNI System, then there are linked Auctions (under NGG's Transportation Arrangements) of IP Capacity (in the NGG System) Bundled with IP Capacity in the PTL System and of IP Capacity (in the NGG System) bundled with capacity in the GNI System.
- 3.11 If an Auction (the first Auction) under the ascending clock algorithm has not closed:
  - (a) where the next relevant Auction is under the ascending clock algorithm, by the fifth Business Day; or
  - (b) where the next relevant Auction is under the uniform price algorithm, by the Business Day,before the information publication date for the next relevant Auction, the first Auction will be discontinued without closing. For these purposes the next relevant Auction is the next Auction for IP Capacity in the same Direction as and for a period which includes any Day(s) in the period of the first Auction.
- 3.12 A Shipper holding Unbundled IP Capacity in both Systems may elect that such IP Capacity is to be Bundled by a notification to either of the Linked Transporters as set out in their Transportation Arrangements.
- 3.13 A Shipper may offer to surrender IP Capacity for reallocation in an Auction; and where a Shipper offers to surrender Bundled IP Capacity in one System, the Linked Transporters may agree that the offer is only valid if the Shipper has offered to surrender equivalent Bundled IP Capacity in the other System.
- 3.14 A transfer by a Shipper of Bundled IP Capacity in one System to another Shipper will not be valid unless the Shipper also transfers the IP Capacity in the other System with which it is Bundled to that other Shipper.
- 3.15 A Linked Transporter will record the amount of the IP Capacity in its System held by each Shipper which is and is not Bundled.
- 3.16 A Shipper holding Bundled IP Capacity in one System may not voluntarily terminate its Transportation Arrangements with the Linked Transporter of that System if the other Linked

Transporter objects to such termination on the grounds that the Shipper holds Bundled IP Capacity in the other Linked Transporter's System.

- 3.17 In order to participate in an Auction for or surrender or transfer IP Capacity, Shippers are required to be party to an agreement with the Platform Operator under which the Platform Operator will perform the functions contemplated by the relevant Linked Transporter's Transportation Arrangements.
- 3.18 The arrangements described above will commence as follows:
  - (a) the first Auctions of Bundled IP Capacity:
    - (i) for a period of one Day, will be for the Gas Day on 1 November 2015;
    - (ii) for a period of one month, will be for December 2015;
    - (iii) for a period of a quarter, will be for quarters in the Gas Year 2016/17;
    - (iv) for a period of a year, will (subject to paragraph 3.19) be for the Gas Years 2016/17 to 2020/21.
  - (b) transfers of Bundled IP Capacity may be made for periods commencing on or after 1 November 2015.
  - (c) surrenders of Bundled IP Capacity will only be jointly validated in accordance with paragraph 3.13 once PTL's CMP procedures have been activated in accordance with the PTL Code.
- 3.19 PTL shall not make capacity available for auction in respect of a period which extends beyond the term of the GNI/PTL Transportation Agreement unless otherwise agreed in writing between GNI (UK) and PTL. This shall not be binding on NGG.
- 3.20 The amount of IP Capacity which may be utilised by PTL (including with any capacity made available pursuant to the Stranraer Transportation Arrangement and/or retained for operating actions associated with the PTL System) shall not exceed the amount of capacity held by it pursuant to the GNI (UK)/PTL Transportation Agreement. This shall not be binding on NGG.
- 3.21 The amount of virtual reverse flow capacity which may be made available by PTL shall not exceed the amount of such capacity as set out in an operational variation to the GNI (UK)/PTL Transportation Agreement. This shall not be binding on NGG.

#### **4 Platform Operator**

- 4.1 The Parties agree that the Platform Operator for the Interconnection Point is PRISMA European Capacity Platform GmbH and that the booking platform used pursuant to this Agreement shall be the same as the booking platform used pursuant to the GNI Tripartite Agreement.
- 4.2 Any change to the Platform Operator requires the agreement of the Parties and GNI.
- 4.3 The functions to be performed by the Platform Operator include:
  - (a) in relation to Auctions:

- (i) determining amounts of Bundled and Unbundled IP Capacity available for allocation in each Auction;
  - (ii) publication of Auction information and holding of Auctions (in respect of both Bundled and Unbundled IP Capacity);
- (b) receipt and validation of transfers by Shippers of IP Capacity (both Bundled and Unbundled); and
  - (c) receipt and validation of surrenders by Shippers of IP Capacity (both Bundled and Unbundled).
- 4.4 Each of the Linked Transporters (or its Affiliate) shall be party to an agreement with the Platform Operator under which the Platform Operator agrees to perform the functions contemplated by this Annex and by that Linked Transporter's Transportation Arrangements.
- 4.5 Nothing in this Annex requires the Linked Transporters to enter into or incur any joint obligations or liabilities to the Platform Operator; and each of the Linked Transporters is severally responsible for any fees or other amounts payable to the Platform Operator in connection with its agreement under paragraph 4.4.
- 4.6 Each of the Linked Transporters considers that the Platform Rules and Processes are compatible with its Transportation Arrangements and with the provisions of this Annex.
- 4.7 If any incompatibility is found between the Platform Rules and Processes and the provisions of this Annex or any Party's Transportation Arrangements, a Party, upon becoming aware of any incompatibility, will notify the other Parties and the Parties will discuss the matter with a view to agreeing whether to amend this Annex, seek a modification of the Platform Rules and Processes and/or pursue a modification of the relevant Party's Transportation Arrangements.
- 4.8 Each of the Linked Transporters shall:
- (a) send to the Platform Operator the information necessary to enable the Platform Operator to hold Bundled Capacity Auctions and perform its other functions contemplated by this Annex, including the following:
    - (i) amounts of IP Capacity available for Auction;
    - (ii) amounts of IP Capacity already allocated;
    - (iii) reserve prices;
    - (iv) large price steps and small price steps; and
  - (b) where the Platform Rules and Processes allow or require that Linked Transporter to make choices, make such choices as are required to give effect to this Annex.
- 4.9 If (notwithstanding each Linked Transporter complying with paragraph 4.8) any question arises as to how the Platform Operator is to carry out its functions under this Annex A, the Linked Transporters agree to discuss the question with a view to agreeing prior to giving any instruction to the Platform Operator in relation to such question.

