

Proposed Modification & Initial Modification Report No. 14

Changes for CAM and Entry-Exit

18th February 2015

Please find attached details of Proposed Modification 14 and Initial Modification Report 14 raised by BGE(NI) as required under Section 2 and 3 of the Code Modification Rules.

A Description of the nature and purpose of the modification

This proposal is being made to implement the requirements of the Capacity Allocation Mechanisms (CAM) Regulation (EU 984/2013). It also contains certain amendments to provide for the introduction of Entry Capacity into the Northern Irish Gas Transmission Regime.

B How the modification better facilitates the relevant objective

The Relevant Objective, (condition 2.4 of the BGE(NI) Licence) will be better facilitated by the Licensee's Network Code as a result of this modification. This change will contribute to the secure, safe, reliable, efficient and economic development and maintenance of the Network by ensuring that Entry Capacity is introduced into the Northern Irish regime in time to enable a co-ordinated approach to pipeline access (including bundling of capacity at Interconnection Points) with the upstream transporters as is required by the CAM Regulation (EU 984/2013).

C The clauses of the Transportation Code that require amendment

This proposal will introduce two new Sections of the Code (replacing the existing Section 1) to cover Entry Capacity (Section 1A) and Exit Capacity (Section 1B).

It also covers amendments to sections 8, principally concerning the definitions of Entry Point and Exit Point, as well as a replacement for Section 11 (*Five Year Statement, System Planning and NI Pressure/Capacity Report*) and a replacement for Section 17 (*Accession to the Code, Exit Point Registration, Downstream Load Statements and Retirement from the Code*). Transition Section T2 is introduced to bring all these changes into effect at the appropriate times and the proposal also contains a list of the additions/amendments to the defined terms in Appendix 1.

D Impact on other Designated Pipeline Operator's Network Codes:

BGE(NI) has worked with BGTL and PTL to develop a co-ordinated approach to the Codes, and the TSOs are aiming to keep the changes to the BGE(NI) Code and the PTL Code as aligned/identical as possible. PTL is publishing a corresponding Modification Proposal which closely mirrors the changes contained in this Code Modification Proposal for the PTL Code.

Under the BGTL Code, Shippers rights of access to the BGTL pipeline are determined with reference to their bookings under the PTL Code, and there are no Entry Points to the Northern Irish network on the BGTL transportation system. Changes to the BGTL Code that are required to further support the introduction of CAM and Entry-Exit in Northern Ireland will be made in a separate BGTL Code Modification later in 2015.

E The date proposed for implementation

1st May 2015

F How to Respond

Please send responses no later than 18th March 2015:

by email to: Avian Egan: Avian.Egan@gasnetworks.ie

by fax to: +00 353 (0)21 5006101

or by post to: BGE(NI) c/o Gas Networks Ireland

Gasworks Road

Cork

G Further Information on the Modification Proposal

Introduction

The text of this proposal has been developed following Industry Consultation on the draft Business Rules published on 1st December 2014. Some minor changes relative to the Business Rules have been made, most notably the inclusion of permanent assignment rules in response to Shipper feedback, but otherwise the Code text is essentially in line with the Business Rules.

The changes are summarised below:

Changes from Business Rules

1. Minor changes to defined terms

Some defined terms were used in the Business Rules for ease of reading, and almost all these terms have been used in the attached draft legal text. However, not all the definitions of the terms are identical to those used in the Business Rules, and many of the terms are defined within the body of the legal text for the sake of logical reading.

Please note that this Code Modification Proposal contains a list of the all the proposed amendments and additions to Appendix 1 (Definitions and Interpretation) which should be used in relation to the draft legal text.

2. Inclusion of Assignment of IP Capacity

Following Shipper feedback the TSOs propose to include assignment of Unbundled IP Entry Capacity, for annual and for quarterly durations, as a permanent feature of the rules. Only unbundled capacity can be assigned since the Adjacent Transporters have indicated that they do not intend to permit assignment of IP Capacity at all.

3. Alignment of transfer and assignment process steps for entry capacity and for exit capacity

In the Business Rules, the TSOs indicated that they would align the terminology for transfers and assignments of Exit Capacity with those for Entry Capacity. In the development of the business processes, systems and legal text it has become apparent that it will be practical for all parties if the process steps and requirements for transfers and assignment at Exit are aligned with those for Entry. Therefore we have added more detail to the Exit Capacity rules in section 1B to reflect this alignment, and accordingly, propose that assignments of Exit Capacity will be permitted for both annual and quarterly durations.

4. Section 6 (Capacity Reduction and Emergencies) and Section 9 (Measurement and Testing): deferred

In preparing the legal text it became evident that the changes needed to section 6 will rely on terminology to be introduced in the forthcoming Nominations Modification. The TSOs therefore will propose changes to section 6 as part of a future Code Modification Proposal.

Similarly, changes to section 9 will rely on allocations terms which will be revised with the Allocations Modification, and so the TSOs intend to address that as part of a future Code Modification.

5. Section 10 (Maintenance)

Review of this section and discussion with Adjacent Transporters has indicated that no changes are required to the current Code text at this time. The Code already provides for the Transporter

to co-ordinate maintenance with maintenance on the NTS and on the Upstream Transportation Systems.

6. Section 7 (Entry Requirements)

Review of this section has indicated that no changes are needed for the purposes of this Code Modification Proposal. The terms are generically defined and work with the new terms in Section 1A effectively.

7. Section 11

This Code Modification Proposal contains replacement text for section 11, which has been redrafted to reflect the requirement for the Network Forecast Statement to cover a ten year period (and renaming it the Ten Year Statement).

Having originally considered that it might be beneficial to rationalise the information collection for the Ten Year Statement and the information collection for the purposes of calculating tariffs into one Shipper Forecast Information Request, the TSOs now consider that this is not feasible and have concluded that it is necessary to retain separate information request processes. This is partly because the two processes will still be required to run on different timescales, with the information required for the Ten Year Statement being needed earlier in the year than the tariff information. It also reflects the fact that both the TSOs and the Shippers have two separate (but corresponding) licence obligations in relation to the two information sets.

The text has been prepared accordingly and provides for a questionnaire specific to the Ten Year Statement to be sent to Shippers and returned by the date included in the questionnaire. The TSOs anticipate that this will generally be completed during Q1 and Shippers will have at least 1 month to complete the questionnaire.

In addition (and separately), the Code describes the 'Shipper Forecast Information Request', which is to collect data to inform the calculation of Charges, and which is to be completed and returned by the 10th Business Day in June, in line with the Business Rules and the Licence obligations on both Shippers and TSOs.

8. Section 17

This Code Modification Proposal contains replacement text for section 17, which is in line with the proposals in the Business Rules, with the following two changes:

- i) the TSOs have added a requirement for Shippers to provide details of 'Authorised Persons' when requesting an IP Registration. This is because the TSOs are required by PRISMA to separately approve each and every individual from a Shipper organisation that is authorised to act on its behalf.
- ii) the TSOs have not referred specifically to initiating the process of providing access to the TSOs systems in the Code text. This activity would still be carried out for a Prospective Shipper or a Shipper requiring a Registration at a new point. However, on further consideration, the TSOs believed that by including this in the Code, it would introduce additional 'hurdles' into the process for a Shipper preparing to commence activity which are not contractually necessary. Information about the potential lead times for system access will be contained in guidance for new Shippers.

9. Transition Section T2 to bring the various changes into effect

The Business Rules set out the first dates for the various Auctions, including that the first month-ahead auction for IP Entry Capacity would be in September 2015. On further consideration, given

the scale of project delivery for this October, the TSOs have concluded that it is more appropriate that the first month-ahead auction should be scheduled to take place in October 2015, for November capacity, according to the ENTSOG Auction Calendar.

Shippers are reminded that there is an opportunity in April (under the terms of section T1 as implemented in the recently approved Code Modification 13) to request IP Entry Capacity for the month of October 2015 and that Daily Capacity will be available in the Rolling Day Ahead and Within Day Auctions.

In addition, the TSOs have prepared legal text for a new Transition section T2 (to be added after T1) which is intended to bring the relevant provisions of the Code into force at the appropriate time following the implementation of this Code Modification Proposal, which will be 1st May 2015 or, if later, on the date of approval of the Authority (the T2 Implementation Date) of this Code Modification Proposal.

Section T2 introduces the concept of the CAM Effective Date (1st October 2015) and the CAM Operational Date, which has not yet been fixed but will be some time before the CAM Effective Date. The TSOs will publish the CAM Operational Date as soon as it is known.

The purpose of this is to enable Shippers to be able to make certain communications (notify assignments etc.) and participate in the first Rolling Day Ahead auction for the 1st October after the CAM Operational Date, i.e. before 1st October 2015.

In addition, the Transition section T2 contains some additional provisions (T2.5.5 to T2.5.7) which are intended to 'upgrade' the automatic IP Entry Registrations provided under section T1 (for the purposes of Initial Entitlements) into full IP Registrations. This is necessary now the requirements for participation on PRISMA are fully established. Under these provisions, Shippers are required to provide details including EIC Codes and details of Authorised Persons to the TSOs by 8th May 2015. Shippers who do not intend to use PRISMA but still ship to Exit Points will also need to provide EIC Codes by 8th May 2015 as these will be required as identifiers in the TSOs systems.

10. Legal Text

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

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Insert this new Section 1A to read as follows:

1A. INTERCONNECTION POINT CAPACITY

1A.1 Introduction

A Shipper shall be entitled to apply for, be allocated and registered as holding IP Capacity in the Transportation System subject to and in accordance with this Section 1A.

1A.2 Flow Direction

1A.2.1 In this Code:

- (a) **“Flow Direction”** refers to the direction of commercial flow of gas at an Interconnection Point;
- (b) **“Forward Flow Direction”** refers to the forward commercial flow of gas at an Interconnection Point;
- (c) **“Reverse Flow Direction”** refers to the reverse commercial flow of gas at an Interconnection Point;
- (d) **“Interconnection Point”** or **“IP”** means South North Entry Point.

1A.2.2 At an Interconnection Point physical flow is permitted in the Forward Flow Direction only and IP Entry Capacity is allocated to and registered as held by Shippers in the Forward Flow Direction only. Interruptible VRF IP Exit Capacity is allocated to and registered as held by Shippers in the Reverse Flow Direction only.

1A.3 IP Capacity – General

1A.3.1 A Shipper may apply for, be allocated and registered as holding IP Capacity in accordance with this Code provided it has an IP Registration in respect of the relevant IP.

1A.3.2 In this Code:

- (a) **“IP Capacity”** means capacity at an Interconnection Point, comprising IP Entry Capacity and/or or Interruptible VRF IP Exit Capacity;
- (b) **“IP Entry Capacity”** comprises:
 - (i) Yearly IP Entry Capacity;
 - (ii) Quarterly IP Entry Capacity;
 - (iii) Monthly IP Entry Capacity;
 - (iv) Daily IP Entry Capacity;
- (c) **“Daily IP Entry Capacity”** means Firm entry capacity at an Interconnection Point in the Forward Flow Direction which may be applied for, allocated to and registered as held by a Shipper for a particular Gas Flow Day only;

Section 1A: Proposed Legal Text

- (d) **“Monthly IP Entry Capacity”** means Firm entry capacity at an Interconnection Point in the Forward Flow Direction which may be applied for, allocated to and registered as held by a Shipper for each Gas Flow Day in a particular Month;
 - (e) **“Quarterly IP Entry Capacity”** means Firm entry capacity at an Interconnection Point in the Forward Flow Direction which may be applied for, allocated to and registered as held by a Shipper for each Gas Flow Day in a particular Quarter;
 - (f) **“Yearly IP Entry Capacity”** means Firm entry capacity at an Interconnection Point in the Forward Flow Direction which may be applied for, allocated to and registered as held by a Shipper for each Gas Flow Day in a particular Gas Year; and
 - (g) **“Interruptible VRF IP Exit Capacity”** means Unbundled capacity at an Interconnection Point which is Interruptible and in the Reverse Flow Direction and which may be applied for, allocated to and registered as held by a Shipper for a particular Gas Flow Day.
- 1A.3.3 In this Section 1A, **“Firm”** refers to IP Capacity which may not be subject to curtailment and **“Interruptible”** refers to IP Capacity which may be subject to curtailment.
- 1A.3.4 In this Code, an **“IP Capacity Transaction”** refers to:
- (a) the allocation of IP Capacity to a Shipper in an Auction;
 - (b) voluntary bundling of IP Capacity in accordance with Section 1A.10;
 - (c) the transfer of IP Capacity in accordance with Section 1A.11; or
 - (d) the assignment of IP Capacity in accordance with Section 1A.12.
- 1A.3.5 An IP Capacity Transaction must be for an amount of IP Capacity which is the same for each Day in the period to which the IP Capacity Transaction relates.
- 1A.3.6 In relation to IP Capacity that is subject to an IP Capacity Transaction, the **“IP Capacity Duration”** is the duration of the period to which that Transaction relates.
- 1A.3.7 The eligible IP Capacity Durations are:
- (a) Yearly, relating to a Gas Year;
 - (b) Quarterly, relating to a Quarter;
 - (c) Monthly, relating to a Month; and
 - (d) Daily, relating to a Gas Flow Day.
- 1A.3.8 A reference to the **“Class”** of IP Capacity is to whether such IP Capacity is Firm or Interruptible.
- 1A.3.9 An **“IP Capacity Period”** is a particular period (of the relevant IP Capacity Duration) to which that IP Capacity Transaction relates.
- 1A.3.10 IP Capacity may be either bundled or unbundled as follows:

Section 1A: Proposed Legal Text

- (a) **“Bundled”** refers to IP Capacity which Shippers can obtain via Bids in a single Auction with Equivalent Interconnected System Capacity and/or which is otherwise registered by the Transporter as being held by a Shipper as bundled;
- (b) **“Unbundled”** refers to IP Capacity which may be obtained via Bids in an Auction and/or which is otherwise registered by the Transporter as being held by a Shipper and which is not Bundled IP Capacity.

1A.3.11 In this Code:

- (a) **“Adjacent Transporter”** means the operator of a transmission system connected to (or designated as connected to) the NI Network at an Interconnection Point and **“Adjacent Transporters”** shall be construed as including the Transporter at that Interconnection Point;
- (b) **“Adjacent Transporter’s Rulebook”** means the terms and conditions in force between the Adjacent Transporter and Shippers for use of the Interconnected System.

1A.3.12 In relation to Bundled IP Capacity:

- (a) **“Interconnected System”** means the system of an Adjacent Transporter;
- (b) **“Interconnected System Capacity”** means capacity in an Interconnected System which may be allocated to and registered as held by a Shipper on the Interconnected System for the purposes of delivering gas to or offtaking gas from the Interconnected System at the Interconnection Point;
- (c) **“Equivalent Interconnected System Capacity”** means Interconnected System Capacity of corresponding quantity, Flow Direction, Class, IP Capacity Duration and IP Capacity Period (all in accordance with the Adjacent TSO Rulebook) to IP Capacity at an Interconnection Point.

1A.3.13 Section 1A.14 sets out general provisions relating to the relationships between the Transporter, an Adjacent Transporter and a Shipper in respect of an Interconnected System and the Adjacent Transporter’s Rulebook.

1A.3.14 The total IP Entry Capacity which a Shipper may be allocated and registered as holding in respect of any given Gas Flow Day may comprise:

- (a) IP Entry Capacity allocated in different Auctions; and
- (b) Bundled IP Entry Capacity and Unbundled IP Entry Capacity.

1A.3.15 The total Interruptible VRF IP Exit Capacity which a Shipper may be allocated and registered as holding in respect of any given Gas Flow Day shall comprise the capacity it has been allocated in the relevant Interruptible Rolling Day-Ahead Auction.

1A.3.16 A Shipper’s **“Registered IP Capacity”** is the IP Capacity that the Shipper is registered as holding at the IP in respect of a Gas Flow Day.

1A.3.17 A Shipper’s **“Registered IP Entry Capacity”** is the IP Entry Capacity that the Shipper is registered as holding at the IP in respect of a Gas Flow Day.

Section 1A: Proposed Legal Text

- 1A.3.18 A Shipper's "**Available IP Capacity**" is the IP Capacity that the Shipper holds at an IP in respect of a Gas Flow Day after taking into account any IP Capacity Transfers in accordance with Section 1A.11 or IP Capacity Assignments in accordance with Section 1A.12.
- 1A.3.19 A Shipper's "**Available IP Entry Capacity**" is the IP Entry Capacity that the Shipper holds at an IP in respect of a Gas Flow Day after taking into account any transfers of IP Entry Capacity in accordance with Section 1A.11 or assignments of IP Entry Capacity in accordance with Section 1A.12.

1A.4 Auctions – General

Introduction

- 1A.4.1 IP Capacity will be allocated to Shippers by Auction in accordance with this Section 1A.
- 1A.4.2 For the purposes of this Code:
- (a) "**Auction**" means an auction of IP Capacity of a single Class, IP Capacity Duration, IP Capacity Period and Flow Direction and which is either Bundled or Unbundled and "**Auctions**" shall be construed accordingly save that references to "**Auctions**" in Sections 1A.8.43 to 1A.8.49 have the meaning given to them in Section 1A.8.42;
 - (b) "**Auction Calendar**" in relation to an Auction Year is the auction calendar published by ENTSOG for that Auction Year;
 - (c) "**Auction Information**" is the information relating to an Auction to be published as provided in Sections 1A.8.11 and 1A.9.4;
 - (d) "**Auction Information Time**" is the date on which, and where applicable the time at which, Auction Information is to be published, as provided in Sections 1A.8.12 or 1A.9.4;
 - (e) "**Auction Premium**" means the difference in price (if any) between the Starting Price and the Clearing Price;
 - (f) "**Auction Allocated Quantity**" means the aggregate quantity of IP Capacity allocated to Shippers pursuant to the Auction;
 - (g) "**Auction Year**" is the period of 12 months commencing 1st March in any year and in relation to any Auction Year, Gas Year Y is the Gas Year ending 30th September in the Auction Year;
 - (h) "**Auction Quantity**" means the amount of IP Capacity available to be allocated to Shippers in an Auction for IP Capacity;
 - (i) "**Automatic Bidding**" refers to a function provided by the Capacity Platform Operator whereby a Shipper can submit Bids before the start of an Auction;
 - (j) "**Bid**" means a bid by a Shipper to acquire and be allocated IP Capacity in an Auction;
 - (k) "**Bid Quantity**" means the amount of IP Capacity to which a Bid refers;

Section 1A: Proposed Legal Text

- (l) **“Bid Round”** means a bidding round in an Auction;
- (m) **“Bid Window”** means the window of time within which a Bid may be submitted;
- (n) **“Clearing Price”** means the price determined pursuant to the Auction as the price at which IP Capacity (and Equivalent Interconnected System Capacity, in the case of a Bundled Auction) is allocated to Shippers in the Auction;
- (o) **“Minimum Bid Quantity”** means the minimum quantity that a Shipper wishes to be allocated pursuant to a Bid in a Uniform Price Auction;
- (p) **“Minimum Eligible Quantity”** means the minimum quantity that can be submitted in a Bid in an Ascending Clock Auction and is 1kWh/Day;
- (q) **“NI Reserve Price”** means the relevant NI price for IP Capacity as set out in the Charging Methodology Statement;
- (r) **“NI Share”** refers to the share (in %) of the price reached in an Auction which is payable to the Transporter in respect of IP Capacity allocated in the Auction;
- (s) **“Starting Price”** means the sum of the NI Reserve Price and the reserve price of the Adjacent Transporter.

Bundled and Unbundled Auctions

1A.4.3 In relation to Auctions:

- (a) a **“Bundled Auction”** is an Auction of Bundled IP Capacity;
- (b) an **“Unbundled Auction”** is an Auction of Unbundled IP Capacity;
- (c) where the context requires, a reference to an Auction includes both the Bundled and Unbundled Auctions and in the case of Linked Bundled Auctions, both the Bundled Auction and the auction to which it is Linked;
- (d) in the context of any Auction, a reference to IP Capacity is to IP Capacity at the IP and of the Class, Flow Direction, IP Capacity Duration and IP Capacity Period to which the Auction relates.

1A.4.4 In relation to any Auction for IP Entry Capacity:

- (a) where the Allocable IP Entry Capacity (determined in accordance with 1A.7.3) is greater than the available Equivalent Interconnected System Capacity, Unbundled IP Entry Capacity will be made available in a separate Unbundled Auction to be held simultaneously to the Bundled Auction;
- (b) where the Allocable IP Entry Capacity (determined in accordance with 1A.7.3) is less than the available Equivalent Interconnected System Capacity, the Auction Quantity in the Bundled Auction shall be equal to the Allocable IP Entry Capacity and there shall be no Unbundled Auction.

1A.4.5 In the case of an Auction of Bundled IP Capacity:

Section 1A: Proposed Legal Text

- (a) the Auction also operates as an Auction of Equivalent Interconnected System Capacity but subject also to Sections 1A.8 and 1A.9;
- (b) a Bid also operates as a Bid to acquire Equivalent Interconnected System Capacity;
- (c) a Bid Price or Bid Round Price comprises both a price for IP Capacity and a price for Interconnected System Capacity;

and references to Bid Quantity, Auction Quantity and Aggregate Bid Quantity shall be construed accordingly.

