

MOFFAT ANCILLARY AGREEMENT

(AMENDED AND RESTATED CSEP ANCILLARY AGREEMENT)

GB - IRELAND INTERCONNECTOR

THIS AGREEMENT, made on and with effect from _____ 1998, and amended and restated with effect from _____ 2011, is made between:

- (1) **NATIONAL GRID GAS plc**, whose principal office and other details are as set out in Part 1 of Schedule 1 hereto; and
- (2) **THE PERSONS** whose names, principal offices and other details are as set out in Part 2 of Schedule 1 hereto.

WHEREAS:

- (A) The Parties are party to the Network Code Framework Agreement dated 26th February 1996, pursuant to which they are bound by the Network Code.
- (B) This Agreement is in a form designated by National Grid Gas with Condition A11(18) Approval of the Authority and is being entered into (1) pursuant to Section J6.6.1 as a CSEP Ancillary Agreement in relation to the Connected System Exit Point, and (2) as an Ancillary Agreement (for the purposes, inter alia, of Section V1.1.6) in relation to the System Entry Point, at Moffat at which the GB-Ireland Interconnector is connected to the System.
- (C) With effect from the Effective Date the Parties wish to amend and restate this Agreement.

NOW IT IS HEREBY AGREED as follows:

1. Interpretation

- 1.1 In this Agreement (including the Recitals hereto) the following words and expressions shall have the following meanings:

"Accession Agreement": an Agreement, between National Grid Gas (on its own behalf and on behalf of all other Parties) and a User wishing to become a Moffat User, in the form in Annex A hereto;

"Annex B-2": Annex B-2 of the CSA;

"Authority": the Gas and Electricity Markets Authority;

"BGE Shipper(s)": has the meaning assigned to it in the CSA;

"Commencement Date": the 26th Business Day after the date of this Agreement, or 1st October 1998, whichever is the later or such earlier date as shall be notified by National Grid Gas;

"Connected Offtake System": the GB-Ireland interconnector;

"Connected System Point": the System Point at Moffat at which the Connected System is connected to the System;

"**CSA**": the Connected Systems Agreement dated 25 August 1998 between National Grid Gas and the CSO, amended and restated as at the Effective Date and as from time to time amended thereafter in accordance with Section J6.4.1 and/or Clause 10.7;

"**CSEP**": the Connected System Point as Connected System Exit Point;

"**CSEP User**": a Moffat User which is (or in its capacity as) a Party as provided in Clause 1.5(a);

"**CSO**": the Connected System Operator for the time being of the Connected Offtake System;

"**Curtailed Notice**": has the meaning assigned to it in Annex B-2;

"**Designated Agency Agreement**": means the Designated Agency (Forward) Agreement or the Designated Agency (Reverse) Agreement;

"**Designated Agency (Forward) Agreement**": an Agreement for the time being designated by National Grid Gas, with Condition A11(18) Approval of the Authority, by notice of designation in the form in Annex C, as one to which CSEP Users are required to be party to for the purposes of Section J6.5.2 or otherwise for the purposes of this Agreement;

"**Designated Agency (Reverse) Agreement**": an Agreement for the time being designated by National Grid Gas, with Condition A11(18) Approval of the Authority, by notice of designation in the form in Annex C, as one to which SEP Users are required to be party to for the purposes of this Agreement;

"**Effective Date**": the date of the amendment and restatement of this Agreement;

"**Exit Flow Profile Agent**": has the meaning assigned to it in Clause 8.2;

"**Moffat User**": a Party to this Agreement other than National Grid Gas;

"**National Grid Gas**": National Grid Gas plc as licensee under the gas transporter's licence treated as granted to it;

"**Network Code**": the network code prepared by National Grid Gas pursuant to the gas transporter's licence treated as granted to National Grid Gas, as from time to time modified pursuant to that licence;

"**Party**": subject as provided in Clause 3.6, National Grid Gas, each other person who is party to this Agreement at the date hereof, and each User who is admitted as a party to this Agreement;

"**SEP**": the Connected System Point as System Entry Point; and

"**SEP User**": a Moffat User which is (or in its capacity as) a Party as provided in Clause 1.5(b).

1.2 Words and expressions defined in or for the purposes of the Network Code or the CSA and not otherwise defined herein shall have the meanings ascribed thereto in the Network Code or the CSA; and references in this Agreement to Sections are to Sections of the Transportation Principal Document of the Uniform Network Code incorporated into the Network Code.

1.3 This Agreement is a Network Code Ancillary Agreement for the purposes of Section V1.1, and (in accordance with Section J6.6.2) may be modified pursuant to the Modification Rules. Each SEP User agrees and shall be deemed to have agreed (for the purposes of Section V1.1.4) that this Agreement (including its provisions relating to the SEP) may be so modified.

1.4 For the purposes specified in this Agreement the CSEP shall be treated pursuant to Section A3.3.5 as comprising both a "**Firm**" and an "**Interruptible**" CSEP.

1.5 A User may be a Party who may:

(a) hold NTS Exit Capacity and offtake gas from the System at the CSEP; and/or

(b) hold NTS Entry Capacity and deliver gas to the System at the SEP;

provided that each User which is a Party at the Effective Date shall be deemed to be a User falling within paragraph (a), subject to Clause 3.8.

1.6 Any reference in this Agreement to an agent of Moffat Users is a reference only to a person which is an agent (for the relevant purposes) of all Moffat Users or (as applicable) all CSEP Users or all SEP Users.

1.7 Any reference in this Agreement to the delivery of gas to the System at the SEP shall be construed consistent with recital J and Annex F of the CSA.

2. **Commencement and duration**

2.1 Save as provided in Clause 2.2, this Agreement shall come into effect on the Commencement Date and (but without prejudice to Section J1.3.2 for which purposes this Agreement does not count as a Network Exit Agreement) shall continue in force thereafter.

2.2 Clause 11, those provisions of Section V which apply in this Agreement, and paragraph 5 of Schedule 3, shall come into effect upon the execution of this Agreement.

2.3 The amendment and restatement of this Agreement shall take effect on and from the Effective Date. The rights and obligations of the Parties in respect of periods prior to the Effective Date shall be determined by reference to the provisions of this Agreement as in force prior to such amendment and restatement.

3. **Conditions of becoming a Moffat User**

3.1 A User must (in relation to the CSEP, for the purposes of Section J6.3.4, and in relation to the SEP):

(ia) be a party to or accede to any Designated Agency Agreement (as applicable in respect of Moffat Users generally or CSEP Users or SEP Users) which is for the time being in force; and

(ib) comply with any requirements stipulated in such agreement;

before it may become a Moffat User in relation to the CSEP and/or a SEP and be admitted as a Party.

3.2 By executing or acceding to this Agreement or giving notice under Clause 3.8, a User (as CSEP User) shall be deemed to have given notice to National Grid Gas pursuant to Section J6.3.1 in respect of the CSEP.

3.3 Subject to the conditions in Clause 3.1, where a User applies (in accordance with clause 3.4) to become a Moffat User, the Parties shall admit such User as an additional party to this Agreement, for which purposes National Grid Gas shall enter into an Accession Agreement with such User.

