

UNIFORM NETWORK CODE - TRANSITION DOCUMENT**PART IIC – TRANSITIONAL RULES****1. UNIFORM NETWORK CODE****1.1 TPD Section B: System Use and Capacity****1.1.1 TPD Section B2.1.5 and Section B2.1.6**

- (a) In respect of any invitation for Quarterly NTS Entry Capacity issued prior to 31 March 2007, then the Unsold NTS Entry Capacity which National Grid NTS shall be required to offer in such invitation shall be determined as follows:

In respect of an Aggregate System Entry Point and in relation to a Day in a calendar month in a Formula Year, "**Unsold NTS Entry Capacity**" is the amount of Firm NTS Entry Capacity that National Grid NTS has, in relation to each Day in a calendar quarter, an obligation to make available (in accordance with the procedures set out in UNC TPD Section B2) to Users pursuant to paragraph 14(5)(f) of Part 2 of Special Condition C8B of National Grid NTS's Transporter's Licence as, in the case of Quarterly NTS Entry Capacity to be made available under UNC TPD Section B2.2, set out in National Grid NTS's Transportation Statement; provided that where the Authority has so consented in writing:

- (i) such Unsold NTS Entry Capacity shall not include any NTS Entry Capacity which National Grid NTS assesses it may be unable to physically deliver for any reason if such NTS Entry Capacity were to be allocated at a given Aggregate System Entry Point, including for example, due to the length of time required to obtain consents or construction challenges; and
- (ii) such Unsold NTS Entry Capacity for a particular Aggregate System Entry Point shall be zero where National Grid NTS assesses there is an expectation that National Grid NTS would be required to accept daily capacity offers pursuant to UNC TPD Section B2.10 in respect of previously allocated NTS Entry Capacity at that Aggregate System Entry Point;

and (for the avoidance of doubt) the provisions of UNC TPD Section B2.1.5 shall not apply for the purposes of UNC TPD Section B2.2 in relation to any invitations for Quarterly NTS Entry Capacity issued prior to 31 March 2007.

- (b) In respect of any allocations of Quarterly NTS Entry Capacity pursuant to an invitation issued prior to 31 March 2007, then, for the purposes of the application of UNC TPD Section B2.6, the amount of Unsold NTS Entry Capacity in existence at a particular time will, unless expressly stated otherwise, be calculated by reference to a continuing obligation to make available Firm NTS Entry Capacity through the application of paragraph 14(5) of Part 2 of Special Condition C8B of National Grid NTS's Transporter's Licence prior to the time at which the amount of Unsold NTS Entry Capacity is to be ascertained; provided that where the Authority has so consented in writing:
- (i) the amount of Unsold NTS Entry Capacity in existence at a particular time shall not include any NTS Entry Capacity which National Grid NTS assesses it may be unable to physically deliver for any reason if such NTS Entry Capacity were to be allocated at a given Aggregate System Entry Point,

including for example, due to the length of time required to obtain consents or construction challenges; and

- (ii) the amount of Unsold NTS Entry Capacity in existence at a particular time for a particular Aggregate System Entry Point shall be zero where National Grid NTS assesses there is an expectation that National Grid NTS would be required to accept daily capacity offers pursuant to UNC TPD Section B2.10 in respect of previously allocated NTS Entry Capacity at that Aggregate System Entry Point;

and (for the avoidance of doubt) the provisions of UNC TPD Section B2.1.6 shall not apply in such circumstances.

- (c) Where (by virtue of the provisions of paragraph 1.1.1(a) or 1.1.1(b) above) the Unsold NTS Entry Capacity for a particular Aggregate System Entry Point is zero for a particular calendar quarter, then the Unsold NTS Entry Capacity for the purposes of paragraphs 2.2 (in relation to Monthly NTS Entry Capacity only), 2.3 or 2.4 of UNC TPD Section B shall also be deemed to be zero for each calendar month or Day within such calendar quarter, and (for the avoidance of doubt) the provisions of UNC TPD Section B2.1.5 shall not apply for the purposes of UNC TPD Section B2.2 (in relation to Monthly NTS Entry Capacity only), 2.3 or 2.4 in such circumstances.

1.1.2 TPD Section B2.2.1

- (a) Notwithstanding TPD Section B2.2.1(d) (which requires that National Grid NTS will invite, and Users may make, applications for Quarterly NTS System Entry Capacity during the month of September in each Capacity Year), for the Capacity Year commencing on 1 April 2005 National Grid NTS will invite, and Users may make, applications for Quarterly NTS Entry Capacity in respect of each Aggregate System Entry Point for the periods specified in TPD Section B2.2.2(b) no earlier than 1 September 2005 and no later than 30 November 2005.
- (b) Notwithstanding TPD Section B2.2.1(b) (which requires that National Grid NTS will invite, and Users may make, applications for Monthly NTS Entry Capacity during the month of February in each Capacity Year), National Grid NTS will not be required to invite applications pursuant to TPD Section B2.2.1(b) in the Capacity Year commencing on 1 April 2006 for Monthly NTS Entry Capacity in respect of each Aggregate System Entry Point for the periods specified in TPD Section B2.2.2(a). Instead, the provisions of paragraph (c) below shall apply.
- (c) National Grid NTS will invite, and Users may make, applications for Monthly NTS Entry Capacity in respect of each Aggregate System Entry Point for the Relevant Capacity Period. Such invitation shall be issued by National Grid NTS no later than 2 Business Days of the Authority next directing changes (after the date of implementation of the Modification giving effect to this paragraph) to the Transporter's Licence of National Grid NTS pursuant to Section 23 of the Gas Act in relation to the contents of Schedule A of the Transporter's Licence of National Grid NTS. Applications pursuant to such invitation may be made on the date(s) specified in the invitation, the first such date being no earlier than the later of:
 - (i) 1 April 2007; and
 - (ii) 28 days after the date on which the invitation is issued by National Grid NTS pursuant to this paragraph (c);

and shall be as soon as possible after the dates specified above.

References to TPD Section B2.2.1(b) in TPD Section B shall (where paragraph (b) above applies) be deemed to be references to this paragraph (c). References to the period in TPD Section B2.2.2(a) in TPD Section B shall (where paragraph (b) above applies) be deemed to be references to the Relevant Capacity Period.

For the avoidance of doubt, National Grid NTS shall be required to issue one invitation only pursuant to this paragraph (c), and nothing in this paragraph (c) shall affect National Grid NTS's obligations pursuant to TPD Section B2.2.1(b) for the Capacity Year commencing on 1 April 2007 (or any subsequent Capacity Year).

- (d) For the purposes of paragraph (c), the **“Relevant Capacity Period”** means:
- (i) where the final date on which applications may be made pursuant to paragraph (c) is more than 1 Business Day before the end of the month M, the period from M+1 to March 2009 (where “M” is the month in which the first date on which applications may be made pursuant to paragraph (c) falls); and
 - (ii) where the final date on which applications may be made pursuant to paragraph (c) is not more than 1 Business Day before the end of the month M, the period from M+2 to March 2009 (where “M” is the month in which the first date on which applications may be made pursuant to paragraph (c) falls).

1.1.3 TPD Section B6.3.2(b)

A DNO User may apply for an amount of NTS Offtake Capacity at an NTS/LDZ Offtake in relation to the relevant Gas Year ending 30 September 2009 by submitting an application to National Grid NTS no later than 6 February 2006 subject to and in accordance with TPD Section B6.

1.1.4 TPD Section B6.3.6

In the case of an application under paragraph 1.1.2, National Grid NTS will notify the DNO User by no later than 6 March 2006 whether such application has been accepted in whole or in part, or rejected, specifying (where the application is accepted in part) the amount of NTS (Flat) Capacity and /or NTS Offtake (Flexibility) Capacity for which the application is accepted.

1.1.5 TPD Section B6.2.1

National Grid NTS will issue to each of the DNO Users not later than 6 March 2006 a revised Offtake Capacity Statement specifying the amount of NTS Offtake (Flat) Capacity, NTS (Flexibility) Capacity and Assured Offtake Pressures for each of the DNO Users for each of the Gas Years up to and including the Gas Year ending 30 September 2009 in relation to each NTS/LDZ Offtake.

1.1.6 TPD Section B

Notwithstanding the provisions of Section B1.2.8, the provisions of TPD Section B2 shall not apply to any LDZ System Entry Point (a **“New LDZ System Entry Point”**) that is not listed in Table A2 of Schedule A to the National Grid NTS's Transporter's Licence. In respect of any New LDZ System Entry Point, the type and quantity of entry capacity that will be offered, the method by which such capacity will be offered and subsequently allocated, and the rules relating to the use of that capacity will be set out in a separate agreement (a **“Bilateral Agreement”**) between the relevant Transporter and the operator of the Delivery Facility

connected to the System at the New LDZ System Entry Point. The relevant Transporter may make it a condition of any User being allocated or holding capacity at a New LDZ System Entry Point that such User enter into or accede to an Ancillary Agreement setting out the terms of the use of the relevant System for the purposes of delivering gas at the New LDZ System Entry Point.

Any references in the Code to Section B2 shall, for the purposes of a New LDZ System Entry Point, be deemed to be references to this paragraph 1.1.6, the provisions of the relevant Bilateral Agreement and/or the relevant Ancillary Agreement as the case may be.

For the purposes of the Code, the Available Firm NTS Entry Capacity in respect of a New LDZ System Entry Point shall be zero (0).

The provisions of this paragraph 1.1.6 shall cease to apply at 06:00 hours on 1 October 2007.

1.1.7 TPD Section B2.2

(a) For the purposes of this paragraph 1.1.7:

- (i) in respect of an Available Month and an ASEP Zone the "**Available Monthly Capacity**" is an amount (where such amount is positive) of Monthly NTS Entry Capacity equal to:

$$(A - B) + C$$

where:

- A is the zonal allocation maximum for the ASEP Zone and the Available Month;
- B is the aggregate amount of Firm NTS Entry Capacity held by Users at Aggregate System Entry Points in the ASEP Zone for the Available Month (prior to the application of this paragraph 1.1.7);
- C is the aggregate amount of Monthly NTS Entry Capacity which Users are willing to surrender at Aggregate System Entry Points in the ASEP Zone for the Available Month (pursuant to a notice under paragraph (b)(iv));
- (ii) the "**effective date**" is the date on which the Modification giving effect to this paragraph 1.1.7 first has effect;
- (iii) in each case following the allocation of Monthly NTS Entry Capacity pursuant to the annual invitation for Monthly NTS Entry Capacity held in May 2007 in accordance with TPD Section B2.2:
- (1) "**Available Month**" is a month, in the period November 2007 to March 2008 (the "**relevant period**") in respect of which there is no Unsold NTS Entry Capacity at an Aggregate System Entry Point in an amount equal to or greater than 100,000 kWh/Day, unless allocations for the Available Month would not be completed and published prior to the rolling monthly invitation date for a Rolling Monthly NTS Entry Capacity Auction relating to such month;
- (2) "**Recipient ASEP**" is, in respect of an Available Month, an Aggregate System Entry Point where the NTS SO Baseline Entry Capacity for a

day in such month is greater than zero and the Unsold NTS Entry Capacity is less than 100,000 kWh/Day;

- (3) **"Non-Recipient ASEP"** is, in respect of an Available Month, an Aggregate System Entry Point which is not a Recipient ASEP but is an ASEP within a Relevant ASEP Zone or a related ASEP Zone;
 - (iv) the **"nodal allocation maximum"** in respect of an Aggregate System Entry Point, and the **"zonal allocation maximum"** in respect of all the Aggregate System Entry Points in the same ASEP Zone, is in each case an amount of NTS Entry Capacity determined by National Grid NTS for the purposes of this paragraph 1.1.7 in accordance with the NTS Entry Capacity Transfer and Trade Methodology Statement;
 - (v) the **"NTS Entry Capacity Transfer and Trade Methodology Statement"** is the NTS Entry Capacity Transfer and Trade methodology statement prepared and published by National Grid NTS in accordance with Special Condition C8D of National Grid NTS's Transporter's Licence;
 - (vi) an **"ASEP Zone"** is in respect of an Aggregate System Entry Point, the zone in which the Aggregate System Entry Point is located, as more particularly described in National Grid NTS's Gas Transportation Ten Year Statement and a **"Relevant"** ASEP Zone is an ASEP Zone in which a Recipient ASEP is located;
 - (vii) the **"ASEP merit order"** is the sequence in which National Grid NTS will consider and give effect to a reduction in the Unsold NTS Entry Capacity or the surrender of Monthly NTS Entry Capacity at Aggregate System Entry Points for the purposes of paragraphs (j)(iii)(1)(cc) and (l)(iii)(4) as set out in the NTS Entry Capacity Transfer and Trade Methodology Statement;
 - (viii) the **"inter-zone exchange rate(s)"** are the rate(s), in respect of different pairs of ASEP Zones (as set out in the NTS Entry Capacity Transfer and Trade Methodology Statement, each such paired ASEP Zone a **"related"** ASEP Zone in respect of the other ASEP Zone), used by National Grid NTS to determine in respect of a relevant capacity trade bid:
 - (1) the amount of Monthly NTS Entry Capacity which a User is treated as applying for; and
 - (2) the translated bid price in respect of which the bid is made

in each case for the purposes of paragraph (l)(ii) and accordingly the amount by which the Unsold NTS Entry Capacity will be reduced or the amount of surrendered Monthly NTS Entry Capacity surrendered at an Aggregate System Entry Point for the purposes of paragraph (l)(iii)(2) and (3) as set out in the NTS Entry Capacity Transfer and Trade Methodology Statement; and
 - (ix) **"relevant bids"** comprise capacity trade bids in respect of a Non-Recipient ASEP located in an ASEP Zone in respect of which no allocation was undertaken in accordance with paragraph (j) or translated capacity trade bids created in accordance with paragraph (m).
- (b) By not later than:

- (i) ten (10) Business Days following the effective date National Grid NTS will notify Users of:
 - (1) each month in the relevant period which is an Available Month; and
 - (2) the Recipient ASEPs for each Available Month.
 - (ii) twelve (12) Business Days following the effective date a User may (acting in good faith) notify National Grid NTS of:
 - (1) an Available Month(s); and
 - (2) a Recipient ASEP(s)

in respect of which the User proposes to submit a capacity trade bid under paragraph (d);
 - (iii) fourteen (14) Business Days following the effective date National Grid NTS will notify Users of, in respect of each Available Month and Recipient ASEP in respect of which a User submitted a notice under paragraph (ii):
 - (1) the nodal allocation maximum for the Recipient ASEP;
 - (2) for each ASEP Zone in which there is a Recipient ASEP:
 - (aa) the zonal allocation maximum;
 - (bb) the ASEP merit order(s)
 - (3) the inter-zone exchange rate(s) between the ASEP Zone in which the Recipient ASEP is located and each other related ASEP Zone; and
 - (4) the amount of Unsold NTS Entry Capacity at each Non-Recipient ASEP;
 - (iv) sixteen (16) Business Days following the effective date a User ("**Surrender User**") may notify National Grid NTS of the maximum amount of Monthly NTS Entry Capacity at an Aggregate System Entry Point ("**Surrender ASEP**") which the User is willing to surrender for an Available Month for the purposes of this paragraph 1.1.7 ("**Surrender Amount**");
 - (v) twenty-one (21) Business Days following the effective date National Grid NTS will invite Users to make applications for Monthly NTS Entry Capacity in respect of each Recipient ASEP and each Non-Recipient ASEP located in the same ASEP Zone or in another related ASEP Zone (together the "**Relevant ASEPs**") for any month in the relevant period where it is an Available Month.
- (c) National Grid NTS's invitation under paragraph (b)(v) will specify:
- (i) the date(s) (each being a Business Day) on which an application for Monthly NTS Entry Capacity at Relevant ASEP's can be made, which for the purposes of paragraph (b)(v) shall be two dates, the first of which shall not be later than 2 Business Days after National Grid NTS has issued such an invitation, the second of which shall be no more than ten (10) Business Days after the first date on which applications for Monthly NTS Entry Capacity can be made (each an "**invitation date**");