## **5 Capacity Auction details**

- 5.1 The Linked Transporters agree that Bundled IP Capacity in each System will be allocated in a single Auction (and in the case described in paragraph 3.10 in linked Auctions).
- 5.2 The Linked Transporters agree that the small price step in a Bundled Capacity Auction under an ascending clock algorithm shall be one fifth (1/5) of the large price step.
- 5.3 The Linked Transporters agree that the Auction Premium in any Bundled Capacity Auction will be shared between them as to one half (1/2) each. Any change to this shall be agreed between the Linked Transporters and shall not require the consent of GNI (UK) or be subject to the provisions of Clause 7 of this Agreement.
- 5.4 For the purposes of Auctions, IP Capacity will be expressed in kWh/Day.
- 5.5 For the purposes of Auctions, the prices of IP Capacity will be expressed in euro (€) and sterling (£).

## **6 Bundled IP Capacity held by Shippers**

- 6.1 If a Shipper submits to either Linked Transporter (A) a request that IP Capacity should be Bundled, and the request specifies the Direction and amount of the IP Capacity and the period for which it is to be Bundled, and Linked Transporter A would (under its Transportation Arrangements) accept the request, then:
  - (a) Linked Transporter A will send the request to the other Linked Transporter (B) within 10 Business Days after receiving the request from the Shipper;
  - (b) Linked Transporter B will notify Linked Transporter A whether Linked Transporter B (under its Transportation Arrangements) accepts the request, within 10 Business Days after receiving the request from Linked Transporter A;

(and each Linked Transporter confirms that, under its Transportation Arrangements, it is appointed as agent by its Shippers to send and receive such requests to or from the other Linked Transporter).
- 6.2 With effect from the time from which PTL notifies NGG that PTL's CMP procedures have been activated as referred to in paragraph 3.18(c), if a Shipper offers to surrender Bundled IP Capacity in one System, the offer will not be valid pursuant to paragraph 3.18(c) unless the Shipper offers to surrender equivalent Bundled IP Capacity in the other System.
- 6.3 The Linked Transporters agree that transfers of Bundled IP Capacity will be "transfer of use" and "OTC" pursuant to the Platform Rules and Processes or as otherwise agreed between the Linked Transporters.
- 6.4 If either Linked Transporter gives notice to a Shipper holding Bundled IP Capacity in its System to terminate the Transportation Arrangements with the Shipper, the Linked Transporter shall inform the other Linked Transporter of such termination and of the amount of such Bundled IP Capacity held by the Shipper at the time of termination.
- 6.5 If either Linked Transporter (A) notifies the other Linked Transporter (B) that a Shipper holding Bundled IP Capacity in Linked Transporter A's System wishes voluntarily to terminate the Transportation Arrangements with Linked Transporter A with effect from a specified date, Linked Transporter B will inform Linked Transporter A whether Linked Transporter B objects

to such termination on the grounds that the Shipper holds Bundled IP Capacity in Linked Transporter B's System on or after that date.

## **7 Coordination of Interruptible Capacity**

- 7.1 The Linked Transporters agree that the minimum interruption lead times for interruptible IP Capacity is 75 minutes before the hour bar from which such interruption is to be effective.
- 7.2 Each Linked Transporter shall inform the other Linked Transporter, in accordance with paragraph 7.3 below as soon as practicable after giving notice of interruption of interruptible IP Capacity.
- 7.3 In relation to notices of interruption of interruptible IP Capacity, it is agreed as follows:
  - (a) PTL shall provide GNI (UK) notice in agreed form of interruption of interruptible IP Capacity, given by PTL on the PTL System as soon as reasonably practicable after giving such notice and GNI (UK) shall communicate in agreed form to NGG as soon as reasonably practicable;
  - (b) NGG shall provide GNI (UK) notice in agreed form of interruption of interruptible IP Capacity, given by NGG on the NGG System as soon as reasonably practicable after giving such notice and GNI (UK) shall communicate in agreed form to PTL as soon as reasonably practicable.

## **8 Capacity Optimisation Process / Analysis in relation to firm IP Capacity**

- 8.1 NGG and GNI (UK) shall in accordance with Annex I of the Interconnection Agreement establish and apply a joint method to achieve the required optimisation of technical capacity at the Interconnection Point.
- 8.2 NGG and GNI (UK) agree that the PTL System is specifically affected by the Interconnection Point and accordingly, shall include PTL in the joint method established in accordance with Article 6 of the CAM Code and the Interconnection Agreement.

## **9 Congestion Management Procedures**

Each Linked Transporters' Transportation Arrangements include congestion management procedures as required by EU Regulation 715/2009 of the European Parliament and of the Council of 13 July 2009 on conditions of access to the Natural Gas Transmission Networks (as amended). The PTL congestion management procedures for the PTL System are as set out in the PTL Code and the NGG congestion management procedures for the NGG System are as set out in the Network Code.

## Annex B - Nominations

### 1 General

- 1.1 The arrangements in this Annex B are the provisions referred to in the Interconnection Agreement relating to the matching of PTL Shipper Nominations with NGG Shipper Nominations.
- 1.2 The arrangements in this Annex shall apply with respect to Nominations in respect of the Gas Day(s) which commence on or after 01 October 2015.
- 1.3 References in this Annex to PTL Nominations do not include nominations made by the Stranraer Operator to PTL under the Stranraer Transportation Arrangement.

