

Action 1101:

NGT (PL) to confirm if there will be an indemnity of actions as a consequence of NGT making an incorrect decision on issuing a Cessation Notice.

TPD Section G4.8.9 of the draft text requires NGT to issue the notice if it concludes the relevant criteria have been met. When making this decision, as per TPD Section V11.2 NGT must:

"...in relation to exercising its discretions and performing obligations under the Code ... at all times... act reasonably and in good faith in its dealings with [shippers]; ...".

Hence NGT is required to make this decision in an objectively reasonable manner (given the facts and the circumstances) and this decision should be exercised consistently with its purpose, here to issue the notice where the relevant facts apply, i.e. the shipper is a sanctioned entity and the related gas supply is therefore prohibited.

If in taking this decision NGT:

- has asked the right questions;
- considered all relevant matters;
- dis-regarded irrelevant matters; and
- reached a decision which a reasonable person could have objectively reached

we believe we will have complied with TPD Section V11.2.

Even if this were not the case, and NGT's decision is deemed to be unreasonable and therefore a breach of TPD Section V11.2, then TPD V8.1.1(a) limits the extent of liability for a breach of UNC to physical damage to property and limits such liability to the amounts set out in TPD Section V8.1.3.

Liability for the following is explicitly excluded as per TPD Section V8.1.1(b):

- any loss of profit, loss of revenue, loss of use, loss of contract, loss of goodwill, or increased cost of working; or
- any indirect or consequential loss; or
- (except in respect of the aforementioned damage to property, and liability for death or personal injury resulting from negligence) loss resulting from the liability of any other Party to any other person howsoever and whensoever arising.