- 3.4 Where a User (other than a User which is an original signatory to this Agreement) wishes to become a Moffat User with effect from any date (the "**proposed accession date**"):
- (a) the User shall, not less than 20 Business Days and not more than 6 months before the proposed accession date, give notice of its wish to National Grid Gas, specifying the proposed accession date and whether it wishes to be a CSEP User or a SEP User or both;
 - (b) if National Grid Gas is satisfied that the condition in Clause 3.1 is or will by the proposed accession date be satisfied, National Grid Gas will, not later than the 5th Business Day after the User's notice under paragraph (a), submit to the User an Accession Agreement for execution by the User;
 - (c) the User may become a Party, by executing and returning to National Grid Gas such Accession Agreement, not less than 10 Business Days before the proposed accession date, subject to paragraph 2.14 of Schedule 3;
 - (d) National Grid Gas will date and execute the Accession Agreement with effect from the proposed accession date, and will inform each other Party of the identity of the new Party, whether it is a CSEP User or a SEP User or both, and the date of its accession.
- 3.5 Each Party (other than National Grid Gas) hereby authorises National Grid Gas to sign on its behalf and deliver any Accession Agreement pursuant to Clause 3.3, and undertakes not to withdraw, qualify or revoke such authority.
- 3.6 Upon the execution of an Accession Agreement by National Grid Gas and a User, the User shall become a Party and (as the case may be) a CSEP User or a SEP User or both.
- 3.7 A Moffat User shall cease to be a Moffat User and a Party:
- (a) upon ceasing to be a User under the Network Code;
 - (b) subject to Clause 3.9, with effect from the date so specified, if:
 - (i) the Moffat User gives notice to National Grid Gas to the effect that, and specifying the date (not less than 10 Days after the date of such notice) with effect from which, the Moffat User wishes to cease to be a Moffat User, and
 - (ii) (in the case of a CSEP User) on the date so specified, the Moffat User:
 - (1) does not hold any Available NTS Exit Capacity at the CSEP;
 - (2) does not hold any Registered NTS Exit Capacity at the CSEP; and
 - (3) is not party to any outstanding System Capacity Transfer in relation to the CSEP; or
 - (c) subject to Clause 3.9, with effect from the effective date of such designation, if:
 - (i) after the date of this Agreement, National Grid Gas designates any agreement as a Designated Agency Agreement applicable to such Moffat User, and
 - (ii) the Moffat User is not a party to and has not acceded to such agreement, or has not complied with any such requirements of such agreement as are referred to in Clause 3.1(b), at or by the date with effect from which National Grid Gas designated such agreement.

- 3.8 Where a Moffat User is a CSEP User or a SEP User but not both:
- (a) such Moffat User may give notice to National Grid Gas specifying that, with effect from a date stated in the notice (not being less than 10 Business Days after the notice is given), such Moffat User wishes to become a SEP User or a CSEP User (as the case may be);
 - (b) provided that (by such date) the Moffat User has complied with the applicable requirements in Clause 3.1(a) and (b), the Moffat User shall become a SEP User or a CSEP User (as the case may be) with effect from such date;
 - (c) National Grid Gas will inform each other Party that the Moffat User has become a SEP User or a CSEP User within 15 Business Days of the date referred to in paragraph (b).
- 3.9 Where a Moffat User is both a CSEP User and a SEP User, it shall cease to be one but shall remain as the other (and as a Moffat User and a Party):
- (a) in the case of a notice under Clause 3.7(b), where such notice specifies that it wishes to cease to be a CSEP User or a SEP User but remain as the other;
 - (b) in the case of Clause 3.7(c), where the Designated Agency Agreement is applicable to a CSEP User or a SEP User but not both.

4. **General Network Exit Provisions and other provisions**

- 4.1 Each Moffat User acknowledges the terms of the CSA; and the CSEP Users as at the Effective Date approve (and shall be deemed to approve) for the purposes of Sections J4.3.6(b) and J6.4.1 the amendment and restatement of the CSA as at the Effective Date.
- 4.2 Schedule 2 shall apply in relation to the CSEP.
- 4.3 Where the Transportation Statement for the time being provides for any charge (in addition to Transportation Charges under the Network Code) in relation to the Connected Systems Point, Moffat Users (or CSEP Users or SEP Users as applicable) shall be liable to pay such charge.
- 4.4 Each Moffat User authorises National Grid Gas to disclose information relating to that Moffat User to the CSO and to the person for the time being appointed as agent pursuant to any Designated Agency Agreement for the time being in force, so far as such disclosure is provided for in this Agreement or such Designated Agency Agreement.
- 4.5 Where a Designated Agency Agreement contemplates that National Grid Gas will provide information to the agent thereunder, and National Grid Gas has written to the agent confirming its willingness to do so, then National Grid Gas agrees with Moffat Users to provide to the agent such information (but National Grid Gas's designation in the form in Annex C of the Agreement shall not amount to such confirmation).
- 4.6 Schedule 4 shall apply in relation to the Scottish Independent Undertaking at Stranraer with effect from the date on which the Network Code has been modified to provide for its implementation; and the further provisions of this Agreement shall be construed with effect from such date subject to and in accordance with Schedule 4.
- 4.7 National Grid Gas agrees that:
- (a) it will provide to each Moffat User a copy of any amendment made to the CSA; and

- (b) it will not agree with the CSO to terminate the CSA without giving notice to Moffat Users at least 60 days before the effective date of such termination.
- 4.8 Where a Designated Agency (Reverse) Agreement is not in place, or if any agent appointed thereunder does not provide National Grid Gas with an allocation in accordance with such agreement, then for the purposes of allocating gas nominated by SEP Users for delivery at the CSP paragraph 3.5 of Annex F of the CSA shall apply.
- 5. **Exit capacity booking**
- 5.1 The Firm CSEP is a relevant Connected System Exit Point for the purposes of Sections J6.7.1, 6.7.2, 6.7.3, 6.7.4 and 6.7.5.
- 5.2 Schedule 3 shall apply in respect of NTS Exit Capacity at the Firm CSEP.
- 6. **Output Nominations and Exit Allocations**
- 6.1 A CSEP User may make Output Nominations and Renominations in respect of the Firm CSEP or the Interruptible CSEP; and National Grid Gas will secure on behalf of each CSEP User that CSEP User's compliance (in respect of the Firm and the Interruptible CSEP) with Section C1.8.
- 6.2 An Output Nomination or Renomination shall specify whether it is submitted in respect of the Firm CSEP or the Interruptible CSEP.
- 6.3 For the purposes of this Agreement an UDQO shall be determined each Day for each CSEP User separately in respect of the Firm CSEP and the Interruptible CSEP; but except where expressly otherwise provided any reference in this Agreement or in the Network Code to a CSEP User's UDQO in respect of the CSEP shall be a reference to the sum of the CSEP User's UDQOs for the Firm and the Interruptible CSEPs for the relevant Day.
- 6.4 Section E3.2 shall be construed in accordance with clause 6.3, and accordingly Exit Allocation Statements are required to be submitted separately in respect of the Firm CSEP and the Interruptible CSEP, but Section E3.2.6(b) shall apply by reference to the Firm and the Interruptible CSEP together.
- 6.5 In respect of any Day for which CSEP Users' UDQOs are not determined pursuant to Section E3.2.5 (by reference to Exit Allocation Statements complying with Section E3.2.6 submitted by CSEP Users or their agent) nor pursuant to Section E3.2.8:
 - (a) Clause 6.6 shall apply for the purposes of determining the aggregate quantity treated as offtaken by each CSEP User at the CSEP (as a whole);
 - (b) the quantity determined under paragraph (a) for each CSEP User shall be allocated between the Firm CSEP and the Interruptible CSEP in accordance with Clause 6.8 or 6.9.
- 6.6 Where this clause applies in relation to any Day, the CSEP Daily Quantity Offtaken shall be allocated in accordance with the following provisions and those of Clauses 6.7 to 6.10 (and Section E3.2.7 shall apply as varied hereby):
 - (a) except where paragraph (b) applies, to CSEP Users in proportion to the sum (for each CSEP User) of its Firm and Interruptible Nominated Quantities;
 - (b) where this paragraph applies:
 - (i) first, to CSEP Users in proportion to the lesser (for each CSEP User) of:

- (1) the CSEP User's Firm Nominated Quantity, and
- (2) the CSEP User's Firm Available Capacity;

up to a maximum of the aggregate for each CSEP User of the lesser of the amounts in paragraph (1) or (2);

- (ii) secondly, to CSEP Users in proportion to the sum (for each CSEP User) of:

- (1) the amount (if any) by which (for such CSEP User) the CSEP User's Firm Nominated Quantity exceeded its Firm Available Capacity, and
- (2) the CSEP User's Interruptible Nominated Quantity;

up to a maximum of the aggregate for each CSEP User of the sum of the amounts in paragraphs (1) and (2);

- (iii) lastly, as to any remaining amount, to CSEP Users in proportion to the sum (for each CSEP User) of the CSEP User's Firm Nominated Quantity and Interruptible Nominated Quantity.