### 2 Interpretation

- 2.1 In this Annex the following terms have the following meanings:

**Anticipated Additional PTL Forward Flow Quantity** means in respect of a Gas Day (i) the difference between the PTL Expected Flow Quantity on that Gas Day and net aggregate of the sum of the Confirmed Nomination Quantities, along with a quantity to be offtaken at the Interconnection Point for PTL Stranraer Exit Point, to be delivered to the PTL System and the sum of the Confirmed Nomination Quantities to be offtaken from the PTL System on the same Gas Day as determined in accordance with paragraph (5) and (6) of this Annex B, or (ii) on a Gas Day after an Exceptional Event in respect of the NGG System is declared for that Gas Day, zero or such other quantity as may be agreed between the Parties;

**Corresponding Nomination** is defined in paragraph 5.4;

**Counterparty Shipper** means:

- (a) in relation to a NGG Nomination, the PTL Shipper, or
- (b) in relation to a PTL Nomination, the NGG Shipper

specified in such Nomination as the Shipper making a Corresponding Nomination to the other Linked Transporter;

**Double-Sided Nomination** means a Nomination submitted by a NGG Shipper to NGG or by a PTL Shipper to PTL which is not a Single-Sided Nomination;

**EIC** means the Energy Identification Code as issued by ENTSOE or one of its local issuing offices (LIOs) and published on the ENTSOE website and being international;

**Initial Nomination** means a Nomination submitted before 13:00 on Gas Day D-1 under which the Nomination Quantity is to flow from the start of the Gas Day;

**Initiating TSO** means the initiating transmission system operator as referred to in Article 8(2)(c) of the Interoperability Code;

**Matching Timetable** means the timetable set out in paragraph 7 for the actions required in each Nomination Cycle under this Annex;

**Matching TSO** means the matching transmission system operator as referred to in Article 8(2)(c) of the Interoperability Code;

**NGG Nomination** means a Nomination (including a Renomination) submitted by a NGG Shipper to NGG which is not rejected by NGG under the Network Code;

**NI Share of the Available Moffat Quantity** has the meaning given to it in paragraph 5.5(f)(ii) of this Annex B;

**Nomination** means a nomination by a Shipper to either of the Linked Transporters of a quantity of gas to be delivered to or offtaken from that Linked Transporter's System at the Interconnection Point on a Gas Day, and includes a Renomination;

**Nomination Cycle** means the 2 hour cycle for processing and confirmation of Initial Nominations, and Renominations received in each hour, as described in paragraph 3;

**Nomination Deadline** means in respect of an Initial Nomination 13:00 on Gas Day D-1 and in respect of any other Nomination the start of an hour commencing at 16:00 on Gas Day D-1 and ending at 02:00 hours on Gas Day D;

**Nomination Quantity** means the quantity of gas nominated in a Nomination (or such quantity as processed or confirmed as described in this Annex);

**PTL Expected Flow Quantity** means in respect of a Gas Day the quantity of natural gas which PTL expects will be required to be physically delivered to the PTL System at the Moffat Interconnection Point in respect of that Gas Day to meet PTL exit demand from the PTL System for the same Gas Day having regard to inter alia the quantities which PTL expects will be physically delivered to the PTL System (other than at the Moffat Interconnection Point) on that Gas Day and the quantities of gas which PTL expects will be offtaken from the PTL System on that Gas Day, including by reference to the aggregate entry nominations and the aggregate exit nominations under the PTL Code and the PTL predicted exit demand from the PTL System for that Gas Day;

**PTL Nomination** means a Nomination (including a Renomination) submitted by a PTL Shipper to PTL which is not rejected by PTL under PTL's Transportation Arrangements;

**Renomination** means a Nomination by a Shipper which revises an earlier Nomination for a Gas Day;

**Renomination Effective Time** means the time on the Gas Day from which a Renomination is to become effective; and

**Single-Sided Nomination** means a Nomination submitted to NGG (as Initiating TSO), by a Shipper which is both a NGG Shipper and a PTL Shipper, which operates as both an NGG Nomination and a PTL Nomination.

2.2 In relation to a Nomination:

- (a) the **Processed** Nomination Quantity is the Nomination Quantity adjusted by processing in accordance with the relevant Linked Transporter's Transportation Arrangements;
- (b) the **Confirmed** Nomination Quantity is the quantity determined in accordance with paragraph 5.5 and paragraph 6.

- 2.3 The Direction of a Nomination signifies whether the Nomination is for offtake from the NGG System and delivery to the PTL System, or offtake from the PTL System and delivery to the NGG System.