- (ii) for each Available Month:
 - (1) the Relevant ASEPs;
 - (2) the nodal allocation maximum for each Recipient ASEP;
 - (3) the Available Monthly Capacity for each ASEP Zone;
 - (4) the inter-zone exchange rate(s) between the ASEP Zone in which the Recipient ASEP is located and each other related ASEP Zone;
 - (5) the aggregate amount of Monthly NTS Entry Capacity which Users are willing to surrender at a Relevant ASEP (pursuant to notices given in accordance with paragraph (b)(iv));
 - (6) the amount of Unsold NTS Entry Capacity at each Non-Recipient ASEP which is a Relevant ASEP;
 - (7) the ASEP merit order for each Relevant ASEP Zone and related ASEP Zone; and
 - (8) the applicable reserve price
- (d) Users may apply for Monthly NTS Entry Capacity at a Relevant ASEP for fifty percent (50%) of the Available Monthly Capacity for any Available Month on the first invitation date notified pursuant to paragraph (c)(i) and for the remaining Available Monthly Capacity for such Available Month on the second invitation date notified pursuant to paragraph (c)(i).
- (e) An application (a "**capacity trade bid**") for Monthly NTS Entry Capacity at a Relevant ASEP for an Available Month shall specify:
 - (i) the identity of the User;
 - (ii) the Relevant ASEP;
 - (iii) the Available Month;
 - (iv) the amount of Monthly NTS Entry Capacity (not less than the minimum eligible amount) applied for (in kWh/Day);
 - (v) the minimum amount (not less than the minimum eligible amount) of Monthly NTS Entry Capacity which the User is willing to be allocated for the purposes of paragraphs (j) and (l)); and
 - (vi) the price (the "**capacity trade bid price**") which shall not be less than the reserve price at the Relevant ASEP.
- (f) A User may have at any one time up to but no more than three (3) capacity trade bids in respect of a Relevant ASEP and Available Month.
- (g) A capacity trade bid:
 - (i) may not be submitted before 08:00 hours or after 17:00 hours on an invitation date;

- (ii) may be withdrawn or amended after 08:00 hours and until 17:00 hours on an invitation date.
- (h) National Grid NTS may reject a capacity trade bid submitted on the capacity trade invitation date:
 - (i) where the requirements of paragraphs (e) and (f) are not complied with and National Grid NTS may reject a capacity trade bid;
 - (ii) where National Grid NTS has given a notice under TPD Section B2.2.14 or 2.2.16 and the User has not provided the required surety or security within (10) Business Days of such notice; or
 - (iii) in accordance with TPD Section V3.
- (i) Following the submission of capacity trade bids Monthly NTS Entry Capacity will be allocated for each Available Month in accordance with paragraph (j) and (l) for which purposes the "**relevant**" Available Monthly Capacity shall be:
 - (i) for any Available Month, following submission of capacity trade bids on:
 - (1) the first invitation date, fifty percent (50%) of the Available Monthly Capacity for the Available Month;
 - (2) the second invitation date, the remaining Available Monthly Capacity.
- (j) For each Available Month, Monthly NTS Entry Capacity in respect of the Aggregate System Entry Points in a Relevant ASEP Zone will be allocated pursuant to capacity trade bids submitted in respect of the Available Month and Relevant ASEP Zone as follows:
 - (i) all capacity trade bids in respect of an Available Month (excluding any rejected in accordance with paragraph (h)) will be ranked in order of capacity trade bid price (the highest ranking first);
 - (ii) Monthly NTS Entry Capacity for the Available Month will be allocated to capacity trade bids with the highest capacity trade bid price first until such time as all the capacity bids are satisfied or:
 - (1) in the case of all Aggregate System Entry Points in the ASEP Zone, the amount of Monthly NTS Entry Capacity allocated is equal to relevant Available Monthly Capacity;
 - (2) in the case of a particular Recipient ASEP, the aggregate amount of Users Registered NTS Entry Capacity allocated (pursuant to TPD Section B2.2 and this paragraph 1.1.7) is equal to the nodal allocation maximum;
 - (3) in the case of a Non-Recipient ASEP, the amount of Monthly NTS Entry Capacity allocated (pursuant to TPD Section B2.2 and this paragraph 1.1.7) is equal to the Unsold NTS Entry Capacity at the Non-Recipient ASEP (which for the purposes of this paragraph (3) shall be treated as including any Surrender Amounts in respect of the Non-Recipient ASEP)

in which case no further capacity trade bids in respect of any Relevant ASEP will be considered for the purposes of this paragraph (j) and no further capacity trade bids in respect of a Non-Recipient ASEP will be considered for the purposes of paragraph (l);

- (iii) for the purposes of paragraph (ii), where an allocation of Monthly NTS Entry Capacity is made following acceptance of a capacity trade bid:

- (1) at a Recipient ASEP:

- (aa) the amount of remaining Unsold NTS Entry Capacity at an Aggregate System Entry Point in the same ASEP Zone will be reduced by the remaining capacity trade bid amount or by the amount equal to the remaining Unsold NTS Entry Capacity;
- (bb) subject to paragraph (aa), the Monthly NTS Entry Capacity held by a Surrender User at a Surrender ASEP in the same ASEP Zone will be reduced by the remaining capacity trade bid amount or by the amount equal to the remaining aggregate Surrender Amount;

- (cc) for the purposes of paragraphs (aa) and (bb):

National Grid NTS will first effect a reduction in the remaining Unsold NTS Entry Capacity and second accept a surrender of Monthly NTS Entry Capacity;

National Grid NTS will give effect to the reduction or surrender at Aggregate System Entry Points in the sequence set out in the ASEP merit order;

where there is more than one Surrender User at a Surrender ASEP the amount of Monthly NTS Entry Capacity treated as surrendered by the Surrender User shall be calculated pro rata to the Surrender Amounts;

- (2) at a Non-Recipient ASEP;

- (aa) the Unsold NTS Entry Capacity at the Non-Recipient ASEP will be reduced by an equal amount or an amount equal to the remaining unsold amount;
- (bb) subject to paragraph (aa), the Monthly NTS Entry Capacity held by a Surrender User at the Non-Recipient ASEP will be reduced by the remaining capacity trade bid amount or by the amount equal to the remaining aggregate Surrender Amount;

- (iv) subject to paragraphs (v), (vi) and (vii), where the amount of Monthly NTS Exit Capacity applied for under a capacity trade bid exceeds the amount of:

- (1) in the case of a Recipient ASEP, the lesser of the remaining relevant Available Monthly Capacity or remaining nodal allocation maximum;
- (2) in the case of a Non-Recipient ASEP, the lesser of the remaining Available Monthly Capacity, the remaining amount of Unsold NTS Entry Capacity (which for the purposes of this paragraph (2) shall be

treated as including any Surrender Amounts in respect of the Non-Recipient ASEP)

the “**remaining unallocated transfer amount**” the User will be allocated such an amount;

- (v) where the amount to be allocated in respect of a capacity trade bid pursuant to paragraphs (ii) and (iv) would be less than the minimum amount specified in the capacity trade bid, the capacity trade bid will (without prejudice to paragraph (l)) be disregarded for the purposes of this paragraph (j) and an allocation made in respect of the next ranked bid;
 - (vi) where the amount to be allocated in respect of any capacity trade bid would be less than the minimum eligible amount, no allocation shall be made to that bid (and no further allocation shall be made in respect of this paragraph j, without prejudice to paragraph (l)); and
 - (vii) where each of two or more capacity trade bids specify the same capacity trade bid price, National Grid NTS shall, for the purposes of this paragraph (j), consider each such capacity trade bid in the sequence the capacity trade bids were received by National Grid NTS (the earlier received capacity trade bid being considered first).
- (k) Where following the application of paragraph (j) in respect of a Recipient ASEP and an Available Month:
- (i) a User submitted a capacity trade bid in respect of the Recipient ASEP in respect of which
 - (1) no allocation was made under paragraph (j) or
 - (2) a partial allocation was made in accordance with paragraph (j) in respect of a capacity trade bid (such capacity trade bid shall still be considered for the purposes of an allocation in accordance with paragraph (l) for a bid quantity equal to the amount remaining unallocated following the partial allocation and with a minimum quantity of zero)

In each case a “**relevant capacity trade bid**”;

- (ii) the aggregate amount of Monthly NTS Entry Capacity held by Users (pursuant to TPD Section B2.2 and paragraph (j)) is less than the nodal allocation maximum for the Recipient ASEP; and
- (iii) there remains Available Monthly Capacity for a Relevant ASEP Zone or a related ASEP Zone.

paragraph (l) shall apply.

- (l) Where this paragraph (l) applies, Monthly NTS Entry Capacity in respect of Recipient ASEPs, and Non-Recipient ASEPs, will be allocated pursuant to relevant bids as follows:
 - (i) subject to paragraph (m), all relevant bids in respect of an Available Month (excluding any rejected in accordance with paragraph (h)) will be ranked in

order of the capacity bid price (for Recipient ASEPs this shall equal the translated capacity trade bid price) the highest ranking first;

- (ii) Monthly NTS Entry Capacity for the Available Month will be allocated in respect of relevant bids with the highest translated capacity trade bid price or capacity trade bid price first until such time as all relevant bids are satisfied or:
 - (1) in the case of all Relevant ASEPs in an ASEP Zone the amount of Monthly NTS Entry Capacity allocated is equal to the remaining relevant Available Monthly Capacity for all related ASEP Zone(s);
 - (2) in the case of a Recipient ASEP the aggregate amount of Users Registered NTS Entry Capacity at the Aggregate System Entry Point is equal to nodal allocation maximum;
 - (3) in the case of a Non-Recipient ASEP the aggregate amount of Users Registered NTS Entry Capacity at the Aggregate System Entry Point is equal to the Unsold NTS Entry Capacity at the Non-Recipient ASEP (which for the purposes of this paragraph (3) shall be treated as including any Surrender Amounts in respect of the Non-Recipient ASEP)

(in which case no further relevant capacity trade bids in respect of the Relevant ASEP(s) will be considered for the purposes of this paragraph (1));
- (iii) for the purposes of paragraph (ii), where an allocation of Monthly NTS Entry Capacity is made at a Recipient ASEP following acceptance of a translated capacity trade bid within a related ASEP Zone:
 - (1) the amount of Monthly NTS Entry Capacity allocated at a Recipient ASEP will be an amount equal to the amount determined by reference to the inter-zone exchange rate(s) (the allocated translated capacity trade bid quantity multiplied by the applicable inter-zone exchange rate(s));
 - (2) the amount of Unsold NTS Entry Capacity held at Aggregate System Entry Points in the related ASEP Zone, in respect of the translated capacity trade bid that was accepted will be reduced by the remaining translated capacity trade bid amount or by the amount equal to the amount in respect of which the translated capacity trade bid was accepted up to an amount equal to the Unsold NTS Entry Capacity;
 - (3) subject to paragraph (2), the Monthly NTS Entry Capacity held by a Surrender User at a Surrender ASEP in the related ASEP Zone will be reduced the remaining translated capacity trade bid amount that was accepted up to an amount equal to the remaining aggregate Surrender Amount;
 - (4) for the purposes of paragraphs (1) and (2):
 - (aa) National Grid NTS will first effect a reduction in the remaining Unsold NTS Entry Capacity and second accept a surrender of Monthly NTS Entry Capacity;

- (bb) National Grid NTS will give effect to the reduction or surrender at Aggregate System Entry Points in the sequence set out in the ASEP merit order;
- (cc) where there is more than one Surrender User at a Surrender ASEP the amount of Monthly NTS Entry Capacity treated as surrendered by the Surrender User shall be calculated pro rata to the Surrender Amounts;
- (iv) for the purposes of paragraph (ii), where an allocation of Monthly NTS Entry Capacity is made at a Non-Recipient ASEP
 - (1) the amount of Unsold NTS Entry Capacity held at the Non-Recipient ASEP will be reduced by an equal amount; and
 - (2) subject to paragraph (1), the Monthly NTS Entry Capacity held by a Surrender User at the Non-Recipient ASEP will be reduced by the remaining capacity trade bid amount or by the amount equal to the remaining aggregate Surrender Amount;
- (v) paragraphs (j)(iv), (v), (vi) and (vii) shall apply.
- (m) For the purposes of paragraph (l) and in respect of a relevant capacity trade bid National Grid NTS will by applying inter-zonal exchange rate(s) create a “**translated capacity trade bid**” in respect of each Non-Recipient ASEP in a related ASEP Zone (for which purposes all translated capacity trade bids in respect of a particular relevant capacity trade bid are a “**translated bid set**” and all translated capacity trade bids in respect of a particular related ASEP Zone are a “**translated ASEP Zone bid set**”) and:
 - (i) the bid quantity for a translated capacity trade bid shall be determined by multiplying the bid quantity in respect of which the relevant capacity trade bid was made or is remaining by the applicable inter-zone exchange rate(s) applying between the ASEP Zone in which the Recipient ASEP is located and the ASEP Zone in which the Non-Recipient ASEP is located;
 - (ii) the bid price for a translated capacity trade bid shall also be determined by dividing the bid price in respect of which the relevant capacity trade bid was made by the applicable inter-zone exchange rate(s) applying between the ASEP Zone in which the Recipient ASEP is located and the ASEP Zone in which the Non-Recipient ASEP is located;
 - (iii) where:
 - (1) a translated capacity trade bid is accepted such that the bid amount under the corresponding relevant capacity trade bid is allocated in full all other translated capacity trade bids in the prevailing translated bid set shall be disregarded (and have no further effect);
 - (2) a translated capacity trade bid is accepted such that the bid amount under the corresponding relevant capacity trade bid is not allocated in full all translated capacity trade bids in the prevailing translated bid set shall be disregarded (and have no further effect) and a new translated bid set shall be calculated on the basis of the remaining unallocated amount in respect of which the corresponding relevant capacity trade bid was made;

- (3) a translated capacity trade bid or a capacity trade bid at a Non-Recipient ASEP is accepted such that:
 - (aa) there is a reduction in the remaining Unsold NTS Entry Capacity or Surrender Amounts at the Non-Recipient ASEP; and
 - (bb) the applicable inter-zone exchange rate(s) would give rise to a new bid quantity and bid price (in accordance with paragraphs (i) and (ii)) for translated capacity trade bids which have not been accepted

all translated capacity trade bids in the prevailing translated ASEP Zone bid set shall be disregarded (and have no further effect) and a new translated ASEP Zone bid set shall be calculated on the basis of the Unsold NTS Entry Capacity and remaining Surrender Amounts at the Non-Recipient ASEP

for which purposes the "**prevailing**" translated bid set or translated ASEP Zone bid set shall be the translated bid set or translated ASEP Zone bid set last calculated in accordance with this paragraph (m);

- (iv) where a relevant capacity trade bid is accepted the corresponding translated capacity trade bid in the prevailing translated bid set treated as made in accordance with this paragraph (m) shall also be treated as accepted for which purposes:
 - (1) no actual allocation of Monthly NTS Entry Capacity at the relevant Non-Recipient ASEP will be made (such that no User is treated as holding the Monthly NTS Entry Capacity at the Non-Recipient ASEP by reason of the acceptance of the translated capacity trade bid); and
 - (2) the amount of remaining Unsold NTS Entry Capacity at the Non-Recipient ASEP shall for the purposes of the application of paragraph (l) be reduced by an amount equal to the amount in respect of which the translated capacity trade bid was made (and National Grid NTS shall be under no further obligation under TPD Section B2 or this paragraph 1.1.7 to make such Monthly NTS Entry Capacity available to Users).
- (n) Where Monthly NTS Entry Capacity is surrendered at an Aggregate System Entry Point for an Available Month by a Surrender User in accordance with this paragraph 1.1.7 for the purposes of TPD Section B2 and TPD Section I the Surrender User's Available Firm NTS Entry Capacity for each day in the relevant month shall be reduced by an amount equal to the amount surrendered under paragraphs (j)(iii)(1)(bb), (j)(iii)(2)(bb), (l)(iii)(3) and (l)(iv)(2).
- (o) Where a capacity trade bid is accepted under paragraph (j) or (l) the User agrees to pay NTS Entry Capacity Charges equal to the capacity trade bid price in respect of the Monthly NTS Entry Capacity allocated in respect of the capacity trade bid in accordance with this paragraph 1.1.7.
- (p) Where the amount of Monthly NTS Entry Capacity held by a Surrender User is reduced at a Surrender ASEP in accordance with paragraph (j)(iii)(1)(bb), (j)(iii)(2)(bb), (l)(iii)(3) or (l)(iv)(2) National Grid NTS shall pay to the Surrender User an amount equal to:

D * E

where:

D is the amount by which the Surrender User's Monthly NTS Entry Capacity was reduced;

E is the weighted average of the bid price for allocated translated capacity trade bids in respect of which a reduction of Monthly NTS Entry Capacity at the Surrender ASEP was made in accordance with paragraph (j)(iii)(1)(bb), (j)(iii)(2)(bb), (l)(iii)(3) or (l)(iv)(bb).