6.7 Paragraph (b) of Clause 6.6 applies in relation to any Day for which National Grid Gas gave an Interruption Notice.

6.8 The amount allocated to a CSEP User pursuant to Clause 6.6 shall be allocated between the Firm and the Interruptible CSEPs (for the purposes of determining the CSEP User's UDQOs in respect of each) as follows, but subject to Clause 6.9:

- (a) first, an amount up to but not exceeding the CSEP User's Firm Nominated Quantity shall be allocated in respect of the Firm CSEP;
- (b) secondly, an amount up to but not exceeding the CSEP User's Interruptible Nominated Quantity shall be allocated in respect of the Interruptible CSEP;
- (c) lastly (and irrespective of whether any such CSEP User made an Output Nomination in respect of the Interruptible CSEP), any remaining amount shall be allocated:
 - (i) if the CSEP User's Firm Nominated Quantity exceeds its Firm Available Capacity, in respect of the Firm and the Interruptible CSEPs in proportion to the CSEP User's respective Firm and Interruptible Nominated Quantities;
 - (ii) except where paragraph (i) applies, entirely in respect of the Interruptible CSEP.

6.9 In respect of a Day for which National Grid Gas gave an Interruption Notice, the quantity of gas allocated (pursuant to Clause 6.6) to a CSEP User in respect of the Firm CSEP shall not exceed its Available NTS Exit Capacity at the CSEP, and all gas allocated to the CSEP User in excess of its Available NTS Exit Capacity shall be allocated in respect of the Interruptible CSEP.

6.10 For the purposes of Clauses 6.6 to 6.9, for each CSEP User:

- (a) the "**Firm**" and "**Interruptible**" Nominated Quantities are the Nominated Quantities under the CSEP User's Output Nominations and Renominations (made in compliance with the Network Code) respectively for the Firm and the Interruptible CSEP;

- (b) the "**Firm Available Capacity**" is the CSEP User's Available NTS Exit Capacity at the Firm CSEP.
- 6.11 Each CSEP User authorises National Grid Gas (provided National Grid Gas has agreed and not withdrawn its agreement to do so) to comply with, and disclose information and otherwise act as contemplated by, the Matching Trial Agent Protocol dated 10th October 1997 in relation to the CSEP, for so long as such protocol remains in force.
- 7. Interruptible CSEP**
- 7.1 National Grid Gas will not give Interruption Notices in relation to the CSEP for more than the allowed number of Days in any Gas Year.
- 7.2 For the purposes of this Agreement:
- (a) the "**allowed number**" of Days is 45 Days or such other number as National Grid Gas may from time to time specify by giving notice to CSEP Users of not less than 12 months (or such shorter period of notice as CSEP Users may agree);
- (b) an "**Interruption Notice**" is a Curtailment Notice given under paragraph 5.5(ii) or (iv) of Annex B-2 by reason of the Exit Flow Profile or revision thereof not complying with paragraph 4.1(ii) or 4.2(ii) of Annex B-2;
- (c) for the avoidance of doubt, in accordance with paragraph (b), where National Grid Gas has accepted a request made pursuant to paragraph 5.1(i)(1) of Annex B-2 and subsequently gives a Curtailment Notice which requires a reduced Exit Flow Rate or Flexed Exit Flow Rate which is not less than the greatest such rate which might have been specified in the Exit Flow profile without infringing paragraph 4.1(i) or 4.2(i) of Annex B-2, such notice shall not be an Interruption Notice.
- 7.3 Where for any Day the CSEP Daily Quantity Offtaken exceeds the aggregate NTS Exit Capacity held at the CSEP, the Applicable Commodity Rate of the NTS Commodity Charges payable by CSEP Users in respect of gas offtaken from the System at the Interruptible CSEP shall be subject to reductions (as though the Interruptible CSEP were a TNI Supply Point) as provided (by reference to the number, if any, of Days by which the allowed number of Days, as though such number were an Interruption Allowance, exceeds 45 Days) in the Transportation Statement, in accordance with Clause 7.4. For the avoidance of doubt, the NTS Commodity Charges would not be subject to reductions under this clause if the allowed number of Days does not exceed 45 Days.
- 7.4 For each CSEP User the reduction pursuant to Clause 7.3 shall apply in respect of a proportion of that User's UDQO in respect of the Interruptible CSEP, which proportion shall be determined as the amount by which the CSEP Daily Quantity Offtaken exceeds the aggregate NTS Exit Capacity held at the CSEP, divided by the aggregate of all CSEP User's UDQOs in respect of the Interruptible CSEP, but shall not exceed one (1).
- 7.5 Having been requested by CSEP Users, National Grid Gas agrees that the reduced Exit Flow Rate or Flexed Exit Flow Rate required by an Interruption Notice will be a whole number (including zero, in the case of a required reduction to the Available Firm Flow Rate) of interruption tranches above the Available Firm Flow Rate; where 'interruption tranches' are tranches of rate of offtake from time to time defined by National Grid Gas and notified to CSEP Users and the CSO, but so that no tranche shall be smaller than 5,860 MW (equivalent to 200,000 therms per Day) and until National Grid Gas otherwise notifies CSEP Users there shall not be more than 9 tranches.

7.6 Subject to Clause 7.9, where, in relation to any Day (a "**Failed Interruption Day**"), National Grid Gas gave an Interruption Notice and the requirements (the "**Curtailment Requirements**") of paragraph 5.3 of Annex B-2 were not complied with:

(a) CSEP Users shall be liable (in accordance with Clauses 7.7 and 7.8) to pay the following aggregate amounts to National Grid Gas:

(i) in respect of the first Failed Interruption Day to occur in any Gas Year, an amount calculated (irrespective of the extent of the failure) as follows:

$$2 * R * (A - B) * C / 24$$

(ii) in respect of any other Failed Interruption Day in any Gas Year, an amount determined as:

$$2 * D * Z$$

where:

A is the Prevailing Exit Flow Rate shown, in the Exit Flow Profile prevailing immediately before the Interruption Notice was given, for the curtailment time;

B is the reduced Exit Flow Rate or Flexed Exit Flow Rate required pursuant to the Interruption Notice;

C is the number of hours from the curtailment time to the earlier of the end of the Gas Flow Day and the time from which the Curtailment Requirements cease to apply;

R is the Applicable Annual Rate of the NTS Exit Capacity Charge in respect of the CSEP;

D is the aggregate quantity (in kWh) of gas offtaken, at any time on such Day while the Interruption Notice was in force, at a rate (in MW) in excess of the reduced Exit Flow Rate or Flexed Exit Flow Rate required by the Interruption Notice;

Z has the same meaning as 'Z' in Section G 6.9.2(b)(ii);

(b) the failure to comply with the Interruption Notice shall be counted as an occasion on which there was a failure to Interrupt, in relation to each CSEP User which is liable (in accordance with Clause 7.7) for any amount under paragraph (a), for the purposes of Section G6.9.6.

7.7 Subject to Clause 7.8(b), CSEP Users shall be liable for the aggregate amounts under Clause 7.6 in the proportions of their respective UDQOs in respect of the Interruptible CSEP.