### **3 Nomination Arrangements**

- 3.1 This paragraph 3 summarises certain provisions of each Linked Transporter's Transportation Arrangements relating to Nominations, on the basis of which this Annex operates; and each Linked Transporter confirms that it considers its Transportation Arrangements to be consistent with this paragraph 3 and otherwise compatible with the provisions of this Annex.
- 3.2 Nominations contain the data necessary to enable each of the Linked Transporters to perform its responsibilities under paragraph 5.
- 3.3 Renominations may be submitted no earlier than 15:00 on Gas Day D-1 and thereafter until 02:00 on Gas Day D.
- 3.4 For a Renomination submitted within any hour (H):
- (a) the Renomination is treated as submitted at the start of hour H+1 (**renomination submission time**);
  - (b) the Renomination Effective Time must be an exact hour no earlier than 2 hours after the renomination submission time (and not earlier than the start of the Gas Day) and not later than 04:00 on the Gas Day.
- 3.5 For any Nomination, the Linked Transporter will notify the Confirmed Nomination Quantity to the Shipper no later than two (2) hours after:
- (a) in the case of an Initial Nomination, the deadline for submission referred to in the definition of Nomination Deadline in paragraph 2.1;
  - (b) in the case of a Renomination, the renomination submission time.
- 3.6 The Parties agree and acknowledge that:
- (a) under the Interconnection Agreement, GNI (UK) is responsible for preparing and submitting (and, where a Rejection Notice or Curtailment Notice is given or where GNI (UK)'s System is constrained and is unable to take delivery of some or all of the quantity as specified in the then prevailing Exit Flow Profile, revising) an Exit Flow Profile which complies with the requirements of Annex B-2 of that Agreement (a compliant Exit Flow Profile);
  - (b) under arrangements between GNI (UK) and PTL in the GNI (UK)/PTL Transportation Agreement (and equivalent arrangements between GNI (UK) and GNI):
    - (i) GNI (UK) will derive the Exit Flow Profile in accordance with the methodology published by GNI (UK) in accordance with the provisions of the Interconnection Agreement;
    - (ii) PTL will be responsible for determining or redetermining an aggregate end-of-day quantity based on the sum of the Confirmed Nomination Quantities along with a quantity to be offtaken at the Interconnection Point for PTL Stranraer Exit Point so that GNI (UK) can prepare a compliant Exit Flow

Profile, including in a case where NGG gives a Curtailment Notice or where GNI (UK) is constrained and is unable to take delivery of some or all of the quantity in the prevailing Exit Flow Profile;

- (c) NGG is entitled to determine the existence of an Exceptional Event affecting the NGG System on the basis that Exit Flow Profiles will be compliant;
- (d) notwithstanding that PTL may not be able to determine or redetermine an aggregate end of day quantity in accordance with paragraph 3.6(b)(ii) if NGG notifies an Available Moffat Quantity as referred to in paragraph 5.5(f) GNI (UK) shall develop the Exit Flow Profile such that it does not exceed the Available Moffat Quantity; and
- (e) any rejection by NGG of an Exit Flow Profile which is not compliant, and the giving by NGG of any Curtailment Notice, is not of itself an Exceptional Event for NGG.

### 3.7 Where a Shipper does not submit a Nomination by the relevant Nomination Deadline:

- (a) where the applicable Nomination is an Initial Nomination:
  - (i) the relevant Shipper shall be deemed to have submitted a Nomination with a Nomination Quantity of zero; and
  - (ii) such deemed Nomination shall not be subject to the process described in paragraph 5.1(c) and the relevant Linked Transporter shall not determine nor communicate a Processed Nomination Quantity in respect of such deemed Nomination;
- (b) subject to paragraph 3.7(c), in respect of any Renomination, where the Shipper does not submit a Renomination by a Nomination Deadline the Shipper shall not be deemed to have submitted a Nomination (with a Nomination Quantity of zero or otherwise) and accordingly, the Shipper's prevailing Confirmed Nomination Quantity shall continue; and
- (c) where an Exceptional Event or a Gas Deficit Emergency has been notified (and not withdrawn) in respect of the Day a revised Confirmed Nomination Quantity will be determined in respect of the relevant Shipper's prevailing Nomination in accordance with paragraph 6.2(b) or 6.2(c) notwithstanding that a Shipper may not have submitted a Nomination.

## 4 Roles of Linked Transporters

- 4.1 It has been agreed between the Parties that NGG is the Initiating TSO and that PTL shall in respect of PTL Shippers perform certain of the functions (as set out in this Annex B) of Matching TSO.
- 4.2 PTL appoints NGG as its agent to receive Single-Sided Nominations from Shippers which are both NGG Shippers and PTL Shippers.

## 5 Responsibilities of Parties

- 5.1 For each Nomination Cycle, in accordance with the Matching Timetable:

- (a) NGG will send to GNI (UK):
    - (i) details of the Single-Sided Nominations submitted for that Nomination Cycle, in accordance with paragraph 5.2;
    - (ii) details in respect of NGG Processed Nomination Quantities under NGG Nominations submitted for that Nomination Cycle, in accordance with paragraph 5.3;
  - (b) GNI (UK) will send to PTL details of the Processed Nomination Quantities under NGG Nominations (as received from NGG in accordance with 5.1(a)(ii)) to enable PTL to determine Confirmed Nomination Quantities; but GNI (UK) will not send the details of Single-Sided Nominations received from NGG in accordance with paragraph (a)(i);
  - (c) PTL will:
    - (i) acknowledge receipt of the Processed Nomination Quantities received from GNI (UK) under paragraph (b);
    - (ii) determine which NGG Processed Nomination Quantities and PTL Processed Nomination Quantities are Corresponding Nominations in accordance with paragraph 5.4;
    - (iii) in relation to the Corresponding Nominations, determine the Confirmed Nomination Quantities from the Processed Nomination Quantities in accordance with paragraph 5.5;
    - (iv) send to GNI (UK) the Confirmed Nomination Quantities for the Corresponding Nominations (together with the PTL Processed Nomination Quantities in respect of PTL Nominations, and the status of the Processed Nomination Quantities);
  - (d) GNI (UK) will send to NGG the details received from PTL under paragraph 5.1(c)(iv);
  - (e) NGG will send to GNI (UK) acknowledgement of the Confirmed Nomination Quantities received under paragraph (d);
  - (f) NGG and PTL will inform their respective Shippers of the Confirmed Nomination Quantities.
- 5.2 The details of Single-Sided Nominations to be sent by NGG to GNI (UK) under paragraph 5.1(a)(i) include, but are not limited to:
- (a) the identity (EIC) of the Shipper submitting the Nomination;
  - (b) the identity (EIC) of the Linked Transporter of the Counterparty Shipper;
  - (c) the Gas Day to which the Nomination relates;
  - (d) the Direction of the Nomination;
  - (e) the Nomination Quantity (as a Daily Quantity); and
  - (f) in the case of a Renomination, the Renomination Effective Time.

