

MODIFICATION 0525

INDICATIVE LEGAL TEXT - ATTACHMENT C

EUROPEAN INTERCONNECTION DOCUMENT

SECTION A - GENERAL

1 Scope

1.1 General

- 1.1.1 This Document applies in relation to Interconnection Points.
- 1.1.2 This Document sets out provisions relating to Interconnection Points which differ from, or are additional to, the provisions of the Transportation Principal Document.
- 1.1.3 Except as provided in this Document, the provisions of the Transportation Principal Document apply to Interconnection Points.
- 1.1.4 Unless otherwise provided, in this Document words and expressions which are defined in or for the purposes of the Transportation Principal Document have the meanings given to them in or for the purposes of the Transportation Principal Document.
- 1.1.5 In the case of any conflict between the provisions of this Document and of the Transportation Principal Document in relation to an Interconnection Point, the provisions of this Document shall prevail.
- 1.1.6 The provisions of this Document may be varied in respect of a particular Interconnection Point by an Ancillary Agreement.

1.2 Interconnection Agreement

- 1.2.1 An **Interconnection Agreement** is an agreement between National Grid NTS and the Adjacent TSO in relation to an Interconnection Point which takes effect (among other things) as Network Entry Agreement and Network Exit Agreement.
- 1.2.2 The Interconnection Agreement for each Interconnection Point will include provisions agreed between the TSOs which implement or support provisions of this Document.
- 1.2.3 In relation to an Interconnection Point, provisions of TPD Sections I and J which state what may or must be contained in a Network Entry Agreement or a Network Exit Agreement are to be construed consistent with the provisions of this Document as to the Interconnection Agreement.

1.3 Physical flows at Interconnection Points

- 1.3.1 At an Interconnection Point physical flows of gas may be permitted in both directions (i.e. as physical flows both out of and into the NTS) or in one direction only; and the Interconnection Agreement will specify which is the case for the time being.
- 1.3.2 Certain provisions of this Document apply in relation to an Interconnection Point by reference to whether physical flow is permitted in both directions or one direction only.

1.3.3 Where physical flow at an Interconnection Point is permitted in one direction only (the **forward** Direction):

- (a) Nominations may be made by, and quantities allocated (as UDQIs or UDQOs as the case may be) to, Users in the opposite Direction (the **reverse** Direction) only as to rates and quantities which do not exceed the rates and quantities in which gas is nominated or allocated by or to Users in the forward Direction;
- (b) references to the delivery or offtake (whichever is in the reverse Direction) of gas at the Interconnection Point, and to the Interconnection Point as a System Point in the reverse Direction, shall be construed in accordance with paragraph (a);
- (c) (as provided in Section B[1.2]) Interconnection Point Capacity in the reverse Direction may be held only as Interruptible Daily Interconnection Point Capacity;
- (d) for the purposes of the curtailment provisions of TPD Sections B2.9 and B3.10, circumstances in which the condition (in respect of Nominations) in paragraph (a) is not satisfied shall be treated as an Entry Capability Shortfall or (as the case may be) an NTS Exit Constraint (and as a Transportation Constraint for the purposes of Section C3);
- (e) TPD Section E1.9 (disregarding references to net physical flows of gas in the reverse Direction) will apply in respect of the Interconnection Point for the purposes of allocating quantities in the reverse Direction (and Users will obtain such allocations only if and to the extent determined in accordance with TPD Section E1.9);
- (f) for the avoidance of doubt Users may be liable for Scheduling Charges and Commodity Charges in respect of the Interconnection Point (in respect of Interconnection Point Nominations and UDQIs or UDQOs as the case may be) in the reverse Direction.

2 Interpretation

2.1 Interconnection Point, etc

2.1.1 For the purposes of this Document:

- (a) **interconnector** means an interconnector pipeline which connects the National Transmission System to a gas transmission system of an EU member state (or to more than one such system);
- (b) an **Interconnection Point** is the point or points at which an interconnector is connected to the NTS;
- (c) an Interconnection Point constitutes for the purposes of the Code a NTS System Entry Point and/or a NTS Connected System Exit Point (each of which may comprise one or more Individual System Points), as specified for the time being in the Interconnection Agreement;
- (d) an Interconnection Point constitutes for the purposes of the Adjacent TSO Rulebook a point at which gas can flow into or out of the interconnector.