- 7.8 Where CSEP Users have appointed an agent for the purposes of determining the allocation of such amounts:
- (a) National Grid Gas will notify to such agent the aggregate amounts under Clause 7.6 not later than the Day after any Failed Interruption Day;
 - (b) where the agent notifies to National Grid Gas, not later than the Exit Close-out Date, an allocation of such amounts (in aggregate equal to the aggregate amount notified by National Grid Gas under paragraph (a)) between particular CSEP Users specified by the agent, Clause 7.7 shall not apply, and CSEP Users will be liable for such amounts in accordance with the agent's notification to National Grid Gas;
 - (c) a CSEP User with no UDQO in respect of the Interruptible CSEP may be liable for such amounts pursuant to paragraph (b).
- 7.9 For the purposes of Clause 7.5, a CSEP User shall not be liable for an amount determined under Clause 7.7, and Clause 7.6(b) shall not apply in relation to that CSEP User:
- (a) where the failure to comply with the Curtailment Requirements resulted from an event or circumstance which was Force Majeure affecting that CSEP User, or
 - (b) in exceptional circumstances, where the User can demonstrate to National Grid Gas's reasonable satisfaction that it made all reasonable efforts to secure that the Curtailment Requirements were satisfied and that the failure to comply with them occurred despite such efforts.
8. **Rates and quantities of offtake**
- 8.1 Each Moffat User acknowledges the terms of Annex B-2 of the CSA; and in addition acknowledges:
- (a) that Renomination Quantities under Renominations in respect of the CSEP may be limited in particular where the Exit Flow Rate is Flexed;
 - (b) that the quantities which in aggregate may be offtaken from the System at the CSEP are limited by the provisions of Annex B-2 as to Ramp Rates (as therein defined).
- 8.2 An agent may only be appointed for the purposes of submitting Exit Flow Profiles (pursuant to Section J4.5 and Annex B-2 of the CSA, which may include a Flexed Exit Flow Rate) (the "**Exit Flow Profile Agent**"):
- (a) by all Moffat Users and all BGE Shippers; and
 - (b) with the prior written agreement of NGG and the CSO, such agreement not to be unreasonably withheld or delayed.
- 8.3 Moffat Users agree to ensure that (in terms of the Renomination Effective Times of Renominations, as much notice as is reasonably practicable is given to National Grid Gas of any change in the Exit Flow Rate.
- 8.4 Any Curtailment Notice (including an Interruption Notice), and a notice that an Interruption Notice no longer applies, will (in accordance with Annex B-2) be given to CSEP Users or, where they have appointed an agent to receive such notices, to such agent (as well as to the CSO); and where any such notice is given to an agent National Grid Gas will at the same time notify CSEP Users of the fact that it has given such a notice, and the time with effect from which the curtailment requirement or cessation thereof is effective, but not of the content of such notice.

- 8.5 Each Moffat User acknowledges:
- (a) that National Grid Gas will not validate or compare any Exit Flow Profile or revision thereof against or with any Nominations or Renominations submitted to National Grid Gas;
 - (b) in particular where a Locational Market Transaction is made in relation to the CSP National Grid Gas will not take the acceptance of such transaction into account in determining (where it is entitled to determine) whether to accept or reject any Exit Flow Profile;
- 8.6 Where National Grid Gas becomes aware that the rate of offtake at the CSEP has deviated from the Flexed Exit Flow Rate, by an amount or for a period which in National Grid Gas's opinion is not material (having regard to the period remaining of the Gas Flow Day), the rate of offtake during the remainder of the Day may differ from the Flexed Exit Flow Rate.
- 8.7 If the CSO has given notice to National Grid Gas that, as a result of any constraint or other circumstances affecting the Connected Offtake System, the rate at which gas is offtaken from the System will or is likely to be less than the Prevailing Exit Flow Rate, National Grid Gas will inform Moffat Users that it has received such notice (but not of the content of such notice).
9. **Exit Flow Profile**
- 9.1 If an Exit Flow Profile Agent has not been appointed, or such Exit Flow Profile Agent does not submit Exit Flow Profiles, Exit Flow Profiles will be submitted to National Grid by the CSO (for the purposes of Section J4.5 and pursuant to Annex B-2 of the CSA and which may include a Flexed Exit Flow Rate).
- 9.2 Where the Connected System Operator submits the Exit Flow Profile pursuant to the CSA it shall do so in its capacity as CSO and not on behalf of Moffat Users or any of them. The CSO and NGG shall have no liability whatsoever to Moffat Users whether in contract, tort or otherwise arising out of or in connection with the development and submission of such Exit Flow Profiles or any omission to do so and each Moffat User waives any and all liability of the CSO accordingly.
- 9.3 Each Moffat User acknowledges that the provisions of Clause 9.2 are reasonable in all the circumstances and as regards liability have equivalent provisions to those which applied with respect to the agent previously appointed by the Moffat Users to deliver Exit Flow Profiles on their behalf.
- 9.4 Where the requirements of paragraph 4 of Annex B-2 are not complied with in respect of an Initial Exit Flow Profile or revised Exit Flow Profile prepared by the CSO in accordance with this Clause 9, National Grid Gas shall be deemed to have received a request pursuant to paragraph 5.1 of Annex B-2 of the CSA (and paragraph 5.2 thereof shall apply accordingly).
- 9.5 In respect of any Day in respect of which National Grid Gas gives an Interruption Notice:
- (a) Clause 7.8 shall not apply;
 - (b) the Interruption Notice will specify, for each CSEP User, a quantity calculated as the User's interruptible proportion of the aggregate interruption quantity, where:
 - (i) a User's "**interruptible proportion**" is the quantity which would, in accordance with Clause 6.9, on the basis of Nomination Quantities prevailing (as at the curtailment time) when the Interruption Notice is given,

be allocated to that User in respect of the Interruptible CSEP, as a proportion of the aggregate of such quantities for all such Users;

- (ii) the "**aggregate interruption quantity**" is the aggregate amount by which the quantity in the Exit Flow Profile is to be reduced, if the Exit Flow Profile is revised so as to provide for the reduced Exit Flow Rate or Flexed Exit Flow Rate required by the Interruption Notice;

9.6 A Curtailment Notice given (upon rejection of a request deemed made pursuant to clause 9.4) pursuant to paragraph 5.5 of Annex B-2 of the CSA will specify the percentage reduction, in Nomination Quantities under the prevailing Nominations (including the Renominations by reference to which National Grid Gas prepared the rejected Exit Flow Rate Profile), which would (if reflected in further Renominations for the same Renomination Effective Time) result in a revised Exit Flow Profile providing for an Exit Flow Rate most close to that deemed requested without infringing the requirements of paragraph 4.2(i) of Annex B-2 of the CSA.

10. **Entry-related provisions**

10.1 The Connected System Point is a System Entry Point for the purposes of enabling SEP Users to nominate and receive allocations in respect of the delivery of gas only to the extent that CSEP Users nominate and receive allocations in respect of gas offtaken from the System at the CSEP in quantities equal to or greater than the quantities of gas nominated and allocated as delivered to the System at the Connected System Point.

10.2 Subject to Clause 10.1, a SEP User may make Input Nominations and Renominations in respect of the System Entry Point but (for the avoidance of doubt) National Grid Gas will not monitor or validate such Input Nominations as to whether (in aggregate) the amounts nominated exceed or are less than the aggregate amounts under Output Nominations in respect of the CSEP.

10.3 In accordance with the CSA, Section E1.9 (disregarding references to net physical flows of gas to the System from the BGE System) shall apply in respect of the Connected System Point, and SEP Users will have UDQIs in respect of the SEP for any Day only if and to the extent determined in accordance with Section E1.9.

10.4 SEP Users may apply for and hold Interruptible NTS Entry Capacity at the SEP; but are not entitled to hold (and National Grid Gas is not required to make available) Firm NTS Entry Capacity at the SEP.

10.5 It is the responsibility of SEP Users to make Input Nominations and Renominations such that no Exit Flow Profile may be submitted which would provide for a physical flow to the System at the Connected System Point (and under the CSA no such physical flow will be permitted to occur); and nothing shall require National Grid Gas to take any action or give any notice by way of curtailment of Interruptible NTS Entry Capacity held by SEP Users at the SEP.

10.6 For the avoidance of doubt, SEP Users will be liable for Scheduling Charges and Commodity Charges in respect of the SEP determined in accordance with the Network Code.

10.7 SEP Users consent and shall be deemed to have consented for the purposes of Section I2.2.2 to any amendment of the CSA as provided in Sections J4.3.6(b) and J6.4.1.

11. **Communications**

Notwithstanding any provision of Section U or the UK Link Manual, the following Code Communications shall be given by facsimile in such format as National Grid Gas shall reasonably require:

- (a) applications to become a Moffat User; and
- (b) applications for NTS Exit Capacity.