5.3 The details of NGG Processed Nomination Quantities to be sent by NGG to GNI (UK) under paragraph 5.1(a)(ii) and forwarded by GNI (UK) to PTL under paragraph 5.1(b) include but are not limited to:

- (a) the identity (EIC) of the NGG Shipper submitting the Nomination;
- (b) the identity (EIC) of the Counterparty Shipper specified in the Nomination;
- (c) the identity (EIC) of the Linked Transporter of the Counterparty Shipper;
- (d) the Gas Day to which the Nomination relates;
- (e) the Direction of the Nomination;
- (f) the original Nomination Quantity (as a Daily Quantity);
- (g) the Processed Nomination Quantity;
- (h) whether the Nomination is Single-Sided or Double-Sided; and
- (i) in the case of a Renomination, the Renomination Effective Time.

5.4 A NGG Nomination and a PTL Nomination are Corresponding Nominations where:

- (a) the NGG Nomination is a Single-Sided Nomination; or
- (b) in the case of Double Sided Nominations:
  - (i) they relate to the same Gas Day;
  - (ii) they are in the same Direction;
  - (iii) the Shipper identified as Counterparty Shipper in each Nomination is the Shipper which submitted the other Nomination;
  - (iv) they are Initial Nominations, or are Renominations received before the same Nomination Deadline for processing within the same Nomination Cycle; and
  - (v) they relate to the same Renomination Effective Time.

5.5 The Confirmed Nomination Quantity for Corresponding Nominations is determined as follows:

- (a) where the Processed Nomination Quantities under both Nominations is the same, the Confirmed Nomination Quantity is equal to the Processed Nomination Quantity;
- (b) where the Processed Nomination Quantities under both Nominations is not the same, the Confirmed Nomination Quantity is equal to the lesser of the Processed Nomination Quantity under the PTL Nomination and the Processed Nomination Quantity under the NGG Nomination, subject to paragraphs (c) and (d) and (f);
- (c) where (at the start of the relevant Nomination Cycle) NGG has notified to GNI (UK) an Exceptional Event, and has not notified the cessation of the Exceptional Event, in relation to Nominations in the affected Direction, the Confirmed Nomination Quantity is equal to the Processed Nomination Quantity under the NGG Nomination;

- (d) where (at the start of the relevant Nomination Cycle) PTL has notified to GNI (UK) an Exceptional Event, and has not notified the cessation of the Exceptional Event, in relation to Nominations in the affected Direction, the Confirmed Nomination Quantity is equal to the Processed Nomination Quantity under the PTL Nomination;
- (e) where (at the start of the relevant Nomination Cycle):
  - (i) NGG has notified to GNI (UK) an Exceptional Event, and has not notified the cessation of the Exceptional Event; and
  - (ii) PTL has notified to GNI (UK) an Exceptional Event, and has not notified the cessation of the Exceptional Event,in relation to Nominations in the affected Direction, the Confirmed Nomination Quantity is equal to the lesser of the Processed Nomination Quantity under the PTL Nomination and the Processed Nomination Quantity under the NGG Nomination;
- (f) where (at the start of the relevant Nomination Cycle) NGG has notified to GNI (UK) a Gas Deficit Emergency (and has not notified the cessation of the Gas Deficit Emergency), which necessitates reductions of demand at the Moffat Interconnection Point for one or more Gas Days:
  - (i) NGG will notify to GNI (UK) the quantity of gas which can physically be made available for offtake at the Interconnection Point on (and by the end of) the Day (**Available Moffat Quantity**), taking account of gas flows on the Day (if any) prior to the Emergency and the effect of the Emergency on gas flows on the Day;
  - (ii) GNI (UK) will determine (under arrangements agreed between GNI (UK) and PTL which are not part of this Agreement) how the Available Moffat Quantity is to be apportioned as between the PTL System and the GNI System, and notify PTL of the quantity which is to be apportioned to the PTL System (**NI Share of the Available Moffat Quantity**);
  - (iii) PTL will as soon as reasonably practicable determine PTL Shippers' Confirmed Nomination Quantities in accordance with paragraph 6, whereby the Confirmed Nomination Quantity is equal to the revised Processed Nomination Quantity under the PTL Nomination, and which will in aggregate with the quantity nominated for PTL Stranraer Exit Point not exceed the NI Share of the Available Moffat Quantity;
  - (iv) where the Available Moffat Quantity is reduced from the prevailing value and for any reason it is not possible to revise aggregate Confirmed Nomination Quantities to a value not exceeding the Available Moffat Quantity for that Gas Day, the Parties agree to consider and discuss, in good faith, the appropriate allocation method; and
  - (v) notwithstanding that the revised aggregate Confirmed Nomination Quantities may not be redetermined in accordance with paragraph 5.5(f)(iii) the Exit Flow Profile shall in any event reflect a quantity in respect of PTL which does not exceed the NI Share of the Available Moffat Quantity.

- 5.6 The aggregate Confirmed Nomination Quantity together with the quantity to be delivered on behalf of the Stranraer Operator shall not exceed the amount of capacity available to PTL pursuant to the GNI/PTL Transportation Arrangements. This shall not be binding on NGG.

## 6 Exceptional Events and Gas Deficit Emergency

- 6.1 Either of the Linked Transporters (the **Affected Linked Transporter**) may (before or during the Day) notify GNI (UK) as provided in Clause 4.4 of the agreement:

- (a) that there is an Exceptional Event or in the case of NGG, a Gas Deficit Emergency affecting the Affected Linked Transporter's System, and the Direction (**affected** Direction) in which it is affected by the Exceptional Event or, in the case of NGG, the Gas Deficit Emergency; or
- (b) that an Exceptional Event or, in the case of NGG, a Gas Deficit Emergency previously notified is no longer affecting the Affected Linked Transporter's System.