(q) By not later than fifteen (15) Business Days following the invitation date National Grid NTS will notify, in respect of each Aggregate System Entry Point and each Available Month, each User which submitted a notice under paragraph (b)(iv) or a capacity trade bid of the amount of Monthly NTS Entry Capacity surrendered or allocated in accordance with this paragraph 1.1.7.

(r) By not later than:

(i) seven (7) Business Days following each invitation date in respect of an Available Month National Grid NTS shall notify Users of their allocations and surrender allocations;

(ii) nine (9) Business Days following each invitation date in respect of an Available Month;

National Grid NTS will notify, in respect of each Aggregate System Entry Point and each Available Month, notify Users of:

(1) the highest and lowest capacity trade bid price;

(2) the weighted average price of successful capacity trade bids, calculated as follows:

$$\frac{\sum_{i=1}^n Q_i * P_i}{\sum_{i=1}^n Q_i}$$

where:

n is the number of successful capacity trade bids;

P is the capacity trade bid price for each successful capacity trade bid;

Q is the amount of Monthly NTS Entry Capacity allocated pursuant to each successful capacity trade bid;

(3) the aggregate amount of Monthly NTS Entry Capacity allocated pursuant to this paragraph 1.1.7;

- (4) the aggregate amount of NTS Entry Capacity allocated pursuant to TPD Section B2.2 and this paragraph 1.1.7; and
- (5) the number of Users who submitted successful capacity trade bids and the number of Users who submitted unsuccessful capacity trade bids.

1.1.8 TPD Section B2.3

National Grid NTS will invite applications (and Users may make applications) for Monthly NTS Entry Capacity in accordance with the provisions of TPD Section B2.3 which applied immediately prior to the implementation of the Modification which gave effect to this paragraph 1.1.8 ("**old B2.3**") for each calendar month prior to the relevant month in respect of which National Grid NTS first issues a rolling monthly surrender invitation and rolling monthly invitation; and:

- (a) National Grid NTS may in the same calendar month issue an invitation pursuant to old B2.3 and (in respect of a different calendar month) TPD Section B2.3.3 and B2.3.10;
- (b) the first invitations to be issued by National Grid NTS pursuant to TPD Section B2.3.3 and B2.3.10 may be issued earlier than the month preceding the month to which the invitations relate.

1.2 TPD Section J: Exit Requirements

1.2.1 TPD Section J3.11:

- (a) Unless the CSEP Network Exit Agreement provides otherwise, the CSEP Liability Sharing Proportion in respect of each LDZ Connected System Exit Point to which TPD Section J3.11 applies shall (notwithstanding TPD Section J3.11.7) be:
 - (i) until such time, not earlier than 1 May 1997, at which another proportion is determined under paragraph (c), one;
 - (ii) with effect from such time, the proportion (applicable to the relevant LDZ Connected System Exit Point) so determined.
- (b) All relevant CSEP Users and the Transporter agree to meet, commencing reasonably promptly after the date of the Code, and review together on a mutually agreeable basis (in consultation with relevant Connected System Operators and with the Authority) what principles are appropriate to determine CSEP Liability Sharing Proportions.
- (c) In respect of each LDZ Connected System Exit Point to which TPD Section J3.11 applies, the proportion referred to in paragraph (a) shall be such proportion, or the proportion determined by such mechanism, as following the review under paragraph (b) the Transporter shall with Condition A11(18) Approval of the Authority determine and notify to the relevant CSEP Users and Connected System Operator.

1.2.2 TPD Section J2.5.4(b)

A DNO User may, at the time at which it may apply for an amount of NTS Offtake Capacity (in accordance with paragraph 1.1.2) apply for Assured Offtake Pressures in relation to each NTS/LDZ Offtake for the Gas Year ending 30 September 2009.

1.2.3 TPD Section J2.5.7

Where an application has been made in accordance with paragraph 1.2.2 then where the Assured Offtake Pressures specified in the Offtake Capacity Statement for the preceding year are:

- (a) greater than or equal to the Assured Offtake Pressures applied for, such application will be accepted;
- (b) less than the Assured Offtake Pressures applied for, the Assured Offtake Pressures accepted will be not less than the values specified in the Offtake Capacity Statement for such preceding year;

and in either case National Grid NTS will notify the DNO User accordingly by no later than 6 March 2006.

1.3 TPD Section M: Supply Point Metering

1.3.4 TPD Section M2.1

Until 12 July 2006 but not thereafter, for the purposes of Section M:

- (a) where:
 - (i) a Supply Meter Point does not relate to premises covered by Standard Condition 34(2) of the Supplier's Licence; and
 - (ii) any supplier or any User in relation to such Supply Meter Point has provided or requested, or is providing or requesting, another to provide a Supply Meter Installation (other than where the Supply Meter Installation belongs to a consumer, or is lent or hired to a consumer and is the responsibility of a person other than a Gas transporter or supplier) for such Supply Meter Point;then the Registered User in respect of such Supply Meter Point shall secure that:
 - (1) where the Supply Meter Installation at such Supply Meter Point is installed after the 12 July 2004, appropriate approval, appraisal and authorisation will be obtained from the Transporter to the extent required by section 6 of the MAM CoP; and/or
 - (2) after 12 July 2004, such Supply Meter Installation at such Supply Meter Point is maintained by a Meter Asset Manager appointed by the supplier or the User; and
- (b) where the Transporter discovers after the 12 July 2004 that in respect of such Supply Meter Installation paragraphs (a)(1) and/or (2) have not been complied with then the Transporter shall notify the Registered User accordingly and the Registered User will:
 - (i) within fourteen (14) calendar days of receipt of the notice from the Transporter ensure that such Supply Meter Installation is re-installed and/or maintained by a Meter Asset Manager and notify the Transporter of the identity of such Meter Asset Manager; or
 - (ii) where it is not practicable to ensure the performance of such reinstallation and/or maintenance within such 14 calendar day period, within 7 calendar days of receipt of the notice from the Transporter notify the Transporter of the

reasons for this and the date by which it will ensure such re-installation and/or maintenance is performed by a Meter Asset Manager and promptly notify the Transporter when such work has occurred;

- (c) where the Registered User has failed to fully comply with paragraphs (a)(1) or (2) the Transporter, acting reasonably, shall be entitled to take whatever steps it deems necessary (including the inspection, repair, replacement or disconnection of the Supply Meter Installation) to ensure that the Transporter complies with any Legal Requirements imposed upon it, and the Registered User shall reimburse the Transporter in respect of any and all costs, expenses and charges reasonably incurred or expended by or on behalf of the Transporter in taking such steps;
- (d) the Transporter's entitlement in paragraph (c) is without prejudice to the Transporter's entitlement at any time to make safe any Supply Meter Installation (including disconnection) for this purpose;
- (e) for the purposes of paragraph (a) "**Meter Asset Manager**" means:
 - (i) a person approved by the Authority as possessing expertise satisfactorily to provide services in relation to Supply Meter Installations or a class or description of persons so approved; or
 - (ii) an undertaking approved by the Authority as having staff possessing the requisite expertise;

and, for the purposes of this definition, "**approved by the Authority**" means approved by it for the purposes of this paragraph generally and "**staff**" includes officers, servants and agents;

1.3.5 TPD Section M3.8.1

Where a User submits a Supply Point Confirmation with a Supply Point Registration Date which becomes effective up to and including 8 July 2004 and the Supply Point Confirmation records a change only to the supplier identity (but not a change to the User identity or the Supply Point configuration) then the requirement of the User to obtain and provide an Opening Meter Reading (in accordance with TPD Section M3.8.2) shall not apply and where, in the absence of any such Opening Meter Reading, any notional Meter Reading is used by the Transporter as an estimated Meter Reading (in accordance with TPD Section M3.8.5) it shall not be included in the calculation (in accordance with TPD Section M3.8.10(c)) of the number of estimated Meter Readings in respect of which the User is required to pay a charge and the Transporter shall not levy such charge (in accordance with TPD Section M3.8.10 (a)) in respect of such estimated Meter Readings.

1.4 TPD Section R: Storage

1.4.1 TPD Section R4.1.4

For the purposes of TPD Section R4.1.4, in relation to the Storage Year commencing 1 May 2003, where any Storage Facility is to be a Constrained Storage Facility for that Storage Year, National Grid will, not later than 1 April before the start of that Storage Year, publish a document (the "**Constrained Storage Statement**") containing the following details for each Constrained Storage Facility:

- (a) the "**Constrained Point(s)**", being a point or points on the NTS as identified by National Grid NTS as being relevant, for the purposes of TPD Section R4, to a Constrained Storage Facility;
- (b) the rate of flow ("**Constrained Threshold Demand Flow**") at a Constrained Storage Point at which National Grid may make Constrained Storage Renominations in respect of the relevant Constrained Storage Facility;
- (c) the System Entry Capacity Charges in respect of the relevant Storage Connection Point;
- (d) a percentage for each Week in the Winter Period for the purposes of TPD Section R4.4.3.

1.4.2 TPD Section R1.4

In respect of the LNG Facility which is from time to time operated by National Grid and is located at Isle of Grain (the "**National Grid LNG Isle of Grain Storage Facility**"), the Storage Year 2004/5 shall be the period from 1 May 2004 until the earlier of:

- (a) 30 April 2005; or
- (b) the effective date determined in accordance with paragraph 1.4.5 below.

1.4.3 TPD Section R1.7.1

For the duration of Storage Year 2004/5 relating to the National Grid LNG Isle of Grain Storage Facility, the National Grid LNG Isle of Grain Storage Facility shall be a 'National Grid LNG Storage Facility'.

1.4.4 TPD Section R4.1.1

For the duration of Storage Year 2004/5 relating to the National Grid LNG Isle of Grain Storage Facility, the National Grid LNG Isle of Grain Storage Facility shall be a 'Constrained Storage Facility'.

1.4.5 TPD Section R

For the purposes of paragraph 1.4.2, the effective date shall be a date not earlier than the date notified by National Grid LNG Storage for these purposes in the Annual Storage Invitation issued by National Grid LNG Storage pursuant to TPD Section Z in respect of Storage Year 2004/5, and shall be 0600 hours on a date falling between 1 January 2005 and 1 June 2005 (the "**First Window Period**") and established by National Grid LNG Storage in accordance with the following procedure:

- (a) National Grid LNG Storage shall give at least 180 days notice, before the commencement of the First Window Period, of a 100 day period falling within the First Window Period (the "**Second Window Period**") during which the effective date shall fall; and
- (b) National Grid LNG Storage shall give at least 90 days notice, before the commencement of the Second Window Period, of a 45 day period falling within the Second Window Period (the "**Third Window Period**") during which the effective date shall fall; and
- (c) National Grid LNG Storage shall give at least 30 days notice, before the

commencement of the Third Window Period, of the day falling within the Third Window Period, which shall be the effective date,

and if National Grid LNG Storage does not so notify any such period or day, the relevant period or day shall be the latest day or period possible in accordance with the foregoing.

- 1.4.6 For the purposes of the Code, there shall be deemed to be no 'Isle of Grain LNG Importation Facility' until the effective date established in accordance with paragraph 1.4.3.

1.5 TPD Section S: Invoicing and Payment

1.5.1 TPD Section S2.1

From the Reconciliation by Difference Date the Invoice Items to be comprised in a Reconciliation Invoice for the purposes of Aggregate NDM Reconciliation may be contained in an Ad-hoc Invoice.

1.6 OAD Section H: NTS Long Term Demand Forecasting

1.6.1 OAD Section H paragraph 2.7

By 15 September 2005 the DNO shall provide to National Grid NTS the forecast rate of volume flow (MCM per day) and Offtake Flexibility Quantity (MCM per day) in relation to a 1 in 20 peak day in respect of each of its NTS/LDZ Offtakes for each of the five Gas Years commencing with the Gas Year ending 30 September 2006 and ending with the Gas Year ending 30 September 2010;

1.6.2 OAD Section H paragraph 2.8

By 15 October 2005 National Grid NTS shall provide to the DNO the forecast of the availability of NTS Offtake (Flat) Capacity, NTS Offtake (Flexibility) Capacity and Assured Offtake Pressures in respect of each of its NTS/LDZ Offtakes for each of the two Gas Years commencing with the Gas Year ending 30 September 2009 and ending with the Gas Year ending 30 September 2010.

1.7 TPD Section G: Supply Points

- 1.7.1 Where, due to the implementation date of Modification 0081, the Transporter is unable to publish the report by the dates specified in paragraph 1.6.20 then the Transporter shall publish such reports(s) as soon as practicable after such implementation date.

2. TRANSPORTATION CONSTRAINTS

- 2.1 The provisions of paragraphs 2.2 to 2.5 (inclusive) shall not apply until such time as by way of Code Modification this paragraph 2.1 no longer applies.
- 2.2 Where after 24:00 hours on the Preceding Day it appears to National Grid NTS that a Transportation Constraint is likely to arise or has arisen at a System Entry Point, National Grid NTS may take (at such time as it judges operationally appropriate), but shall not be required to, Market Balancing Sell Actions at the relevant System Entry Point with a view to gas flow rates at such point being reduced so as to avoid such Transportation Constraint.
- 2.3 Nothing in paragraph 2.2 shall prejudice TPD Section I3.7.
- 2.4 In TPD Section D1.3 references to Operational Balancing shall be construed as including steps

taken by National Grid NTS under paragraph 2.2 in respect of a Transportation Constraint or anticipated Transportation Constraint, and references to Operational Balancing Steps and Operational Balancing Requirements shall be construed accordingly.

- 2.5 Where National Grid NTS takes a Market Balancing Sell Action pursuant to this paragraph 2 the relevant User's Available System Entry Capacity (determined as Adjusted pursuant to TPD Sections B2.7.10, 2.8.3 and 2.8.5) at the relevant System Entry Point on the Day in respect of which such Market Balancing Sell Action was taken shall for the purposes of TPD Section B2.10 be reduced by an amount equivalent to the Market Balancing Action Quantity in relation thereto.

3. UK LINK SUSPENSION TO ALLOW FOR TECHNICAL UPGRADE

- 3.1 In order to enable an upgrade of certain technical components of the UK Link System the operation of certain parts of UK Link will be suspended during such period of upgrade. The period of upgrade will commence on 24th February 2008 and end on 27th February 2008.
- 3.2 The provisions of the Code shall be modified as follows:
- (a) The 25th and 26th February 2008 shall be deemed not to be Business Days for the purposes of Section G and Section M and Section S4.
 - (b) for each Day (to which a Meter Reading in respect of a Performance Relevant Supply Meter Point relates) which immediately precedes or is within in the Upgrade Period, the references in Section M5.2.1 to the "Day following", M5.2.2 to the "following Day" and M5.2.3 to the "Day following each such Day" shall be deemed to be references to 28th February 2008.
 - (c) for each Day during the Upgrade Period information (relating to Daily Read Supply Meters) provided to Users pursuant to Section E1.6.2(b) will be provided on the basis in Section M4.4.2(a) (as though the Day were a failed Daily Read Day).

4. TRANSITIONAL INTERRUPTION REGIME

4.1 Interruption transitional period

- 4.1.1 For the purposes of paragraphs 4, 5 and 6 of this Part IIC:
- (a) the **"interruption transition date"** is 1 October 2011;
 - (b) the **"interruption transitional period"** is the period commencing on 1 April 2008 and ending on (and including) the Day before the interruption transition date.
- 4.1.2 During the interruption transitional period:
- (a) except as provided for in paragraph 4.3 of this Part IIC, TPD Section G6 shall not apply;
 - (b) TPD Sections G1 to G5 (inclusive) and Section G7 and Annexes G1 and G2 shall apply subject to the provisions of paragraph 6; and
 - (c) this paragraph 4 and paragraphs 5 and 6 of this Part IIC shall apply.

4.2 Transit rule

4.2.1 With effect from the interruption transition date:

- (a) a Supply Point which on the Day preceding the interruption transition date was Interruptible in accordance with the rules set out in paragraph 5 shall cease to be Interruptible;
- (b) an LDZ Supply Point shall be an Interruptible LDZ Supply Point in respect of an Interruption Period commencing on or after the interruption transition date where the Registered User holds Interruptible Supply Point Capacity at the LDZ Supply Point following an Interruption Invitation under paragraph 4.3.