1A.4.6 The acceptance of a Bid in a Bundled Auction has contractual effect separately;

- (a) in respect of IP Capacity for the purposes of this Code; and
- (b) in respect of Interconnected System Capacity for the purposes of the Adjacent Transporter's Rulebook;

and where a Shipper is allocated and registered as holding IP Capacity pursuant to an Auction the obligation of the Shipper to pay PS Transmission Amounts to the Transporter in respect of such IP Capacity is a separate obligation, enforceable as a separate debt, from its obligation to pay charges to the Adjacent Transporter.

1A.4.7 The Transporter shall agree with the Adjacent Transporter the percentage shares (aggregating 100%) in which any Auction Premium will be shared between them.

Prices and Currency Conversion

1A.4.8 A "**Euro-based Auction**" is a Bundled Auction and/or a Linked Bundled Auction where the price of the Interconnected System Capacity or the capacity available in the auction to which the Bundled Auction is Linked is expressed in euro (€).

1A.4.9 The "**ECB Rate**" is the sterling/euro exchange rate published by the European Central Bank (at or about 14:00 hours) on each day which is a business day for such Bank.

1A.4.10 In any Euro-based Auction:

- (a) prices provided to Shippers (including the Starting Price and where applicable Bid Round Prices) shall be expressed in both pounds sterling (£) and euro (€);
- (b) Bid Prices submitted by Shippers may be expressed in either pounds sterling (£) or euro (€);
- (c) Bids will be evaluated and the Clearing Price will be determined in euro (€).

1A.4.11 For the purposes of converting (in connection with any Auction or any Bid Round of an Ascending Clock Auction) a price of IP Capacity between a price expressed in pounds sterling (£) and a price expressed in euro (€), the exchange rate in 1A.4.12 will be used.

1A.4.12 The exchange rate is the latest ECB Rate to be published prior to the start of the Bid Window of the Auction or (in the case of an Ascending Clock Auction) the Bid Window for the first Bid Round (regardless of the date of the clearing Bid Round).

Section 1A: Proposed Legal Text

- 1A.4.13 The rate that will be payable for IP Capacity will be expressed in p/kWh/Day and where the Auction Premium was determined in euro cents/kWh/Day the NI Share will be determined on the basis of the exchange rate used for the Auction as provided in 1A.4.12.

Linked Auctions

- 1A.4.14 At South North Entry Point Auctions of IP Capacity shall not be linked to any other auctions.

1A.5 The Auctions to be held

- 1A.5.1 The following Auctions in respect of IP Capacity of different IP Capacity Durations will be held in each Auction Year:

- (a) Auctions held once in each Auction Year, in respect of Yearly IP Entry Capacity for each of Gas Years Y + 1 to Y + 15 ("**Annual Yearly Auctions**");
- (b) Auctions held once in each Auction Year in respect of Quarterly IP Entry Capacity for each Quarter in Gas Year Y+1 ("**Annual Quarterly Auctions**");
- (c) Auctions held in each Month of the Auction Year, in respect of Monthly IP Entry Capacity ("**Rolling Monthly Auctions**");
- (d) Auctions held on each Day of the Auction Year in respect of Daily IP Entry Capacity for the following Gas Flow Day ("**Rolling Day-Ahead Auctions**");
- (e) Auctions held on each Day of the Auction Year in respect of Interruptible VRF IP Exit Capacity ("**Interruptible Rolling Day-Ahead Auctions**");
- (f) Auctions held on an hourly basis as provided for in Section 1A.9.5 for each Gas Flow Day of the Auction Year in respect of Daily IP Entry Capacity for that Gas Flow Day ("**Within Day Auctions**").

- 1A.5.2 Annual Yearly Auctions, Annual Quarterly Auctions and Rolling Monthly Auctions shall be held as Ascending Clock Auctions in accordance with Section 1A.8.

- 1A.5.3 Rolling Day-Ahead Auctions, Interruptible Rolling Day-Ahead Auctions and Within Day Auctions shall be held as Uniform Price Auctions in accordance with Section 1A.9.

1A.6 Use of a Capacity Platform

- 1A.6.1 For the purposes of this Code "**Capacity Platform**" means an internet-based platform for booking and trading IP Capacity in accordance with this Section 1A and "**Capacity Platform Operator**" means in relation to an IP, the person designated as such in Section 1A.6.2.

- 1A.6.2 At the date of implementation of this Section 1A, PRISMA European Capacity Platform GmbH is designated as Capacity Platform Operator in relation to South North Entry Point.

- 1A.6.3 The Transporter, the Adjacent Transporter and Shippers have agreed that the following activities ("**CPO Activities**") will be performed by the Capacity Platform Operator:

Section 1A: Proposed Legal Text

- (a) the running of Auctions in respect of IP Capacity including the publication of Auction Information, the receipt and validation of Bids, the evaluation and acceptance of Bids and the provision and publication of the results of an Auction, as provided for in this Section 1A;
- (b) the receipt and acceptance or rejection of IP Capacity Transfers as provided for in Section 1A.11 and the provision of a facility enabling Shippers to post and accept offers to make such IP Capacity Transfers; and
- (c) equivalent activities in respect of capacity in an Interconnected System;

and such activities are not within the scope of GTMS.

1A.6.4 It is the responsibility of each Party to make such arrangements to comply with such requirements as are stipulated by the Capacity Platform Operator for access to and use of the Capacity Platform Operator's systems and otherwise in connection with the performance of CPO Activities, including entering into and complying with the relevant agreement issued for such purpose by the Capacity Platform Operator; and nothing in this Code shall be treated as creating or conferring on any Party any entitlement to such access or use, or any other rights against or relationship with the Capacity Platform Operator.

1A.6.5 The Transporter confirms that it has entered into an agreement with the Capacity Platform Operator as required under Section 1A.6.4.

1A.6.6 In accordance with Section 1A.6.4 a Shipper will be unable to and is not entitled to apply for, be allocated or registered as holding or transfer IP Capacity unless it has made the arrangements and complied with the requirements referred to in that Section.

1A.6.7 Where the Capacity Platform Operator requests the Transporter to confirm:

- (a) that a person seeking to make the arrangements in Section 1A.6.4 is a Shipper, the Transporter will give such confirmation if the person is a Shipper at the time the request is made;
- (b) that an individual is authorised to represent a Shipper for the purposes of such arrangements, the Transporter will give such confirmation if the Shipper has identified the individual as an Authorised Person in accordance with section 17.5.1 (f);

and in a case within section 1A.6.7 (b) where a Shipper wishes the Transporter to inform the Capacity Platform Operator of an individual ceasing to be an Authorised Person, the Shipper must comply with such notification and other requirements as the Transporter may from time to time prescribe.

1A.6.8 The Parties agree and acknowledge that:

- (a) the rules, algorithms, systems and processes established from time to time by the Capacity Platform Operator in connection with each IP ("**CPO Rules and Processes**") are those which apply to and govern the CPO Activities;
- (b) the Parties shall be bound for the purposes of this Code by the outcome of the application of the CPO Rules and Processes;

Section 1A: Proposed Legal Text

- (c) no Party shall have any liability to any other Party in respect of the Capacity Platform Operator carrying out, or failing to carry out, the CPO Activities in accordance with the CPO Rules and Processes;
- (d) the provisions of this Section 1A.6 (including without limitation those referred to in Section 1A.6.3) which relate to the CPO Activities are understood by the Parties to reflect the CPO Rules and Processes (and are included in this Code as descriptive provisions for the convenience of the Parties);
- (e) if there is any conflict between the CPO Rules and Processes and the provisions of this Section 1A.6, the CPO Rules and Processes will prevail;
- (f) in the case of such a conflict the Parties will consult with each other as to whether a Code Modification should be proposed to remove such conflict or whether to seek a modification to the CPO Rules and Processes.

1A.6.9 The Parties further agree and acknowledge that (pursuant to and without limitation of Section 1A.6.8):

- (a) the making of communications between a Party and the Capacity Platform Operator in connection with the CPO Activities, the formats of such communications, the access to and availability of systems for such communications, and any question as to the authority of any person to give or receive such a communication, or the validity of time of giving or receipt of such a communication, shall be governed by and determined in accordance with CPO Rules and Processes;
- (b) the rights and obligations of the Parties and the Capacity Platform Operator in respect of the confidentiality and disclosure of information provided to or by the Capacity Platform Operator are governed by the CPO Rules and Processes;
- (c) any correction of any error or mistake made by the Capacity Platform Operator or a Party in performing the CPO Activities will be made subject to and in accordance with the CPO Rules and Processes;
- (d) any other question or dispute arising as to the performance of the CPO Activities or in connection with the CPO Rules and Processes shall be determined in accordance with the procedure in the CPO Rules and Processes;

and that none of the above are governed by or to be determined under this Code.

1A.6.10 In sending or receiving the following communications to or from Shippers, the Capacity Platform Operator acts as agent for and on behalf of the Transporter;

- (a) publishing Auction information in respect of IP Capacity, receiving Bids from Shippers and notifying acceptance of Bids;
- (b) receiving notifications of IP Capacity Transfers from Shippers and notifying acceptance or rejection of such IP Capacity Transfers;

but (other than as above) the Capacity Platform Operator does not act as an agent for the Transporter in connection with CPO Activities or otherwise.

1A.6.11 The Transporter does not act as an agent for the Capacity Platform Operator for any purposes.

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1A.6.12 The Transporter shall;

- (a) in connection with Auctions of IP Capacity;
 - (i) send to the Capacity Platform Operator the information necessary to publish Auction Information;
 - (ii) inform the Capacity Platform Operator if a Shipper's Bids are to be accepted or rejected, taking into account inter alia Section 13 of this Code;
 - (iii) allocate and register Shippers as holding IP Capacity on the basis of the results of the Auction sent by the Capacity Platform Operator to the Transporter;
- (b) in connection with IP Capacity Transfers;
 - (i) inform the Capacity Platform Operator whether such proposed transfers are accepted or rejected;
 - (ii) record the adjustments in the Shipper's Available IP Capacity on the basis of the results of accepted IP Capacity Transfers sent by the Capacity Platform Operator to the Transporter;

but this Section 1A.6.12 does not require the Transporter to send to the Capacity Platform Operator any information which is otherwise available to the Capacity Platform Operator or which relates to the Interconnected System or the users of the Interconnected System.

1A.6.13 Where one Party receives information from the Capacity Platform Operator relating to the other Party as a result of this Code or the CPO Rules and Processes such information shall be treated as Confidential Information as between the Parties.

1A.7 IP Capacity Quantities

1A.7.1 The "**Technical IP Entry Capacity**" of South North Entry Point is the maximum IP Entry Capacity which the Transporter can offer to Shippers taking account of the integrity and operational requirements of the Transportation System and the NI Network.

1A.7.2 In this Code "**Unsold Technical IP Entry Capacity**" is Technical IP Entry Capacity which has not been allocated to Shippers.

1A.7.3 The amount of IP Entry Capacity which is to be made available to Shippers (the "**Allocable IP Entry Capacity**") will be determined by the Transporter and notified to the CPO, in accordance with Section 1A.6.12, as the sum of:

- (a) the Unsold Technical IP Entry Capacity subject to Section 1A.7.5; and
- (b) any amount of Additional IP Entry Capacity available for the relevant IP Capacity Period.

1A.7.4 The amount of Interruptible VRF IP Exit Capacity which is available for a Gas Flow Day in any Interruptible Rolling Day-Ahead Auction (the "**Allocable VRF IP Exit Capacity**") will not exceed the Maximum Available Interruptible VRF IP Exit Capacity.

Set Aside Rule

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- 1A.7.5 In relation to the Annual Yearly Auctions, an amount of Technical IP Entry Capacity must be set aside from the amount of IP Entry Capacity to be made available, determined (by reference to the IP Capacity Period) as follows:
- (a) in relation to each of the Gas Years Y+1 to Y+5 an amount equal to 10% of the Technical IP Entry Capacity;
 - (b) in relation to each of the Gas Years Y+6 to Y+15 an amount equal to 20% of the Technical IP Entry Capacity;
- or in either case, if less, the full amount of the Unsold Technical IP Entry Capacity.
- 1A.7.6 For the avoidance of doubt, in relation to Auctions other than the Annual Yearly Auctions, Section 1A.7.5 does not apply.
- 1A.7.7 The Transporter:
- (a) shall endeavour to maximise the level of Technical IP Entry Capacity by acting in accordance with the provisions of this Code as a Reasonable and Prudent Operator; and
 - (b) shall act as a Reasonable and Prudent Operator in the manner in which it calculates and determines the Technical IP Entry Capacity from time to time in accordance with this Code.
- 1A.7.8 If any Dispute arises as to the Transporter's determination of the level of Technical IP Entry Capacity, which is not first resolved by mediation in accordance with Section 20, the Transporter or a Shipper may refer the matter to an Expert for an Expert Determination.

1A.8 Ascending Clock Auctions

- 1A.8.1 This Section sets out the basis on which Ascending Clock Auctions will be held (and in this Section 1A.8, unless otherwise expressly provided, references to an Auction are to an Ascending Clock Auction).
- 1A.8.2 In an "**Ascending Clock Auction**", IP Capacity is offered to and bid for by Shippers in a series of Bid Rounds at ascending prices until the aggregate amount of IP Capacity bid for does not exceed the Auction Quantity, subject to and in accordance with the further rules in this Section 1A.8.
- 1A.8.3 For the purposes of this Section 1A.8, in relation to an Ascending Clock Auction, subject to Sections 1A.4.5, 1A.4.6 and 1A.4.7:
- (a) "**Auction Date**" means the date and time on which the first Bid Window will start;
 - (b) the "**Bid Round Price**" in relation to a Bid Round in an Ascending Clock Auction, is the price (in pence/kWh/Day or eurocent/kWh/Day) at which IP Capacity may be bid for in that Bid Round;
 - (c) the "**Aggregate Bid Quantity**" means the aggregate quantity of IP Capacity for which valid Bids are made in a Bid Round;

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- (d) **“First Time Undersell”** means an occurrence, in an Ascending Clock Auction, where the Aggregate Bid Quantity is less than the Auction Quantity at the end of the second Bid Round or a subsequent Bid Round in which a Large Price Step has been applied;
- (e) where an Auction **“Closes”** following a Bid Round, this means there are no further Bid Rounds and the successful Bids and Clearing Price are determined and the IP Capacity is allocated in accordance with Section 1A.8.38 and **“Close”**, **“Closed”** and **“Closing”** shall be construed accordingly.

1A.8.4 Particular Bid Rounds are identified as follows:

- (a) **“FTU Bid Round”**, or **“First Time Undersell Bid Round”**, is a Bid Round in which a First Time Undersell occurs;
- (b) **“Last Pre-FTU Bid Round”** is the LPS Bid Round preceding a FTU Bid Round;
- (c) **“LPS Bid Round”**, or **“Large Price Step Bid Round”**, is any Bid Round up until the FTU Bid Round;
- (d) **“SPS Bid Round”**, or **“Small Price Step Bid Round”**, is a Bid Round after the FTU Bid Round.

1A.8.5 Particular Bid Round Prices are identified as follows:

- (a) **“BPR_{BR-1}”** in relation to any Bid Round is the Bid Round Price of the preceding Bid Round;
- (b) **“BPR_{LPFBR}”** is the Bid Round Price of the Last Pre-FTU Bid Round.

Price Steps

1A.8.6 For each Auction, the amounts of two different increments of Bid Round Price (respectively the **“Large Price Step”** or **“LPS”**) and the **“Small Price Step”** or **“SPS”**) will be determined in accordance with Sections 1A.8.7 to 1A.8.9 below.

1A.8.7 In relation to each Auction,

- (a) the Transporter will determine:
 - (i) the amount of the **“NI large price step”**; and
 - (ii) (in the case of a Bundled Auction, jointly with the Adjacent Transporter) a fraction (**“SPS Fraction”**) in the form of $1/X$ where X is a whole number;
- (b) the Large Price Step is:
 - (i) in the case of an Unbundled Auction, the NI large price step;
 - (ii) in the case of a Bundled Auction, the sum of the NI large price step and a large price step determined by the Adjacent Transporter under the Adjacent Transporter’s Rulebook;
- (c) the Small Price Step is the SPS fraction of the Large Price Step.

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- 1A.8.8 The NI large price step shall be 5% of the NI Reserve Price.
- 1A.8.9 The Small Price Step shall be one fifth of the Large Price Step, unless otherwise agreed with the relevant Adjacent Transporter.
- 1A.8.10 The Large Price Step and the Small Price Step for an Auction will be notified to Shippers in the Auction Information.

Auction Information

- 1A.8.11 For each Ascending Clock Auction the following information will be published to Shippers in advance of the Auction:
- (a) the identity of the Transporter and the Adjacent Transporter;
 - (b) the IP;
 - (c) the Flow Direction;
 - (d) the IP Capacity Duration and IP Capacity Period;
 - (e) confirmation that the IP Entry Capacity to be auctioned is Firm;
 - (f) the amount of IP Entry Capacity available (subject also to the processes for Linked Auctions in Sections 1A.8.42 to 1A.8.49 below);
 - (g) the Starting Price, the NI Reserve Price and for a Bundled Auction, the reserve price of the Equivalent Interconnected System Capacity;
 - (h) the Auction date and start time;
 - (i) the Large Price Step and the Small Price Step.
- 1A.8.12 The date by which the Auction Information shall be available to Shippers shall be:
- (a) in relation to an Annual Yearly Auction, one month before the Auction Date;
 - (b) in relation to an Annual Quarterly Auction, two weeks before the Auction Date;
 - (c) in relation to a Rolling Monthly Auction, one week before the Auction Date.

Ascending Clock Bid Windows

- 1A.8.13 Shippers shall bid in Bid Rounds. Each Bid Round shall take place in a Bid Window.
- 1A.8.14 The Bid Windows shall be determined as follows:
- (a) no Bid Window shall start before 08:00(UTC) or end after 17:00 (UTC);
 - (b) the Bid Window for the first Bid Round shall be a period of three hours on the Auction Date;
 - (c) the Bid Window for each subsequent Bid Round shall be a period of one hour;

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- (d) there shall be a period of one hour between the end of one Bid Window and the start of the next Bid Window;
 - (e) Bid Windows may fall only on Business Days.
- 1A.8.15 In relation to the Annual Yearly Auction, the Auction Date will be the first Monday in March (or as otherwise specified in the Auction Calendar).
- 1A.8.16 In relation to the Annual Quarterly Auction, the Auction Date will be the first Monday in June (or as otherwise specified in the Auction Calendar).
- 1A.8.17 In relation to the Rolling Monthly Auction, the Auction Date will be the third Monday in the Month before the Month to which the Auction relates (or as otherwise specified in the Auction Calendar).

Bidding in an Ascending Clock Auction

- 1A.8.18 In each Bid Round a Shipper may apply for IP Entry Capacity by submitting a Bid within the Bid Window in accordance with this Section. Bids may be revised during a Bid Window in accordance with the CPO Rules and Processes.
- 1A.8.19 A Shipper must submit a Bid in the first Bid Round in order to submit a Bid in any subsequent Bid Round.
- 1A.8.20 Each Bid shall specify:
- (a) the identity of the Shipper;
 - (b) the Auction in which it is submitted;
 - (c) the Bid Quantity;
 - (d) other details as may be required by the CPO Rules and Processes.
- 1A.8.21 For each Shipper in each Bid Round, the Bid Quantity;
- (a) shall not be less than the Minimum Eligible Quantity;
 - (b) in the case of the first Bid Round, shall not exceed the Auction Quantity;
 - (c) in each subsequent Bid Round except the SPS Bid Round (if any) shall not exceed the Shipper's Bid Quantity in the preceding Bid Round;
 - (d) in the first SPS Bid Round, shall not exceed the Shipper's Bid Quantity for the Last Pre-FTU Bid Round and shall not be less than the Shipper's Bid Quantity for the FTU Bid Round.
- 1A.8.22 If in the first SPS Bid Round, a Shipper does not submit a Bid which meets the requirements of Section 1A.8.21(d), the Shipper shall be deemed to have submitted a Bid Quantity equal to its Bid Quantity in the Last Pre-FTU Bid Round.
- 1A.8.23 A Shipper may (subject to Section 1A.8.21) withdraw or modify a Bid in any Bid Round at any time during (but not after the close of) the Bid Window, and further references in this Section 1A.8 to a Bid are to the Bid prevailing at the close of the relevant Bid Window.

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- 1A.8.24 A Bid is valid if, and only if:
- (a) it complies with the requirements of Section 1A.8.20 and Section 1A.8.21;
 - (b) the Shipper has a sufficient Provided Level of Credit Support;
 - (c) in a Bundled Auction, the Bid is also valid under the Adjacent Transporter's Rulebook;
 - (d) any requirements under the CPO Rules and Processes are complied with.
- 1A.8.25 Bids which are not valid will be rejected and have no effect.
- 1A.8.26 A Bid operates (subject to the provisions of Sections 1A.4.5, 1A.4.6 and 1A.4.7) as an offer by the Shipper to acquire and pay for IP Capacity in the Bid Quantity and at the Bid Round Price, capable of acceptance in accordance with Section 1A.8.38 below and may not be withdrawn or modified except as provided in Section 1A.8.23.