- 6.2 Where a Linked Transporter notifies an Exceptional Event or in the case of NGG, a Gas Deficit Emergency (under paragraph 6.1(a)) or where there is an Exceptional Event affecting the GNI (UK) System, in relation to Nominations in the affected Direction:

- (a) the Affected Linked Transporter may determine (in accordance with its Transportation Arrangements) revised Processed Nomination Quantities for its Nominations prevailing at the time;
- (b) if NGG is the Affected Linked Transporter,
  - (i) NGG will notify the revised Processed Nomination Quantities to GNI (UK) in accordance with paragraph 5.1(a)(ii);
  - (ii) GNI (UK) will forward the revised Processed Nomination Quantities to PTL in accordance with paragraph 5.1(b);
  - (iii) PTL will redetermine (in accordance with paragraph 5.5(c) or 5.5(f) as applicable), and notify GNI (UK) (and upon notification GNI (UK) will notify NGG) revised Confirmed Nomination Quantities for Nominations, on the basis of the revised Processed Nomination Quantities in accordance with paragraph 5.1(c) or 5.5(f) as applicable;
- (c) if PTL is the Affected Linked Transporter,
  - (i) PTL will determine revised Processed Nomination Quantities under PTL Nominations;
  - (ii) PTL will redetermine (in accordance with paragraph 5.5(d) and notify to GNI (UK) revised Confirmed Nomination Quantities for Nominations, on the basis of the revised Processed Nomination Quantities in accordance with paragraph 5.1(c);
  - (iii) GNI (UK) will forward the revised Confirmed Nomination Quantities to NGG in accordance with paragraph 5.1(d);
- (d) the Linked Transporters will notify the revised Confirmed Nomination Quantities to their respective Shippers in accordance with paragraph 5.1(f).

- 6.3 The steps in paragraph 6.2 will be taken in accordance with the Matching Timetable on the basis that the Nomination Cycle starts following the hour during which the Affected Linked Transporter notifies the Exceptional Event or Gas Deficit Emergency.

## 7 Matching Timetable

- 7.1 The Matching Timetable is as follows:

| Matching Activity  | Paragraph reference in this Annex | Latest Time for Provision (Relative to Commencement of Nomination Cycle)         |
|--|-----------------------------------|--|
| NGG forwards Single Sided Nominations to GNI (UK)  | 5.1(a)(i)                         | Within 15 minutes  |
| GNI (UK) forwards Single Sided Nominations to PTL  | Not applicable                    | GNI (UK), at the request of PTL, will not be forwarding these nominations to PTL |
| GNI (UK) sends Single Sided Nominations Acknowledgement to NGG   | -                                 | See paragraph 7.2  |
| NGG forwards its Processed Nomination Quantities to GNI (UK)   | 5.1(a)(ii)                        | Within 45 minutes  |
| GNI (UK) forwards NGG's Processed Nomination Quantities to PTL   | 5.1(b)                            | See paragraph 7.2  |
| PTL sends Processed Quantities Nominations Acknowledgement to GNI (UK)                                 | 5.1(c)(i)                         | See paragraph 7.2  |
| PTL forwards its Processed Nomination Quantities and the Confirmed Nomination Quantities to GNI (UK)   | 5.1(c)(iv)                        | See paragraph 7.2  |
| GNI (UK) forwards PTL's Processed Nomination Quantities and the Confirmed Nomination Quantities to NGG | 5.1(d)                            | <i>Within 90 minutes</i>   |
| NGG sends Confirmed Nomination Quantities Acknowledgement to GNI (UK)                                  | 5.1(e)                            | See paragraph 7.2  |
| GNI (UK) sends Confirmed Nomination Quantities Acknowledgement to PTL                                  | -                                 | See paragraph 7.2  |
| NGG and PTL notify Confirmed Nomination Quantities to Shippers   | 5.1(f)                            | Within 120 minutes   |

- 7.2 The latest time for communication of information which is to be calculated by reference to this paragraph 7.2 shall be five minutes following receipt of all relevant information which is necessary to provide the communication.
- 7.3 If, in any Nomination Cycle, any Party is unable to meet (for example in the circumstances of Clause 14.4.8 of the agreement) any of the times in the Matching Timetable for sending data to the other Party, it will, before that deadline, inform the other Parties, and will send the

relevant data as soon as it is able to, and the other Party will use reasonable endeavours to perform its activities when the data is sent.

- 7.4 PTL shall in respect of each Nomination Cycle up to but not including the Nomination Cycle which commences at 24:00 on a Gas Day notify to GNI (UK) the Anticipated Additional PTL Forward Flow Quantity when sending the Confirmed Nomination Quantities under paragraph 5.1(c) or as soon as practical thereafter.

## **8 Communications**

- 8.1 This paragraph 8 sets out terms agreed between the Parties in connection with the exchange of data pursuant to this Annex. The terms in this Annex apply in addition to the terms of Clause 14.4 of the agreement.
- 8.2 The arrangements in this paragraph 8 are agreed in compliance with the requirements of Article 21 of the Interoperability Code.
- 8.3 The Parties shall use integrated data exchange to send and receive data.
- 8.4 The Parties shall send data under this Annex in the data format, and in accordance with the protocol, and by the network, each compliant with the Interoperability Code obligations, which are for the time being:
- (a) the data format to be used is: Edig@s xml;
  - (b) the protocol to be used is SOAP.