4.3 Initialisation: Interruption

4.3.1 A DN Operator:

- (a) shall, in June of each Gas Year (Y) in the interruption transitional period, issue annual Interruption Invitations, in respect of each of Gas Years Y+4 to Y+8 which does not end before the interruption transitional period;
- (b) may, at any other time and in respect of any other Interruptible Period commencing on or after the interruption transition date, issue an ad hoc Interruption Invitation

for which purposes TPD Section G6.2 shall be deemed to apply.

4.3.2 The Registered User of an LDZ Supply Point in a relevant Interruption Zone may submit interruption offers on the invitation dates specified in an Interruption Invitation under paragraph 4.3.1 for which purposes TPD Section G6.3 shall be deemed to apply.

4.3.3 A CSEP User at an LDZ CSEP in a relevant Interruption Zone may submit interruption offers on the invitation dates specified in an Interruption Invitation under paragraph 4.3.1 for which purposes paragraphs of TPD Section G6.12 shall be deemed to apply.

4.3.4 In relation to an Interruption Invitation the DN Operator shall select or reject interruption offers and publish certain details in respect of such interruption offers, for which purposes TPD Section G6.4 shall be deemed to apply.

4.3.5 The Registered User of a Supply Point which (pursuant to the foregoing provisions) is to be designated as Interruptible in respect of the Interruptible Period commencing on the interruption transition date, shall comply with the requirements in TPD Section G6 on the basis that such provisions are deemed to apply in the interruption transitional period.

5. TRANSITIONAL INTERRUPTION REGIME: INTERRUPTIBLE SUPPLY POINTS

5.1 General

- 5.1.1 (a) Subject to the further provisions of this paragraph 5, where at any time a Supply Point is eligible to be an Interruptible Supply Point in accordance with paragraph 5.2, the Registered User may by giving notice to the Transporter not later than the Change Request Deadline designate the Supply Point as being Interruptible with effect from an Eligible Status Change Date.
- (b) Subject to the further provisions of this paragraph 5, where at any time a Firm Supply Point, other than a Firm Supply Point in which any Shared Supply Meter Point is comprised, is eligible to be an Interruptible Supply Point in accordance with paragraph 5.2, the Registered User of that Firm Supply Point and the Registered User of an Interruptible Supply Point, other than an Interruptible Supply Point in which any

Shared Supply Meter Point is comprised, may, by giving written notice to the Transporter and on payment by the Registered User of the Interruptible Supply Point of the Administration Charges (if any) set out in the Transportation Statement, designate the Firm Supply Point and the Interruptible Supply Point to be Partner Supply Points with effect from the notification by the Transporter being no more than 20 Business Days from the date of the notice to the Transporter, the Transporter may, from time to time issue guidelines to Registered Users to ensure that Partner Supply Points create an equivalent effect on the relevant System.

- (c) A Supply Point which has been designated by the Registered User and confirmed by the Transporter to be a Partner Supply Point will remain so designated until and unless its designation is cancelled by the Registered User by giving at least 10 Business Days' written notice to the Transporter, or in accordance with paragraph (d).
 - (d) Where another User is to become the Registered User of a Partner Supply Point, the Proposing User shall, at least 2 but not more than 7 Business Days prior to the proposed Supply Point Registration Date notify the Transporter of such change. The Partner Supply Point shall transfer to the new Registered User from the Supply Point Registration Date as a Partner Supply Point.
 - (e) Where the Partner Interruptible Supply Point has a Firm Allowance in place in accordance with paragraph 6.4, such Firm Allowance may not be transferred to the Partner's Firm Supply Point, unless in the Transporter's reasonable opinion the Transportation Requirement is satisfied.
- 5.1.2 A Supply Point which has been designated as Interruptible will continue to be so designated until and unless it is redesignated as Firm under paragraph 5.3 or paragraph 5.9.
- 5.1.3 For the purposes of paragraphs 5 and 6:
- (a) a Supply Point is "**Interruptible**" where the offtake of gas from the Total System at the Supply Point is subject to Interruption in accordance with paragraph 5.7, and otherwise is "**Firm**";
 - (b) an "**Interruptible Supply Point**" is a Supply Point which is for the time being designated as Interruptible;
 - (c) a "**Firm Supply Point**" is a Supply Point which is not for the time being designated as Interruptible (including one which has been redesignated as Firm);
 - (d) a "**Partner Supply Point**" is a Partner Interruptible Supply Point or a Partner Firm Supply Point;
 - (e) a "**Partner Interruptible Supply Point**" is an Interruptible Supply Point which has, for the time being, in accordance with paragraph 5.1.1(b) nominated a Firm Supply Point to be its Partner Supply Point;
 - (f) a "**Partner Firm Supply Point**" is a Firm Supply Point which has, for the time being, in accordance with paragraph 5.1.1(b) been nominated to be a Partner Supply Point to an Interruptible Supply Point;
 - (g) a Network Sensitive Load ("**NSL**") is an Interruptible Supply Point where its specific interruption may be required by the Transporter for the purpose of maintaining the offtake of gas at the Firm Supply Points which are located in the local area of, and are connected to the same local pipeline system as such Interruptible Supply Point. As a

consequence, such Interruptible Supply Point is therefore likely to have a higher probability of interruption than an Interruptible Supply Point which is not an NSL.

5.1.4 For the purposes of paragraphs 5 and 6:

- (a) a reference to a Supply Meter Point changing status is a reference to the Supply Point in which it is comprised becoming a Firm Supply Point where it was Interruptible or becoming an Interruptible Supply Point where it was Firm; and where a Supply Meter Point has changed status it will (but without prejudice to the provisions of this paragraph 5.1 pursuant to which it may change status) continue to be treated as having done so irrespective of the Registered User of any Supply Point in which it may subsequently be comprised;
- (b) an **"Eligible Status Change Date"** is a date with effect from which a Firm Supply Point may become Interruptible or an Interruptible Supply Point may become Firm;
- (c) in relation to a Supply Point at any time an Eligible Status Change Date is:
 - (i) if no Supply Meter Point comprised in the Supply Point has at any time changed status, any date;
 - (ii) except as provided in paragraph (i) or (iii), the date is not less than 12 months after the most recent date on which any such Supply Meter Point changed status (for the purposes of which the date of a change in status of a Supply Meter Point pursuant to paragraph 5.3.7 shall not be counted); and
 - (iii) if the Interruptible status of a Supply Point is being transferred to one or more Firm Supply Points which create an equivalent effect on the Network, any date;
- (d) in relation to an Eligible Status Change Date the **"Change Request Deadline"** is the Day two months before such Eligible Status Change Date; and
- (e) where a User submits a Supply Point Confirmation which becomes effective in respect of a Supply Point, the Transporter will if requested by the User provide to the User as soon as reasonably practicable after the Supply Point Registration Date such information as may be necessary to enable the User to ascertain the Eligible Status Change Date or Dates.

5.1.5 Where a User submits a Supply Point Confirmation in respect of a Proposed Supply Point which includes any Supply Meter Point comprised in an Existing Supply Point which (at the Proposed Supply Point Registration Date) is Interruptible:

- (a) if each Existing Supply Point is Interruptible, the Proposed Supply Point will (if the Supply Point Confirmation becomes effective) be an Interruptible Supply Point, except that if the Supply Point Confirmation was submitted before the Change Request Deadline and the Proposed Supply Point Registration Date is not later than an Eligible Status Change Date, the Proposing User may (subject to and in accordance with paragraph 5.3) redesignate the Supply Point as Firm with effect from the Eligible Status Change Date; and
- (b) (in accordance with paragraph 6.6) if there is another Existing Supply Point which (at the Proposed Supply Point Registration Date) is not Interruptible:

- (i) the Proposed Supply Point Registration Date must be an Eligible Status Change Date; and
 - (ii) the Proposing User may designate (provided the Proposed Supply Point is eligible in accordance with paragraph 5.2.1, and subject to paragraph 5.3) the Proposed Supply Point as Interruptible or Firm.
- 5.1.6 Where a User has submitted a Supply Point Confirmation which will (in accordance with TPD Section G2.8.7 or TPD Section G2.9.1) become effective, no Existing Registered User may submit a notice designating an Existing Supply Point as Interruptible or redesignating it as Firm.
- 5.1.7 A notice designating a Supply Point as Interruptible or redesignating a Supply Point as Firm with effect from an Eligible Status Change Date may be revoked by the Registered User before but not after the Change Request Deadline; and accordingly a User who submits a Supply Point Confirmation after the Change Request Deadline may not alter the designation (as Interruptible or Firm) of the Supply Point until the next following Eligible Status Change Date.
- 5.1.8 Without prejudice to the generality thereof, the indemnity provided for in TPD Section V11.1.1 shall apply in respect of the taking of any steps or the exercise by the Transporter of any entitlement provided for in this paragraph 5.
- 5.1.9 In respect of an Interruptible Supply Point the Registered User (or Sharing Registered Users) shall:
 - (a) not be required to pay NTS Exit Capacity Charges;
 - (b) be required (where the Interruptible Supply Point is an LDZ Interruptible Supply Point) to pay LDZ Capacity Charges with such discount applied as may be provided in the Transportation Statement; and
 - (c) be entitled to a payment, where in respect of an Interruptible Supply Point the Transporter requires Interruption on more than 15 Days in any Formula Year, calculated in the manner provided in the Transportation Statement.

5.2 Conditions for designation as Interruptible

- 5.2.1 A Supply Point is eligible to be designated an Interruptible Supply Point in any Gas Year for which its Annual Quantity is greater than 5,860,000 kWh (200,000 therms).
- 5.2.2 In accordance with TPD Section G1.7 and paragraphs 6.3 and 6.4, a Supply Point includes a Shared Supply Meter, the Shared Supply Meter Point Notification shall provide (pursuant to TPD Section G1.7.6(a)) for allocation in tranches:
- 5.2.3 By designating a Supply Point as Interruptible with effect from an Eligible Status Change Date, or submitting a Supply Point Confirmation in respect of an Interruptible Supply Point, and by not redesignating an Interruptible Supply Point as Firm with effect from an Eligible Status Change Date, the Registered User represents to the Transporter that, or where the User is not the supplier that the supplier has represented to the User that, the requirement in paragraph 5.2.4 will be complied with.
- 5.2.4 The requirement referred to in paragraph 5.2.3 is that the contract or contracts of supply to the consumer, in force at the Eligible Status Change Date or (as the case may be) the Supply Point

Registration Date, oblige the consumer to give effect to Interruption (including in the case where the requirement for Interruption is notified by the Transporter under paragraph 5.8.4).

- 5.2.5 Without prejudice to paragraph 5.2.4, a Supply Point which includes an NDM Supply Point Component may (subject to this paragraph 5.2) be designated as Interruptible.

5.3 Redesignation as Firm

- 5.3.1 Where a Supply Point is for the time being an Interruptible Supply Point:

- (a) subject to paragraph 5.3.2 and except where the Supply Point is or is to be a TNI Supply Point, the Registered User may redesignate the Supply Point as Firm with effect from an Eligible Status Change Date, by giving notice to the Transporter not later than the Change Request Deadline;
- (b) where the Supply Point ceases to be eligible in accordance with paragraph 5.2.1 in respect of any Gas Year, the Supply Point shall unless the Transporter otherwise determines be redesignated as Firm with effect from the first Eligible Status Change Date in that Gas Year.

- 5.3.2 Where:

- (a) pursuant to any provision of this paragraph 5 a Supply Point is to be redesignated or (pursuant to paragraph 5.1.5(b)(ii)) designated as Firm with effect from an Eligible Status Change Date; and
- (b) the Transporter determines and notifies the User that the Firm Transportation Requirement is not satisfied

the designation or redesignation as Firm will not be effective and (subject to paragraph 5.3.5) the Supply Point will continue to be an Interruptible Supply Point.

- 5.3.3 In the case of a redesignation as Firm pursuant to paragraph 5.3.1(a), any notification by the Transporter under paragraph 5.3.2(b) will be given not later than one month after the relevant Change Request Deadline.

- 5.3.4 For the purposes of the Code the "**Firm Transportation Requirement**" in respect of an Interruptible Supply Point is the requirement that (after taking into account the Transporter's ability to Interrupt at other Interruptible Supply Points) it would be feasible to make gas available for offtake at the Supply Point (if the Supply Point were Firm) at a rate not less than the Supply Point Offtake Rate (and as respects any NDM Supply Point Component, an appropriate estimated rate of offtake) and in quantities (in a 24 hour period) in the amount of the Supply Point Capacity which the User would (pursuant to paragraph 5.3.9) hold upon its redesignation as Firm.

- 5.3.5 Subject to paragraph 5.3.6, the Registered User may after an Eligible Status Change Date redesignate a Siteworks Specified Interruptible Supply Point as Firm in accordance with paragraph 6.9.3.

- 5.3.6 Subject to paragraph 5.3.7, a User may not redesignate a Supply Point as Firm pursuant to paragraph 6.9.3 unless the User had not later than the Change Request Deadline given notice under paragraph 5.3.1(a) of such redesignation which pursuant to paragraph 5.3.2 was not effective.

- 5.3.7 Where at any time:

- (a) a Supply Point is Interruptible; and
- (b) the Registered User demonstrates to the reasonable satisfaction of the Transporter that, by reason of a substantial change, which has occurred since and was not reasonably foreseeable at the most recent Change Request Deadline, in the physical nature of the consumer's requirements for the supply of gas, the consumer requires the Supply Point to be Firm;

the User may (subject to paragraph 5.3.2) redesignate the Supply Point as Firm with effect from any later Day.

- 5.3.8 Where in any Gas Year a Supply Point is redesignated as Firm pursuant to paragraph 5.3.7, until the first Eligible Status Change Date which is more than 12 months after the date of such redesignation, no Supply Meter Point comprised in the Supply Point may be comprised in any Interruptible Supply Point (irrespective of the Registered User).
- 5.3.9 Where an Interruptible Supply Point is redesignated as Firm, or for the purposes of calculating charges where there has been a failure to Interrupt, the Registered Supply Point Capacity held by the Registered User at the DM Supply Point Component or the Supply Point respectively shall be whichever is the greater of the Prevailing Supply Point Capacity and the Bottom-Stop Supply Point Capacity (and the Supply Point Offtake Rate shall be unchanged).

5.4 SDMC(I) Supply Points

- 5.4.1 Where the Transporter reasonably determines, in relation to an Interruptible Supply Point with a DM Supply Point Component whose Annual Quantity does not exceed 58,600,000 kWh (2,000,000 therms), that (by reason of the location or other characteristics of the part of the System in which the Supply Point is located, or the nature of the consumer's plant) the operational benefits of the Transporter's ability to Interrupt the Supply Point would be materially diminished unless individual Output Nominations are made in respect of the Supply Point, the Transporter may designate the Supply Point as requiring individual Output Nominations for the purposes of TPD Section A4.5.3.
- 5.4.2 Any designation under paragraph 5.4.1 shall be:
 - (a) in the case of an existing Supply Point Registration, by notice to the Registered User not later than the 5th Business Day in September in the Gas Year preceding the first Gas Year in which such designation is to be effective; or
 - (b) in the case of a Proposed Supply Point Registration, in the Supply Point Offer.

5.5 TNI Supply Points

- 5.5.1 Where the Transporter determines that the relevant number of Days (in accordance with paragraph 5.5.2) would exceed 45 in any Gas Year, the Transporter may with effect from 1 October (or any other Day agreed with the Registered User) designate an Interruptible Supply Point as being a "**TNI Supply Point**" by giving notice of not less than 12 months (or such lesser period as the Registered User may agree) to the Registered User.
- 5.5.2 For the purposes of paragraph 5.5.1 the relevant number of Days is the number of Days on which, after taking into account the Transporter's ability to Interrupt at other Interruptible Supply Points, the Transporter estimates that, in a year of 1-in-50 Severe Annual Demand, Interruption would be required at the Supply Point.