Ascending Clock Auction Process

- 1A.8.27 In the first Bid Round, the Bid Round Price will be equal to the Starting Price.
- 1A.8.28 Following each Bid Round in which the Aggregate Bid Quantity exceeds the Auction Quantity, a further Bid Round will take place, subject to Sections 1A.8.35 and 1A.8.36.
- 1A.8.29 In each LPS Bid Round (other than the first), the Bid Round Price will be equal to $(BRP_{BR-1} + LPS)$.
- 1A.8.30 If in the first LPS Bid Round, the Aggregate Bid Quantity is equal to or less than the Auction Quantity the Auction will Close and Section 1A.8.38(a) shall apply.
- 1A.8.31 If in any LPS Bid Round the Aggregate Bid Quantity is equal to the Auction Quantity the Auction will Close and Section 1A.8.38(a) shall apply.
- 1A.8.32 Unless Section 1A.8.30 or 1A.8.31 applies, following the first LPS Bid Round in which the Aggregate Bid Quantity is less than the Auction Quantity (a First Time Undersell) Section 1A.8.33 shall apply.
- 1A.8.33 Following an FTU Bid Round:
- (a) for the next Bid Round (the first SPS Bid Round) the Bid Round Price will be equal to $(BRP_{LPFBR} + SPS)$;
 - (b) in each subsequent SPS Bid Round the Bid Round Price will be equal to $BRP_{BR-1} + SPS$.
- 1A.8.34 If in any SPS Bid Round the Aggregate Bid Quantity is equal to or less than the Auction Quantity, the Auction will Close and Section 1A.8.38(a) shall apply.
- 1A.8.35 If following any SPS Bid Round the Auction has not Closed under Section 1A.8.38(a) but the Bid Round Price of the next SPS Bid Round would be equal to the Bid Round Price of the FTU Bid Round, the Auction will Close and Section 1A.8.38(b) shall apply.
- 1A.8.36 If an Auction ('A') has not Closed by the closure deadline for the next following Auction ('B') whether an Ascending Clock Auction or a Uniform Price Auction) in respect of IP Capacity

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for the same IP, Flow Direction and Class as Auction A but for any IP Capacity Period which falls within the IP Capacity Period for Auction A, Auction A will be discontinued without Closing and no Bid in Auction A shall have any effect.

1A.8.37 For the purposes of Section 1A.8.36 the closure deadline is:

- (a) where Auction B is an Ascending Clock Auction, 17:00 on the 6th Business Day before the Auction Information Time for Auction B;
- (b) where Auction B is a Rolling Day-Ahead Auction, 17:00 on the 2nd Business Day before the Auction Information Time for Auction B.

Auction Close

1A.8.38 Where the Auction Closes following any Bid Round:

- (a) subject to Section 1A.8.38(b) that Bid Round is the clearing Bid Round, the Clearing Price is the Bid Round Price for that Bid Round, and each Bid submitted in that Bid Round is accepted; and the Shipper which submitted that Bid shall be allocated and registered as holding an amount of IP Capacity equal to its Bid Quantity;
- (b) where Section 1A.8.35 applies the FTU Bid Round is the clearing Bid Round, the Clearing Price is the Bid Round Price for the FTU Bid Round, and each Bid submitted in the FTU Bid Round is accepted; and the Shipper which submitted that Bid shall be allocated and registered as holding an amount of IP Capacity equal to its Bid Quantity.

1A.8.39 Following each Bid Round, Shippers will be informed whether the Auction has Closed.

1A.8.40 For the avoidance of doubt no Bid made in any Bid Round other than the clearing Bid Round shall be treated as accepted or shall have any other effect.

Provision of Information following an Ascending Clock Auction

1A.8.41 Following each Auction, by the end of the Business Day following the Day on which the Auction Closed:

- (a) the following information will be published to all Shippers:
 - (i) the Auction Allocated Quantity;
 - (ii) the Auction Premium;
- (b) the following additional information will be published to each Shipper whose Bid was successful in the Auction:
 - (i) the amount of IP Capacity allocated to the Shipper in the Auction;
 - (ii) the NI Share (in the case of a Bundled Auction).

1A.9 Uniform Price Auctions

1A.9.1 This Section sets out the basis on which Uniform Price Auctions will be held (and in this Section 1A.9, unless otherwise expressly provided, references to an Auction are to a Uniform Price Auction).

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- 1A.9.2 In a “**Uniform Price Auction**”, IP Capacity is offered to and bid for by Shippers in a single Bid Round in which both price and quantity are bid, subject to and in accordance with the further provisions of this Section 1A.9.
- 1A.9.3 For the purposes of this Section 1A.9, in relation to a Uniform Price Auction, the “**Bid Price**” in relation to a Bid is the price (in pence/kWh/Day or eurocents/kWh/Day) bid by the Shipper for IP Capacity, subject to Sections 1A.4.5, 1A.4.6 and 1A.4.7,

Auction Information

- 1A.9.4 For each Uniform Price Auction the following information will be published to Shippers by the time the Bid Window opens:
- (a) the identity of the Transporter and, in the case of a Bundled Auction, the Adjacent Transporter;
 - (b) the IP;
 - (c) the Flow Direction;
 - (d) the IP Capacity Duration and IP Capacity Period;
 - (e) whether or not the Auction is for Firm IP Entry Capacity or Interruptible VRF IP Exit Capacity;
 - (f) the amount of IP Capacity available (subject to the processes for Linked Auctions in Sections 1A.9.24 and 1A.9.25);
 - (g) the NI Reserve Price and in the case of a Bundled Auction, the reserve price of the Adjacent Transporter and the Starting Price;
 - (h) the Auction date and time at which the Bid Window opens; and
 - (i) the relevant Gas Flow Day.

Within Day Auctions

- 1A.9.5 For each Gas Flow Day, Within Day Auctions shall be held with Bid Windows closing at hourly intervals from 01:30 on D-1 to 00:30 on Day D as follows:
- (a) the first Within Day Auction Bid Window shall be from 18:00 to 01:30 on D-1;
 - (b) the second Within Day Auction Bid Window shall be from 02:00 to 02:30 on D-1;
 - (c) thereafter there shall be successive Bid Windows of 30 minutes commencing on the hour, up to the last Within Day Auction;
 - (d) the last Within Day Auction Bid Window shall be from 00:00 to 00:30 on Day D.
- 1A.9.6 Daily IP Entry Capacity allocated in a Within Day Auction in the first Bid Window shall be deemed to have an effective time of 05:00 on D. All other IP Capacity allocated in a Within Day Auction shall have an effective time of 3.5 hours from the close of the relevant Bid Window.

Rolling Day-Ahead Auctions

- 1A.9.7 A Rolling Day-Ahead Auction of IP Entry Capacity shall have a Bid Window of 30 minutes starting at 15:30 on D-1, or such other time as specified in the Auction Calendar.
- 1A.9.8 A Rolling Day Ahead Auction of Interruptible VRF IP Exit Capacity shall have a Bid Window of 30 minutes starting at 16:30 on D-1, or such other time as specified in the Auction Calendar.

Bidding in a Uniform Price Auction

- 1A.9.9 In each Auction a Shipper may apply for IP Capacity by submitting a Bid within the Bid Window in accordance with this Section 1A.9.
- 1A.9.10 A Shipper can submit up to 10 Bids in a Uniform Price Auction each of which shall be separate and independent of the others.
- 1A.9.11 Each Bid shall specify:
- (a) the identity of the Shipper;
 - (b) the Auction in which it is submitted;
 - (c) the Minimum Bid Quantity;
 - (d) the Bid Price;
 - (e) in the case of a Rolling Day-Ahead Auction Bid of IP Entry Capacity, whether or not the Bid is a **'Carry Forward'** Bid (to be carried forward to the Within Day Auction in accordance with Section 1A.9.20);
 - (f) other details as may be required by the CPO Rules and Processes.
- 1A.9.12 The following must also be satisfied in relation to Bids:
- (a) for each Bid, the Bid Quantity shall not be less than the Minimum Bid Quantity;
 - (b) for each Bid, the Bid Price shall not be less than the Starting Price;
 - (c) for each Shipper, the aggregate of all the Bid Quantities under all Bids in an Auction shall not exceed the Auction Quantity.
- 1A.9.13 A Shipper may withdraw or modify a Bid at any time during (but not after the close of) the Bid Window, and further references in this Section to a Bid are to the Bid prevailing at the time of the close of the Bid Window.
- 1A.9.14 A Bid is valid if, and only if:
- (a) it complies with the requirements of Section 1A.9.11 and 1A.9.12;
 - (b) the Shipper has a sufficient Provided Level of Credit Support;
 - (c) in a Bundled Auction, the Bid is valid under the Adjacent Transporter's Rulebook;

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(d) any requirements under the CPO Rules and Processes are complied with.

1A.9.15 Bids which do not meet the requirements of Section 1A.9.14 above will be rejected and have no effect.

1A.9.16 A Bid operates (subject to the provisions of Sections 1A.4.5, 1A.4.6 and 1A.4.7) as an offer by the Shipper to acquire and pay for IP Capacity in any amount not less than the Minimum Bid Quantity and not greater than the Bid Quantity and at the Bid Price, capable of acceptance in accordance with Section 1A.9.19 and may not be withdrawn or modified except as provided in Section 1A.9.13 above.

Bid Price

1A.9.17 In the case of a Euro-based Auction, for the purposes of ranking Bids for allocation, the Bid Price of each Bid will be converted to euro (in accordance with Section 1A.4.11) and references to Bid Price in Section 1A.9.18 below are to the Bid Price so converted.

Uniform Price Auction Process

1A.9.18 Following the close of the Bid Window, IP Capacity will be allocated to and registered as held by Shippers pursuant to the valid Bids submitted as follows:

- (a) all valid Bids will be ranked in order of Bid Price (the highest priced ranking first);
- (b) IP Capacity will be allocated to Bids in descending order of Bid Price, until such time as the amount of IP Capacity allocated in aggregate is equal to the Auction Quantity or (where the aggregate of the Bid Quantities is less than the Auction Quantity) there are no more remaining Bids to satisfy;
- (c) subject to Sections 1A.9.18(d) and 1A.9.18(e), where the Bid Quantity under a Bid exceeds the amount (“**Remaining Unallocated Quantity**”) of the Auction Quantity which remains unallocated after allocation to higher-priced bids, the Remaining Unallocated Quantity shall be allocated to the relevant Bid;
- (d) subject to Section 1A.9.18(e), where two or more Bid Quantities have the same Bid Price, and the amount in aggregate of the Bid Quantities under such Bids exceeds the Remaining Unallocated Quantity, the Remaining Unallocated Quantity shall be allocated to the Bids pro-rata the respective Bid Quantities;
- (e) where the amount to be allocated to a Bid under Section 1A.9.18(c) or 1A.9.18(d) would be less than the Minimum Bid Quantity, the Bid will be disregarded and of no effect, and this Section 1A.9.18 shall apply to the ranked Bids excluding such Bid.

1A.9.19 Each Bid to which IP Capacity is allocated in accordance with 1A.9.18 above is accepted (as to the quantity so allocated); and the Shipper which submitted that Bid shall be allocated and registered as holding that quantity of IP Capacity.

1A.9.20 Where a Bid in a Rolling Day-Ahead Auction has not been successful and the Bid is a Carry-Forward Bid, the Bid shall operate as a Bid (for the same Bid Quantity, Minimum Bid Quantity and Bid Price) in the first Within Day Auction for that Gas Flow Day but subject to the Shipper modifying or withdrawing the Bid in accordance with Section 1A.9.13.

1A.9.21 For the avoidance of doubt, subject to Section 1A.9.20 a Bid which is not accepted in an Auction lapses and is of no further effect.

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1A.9.22 In relation to a Uniform Price Auction the Clearing Price is:

- (a) if the aggregate of the Bid Quantities under all Bids is less than the Auction Quantity, the Starting Price; otherwise
- (b) the Bid Price of the lowest-priced successful Bid in the Auction.

Provision of Information following a Uniform Price Auction

1A.9.23 Following each Uniform Price Auction, by 30 minutes after the close of the Bid Window:

- (a) the following information will be published to all Shippers:
 - (i) the Auction Allocated Quantity;
 - (ii) the Auction Premium;
- (b) the following additional information will be published to each Shipper whose Bid was successful in the Auction:
 - (i) the amount of IP Capacity allocated to the Shipper in respect of each successful Bid in the Auction;
 - (ii) the NI Share (in the case of a Bundled Auction).

1A.10 Voluntary Bundling

1A.10.1 A Shipper may submit a request to the Transporter for its' Unbundled IP Entry Capacity to be Bundled with its' Equivalent Interconnected System Capacity in accordance with this Section 1A.10.

1A.10.2 The Shipper must simultaneously submit a request to the Adjacent Transporter for its' Equivalent Interconnected System Capacity to be Bundled with its' IP Entry Capacity under the Adjacent Transporter's Rulebook, and for these purposes:

- (a) the Shipper need only submit one request, which may be submitted to either the Transporter or the relevant Adjacent Transporter;
- (b) where the Shipper submits its' request to the Transporter, the Transporter agrees to act as an agent of the Shipper to send the request to the Adjacent Transporter;
- (c) where the Shipper submits its' request to the Adjacent Transporter, the Transporter agrees to receive the request from the Adjacent Transporter as agent for the Shipper;

subject to and in accordance with the further provisions of this Section 1A.10.

1A.10.3 Where the Shipper submits its' request to the Transporter, the request shall specify:

- (a) the identity of the Shipper;
- (b) the IP, Flow Direction and IP Capacity Duration of the IP Entry Capacity;

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- (c) the amount of IP Entry Capacity to be Bundled;
 - (d) the first Day of the IP Capacity Period for which the IP Entry Capacity is to be Bundled.
- 1A.10.4 The Shipper's request should be submitted to the Transporter not less than two months before the first Day of the IP Capacity Period specified in the request.
- 1A.10.5 If the requirements of Sections 1A.10.6(a) and 1A.10.6(b) are met the Transporter will, (pursuant to Section 1A.10.2(b)) within 10 Business Days of receiving the request, notify the Adjacent Transporter of the request and provide to it the information contained in the request.
- 1A.10.6 The Transporter will accept the request and the IP Entry Capacity shall be registered as Bundled, if:
 - (a) the request complies with the requirements in Section 1A.10.3;
 - (b) the Shipper holds Unbundled Available IP Entry Capacity for the IP Capacity Period for which the request is made in an amount not less than the amount specified in the request;
 - (c) the Adjacent Transporter has confirmed to the Transporter not less than one month before the first Day of the IP Capacity Period that the Adjacent Transporter accepts the request.
- 1A.10.7 If the requirements of Section 1A.10.6 are not satisfied the Transporter will reject the request.
- 1A.10.8 The Transporter will notify the Shipper whether its request is accepted or rejected not less than 5 Business Days before the first Day of the IP Capacity Period.
- 1A.10.9 If the Adjacent Transporter notifies the Transporter that it has received a request (an **"Adjacent Bundling Request"**) from a Shipper to Bundle Interconnected System Capacity with IP Entry Capacity, and provides details of the Shipper, Flow Direction of the IP Entry Capacity and the requested amount, first Day of the IP Capacity Period and period of such bundling, then Section 1A.10.10 applies.
- 1A.10.10 If the requirements in Section 1A.10.11 are satisfied, the Transporter will:
 - (a) (pursuant to Section 1A.10.2(c)) treat the Adjacent Bundling Request as a request by the Shipper under Section 1A.10.1 to register the Shipper's equivalent Unbundled Available IP Entry Capacity as Bundled;
 - (b) accept such request;
 - (c) not less than 10 Business Days after receiving the Adjacent Transporter's notification, confirm to the Adjacent Transporter that the Transporter accepts the Shipper's request.
- 1A.10.11 The requirements are that:
 - (a) the Party making the request is a Shipper;

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- (b) the Transporter receives the notification from the Adjacent Transporter not less than one month before the first Day of the IP Capacity Period;
 - (c) the Shipper holds Available IP Entry Capacity which is equivalent in terms of quantity, Flow Direction, IP Capacity Period, Class and IP Capacity Duration to the Interconnected System Capacity notified by the Adjacent Transporter.
- 1A.10.12 If the requirements in Section 1A.10.11 are not satisfied the Transporter will notify the Adjacent Transporter that the Shipper's request is rejected.
- 1A.10.13 For the purposes of this Section 1A.10, each Shipper unconditionally and irrevocably:
 - (a) authorises the Transporter to act as its' agent to send a request to the Adjacent Transporter as provided in Sections 1A.10.2(b) and 1A.10.5;
 - (b) confirms that it has appointed the Adjacent Transporter as its' agent to send to the Transporter, and authorises the Transporter to act on, any request notified by the Adjacent Transporter as provided in Sections 1A.10.2(c) and 1A.10.9.
- 1A.11 Secondary Transfer of IP Capacity**
- 1A.11.1 A Transferor Shipper may arrange to transfer all or part of its' Available IP Capacity at an IP to a Transferee Shipper, subject to and in accordance with this Section 1A.11.
- 1A.11.2 For the purposes of this Code, an **"IP Capacity Transfer"** is a transfer of IP Capacity in accordance with Section 1A.11.1.
- 1A.11.3 An IP Capacity Transfer may only be made:
 - (a) for any Gas Flow Day or consecutive Gas Flow Days within the IP Capacity Period of the Shipper's Available IP Capacity;
 - (b) to a Transferee Shipper with an IP Registration in respect of the relevant IP.
- 1A.11.4 In respect of an IP Capacity Transfer or proposed IP Capacity Transfer:
 - (a) the **"Transferred IP Capacity"** is the IP Capacity which is (or is to be) transferred;
 - (b) the **"IP Capacity Transfer Period"** is the Gas Flow Day or Days for which the IP Capacity is (or is to be) transferred;
 - (c) the **"Transfer IP"** is the IP at which the IP Capacity is to be transferred;
- 1A.11.5 The Transporter shall reject an IP Capacity Transfer where the Transferred IP Capacity exceeds the Shipper's Available IP Capacity on any Gas Flow Day in the IP Capacity Transfer Period.
- 1A.11.6 IP Capacity may not be transferred from one IP to another.
- 1A.11.7 The Capacity Platform shall be used for the notification of proposed IP Capacity Transfers, subject to and in accordance with the CPO Rules and Processes.

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- 1A.11.8 Where a Transferor Shipper proposes to make an IP Capacity Transfer, each of the Transferor Shipper and the Transferee Shipper must notify the proposed IP Capacity Transfer (using the Capacity Platform) specifying:
- (a) the identity of the Transferor Shipper and the Transferee Shipper;
 - (b) that the notification is for the Transporter and, in the case of Bundled Capacity, the identity of the Adjacent Transporter;
 - (c) IP, including confirmation of Flow Direction;
 - (d) the amount of the Transferred IP Capacity;
 - (e) whether the Transferred IP Capacity is IP Entry Capacity or Interruptible VRF IP Exit Capacity;
 - (f) in the case of IP Entry Capacity, whether the capacity is Bundled or Unbundled;
 - (g) the IP Capacity Transfer Period;
 - (h) any other information required by the CPO Rules and Processes.
- 1A.11.9 A notification under Section 1A.11.8 of an IP Capacity Transfer of Bundled Capacity shall also operate as a notification to the Adjacent Transporter to transfer the Equivalent Interconnected System Capacity.
- 1A.11.10 Where both the Transferor Shipper and the Transferee Shipper have confirmed the proposed IP Capacity Transfer on the Capacity Platform, the Capacity Platform Operator will issue a “**Transfer Proposal**” to the Transporter and, in the case of Bundled Capacity, the Adjacent Transporter.
- 1A.11.11 The Transporter shall notify the Capacity Platform Operator as to whether a Transfer Proposal is accepted or rejected within 60 minutes of receiving the Transfer Proposal.
- 1A.11.12 The Transporter shall accept a Transfer Proposal if:
- (a) the Transferor Shipper has sufficient Available IP Capacity;
 - (b) the Transferee Shipper is different to the Transferor Shipper;
 - (c) the Transfer Proposal is received by the Transporter by 03:00 on the day of the IP Capacity Transfer.
- 1A.11.13 A Transfer Proposal may be rejected by the Transporter:
- (a) in the case of Bundled IP Capacity, if the Transfer Proposal is not accepted by the Adjacent Transporter;
 - (b) if any requirement of the CPO Rules and Processes is not satisfied in relation to the IP Capacity Transfer.
- 1A.11.14 Where a Transfer Proposal is accepted by the Transporter:

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- (a) the Transferor Shipper's Available IP Capacity shall be reduced by the amount of the Transferred IP Capacity for the IP Capacity Transfer Period;
- (b) the Transferee Shipper's Available IP Capacity shall be increased by the amount of the Transferred IP Capacity for the IP Capacity Transfer Period; and
- (c) the Transferor Shipper shall remain liable to pay the Transporter PS Transmission Amounts associated with its Registered IP Capacity.