2.1.2 In relation to an Interconnection Point:

- (a) the **Interconnected System** is the interconnector which is connected to the NTS at that Interconnection Point;
- (b) the **Adjacent TSO** is the operator of the Interconnected System (and for the purposes of TPD Sections I and J is a Delivery Facility Operator and Connected System Operator respectively);
- (c) **Transmission System Operator** or **TSO** means National Grid NTS or the Adjacent TSO;
- (d) **IS User** means a user of the Interconnected System (whether or not a User);
- (e) references to an IS User are to the IS User in that capacity;
- (f) references to a User include the User in the capacity of IS User, where applicable;
- (g) **Adjacent TSO Rulebook** means the terms and conditions in force from time to time between the Adjacent TSO and IS Users for use of the Interconnected System at the Interconnection Point.

Deleted: , or (for the purposes of specified provisions of the Code) such other gas transmission system (connected to such interconnector) as may be designated by National Grid NTS with the approval of the Authority

Deleted: , or (for the purposes of specified provisions of the Code) such other person as may be designated by National Grid NTS with the approval of the Authority

2.2 IP ASEP

- 2.2.1 An **IP ASEP** is an Aggregate System Entry Point (designated pursuant to TPD Section I1.5) which comprises one or more Interconnection Points.
- 2.2.2 No Aggregate System Entry Point shall comprise both an Interconnection Point and a System Entry Point which is not an Interconnection Point.
- 2.2.3 A reference to the IP ASEP in relation to an Interconnection Point is to the IP ASEP in which the Interconnection Point is comprised; and where the context requires, a reference to an Interconnection Point includes the IP ASEP in which it is comprised.
- 2.2.4 A **Binary IP ASEP** is an IP ASEP which comprises two Interconnection Points (and it is acknowledged that at the EID Implementation Date there is no case where an IP ASEP comprises more than two Interconnection Points and that a modification of this Document would be necessary to address such a case).

2.3 Direction

- 2.3.1 For the purposes of this Document, **Direction** refers to the direction of commercial flow of gas at an Interconnection Point.
- 2.3.2 In the context of Interconnection Point Capacity and/or Interconnected System Capacity, Direction denotes whether such capacity is:
 - (a) NTS Entry Capacity and/or Interconnected System Capacity for exit from the Interconnected System, or
 - (b) NTS Exit (Flat) Capacity and/or Interconnected System Capacity for entry to the Interconnected System.

2.3.3 In the context of an Interconnection Point Nomination and/or Interconnected System Nomination, Direction denotes whether such nomination is:

- (a) an Input Nomination and/or Interconnected System Nomination for exit from the Interconnected System, or
- (b) an Output Nomination and/or Interconnected System Nomination for entry to the Interconnected System.

2.3.4 In the context of the allocation of gas to a User or IS User as offtaken from or delivered to the System and/or Interconnected System at an Interconnection Point, Direction denotes whether such allocation is:

- (a) an UDQI and/or exit quantity from the Interconnected System, or
- (b) an UDQO and/or entry quantity to the Interconnected System.

2.4 Requirements for Users at Interconnection Points

2.4.1 Before a User can hold Interconnection Point Capacity or nominate gas for offtake or delivery at a particular Interconnection Point, the User must notify National Grid NTS (as required by the UK Link Manual) of its intention to do so.

2.4.2 A reference in this Document to a User:

- (a) subject to paragraph (b), is to a User which has given notification as provided in paragraph 2.4.1 in relation to any Interconnection Point and not withdrawn such notice;
- (b) in relation to a particular Interconnection Point, is to a User which has given such notification in relation to that Interconnection Point and not withdrawn such notice.

2.4.3 In order to acquire or otherwise deal with Interconnection Point Capacity under the provisions of Section B, or submit an Interconnection Point Nomination under the provisions of Section C, a User must have had assigned to it and hold an Energy Identification Code, which is an identification code issued by the central issuing office or any local issuing office under the Energy Identification Coding scheme established by the European Network of Transmission System Operators for Electricity (ENTSO-E).

2.5 Other interpretation

2.5.1 In this Document:

- (a) **ENTSOG** means the European Network of Transmission System Operators for Gas, an 'Association Internationale Sans But Lucratif' established under Belgian law;
- (b) the **EID Implementation Date** is the Implementation Date of the Modification pursuant to which the Code was modified to include this Document;
- (c) a reference to a Party is to National Grid NTS or a User as provided in paragraph [2.4.(a)] or in relation to a particular Interconnection Point a User as provided in paragraph [2.4.2(b)].