- 5.5.3 Where the Transporter designates an Interruptible Supply Point as a TNI Supply Point, the Transporter's notice to the Registered User will specify the number of Days (exceeding 45) on which the Transporter may Interrupt the Supply Point or Tranche (in accordance with paragraph 5.10.1(b)) at the Supply Point in accordance with paragraph 5.7.
- 5.5.4 The Transporter may from time to time by a further notice (of not less than 12 months) under paragraph 5.5.1 or by agreement with the Registered User alter the Interruption Allowance of a TNI Supply Point.
- 5.5.5 Subject to paragraph 5.3.6, the Registered User may (whether on or after an Eligible Status Change Date) redesignate a Siteworks Specified TNI Supply Point as Firm in accordance with paragraph 6.9.3 or apply to redesignate the Interruption Allowance in respect of a TNI Supply Point to a Siteworks Specified number of Days.
- 5.5.6 The Transporter may withdraw the designation of a Supply Point as a TNI Supply Point by giving notice of not less than 12 months (or such lesser period as the Registered User may agree) to the Registered User.
- 5.5.7 Where a User submits a Supply Point Confirmation which becomes effective in respect of an Interruptible Supply Point:
- (a) if any Existing Supply Point is, or pursuant to a notice given by the Transporter to the Existing Registered User pursuant to paragraph 5.5.1 would have become, a TNI Supply Point, the Proposed Supply Point shall be, or as the case may be shall (with effect from the date when the Existing Supply Point would have become a TNI Supply Point) become, a TNI Supply Point;
 - (b) any Existing Supply Point is, but pursuant to a notice given by the Transporter pursuant to paragraph 5.5.6 would have ceased to be, a TNI Supply Point, the Proposed Supply Point shall (with effect from the date when the Existing Supply Point would have ceased to be a TNI Supply Point) cease to be a TNI Supply Point.
- 5.5.8 The Transporter will, within 10 Business Days after the date of any Supply Point Nomination in respect of an Interruptible Supply Point (or if later as soon as practicable thereafter), notify the Proposing User of whether (and where applicable the date from which) the Proposed Supply Point is or is to become, and/or is to cease to be, a TNI Supply Point pursuant to paragraphs 5.5.7.

5.6 Requirements as to Interruptible Supply Points

- 5.6.1 Where a User is or is to become the Registered User of one or more Interruptible Supply Points the User shall:
- (a) not later than the relevant date (in accordance with paragraph 5.6.4) in respect of the first Interruptible Supply Point of which it becomes Registered User, provide to the Transporter at least one telephone number and at least one facsimile number (but not more than 4 numbers in total) by means of which the Transporter may contact, 24 hours a Day, a representative of the User, and the name(s) or title(s) of not more than 3 representatives of the User who may be contacted at such numbers;
 - (b) maintain the details provided under paragraph (a) up to date, and notify the Transporter of any change in such details before such change takes effect; and
 - (c) secure that at all times on each Day one of such representatives is available and capable of being so contacted by telephone (with access to facsimile) or by facsimile.

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

- (a) not later than the relevant date (in accordance with paragraph 5.6.4), provide to the Transporter:
 - (i) in accordance with paragraph 5.6.2(e), the names and/or job titles of representatives of the consumer ("**interruption contacts**") (who, for the avoidance of doubt, may be the same contacts as those referred to in TPD Section Q as "emergency contacts"), provided that the total number of interruption contacts provided for under this paragraph (and emergency contacts provided for under TPD Section Q) shall not exceed 5 in relation to any Supply Point;
 - (ii) at least 1 (but not more than 4) telephone numbers for each interruption contact by means of which the Transporter may contact, 24 hours a day, at least one interruption contact; and
 - (iii) one facsimile number, for the purposes of receiving communications pursuant to TPD Sections G and TPD Q, which is able to receive transmissions 24 hours a day;
- (b) take all reasonable steps to secure that the details provided under paragraph (a) are maintained up to date and to notify the Transporter of any change in such details before such change takes effect;
- (c) take all reasonable steps to secure that at all times on each Day one of such representatives is available and capable of being so contacted by telephone (with access to facsimile) and by facsimile;
- (d) secure that the consumer acknowledges the right of the Transporter to contact the consumer in the circumstances in paragraph 5.8.4 and undertakes to comply with any notification by the Transporter thereunder; and
- (e) for the purposes of paragraph 5.6.2(a):
 - (i) in the case of an Interruptible Supply Point in respect of any site which is manned 24 hours a day, provide to the Transporter the name(s) and/or job title(s) of at least 1 but not more than 4 interruption contacts; and
 - (ii) in the case of an Interruptible Supply Point in respect of any site which is not manned 24 hours a day, provide to the Transporter the name(s) and/or job title(s) of at least 1 but not more than 2 interruption contacts.

5.6.3 For the purposes of enabling the Transporter to plan the exercise of its rights as to Interruption of Interruptible Supply Points, in relation to each Gas Year the Registered User of an Interruptible Supply Point or a Partner Supply Point will, if so required by the Transporter, not later than the relevant date (in accordance with paragraph 5.6.4) and thereafter from time to time upon any significant change in such details, obtain from the consumer or supplier and provide to the Transporter the consumer's best estimate of the following details:

- (a) whether or not gas is likely in normal circumstances to be offtaken at or between particular times of Day specified by the Transporter for the purposes of this paragraph 5.6.3;

- (b) the maximum quantity of gas to be offtaken on any Saturday and on any Sunday; and
- (c) holiday periods in each year during which gas will not be offtaken from the Total System at the Supply Point (or the DM Supply Point Component thereof).

5.6.4 For the purposes of this paragraph 5.6 the relevant date in respect of an Interruptible Supply Point or a Partner Supply Point is:

- (a) where the Registered User designates the Supply Point as Interruptible or as a Partner Supply Point from the date set in accordance with paragraph 5.6.1(b); or
- (b) the date on which the User submits a Supply Point Confirmation in respect of the Supply Point.

5.6.5 Where, in relation to any Interruptible Supply Point (but without prejudice to TPD Section C in relation to Renominations), the Registered User or supplier:

- (a) exercises (other than pursuant to an Interruption Notice under paragraph 5.8.1) any entitlement to require the consumer to discontinue consuming gas offtaken from the Total System on a Day; or
- (b) having exercised such an entitlement, authorises the consumer to resume such consumption

the Registered User will as soon as reasonably practicable, and in accordance with paragraph 5.6.7, inform the Transporter of the matters set out in paragraph 5.6.6, provided that the Registered User shall use reasonable endeavours to inform the Transporter not more than one hour after such discontinuance and/or not less than one hour before such resumption.

5.6.6 The matters to be informed by the Registered User to the Transporter pursuant to paragraph 5.6.5 are:

- (a) the identity of the Interruptible Supply Point;
- (b) the time with effect from which the consumer will be required to discontinue, or authorised to resume, consumption; and
- (c) an estimate of the amount by which the quantity of gas offtaken will increase or decrease as a result of such discontinuance or resumption.

5.6.7 For the purposes of paragraph 5.6.5 the User will give the relevant information to the Transporter by means of telephone or facsimile, unless it has given to the Transporter not less than one month's notice of its intention to give such information by Batch Transfer Communication, in which case such User will give information to the Transporter for the purposes of paragraph 5.6.5 only by Batch Transfer Communication, and will promptly inform the Transporter by telephone or facsimile of the transmission of each such Batch Transfer Communication.

5.6.8 Where the Transporter notifies a User that it is unable satisfactorily to access a Batch Transfer Communication transmitted pursuant to paragraph 5.6.7, that User will promptly send to the Transporter by facsimile the information contained in that Batch Transfer Communication.

5.7 Interruption

5.7.1 For the purposes of the Code "**Interruption**" at a Supply Point means interruption on the Transporter's instruction (for one or more Days or parts of a Day) of the offtake of gas from

the Total System at each Supply Meter Point comprised in the Supply Point, and references to a Supply Point being Interrupted and to the Transporter's right to Interrupt a Supply Point shall be construed accordingly. Interruption at a Partner Firm Supply Point shall be treated as if the Interruption took place at the Partner Interruptible Supply Point.

5.7.2 Where (in accordance with this paragraph 5) the Transporter requires Interruption at a Supply Point:

- (a) the Registered User shall secure that (subject to paragraph 5.7.7) the requirement in paragraph (b) is complied with;
- (b) subject to paragraph 5.10.4, the requirement is that no gas (beyond the Shutdown Tolerance) shall be offtaken from the Total System at the Supply Point, with effect from the Interruption Start Time (in accordance with paragraph 5.8.1) and until such time as the Transporter shall specify in accordance with paragraph 5.8.5; and
- (c) the Registered User has a Firm Allowance greater than 3,000 kWh/Day (100 therms/Day) granted in accordance with paragraph 6.4 then no Shutdown Tolerance shall be available in accordance with paragraph (b). Where the Firm Allowance is less than 3,000 kWh/Day (100 therms/Day) a residual Shutdown Tolerance of 3,000 kWh/Day (100 therms/Day) less the Firm Allowance shall be available.

5.7.3 Subject to paragraph 5.7.5, the Transporter may require Interruption at an Interruptible Supply Point:

- (a) on any Day on which there is or the Transporter anticipates that there would otherwise be a relevant Transportation Constraint (in accordance with paragraph 5.7.4);
- (b) on not more than 3 Days in any Gas Year, where the Transporter has any reasonable doubt as to whether the requirements in paragraph 5.2.4 are satisfied or the provisions of this paragraph 5 in relation to Interruption are or are capable of being complied with in respect of the Supply Point, for the purposes of verifying such matters; and

the Transporter may, where it has issued an Interruption Notice pursuant to one of the above sub-paragraphs, issue a replacement Interruption Notice pursuant to a different sub-paragraph. From the time at which such replacement notice takes effect all rights, obligations or restrictions applicable to such replacement notice shall apply accordingly and shall supersede those applicable to the replaced notice.

5.7.4 A relevant Transportation Constraint is a Transportation Constraint which would be relieved (in whole or in part) by the discontinuance or suspension of offtake at the Interruptible Supply Point (provided that the Transporter will not be required to exercise its entitlement to require Interruption in respect of an Interruptible Supply Point which is a Maintenance Affected Point pursuant to TPD Section L4.3).

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

- (a) except in the case of a TNI Supply Point, 45 Days;
- (b) in the case of a TNI Supply Point, the number of Days for the time being specified pursuant to paragraph 5.5.3

provided that a Day in respect of which the Transporter gives more than one Interruption Notice shall be counted only as one Day of Interruption at the Supply Point provided further that the Transporter may continue to require Interruption at certain Tranches at a Supply Point (up to the Interruption Allowance of such Tranches) where the Interruption Allowance of such Tranches is greater than that of other Tranches at the same Supply Point whose Interruption Allowances have been fully utilised.

5.7.6 Where a Supply Point Confirmation in respect of an Interruptible Supply Point becomes effective on a Day other than 1 October:

- (a) Days (in the Gas Year in which the Supply Point Registration Date falls) in respect of which the Transporter required Interruption of the Existing Supply Point, up to but not including the Supply Point Registration Date, shall be counted towards the use of the Interruption Allowance; provided that where the Proposed Supply Point is a New Supply Point the number of Days so counted shall be the average, weighted by reference to the Annual Quantity of each Supply Meter Point comprised in the New Supply Point, of the number of Days of Interruption in the relevant Gas Year in respect of each Interruptible Existing Supply Point;
- (b) upon request of the Proposing User made after the Supply Point Registration Date, the Transporter will inform the Registered User of the number of Days counted towards the use of the Interruption Allowance pursuant to paragraph (a); and
- (c) where the Proposed Supply Point comprises only New Supply Meter Points:
 - (i) if the Supply Point Registration Date is before 1 April in the relevant Gas Year, the Interruption Allowance shall be in accordance with paragraph 5.7.5;
 - (ii) if the Supply Point Registration Date is on or after 1 April in the relevant Gas Year, the Interruption Allowance shall be reduced from that determined in accordance with paragraph 5.7.5 by 1/6th for each completed month in such Gas Year after 1 April and before the Supply Point Registration Date.

5.7.7 In the case of an Interruptible Supply Point which is not comprised in a Partner Supply Point or a Shared Supply Meter Point, other than as provided in TPD Section G1.7.5, the Transporter may, at its discretion on application by the Registered User, allow the Registered User to satisfy the requirement for Interruption by a reduction in offtake rather than a total discontinuance in offtake at the Supply Point, in accordance with paragraph 5.10 ("**Partial Interruption**").

5.7.8 The exercise by the Transporter of any right (other than pursuant to this paragraph 5) to require or secure the discontinuance or reduction of offtake at any Supply Meter Point shall not count towards the use of the Interruption Allowance or otherwise count as Interruption for the purposes of this paragraph 5.

5.7.9 Without prejudice to the requirement under paragraph 5.7.2(b), it is acknowledged that pursuant to TPD Section H a User will be treated as having offtaken gas from the Total System at an Interruptible NDM Supply Point Component on a Day on which the Transporter required Interruption, and that such treatment will not constitute failure to Interrupt for the purposes of paragraph 5.9.

5.7.10 The Transporter will notify the Registered User when the Transporter requires an Interruptible Supply Point to be designated as an NSL (for the time being). Such notice will be sent no less than 20 Business Days in advance of the date of the required status change.

- 5.7.11 Where the Transporter has designated an Interruptible Supply Point as an NSL and its interruption has been required in accordance with paragraph 5.1.3(g), then the provisions of paragraph 5.8.2 shall cease to apply to such Interruptible Supply Point for the period it is designated as an NSL.
- 5.7.12 When the Transporter no longer requires the Interruptible Supply Point to be designated as an NSL it shall notify the Registered User accordingly and from the date of such notification such Interruptible Supply Point shall cease to be so designated.
- 5.7.13 Any Interruptible Supply Point which has been designated as an NSL will not be treated as a TNI Supply Point unless such Interruptible Supply Point has been designated as a TNI Supply Point in accordance with paragraph 5.5.

5.8 Notification requirements

- 5.8.1 Where the Transporter requires or has a revised requirement for Interruption in respect of one or more Supply Points, the Transporter will give to the Registered User, not less than 5 hours before the time ("**Interruption Start Time**") with effect from which Interruption is required, notice ("**Interruption Notice**") specifying:
- (a) the Supply Points (and Tranches where applicable) to be Interrupted;
 - (b) the Gas Flow Day;
 - (c) the Interruption Start Time; and
 - (d) the Transporter's estimate (which shall not bind the Transporter) of the time at which the requirement for Interruption will cease to apply.
- 5.8.2 The User may request by telephone or facsimile an alteration to the Supply Points specified in the Interruption Notice; and where not less than 5 hours before the Interruption Start Time the Transporter and the User have agreed (but so that the Transporter shall not be required to agree) upon such an alteration, the Interruption Notice will be revised accordingly and resubmitted by the Transporter to the User as soon as reasonably practicable.
- 5.8.3 The User shall, by telephone or facsimile (or otherwise in accordance with this paragraph 5.8):
- (a) not later than 30 minutes after Interruption Notice was given, acknowledge receipt of that notice;
 - (b) not later than 5 hours after Interruption Notice was given, confirm to the Transporter that Interruption (in accordance with such notice) has taken place or shall take place;
 - (c) as soon as reasonably practicable, notify the Transporter of any facts or circumstances known to the User that might prevent Interruption from taking place or cause Interruption to take place after the Interruption Start Time; and
 - (d) in the case of a Partner Interruptible Supply Point confirm to the Transporter, at which Partner Supply Point the Interruption has taken place or will take place.
- 5.8.4 Where the User has not acknowledged receipt of an Interruption Notice within 30 minutes after such notice was given, the Transporter may not less than 4 hours before the Interruption Start Time notify the requirement for Interruption at each relevant Supply Point directly to the consumer, specifying the Gas Flow Day and Interruption Start Time.

- 5.8.5 Where the Transporter has given an Interruption Notice in respect of any Supply Point, as soon as reasonably practicable after the Transporter determines that the requirement for Interruption no longer applies or will at a certain time cease to apply (having regard to the circumstances in accordance with paragraph 5.7.3 in which such notice was given), the Transporter will so notify the User specifying the time (where later than the time of such notification) at which the requirement for Interruption will no longer apply.
- 5.8.6 As soon as reasonably practicable after the Transporter has given one or more Interruption Notices, it will send to all relevant Registered Users an Active Notification Communication stating that, in relation to all Users who have made an election under paragraph 5.8.7, such Batch Transfer Communications have been sent by the Transporter.
- 5.8.7 A User may elect, by giving not less than one month's notice to the Transporter:
- (a) to receive all Interruption Notices in respect of Supply Points in relation to which it is Registered User; and
 - (b) to give all confirmations pursuant to paragraph 5.8.3(b)
- by means of Batch Transfer Communication.
- 5.8.8 Subject to paragraphs 5.8.9 and 5.8.10, where a User makes an election under paragraph 5.8.7, on expiry of the relevant period of notice Code Communications for the purposes of paragraphs 5.8.1 and 5.8.3(b) shall be given by Batch Transfer Communication, and where the User gives any Code Communication to the Transporter under this paragraph 5.8 by Batch Transfer Communication, the User must promptly inform the Transporter, by telephone or facsimile, of the transmission of such Batch Transfer Communication.
- 5.8.9 Where:
- (a) the Transporter has given to a User an Interruption Notice by Batch Transfer Communication;
 - (b) the User is unable, in accordance with TPD Section U4.5, to access such Batch Transfer Communication; and
 - (c) the User notifies the Transporter of such inability, by telephone or facsimile, not later than 30 minutes after the Interruption Notice was given
- the Transporter will give to the User Interruption Notice by facsimile, and this facsimile shall constitute an Interruption Notice for the purpose of establishing the Interruption Start Time.
- 5.8.10 Where any User has made an election pursuant to paragraph 5.8.7, that User may elect by notice to the Transporter:
- (a) to receive all Interruption Notices in respect of Supply Points in relation to which it is Registered User; and
 - (b) to give all confirmations under paragraph 5.8.3(b)
- by facsimile, provided that no election may be made under this paragraph 5.8.10 less than one month after the date of an election by that User under paragraph 5.8.7.
- 5.8.11 Where a User makes an election under paragraph 5.8.10, on expiry of one month from the date of the relevant notice, or from such other date as the Transporter and the User may agree,

Code Communications for the purposes of paragraph 5.8.1 and 5.8.3(b) shall be given by telephone or facsimile.