12. **Third Party Rights**

A person who is not party to this Agreement may not enforce any term of this Agreement under the Contracts (Rights of Third Parties) Act 1999, save that the Connected System Operator may enforce and rely on the provisions of Clause 9.2 against NGG and each Moffat User. The Parties may rescind or change any term of this Agreement without the consent of a person who is not party to this Agreement, provided that Clause 9.2 and this Clause 12 shall not be rescinded or amended without the prior written consent of the Connected System Operator.

13. **Governing Law**

English law governs this Agreement and its interpretation.

14. **Jurisdiction**

The parties irrevocably agree that the English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with this Agreement. Each Party agrees to waive any objection to the English courts, whether on the grounds of venue or that the forum is not appropriate.

15. **Counterparts**

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

AS WITNESS the hands of the duly authorised representatives of the Parties hereto the day and year first above written.

Signed for and on behalf of

NATIONAL GRID GAS plc

Signature:

Name:

Position:

**MOFFAT ANCILLARY AGREEMENT
GB - IRELAND INTERCONNECTOR**

Signed for and on behalf of:

Amoco (U.K.) Exploration Company

Signature:

Name:

Position:

**MOFFAT ANCILLARY AGREEMENT
GB - IRELAND INTERCONNECTOR**

Signed for and on behalf of:

Associated Gas Supplies Limited

Signature:

Name:

Position:

**MOFFAT ANCILLARY AGREEMENT
GB - IRELAND INTERCONNECTOR**

Signed for and on behalf of:

British Gas Trading Limited

Signature:

Name:

Position:

MOFFAT ANCILLARY AGREEMENT

GB - IRELAND INTERCONNECTOR

Signed for and on behalf of:

Conoco (U.K.) Limited

Signature:

Name:

Position:

MOFFAT ANCILLARY AGREEMENT

GB - IRELAND INTERCONNECTOR

Signed for and on behalf of:

Mobil Gas Marketing (U.K.) Limited

Signature:

Name:

Position:

MOFFAT ANCILLARY AGREEMENT

GB - IRELAND INTERCONNECTOR

Signed for and on behalf of:

National Power plc

Signature:

Name:

Position:

MOFFAT ANCILLARY AGREEMENT

GB - IRELAND INTERCONNECTOR

Signed for and on behalf of:

Powergen plc

Signature:

Name:

Position:

MOFFAT ANCILLARY AGREEMENT

GB - IRELAND INTERCONNECTOR

Signed for and on behalf of:

Quantum Gas Management plc

Signature:

Name:

Position:

MOFFAT ANCILLARY AGREEMENT
GB - IRELAND INTERCONNECTOR

Signed for and on behalf of:

Marathon Oil U.K. Limited

Signature:

Name:

Position:

Schedule 1

Part 1

NATIONAL GRID GAS plc

100 Thames Valley Park Drive
Reading
Berkshire RG6 1PT

Part 2

Other Parties

Amoco (UK) Exploration Company
Amoco House
West Gate
London W5 1XL

Associated Gas Supplies Limited
30 Buckingham Gate
London SE1E 6NN

British Gas Trading Limited
Charter Court
50 Windsor Road
Slough
Berkshire SL1 2HL

Conoco (U.K.) Limited
Park House
116 Park Street
London W1Y 4NN

Mobil Gas Marketing (UK) Limited
Mobil Court
3 Clements Inn
London WC2A 2EB

National Power plc
Windmill Hill Business Park
Whitehill Way
Swindon SN5 6PB

Powergen plc
53 New Broad Street
London EC2M 1JJ

Quantum Gas Management plc
19 Berkeley Street
London W1X 5AE

Marathon Oil U.K. Limited
Capital House
25 Chapel Street
London NW1 5DQ

Schedule 2

General Network Exit Provisions

For the purposes of the Network Code the following provisions apply in respect of the CSEP.

Section A

3.3.4 The CSEP is a Metered CSEP for the purposes of Section A3.3.4.

3.3.5 (See Clause 1.4).

Section B

3.6.1 (See Schedule 3, paragraph 4.1)

Section C

4.1.7 The CSEP is a relevant CSEP for the purposes of Section C4.1.7(b) (but without prejudice to any provision of Clauses 6 or 7 or Annex B-2 of the CSA).

4.1.10 The CSEP is a relevant CSEP for the purposes of Section C4.1.10(b) (but without prejudice to any provision of Annex B-2 of the CSA).

5.2.3 The CSEP is a relevant CSEP for the purposes of Sections C5.2.3(b)(i) and C5.2.3(b) (ii).

5.4.1 The CSEP is a relevant CSEP for the purposes of Section C5.4.1.

Section D

2.1.3 The CSEP is not a relevant CSEP for the purposes of Section D2.1.3 (and accordingly shall be a Flexibility Eligible System Exit Point).

Section E

1.3.4 The CSEP is a relevant CSEP for the purposes of Sections E1.3.4 (b), E6.1.3 and E6.1.4(c)(ii).

1.9 Notwithstanding Sections E1.6 and E1.8 of the Network Code, and any other relevant practices, it is agreed that:

- (1) the following timings shall apply for the provision of the following information:
 - (a) from the Day after the Gas Flow Day until the Exit Close-out Date:
 - by 11:00 hours: National Grid Gas to pass to relevant Users' agent (if appointed) details or revised details of measured quantity;
 - (b) from the first information Day (in accordance with Section E1.6.2) until the Exit Close-out Date:
 - (i) by 16:00 hours: relevant Users or their agent (if appointed) to provide to National Grid Gas Exit Allocation Statements or revisions thereof;

- (ii) by 19:00 hours: where Clauses 6.6 to 6.11 apply, National Grid Gas to provide details of quantities determined (provisionally before or finally upon the Exit Close-out Date) as UDQOs to Users;
 - (2) in relation to Days before the Exit Close-out Date, where information is not provided to National Grid Gas in accordance with and by the times required under paragraph (1)(b)(i), such information will not be taken into account in the information available to Users pursuant to Section E1.6;
 - (3) in relation to the Exit Close-out Date, where relevant information is not provided to National Grid Gas in accordance with and by the times required under paragraph (1)(b)(i), such information will not be taken into account in determining Users' UDQOs (and, if provided after the required time, will be rejected).
- 6.4 Where pursuant to paragraph 4.5 of Part 1 of Annex C of the CSEP NExA a verification of the measurement equipment at the CSEP is undertaken, the CSEP Reconciliation Quantity for each Day for each CSEP User (for the purposes of Sections E6.1.4(c) and 6.4) shall be determined by allocating the Aggregate Daily Reconciliation Quantity (as defined in and determined pursuant to the CSEP NExA) for that Day between CSEP Users in proportion to their respective UDQOs for the Day, or in such other proportions (aggregating unity) as may be notified to National Grid Gas by their agent, not later than 20 Business Days after the Aggregate Daily Reconciliation Quantity was provided to CSEP Users or their agent.

Section F

- 3.3.1 The CSEP is a relevant CSEP for the purposes of Section F3.3.1(a)(ii).
- 3.3.2 The CSEP is a relevant CSEP for the purposes of Section F3.3.2(a)(ii) and (d)(ii).

Section J

- 3.9 The CSEP is a relevant CSEP for the purposes of Sections J3.9.2 and J3.9.3, for the purposes of which the maximum aggregate rate referred to in those Sections is the Prevailing Exit Flow Rate from time to time established in accordance with the requirements of Annex B-2.