1A.12 IP Capacity Assignment

- 1A.12.1 An Assignor Shipper may arrange an assignment of IP Entry Capacity to an Assignee Shipper subject to and in accordance with this Section 1A.12 ("**IP Capacity Assignment**").
- 1A.12.2 References in this Section 1A.12 to IP Entry Capacity mean Unbundled IP Entry Capacity. An IP Capacity Assignment may only be made:
 - (a) in respect of a complete Gas Year (or complete Gas Years);
 - (b) in respect of a complete Quarter (or complete Quarters);
 - (c) to an Assignee Shipper with an IP Registration in respect of the relevant IP.
- 1A.12.3 IP Entry Capacity at an IP may not be assigned to another IP.
- 1A.12.4 Where a Shipper wishes to request an assignment of IP Entry Capacity, both the Assignor Shipper and the Assignee Shipper should jointly submit to the Transporter an "**IP Capacity Assignment Application**" specifying:
 - (a) the identity of the Assignor Shipper and Assignee Shipper;
 - (b) the IP;
 - (c) the amount of IP Entry Capacity to be assigned (the "**Assigned IP Entry Capacity**");
 - (d) the duration of the assignment (the "**IP Capacity Assignment Period**").
- 1A.12.5 The Assignor Shipper may only assign IP Entry Capacity if it holds sufficient Available IP Entry Capacity and sufficient Registered IP Entry Capacity.
- 1A.12.6 An IP Capacity Assignment Application may not be submitted later than 10 Business Days (or any such shorter period as the Transporter may, in relation to the relevant application, consent to) before the commencement of the IP Capacity Assignment Period.
- 1A.12.7 The Transporter may reject an IP Capacity Assignment Application if:
 - (a) the information required in Section 1A.12.4 is not provided by both the Assignor Shipper and the Assignee Shipper; and/or
 - (b) the Assignee Shipper does not have a sufficient Provided Level of Credit Support.
- 1A.12.8 The Transporter shall accept or reject an IP Capacity Assignment Application no later than 1 Business Day before the first day of the IP Capacity Assignment Period.

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1A.12.9 Where an IP Capacity Assignment Application is accepted:

- (a) the Assignor Shipper's Available IP Capacity and Registered IP Capacity shall be reduced by the amount of the Assigned IP Entry Capacity for the IP Capacity Assignment Period;
- (b) the Assignee Shipper's Available IP Capacity and Registered IP Capacity shall be increased by the amount of the Assigned IP Entry Capacity for the IP Capacity Assignment Period; and
- (c) the Assignee Shipper shall be liable to pay the Transporter PS Transmission Amounts associated with its Registered IP Capacity.

1A.13 IP Entry Capacity Overruns

1A.13.1 Where a Shipper is allocated a quantity of gas in excess of its Available IP Entry Capacity in respect of a Gas Flow Day, it shall be liable to pay "**Overrun Charges**" in accordance with this Section 1A.13.

1A.13.2 The amount by which the total of a Shipper's [Final IP Entry Allocations] at an IP exceeds the Available IP Entry Capacity held by the Shipper at the IP in respect of a Gas Flow Day will be the "**Overrun Quantity**".

1A.13.3 Where applicable, Overrun Charges will be calculated as follows:

$$\text{Overrun Charge} = 8 \times P_{\text{daily}} \times \text{Overrun Quantity}$$

where P_{daily} is the relevant NI Reserve Price for Daily IP Entry Capacity on the Day.

1A.14 Relationships

1A.14.1 Except as expressly provided in this Code, neither the Transporter nor the Adjacent Transporter, in relation to an Interconnection Point, acts as an agent for the other in any relationship with Shippers.

1A.14.2 Nothing in this Code purports to or has effect to confer any rights or obligations on a Shipper, or any rights or obligations as between the Transporter and a Shipper, in respect of an Interconnected System.

1A.14.3 Nothing in any Adjacent Transporter's Rulebook creates any rights or obligations as between the Transporter and any Shipper or otherwise binds the Transporter.

1A.14.4 Where a provision ("**Relevant Provision**") of this Code refers to or operates by reference to the Adjacent Transporter's Rulebook in relation to an Interconnection Point:

- (a) the Parties confirm that they consider that the provisions of the Adjacent Transporter's Rulebook are compatible with the Relevant Provision;
- (b) if (and for so long as) there is any incompatibility between the provisions of the Adjacent Transporter's Rulebook and the Relevant Provision, to the extent which such incompatibility affects the implementation of the Relevant Provision:
 - (i) the Transporter shall be entitled to implement the Relevant Provision in any way which (in its reasonable discretion) it determines to be practicable and

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appropriate in the circumstances (and the Code shall take effect in accordance with such determination);

- (ii) the Transporter will to the extent practicable consult with Shippers, and will in any event notify Shippers, as to how it implements such provision;
- (iii) for the avoidance of doubt, any Party may propose a modification to this Code, in accordance with the Modification Rules, which would remove such incompatibility.

1A.14.5 Where any provision of this Code refers to or operates by reference to the Adjacent Transporter's Rulebook or any act or circumstance relating to a Shipper or the Adjacent Transporter in relation to an Interconnected System:

- (a) the information provided by or other determination of the Adjacent Transporter shall be taken to be correct and definitive as to the operation, effect or interpretation of the Adjacent Transporter's Rulebook or such act or circumstance;
- (b) nothing shall require the Transporter to question or validate such information or determination;
- (c) accordingly no Shipper may question or dispute the application of any provision of this Code on the basis of any question or dispute in relation to the Adjacent Transporter's Rulebook or such act or circumstance.

1A.15. Registering Bundled IP Entry Capacity

1A.15.1 The Transporter shall register a Shipper's IP Entry Capacity as Bundled:

- (a) when it is allocated to a Shipper as a result of a Bundled Auction;
- (b) when it has been voluntarily bundled in accordance with Section 1A.10;
- (c) when it has been transferred to the Shipper as Bundled IP Entry Capacity in accordance with Section 1A.11;

unless or until Section 1A.15.2 applies.

1A.15.2 Where (other than in connection with an IP Capacity Transfer) the Adjacent Transporter notifies the Transporter that under any provision of the Adjacent Transporter's Rulebook a Shipper will cease or has ceased (for any Gas Flow Day or consecutive Days) to hold any amount of Equivalent Interconnected System Capacity which the Adjacent Transporter records as bundled with IP Entry Capacity, the Transporter will:

- (a) compare what is notified by the Adjacent Transporter with its register of IP Entry Capacity; and
- (b) reduce the amount of the IP Entry Capacity registered as Bundled for the relevant Day(s) where and by the amount by which such reduction appears to the Transporter to be appropriate; and
- (c) unless there is a corresponding reduction in the Shipper's Available IP Entry Capacity, increase the amount of the Shipper's Unbundled IP Entry Capacity by the same amount.

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1A.15.3 Where a Shipper ceases to hold Bundled IP Entry Capacity as a result of termination in accordance with Section 16, retirement from the Code in accordance with Section 17.10 or under any other Section of this Code, the Transporter may notify the Adjacent Transporter (if it has agreed with the Adjacent Transporter to do so) and provide the following information:

- (a) the identity of the Shipper;
- (b) the amount of Bundled IP Entry Capacity which the Shipper has ceased to hold;
- (c) the Day(s) for which the Shipper has ceased to hold the IP Entry Capacity.

Insert this new Section 1B to read as follows:

1B. EXIT CAPACITY

1B.1 Introduction and Definitions

1B.1.1 A Shipper shall be entitled to apply for, be allocated and registered as holding Exit Capacity in the Transportation System subject to and in accordance with this Section 1B.

1B.1.2 In this Code:

(a) **“Exit Capacity”** means Firm capacity at an Exit Point which a Shipper may apply for, be allocated and registered as holding;

(b) **“Technical Exit Capacity”** is the maximum Exit Capacity at an Exit Point that the Transporter can offer to Shippers taking account of the integrity and operational requirements of the Transportation System and the NI Network.

1B.1.3 In this Section 1B, **“Firm”** refers to Exit Capacity which may not be subject to curtailment.

1B.1.4 A Shipper’s **“Registered Exit Capacity”** at an Exit Point is the Exit Capacity that a Shipper is registered as holding at that Exit Point in respect of a Gas Flow Day.

1B.1.5 A Shipper’s **“Available Exit Capacity”** at an Exit Point is the Exit Capacity that a Shipper holds at that Exit Point in respect of a Gas Flow Day after taking into account:

- (a) any reduction of Exit Capacity in accordance with Section 1B.7;
- (b) any surrender of Exit Capacity in accordance with Section 1B.8;
- (c) any Exit Capacity Transfers in accordance with Section 1B.11, and/or
- (d) any Exit Capacity Assignments in accordance with Section 1B.12.

1B.1.6 The Transporter:

- (a) shall endeavour to maximise the level of Technical Exit Capacity at each Exit Point by acting in accordance with the provisions of this Code as a Reasonable and Prudent Operator; and
- (b) shall act as a Reasonable and Prudent Operator in the manner in which it calculates and determines the level of Technical Exit Capacity at each Exit Point from time to time in accordance with this Code.

1B.1.7 If any Dispute arises as to the Transporter’s determination of the level of Technical Exit Capacity at an Exit Point, which is not first resolved by mediation in accordance with Section 20, the Transporter or a Shipper may refer the matter to an Expert for an Expert Determination.

1B.1.8 The Transporter shall notify Shippers not later than one month before the Mid Year Date and in each Ten Year Statement of its reasonable estimate of the level of the Technical Exit Capacity at each Exit Point in respect of future Gas Years.

1B.2 Indicative Application for Exit Capacity

1B.2.1 A Shipper may, from time to time, and a Prospective Shipper may provide the Transporter with details of:

- (a) the amount of Exit Capacity that it anticipates it will wish to apply for; and
- (b) the period and Exit Point in respect of which the Shipper or the Prospective Shipper anticipates it will wish to apply for Exit Capacity;

in the Prescribed Form (an “**Indicative Application for Exit Capacity**”).

1B.2.2 Within 5 Business Days of receipt of an Indicative Application for Exit Capacity the Transporter shall notify the Shipper or Prospective Shipper of the extent to which the Transporter anticipates it will be able to provide the Exit Capacity which the Shipper or Prospective Shipper has indicated it wishes to apply for.

1B.2.3 The Transporter offers no guarantee that the Exit Capacity which it stated it anticipated would be available will be so available or available at all after an application for Exit Capacity is made and shall have no liability to the Shipper or Prospective Shipper to the extent that it is not so available. A Shipper or Prospective Shipper shall receive no priority in respect of an application for Exit Capacity under this Section 1B as a result of the Transporter stating that it anticipates Exit Capacity will be available to that Shipper or Prospective Shipper.

1B.3 Exit Capacity Application requirements

1B.3.1 A Shipper may apply to the Transporter for Exit Capacity at an Exit Point in accordance with this Section 1B.3 in respect of which it has an Exit Point Registration. An application for Exit Capacity shall be in accordance with this Section 1B.3 and Section 1B.4 or 1B.6.

1B.3.2 An application for Exit Capacity shall be made in the Prescribed Form (an “**Exit Capacity Application**”) and shall specify:

- (a) the amount of Exit Capacity applied for;
- (b) the period (“**Exit Capacity Period**”) over which the Shipper wishes to be allocated and registered as holding Exit Capacity;
- (c) whether or not the Shipper will accept an allocation of Exit Capacity of less than it has applied for;
- (d) the Exit Point in respect of which the Exit Capacity is applied for;
- (e) whether or not the Exit Capacity will be used for the purposes of supplying gas to a power station and if so to which power station; and
- (f) any other information that the Transporter may reasonably require which shall include an indication of the Daily Profile that the Shipper reasonably anticipates it will typically nominate in respect of the Exit Point.

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- 1B.3.3 A Shipper may apply for Exit Capacity:
- (a) no earlier than 2 Gas Years before the first Gas Year in which it requires Exit Capacity;
 - (b) no later than 10 Business Days (or any such shorter period as the Transporter may agree in relation to that application) before the first Day in the Month in which it requires Exit Capacity;
 - (c) for any duration up to Y + 15; and
 - (d) in multiples of one Gas Year, except in the Gas Year in which the Exit Capacity Application is made, in which case the Exit Capacity Application may be for each complete Month in the remainder of the Gas Year.
- 1B.3.4 If, by virtue of the level of Exit Capacity for which a Shipper has applied in respect of any Gas Year, the Transporter believes that a Shipper has applied for Exit Capacity in respect of that Gas Year, with a view to gaining priority in respect of the allocation of Exit Capacity in accordance with Section 1B.5.3 the Transporter shall request the Shipper to provide the information referred to in Section 1B.3.5.
- 1B.3.5 The Transporter shall, in accordance with Section 1B.3.4, request the Shipper to provide any of the information referred to in Section 17.6.1(f) in respect of the utilisation, supply or shipment of gas in each of such Gas Years. The Shipper shall provide such information promptly after being requested to do so.
- 1B.3.6 An Exit Capacity Application shall be rejected if:
- (a) any requirement of Section 1B.3 is not complied with;
 - (b) if the Shipper does not have sufficient Provided Level of Credit Support;
 - (c) the Shipper fails to provide any of the information requested in Section 1B.3.5 within 20 Business Days of being requested to do so; or
 - (d) the Transporter receives a Direction from the Credit Committee, in accordance with paragraph 6.1 (K) of the Terms of Reference, that it should be.
- 1B.4 Application for Exit Capacity in future Gas Years**
- 1B.4.1 Not later than the Mid Year Date (or any such later date as the Transporter and the Authority may agree in relation to the relevant application) in each Gas Year a Shipper which has no Exit Capacity in a future Gas Year shall submit to the Transporter:
- (a) an Exit Capacity Application in respect of any future Gas Years; or
 - (b) confirmation that it does not wish to reserve Exit Capacity in any future Gas Year.
- 1B.4.2 If the Transporter does not receive any submission in accordance with Section 1B.4.1 a Shipper shall be deemed to have confirmed that it does not wish to reserve Exit Capacity in any future Gas Year.

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1B.4.3 Not later than the Mid Year Date (or any such later date as the Transporter and the Authority may agree in relation to the relevant application) in each Gas Year a Shipper which has Exit Capacity in a future Gas Year shall submit to the Transporter:

- (a) confirmation that it does not wish to vary its Exit Capacity in any future Gas Year;
- (b) an application for additional Exit Capacity in any future Gas Year; or
- (c) an application to surrender its Exit Capacity in any future Gas Year.

1B.4.4 If the Transporter does not receive any submission in accordance with Section 1B.4.3 a Shipper shall be deemed to have confirmed that it does not wish to vary its Exit Capacity in any future Gas Year.

1B.5 Allocation of Exit Capacity in future Gas Years

1B.5.1 If a Shipper applies to be allocated and registered as holding Exit Capacity:

- (a) in any future Gas Year before the Mid Year Date in the Gas Year in which it applies, its Exit Capacity Application shall be treated in accordance with Section 1B.5.2 in the Gas Year in which it applies;
- (b) in any future Gas Year after the Mid Year Date in the Gas Year in which it applies, its Exit Capacity Application shall be treated in accordance with Section 1B.5.2 in the next Gas Year unless the Transporter shall agree to treat its application as though it were submitted before the Mid Year Date in accordance with Section 1B.5.1(a);
- (c) one or two Gas Years before the Gas Year in respect of which it is seeking Exit Capacity, its Exit Capacity Application shall be treated in accordance with Section 1B.5.2 in the Gas Year preceding the Gas Year in respect of which it is seeking Exit Capacity.

1B.5.2 If the Shippers applying for Exit Capacity at an Exit Point in any future Gas Year apply, in aggregate, for an amount of Exit Capacity exceeding the Technical Exit Capacity available in that Gas Year then those Shippers which so applied and specified, in accordance with Section 1B.3.2(c):

- (a) that they would not accept an allocation of Exit Capacity of less than they had applied for shall have no Exit Capacity allocated to them;
- (b) that they would accept an allocation of Exit Capacity of less than they had applied for shall have Exit Capacity allocated to them in accordance with Section 1B.5.3 or 1B.5.4.

1B.5.3 The Transporter shall, subject to Section 1B.5.4, allocate Exit Capacity at an Exit Point to the Shippers referred to in Section 1B.5.2(b) according to the number of future Gas Years in respect of which the Shippers have applied for Exit Capacity at that Exit Point so that the Shipper applying for Exit Capacity:

- (a) in the most number of Gas Years shall have its Exit Capacity Application met first to the extent that there is Technical Exit Capacity available at the relevant Exit Point;

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- (b) in the next most number of Gas Years shall have its Exit Capacity Application met second to the extent that there is Technical Exit Capacity available at the relevant Exit Point;

and so on.

1B.5.4 If the Shippers referred to in Section 1B.5.2(b) apply for Exit Capacity at an Exit Point in an equal number of Gas Years such Shippers shall have their Exit Capacity Applications met by the Transporter pro rata to the amounts of Exit Capacity for which they have applied to the extent that there is Technical Exit Capacity available at the relevant Exit Point.

1B.5.5 Where a Shipper is allocated Exit Capacity at an Exit Point in accordance with Section 1B.5.3 or 1B.5.4 its Registered Exit Capacity and Available Exit Capacity at that Exit Point shall be amended accordingly not later than 40 Business Days after the Mid Year Date, or such other date the Transporter may agree with the Authority, in the Gas Year in which the applications are made. The Exit Capacity so allocated shall be capable of being utilised (and the Shipper shall be liable for PS Transmission Amounts) with effect from the first Day of the Exit Capacity Period specified in Section 1B.3.2

1B.6 Application for an allocation of Exit Capacity in the same Gas Year

1B.6.1 If a Shipper applies for Exit Capacity at an Exit Point in the Gas Year in which its Exit Capacity Application is made Exit Capacity shall, subject to Section 1B.6.2 be allocated by the Transporter (on a first come first served basis) and the Shipper's Registered Exit Capacity and Available Exit Capacity shall be amended accordingly within 5 Business Days of receipt of an Exit Capacity Application. The Exit Capacity so allocated shall be capable of being utilised (and the Shipper shall be liable for PS Transmission Amounts) with effect from the first Day of the next Calendar Month following amendment of the Shipper's Registered Exit Capacity.

1B.6.2 If, in any Gas Year, there is less Exit Capacity at the relevant Exit Point available than the amount of Exit Capacity for which a Shipper has applied in that Gas Year and the Shipper specified, in accordance with Section 1B.3.2(c) that:

- (a) it will accept an allocation of Exit Capacity of less than it has applied for the Transporter shall allocate such Exit Capacity to such Shipper; or
- (b) it will not accept an allocation of Exit Capacity of less than it has applied for no Exit Capacity shall be so allocated to such Shipper.

1B.7 Annual Review of Exit Capacity

1B.7.1 Not later than 30th April, the Transporter shall prepare an "**Exit Capacity Utilisation Report**" and submit it to the Authority in respect of the period from the commencement of the Gas Year to one Month before the Mid Year Date. The Exit Capacity Utilisation Report shall identify:

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- (a) any Shipper (a **“Relevant Shipper”**) which has an [Allocated Quantity] at an Exit Point (a **“Relevant Exit Point”**) of less than 80% its Available Exit Capacity on each and every Day during the period of the report;
 - (b) for any Relevant Shipper, the Day during such period when the Shipper’s [Allocated Quantity] was the greatest (the **“Day of Greatest Allocated Quantity”**);
 - (c) whether a Relevant Shipper’s [Allocated Quantity] on the Day of Greatest Allocated Quantity would be less than 80% of its Available Exit Capacity on any Day (**“Relevant Day”**) in the next Gas Year (or any subsequent Gas Year).
- 1B.7.2 Where a Relevant Shipper has been identified, the Transporter shall calculate whether, if, in respect of each Relevant Day at any Relevant Exit Point:
- (a) the Available Exit Capacity of any Relevant Shipper was reduced by 20%;
 - (b) all applications for Exit Capacity in respect of the Relevant Exit Point, in accordance with Section 1B.3, were met; and
 - (c) all applications to surrender Exit Capacity, in accordance with Section 1B.8 , were met
- the aggregate level of Exit Capacity held by all Shippers at the Relevant Exit Point would increase, reduce or remain the same.
- 1B.7.3 If such aggregate level of Exit Capacity would increase or remain the same, any Relevant Shipper’s Registered Exit Capacity shall, subject to Sections 1B.7.5 to 1B.7.10, be reduced by 20% if to do so would facilitate the achievement of the relevant objective as set out in condition 2.4.1 of the Licence (the **“Relevant Objective”**).
- 1B.7.4 If such aggregate level of Exit Capacity held by all Shippers would reduce, any Relevant Shipper’s Registered Exit Capacity shall, subject to Sections 1B.7.5 to 1B.7.9, be reduced pro-rata to the aggregate of the Relevant Shipper’s Available Exit Capacity on the Relevant Day by such amount as would result in such level not reducing if to do so would facilitate the achievement of the Relevant Objective.
- 1B.7.5 The Transporter shall, in accordance with condition 2.3.3 of the Licence, refer to the Authority for its determination the question of whether a reduction in any Relevant Shipper’s Registered Exit Capacity would achieve the Relevant Objective.
- 1B.7.6 If the Authority determines, taking into account any representations which the Authority receives from any Relevant Shipper, that the proposed reduction would achieve the Relevant Objective, the Transporter shall reduce any Relevant Shipper’s Registered Exit Capacity by the amount proposed.
- 1B.7.7 If the Authority determines that any such reduction would not so achieve the Relevant Objective, or makes no determination within 30 Business Days after the Mid Year Date, the Transporter shall not so reduce any Relevant Shipper’s Registered Exit Capacity.
- 1B.7.8 Any reduction shall only be proposed to the extent that it would not reduce a Relevant Shipper’s Registered Exit Capacity on any Day in any Gas Year below a quantity of Exit

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Capacity equal to the Relevant Shipper's [Allocated Quantity] on the Day of Greatest Allocated Quantity.

- 1B.7.9 The Transporter shall not reduce any Relevant Shipper's Registered Exit Capacity, in accordance with this Section 1B.7, if all applications for Exit Capacity at the Relevant Exit Point, in accordance with Section 1B.4, can be met.
- 1B.7.10 Where a reduction is required as a result of the application of this Section 1B.7, the Relevant Shipper's Registered Exit Capacity for the relevant Gas Year(s) shall be amended accordingly no later than 40 Business Days after the Mid Year Date.