5.8.12 Where an Interruptible Supply Point comprises Shared Supply Meter Point(s):

- (a) paragraph 5.8.2 shall not apply in respect of such Supply Point;
- (b) where there is more than one Interruptible Supply Point which comprises such Shared Supply Meter Point(s), any requirement for Interruption will apply in respect of all (and not some only) of such Interruptible Supply Points; and
- (c) where a Sharing Registered User Agent is appointed, any Interruption Notice will be submitted (notwithstanding any requirement for submission to any User) to such Agent as well as to the Sharing Registered Users of the Interruptible Supply Points.

5.9 Failure to Interrupt

5.9.1 For the purposes of the Code:

- (a) subject to paragraph (b), there is a **"failure to Interrupt"** at an Interruptible Supply Point where, on any occasion on which the Transporter requires Interruption in respect of the Supply Point, the requirement in paragraph 5.7.2(b) is not complied with in respect of each Supply Meter Point at any time on any Day (the **"failure Day"**) during the period referred to in that paragraph;
- (b) a failure to comply with a requirement for Interruption pursuant to paragraph 5.7.3(b):
 - (i) will not be counted as a failure to Interrupt for the purposes of paragraph 5.9.6;
 - (ii) subject to paragraph (i), will be counted as a failure to Interrupt if:
 - (1) the User does not demonstrate to the reasonable satisfaction of the Transporter that all appropriate steps are being taken to ensure that such a failure does not recur at the relevant Supply Point; or
 - (2) the failure is the third failure occurring at the relevant Supply Point during the same Gas Year to comply with a requirement for Interruption pursuant to paragraph 5.7.3(b);but not otherwise;
- (c) for the purposes of this paragraph 5.9 a Supply Point the subject of a Supply Point Reconfirmation shall be treated as being the same Supply Point as the Existing Supply Point;
- (d) the **"Period of Interruption"** is the period between the Interruption Start Time and the time specified in accordance with paragraph 5.8.5;
- (e) **"Shutdown"** means that in the event of interruption all of the gas consuming plant at the Supply Point has been turned off so that it is not consuming gas; and
- (f) **"Shutdown Tolerance"** means the amount of gas not exceeding 3,000kWh/Day (100 therms/Day) which may be offtaken, in the event of a Shutdown, at an Interruptible Supply Point, or in the case of a Shared Supply Meter Point that comprises more than one Interruptible Supply Point, in total at such Supply Points.

5.9.2 Where there is a failure to Interrupt at a Supply Point:

- (a) irrespective of whether the failure to Interrupt resulted from Force Majeure, where the Transporter determines that the failure to Interrupt results in a significant risk to the security of the relevant System the Transporter may take any steps available to it to isolate or disconnect any or all Supply Meter Points (irrespective of whether any is a Shared Supply Meter Point) comprised in the Supply Point; and
- (b) subject to paragraph 5.10.5, save where the failure to Interrupt resulted from Force Majeure or, in exceptional circumstances, where the Registered User can demonstrate to the Transporter's reasonable satisfaction that it made all reasonable efforts to Shutdown (including but not limited to ensuring that appropriate action is taken at the Supply Point but despite such efforts gas in excess of the Shutdown Tolerance flowed):
 - (i) the Registered User shall on the first Day of the first failure to Interrupt in any Gas Year, pay a charge determined as:
 - (1) in respect of an NTS Supply Point, 2 times the Applicable Annual Rate of the NTS Exit Capacity Charge
 - (2) in respect of a Supply Point which is not an NTS Supply Point, 2 times the difference between the Applicable Annual Rate of the LDZ Capacity Charge that would be payable (in respect of Supply Point Capacity in accordance with paragraph 5.3.9) if the Supply Point was designated as Firm the Applicable Annual Rate of the LDZ Capacity Charge (as discounted) payable in respect of the Interruptible Supply Point pursuant to paragraph 5.1.9(b); and
 - (ii) the Registered User shall pay, on all days other than the first Day of the first Period of Interruption in each Gas Year, a charge determined as:

$$X = 2 * Y * Z$$

where:

- X is the amount payable in respect of each Day;
- Y is the quantity of gas offtaken at the Supply Point (in kWh) on the Day;
- Z in any Gas Year is the price difference (in pence/kWh) taken from the figures published in Table 26 of the DTI Energy Trends (or superseding publication), for the 1st Quarter of the calendar year in which the current Gas Year commenced, between the all consumer average for Gas Oil (shown in £/tonne and converted to pence/kWh using the estimated average calorific value for Gas Oil set out in Annex B of the Digest of United Kingdom Energy Statistics) and the price of gas, all consumers, Interruptible.

5.9.3 The charges payable under paragraphs 5.9.2(b)(i), 5.9.2(b)(ii), 5.9.4 and 5.10.3 will be invoiced and are payable in accordance with TPD Section S.

5.9.4 Where the Transporter takes any such steps as are referred to in paragraph 5.9.2(a) the Registered User will be liable to reimburse to the Transporter the costs and expenses incurred by the Transporter in taking such steps and in any subsequent reconnection or restoration of the connection of the Supply Point.

- 5.9.5 The Registered User shall secure that there is made available to the Transporter such access to the Supply Point and all Supply Meter Points comprised in the Supply Point as shall be required for the purposes of paragraph 5.9.2(a).
- 5.9.6 In addition to the provisions of paragraphs 5.9.2 and 5.9.5, where (disregarding any failure to Interrupt which resulted from Force Majeure):
- (a) in any Gas Year in which there has on any Day been a failure to Interrupt at any Registered Interruptible Supply Point(s) of a User, there is on a later Day a failure to Interrupt (at the same or any other Registered Interruptible Supply Point(s)); and
 - (b) the number of occasions (including the failure(s) on such later Day) on which there have been failures to Interrupt at the User's Registered Interruptible Supply Points is equal to or greater than:
 - (i) 5; or
 - (ii) if more, the number (rounded up to the nearest whole number) equal to 5% of the mean of the numbers of Interruptible Supply Points of which the User is the Registered User at the time of each such failure to Interrupt
- in determining which each failure at any Supply Point shall count separately, paragraph 5.9.7 shall apply.
- 5.9.7 In the circumstances in paragraph 5.9.6, subject to paragraph 5.9.8:
- (a) all of the Interruptible Supply Points of which the User is Registered User, other than those within paragraph (b), shall automatically be redesignated as Firm with effect from the failure Day;
 - (b) in relation to each such Supply Point in respect of which the Transporter determines that the Firm Transportation Requirement would not (without adjustment of the Supply Point Capacity or Supply Point Offtake Rate) be satisfied and in relation to such Supply Points as are specified in paragraph 5.9.8:
 - (i) the Supply Point shall be treated as being a Firm Supply Point for the purposes of determining the Supply Point Transportation Charges and any Supply Point Ratchet Charges or NTS Exit Overrun Charges payable by the User, but shall be treated (subject to paragraph (ii)) as being an Interruptible Supply Point for other purposes of the Code;
 - (ii) the Transporter will be at liberty to inform the supplier and consumer of the occurrence and consequences of the circumstances in paragraph 5.9.6;
 - (iii) the Transporter may elect that (in relation to any or all requirements for Interruption) paragraphs 5.8.1, 5.8.2 and 5.8.3 shall not apply and may notify the consumer in accordance with paragraph 5.8.4 but without first communicating with the User;
 - (c) until the expiry of the Gas Year following that in which the failure to Interrupt occurred, the User may not designate any Supply Point (including any which was redesignated as Firm under paragraph (a) or is treated as Firm under paragraph (b)) as Interruptible and may not submit a Supply Point Confirmation in respect of any Proposed Supply Point which is Interruptible.

- 5.9.8 Paragraph 5.9.7 shall not apply where the User demonstrates to the Transporter's reasonable satisfaction that the User had taken all reasonable steps to comply with the requirement to Interrupt and that the failure to Interrupt occurred despite the taking of such steps.
- 5.9.9 Where an Interruptible Supply Point, other than one which was the subject of a failure to Interrupt referred to in paragraph 5.9.2, was redesignated as Firm pursuant to paragraph 5.9.7(a), any User who:
- (a) is the first User to have become the Registered User of a Firm Supply Point which includes a Supply Meter Point which was comprised in the Interruptible Supply Point; and
 - (b) is not the User which was the Registered User of such Interruptible Supply Point
- may designate such Firm Supply Point as Interruptible with effect from the Supply Point Registration Date.
- 5.9.10 No Day on which there is a failure to Interrupt at a Supply Point shall count towards use of the Interruption Allowance in respect of that Supply Point.
- 5.9.11 The following shall not be Force Majeure affecting a User for the purposes of this paragraph 5.9:
- (a) the unavailability of any such representative as is referred to in paragraph 5.6.1 or 5.6.2 of the User or the consumer to be contacted by the Transporter, other than for wholly unforeseeable and unavoidable reasons (which must also satisfy the conditions for being Force Majeure); and
 - (b) the fact that there is no facility for the consumer's plant to operate with a supply of fuel or energy alternative to or in substitution for gas.

5.10 Partial Interruption

5.10.1 For the purposes of this paragraph 5.10:

- (a) **"Tranche"** means one of two or more increments by which the User of an Interruptible Supply Point may reduce its offtake (or by which Sharing Registered Users may reduce their offtake in aggregate) from the relevant System during a Period of Interruption;
- (b) **"Tranche Annual Quantity"** means in respect of each Tranche, the Tranche percentage multiplied by the Supply Point Annual Quantity;
- (c) **"Tranche Quantity"** means the quantity of gas, measured in kWh, that shall be allowed to be offtaken from the Total System at each Tranche in any period of 60 minutes in any Day in respect of which an Interruption Notice has been served; and
- (d) **"Tranche Percentage"** means in respect of each Tranche, the Tranche Quantity expressed as a percentage of the sum of all the Tranche Quantities at the Supply Point.

5.10.2 The Transporter may allow Partial Interruption at an Interruptible Supply Point provided that the following rules are satisfied:

- (a) the User (or Sharing Registered Users) shall specify the number of Tranches which it requires at the Supply Point, such number shall not exceed 9;

- (b) each Tranche Annual Quantity shall not be less than 5,860,000kWh (200,000 therms);
- (c) an application may be made by the User (or Sharing Registered Users) to the Transporter for a Partial Interruption status at a Supply Point at any time, for a period not exceeding 12 months, commencing on or after the operational date requested by the User (or Sharing Registered Users) and ending on the next 30 September;
- (d) the Transporter shall accept or reject all applications for Partial Interruption within 10 Business Days of their receipt by the Transporter from a Registered User or the Sharing Registered Users Agent as appropriate; and
- (e) Daily Read Equipment has been installed by the Transporter at the Supply Point prior to the commencement of Partial Interruption status.

5.10.3 Where Partial Interruption is in force at a Supply Point under paragraph 5.10, the Registered User (or Sharing Registered Users) in accordance with paragraph 6.4 shall pay to the Transporter the Administration Charge (if any) set out in the Transportation Statement. The Transporter shall (where applicable) issue an Ad-hoc Invoice in relation to the Administration Charge which will be invoiced and payable in accordance with TPD Section S.

5.10.4 Where the Transporter requires Interruption at the Supply Point:

- (a) in any period of 60 minutes in the Day, and subject always to TPD Section G5.3.1 and to the provisions of any relevant Network Exit Provisions, the Registered User will be allowed to offtake a quantity of gas;
- (b) for the purposes of paragraph 5.9.1(a), the requirement of paragraph 5.7.2(b) shall not be satisfied where the hourly offtake in paragraph (a) has been exceeded; and
- (c) the provisions of paragraphs 5.9.2(a) and 5.10.5 shall apply.

5.10.5 Where there is a failure to Interrupt at a Supply Point with Partial Interruption status:

- (a) where this is the first failure to Interrupt at the Supply Point in the Gas Year, the Registered User (or Sharing Registered Users) shall pay the charge determined under paragraph 5.9.2(b)(i), multiplied by the sum of the Tranche Percentages of the Tranches in respect of which an Interruption Notice was served;
- (b) for the remainder of the Gas Year any Tranche which has paid a failure to Interrupt charge in accordance with paragraph (a) above or paragraph (d) shall be termed a **"failed Tranche"**; and
- (c) where on any subsequent day in the Gas Year there is a failure to Interrupt at the Supply Point and the failure to Interrupt occurs only at failed Tranches, (determined in accordance with paragraph 5.10.5(b));
 - (i) for each period of 60 minutes in the Day, the quantity offtaken in excess of the Tranche Quantity of all Tranches in respect of which the Interruption Notice was not served shall be termed the "excess failure quantity";
 - (ii) the Registered User (or Sharing Registered Users) shall pay the charge calculated in accordance with paragraph 5.9.2(b)(ii), provided that Y shall be the total excess failure quantities in the Day; and
- (d) where on any subsequent day in the Gas Year there is a failure to Interrupt at the Supply Point and the failure to Interrupt occurs at one or more Tranches which are not

failed Tranches (determined in accordance with paragraph 5.10.5(b)), the Registered User (or Sharing Registered Users) shall pay the charge determined under paragraph 5.9.2(b)(i), multiplied by the sum of the Tranche Percentages of the Tranches in respect of which an Interruption Notice was served, less the sum of the Tranche Percentages of the failed Tranches (determined in accordance with paragraph 5.10.5(b)) in respect of which the Interruption Notice was served.

5.10.6 The Transporter shall revoke the Partial Interruptible status at a Supply Point if:

- (a) the Supply Point ceases to be an Interruptible Supply Point;
- (b) subject to paragraph 5.10.7, the User ceases to be the Registered User of the Supply Point; or
- (c) in the case of a Supply Point which comprises a Shared Supply Meter Point there is a Shared Supply Meter Point Notification which proposes to change the number or identity of any sharing Registered Users, or a Supply Point Withdrawal unless a re-application in accordance with paragraph 5.10.14 has been accepted.

5.10.7 Except in the case of a Shared Supply Meter Point, where another User is to become the Registered User of relevant Supply Point, the Proposing User shall, at least 2 but not more than 7 Business Days prior to the proposed Supply Point Registration Date, notify the Transporter of such change. The Partial Interruption status of the Supply Point shall transfer to the new Registered User provided that the requirements of paragraph 5.10.2 remain satisfied.

5.10.8 If the Registered User (or Sharing Registered Users) wishes to change the number of Tranches or any of the Tranche Quantities, the Transporter shall, subject to paragraph 5.10.2, allow such change provided that the Interruption Allowance in relation to any Tranches shall not be changed.

5.10.9 Subject to paragraph 5.10.2(a), if the Registered User (or Sharing Registered Users) wishes to increase the Supply Point Capacity of the Interruptible Supply Point, the Transporter may grant such additional Supply Point Capacity as an additional Tranche with an Interruption Allowance which may be greater than the Interruption Allowance of any of the existing Tranches at the Supply Point.

5.10.10 If the Supply Point ceases to have Partial Interruption status, but continues to be an Interruptible Supply Point, the Interruption Allowance of the Supply Point shall be the greatest Interruption Allowance of any of the Tranches previously at the Supply Point.

5.10.11 Where any of the Tranches at the Interruptible Supply Point has an Interruption Allowance greater than 45 days, for the purposes of paragraph 5.5.4, the Interruption Allowance shall be determined by the sum of the products of the Tranche Percentage and the Interruption Allowance of each Tranche at the Interruptible Supply Point.