Schedule 3

Capacity rules - Firm CSEP ¹

1. Interpretation and general

1.1 In this Schedule the following words and expressions have the following meanings:

"Application Date": the date of a User's notification of its intention to apply for NTS Exit Capacity pursuant to paragraph 2.8(a) or paragraph 3.4(a);

"ARCA": an 'Advanced Reservation of Capacity Agreement' or other agreement (between National Grid Gas and any person) pursuant to which National Grid Gas is committed to accept an application for NTS Exit Capacity at the CSEP;

"Corresponding DCH": in relation to a Firm Sub-CSEP, the Downstream Capacity Holder with which such Firm Sub-CSEP corresponds pursuant to paragraph 1.3;

"Downstream Capacity Entitlement": at any time, in relation to the following period of 12 months (or any greater period for which such entitlement may exist), the maximum quantity (in kWh/Day) of gas which a Downstream Capacity Holder is entitled, on a firm (and not interruptible) basis, to have conveyed in the Connected Offtake System on the Day in such period on which the greatest aggregate quantity of gas may be conveyed in such system;

"Downstream Capacity Holder": a person which is for the time being recognised by the CSO as having a contractual entitlement (as against the CSO), on a firm (and not interruptible) basis, to have gas conveyed in the Connected Offtake System;

"Firm Sub-CSEP": one of the CSEPs which the Firm CSEP is treated as comprising pursuant to paragraph 1.3;

"Initial Booking Period": the period of 5 Business Days expiring 21 Business Days before the Commencement Date;

"Sub-CSEP Capacity Certificate": a certificate in the form in Annex B-1;

"Sub-CSEP Transfer Certificate": a certificate in the form in Annex B-2; and

"Uncommitted Available Capacity": at any time, the maximum amount of NTS Exit Capacity in respect of the CSEP for which National Grid Gas is permitted to accept applications without infringement of Section J6.7.1, determined:

- (a) after taking account of such capacity already held or applied for, and
- (b) excluding any amount of such capacity in relation to which National Grid Gas is at the relevant time committed to accept an application by a CSEP User pursuant to any ARCA, but
- (c) including (subject to paragraph 2.9) any amount of NTS Exit Capacity registered as held by a CSEP User in respect of which the capacity period will (at the relevant time) have expired.

1.2 In this Schedule, unless the context otherwise requires, references to NTS Exit Capacity are to NTS Exit Capacity at the Firm CSEP or a Firm Sub-CSEP.

¹ Subject to revision in context of reform of exit capacity rules in UNC.

- 1.3 The CSEP NExA provides for the CSO to notify to National Grid Gas the identity and the Downstream Capacity Entitlement of each Downstream Capacity Holder, and (not less than 5 Business Days before such change) any change therein, and (subject to paragraph 3.8) references to a Downstream Capacity Holder and its Downstream Capacity Entitlement are to what is from time to time so notified by the CSO to National Grid Gas.
- 1.4 For the purposes set out in this Schedule, the Firm CSEP shall be treated pursuant to Section A3.3.5 as comprising a number of CSEPs, each corresponding to one Downstream Capacity Holder (and identified by the name of the Corresponding DCH); and such Firm Sub-CSEPs shall be established or cease to be established automatically upon any change in the identity of the Downstream Capacity Holders notified by the CSO as described in paragraph 1.3.
- 1.5 For the avoidance of doubt, NTS Exit Capacity held at the Firm CSEP is DM NTS Exit Capacity for the purposes of Section B3.2.1.
2. **Capacity booking**
- 2.1 The NTS Exit Capacity which a CSEP User is registered as holding at the Firm CSEP shall be the aggregate NTS Exit Capacity held by the CSEP User at each Firm Sub-CSEP pursuant to this Schedule.
- 2.2 A User will not be registered as holding NTS Exit Capacity at the CSEP except pursuant to this Schedule.
- 2.3 The amount of NTS Exit Capacity in aggregate which may be held by CSEP Users at each Firm Sub-CSEP shall not exceed an amount equal to the Downstream Capacity Entitlement of the Corresponding DCH (but subject to paragraph 3.8).
- 2.4 A CSEP User may be registered as holding NTS Exit Capacity at a Firm Sub-CSEP provided that:
- (a) the CSEP User has submitted to National Grid Gas a Sub-CSEP Capacity Certificate, signed by the Corresponding DCH:
 - (i) authorising the CSEP User to apply for NTS Exit Capacity at the CSEP;
 - (ii) specifying an amount not less than the NTS Exit Capacity which is (following such registration) to be held by the CSEP User; and
 - (iii) specifying a period which expires not less than 12 months after the proposed date of registration specified (pursuant to Section B3.2.2(a)(iv)) by the CSEP User, and
 - (b) subject to paragraph 3.8, such Certificate remains in force.
- 2.5 Subject to this Schedule and to Section J6.7.5, Section B3 shall apply in relation to any application by a CSEP User for, and the registration of a CSEP User as holding, NTS Exit Capacity at a Firm Sub-CSEP, except that Section B3.2.9(b) and (iii) shall not apply, and accordingly the NTS Exit Capacity which a CSEP User is registered as holding pursuant to each separate application shall be a separate “**tranche**” of capacity with a separate capacity period.
- 2.6 Subject to the provisions of the Network Code, National Grid Gas will accept an application for NTS Exit Capacity at a Firm Sub-CSEP made by a CSEP User, provided that the conditions in paragraph 2.7 are (as of the 14th Business Day after the Application Date) satisfied, and that the User has complied with paragraph 2.8, but not otherwise.
- 2.7 The conditions are that:

- (a) the requirement in paragraph 2.4 is satisfied, and
- (b) the amount of NTS Exit Capacity applied for does not exceed:
 - (i) (in accordance with paragraph 2.3) the amount by which the Downstream Capacity Entitlement of the Corresponding DCH exceeds the NTS Exit Capacity which is already held by CSEP Users at the Firm Sub-CSEP; nor
 - (ii) (pursuant to Section J5.10.1, and irrespective of whether paragraph (i) is satisfied, but subject to paragraph 2.10) the Uncommitted Available Capacity.

2.8 Where a CSEP User wishes to apply for NTS Exit Capacity at a Firm Sub-CSEP:

- (a) the CSEP User shall, not less than 21 Business Days before the proposed date of registration:
 - (i) notify National Grid Gas of its intention to apply for such capacity, specifying the Firm Sub-CSEP, the amount of NTS Exit Capacity to be applied for and the proposed date of registration, and
 - (ii) submit to National Grid Gas the Sub-CSEP Capacity Certificate;
- (b) National Grid Gas will, not later than the 16th Business Day after the Application Date, notify the CSEP User whether (by reference to circumstances subsisting at close of business on the 14th Business Day after the Application Date) the CSEP User's application will comply with paragraph 2.7(b);
- (c) where the application will not comply with those paragraphs, National Grid Gas will notify the CSEP User of an alternative amount of NTS Exit Capacity and/or proposed registration date (not more than 6 months after the date proposed by the CSEP User) for which an application by the CSEP User would be accepted, if any;
- (d) the CSEP User may, not later than the 4th Business Day after National Grid Gas's notification under paragraph (b), apply (in accordance with Section B3) for NTS Exit Capacity at the Sub-CSEP in accordance with the CSEP User's notification (where National Grid Gas notified the User under paragraph (b) that such application would be accepted) or in accordance with any notification given by National Grid Gas under paragraph (c).

2.9 Pursuant to Section J6.7.3 where a CSEP User is registered as holding NTS Exit Capacity at the Firm CSEP (an "**existing registration**"), in determining Uncommitted Available Capacity with effect from the expiry of the capacity period of the existing registration:

- (a) until the latest Day (the "**renewal deadline**") by which such CSEP User would be required (by paragraph 2.8(a)) to notify an intention to make an application for such capacity for which the proposed date of registration was the Day following the expiry of the existing capacity period, the amount of NTS Exit Capacity subject to the existing registration shall be included as respects the existing CSEP User, but excluded as respects any other CSEP User;
- (b) accordingly, the existing CSEP User shall (but without prejudice to paragraphs 2.7(a) and (b)(i)) enjoy priority over other CSEP Users, until the renewal deadline, in relation to the renewal of its registration in an amount not exceeding the NTS Exit Capacity under the existing registration.