1B.8 Exit Capacity Surrender

- 1B.8.1 A Shipper may apply to the Transporter to surrender its Exit Capacity in accordance with this Section 1B.8.
- 1B.8.2 A Shipper may apply to surrender its Exit Capacity no later than the Mid Year Date in respect of the next Gas Year and at any time in respect of any Gas Year following the next Gas Year. A Shipper may only apply to surrender its Exit Capacity in respect of a whole Gas Year (or whole Gas Years). Any such application (an "**Exit Capacity Surrender Application**") shall specify:
- (a) the amount of Exit Capacity which the Shipper applies to surrender;
 - (b) the Gas Year (or Gas Years) in respect of which the application is made;
 - (c) the Exit Point in respect of which the application is made;
 - (d) whether or not the Shipper will accept a surrender of Exit Capacity of less than it has applied for; and
 - (e) where the Exit Capacity Surrender Application refers to Exit Capacity for which corresponding Exit Capacity on the Upstream Transportation System is held by the Shipper, confirmation that a corresponding application (the "**Upstream Exit Capacity Surrender Application**") to surrender Exit Capacity on the Upstream System has been submitted to the Upstream Operator.
- 1B.8.3 If a Shipper submits an Exit Capacity Surrender Application to reduce the Shipper's Exit Capacity and the Shipper holds corresponding Exit Capacity on the Upstream Transportation the Shipper shall at the same time submit an Upstream Exit Capacity Surrender Application to the Upstream System Operator to reduce such Shipper's exit capacity on the Upstream Transportation System and shall provide a copy of such application to the Transporter.
- 1B.8.4 If in respect of any Gas Year, there are no Exit Capacity Applications or acceptance of any Exit Capacity Surrender Applications is not required or will not enable the Transporter to meet Shippers' Exit Capacity Applications, all Exit Capacity Surrender Applications shall be rejected.
- 1B.8.5 If the Transporter has received Exit Capacity Applications in respect of any Gas Year, the Transporter may accept Exit Capacity Surrender Applications in accordance with Section

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1B.8.6 in order to allocate Exit Capacity to Shippers who have submitted Exit Capacity Applications.

1B.8.6 For each Exit Point, subject to 1B.8.7, the Transporter (where relevant in consultation with the Upstream Operator) shall consider and accept or reject Exit Capacity Surrender Applications (if any) in respect of a Gas Year as follows:

(a) where the total amount of Exit Capacity which is offered for surrender in Exit Capacity Surrender Applications exceeds the total quantity of Exit Capacity applied for in Exit Capacity Applications for that Gas Year, all surrenders of Exit Capacity shall be accepted;

(b) where the total amount of Exit Capacity applied for in Exit Capacity Applications is less than the total quantity of Exit Capacity offered for surrender in Exit Capacity Surrender Applications for that Gas Year:

(i) where a Shipper has indicated that it is not willing to accept surrender of part of the amount of its' Exit Capacity Surrender Application, that Exit Capacity Surrender Application shall be rejected; and

(ii) any Exit Capacity Surrender Applications which are not rejected under Section 1B.8.6(b)(i) shall be accepted pro-rata to the amount of Exit Capacity applied for in Exit Capacity Applications.

1B.8.7 If:

(a) the Upstream System Operator confirms that it has not received an Upstream Exit Capacity Surrender Application then any applicable Exit Capacity Surrender Application shall be rejected; and

(b) a Shipper has submitted an Upstream Exit Capacity Surrender Application, the Exit Capacity Surrender Application and the Upstream Exit Capacity Surrender Application shall be accepted/rejected in respect of equal amounts.

1B.8.8 All Exit Capacity Surrender Applications not accepted in accordance with Section 1B.8.6 shall be rejected.

1B.8.9 Where a Shippers' Exit Capacity Surrender Application is accepted (in whole or in part) in accordance with this Section 1B.8, its' Registered Exit Capacity in respect of the relevant Gas Year(s) shall be amended not later than 40 Business Days after the Mid Year Date in the Gas Year in which its Exit Capacity Surrender Application is made.

1B.9 Secondary Transfer of Exit Capacity

1B.9.1 A Transferor Shipper may arrange to transfer all or part of its' Available Exit Capacity at an Exit Point to a Transferee Shipper, subject to and in accordance with this Section 1B.9.

1B.9.2 For the purposes of this Code, an "**Exit Capacity Transfer**" is a transfer of Exit Capacity in accordance with Section 1B.9.1.

1B.9.3 An Exit Capacity Transfer may only be made:

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- (a) in respect of a complete Month (or complete Months) with effect from the first day of such Month (“**Exit Capacity Transfer Period**”); and
 - (b) to a Transferee Shipper which has an Exit Point Registration in respect of the relevant Exit Point.
- 1B.9.4 In respect of an Exit Capacity Transfer or proposed Exit Capacity Transfer:
 - (a) the “**Transferred Exit Capacity**” is the Exit Capacity which is (or is to be) transferred; and
 - (b) the “**Transfer Exit Point**” is the Exit Point at which the Exit Capacity is to be transferred.
- 1B.9.5 The Transporter shall reject an Exit Capacity Transfer where the Transferred Exit Capacity exceeds the Shipper’s Available Exit Capacity on any Gas Flow Day in the Exit Capacity Transfer Period.
- 1B.9.6 Exit Capacity may not be transferred from one Exit Point to another.
- 1B.9.7 Where a Transferor Shipper proposes to make an Exit Capacity Transfer, each of the Transferor Shipper and the Transferee Shipper must notify the proposed Exit Capacity Transfer to the Transporter in writing specifying:
 - (a) the identity of the Transferor Shipper and the Transferee Shipper;
 - (b) that the notification is for the Transporter;
 - (c) the Transfer Exit Point;
 - (d) the amount of the Transferred Exit Capacity;
 - (e) the Exit Capacity Transfer Period;
 - (f) any other information required by the Transporter.
- 1B.9.8 The Transporter shall accept a proposal for Exit Capacity Transfer if:
 - (a) the Transferor Shipper has sufficient Available Exit Capacity;
 - (b) the Transferee Shipper is different to the Transferor Shipper;
 - (c) notification of the proposed Exit Capacity Transfer is received by the Transporter from both the Transferor Shipper and the Transferee Shipper 10 Business Days prior to the start of the Exit Capacity Transfer Period.
- 1B.9.9 A proposed Exit Capacity Transfer may be rejected by the Transporter if any requirement of this Section 1B.9 is not satisfied in relation to the Exit Capacity Transfer.
- 1B.9.10 Where a proposal for Exit Capacity Transfer is accepted by the Transporter:
 - (a) it shall notify the Transferor Shipper and the Transferee Shipper no later than 5 Business Days prior to the start of the Exit Capacity Transfer Period;

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- (b) the Transferor Shipper's Available Exit Capacity shall be reduced by the amount of the Transferred Exit Capacity for the Exit Capacity Transfer Period;
- (c) the Transferee Shipper's Available Exit Capacity shall be increased by the amount of the Transferred Exit Capacity for the Exit Capacity Transfer Period; and
- (d) the Transferor Shipper shall remain liable to pay the Transporter PS Transmission Amounts associated with its Registered Exit Capacity.

1B.10 Exit Capacity Assignment

1B.10.1 An Assignor Shipper may arrange an assignment of Exit Capacity to an Assignee Shipper at an Exit Point subject to and in accordance with this Section 1B.10 ("**Exit Capacity Assignment**").

1B.10.2 An Exit Capacity Assignment may only be made:

- (a) in respect of a complete Gas Year (or complete Gas Years);
- (b) in respect of a complete Quarter (or complete Quarters);
- (c) to an Assignee Shipper with an Exit Point Registration in respect of the relevant Exit Point.

1B.10.3 Exit Capacity may not be assigned from one Exit Point to another Exit Point.

1B.10.4 Where a Shipper wishes to request an assignment of Exit Capacity, both the Assignor Shipper and the Assignee Shipper should jointly submit to the Transporter an Exit Capacity assignment application in the Prescribed Form ("**Exit Capacity Assignment Application**"), specifying:

- (a) the amount of Exit Capacity which the Assignor Shipper wishes to assign ("**Assigned Exit Capacity**");
- (b) the period in respect of which the Assignor Shipper wishes to assign Exit Capacity (the "**Exit Capacity Assignment Period**"); and
- (c) confirmation of the identity of the Assignor Shipper and the Assignee Shipper.

1B.10.5 The Assignor Shipper may only assign Exit Capacity if it holds sufficient Available Exit Capacity and sufficient Registered Exit Capacity.

1B.10.6 An Exit Capacity Assignment Application may not be submitted later than 10 Business Days (or any such shorter period as the Transporter may, in relation to the relevant application, consent to) before the commencement of the Exit Capacity Assignment Period.

1B.10.7 The Transporter shall accept or reject an Exit Capacity Assignment Application no later than 1 Business Day before the first day of the Exit Capacity Assignment Period.

1B.10.8 The Transporter may reject an Exit Capacity Assignment Application if:

- (a) the requirements of this Section 1B.10 are not complied with;

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- (b) the Assignee Shipper does not have a sufficient Provided Level of Credit Support.

1B.10.9 Where an Exit Capacity Assignment Application is accepted:

- (a) the Assignor Shipper's Available Exit Capacity and Registered Exit Capacity at the Exit Point set out in the Exit Capacity Assignment Application shall be decreased by the amount of the Assigned Exit Capacity for the Exit Capacity Assignment Period;
- (b) the Assignee Shipper's Available Exit Capacity and Registered Exit Capacity at the Exit Point set out in the Exit Capacity Assignment Application shall be increased by the amount of the Assigned Exit Capacity for the Exit Capacity Assignment Period; and
- (c) the Assignee Shipper shall be liable to pay the Transporter PS Transmission Amounts associated with its Registered Exit Capacity.

1B.11 Allocation of Exit Capacity; Priority Order

The Transporter shall allocate Exit Capacity to Shippers submitting Exit Capacity Applications, utilising Exit Capacity available pursuant to this Code as follows:

- (a) firstly, Exit Capacity which becomes available pursuant to Section 1B.8 (Exit Capacity Surrender);
- (b) secondly, Exit Capacity which becomes available pursuant to the operation of procedures in Section 1B.7 (Annual Review of Exit Capacity); and
- (c) thirdly, unsold Technical Exit Capacity.

1B.12 Exit Capacity Ratchet

1B.12.1 If in respect of a Gas Flow Day in any Month (“**M**”), subject to Section 1B.12.2, a Shipper is allocated a quantity of gas in excess of its' Exit Capacity at an Exit Point (a “**Ratchet Month**”), it shall be liable to pay a **Ratchet Charge** as calculated in accordance with Section 1B.12.1(c) and it shall be allocated and registered as holding an additional amount of Exit Capacity in accordance with the following:

- (a) the amount by which the Shippers' [Final Exit Allocation] at the Exit Point exceeds the Shippers' Exit Capacity on any Gas Flow Day shall be a “**Ratchet Amount**”;
- (b) from the first Gas Flow Day of the following calendar Month (“**M+1**”) the Shipper shall be allocated an additional amount of Exit Capacity at the Exit Point, equal to the highest Ratchet Amount in the Ratchet Month, such additional Exit Capacity to be allocated to and registered as held by the Shipper until the end of the Gas Year;
- (c) a Ratchet Charge (or “**RC**”) will be payable calculated as follows:

$$RC = RA_{max} \times P \times t$$

where:

RA_{max} is the highest Ratchet Amount in the Ratchet Month;

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P is the Forecast Postalised Annual Capacity Charge/12; and

t is the no of months (including M) since the start of the Gas Year.

1B.12.2 At an Exit Point where the Exit Capacity is held by a DNO:

(a) the Ratchet Amount for the DNO will be determined in aggregate as follows:

$$RA_{DN} = \sum[\text{Final Exit Allocations}]_{\text{shippers}} - \text{ExCap}_{DN}$$

where:

$\sum[\text{Final Exit Allocations}]_{\text{shippers}}$ is the sum of all Shipper's [Final Exit Allocations] at the Exit Point; and

ExCap_{DN} is the Exit Capacity of the DNO;

(b) from M+1 the DNO shall be allocated an additional amount of Exit Capacity at the Exit Point, equal to the highest Ratchet Amount in the Ratchet Month, such additional Exit Capacity to be allocated and registered as held by the DNO until the end of the Gas Year;

(c) the Ratchet Charge (for the DNO) shall be calculated as follows:

$$RC_{DN} = RA_{DNmax} \times P \times t$$

where:

RA_{DNmax} is the highest Ratchet Amount (for the DNO) in the Ratchet Month;

P is the Forecast Postalised Annual Capacity Charge/12; and

t is the no of months (including M) since the start of the Gas Year;

(d) individual Shippers shall not be liable to pay the Transporter Ratchet Charges (and shall not be allocated Exit Capacity) but nothing in this Code shall prevent the DNO applying charges under its own distribution network code.

1B.12.3 Where a Shipper or DNO is allocated additional Exit Capacity as a result of the application of this Section 1B.12 it's Registered Exit Capacity shall be amended such that the increase takes effect from M+1.

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Amend Section 8 to read as follows:

8. EXIT REQUIREMENTS

8.1 Introduction and Definitions

8.1.1 This Section 8 sets out the terms upon which a Shipper shall be entitled to offtake Natural Gas from the Transportation System at an Exit Point and the terms upon which a Shipper may virtually offtake Natural Gas from the Transportation System at a ~~Virtual Exit Point~~VRF IP Exit Point.

8.1.2 Nothing in this Code confers on any person any entitlement to have any premises, pipeline, plant or other installation connected to the Transportation System for the purposes of offtaking Natural Gas.

8.1.3 For the purposes of this Code:

(a) an "**Exit Point**" is defined as a point at which Natural Gas is offtaken by Shippers from the Transportation System for the purpose of supplying Natural Gas to premises and shall be described in the Network Exit Parameter Schedule; and

(b) a "~~Virtual Exit Point~~VRF IP Exit Point" is defined as a point located at an Entry Point at which Natural Gas may be virtually but not physically offtaken by a Shipper(s) from the Transportation System. For the avoidance of doubt references in this Code to an Exit Point shall not be construed as reference to a ~~Virtual Exit Point~~VRF IP Exit Point and vice versa.

8.1.4 Nothing in this Code shall prevent the Transporter from exercising any statutory and/or regulatory entitlement or discharging any statutory and/or regulatory duty whether under the Code or under any applicable legislation or directive which may involve the disconnection of or refusal to convey Natural Gas, or to allow Natural Gas to be conveyed, to any End User's Facilities.

8.1.5 At each Exit Point there shall be installed, operated and maintained an offtake point meter installation for measuring and registering the quantity of Natural Gas offtaken from the Transportation System at such Exit Point in accordance with the provisions of Section 9.

8.2 Shippers' Offtake Provisions

8.2.1 A Shipper shall not:

(a) vary the rate of offtake Natural Gas from any Exit Point by more than the ramp rate in respect of that Exit Point set out in the Shippers' Network Exit Parameter Schedule; or

(b) exceed the Maximum Offtake Rate in respect of any Exit Point as set out in the Shippers' Network Exit Parameter Schedule.

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at a Shared Exit Point each Shipper shall co-operate with all other Shippers at the Shared Exit Point to procure compliance with this Section 8.2.

8.2.2 If a Shipper (or Shippers in aggregate at a Shared Exit Point)

- (a) offtakes at a rate which exceeds such ramp rate; or
- (b) exceeds such Maximum Offtake Rate;

the Transporter may take any steps available to it to secure a reduction in the rate of the offtake of Natural Gas from the Transportation System at the Exit Point by the Shipper(s) or discontinue it.

8.2.3 If the Shipper offtakes Natural Gas at an Exit Point on any Day a quantity of Natural Gas that exceeds the quantity of Natural Gas being delivered into the Transportation System by that Shipper at the Entry Point specified in the Shipper's applicable Nomination, the Transporter may take any steps available to it to secure a reduction in the rate of the offtake of Natural Gas from the Transportation System at the Exit Point by the Shipper or discontinue it.

8.2.4 The Transporter shall notify a Shipper, as soon as reasonably practicable, that it proposes to take, or it has taken (as appropriate), the steps referred to in Sections 8.2.2 or 8.2.3.

8.3 Offtake Pressure

8.3.1 The Transporter shall, subject to Section 8.3.10, 8.3.11 and any conditions on the availability of pressure as set out in the Network Exit Parameter Schedule, make Natural Gas available for offtake from the Transportation System at the Exit Point to a Shipper(s) at a pressure of no less than that set out in the Shippers' Network Exit Parameter Schedule in respect of each Exit Point (the "**Minimum Pressure**").

8.3.2 A Shipper may request that the Transporter makes all Natural Gas available for offtake from the Transportation System at any Exit Point in respect of which it has an Exit Point Registration at a pressure exceeding the Minimum Pressure ("**Enhanced Pressure**") not later than thirty five (35) Business Days before it requires the Enhanced Pressure to be available.

8.3.3 The Transporter shall:

- (a) agree to provide such Enhanced Pressure on the date requested or offer to provide it as soon as practicable after such date, unless it determines, as an RPO, that it should not do so taking into account the following:
 - (i) the pressure available at the Carrickfergus Entry Point;
 - (ii) the pressure available at the South-North Entry Point;
 - (iii) the Transporter's reasonable forecast of Firm Capacity allocations at all Exit Points over the next thirty six (36) months;

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- (iv) the Transporter's reasonable forecast of Daily Profiles at all Exit Points over the next thirty six (36) months;
 - (v) the physical capability of the Transportation System to accommodate pressure; and
 - (vi) the result of network analysis based on likely demand scenarios; and
 - (vii) the requirement of any other Shipper having an Exit Point Registration at a Shared Exit Point.
- (b) notify the Shipper(s) of the availability of the Enhanced Pressure within twenty five (25) Business Days of receiving the Shipper's request, including a list of conditions applicable to the availability of the Enhanced Pressure (the "**Applicable Conditions**").

8.3.4 If the Transporter:

- (a) notifies the Shipper together with any Applicable Conditions that it shall provide the Enhanced Pressure on the date requested, the Shipper shall be entitled to the Enhanced Pressure with effect from such date, in accordance with and subject to any Applicable Conditions; or
- (b) offers to provide the Shipper with the Enhanced Pressure
 - (i) at a date later than the date requested; and
 - (ii) subject to any Applicable Conditions,

the Shipper shall, within five (5) Business Days of receiving the Transporter's offer, confirm to the Transporter whether or not it requires the Enhanced Pressure on such date subject to any Applicable Conditions and, if it notifies the Transporter that it does, the Shipper shall be entitled to the Enhanced Pressure from such date in accordance with and subject to any Applicable Conditions.

- 8.3.5 The Shipper shall, with effect from the date on which the Enhanced Pressure is made available, pay an Enhanced Pressure charge each Month in respect of the provision of the Enhanced Pressure at an Exit Point during that Month. The charge shall be equal to any additional costs payable by the Transporter to any Upstream Transporter as a result of the Transporter providing the Enhanced Pressure calculated on a monthly basis in accordance with the following formula:

$$\text{Enhanced Pressure charge} = (\text{SAQ/TAQ}) \times \text{AC}$$

where:

AC = the additional costs reasonably incurred by the Transporter as a result of the Transporter obtaining the pressure and/or services that the Transporter determines are necessary to enable the Transporter to provide any Shippers with Enhanced Pressure at the Exit Point;

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TAQ = the total [Final Exit Allocations] ~~Firm Allocated Quantities and Interruptible Allocated Quantities~~ of all Shippers at an Exit Point requiring Enhanced Pressure;

SAQ = ~~the-the [Final Exit Allocation] of aggregate of any Firm and Interruptible Allocated Quantities allocated to~~ a Shipper requesting the Enhanced Pressure at the Exit Point.

provided that where the Shippers requiring Enhanced Pressure at the Exit Point have aggregate Firm Allocated Quantities and Interruptible Allocated Quantities which are zero the Enhanced Pressure charge shall be allocated equally among all Shipper(s) which have an Exit Point Registration at the Exit Point.

- 8.3.6 The Transporter may, at any time, upon giving any Shipper which is entitled to Enhanced Pressure not less than two (2) years notice, withdraw or reduce the availability of its Enhanced Pressure if:
- (a) there is insufficient pressure available on the Transportation System to meet the requirements of other Shippers, from time to time, for Enhanced Pressure; and
 - (b) the allocation, in a non-discriminatory manner, of the pressure which is available requires that the Transporter withdraws or reduces the availability of such Enhanced Pressure from such Shipper.
- 8.3.7 A Shipper may require that the Transporter withdraws the availability of Enhanced Pressure not later than ten (10) Business Days before it requires that such service is withdrawn whereupon such service shall be withdrawn.
- 8.3.8 A Shipper's obligation to pay a charge for Enhanced Pressure shall cease or reduce when the Transporter withdraws or reduces, respectively, the availability of any Enhanced Pressure.
- 8.3.9 The Transporter shall, when notifying a Shipper of any determination in accordance with Section 8.3.3(a) that the provision of Enhanced Pressure is acceptable, notify all other Shippers which have an Exit Point Registration in respect of the Exit Point of such determination. The Transporter shall, after receiving notification by a Shipper in accordance with Section 8.3.4 that the Shipper wishes to receive Enhanced Pressure, notify all other Shippers which have an Exit Point Registration in respect of the Exit Point of such notification. It is agreed, for the avoidance of doubt, that, whilst any such other Shipper may receive the Enhanced Pressure, such Shipper shall, unless it requests an Enhanced Pressure in accordance with this Section 8, only be entitled to receive the Minimum Pressure at the Exit Point.
- 8.3.10 Notwithstanding any other provision of this Code, the Transporter shall be relieved of its obligation to make Natural Gas available:

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- (a) at the Minimum Pressure, an Enhanced Pressure or at all, to the extent that it is prevented from doing so by reason of:
 - (i) insufficient pressure at an Entry Point to enable the Transporter to provide the Minimum Pressure or Enhanced Pressure;
 - (ii) any failure of the Transportation System other than as a result of the Wilful Misconduct of the Transporter; or
 - (iii) the pressure of the Natural Gas immediately downstream of the Exit Point exceeding the Minimum Pressure; or
- (b) at an Enhanced Pressure to the extent that it is prevented from doing so by reason of:
 - (i) the aggregate measured offtake quantity in each hour of all Shippers at an Exit Point varying from the aggregate of such Shipper's Daily Profiles in respect of the relevant hour by more than the Exit Point Tolerance at the Exit Point; or
 - (i) the aggregate of ~~any Allocated Quantities allocated to~~ all Shippers' [Final Exit Allocations] at an Exit Point on a Day varying from the aggregate of such Shipper's ~~Nominated Quantities~~ [Exit Nominations] by more than the Exit Point Tolerance at the Exit Point.