- 2.5.2 A reference in this Document to a provision of the Transportation Principal Document is to that provision as modified (in relation to Interconnection Points) by this Document.
- 2.5.3 For the purposes of this Document information or any document is **published** if it is provided or made available to Users including by posting on a website accessible to Users.

3 Further provisions

3.1 Relationships

- 3.1.1 Except as expressly provided in the Code, neither TSO in relation to an Interconnection Point acts as agent for the other TSO in any relationship with Users or IS Users.
- 3.1.2 Nothing in the Code purports to or has effect to confer any rights or obligations on a User, or any rights or obligations as between National Grid NTS and a User, in respect of an Interconnected System.
- 3.1.3 Nothing in any Adjacent TSO Rulebook creates any rights or obligations as between National Grid NTS and any User or IS User or otherwise binds National Grid NTS.

3.2 Adjacent TSO Rulebook

- 3.2.1 Where a provision (**relevant provision**) of this Document refers to or operates by reference to the Adjacent TSO Rulebook in relation to an Interconnection Point:
- (a) the Parties confirm that they consider that (as at the EID Implementation Date) the provisions of the Adjacent TSO Rulebook are compatible with the relevant provision;
 - (b) if (and for so long as) there is any incompatibility between the provisions of the Adjacent TSO Rulebook and the relevant provision, to the extent to which such incompatibility affects the implementation of the relevant provision:
 - (i) National Grid NTS shall be entitled to implement the relevant provision in any way which (in its reasonable discretion) it determines to be practicable and appropriate in the circumstances (and the Code shall take effect in accordance with such determination);
 - (ii) National Grid NTS will to the extent practicable consult with Users, and will in any event notify Users, as to how it implements such provision;
 - (iii) for the avoidance of doubt, any Party may propose a Code Modification which would remove such incompatibility;
 - (c) if a Code Modification is proposed which (in the opinion of any Party) would result in the relevant provision becoming incompatible with the provisions of the Adjacent TSO Rulebook, that Party may require that the Modification Report contains a statement to that effect;
 - (d) for the avoidance of doubt, if an amendment or proposed amendment of the Adjacent TSO Rulebook would (in the opinion of any Party) result in the provisions of the Adjacent TSO Rulebook becoming incompatible with the relevant provision, that Party may propose a Code Modification which would remove such incompatibility.

3.2.2 Where any provision of this Document refers to or operates by reference to the Adjacent TSO Rulebook or any act of or circumstance relating to an IS User or the Adjacent TSO in relation to the Interconnected System:

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

3.3 Information

3.3.1 Nothing in TPD Section V5.1 shall apply to the disclosure of Protected Information by National Grid NTS to an Adjacent TSO where such disclosure is provided for or contemplated by this Document or an Interconnection Agreement.

3.3.2 Where this Document contemplates that a Party will receive information from an Adjacent TSO, such information shall be treated as being obtained by such Party pursuant to the implementation of the Code for the purposes of TPD Section V5.3.1(a)(i) and (b)(i).

3.4 Code Communications

3.4.1 Unless otherwise provided in this Document, any communication to be made by National Grid NTS or a User under this Document is a Code Communication (and accordingly in the definition of Code Communication in GT Section C1 the reference to the Transportation Principal Document shall be deemed to include this Document).

3.4.2 Unless otherwise provided in this Document, Code Communications under this Document are to be given as UK Link Communications in accordance with TPD Section U (and it is acknowledged that for certain purposes the UK Link Manual makes separate provision in relation to certain Code Communications under this Document).

3.5 Other provisions of TPD

3.5.1 References to the Transportation Principal Document in the following provisions of the Code shall be deemed to include this Document:

- (a) GT Section B3.1.3(b);
- (b) GT Section C2.5.

4 Interconnection Agreement and Adjacent TSO

4.1 Interconnection Provisions

4.1.1 For the purposes of this Document:

- (a) Interconnection Provisions are the following provisions contained in an Interconnection Agreement:

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(i) Network Entry Provisions;

(ii) Network Exit Provisions;

(iii) provisions (**Capacity Bundling Provisions**) as to the arrangements between the TSOs for the designation of Interconnection Point Capacity and Interconnected System Capacity as Bundled, and for holding Auctions of and taking other steps in relation to such Bundled Interconnection Point Capacity and Interconnected System Capacity;

(iv) provisions (**Matching Provisions**) as to Matching Procedures and Rules (as provided in Section C1.5);

(v) provisions (**Allocation Provisions**) as to the arrangements between the TSOs for an Operational Balancing Account and the basis of allocation to Users and IS Users of quantities of gas flowing at an Interconnection Point;