## Annex C - Allocations

### 1 Introduction

- 1.1 This Annex C sets out the basis on which the Linked Transporters will allocate gas as offtaken or delivered by Shippers at the Interconnection Point each Day.
- 1.2 The arrangements in this Annex are agreed in accordance with the requirements of Article 9(1) of the Interoperability Code.
- 1.3 In this Annex C the following terms have the respective meanings given to them in the Interconnection Agreement: OBA Day, Non-OBA Day, Daily Metered Quantity and Cumulative Steering Difference Correction.
- 1.4 It is acknowledged and agreed that GNI (UK) and NGG will determine, in accordance with the Interconnection Agreement:
  - (a) in respect of each Day, whether it is an OBA Day or a Non-OBA Day; and
  - (b) in respect of each Day, the Cumulative Steering Difference Correction.
- 1.5 If a Day is a Non-OBA Day, GNI (UK) will inform PTL that such Day is a Non-OBA Day by 15:00 on D+1 and inform PTL of the quantity of gas available for allocation to PTL Shippers and the Stranraer Operator in respect of the Day. PTL and NGG will inform their respective Shippers if the Day is a Non-OBA Day.

### 2 Basis of allocation

- 2.1 The Linked Transporters' respective Transportation Arrangements provide for quantities delivered and offtaken at the Interconnection Point to be allocated among each Party's respective Shippers in respect of each Gas Day, based on the Confirmed Nomination Quantities, as set out in this paragraph 2.
- 2.2 In respect of an OBA Day, the quantity allocated to each Shipper in each Direction is equal to the sum of the Confirmed Nomination Quantities for that Shipper in that Direction.
- 2.3 In respect of a Non-OBA Day:
  - (a) the quantity to be allocated by PTL to each PTL Shipper in each Direction is determined by PTL in accordance with the allocation rules in PTL's Transportation Arrangements (and on NGG's request PTL will inform NGG of such allocation rules);
  - (b) provided that GNI (UK) provides to NGG an allocation advice for the Gas Day in compliance with the requirements in paragraph 3, the quantity to be allocated by NGG to each NGG Shipper in each Direction is determined as the sum of the Counterparty Shipper Allocations for that NGG Shipper in that Direction;
  - (c) if GNI (UK) does not provide to NGG such a statement for the Gas Day, the quantity to be allocated by NGG to each Shipper in each Direction is determined in accordance with the alternative allocation rules in NGG's Transportation Arrangements.

### 3 Non-OBA Day

- 3.1 In respect of a Non-OBA Day, GNI (UK) shall, pursuant to arrangements made with PTL and GNI, provide to NGG an allocation advice (meeting the requirement in paragraph 3.2) setting out:
  - (a) for each Nomination submitted by each NGG Shipper:
    - (i) the PTL Shipper which was Counterparty Shipper, or the GNI Shipper which was counterparty shipper under the equivalent provisions of the GNI Tripartite Agreement;
    - (ii) the quantity allocated to such PTL Shipper (as provided in paragraph 2.3(a)) or GNI Shipper (as provided in the GNI Tripartite Agreement) in respect of such Nomination (the **Counterparty Shipper Allocation**); and
  - (b) the quantity allocated to the Stranraer Operator.
- 3.2 The allocation advice will include the following for each Nomination:
  - (a) the identity (EIC) of the NGG Shipper;
  - (b) the identity (EIC) of the Counterparty Shipper;
  - (c) the identity (EIC) of the Linked Transporter of the Counterparty Shipper;
  - (d) the Gas Day;
  - (e) the Direction; and
  - (f) the quantity allocated in accordance with paragraph 2.3(a).
- 3.3 PTL shall not later than 12:00 on D + 2 provide to GNI (UK) the information referred to in paragraph 3.1 and 3.2 in respect of each NGG Shipper in respect of which the PTL Shipper is the Counterparty Shipper and the information required in accordance with paragraph 3.1(b) including in each case the information in paragraph 3.2 to enable GNI (UK) to submit an allocation advice.
- 3.4 GNI (UK) will use reasonable endeavours to provide the allocation advice to NGG by 16:00 on D+2.
- 3.5 The net sum of:
  - (a) the quantities allocated to all PTL Shippers and GNI Shippers in respect of all Nominations in both Directions; and
  - (b) the quantity allocated to the Stranraer Operator; and
  - (c) the Cumulative Steering Difference Correction for the Day,must be equal to the Daily Metered Quantity.
- 3.6 NGG shall not later than one hour following receipt of the allocation advice in accordance with paragraph 3.4 notify GNI (UK) of its acceptance of the allocation advice.

#### 4 Error Correction

4.1 Subject to paragraph 4.2, if

- (a) a Shipper of either Linked Transporter notifies that Linked Transporter, or the Linked Transporter otherwise becomes aware, that an error has been made or may have been made in implementing the provisions of the Network Code or the PTL Code, as applicable, or Annex B (Nominations) or this Annex C of this Agreement, in respect of:
  - (i) the determination of the Processed Nomination Quantity or Confirmed Nomination Quantity in respect of a Nomination submitted by a Shipper; or
  - (ii) the determination of the quantities to be allocated (pursuant to such a Nomination) to a Shipper; and/or
- (b) GNI(UK) becomes aware that an error may have been made in its determination of quantities to be allocated pursuant to this Annex C of this Agreement,

then the following shall apply:

- (c) the Party which identified, or was notified of, the potential error shall so notify the other Parties providing details of the potential error;
- (d) the Linked Transporters shall notify the Shippers who are potentially affected of the potential error;
- (e) the Linked Transporter which may have made the potential error shall investigate, where appropriate in consultation with the other Linked Transporter, the relevant Shippers, and if necessary GNI(UK);
- (f) if it is confirmed that there was an error, the Linked Transporters shall determine, and notify to the Shipper and Counterparty Shipper and GNI(UK), what redeterminations are needed to correct the error;
- (g) if both the Shipper and the Counterparty Shipper accept (by notice to their respective Linked Transporters) the proposed correction notified under sub-paragraph (f) above, the Linked Transporters shall give effect to such correction by redetermining (for the purposes of their respective Transportation Arrangements) the Confirmed Nomination Quantities or (as the case may be) quantities allocated for the Shipper and Counterparty Shipper; and shall notify the redetermination to GNI(UK); and
- (h) where the error was notified within the Day on which it occurred, the Linked Transporters will endeavour to do the foregoing within the Day.