8.3.11 Where at any time, by reason of any building, mining or engineering developments or changes in population density, in the vicinity of any part of the Transportation System, it is not, or ceases, or will cease to be, feasible safely or in accordance with any Recognised Standard to maintain at any Exit Point a pressure of at least the Minimum Pressure, or the Enhanced Pressure (as appropriate) applicable at the time in accordance with this Section 8.3:

- (a) the Transporter shall, subject to Section 8.3.11, as soon as reasonably practicable after becoming aware that, by reason of such circumstances, such pressure cannot be maintained, so inform the Shipper of the date with effect from which it will be necessary to reduce such pressure and the reduced pressure which can, after such date, be so maintained; and
- (b) with effect from the date specified by the Transporter, the reduced pressure so specified shall be the Minimum Pressure, or the Enhanced Pressure (as appropriate).

8.3.12 The Transporter shall, if requested, discuss with any Shipper which would be affected by a reduction in pressure in accordance with Section 8.3.10 as to whether reinforcing any part of the pipeline within the Transportation System would avoid the need to so reduce pressure at a cost to be agreed between the parties.

8.3.13 Subject to Section 11, the Transporter shall act as an RPO in endeavouring not to schedule operations which would result in the Transportation System pressures falling to operationally unacceptable levels or which would otherwise jeopardise the integrity

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of the Transportation System and the ability of the Transporter to provide transportation services.

- 8.3.14 The Minimum Pressure in respect of an Exit Point shall be measured at the Exit Point.
- 8.3.15 For the avoidance of doubt, failure to comply with the pressure requirements of this Section 8.3 shall not render (or be deemed to render) Natural Gas Off-Spec Gas for the purposes of Section 8.4 and the Transporter shall not be liable hereunder as a result thereof.

8.4 Gas Specification on exit

- 8.4.1 Provided that all Natural Gas delivered into the Transportation System is in accordance with the Gas Specification, the Transporter shall endeavour to make Natural Gas available for offtake in accordance with the Gas Specification.
- 8.4.2 If all Natural Gas entering the Transportation System is in accordance with the Gas Specification, but Natural Gas does not conform to the Gas Specification when made available for offtake by a Shipper from the Transportation System at an Exit Point ("**Off-Spec Gas**"), the Shipper may, from time to time, until such time as the Natural Gas so made available for offtake complies with the Gas Specification, in its discretion:
- (a) offtake or continue to offtake such Off-Spec Gas; or
 - (b) decline to offtake or to continue to offtake such Off-Spec Gas.
- 8.4.3 Where Off-Spec Gas has been offtaken on any Day from the Transportation System, the liability of the Transporter to each Shipper shall be limited to an amount determined in accordance with Section 8.4.4.
- 8.4.4 The amount payable by the Transporter to a Shipper under this Section 8.4.4 shall be treated as an Unforeseen Operating Expenditure and the lesser of:
- (a) any reasonable costs and expenses properly incurred by the Shipper as a result of the offtake of Off-Spec Gas by the Shipper at an Exit Point; and
 - (b) an amount equal to 10% of the quantity of Off-Spec Gas that is Allocated to the Shipper on such Day at the Exit Point multiplied by the Daily Gas Price.
- 8.4.5 When a Shipper first becomes aware that Off-Spec Gas is being, or has been, made available for offtake from the Transportation System at an Exit Point on any Day the Shipper shall, as soon as reasonably practicable, notify the Transporter specifying:
- (a) the relevant Exit Point and the Day or Days on which Off-Spec Gas was offtaken from the Transportation System;
 - (b) reasonable details of the respect in which the Natural Gas did not comply with the Gas Specification;

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- (c) reasonable details of the costs and expenses referred to in Section 8.4.4 and the person to whom and purposes for which, they were incurred; and
- (d) the total quantity of Off-Spec Gas referred to in Section 8.4.2 and the Shipper's offtake proportion.

8.5 Natural Gas offtaken for compressors

- 8.5.1 Where a Shipper uses, or procures that an End User uses, Natural Gas offtaken from the Transportation System at an Exit Point for supplying a compressor the Shipper shall, if so required by the Transporter by notice, fix in a suitable position and keep in use an appliance provided by the Shipper which shall effectively prevent pressure fluctuation in the Transportation System and any other inconvenience or danger being caused to the Transporter, the Transportation System, any Shipper or any End User.
- 8.5.2 Where a Shipper is required by this Section 8.5 to keep in use any such appliance the Shipper shall at its own expense keep it in proper order and repair and replace it if it is not in proper order or repair.
- 8.5.3 If the Shipper defaults in complying with any provision of this Section 8.5 the Transporter may suspend offtake of Natural Gas by a Shipper at the relevant Exit Point and shall not be required to resume the supply of such Natural Gas until the default has been remedied to the satisfaction of the Transporter.

8.6 Discontinuance of supply at Exit Point

- 8.6.1 If any Shipper:
 - (a) uses, or an End User, for whom the Shipper has procured gas, uses, Natural Gas offtaken from the Transportation System at an Exit Point other than as an RPO or other than in accordance with this Code or deals with offtaken gas so as to interfere with the efficient transportation or offtake of gas by any other Shipper; or
 - (b) inputs Non-Compliant Gas into the Transportation System,the Transporter may discontinue the supply of Natural Gas to the Exit Point until the interference is remedied to the satisfaction of the Transporter.

8.7 Access rights and Shipper indemnity

- 8.7.1 A Shipper shall, subject to Section 8.7.2, procure that the Transporter shall have the right of access to any Connected Facilities at any Exit Point in respect of which the Shipper has an Exit Point Registration without charge, for the purpose of exercising its rights in accordance with the relevant Sections of this Code. A Shipper shall procure that such access may be obtained safely at all reasonable times, save in the case of an Emergency, when such access shall be procured safely at any time.

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- 8.7.2 A Shipper shall not be obliged to procure that the Transporter shall have such access if the End User at the Exit Point shall have granted the Transporter a right of access for such purposes.
- 8.7.3 A Shipper shall, subject to Section 8.4.4(a) and 8.7.4, be liable to and indemnify, defend and hold harmless the Transporter from and against any and all Indemnified Liabilities suffered or incurred by the Transporter as a result of any claim or action brought by any person (including itself or any End User) offtaking Natural Gas, directly or indirectly, from the Transportation System at an Exit Point shipped by that Shipper arising, directly or indirectly, as a result of an event or occurrence downstream of an Exit Point.
- 8.7.4 A Shipper shall not be obliged to indemnify the Transporter, in accordance with Section 8.7.3, to the extent that the liability of the Transporter arises in respect of a supply of Natural Gas as result of the Transporter's negligence or Wilful Misconduct.

8.8 Connected Facilities

- 8.8.1 The Transporter and a Shipper shall consult and cooperate with a view to ensuring that the objective in Section 8.8.2 is achieved.
- 8.8.2 The objective is to ensure that in all material respects the facilities of the Transporter at an Exit Point and the adjacent Connected Facilities, are and will continue to be technically and operationally compatible as facilities by which the Transportation System and the relevant Connected System may safely be connected. In the case of Connected Facilities owned by a person other than the Shipper, the Shipper alone shall have the responsibility of consulting and co-operating with such downstream owner with a view to ensuring that this objective is achieved.
- 8.8.3 Where, by reason of any modification, other than a modification made to comply with any Legal Requirement, made or to be made by the Transporter to the facilities of the Transporter at the Exit Point or by a Shipper or such downstream owner in respect of the Connected Facilities, the objective in Section 8.8.2 ceases or will cease to be satisfied:
- (a) the Transporter, in the case of a modification made by it; and
 - (b) the Shipper in the case of a modification made by it or such downstream owner
- shall promptly reimburse to the other any material expenditure demonstrated to have been reasonably incurred by the other for the purposes of ensuring that the objective continues to be or is again satisfied. In case of more than one Shipper offtaking Natural Gas from the Connected Facilities, such Shippers shall reimburse the Transporter such expenditure in six (6) equal Monthly instalments at the end of each Month commencing at the end of the Month in which such expenditure is incurred so that each such Shipper bears its pro rata share of each instalment based upon its Allocated Quantity at the relevant Exit Point during the Month that each such instalment is recoverable.

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- 8.8.4 Any such expenditure reimbursed by the Transporter shall be an Unforeseen Operating Expenditure.
- 8.8.5 The Transporter and each relevant Shipper shall be entitled, upon reasonable notice, to inspect the other ~~party's~~ Party's facilities at or adjacent to the Exit Point for the purposes of determining whether the objective in Section 8.8.2 is satisfied or any expenditure has been incurred in accordance with Section 8.8.3. In case of Connected Facilities owned by a person other than the Shipper, the Shipper shall ensure that the Transporter shall be entitled, upon reasonable notice, to inspect such other party's facilities at or adjacent to the Exit Point for both such purposes.
- 8.8.6 Without prejudice to any other agreement between the Transporter and a Shipper in respect of the installation of the Transporter's facilities at the Exit Point or a Shipper's Connected Facilities, subject to Sections 8.8.2, 8.8.3 and 8.8.5, nothing in this Code shall impose any obligations upon, or take effect as a warranty by, either the Transporter or the Shipper in relation to its system and neither the Transporter or the Shipper shall be liable to the other in respect of any failure or malfunction thereof.

8.9 Title and Risk on Exit

- 8.9.1 Title and risk in Natural Gas made available for offtake from the Transportation System at an Exit Point or at a ~~Virtual Exit Point~~ VRF IP Exit Point by the Transporter shall transfer to the Shipper at the relevant Exit Point or the relevant ~~Virtual Exit Point~~ VRF IP Exit Point (as the case may be).
- 8.9.2 The Transporter warrants to the Shipper that subject to Section 8.9.4:
- (a) it shall have title to all gas which it makes available for offtake from the Transportation System at an Exit Point or a ~~Virtual Exit Point~~ VRF IP Exit Point (as the case may be); and
 - (b) all such Natural Gas shall be free of any lien, charge, encumbrance or adverse claim, as to title or otherwise, including any claim for any tax, royalty or other charge in respect of the production, gathering, processing and tendering of Natural Gas arising on or before it is made available for offtake from the Transportation System.
- 8.9.3 The Transporter shall, subject to Sections 8.9.4 and 14.6, be liable to and indemnify, defend and hold harmless a Shipper from and against any and all Indemnified Liabilities suffered or incurred by or made or brought against the Shipper in consequence of any breach of either of the warranties in Section 8.9.2.
- 8.9.4 The Transporter offers no warranty under Section 8.9.2 or indemnity under Section 8.9.3 to the extent that any Shipper is in breach of either of the warranties given in Section 7.4.2.

Remove existing Section 11 and replace it with the text below to read as follows:

11. SHIPPER INFORMATION FORECASTS AND THE TEN YEAR STATEMENT

11.1 Ten Year Statement

11.1.1 In this Code a "**Ten Year Statement**" is a statement, required to be prepared by the Transporter pursuant to condition 2.13 of its Licence and any direction of the Authority pursuant thereto, containing:

- (a) the likely developments to the NI Network which the Transporter reasonably anticipates will be taken into account in determining the calculation of Charges on the NI Network; and
- (b) any other further information which the Transporter may decide is appropriate,

or any revision to the most recently published Ten Year Statement.

11.1.2 The Transporter shall furnish the Authority with a Ten Year Statement in each Gas Year no later than the 10th June containing any revisions to the previous years' Ten Year Statement.

11.1.3 The Transporter shall consult with Shippers and the Authority from time to time as to the form of the Ten Year Statement and shall not include details of an individual Shipper's forecast of throughput or actual throughput or holding of capacity on any part of the NI Network without that Shipper's consent (which shall not be unreasonably withheld or delayed).

11.1.4 Each Gas Year, for the purposes of enabling the Transporter to prepare the Ten Year Statement, the Transporter shall send a questionnaire to Shippers, in such form as may be determined by the Transporter, requesting information on the Shipper's forecasts for supply and demand (and the assumptions on which these forecasts are based).

11.1.5 A Shipper shall complete the questionnaire provided under Section 11.1.4 and submit it to the Transporter by the date specified in the questionnaire.

11.1.6 The information to be provided by a Shipper pursuant to Section 11.1.5 shall be treated as having been requested by the Transporter for the purposes of the standard condition of the Shipper's Gas Supply Licence which obliges the Shipper to provide information to a Licence holder to enable such Licence holder to draw up plans for, inter alia, the safe operation of its system.

11.1.7 If a Shipper intends, pursuant to the conditions in the Shipper's Gas Supply Licence which are equivalent to standard condition 2.16.2 of Gas Supply Licences approved 12 May 1997, to refuse to provide any item of information requested by the Transporter, the Shipper undertakes promptly.

- (a) to inform the Transporter of such intention;
- (b) if requested by the Transporter, to discuss with the Transporter whether there is a form in which the information can be provided or alternative information which can be provided;

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- (c) if requested by the Transporter, to refer or co-operate with the Transporter in referring its refusal to the Authority for determination under that Gas Supply Licence condition.
- 11.1.8 The Transporter shall not be liable pursuant to this Code or otherwise to any Shipper in relation to any estimate, forecast or other information contained in or omitted from a Ten Year Statement, and nothing contained in it shall oblige the Transporter to undertake any reinforcement of the Transportation System.
- 11.1.9 Except as provided for or referred to in this Code, the Transporter is not party to any agreement for the sale of gas offtaken from the Transportation System, or the purchase of gas delivered to the Transportation System; and accordingly the Transporter depends on the information provided by persons who are party to such agreements, and on other sources of information, in estimating under this Section 11 demand and availability of gas for supply.
- 11.1.10 A Shipper shall, in so far as it is practicable, co-operate with and provide reasonable assistance to the Transporter in obtaining information requested from persons not bound by this Code, including Upstream Transporters and Upstream Shippers, persons from whom the Shipper has contracted to purchase gas and End Users.
- 11.1.11 Nothing in this Section 11 shall exempt a Shipper from the requirement to provide and update Downstream Load Statements where it is required to do so in accordance with Section 17.9.

11.2 Shipper Forecast Information for Charging Calculations

- 11.2.1 The Transporter is required pursuant to condition 2A.2.3 of its Licence to provide certain forecast information to the Authority by no later than the last Business Day in June in each Gas Year, such information to be utilised in relation to the calculation of Charges on the NI Network.
- 11.2.2 For the purposes of preparing the forecast information referred to in Section 11.2.1, by 1st May in each Gas Year the Transporter shall provide an information request to Shippers (the “**Shipper Forecast Information Request**”).
- 11.2.3 The Transporter shall specify on the Shipper Forecast Information Request the units and any other details or items for which it may reasonably require Shippers to provide a forecast and/or further information.
- 11.2.4 A Shipper shall complete the Shipper Forecast Information Request in respect of a five-year period commencing on the 1st October in each Gas Year. Subject to 11.2.3, the Shipper Forecast Information Request shall require completion of at least the following details:
 - (a) the amount of IP Entry Capacity and VRF IP Exit Capacity (by IP Capacity Duration) which the Shipper forecasts it will hold;
 - (b) the amount of Exit Capacity at each Exit Point which the Shipper forecasts it will hold;

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- (c) the quantity of gas which the Shipper forecasts it will flow at each IP Entry Point and VRF IP Exit Point; and
- (d) the quantity of gas which the Shipper forecasts it will flow at each Exit Point.

11.2.5 A Shipper shall submit its' completed Shipper Forecast Information Request to the Transporter by no later than the 10th Business Day in June.

11.2.6 Where there is a material change to the information provided on the completed Shipper Forecast Information Request during the Gas Year, the Shipper shall provide a revised Shipper Information Forecast Request form to the Transporter as soon as possible.

11.2.7 Shippers agree to respond within a reasonable timeframe to any additional requests for forecast (or other) information made by the Transporter at any time where necessary for the purposes of compliance with information requests from ENTSOG, ACER, the Authority and/or any other reasonable purpose.

11.3 Provision of Quarterly Information to the Authority and to Shippers

11.3.1 The Transporter is required pursuant to condition 2A.2.3.3 of its' Licence to provide quarterly information to the Authority and to advise the Authority on any suspected material inaccuracy in the information provided under Section 11.2. Such information shall be provided by the Transporter to the Authority no later than the 10th Business Day after the end of each Quarter in a Gas Year.

11.3.2 The Transporter is required pursuant to condition 2A.2.3.3 of its' Licence to publish quarterly information to Shippers. Such information shall be provided to Shippers in accordance with the requirements in that Licence condition.

.....

Remove existing Section 17 and replace it with the text below to read as follows:

17. ACCESSION TO THE CODE, REGISTRATIONS, DOWNSTREAM LOAD STATEMENTS AND RETIREMENT FROM THE CODE

Accession to the Code

17.1 Application to accede to the Code

Any person wishing to become a Shipper (a "**Prospective Shipper**") shall give the Transporter a minimum of 20 Business Days' notice in writing of its intention specifying:

- (a) the IP Entry Points, VRF IP Exit Points and/or Exit Points it wishes to utilise;
- (b) whether it wishes to trade at the Trading Point; and
- (c) the date from which it wishes to become a Shipper.

17.2 Provision of information

17.2.1 Within 5 Business Days of receipt of such an application the Transporter will provide any Prospective Shipper with:

- (a) an Accession Agreement (for signature by the Prospective Shipper);
- (b) a company information form to complete;
- (c) a Shipper Forecast Information Request form;
- (d) a Credit Application form;
- (e) application forms for an IP Registration, Exit Point Registration and/or Trading Point Registration, as appropriate in accordance with the notice given under Section 17.1;
- (f) a copy of the Code, Modification Rules, the most recent Ten Year Statement and other such information as the Transporter believes is appropriate;
- (g) a 24 hour emergency contacts form;
- (h) introductory information concerning access to the IT systems of the Transporter;
- (i) where a Prospective Shipper wishes to utilise an IP Entry Point or VRF IP Exit Point, introductory information concerning access to the Capacity Platform;

17.2.2 A Prospective Shipper shall provide to the Transporter:

- (a) the Accession Agreement, signed by the Prospective Shipper for execution by the Transporter;
- (b) a completed Shipper Forecast Information Request form;

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- (c) confirmation of its Provided Level of Credit Support;
- (d) completed 24 hour emergency contact information form; and
- (e) a copy of its Gas Supply Licence (or where appropriate, a copy of consent from the Authority to exit gas from the NI Network as if the party had a Gas Supply Licence).

17.3 Accession to the Code

- 17.3.1 After the Transporter is satisfied that the Prospective Shipper has satisfied the requirements of Section 17.2.2 it shall within 5 Business Days execute the Accession Agreement and provide a copy to the Prospective Shipper.
- 17.3.2 A Prospective Shipper shall become a Shipper on the effective date of the executed Accession Agreement.

Registrations

17.4 General Registration Requirements

- 17.4.1 A Shipper or Prospective Shipper wishing to utilise any IP Entry Point, VRF IP Exit Point, Exit Point or the Trading Point must apply for a separate Registration in respect of each point in accordance with Sections 17.5, 17.6 and 17.7 as applicable and the following rules in this Section 17.4. References in this Code to a “**Registration**” means an IP Registration or an Exit Point Registration or a Trading Point Registration as appropriate and reference to “**Registrations**” means more than one of them.
- 17.4.2 A Prospective Shipper may submit an application for a Registration before accession to the Code is completed but a Prospective Shipper must have acceded to the Code and become a Shipper in order for the Registration process to be completed in accordance with Sections 17.5, 17.6 and 17.7.
- 17.4.3 A Shipper or Prospective Shipper wishing to utilise either an Exit Point or an IP Entry Point or VRF IP Exit Point must apply for at least a pair of Registrations on the NI Network, which may be either:
 - (a) an Exit Point Registration and an IP Registration;
 - (b) an Exit Point Registration and a Trading Point Registration; or
 - (c) an IP Registration and a Trading Point Registration.
- 17.4.4 A Shipper or Prospective Shipper that wishes to utilise the Trading Point must apply for a Trading Point Registration. It is not necessary for a Shipper or Prospective Shipper who does not hold any IP Entry Capacity or Exit Capacity (or who does not otherwise wish to hold IP Entry Capacity or Exit Capacity) (a “**Trader**”) to obtain a pair of Registrations in accordance with Section 17.4.3.
- 17.4.5 Where an existing Shipper applies for new Registrations (at points it has not utilised previously) it shall also be required to provide:

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- (a) a revised Shipper Forecast Information Request form; and
- (b) if necessary, a (further) Credit Application.