- 2.10 The amount of NTS Exit Capacity applied for pursuant to and in compliance with an ARCA may exceed the Uncommitted Available Capacity, and accordingly paragraph 2.7(b)(ii) shall not apply in respect of such an application.
- 2.11 For the avoidance of doubt, but subject to paragraph 3.5, a CSEP User may transfer NTS Exit Capacity in respect of the CSEP by a System Capacity Transfer; provided that a CSEP User may not make a System Capacity Transfer pursuant to which the aggregate amount of Transferred System Capacity (pursuant to that and all other System Capacity Transfers made by that CSEP User) would at any time exceed the amount of the CSEP User's Registered NTS Exit Capacity at the CSEP.
- 2.12 In accordance with paragraph 2.7(b)(i), a Sub-CSEP Capacity Certificate which specifies an amount of NTS Exit Capacity which exceeds the amount by which the Downstream Capacity Entitlement exceeds the NTS Exit Capacity already held by CSEP Users at the Firm Sub-CSEP shall be ineffective.
- 2.13 Each CSEP User consents to National Grid Gas informing the CSO of the NTS Exit Capacity which such CSEP User is from time to time registered as holding at each Firm Sub-CSEP.
- 2.14 A User may submit a notification under paragraph 2.8(a) before its proposed accession date pursuant to Clause 3.4, and where it does so:
- (a) the proposed registration date shall (if it would otherwise be earlier) be the proposed accession date;
 - (b) if National Grid Gas notifies the User pursuant to paragraph 2.8(b) that its application will not comply with paragraph 2.7(b), the User may, by notice to National Grid Gas not later than the 4th Business Day after such notification from National Grid Gas, withdraw from the Accession Agreement.

3. **Changes in capacity holdings**

3.1 Where:

- (a) a CSEP User (the "**First**" CSEP User) is registered as holding NTS Exit Capacity at a Firm Sub-CSEP;
- (b) the Corresponding DCH has signed a Sub-CSEP Transfer Certificate which satisfies the requirements of paragraph 3.2, and has not signed more than 11 other Sub-CSEP Transfer Certificates in the same Gas Year; and
- (c) another CSEP User (the "**Second**" CSEP User) applies (in compliance with the requirements of paragraph 3.4) for NTS Exit Capacity at the relevant Firm Sub-CSEP:
 - (i) in an amount (the "**relevant amount**") which does not exceed the amount specified in the Sub-CSEP Transfer Certificate and does not exceed the First CSEP User's Registered NTS Exit Capacity at the Sub-CSEP, and
 - (ii) for a proposed registration date not earlier than the date specified in the Sub-CSEP Transfer Certificate,

then the First CSEP User's Registered NTS Exit Capacity at the Sub-CSEP shall be reduced by, and the Second CSEP User shall be registered as holding (in addition to any other such capacity it may hold) NTS Exit Capacity at the Sub-CSEP in, the relevant amount, until the expiry of the relevant capacity period(s) (in accordance with paragraph 3.3).

3.2 The Sub-CSEP Transfer Certificate must specify:

- (a) the identity of the First and Second CSEP Users;
 - (b) the maximum amount of NTS Exit Capacity which the Second CSEP User may be registered as holding (and by which the First CSEP User's Registered NTS Exit Capacity is to be reduced);
 - (c) the earliest date with effect from which such registration and reduction is to take effect.
- 3.3 Where the First CSEP User is registered as holding more than one tranche of NTS Exit Capacity at the Sub-CSEP:
- (a) the reduction in its Registered NTS Exit Capacity shall apply to such tranches in inverse chronological order of expiry of capacity period (so that the tranche most recently applied for shall be reduced first), until the whole amount of the reduction is achieved;
 - (b) the periods for which the Second CSEP User is registered as holding NTS Exit Capacity will be determined accordingly.
- 3.4 Where a CSEP User wishes to apply (as a Second CSEP User) for NTS Exit Capacity pursuant to paragraph 3.1:
- (a) the Second CSEP User shall, not less than 21 Business Days before the proposed registration date:
 - (i) notify National Grid Gas of its intention to make such application, specifying the amount of the NTS Exit Capacity to be applied for and the proposed registration date; and
 - (ii) submit to National Grid Gas the Sub-CSEP Transfer Certificate;
 - (b) National Grid Gas will on the 10th Business Day after the Application Date:
 - (i) provide to the First CSEP User a copy of the Second CSEP User's notification and of the Sub-CSEP Transfer Certificate;
 - (ii) inform the Second CSEP User:
 - (1) whether its application would be accepted in full, and
 - (2) where the Second CSEP User intends to apply for an amount of NTS Exit Capacity which exceeds the First CSEP User's Registered NTS Exit Capacity (as at the date proposed by the Second CSEP User), of the amount of the First CSEP User's Registered NTS Exit Capacity (at the relevant Firm Sub-CSEP);
 - (iii) inform (on the basis of the information under paragraph (ii)) the Second CSEP User of the date of expiry of the relevant capacity period(s) (in accordance with paragraph 3.3) and for each the related amount of NTS Exit Capacity;
 - (iv) where (on the basis of circumstances relating to the proposed registration date which are known to National Grid Gas on the 10th Business Day after the Application Date) paragraph 3.6 would apply if the Second CSEP User proceeds with its intended application for NTS Exit Capacity, inform the First CSEP User and those CSEP Users who may be affected thereby of the

possible application of that paragraph and the effect of that paragraph's so applying;

- (c) the Second CSEP User may submit its application not later than the 4th Business Day after National Grid Gas's notification to the Second CSEP User under paragraph (b)(ii).

3.5 Where:

- (a) as at the 16th Business Day after the Application Date, the First CSEP User has made one or more System Capacity Transfers as Transferor User in respect of NTS Exit Capacity at the Firm CSEP; and
- (b) as a result of a reduction in respect of any tranche of NTS Exit Capacity pursuant to paragraph 3.1 during the Transfer Period, the User's Registered NTS Exit Capacity at the Firm CSEP becomes less than the Transferred System Capacity

then paragraph 3.6 shall apply.

3.6 In the circumstances in paragraph 3.5:

- (a) the System Capacity Transfer shall lapse (for the whole of the Transfer Period or the remainder thereof) as respects an amount of NTS Exit Capacity equal to the capacity deficit;
- (b) where the First CSEP User made more than one System Capacity Transfer to which paragraph (a) applies, paragraph (a) shall apply to such transfers in chronological order of the first Day of the Transfer Period under each;
- (c) where the First CSEP User made more than one such System Capacity Transfer with the Transfer Period commencing on the same Day, paragraph (a) shall apply to such transfers in chronological order of the last Day of the Transfer Period under each;
- (d) where the First CSEP User made more than one such System Capacity Transfer with identical Transfer Periods, paragraph (a) shall apply to such transfers pro-rata the Transferred Capacity under each;
- (e) National Grid Gas will, not later than the Day before the registration date, inform relevant System Capacity Transferees of the lapse of such System Capacity Transfers.

3.7 The First CSEP User may not, from the 16th Day following the Application Date until the registration date, make any System Capacity Transfer (as Transferor User) as a result of which its NTS Exit Capacity which is both Registered and Available would become less than the amount by which its Registered NTS Exit Capacity is to be reduced pursuant to paragraph 3.1.

3.8 Where the Downstream Capacity Entitlement of a Downstream Capacity Holder is reduced, or a person who is for the time being a Downstream Capacity Holder, ceases to be a Downstream Capacity Holder, no change will be made or required by virtue of such circumstance in any Registered NTS Exit Capacity of any CSEP User during the relevant capacity period (but without prejudice to the application of paragraph 2 upon an application for renewal of such registration upon expiry of the capacity period).

4. **Overruns**

4.1 Subject to paragraph 4.2, the Firm CSEP is a relevant NTS Connected System Exit Point for the purposes of Section B3.6.

4.2 For the purposes of Section B3.6:

(a) a Day shall only be an overrun day where the aggregate quantity of gas offtaken from the System at the Firm CSEP exceeds the aggregate NTS Exit Capacity held at the Firm CSEP; and in relation to any month, the overrun day (or, if there is more than one such overrun day, the first such overrun day) on which such quantity exceeds such capacity by the greatest amount shall be the "**chargeable overrun day**";

(b) for any CSEP User, the chargeable overrun quantity is the amount calculated as:

$$A / B * C$$

where

A is the amount by which the CSEP User's UDQO on the chargeable overrun day at the Firm CSEP exceeds the CSEP User's Available NTS Exit Capacity at the Firm CSEP;

B is the sum, for all CSEP Users, of the amounts determined as 'A'; and

C is the amount by which the sum of all CSEP Users' UDQOs at the Firm CSEP exceeds the aggregate NTS Exit Capacity held at the Firm CSEP on the chargeable overrun day.