4.2 No correction of an error in relation to a Day shall be notified under this paragraph 4 later than 11:00 on D + 5.

4.3 Under the Interconnection Agreement, the Cumulative Steering Difference will be adjusted to reflect correction of an error.

## Annex D - Deed of Adherence (the Deed)

**THIS DEED IS dated [DATE]**

**Between**

- (1)  **(Outgoing Party)** a company registered in [JURSIDICTION] under company number [COMPANY NUMBER] and whose registered office is at [ADDRESS];
- (2)  **(Incoming Party)** a company registered in [JURSIDICTION] under company number [COMPANY NUMBER] and whose registered office is at [ADDRESS]; and
- (3) The parties named in the Schedule as the other existing parties to the Tripartite Agreement (**Continuing Tripartite Parties**),  
each a **Party** and together the **Parties**.

### **Recitals**

- A This deed is entered into in accordance with clause [14.1.1] of a tripartite agreement dated [DATE], made between the Continuing Tripartite Parties and the Outgoing Party, [as amended from time to time] (**Tripartite Agreement**).
- B The Parties have agreed that the Outgoing Party is to transfer its rights and obligations under the Tripartite Agreement to the Incoming Party under the terms of this Deed.

### **1 Novation**

- 1.1 On and from the Effective Date, the Outgoing Party transfers all of its rights and obligations under the Tripartite Agreement to the Incoming Party. The Incoming Party shall enjoy all the rights and benefits of the Outgoing Party under the Tripartite Agreement, and all references to the Outgoing Party in the Tripartite Agreement shall be read and construed as references to the Incoming Party.
- 1.2 The Incoming Party agrees to perform the Tripartite Agreement and be bound by its terms in every way as if it were the original party to it in place of the Outgoing Party.
- 1.3 The Continuing Tripartite Parties agree to perform the Tripartite Agreement and be bound by its terms in every way as if the Incoming Party were the original party to it in place of the Outgoing Party.

### **2 Release of Obligations**

- 2.1 Each of the Continuing Tripartite Parties release the Outgoing Party from all future obligations to the Continuing Tripartite Parties under the Tripartite Agreement.
- 2.2 The Outgoing Party releases each of the Continuing Tripartite Parties from all future obligations to the Outgoing Party under the Tripartite Agreement.

- 2.3 Nothing in this Agreement shall affect or prejudice any claim or demand that the Continuing Tripartite Parties or the Outgoing Party may have against the other under or in connection with the Tripartite Agreement arising before the Effective Date.

### **3      Miscellaneous**

- 3.1 Words and expressions used in this deed shall, unless the context expressly requires otherwise, have the meaning given to them in the Tripartite Agreement. The **Effective Date** means the date of this Deed.
- 3.2 The Incoming Party confirms that it has been supplied with a copy of the Tripartite Agreement and that it is capable of complying with the obligations of the Outgoing Party under the Tripartite Agreement.
- 3.3 This Deed may be executed in any number of counterparts, each of which is an original. A set of counterparts, executed by all the parties hereto, together forms one and the same instrument.
- 3.4 This deed is governed by the laws of England and Wales.
- 3.5 Each Party irrevocably agrees that the English courts shall have exclusive jurisdiction to settle any dispute arising out of or in connection with this deed. Each Party agrees to waive any objection to the English courts on the grounds of venue or that the forum is not appropriate.

This document has been executed as a deed and is delivered and takes effect on the date stated at the beginning of it.

### **Schedule: Continuing Tripartite Parties**

[INSERT DETAILS OF THOSE PARTIES TO THE TRIPARTITE AGREEMENT THAT WILL CONTINUE AS PARTIES TO THE TRIPARTITE AGREEMENT]

## Execution Page

Executed as a deed by [NAME OF OUTGOING PARTY] acting by [NAME OF FIRST DIRECTOR], a director and [NAME OF SECOND DIRECTOR/SECRETARY], [a director **OR** its secretary]

.....

[SIGNATURE OF FIRST DIRECTOR]

Director

.....  
[SIGNATURE OF SECOND DIRECTOR OR SECRETARY]

[Director **OR** Secretary]

Executed as a deed by [NAME OF INCOMING PARTY] acting by [NAME OF FIRST DIRECTOR], a director and [NAME OF SECOND DIRECTOR/SECRETARY], [a director **OR** its secretary]

.....

[SIGNATURE OF FIRST DIRECTOR]

Director

.....  
[SIGNATURE OF SECOND DIRECTOR OR SECRETARY]

[Director **OR** Secretary]

Executed as a deed by [NAME OF CONTINUING TRIPARTITE PARTY] acting by [NAME OF FIRST DIRECTOR], a director and [NAME OF SECOND DIRECTOR/SECRETARY], [a director **OR** its secretary]

.....

[SIGNATURE OF FIRST DIRECTOR]

Director

.....  
[SIGNATURE OF SECOND DIRECTOR OR SECRETARY]

[Director **OR** Secretary]

Executed as a deed by [NAME OF CONTINUING TRIPARTITE PARTY] acting by [NAME OF FIRST DIRECTOR], a director and [NAME OF SECOND DIRECTOR/SECRETARY], [a director **OR** its secretary]

.....

[SIGNATURE OF FIRST DIRECTOR]

Director

.....

[SIGNATURE OF SECOND DIRECTOR OR  
SECRETARY]

[Director **OR** Secretary]