17.4.6 A Shipper or Prospective Shipper wishing to apply for a Registration should request an application form from the Transporter by giving notice in writing if notice has not already been given under Section 17.1.

17.5 IP Registration Requirements

17.5.1 An application for an IP Registration ("**IP Registration Application**") shall specify the following:

- (a) the EIC of the Shipper or Prospective Shipper;
- (b) the IP for which an IP Registration is requested;
- (c) the date from which the Shipper or Prospective Shipper wishes to start utilising the IP (which shall be at least 10 Business Days from receipt of the IP Registration Application by the Transporter);
- (d) whether the Shipper or Prospective Shipper wishes to utilise the IP Entry Point, the VRF IP Exit Point or both;
- (e) confirmation that the Shipper or Prospective Shipper has entered into the relevant agreement with the Capacity Platform Operator for use of the Capacity Platform;
- (f) details of the individuals in the Shipper organisation which are authorised to participate on the Capacity Platform on its behalf, each of whom shall be classed as an "**Authorised Person**"; and
- (g) whether or not, in the case of an existing Shipper, it will be required to increase its' Provided Level of Credit Support.

17.5.2 In order to validate an IP Registration Application, the Transporter will:

- (a) verify that the applicant is a Shipper;
- (b) verify the information provided in Section 17.5.1;
- (c) verify that the Shipper has applied for a pair of Registrations in accordance with Section 17.4.3; and
- (d) verify that the Shipper's Provided Level of Credit Support is equal to or greater than its Required Level of Credit Support.

17.5.3 Where the Transporter is satisfied that the Shipper has met the requirements for IP Registration in this Section 17.5, it shall provide the IP Registration to the Shipper within 5 Business Days.

17.5.4 Where there is any change in any Authorised Person notified by the Shipper to the Transporter in accordance with Section 17.5.1 (f) the Shipper must notify the Transporter as soon as possible.

17.6 Exit Point Registration Requirements

17.6.1 An application for an Exit Point Registration (“**Exit Point Registration Application**”) shall specify the following:

- (a) the EIC of the Shipper/Prospective Shipper;
- (b) the Exit Point for which an Exit Point Registration is requested;
- (c) the date from which the Shipper or Prospective Shipper wishes to start utilising the Exit Point which shall be at least 10 Business Days from receipt of the Exit Point Registration Application by the Transporter;
- (d) a Downstream Load Statement (which sets out the End Users statement of the maximum quantity in kwh/d which may reasonably be required to supply the relevant Downstream Load Category);
- (e) whether or not the Shipper will be required to increase its’ Provided Level of Credit Support; and
- (f) one of following:
 - (i) evidence that the Shipper itself will utilise the gas; or
 - (ii) written confirmation from a gas consumer that the Shipper has entered an agreement with the gas consumer to supply the gas consumer the gas which the Shipper will offtake from the Exit Point (which may be conditional upon the Shipper obtaining an Exit Point Registration at the relevant Exit Point and/or the Shipper obtaining Exit Capacity at the relevant Exit Point); or
 - (iii) written confirmation from a transporter of gas on a Connected System immediately downstream of the System that the Shipper has entered into an agreement with it to ship gas on the Connected System offtaken from the Exit Point.

17.6.2 In order to validate an Exit Point Registration Application, the Transporter will:

- (a) verify that the applicant is a Shipper;
- (b) verify the information provided in Section 17.6.1;
- (c) verify that the Shipper has applied for a pair of Registrations in accordance with Section 17.4.3; and
- (d) verify that the Shipper’s Provided Level of Credit Support is equal to or greater than its’ Required Level of Credit Support.

17.6.3 Where the Transporter is satisfied that the Shipper has met the requirements for an Exit Point Registration in this Section 17.6 , it shall provide the Exit Point Registration to the Shipper within 5 Business Days.

17.6.4 Downstream Load Statements provided to the Transporter in accordance with Section 17.6.1 above must be updated to maintain their accuracy in accordance with Section 17.9.3.

17.7 Trading Point Registration Requirements

17.7.1 An application for a Trading Point Registration (“**Trading Point Registration Application**”) shall specify:

- (a) the EIC of the Shipper or Prospective Shipper;
- (b) the date from which the Shipper or Prospective Shipper wishes to start utilising the Trading Point (which shall be at least 10 Business Days from receipt of the Trading Point Registration Application by the Transporter);
- (c) whether or not, in the case of an existing Shipper, it will be required to increase its’ Provided Level of Credit Support.

17.7.2 In order to validate a Trading Point Registration Application, the Transporter will:

- (a) verify that the applicant is a Shipper;
- (b) verify the information provided in Section 17.7.1;
- (c) verify that the Shipper’s Provided Level of Credit Support is equal to or greater than its’ Required Level of Credit Support.

17.7.3 Where the Transporter is satisfied that the Shipper has satisfied all the requirements for a Trading Point Registration in this Section 17.7, it shall provide the Trading Point Registration to the Shipper within 5 Business Days.

17.8 De-Registration

17.8.1 A Shipper may only terminate a Registration if it will, after terminating such Registration, still hold at least a pair of Registrations in accordance with Section 17.4.3.

17.8.2 A Shipper may terminate an Exit Point Registration in respect of an Exit Point by giving the Transporter 10 Business Days’ written notice that it wishes to so terminate its registration, such registration not to be terminated before the last day on which the Shipper holds Exit Capacity at the Exit Point.

17.8.3 If a Shipper terminating its Exit Point Registration would result in no Shipper holding an Exit Point Registration in respect of that Exit Point, the Transporter will be entitled to require the Shipper to maintain its Exit Point Registration until such time that the Transporter has isolated the Exit Point. The Transporter shall so isolate the Exit Point as soon as reasonably practicable after the date on which the Shipper wishes the termination of the Exit Point Registration to take effect.

17.8.4 A Shipper may terminate an IP Registration by giving the Transporter 10 Business Days’ written notice that it wishes to so terminate its registration, such registration not to be terminated before the last day on which it holds IP Entry Capacity and/or VRF IP Exit Capacity at the IP.

17.8.5 A Shipper may terminate a Trading Point Registration by giving the Transporter 10 Business Days’ notice that it wishes to so terminate its Registration.

Section 17: Proposed Legal Text

- 17.8.6 Termination of a Registration does not relieve a Shipper of its obligations in relation to maintain its' Provided Level of Credit Support in accordance with Section 13.2.6.

Downstream Load Statements

17.9 Downstream Load Statement

- 17.9.1 A Shipper shall be required to provide the Transporter with a statement in the Prescribed Form (a "**Downstream Load Statement**") in respect of an Exit Point before it may obtain an Exit Point Registration in respect of that Exit Point.
- 17.9.2 A Shipper at an Exit Point which is not 100% power generation shall provide the Transporter with a revised Downstream Load Statement 15 Business Days before each Mid Year Date and 15 Business Days before the end of the Gas Year. The Transporter shall inform any new Shipper whether or not they are required to submit a revised Downstream Load Statement in accordance with this clause 17.9.2 immediately preceding the date of their initial Downstream Load Statement submission.
- 17.9.3 A Shipper or a Prospective Shipper shall, if it becomes aware that any information in a Downstream Load Statement is incorrect, provide the Transporter on 10 Business Days' notice with a revised Downstream Load Statement which is accurate. References in this Code to a Downstream Load Statement are to the latest revised Downstream Load Statement from time to time.
- 17.9.4 A Downstream Load Statement, shall contain the End User's statement of the maximum quantity in MWh/day which may reasonably be required to supply the relevant Downstream Load Category.
- 17.9.5 A Shipper shall, if requested by the Transporter, provide to the Transporter any information relating to their actual Downstream Load, over a given period of time.
- 17.9.6 At the discretion of the Transporter, this Section 17.9 shall not apply in respect of any Shipper, or Prospective Shipper, that does not have a Gas Supply Licence, but does with the Authority's prior written consent to either:
- (a) hold Exit Capacity; or
 - (b) have entitlement to exit gas from the NI Network as if it had a Gas Supply Licence;
- provided that the Shipper submits to the Transporter a copy of such consent from the Authority.

Retirement

17.10 Retirement from the Code

- 17.10.1 A Shipper (a "**Retiring Shipper**") may, make an application to terminate its Accession Agreement by giving the Transporter not less than 35 Business Days written notice at any time.

Section 17: Proposed Legal Text

- 17.10.2 The Transporter shall respond to the Retiring Shipper, within 25 Business Days of receiving the application referred to in Section 17.10.1, indicating the requirements with which the Shipper must comply before the termination of its Accession Agreement may take effect and these requirements shall include (but not be limited to) the requirements that the Retiring Shipper:
- (a) has ceased to be a party to any agreement between the Transporter and the Shipper which incorporates the Code; and/or
 - (b) has ceased to hold any Registration at an IP Entry Point, VRF IP Exit Point, Exit Point and/or Trading Point; and/or
 - (c) has made full payment for all amounts invoiced in respect of:
 - (i) PS Transmission Amounts;
 - (ii) PS Code Charges;
 - (iii) Supplemental Payments;
 - (iv) Auxiliary Payments; and
 - (v) other amounts due pursuant to the Code.
- 17.10.3 Within 10 Business Days of the Retiring Shipper confirming to the Transporter in writing (together with supporting documentation) that it has complied with the requirements of the Transporter under Section 17.10.2, the Transporter shall confirm to the Retiring Shipper that it either:
- (a) agrees that the Retiring Shipper has appropriately complied with each of its requirements under Clause 17.10.2, in which case, the Retiring Shipper shall be entitled to terminate the Accession Agreement forthwith on notice to the Transporter copied to the Authority; or
 - (b) does not accept that the Retiring Shipper has appropriately complied with all of its requirements under Clause 17.10.2 and giving reasons for its decision, in which case, the Retiring Shipper shall be required to comply with the outstanding requirements before being entitled to terminate the Accession Agreement in accordance with this Section 17.10.
- 17.10.4 Upon the termination of the Retiring Shipper's Accession Agreement in accordance with this Section 17.10, a Retiring Shipper shall cease to be a Shipper for the purposes of the Code and the Retiring Shipper and the Transporter shall no longer be bound in relation to each other by this Code except to the extent set out in Section 17.10.5 and 17.10.6.
- 17.10.5 Termination of an Accession Agreement in accordance with this Section 17.10 shall not extinguish or relieve the Retiring Shipper from the performance of any obligation accrued under this Code as at the time of termination which it is agreed and acknowledged shall include payment of all or any of the following which are due, accrued or outstanding under this Code in respect of the period up to and including the date on which the Accession Agreement is terminated:
- (a) PS Transmission Amounts;
 - (b) PS Code Charges;
 - (c) Supplemental Payments;
 - (d) Auxiliary Payments; and/or

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(e) any other payments due pursuant to the Code.

17.10.6 The Retiring Shipper shall pay any sums due in accordance with Section 17.10.5 at the time by which and in the manner in which such payments would have been due and paid had the Retiring Shipper continued to be a Shipper. A Retiring Shipper that has ceased to be a Shipper shall continue to be liable for all accrued payments or other amounts due to the Transporter notwithstanding that the Retiring Shipper ceases to be a Shipper and any payments due and owing shall become immediately due and payable. For the avoidance of doubt:

(a) the conditions of the Code continue to apply to a Retiring Shipper whose application for retirement from the Code has been accepted by the Transporter until such time as that Retiring Shipper has met all its obligations under the Code (prior to and arising out of termination); and

(b) any financial security which the Retiring Shipper was obligated to provide to the Transporter pursuant to the Code shall remain in place until all such payments have been discharged in full.

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Transition Section T2: Proposed Legal Text

Insert this new Transition Section T2 after T1 to read as follows:

T2 TRANSITIONAL ARRANGEMENTS FOR THE INTRODUCTION OF CAM

T2.1 Introduction

T2.1.1 This Section T2 sets out the provisions which will apply to Shippers from the T2 Implementation Date and sets out when:

- (a) the new:
 - (i) Section 1A (*Interconnection Point Capacity*);
 - (ii) Section 1B (*Exit Capacity*);
- (b) the modified:
 - (i) Section 7 (*Entry Requirements*);
 - (ii) Section 8 (*Exit Requirements*);
 - (iii) Section 11 (*Shipper Information Forecasts and the Ten Year Statement*);
 - (iv) Section 17 (*Accession to the Code, Registrations, Downstream Load Statements and Retirement from the Code*) (the “**Modified Section 17**”);
 - (v) Appendix 1 (*Definitions and Interpretation*) (the “**Modified Appendix 1**”);

all as set out in Code Modification 14, shall be effective. Existing terms or Sections of the Code in force prior to Code Modification 14 becoming effective in accordance with this Section T2 are referred to in this Section T2 as “**Unmodified**”.

T2.1.2 In this Section T2:

- (a) “**T2 Implementation Date**” means the date of implementation of this Section T2 which shall be the 1st May 2015 or, if later, date the Authority approves Code Modification 14;
- (b) “**CAM Effective Date**” means 1st October 2015;
- (c) “**CAM Operational Date**” means, in relation to an IP, the date, not earlier than the T2 Implementation Date and not later than the CAM Effective Date, determined and published by the Transporter as the date on which certain communications under Sections 1A and 1B can first be made in relation to the IP;
- (d) a reference to Gas Year 20XX/XY is to the Gas Year which starts 1st October 20XX and ends 30th September 20XY.

T2.2 Commencement of Section 1A

T2.2.1 Terms which appear in this Section T2.2 with a capital letter have the meaning attributed to them in Modified Appendix 1.

T2.2.2 The provisions of Section 1A shall be effective in accordance with this Section T2.2.

Transition Section T2: Proposed Legal Text

- T2.2.3 Section 1A.1 applies only in respect of the allocation of IP Capacity in respect of IP Capacity Periods commencing with the IP Capacity Periods set out in Section T2.2.4.
- T2.2.4 The first Auctions to be held under the provisions of Section 1A shall be in respect of the IP Capacity Periods in the table below and the provisions of Section 1A shall come into force accordingly:

Auction	IP Capacity Period
Annual Yearly Auctions	Gas Years 2016/17
Annual Quarterly Auctions	Quarters in Gas Year 2016/17
Rolling Monthly Auctions	November 2015
Rolling Day Ahead Auctions, Interruptible Day Ahead Auctions and Within-Day Auction	1 st October 2015

- T2.2.5 Bundled Auctions shall only commence once the Adjacent Transporter makes Interconnected System Capacity available on the Capacity Platform (which is required to facilitate Bundled Auctions) and such date may be later than the CAM Effective Date under this Code.
- T2.2.6 In respect of an IP, a Shipper may not submit:
- (a) a request for its Unbundled IP Entry Capacity to be Bundled with its Equivalent Interconnected System Capacity under Section 1A.10;
 - (b) a request for an IP Capacity Transfer under Section 1A.11;
 - (c) a request for an IP Capacity Assignment under Section 1A.12;
- before the CAM Operational Date in respect of that IP.
- T2.2.7 Subject to T2.2.6, in relation to a request under Section 1A.10 by a Shipper for its' Unbundled IP Entry Capacity to be Bundled with its' Equivalent Interconnected System Capacity, and/or any Adjacent Bundling Request, in the event that there is insufficient time between the CAM Operational Date and the CAM Effective Date to process such requests in accordance with the timescales under Section 1A.10 (in order to confirm such requests by the CAM Effective Date) the Transporter may, at its sole discretion, process and confirm such requests in such shorter timescales as may be feasible and if it has agreed with the Adjacent Transporter to do so.
- T2.2.8 Section 1A.11.11 shall only apply from the CAM Effective Date.

T2.3 Commencement of Section 1B

- T2.3.1 Terms which appear in this Section T2.3 with a capital letter have the meaning attributed to them in Modified Appendix 1.
- T2.3.2 The provisions of Section 1B shall be effective in accordance with this Section T2.3.

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T2.3.3 Section 1B.1 applies only in respect of the allocation, transfer, assignment and surrender of Exit Capacity in respect of Exit Capacity Periods commencing on the CAM Effective Date; and applications for Exit Capacity in accordance with Section 1B.3 and 1B.4 (and Indicative Applications for Exit Capacity) may be submitted from the T2 Implementation Date.

T2.3.4 The first Mid Year Date under Section 1B shall be 30th April 2016.

T2.3.5 Under Section 1B, a Shipper may not submit:

- (a) a request for an Exit Capacity Transfer;
- (b) a request for an Exit Capacity Assignment;
- (c) a request to surrender Exit Capacity;

before the the CAM Operational Date.

T2.3.6 For the avoidance of doubt:

- (a) the provisions of Section 1B.12 (Exit Capacity Ratchet); and
- (b) the provisions of Section 1B.6 (Application for an allocation of Exit Capacity in the same Gas Year);

shall commence from the CAM Effective Date.

T2.4 Retirement of Section 1

T2.4.1 With effect from the CAM Effective Date Unmodified Section 1 shall no longer apply and Section 1A and Section 1B shall replace it in this Code.

T2.4.2 Terms which appear in this Section T2.4 with a capital letter have the meaning attributed to them in Unmodified Appendix 1.

T2.4.3 The last Month for which Firm Capacity may be requested in the same Gas Year under Unmodified Section 1.3 is September 2015 and the latest date by which requests for such Firm Capacity may be made (in accordance with Section 1.3.4 (b)) is 17th August 2015.

T2.4.4 The last Month for which Firm Capacity can be transferred in accordance with Unmodified Section 1.12 is September 2015 and the latest dates by which Capacity Transfer Applications may be submitted are:

- (a) for a Capacity Transfer Application in relation to the same Exit Point, 17th August 2015; and
- (b) for a Capacity Transfer Application in relation to a different Exit Point, 20th July 2015;

and Capacity Transfer Applications received after these dates shall only be considered at the discretion of the Transporter.

T2.4.5 The last Month for which Firm Capacity may be sub-let in accordance with Unmodified Section 1.13 is September 2015.

T2.4.6 For the avoidance of doubt, in relation to surrender of Firm Capacity prior to the CAM Effective Date, Section T1.11 applies.

T2.5 Commencement of Modified Section 17

- T2.5.1 Terms which appear in this Section T2.5 with a capital letter have the meaning attributed to them in Modified Appendix 1 except where expressly stated in this Section T2.5.
- T2.5.2 The provisions of Modified Section 17 shall be effective from the T2 Implementation Date.
- T2.5.3 With effect from the T2 Implementation Date, T1.5 (*Standard IP Entry Point Registration Process*) shall no longer apply.
- T2.5.4 Subject to T2.5.7, an Exit Point Registration (as defined in Unmodified Appendix 1) received prior to the T2 Implementation Date shall be treated as an Exit Point Registration under Modified Section 17; and for the avoidance of doubt, Section 17.9.3 of Modified Section 17 shall apply in relation to such Exit Point Registrations.

Preparation for the CAM Effective Date

- T2.5.5 A Shipper which has received an IP Entry Point Registration (as defined in Unmodified Appendix 1) as a result of the automatic IP Entry Point Registration process under Section T1 and which wishes to utilise the Capacity Platform will be required to:
 - (a) confirm to the Transporter that it has entered into the relevant agreement with the Capacity Platform Operator for the use of the Capacity Platform;
 - (b) confirm whether or not the Shipper wishes to utilise the IP Entry Point, the VRF IP Exit Point, or both;
 - (c) provide the Transporter with details of Authorised Persons;
 - (d) provide the Transporter with the EIC of the Shipper;by no later than 8th May 2015.
- T2.5.6 Once the Transporter is satisfied that the requirements of Section T2.5.5 have been met, it shall provide the Shipper with an IP Registration (as defined in Modified Appendix 1).
- T2.5.7 A Shipper which has received an Exit Point Registration prior to the T2 Implementation Date shall be required to provide the Transporter with the EIC of the Shipper by 8th May 2015 unless it has otherwise provided the EIC under Section T2.5.5.

T2.6 Commencement of modified Sections 7, 8 and 11

- T2.6.1 The modifications to Section 7 (*Entry Requirements*), Section 8 (*Exit Requirements*) and Section 11 (*Shipper Information Forecasts and the Ten Year Statement*) as set out in Code Modification 14 shall be effective from the CAM Effective Date.

T2.7 Commencement of Modified Appendix 1

- T2.7.1 From the T2 Implementation Date, the terms set out in Modified Appendix 1 shall be effective as and when use of each of those terms is required by the coming into force of the provisions set out in this Section T2.
- T2.7.2 For the avoidance of doubt, terms contained in Unmodified Appendix 1 shall apply in respect of Section 1 until the CAM Effective Date.

.....