5.10.12 Nothing in this paragraph 5.10 shall prevent the Transporter from requiring Interruption at all Tranches at the Supply Point on the same Day.

5.10.13 In the case of a Partial Interruption at a Shared Supply Meter Point:

- (a) the Sharing Registered Users shall ensure that all actions which are required to be undertaken by the Sharing Registered Users in accordance with this paragraph 5.10 (including compliance with paragraph 5.10.2) shall be undertaken on behalf of all the Sharing Registered Users by the Sharing Registered Users Agent and for the purposes

of this paragraph 5.10 all Code Communications shall be in accordance with TPD Section G1.7.9(d); and

- (b) all references to Supply Point in this paragraph 5.10 shall be deemed to include references to the relevant Supply Point for the purposes of TPD Section G1.7 and paragraphs 6.3 and 6.4.

5.10.14 The Sharing Registered User Agent may re-apply for Partial Interruption at the relevant Supply Point in accordance with 5.10.2(c) and, pursuant to such re-application the Partial Interruption Status of the Supply Point shall transfer to the Sharing Registered Users identified in the re-application provided the requirements of paragraph 5.10.2 remain satisfied.

5.11 Partial Interruption at CSEPs

5.11.1 For the purposes of this paragraph 5.11:

- (a) **"Tranche"** means one of two or more increments by which the CSEP User of an Interruptible CSEP may reduce its offtake (or by which CSEP Users may reduce their offtake in aggregate) from the relevant System during a Period of Interruption;
- (b) **"Tranche Annual Quantity"** means in respect of each Tranche, the Tranche Percentage multiplied by the Interruptible CSEP Annual Quantity;
- (c) **"Tranche Quantity"** means the quantity of gas, measured in kWh, that shall be allowed to be offtaken from the Total System at each Tranche in any period of 60 minutes in any Day in respect of which a CSEP Interruption Notice has been served;
- (d) **"Tranche Percentage"** means in respect of each Tranche, the Tranche Quantity expressed as a percentage of the sum of all the Tranche Quantities at the Interruptible CSEP; and
- (e) **"CSEP Interruption Notice"** shall have the same meaning as that ascribed thereto by the term Interruption Notice except that it shall apply in respect of a CSEP rather than a Supply Point.

5.11.2 The Transporter may allow Partial Interruption at an Interruptible CSEP provided that the following rules are satisfied:

- (a) the CSEP User (or CSEP Users) shall specify the number of Tranches which it requires at the Interruptible CSEP, such number shall not exceed 9;
- (b) each Tranche Annual Quantity shall not be less than 5,860,000kWh (200,000 therms);
- (c) an application may be made by the CSEP User (or CSEP Users) to the Transporter for a Partial Interruption status at an Interruptible CSEP at any time, for a period not exceeding 12 months, commencing on or after the operational date requested by the CSEP User (or CSEP Users) and ending on the next 30 September;
- (d) the Transporter shall accept or reject all applications for Partial Interruption within 10 Business Days of their receipt by the Transporter from a CSEP User or the CSEP User Agent as appropriate; and
- (e) where requested by the Transporter, equipment (as set out in the relevant CSEP NExA) to provide information to the Transporter in aggregate to allow the Transporter to monitor the requirements in paragraph 5.11.4 shall be installed by the CSEP User

(the identity of which has been notified by the CSEP User Agent where there is more than one CSEP User) prior to the commencement of Partial Interruption status.

5.11.3 Where Partial Interruption is in force at an Interruptible CSEP under this paragraph 5.11, the CSEP User (or CSEP Users) shall pay to the Transporter the relevant Administration Charge (if any) set out in the Transportation Statement. The Transporter shall (where applicable) issue an Ad-hoc Invoice in relation to the Administration Charge which will be invoiced and payable in accordance with TPD Section S.

5.11.4 Where the Transporter requires Interruption at an Interruptible CSEP:

- (a) in any period of 60 minutes in the Day, and subject always to TPD Section G5.3.1 and to the provisions of any relevant Network Exit Provisions, the CSEP User will be allowed to offtake a quantity of gas, (and CSEP Users will be allowed to offtake a quantity in aggregate), measured in kWh, not exceeding the sum of the Tranche Quantities of the Tranches at the Interruptible CSEP in respect of which an Interruption Notice has not been served;
- (b) for the purposes of paragraph 5.9.1(a), the requirement of paragraph 5.7.2(b) shall not be satisfied where the hourly offtake in paragraph (a) has been exceeded; and
- (c) the provisions of paragraph 5.9.2(a) and 5.11.5 shall apply.

5.11.5 Where there is a failure to Interrupt at an Interruptible CSEP with Partial Interruption status:

- (a) where this is the first failure to Interrupt at the Interruptible CSEP in the Gas Year, the CSEP User (or CSEP Users) shall pay the charge determined under paragraph 5.9.2(b)(i), multiplied by the sum of the Tranche Percentages of the Tranches in respect of which an Interruption Notice was served;
- (b) for the remainder of the Gas Year any Tranche which has paid a failure to Interrupt charge in accordance with paragraph (a) above or paragraph (d) shall be termed a **"failed Tranche"**;
- (c) where on any subsequent day in the Gas Year there is a failure to Interrupt at the Interruptible CSEP and the failure to Interrupt occurs only at failed Tranches (determined in accordance with paragraph 5.11.5(b));
 - (i) for each period of 60 minutes in the Day, the quantity offtaken in excess of the Tranche Quantity of all Tranches in respect of which the Interruption Notice was not served shall be termed the "excess failure quantity";
 - (ii) the CSEP User (or CSEP Users) shall pay the charge calculated in accordance with paragraph 5.9.2(b)(ii), provided that Y shall be the total excess failure quantities in the Day; and
- (d) where on any subsequent day in the Gas Year there is a failure to Interrupt at the Interruptible CSEP and the failure to Interrupt occurs at one or more Tranches which are not failed Tranches (determined in accordance with paragraph 5.11.5(b)), the CSEP User (or CSEP Users) shall pay the charge determined under paragraph 5.9.2(b)(i), multiplied by the sum of the Tranche Percentages of the Tranches in respect of which an Interruption Notice was served, less the sum of the Tranche Percentages of the failed Tranches (determined in accordance with paragraph 5.11.5(b)) in respect of which the Interruption Notice was served.

5.11.6 The Transporter shall revoke the Partial Interruptible status at an Interruptible CSEP if:

- (a) the CSEP ceases to be an Interruptible CSEP; or
- (b) subject to paragraph 5.11.7, any CSEP User ceases to be a CSEP User for any reason, or where a User becomes a CSEP User.

5.11.7 Where at an Interruptible CSEP there is only one CSEP User and an alternative CSEP User is to become the CSEP User of relevant CSEP, the Proposing CSEP User shall, at least 2 but not more than 7 Business Days prior to the proposed Supply Point Registration Date, notify the Transporter of such change. The Partial Interruption status of the Interruptible CSEP shall transfer to the new CSEP User provided that the requirements of paragraph 5.11.2 remain satisfied.

5.11.8 Where, at an Interruptible CSEP, any CSEP User ceases to be a CSEP User for any reason or where a User becomes a CSEP User, then the CSEP User Agent may re-apply for Partial Interruption in accordance with paragraph 5.11.2 and pursuant to such re-application the Partial Interruption Status of the CSEP shall transfer to the CSEP User (or CSEP Users) identified in the re-application provided the requirements of paragraph 5.11.2 remain satisfied.

5.11.9 If the CSEP User (or CSEP Users) wishes to change the number of Tranches or any of the Tranche Quantities, the Transporter shall, subject to paragraph 5.11.2, allow such change provided that the Interruption Allowance in relation to any Tranches shall not be changed.

5.11.10 Subject to paragraph 5.11.2(a), if the CSEP User (or CSEP Users) wishes to increase the NTS Exit Capacity and LDZ capacity (as applicable) of the Interruptible CSEP, the Transporter may grant such additional NTS Exit Capacity and LDZ Capacity (as applicable) as an additional Tranche with an Interruption Allowance which may be greater than the Interruption Allowance of any of the existing Tranches at the Interruptible CSEP.

5.11.11 If the Interruptible CSEP ceases to have Partial Interruption status, but continues to be an Interruptible CSEP, the Interruption Allowance of the Interruptible CSEP shall be the greatest Interruption Allowance of any of the Tranches previously at the Interruptible CSEP.

5.11.12 Where any of the Tranches at the Interruptible CSEP has an Interruption Allowance greater than 45 days, for the purposes of paragraph 5.5.4, the Interruption Allowance shall be determined by the sum of the products of the Tranche Percentage and the Interruption Allowance of each Tranche at the Interruptible CSEP.

5.11.13 Nothing in this paragraph 5.11 shall prevent the Transporter from requiring Interruption at all Tranches at the Interruptible CSEP on the same Day.

5.11.14 In the case of Partial Interruption at an Interruptible CSEP:

- (a) the CSEP Users shall ensure that all actions which are required to be undertaken by the CSEP Users in accordance with this paragraph 5.11 (including compliance with paragraph 5.11.2) shall be undertaken on behalf of all the CSEP Users by the CSEP User Agent; and
- (b) for the purpose of this paragraph 5.11 all Code Communications:
 - (i) if to be given by the Transporter may be given to the CSEP Users Agent;
 - (ii) if to be given by CSEP Users may only be given by the CSEP User Agent.

5.11.15 The CSEP User Agent may re-apply for Partial Interruption in accordance with 5.11.2(c) and, pursuant to such re-application, the Partial Interruption Status of the Interruptible CSEP shall transfer to the CSEP Users identified in the re-application provided the requirements of paragraph 5.11.2 remain satisfied.

5.11.16 All references within this paragraph 5.11 to sub-paragraphs of paragraph 5 shall be construed in accordance with the relevant CSEP Ancillary Agreement or the relevant CSEP NExA.

6. TRANSITIONAL INTERRUPTION REGIME: OTHER TPD CHANGES

6.1 TPD Section B: System Use and Capacity

6.1.1 Notwithstanding the provisions of TPD Section B1.3.2, the entitlement of a Registered User to offtake gas from the Total System at an Interruptible Supply Point is subject to the provisions (as to Interruption) of paragraph 5.

6.1.2 For the purposes of TPD Section B1.10(a)(ii), the Transporter may agree that it will not designate a particular Interruptible Supply Point as being TNI.

6.1.3 Insofar as (pursuant to the Transportation Statement) the rate of any Transportation Charge in respect of any Supply Point is a function of Supply Point Capacity, in the case of the DM Supply Point Component of an Interruptible Supply Point such rate shall be determined (in accordance with the Transportation Statement) by reference to the Bottom-Stop Supply Point Capacity and not the Registered Supply Point Capacity.

6.1.4 In TPD Section B4.7.1 and 4.7.8(a) the reference to a DM Supply Point Component shall be treated as a reference to a Firm DM Supply Point Component.

6.2 TPD Section G1.5: Daily Read Metering

6.2.1 For the purposes of TPD Section G1.5.2(b), the Daily Read Requirement shall apply in respect of each Supply Meter Point comprised in an Interruptible Supply Point.

6.2.2 TPD Section G1.5.11 shall only apply where the Daily Read Requirement applies by reason of an increase in the Annual Quantity of a Supply Point or a Supply Meter Point at the start of a Gas Year or upon a Supply Point being designated an Interruptible Supply Point.

6.3 TPD Section G1.7: Shared Supply Meter Points

6.3.1 For the purposes of TPD Section G1.7.5, a Shared Meter Supply Point may be comprised in a Firm Supply Point and an Interruptible Supply Point; and a User may elect (by giving a Shared Supply Meter Point Notification subject to and in accordance with TPD Section G1.7) that a Supply Meter Point of which the User is the Registered User shall be comprised in both Supply Point and an Interruptible Supply Point of each of which the User is the Registered User (and accordingly be treated as two Sharing Registered Users).

6.3.2 In the case of a Shared Supply Meter Point which is comprised in relevant Supply Points of which at least one is Firm and one Interruptible (whether the Registered Users are the same or different Users), where an Interruption Notice was given:

- (a) in relation to any Day for which the requirement for Interruption applied for the whole of such Day:
 - (i) the requirement in paragraph 5.7.2(b) shall be treated as not complied with if and only if, in the case of Partial Interruption the requirement referred to in paragraph 5.10.4(b) is not satisfied and in any other case, the aggregate

quantity of gas offtaken from the Total System on such Day by all Sharing Registered Users at the Shared Supply Meter Point exceeds the Supply Point Capacity (or aggregate such capacity), held by the Registered User(s) at relevant Firm DM Supply Point Components;

- (ii) accordingly, the allocation of the gas offtaken at the Shared Supply Meter Point shall not be such that the UDQO (or sum of the UDQOs) in respect of the Firm Supply Point Component(s) exceeds the Supply Point Capacity (or aggregate such capacity), other than capacity which is so excluded, held by the Registered User(s) at such Firm Supply Point Component(s), and any gas which would otherwise be allocated to the Registered User of a relevant Firm Supply Point shall be (and shall be deemed to be) allocated to the Registered User(s) of the relevant Interruptible Supply Point(s);
 - (iii) if there is more than one relevant Interruptible Supply Point and the basis of allocation pursuant to TPD Section G1.7.6 does not result in compliance with paragraphs (i) and (ii) and the allocation of the whole of the Supply Meter Point Daily Quantity:
 - (1) the gas which falls (pursuant to paragraph (ii)) to be allocated to the Registered Users of the relevant Interruptible Supply Points shall be allocated to them in proportion to the Nominated Quantities under such Users' Output Nominations for the relevant DM Supply Point Components for the Day or (if such Nominated Quantity is zero for each such User) in proportion to the Registered Supply Point Capacities at each such DM Supply Point Component;
 - (2) the identity of the User(s) who failed to secure compliance with the requirement in paragraph 5.7.2(b) shall be established in accordance with paragraph (1);
 - (iv) any conflicting allocation determined under TPD Section G1.7.7 or notified under paragraph TPD Section G1.7.8 shall be disregarded to the extent of the conflict;
- (b) in relation to any Day for which the requirement for Interruption applied for a part only of such Day:
- (i) the requirement in paragraph 5.7.2(b) shall be treated as not complied with if the aggregate rate of offtake at any time (while such requirement applied) exceeds the aggregate of the Supply Point Offtake Rates in respect of relevant Firm DM Supply Point Components; and
 - (ii) where there is more than one relevant Interruptible Supply Point, each of the Sharing Registered Users of the Interruptible Supply Points shall be treated as having failed to secure compliance with such requirement;
- (c) in relation to any Day for which the requirement for Interruption applied (whether for the whole or any part of such Day) and the requirement in paragraph 5.7.2(b) was not complied with, each of the Sharing Registered Users of the Interruptible Supply Points shall be responsible for payment of the aggregate of the charges, in respect of all the Interruptible Supply Points in which such Shared Supply Meter Point is comprised (irrespective of the Supply Point at which the failure occurred), arising as a result of such failure, in the same proportion as its allocation pursuant to TPD Section G1.7.9(c).

- 6.3.3 TPD Section G1.7.14 shall not apply and where the rate of any Supply Point Transportation Charge is a function of Supply Point Capacity, the rate of such charge payable by a Sharing Registered User shall be determined on the basis of:
- (a) the aggregate of the Supply Point Capacities held by each Sharing Registered User at the relevant Firm DM Supply Point Components; and
 - (b) the aggregate of the Supply Point Capacities held by each Sharing Registered User at the relevant Interruptible DM Supply Point Components or the aggregate of the Bottom-Stop Supply Point Capacities held by each Sharing Registered User at the relevant Interruptible DM Supply Point Components, whichever is the lesser.

6.4 TPD Section G1.15: Interruptible Supply Point Firm Allowance (IFA)

6.4.1 The Registered User of an Interruptible Supply Point (the **“relevant Supply Point”**) which term shall include the Supply Point Component comprised in it) that is not comprised in a Shared Supply Meter Point which also includes Firm Supply Points, may apply (subject to paragraph 6.4.2) in accordance with paragraphs 6.4.3 and 6.4.4 for a firm allowance up to (or subject to paragraph 6.4.3, above) 14,650 kWh/Day (500 therms/Day) (**“the Firm Allowance”**).