(vi) provisions for communications between the TSOs in case of an exceptional event;

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(b) **Restricted Interconnection Provisions** are the following Interconnection Provisions:

(i) Network Entry Provisions which fall within TPD Section I2.3.1 [or I2.3.2];

(ii) Network Exit Provisions which govern or are directly relevant to the arrangements between National Grid NTS and Users pursuant to the Code (as provided in TPD Section J6.4.1);

(iii) Capacity Bundling Provisions so far as they provide for or directly affect how the provisions of Section B are to operate as between National Grid NTS and Users;

(iv) Matching Provisions so far as they provide for or directly affect how the provisions of Section C are to operate as between National Grid NTS and Users;

(v) Allocation Provisions so far as they provide for or directly affect how the provisions of Section D are to operate as between National Grid NTS and Users;

(vi) provisions for communications between the TSOs in case of an exceptional event, so far as they affect Users.

4.1.2 National Grid NTS will, in relation to each Interconnection Point:

(a) make available to Users the Restricted Interconnection Provisions and any amendment of such provisions;

(b) except to the extent to which it is restricted from doing so under the Interconnection Agreement, make available to any User upon request the Interconnection Provisions which are not Restricted Interconnection Provisions, other than provisions which National Grid NTS considers to be commercially sensitive.

4.1.3 National Grid NTS will not agree with the Adjacent TSO to amend the Restricted Interconnection Provisions in relation to an Interconnection Point except:

- (a) with the approval of each User which for the time being holds Available Interconnection Point Capacity at the Interconnection Point, or
- (b) pursuant to a Code Modification which authorises such amendment; or
- (c) as may (in the reasonable opinion of National Grid NTS) be required to enable National Grid NTS or the Adjacent TSO to comply with any Legal Requirement.

4.1.4 This paragraph 4.1 applies in place of TPD Sections I2.1.1, I2.2, J6.1.1 and J6.4, which do not apply in relation to Network Entry Provisions or Network Exit Provisions in an Interconnection Agreement.

4.1.5 Where a Code Modification is required (under paragraph 4.1.3) to authorise an amendment of Restricted Interconnection Provisions in an Interconnection Agreement (an **IA Amendment**), the Modification Rules shall apply on the following basis:

- (a) where the Interconnection Agreement provides that alternate IA Amendments may be proposed by National Grid NTS and by the Adjacent TSO, then National Grid NTS may make both a Modification Proposal and (notwithstanding MR Section 6.4.1) an alternative Modification Proposal (each in respect of one of the alternate proposed IA Amendments);
- (b) where (under the Interconnection Agreement) the Adjacent TSO is required to consult with IS Users in respect of the proposed IA Amendment, the Modification Panel will endeavour to coordinate with the Adjacent TSO in respect of the procedures under the Modification Rules and the consultation procedures adopted by the Adjacent TSO, with a view to achieving coordinated consultation; and the Modification Report will include a report as to the extent of such coordination;
- (c) the Code Administrator shall liaise with each Adjacent TSO to give effect to paragraph (b);
- (d) at the request of National Grid NTS, the Modification Panel shall determine the periods for particular stages of the process under the Modification Rules so that (where applicable) the consultation requirement in Article 4(2) of the Interoperability Code is complied with.

4.2 Indemnity of Adjacent TSO

4.2.1 In relation to each Interconnection Point, each User irrevocably and unconditionally:

- (a) agrees and acknowledges that National Grid NTS may agree to indemnify any Adjacent TSO in respect of any costs, losses or damages incurred by the Adjacent TSO as a result of a relevant claim by any User arising out of any failure by the Adjacent TSO to comply with any provision of the Interconnection Agreement;
- (b) undertakes that it will not make and will waive any relevant claim in relation to any Adjacent TSO;

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(c) _____ agrees to indemnify National Grid NTS in respect of any liability (pursuant to an indemnity within paragraph (a)) to an Adjacent TSO resulting from any relevant claim by the User.

4.2.2 For the purposes of paragraph [4.2.1] a **relevant claim** is a claim (in tort or otherwise) in respect of costs, losses or damages of a User arising under any provision of the Code, but excluding a claim arising under a contract between the User and the Adjacent TSO.

4.3 Effect of flow rate limits and other terms of Interconnection Agreement

[To set out residual provisions required from the Ancillary Agreements]

4.4 Relevant CSEP

[To specify TPD references in which an Interconnection Point is to be a 'relevant' CSEP (from the existing provisions in the Ancillary Agreements)]

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