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

APPENDIX 1 DEFINITIONS AND INTERPRETATIONS

Definitions

“ACER” means the Agency for Co-operation of Energy Regulators;

“Additional IP Entry Capacity” means IP Entry Capacity which may be made available by the Transporter as a result of the application of congestion management procedures;

“Adjacent Bundling Request” has the meaning given to it in Section 1A.10.9;

“Adjacent Transporter” has the meaning given to it in Section 1A.3.11(a);

“Adjacent Transporters” has the meaning given to it in Section 1A.3.11(a);

“Adjacent Transporter’s Rulebook” has the meaning given to it in Section 1A.3.11(b);

“Advance Buyback Agreement” has the meaning given to it in Section 1.15.2;

“Aggregate Bid Quantity” has the meaning given to it in Section 1A.8.3(c);

“Allocable IP Entry Capacity” has the meaning given to it in Section 1A.7.3;

“Allocable VRF IP Exit Capacity” has the meaning given to it in Section 1A.7.4;

“Allocated Quantity” means that quantity of gas allocated to a Shipper in respect of a Gas Flow Day, after any adjustment to the allocation, in accordance with Section 3 and “Allocation” and “Allocated” shall be construed accordingly;

“Annual Quarterly Auctions” has the meaning given to it in Section 1A.5.1(b);

“Annual Yearly Auctions” has the meaning given to it in Section 1A.5.1(a);

“Ascending Clock Auction” has the meaning given to it in Section 1A.8.2;

“Assignee Shipper” means a Shipper to whom IP Entry Capacity is assigned or proposed to be assigned to in accordance with Section 1A.12 or to whom Exit Capacity is assigned or proposed to be assigned to in accordance with Section 1B.10, as appropriate;

“Assigned IP Entry Capacity” has the meaning given to it in Section 1A.12.4(c);

“Assigned Exit Capacity” has the meaning given to it in Section 1B.10.4(a);

“Assignor Shipper” means a Shipper which assigns or wishes to assign its IP Entry Capacity in accordance with Section 1A.12 or its Exit Capacity in accordance with Section 1B.10, as appropriate;

“Auction” has the meaning given to it in Section 1A.4.2(a);

“Auction Allocated Quantity” has the meaning given to it in Section 1A.4.2(f);

“Auction Calendar” has the meaning given to it in Section 1A.4.2(b);

“Auction Date” has the meaning given to it in Section 1A.8.3(a);

“Auction Information” has the meaning given to it in Section 1A.4.2(c);

“Auction Information Time” has the meaning given to it in Section 1A.4.2(d);

“Auction Premium” has the meaning given to it in Section 1A.4.2(e);

“Auction Quantity” has the meaning given to it in Section 1A.4.2(h);

“Auction Year” has the meaning given to it in Section 1A.4.2(g);

“Authorised Person” has the meaning given to it in Section 17.5.1 (f) and “Authorised Persons” shall be construed accordingly;

“Automatic Bidding” has the meaning given to it in Section 1A.4.2(i);

~~“Available Firm Capacity” has the meaning given to it in Section 1.1.2(a);~~

“Available Exit Capacity” has the meaning given to it in Section 1B.1.5;

“Available IP Capacity” has the meaning given to it in Section 1A.3.18;

“Available IP Entry Capacity” has the meaning given to it in Section 1A.3.19;

“Bid” has the meaning given to it in Section 1A.4.2(j) and “Bids” shall be construed accordingly;

“Bid Price” has the meaning given to it in Section 1A.9.3;

“Bid Quantity” has the meaning given to it in Section 1A.4.2(k);

“Bid Round” has the meaning given to it in Section 1A.4.2(l);

“Bid Round Price” has the meaning given to it in Section 1A.8.3(b);

“Bid Window” has the meaning given to it in Section 1A.4.2(m);

“BPR_{BR-1}” has the meaning given to it in Section 1A.8.5(a);

“BPR_{LPFBR}” has the meaning given to it in Section 1A.8.5(b);

“Bundled” has the meaning given to it in Section 1A.3.10(a);

“Bundled Auction” has the meaning given to it in Section 1A.4.3(a);

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~~“Buyback Cap” has the meaning given to it in the OS Scheme;~~

~~“Buyback Invitation” has the meaning given to it in Section 1.15.3;~~

~~“Buyback Offer” has the meaning given to it in Section 1.15.4;~~

~~“Buyback Payments” has the meaning given to it in Section 12.17.1(e);~~

~~“Capacity Booking Optimisation Methodology” is the document published by the Transporter and approved by the Authority which sets out the principles for the allocation of certain Daily Capacity;~~

~~“Capacity Booking Reference” has the meaning given to it in Section 1.1.2(d);~~

~~“Capacity Platform” has the meaning given to it in Section 1A.6.1;~~

~~“Capacity Platform Operator” has the meaning given to it in Section 1A.6.1;~~

~~“Carry Forward” has the meaning given to it in Section 1A.9.11(e);~~

~~“Charges” means any charge payable to or from the Transporter either under its Licence or this Code and/or in accordance with the Charging Methodology Statement;~~

~~“Charging Methodology Statement” is the document provided by the Transporter on its website and approved by the Authority which sets out the basis for calculation of STC/VRF Charges;~~

~~“Class” has the meaning given to it in Section 1A.3.8;~~

~~“Clearing Price” has the meaning given to it in Section 1A.4.2(n);~~

~~“Closes” has the meaning given to it in Section 1A.8.3(e);~~

~~“Code Modification” means a modification to the Code in accordance with the Modification Rules;~~

~~“Competing Capacity”/“CC” has the meaning given to it in Section 1A.8.44(a);~~

~~“CPO Activities” has the meaning given to it in Section 1A.6.3;~~

~~“CPO Rules and Processes” has the meaning given to it in Section 1A.6.8(a);~~

~~“Daily Capacity” has the meaning given to it in Section 1.1.2(b);~~

~~“Daily Capacity Application Window” has the meaning given to it in Section 1.4.1(a);~~

~~“Daily IP Entry Capacity” has the meaning given to it in Section 1A.3.2(c);~~

~~“Day” or its abbreviation “D” means a period beginning at 06.00 hours on any day and ending at 06.00 hours on the following day and “Daily” shall be construed accordingly;~~

~~“Day of Greatest Allocated Quantity” has the meaning given to it in Section 1B.740.12(b);~~

~~“Deferred Buyback Payments” has the meaning given to it in Section 12.4.5;~~

~~“Distribution Network Operator”/“DNO” means the operator of a gas distribution network which is connected to the NI Network;~~

"**Downstream Load Statement**" has the meaning given to it in Section 17.98.1;

"**ECB Rate**" has the meaning given to it in Section 1A.4.9;

"**EIC**" means a European identity code which Shippers shall be required to use to identify their organisation on the Capacity Platform and on GTMS;

"**End Users**" means third parties who have entered into an agreement with a Shipper to purchase and/or utilise Natural Gas to be offtaken from the Transportation System by that Shipper at an Exit Point and "**End User**" shall be construed accordingly;

"**ENTSO**" means the European Network of Transmission System Operators for Gas, an 'Association Internationale Sans But Lucratif' established under Belgian law;

"**Equivalent Interconnected System Capacity**" has the meaning given to it in Section 1A.3.12(c);

"**Euro-based Auction**" has the meaning given to it in Section 1A.4.8;

"**Exit Capacity**" means firm exit capacity at an Exit Point has the meaning given to it in Section 1B.1.2(a);

"**Exit Capacity Application**" has the meaning given to it in Section 1B.3.2 and "**Exit Capacity Applications**" shall be construed accordingly;

"**Exit Capacity Assignment**" has the meaning given to it in Section 1B.10.1 and "**Exit Capacity Assignments**" shall be construed accordingly;

"**Exit Capacity Assignment Application**" has the meaning given to it in Section 1B.10.4;

"**Exit Capacity Assignment Period**" has the meaning given to it in Section 1B.10.4(b);

"**Exit Capacity Period**" has the meaning given to it in Section 1B.3.2(b);

"**Exit Capacity Surrender Application**" has the meaning given to it in Section 1B.8.2 and "**Exit Capacity Surrender Applications**" shall be construed accordingly;

"**Exit Capacity Transfer**" has the meaning given to it in Section 1B.9.2 and "**Exit Capacity Transfers**" shall be construed accordingly;

"**Exit Capacity Transfer Period**" has the meaning given to it in Section 1B.9.3;

"**Exit Capacity Utilisation Report**" has the meaning given to it in Section 1B.7.1;

"**Exit Nomination**" means a Shipper's nomination to the Transporter of a quantity of gas to be offtaken from an Exit Point on a Day and "**Exit Nominations**" shall be construed accordingly;

"**Exit Point**" has the meaning given to it in Section 8.1.3(a) and "**Exit Points**" shall be construed accordingly;

"**Exit Point Registration**" ~~has the meaning given to it in Section 17.5.4~~ means a registration issued by the Transporter evidencing that the Shipper is registered at the Exit Point;

"**Exit Point Registration Application**" has the meaning given to it in Section 17.65.13;

~~"**Exit Point Registration Extension Application**" has the meaning given to it in Section 17.5.9;~~

["Final IP Entry Allocation" has the meaning given to it in Section 3.2.2 means the quantity of Natural Gas Allocated to a Shipper at an IP in respect of a Gas Flow Day, such Allocation to be made by D+5 and "Final IP Entry Allocations" means the sum of each Final IP Entry Allocation Allocated to a Shipper in respect of a Gas Flow Day;]

["Final Exit Allocation" has the meaning given to it in Section 3.2.2 means, in respect of a Gas Flow Day, the quantity of Natural Gas Allocated to a Shipper, and at an Exit Point other than the Distribution Connected System Exit Point such Allocation shall be made by D+5 and at the Distribution Connected System Exit Point shall be made by M+5 and "Final Exit Allocations" shall be construed accordingly;]

"Firm" has the meaning given to it in section 1A.3.3 so far as it relates to IP Capacity and section 1B.1.3 so far as it relates to Exit Capacity;

"Firm Capacity" has the meaning given to it in Section 1.1.2(e);

"Firm Capacity Application" has the meaning given to it in Section 1.3.3;

"Firm Capacity Notice" has the meaning given to it in Section 1.1.2(d);

"First Round Allocation" has the meaning given to it in Section 1A.9.25(b);

"First Time Undersell" has the meaning given to it in Section 1A.8.3(d);

"First Time Undersell Bid Round" has the meaning given to it in Section 1A.8.4(a);

"Flow Direction" has the meaning given to it in Section 1A.2.1(a);

"Forecast Postalised Annual Capacity Charge" means the charge for annual capacity determined in accordance with the Licence and the Charging Methodology Statement;

"Forward Flow Direction" has the meaning given to it in Section 1A.2.1(b);

"FTU Bid Round" has the meaning given to it in Section 1A.8.4(a);

"Gas Year" /"Y" means the period of time beginning at 06.00 hours from 1 October of any calendar year to 06.00 hours on 1 October of the next succeeding calendar year and "Yearly" shall be construed accordingly;

"Indicative Application For ~~Exit~~Firm Capacity" has the meaning given to it in Section 1B.2.1;

"Indicative Capacity Reduction Notice" has the meaning given to it in Section 1.10.7(a);

"Interconnected System" has the meaning given to it in Section 1A.3.12(a);

"Interconnected System Capacity" has the meaning given to it in Section 1A.3.12(b);

"Interconnection Point"/"IP" ~~means South-North Entry Point~~ has the meaning given to it in Section 1A.2.1(d);

"Interruptible" has the meaning given to it in Section 1A.3.3;

"Interruptible RollingDay-Ahead Auctions" has the meaning given to it in Section 1A.5.1(e);

"Interruptible VRF IP Exit Capacity" has the meaning given to it in Section 1A.3.2(g);

“IP Capacity” has the meaning given to it in Section 1A.3.2(a);

“IP Capacity Assignment” has the meaning given to it in Section 1A.12.1 and “IP Capacity Assignments” shall be construed accordingly;

“IP Capacity Assignment Application” has the meaning given to it in Section 1A.12.4;

“IP Capacity Assignment Period” has the meaning given to it in Section 1A.12.4(d);

“IP Capacity Duration” has the meaning given to it in Section 1A.3.6 and “IP Capacity Durations” shall be construed accordingly;

“IP Capacity Period” has the meaning given to it in Section 1A.3.9;

“IP Capacity Transaction” has the meaning given to it in Section 1A.3.4;

“IP Capacity Transfer” has the meaning given to it in Section 1A.11.2 and “IP Capacity Transfers” shall be construed accordingly;

“IP Capacity Transfer Period” has the meaning given to it in Section 1A.11.4(b);

“IP Entry Capacity” means ~~firm entry capacity at an Interconnection Point, which may be yearly, quarterly, monthly or daily in duration~~ has the meaning given to it in Section 1A.3.2(b);

“IP Entry Point” means an Entry Point which is located at an Interconnection Point and “IP Entry Points” shall be construed accordingly;

“IP Entry Point Registration” means an ~~signed~~ entry point registration ~~from issued by the~~ Transporter evidencing that the Shipper is registered at either the an IP Entry Point and/or a VRF IP Exit Point at an IP;

“IP Entry Point Registration Application” ~~means a Shipper’s application for IP Entry Point Registration in accordance with section T1.5~~ has the meaning given to it in Section 17.5.1;

“Large Price Step”/“LPS” has the meaning given to it in Section 1A.8.6;

“Large Price Step Bid Round” has the meaning given to it in Section 1A.8.4(c);

“Last Pre-FTU Bid Round” has the meaning given to it in Section 1A.8.4(b);

~~“Long Term Firm Capacity” means Firm Capacity with an effective contract duration of more than one year~~

~~“Long Term Firm Capacity Reduction” (or “LTFC Reduction”) means the amount as specified in the Indicative Capacity Reduction Notice by which the Long Term Fixed Capacity of a given Shipper is liable to be reduced pursuant to this section 1.10;~~

“M+1” has the meaning given to it in Section 1B.12.1(b);

“M+5” has the meaning given to it in Section 3.2.2(b);

“Maximum Available Interruptible VRF IP Exit Capacity” means the maximum amount of Interruptible VRF IP Exit Capacity which shall be made available at an IP as published by the Transporter from time to time;

~~“Maximum Daily Quantity” or “MDQ” has the meaning given to it in Section 1.1.2.(e);~~

~~“Maximum Hourly Quantity” or “MHQ” has the meaning given to it in Section 1.1.2.(f);~~

“Minimum Bid Quantity” has the meaning given to it in Section 1A.4.2(o);

“Minimum Eligible Quantity” has the meaning given to it in Section 1A.4.2(p);

“Modification Rules” means the rules prepared by ~~Bord Gais~~ the Transporter, pursuant to its Licence, to facilitate modification of the Code as required from time to time in accordance with its licence.

“Moffat ~~Virtual~~ VRF IP Exit Point” means the Virtual Exit Point located at Moffat Entry Point being the point at which Natural Gas may be virtually (but not physically) offtaken from the NI Network;

“Month”/“M” means a period beginning at 0600 hours on the first day of any calendar month and ending at 0600 hours on the first day of the next succeeding calendar month and the term “Monthly” shall be construed accordingly;

“Monthly IP Entry Capacity” has the meaning given to it in Section 1A.3.2(d);

~~“Network Forecast Statement” has the meaning given to it in Section 11.1.1;~~

“NI large price step” has the meaning given to it in Section 1A.8.8;

~~“NI Pressure/Capacity Report” has the meaning given to it in Section 11.4.1;~~

“NI Non-competing Capacity”/“NI NCC” has the meaning given to it in Section 1A.8.44(b);

“NI Reserve Price” has the meaning given to it in Section 1A.4.2(q);

“NI Share” has the meaning given to it in Section 1A.4.2(r);

~~“Oversubscription Capacity” has the meaning given to it in Section 1.1.2(h);~~

“Overrun Charges” has the meaning given to it in Section 1A.13.1;

“Overrun Quantity” has the meaning given to it in Section 1A.13.2;

“Party” means either the Transporter or a Shipper and “Parties” means the Transporter and a Shipper or Shippers;

~~“Pipeline Agreement” means the pipeline agreement between the Transporter, ESBII and ESB signed on 18 October 2002;~~

“Quarter” shall mean a period of three (3) Months, with each successive Quarter commencing at 06:00 hrs on 1 October, 1 January, 1 April and 1 July respectively and “Quarterly” shall be construed accordingly;

“Quarterly IP Entry Capacity” has the meaning given to it in Section 1A.3.2(e);

“Ratchet Amount” has the meaning given to it in Section 1B.12.1(a);

“Ratchet Charge” or “RC” has the meaning given to it in Section 1B.12.1;

“Ratchet Month” has the meaning given to it in Section 1B.12.1;

“Registered Exit Capacity” has the meaning given to it in Section 1B.1.4;

“Registered IP Capacity” has the meaning given to it in Section 1A.3.16;

“Registered IP Entry Capacity” has the meaning given to it in Section 1A.3.17;

“Registration”/“Registrations” has the meaning given to it in Section 17.4.1;

"Relevant Day" has the meaning given to it in Section ~~1B.407.21~~(bc);

"Relevant Exit Point" has the meaning given to it in Section ~~1B.407.21~~(a);

"Relevant Objective" has the meaning given to it in Section ~~1B.407.43~~;

“Relevant Provision” has the meaning given to it in Section 1A.14.4;

"Relevant Shipper" has the meaning given to it in Section ~~1B.740.12~~(a);

“Remaining Unallocated Quantity” has the meaning given to it in Section 1A.9.18(c);

"Retiring Shipper" shall have the meaning given to it in Section 17.~~109~~.1;

“Reverse Flow Direction” has the meaning given to it in Section 1A.2.1(c);

“Rolling Day-Ahead Auctions” has the meaning given to it in Section 1A.5.1(d);

“Rolling Monthly Auctions” has the meaning given to it in Section 1A.5.1(c);

~~“Semi-Annual Period” has the meaning given to it in Section 1.10.2;~~

“Second Round Allocation” has the meaning given to it in Section 1A.9.25(d);

“Shipper Forecast Information Request” has the meaning given to it in Section 11.2.2;

“Small Price Step”/“SPS” has the meaning given to it in Section 1A.8.6;

“Small Price Step Bid Round” has the meaning given to it in Section 1A.8.4(d);

“SPS Bid Round” has the meaning given to it in Section 1A.8.4(d);

“SPS Fraction” has the meaning given to it in Section 1A.8.7(a)(ii);

“Starting Price” has the meaning given to it in Section 1A.4.2(s);

~~“Sum DLS” has the meaning set out in Section 17.8.6;~~

~~“Sum MDQ” has the meaning set out in Section 17.8.6;~~

~~"Surrender Application" has the meaning given to it in Section 1.11.2;~~

"Technical Exit Capacity" has the meaning given to it in Section 1B.1.2(b);

"Technical IP Entry Capacity" has the meaning given to it in Section 1A.7.1;

"Ten Year Statement" has the meaning given to it in Section 11.1.1;

"Total Bid Quantity" has the meaning given to it in Section 1A.8.44(f);

"Trader" has the meaning given to it in Section 17.4.4;

"Trading Point" means a notional point within the NI Network at which gas may be traded between Shippers;

"Trading Point Registration" means a registration issued by the Transporter evidencing that the Shipper is registered at the Trading Point;

"Trading Point Registration Application" has the meaning given to it in Section 17.7.1;

"Transfer Exit Point" has the meaning given to it in Section 1B.9.4(b);

"Transfer IP" has the meaning given to it in Section 1A.11.4(c);

"Transfer Proposal" has the meaning given to it in Section 1A.11.10;

"Transferee Shipper" means a Shipper to whom Available IP Capacity at an IP is transferred to or proposed to be transferred to in accordance with Section 1A.11 or to whom Available Exit Capacity at an Exit Point is transferred to or proposed to be transferred to in accordance with Section 1B.9 as appropriate;

"Transferred Exit Capacity" has the meaning given to it in Section 1B.9.4(a);

"Transferred IP Capacity" has the meaning given to it in Section 1A.11.4(a);

"Transferor Shipper" means a Shipper which transfers or wishes to transfer its Available IP Capacity at an IP in accordance with Section 1A.11 or its Available Exit Capacity at an Exit Point in accordance with Section 1B.9, as appropriate;

~~"Transportation Agreement" means the transportation agreement between the Transporter, CESB and ESB;~~

"Unbundled" has the meaning given to it in Section 1A.3.10(b);

"Unbundled Auction" has the meaning given to it in Section 1A.4.3(b);

"Uniform Price Auction" has the meaning given to it in Section 1A.9.2;

~~"Unused Long Term Firm Capacity" means, in respect of any given Day, any Long Term Firm Capacity held by a Shipper which is not used by the Shipper;~~

"Unsold Technical IP Entry Capacity" has the meaning given to it in Section 1A.7.2;

"Upstream Exit Capacity Surrender Application" has the meaning given to it in Section 1B.8.2(e);

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~~"Upstream Indicative Capacity Reduction Notification" has the meaning given to it in Section 1.10.7(a);~~

"Upstream Shipper" means any Shipper who offtakes Natural Gas on a transportation system upstream of the Transportation System and "Upstream Shippers" shall be construed accordingly;

~~"Upstream Surrender Application" has the meaning given to it in Section 1.11.2(e);~~

"UTC" means coordinated universal time;

~~"Valid Buyback Offer" has the meaning given to it in Section 1.15.5;~~

~~"Virtual Exit Point" has the meaning in Section 8.1.3(b)~~

"VRF IP Exit Point" has the meaning given to it in Section 8.1.3(b) and "VRF IP Exit Points" shall be construed accordingly;

"Within-Day Auctions" has the meaning given to it in Section 1A.5.1(f);

~~"Written Submissions" has the meaning given to it in Section 1.10.7(b);~~

~~"Y" has the meaning given to it in Section 13.3(a);~~

~~"Y+1" has the meaning given to it in Section 13.(b);~~ means the Gas Year following Y and "Y+5", "Y+6" and "Y+15" shall be construed accordingly;

"Yearly IP Entry Capacity" has the meaning given to it in Section 1A.3.2(f).