6.4.2 Where a Firm Allowance is in force under paragraph 6.4.3:

- (a) the Firm Allowance shall be treated as an exception to paragraph 5.7.2(b) such that the requirement that no gas shall be offtaken be read as no gas, other than the Firm Allowance shall be offtaken, and at an hourly rate not exceeding 12.5% of the Firm Allowance unless otherwise agreed with the Transporter in advance;
- (b) the Registered User shall pay to the Transporter the Administration Charges (if any) set out in the Transporter's Transportation Statement;
- (c) the rate of any Supply Point Transportation Charge shall be determined by reference to the Supply Point Capacity held by the Registered User at the relevant Supply Point at the time that the offer of Firm Allowance has been offered by the Transporter in accordance with paragraphs 6.4.3 and 6.4.4;
- (d) the Registered User shall pay a charge (**“the IFA Charge”**) to:
 - (i) National Grid NTS, calculated as the NTS Exit Capacity Charge set out in National Grid NTS'S Transportation Statement;
 - (ii) the relevant DN Operator, calculated as the difference between the LDZ Capacity Charge set out in the relevant DN Operator's Transportation Statement and the discounted LDZ Capacity Charge payable pursuant to Clause 9.1.9(b) determined in respect of an amount of Supply Point Capacity equal to the amount of the Firm Allowance;
- (e) for the purposes of determining the IFA Charges payable by the Registered User in respect of the provision of a Firm Allowance at an NTS Supply Point, the Firm Allowance shall be regarded as the Supply Point Capacity of a Firm Supply Point;
- (f) all amounts payable under this paragraph 6.4 shall be payable in a single payment, may be invoiced by way of an Ad-hoc Invoice, at any time after the Registered User's election and shall be paid in accordance with TPD Section S. The charges shall be fixed in accordance with paragraph 6.4.2(h) having regard to the date on which the

period of the Firm Allowance commences in accordance with paragraph 6.4.3(c) or 6.4.4 and are not refundable;

- (g) where the Transporter requires Interruption at the relevant Supply Point the provisions of paragraph 5.7 shall apply;
- (h) the IFA Charge shall be determined for the period of the Firm Allowance commencing on 1 October in accordance with paragraph 6.4.3(c) or 6.4.4, or (if later in the Gas Year) on a pro rata basis for the period commencing on the date of receipt by the Transporter of the confirmation in accordance with paragraph 6.4.3(c) and ending on 30 September; and
- (i) where a change to the IFA Charge takes place at anytime during a Gas Year no adjustments will be made to the IFA Charge paid before such change.

6.4.3 Applications under paragraph 6.4.1 in respect of a relevant Supply Point in which there is no current Firm Allowance in force, or in respect of which an increase is required to a current Firm Allowance, the increase:

- (a) shall be for a period commencing 1 October or (if later in the Gas Year) the date of receipt by the Transporter of the confirmation in accordance with paragraph (c) and ending on 30 September;
- (b) shall be offered, or rejected by the Transporter within 10 Business Days;
- (c) if offered by the Transporter, are open for confirmation by the Registered User for 5 Business Days from the date of offer;
- (d) for a Firm Allowance of 14,650 kWh (500 therms/Day) or less shall be considered in the order in which they were received by the Transporter;
- (e) for a Firm Allowance in excess of 14,650 kWh/Day (500 therms/Day), received by the Transporter prior to 1 October in respect of the next Gas Year shall, unless otherwise indicated on the application, be treated initially as an application for a Firm Allowance of 14,650 kWh/Day (500 therms/Day) the balance being processed on or after 1 October, in the order in which they were received by the Transporter;
- (f) for a Firm Allowance in excess of 14,650 kWh/Day (500 therms/Day), received by the Transporter on or after 1 October in respect of the year commencing 1 October, shall be treated in the order in which they were received by the Transporter;
- (g) for a Firm Allowance greater than 30% of the Supply Point Capacity which exceeds 14,650 kWh/Day (500 therms/Day) shall be treated as if it were an application for 30 % of the Supply Point Capacity in accordance with paragraph (e) or (f); and
- (h) may be refused by the Transporter where the hourly rate of offtake is greater than 12.5% of the Firm Allowance or where in the Transporter's opinion the Firm Transportation Requirement is not satisfied in respect of such Supply Point.

6.4.4 Applications under paragraph 6.4.1 in respect of a relevant Supply Point for which a Firm Allowance is currently in force ("**a current Firm Allowance**"):

- (a) may be made by the Registered User in accordance with the following process;

- (i) on or before 1 September, the Transporter shall issue to the Registered User of a relevant Supply Point with a current Firm Allowance a renewal notice, offering the Firm Allowance for the following year commencing 1 October;
 - (ii) the Registered User may accept all or part of such renewal offer at any time before 15 September; and
 - (b) shall be for a period of 12 months commencing on 1 October.
- 6.4.5 Where another User is to become the Registered User of a relevant Supply Point, the Proposing User shall, at least 2 but not more than 7 Business Days prior to the proposed Supply Point Registration Date, notify the Transporter of such change. The Firm Allowance shall transfer to the new Registered User from the Supply Point Registration Date provided that the DM Supply Point Component of the Proposing User is the same as the DM Supply Point Component of the Registered User.
- 6.4.6 Where a Registered User changes the configuration of a relevant Supply Point, the Registered User shall, at least 2 but not more than 7 Business Days prior to the proposed Supply Point Registration Date, notify the Transporter of such change. The Firm Allowance shall transfer to the new Supply Point from the Supply Point Registration Date provided that there is an equivalent effect on the System and that the Registered User has paid to the Transporter the Administration Charge (if any) set out in the Transportation Statement.
- 6.4.7 All Code Communications under this paragraph 6.5 shall be made by the Transporter and the Registered User by Conventional Notice.
- 6.4.8 An application under paragraph 6.4.1 shall not re-designate an Interruptible Supply Point as Firm for the purposes of the Network Code, and no Firm Allowance may be or remain in force in respect of a Shared Supply Meter Point which is comprised in a Firm Supply Point.

6.5 TPD Section G2.4: Supply Point Offers

- 6.5.1 For the purposes of TPD Section G2.4.2(e)(ii) where the Supply Point Offer specifies the Proposed Supply Point is Interruptible the Supply Point Offer will also specify whether the Proposed Supply Point is TNI.
- 6.5.2 For the purposes of TPD G2.4.10 the matters referred to in TPD Section G2.4.9 shall be treated as including whether at the date of the Supply Point Offer and Existing Supply Point (if Interruptible) is TNI, and (if so) the number of days of the Interruption Allowance.

6.6 TPD Section G2.7: Supply Point Confirmations

Where a Proposed Supply Point is a New Supply Point and the Existing Supply Points include both a Firm Supply Point and an Interruptible Supply Point a Supply Point Confirmation may only be submitted before a Change Request Deadline and for a Proposed Supply Point Registration Date which is the Eligible Status Change Date.

6.7 TPD Section G5: DM Supply Point Capacity and Offtake Rate

- 6.7.1 TPD Section G5.2.3(a)(ii) and (d) shall only apply in the case of a Firm DM Supply Point Component.
- 6.7.2 In TPD Section G5.2.10(a) and (b), 5.3.7, 5.4.4, 5.5.5 and 5.5.6 the reference to a DM Supply Point Component shall be treated as a reference to a Firm DM Supply Point Component.

6.8 TPD Section G7.1: General

For the purposes of TPD Section G7 the definition of **"Siteworks"** includes those works undertaken for the purposes of a securing a reduction in the Interruption Allowance in respect of a TNI Supply Point.

6.9 TPD Section G7.4: Siteworks Specified Capacity, etc

- 6.9.1 For the purposes of TPD Section G7 the Siteworks Terms and Procedures shall allow for the Siteworks Contract to specify (at the request of the Siteworks Applicant) in relation to a Supply Point or Supply Point Component a request that the Firm Transportation Requirement be satisfied or (in the case of a TNI Supply Point) the Interruption Allowance be reduced following such Siteworks.
- 6.9.2 For the purposes of TPD Section G a reduced Interruption Allowance is Siteworks Specified where specified in a Siteworks Contract under paragraph 6.9.1 and TPD Section G7.
- 6.9.3 Where a User requests (in accordance with paragraph 5.3) by not later than the time referred to in TPD Section G7.4.6 that a Siteworks Specified Interruptible Supply Point be redesignated Firm in accordance with the Siteworks Specified Firm Transportation Requirement, or in respect of a TNI Supply Point a reduced Interruption Allowance, the Transporter will accept such request.

6.10 TPD Section J: Exit Requirements

For the purposes of paragraph 3.5.3(a), 'C' shall be the amount of Supply Point Capacity held by the User at the Supply Point Component on the relevant Day, or in relation to an Interruptible Supply Point Component only, if less, the Bottom-stop Supply Point Capacity.

7. TRANSITIONAL INTERRUPTION REGIME: OAD CHANGES

7.1 Introduction

- 7.1.1 In this paragraph 7 **"Interruption Instruction"** means an instruction given by National Grid NTS in relation to Interruption in accordance with paragraph 7.2.

- 7.1.2 The Parties acknowledge that under paragraph 5:

- (a) the ability to require Interruption at an LDZ Interruptible Supply Point by giving an Interruption Notice is held by the DNO; but
- (b) Interruption may be required at an LDZ Interruptible Supply Point where (inter alia):
 - (i) there is or it is anticipated that there would otherwise be a Transportation Constraint on or affecting the NTS; or
 - (ii) forecast demand in relation to the NTS or the Total System on any Day exceeds certain levels (as determined in accordance with paragraph 5)

and accordingly the Parties agree that National Grid NTS shall be entitled to require Interruption of LDZ Interruptible Supply Points in accordance with this paragraph 7.

- 7.1.3 Each DNO shall keep National Grid NTS informed of the DNO's Interruption rights from time to time in respect of each Exit Zone in each Gas Year as follows:

- (a) the DNO shall, in September of the preceding Gas Year, provide to National Grid NTS a statement containing the following information (as at the start of the Gas Year):

- (i) the aggregate amount of the Supply Point Capacity held by Users at Interruptible LDZ Supply Points in that Exit Zone;
 - (ii) the aggregate amount (in GWh) of Interruption available to the DNO in that Exit Zone (that is, the sum, for all Interruptible LDZ Supply Points, of the Supply Point Capacity multiplied by the number Days of the Interruption Allowance in accordance with paragraph 5.7.5); and
 - (iii) the number of Interruptible LDZ Supply Points in that Exit Zone;
- (b) the DNO shall, as soon as practicable after any material change in the information referred to in paragraph (a), and in any event upon the reasonable request of National Grid NTS, provide to National Grid NTS an updated statement of such information;
- (c) the DNO shall, at such intervals as National Grid NTS may reasonably require, and in any event as soon as practicable after any material change in such information, provide to National Grid NTS a statement of the cumulative aggregate amount (in GWh) of Interruption used in that Exit Zone to date in the Gas Year (that is, the sum, for all Interruptible LDZ Supply Points, of the Supply Point Capacity multiplied by the number of Days for which an Interruption Notice has been given, whether or not pursuant to Interruption Instructions of National Grid NTS); and
- (d) the DNO shall inform National Grid NTS at any time if (in the Gas Year to date) the DNO has Interrupted some Interruptible Supply Points in an Exit Zone on a materially greater number of Days than other Interruptible Supply Points.
- 7.1.4 Each DNO shall, in respect of each Day, provide to National Grid NTS, by 18:00 hours on the Preceding Day, a statement of its best estimate of the aggregate daily gas flows at Interruptible LDZ Supply Points in each of its LDZs that will be available for Interruption on that Day.
- 7.1.5 In this paragraph 7, a reference to Interruption in respect of an Exit Zone is to Interruption of LDZ Interruptible Supply Points which will reduce the flow of gas at Offtakes in that Exit Zone.

7.2 Requirement for Interruption

- 7.2.1 Where (as described in paragraph 7.1.2) National Grid NTS requires Interruption of LDZ Interruptible Supply Points, National Grid NTS will so instruct the DNO by giving an Interruption Instruction to the DNO, specifying:
- (a) the Exit Zone in respect of which such Interruption is required;
 - (b) the aggregate amount (expressed in MW or MWh per hour), of the Interruption required; and
 - (c) the time (consistent with the requirements of paragraph 5.8.1, on the assumption that the DNO acts on the Interruption Instruction within 30 minutes after receiving it) with effect from which such Interruption is required.
- 7.2.2 Upon receipt of an Interruption Instruction under paragraph 7.2.1, the DNO shall:
- (a) as soon as practicable (and in any event within 30 minutes) after receipt of the instruction:

- (i) select (in relation to the Exit Zone specified, and so as to secure the amount of Interruption specified, in the Interruption Instruction, but otherwise in its discretion) the LDZ Interruptible Supply Points which are to be Interrupted;
- (ii) give Interruption Notices (for the Interruption Start Time specified in the Interruption Instruction) in relation to the selected LDZ Interruptible Supply Points; and
- (iii) confirm to National Grid NTS that such Interruption Notices have been given; and
- (b) revise its Offtake Profile Notices for the relevant Offtake(s) so as to reflect the Interruption (on the assumption that the Interruption continues for the remainder of the Day).

7.2.3 When National Grid NTS' requirement for LDZ Interruption ceases or will cease, or the amount of Interruption required is or will be reduced, National Grid NTS will so instruct the DNO by giving an Interruption Instruction to the DNO, specifying:

- (a) the Exit Zone in respect of which the cessation or reduction of such Interruption is required;
- (b) whether the Interruption is to cease entirely or the amount thereof to be reduced;
- (c) in the case of a reduction, the aggregate amount (expressed in MW or MWh per hour) of the reduction in the required Interruption; and
- (d) the time (where later than the time at which the Interruption Instruction is given) with effect from which the cessation or reduction is required.

7.2.4 Upon receipt of an Interruption Instruction under paragraph 7.2.3, the DNO shall:

- (a) as soon as practicable (and in any event within 60 minutes) after receipt of the instruction:
 - (i) (in the case of a reduction in Interruption) select (in relation to the Exit Zone specified, and so as to secure the reduction of Interruption specified, in the Interruption Instruction, but otherwise in its discretion) the LDZ Interruptible Supply Points at which Interruption is to cease;
 - (ii) give notification (in accordance with paragraph 5.8.5) of the cessation of Interruption (with effect from the time, if any, specified in the Interruption Instruction) in relation to the selected LDZ Interruptible Supply Points; and
 - (iii) confirm to National Grid NTS that such notification has been given; and
- (b) revise its Offtake Profile Notices for the relevant Offtake(s) so as to reflect the reduction or cessation of Interruption.

7.2.5 Interruption Instructions and DNO's confirmations of receipt of Interruption Instructions shall be given by the means and in the format specified in or pursuant to TPD Section M.

7.3 Financial aspects

7.3.1 The Parties acknowledge that:

- (a) pursuant to paragraph 5.1.9(b), if any LDZ Interruptible Supply Point is Interrupted on more than 15 Days in a Formula Year, the Registered User(s) is entitled to a payment calculated in the manner provided for in the DNO's Transportation Statement; and
- (b) such compensation is effected by way of Invoice Credit in respect of Transportation Charges payable by Users to National Grid NTS, and accordingly is borne by National Grid NTS;

and accordingly each DNO agrees to repay to National Grid NTS a part or all of the amount of such compensation borne by National Grid NTS, in accordance with this paragraph 7.3.

- 7.3.2 Following each Formula Year, in respect of each LDZ Interruptible Supply Point in an LDZ which was Interrupted on more than 15 Days in the Formula Year, the DNO shall pay to National Grid NTS an amount calculated as:

$$C * (AI - NI) / AI$$

where:

- C is the amount of compensation payable by National Grid NTS in respect of the Interruptible Supply Point as referred to in paragraph 7.3.1;
- AI is the aggregate number of Days on which the Interruptible Supply Point was Interrupted in the Formula Year;
- NI is the number of Days on which the Interruptible Supply Point was Interrupted in the Formula Year pursuant to an Interruption Instruction given by National Grid NTS.

- 7.3.3 The DNO shall:

- (a) keep accurate records (in accordance with OAD Section M2.3) of the Days on which each LDZ Interruptible Supply Point is Interrupted, and on which of those Days such Interruption was pursuant to an Interruption Instruction; and
- (b) as soon as practicable after (and upon National Grid NTS's request, from time to time during) the Formula Year, provide to National Grid the information recorded pursuant to paragraph (a).

- 7.3.4 The amount (if any) payable by the DNO under paragraph 7.3.2 shall be calculated by National Grid NTS as soon as practicable after receipt from the DNO of the information required under paragraph 7.3.3(b), and shall be invoiced and payable in accordance with OAD Section L.¹

¹ Implementation of modification 0195AV, effective 06:00hrs on 01 April 2009, will add new paragraphs 8, 9, 10, 11 and 12.