5. Transitional provisions

5.1 With effect from the Commencement Date, all holdings by any CSEP User of NTS Exit Capacity (Registered or Available) in force immediately before the Commencement Date shall lapse and be ineffective.

5.2 During the Initial Booking Period, CSEP Users may apply for NTS Exit Capacity, for a proposed registration date which is the Commencement Date, pursuant to this Schedule 3 (for which purposes Uncommitted Available Capacity shall be determined in accordance with paragraphs 5.1, and paragraph 2.9 shall be disregarded), but subject to paragraph 5.3.

5.3 A CSEP User registered as holding NTS Exit Capacity at the CSEP at the Commencement Date (the "**existing holding**") may elect, by notice to National Grid Gas given not later than the Commencement Date, that the capacity period in respect of Initial NTS Exit Capacity (in an amount not exceeding that of the existing holding) shall expire on the date on which the capacity period of the existing holding would have expired.

5.4 If for any Sub-CSEP the aggregate of the amounts of Initial NTS Exit Capacity applied for exceeds the amount of the Downstream Capacity Entitlement of the Corresponding DCH, the amounts of Initial NTS Exit Capacity applied for shall be reduced pro rata so as to be equal in aggregate to such Downstream Capacity Entitlement.

5.5 If the amounts of Initial NTS Exit Capacity applied for at all Sub-CSEPs, as reduced pursuant to paragraph 5.4, exceed the Uncommitted Available Capacity, NTS Exit Capacity shall be allocated to CSEP Users pro-rata the amounts properly applied for pursuant to paragraph 5.2 as reduced pursuant to paragraph 5.4.

5.6 In this paragraph 5 "**Initial NTS Exit Capacity**" means NTS Exit Capacity at the CSEP properly applied for pursuant to paragraph 5.2 and for which the proposed registration date is the Commencement Date.

Annex A

Form of Accession Agreement

THIS ACCESSION AGREEMENT is made on [] between:

- (1) NATIONAL GRID GAS plc ("**National Grid Gas**") on its own behalf and on behalf of all the other parties to the Moffat Ancillary Agreement referred to below; and
- (2) [] (the "**Applicant User**") whose principal office is at []

WHEREAS:

- (A) By the Moffat Ancillary Agreement dated [] and amended and restated with effect from [] and made between National Grid Gas and the persons named therein (as now in force pursuant to any Accession Agreement entered into by any other new Party before the date of this Accession Agreement), the Parties agreed certain matters in relation to the CSEP and SEP.
- (B) The Applicant User wishes to be admitted as an additional Party under the Moffat Ancillary Agreement as a CSEP User or SEP User, or both.

IT IS HEREBY AGREED as follows:

1. In this Accession Agreement words and expressions defined in or for the purposes of the Moffat Ancillary Agreement and not otherwise defined herein shall have the meanings ascribed thereto under the Moffat Ancillary Agreement.
2. National Grid Gas (acting on its own behalf and on behalf of each of the other Parties) hereby admits the Applicant User as an additional Party under the Moffat Ancillary Agreement on the terms and conditions hereof.
3. The Applicant User hereby accepts its admission as a Party and undertakes with National Grid Gas (acting on its own behalf and on behalf of each of the other Parties) to perform and to be bound by the Moffat Ancillary Agreement as a Party as from the date hereof.
4. For all purposes in connection with the Moffat Ancillary Agreement the Applicant User shall as from the date hereof be treated as if it has been a signatory of the Moffat Ancillary Agreement, and as if this Agreement were part of the Moffat Ancillary Agreement, and the rights and obligations of the Parties shall be construed accordingly.
5. This Agreement and the Moffat Ancillary Agreement shall be read and construed as one document and references (in or pursuant to the Framework Agreement) to the Framework Agreement (howsoever expressed) should be read and construed as references to the Framework Agreement and this Agreement.

AS WITNESS the hands of the duly authorised representatives of the parties hereto the day and year first above written.

Signed for and on behalf of:

NATIONAL GRID GAS plc

Signed for and on behalf of:

[The Applicant User]

Signature:

Signature:

Name:

Name:

Position:

Position:

Annex B-1

Form of Sub-CSEP Capacity Certificate

From: _____ of _____

To: NATIONAL GRID GAS plc ("**National Grid Gas**")

_____ interconnector

Connected System Exit Point at _____ (the "CSEP")

We are a Downstream Capacity Holder (as defined in the Moffat Ancillary Agreement dated _____ and amended and restated with effect from _____ relating to the CSEP).

We hereby authorise _____ a User under the Network Code and a CSEP User under such Ancillary Agreement) to apply for and hold NTS Exit Capacity at the Firm Sub-CSEP.

The amount of NTS Exit Capacity which the CSEP User may apply for at the Firm Sub-CSEP shall not exceed _____ kWh/Day.

The period during which the CSEP User may hold NTS Exit Capacity at the Firm Sub-CSEP shall be the period from _____ to _____.

We may withdraw or amend this certificate by giving notice of not less than 10 days to National Grid Gas specifying such withdrawal or amendment (but only with effect from the expiry of the capacity period of any then prevailing registration of NTS Exit Capacity made in pursuance of this certificate).

This certificate shall not give rise to any obligation or liability as between us and National Grid Gas.

National Grid Gas may disclose this certificate to the CSEP User, and inform the CSEP User of any revision or withdrawal of this certificate.

Dated:

Signed:

Annex B-2

Form of Sub-CSEP Transfer Certificate

From: _____ of _____

To: NATIONAL GRID GAS plc ("**National Grid Gas**")

_____ interconnector

Connected System Exit Point at _____ (the "CSEP")

We are a Downstream Capacity Holder (as defined in the Moffat Ancillary Agreement dated _____ and amended and restated with effect from _____ relating to the CSEP).

By a certificate dated _____ we authorised _____ (the "**First**" CSEP User) to apply for and hold NTS Exit Capacity at the Firm Sub-CSEP.

We hereby authorise _____ (the "**Second**" CSEP User) (a User under the Network Code and a CSEP User under such Ancillary Agreement) to apply for and hold (for the remainder of the relevant capacity period) NTS Exit Capacity at the Firm Sub-CSEP in place of the First CSEP User.

The amount of NTS Exit Capacity which the Second CSEP User may apply for at the Firm Sub-CSEP (and by which the First CSEP User's holding is to be reduced) shall not exceed _____ kWh/Day.

The earliest date with effect from which the Second CSEP User may hold NTS Exit Capacity at the Firm Sub-CSEP (and from which the First CSEP User's holding is to be reduced) shall be _____.

This certificate shall not give rise to any obligation or liability as between us and National Grid Gas.

National Grid Gas may disclose this certificate to the First and Second CSEP Users.

Dated:

Signed:

Annex C

Notice of designation of Agreement

1. National Grid Gas, with Condition A11(18) Approval of the Authority, hereby designates with effect from _____ the attached Agreement entitled _____ and dated _____ (the "**Agency Agreement**") as a "**Designated Agency Agreement**" for the purposes of the Ancillary Agreement (GB-Ireland Interconnector) dated _____ (the "**Ancillary Agreement**").
2. This designation shall remain in force notwithstanding any change in the persons who are for the time being parties to the Agency Agreement.
3. National Grid Gas may withdraw this designation, by notice to all persons who are for the time being Moffat Users:
 - (a) if:
 - (i) except as provided in paragraph 2, any amendment is made to the Agency Agreement, or to any document entered into pursuant to or required to be in force by the Agency Agreement; or any such document is not or ceases to be substantially in the form provided to National Grid Gas at the time of this notice; and
 - (ii) as a result of such circumstances National Grid Gas has reasonable grounds to apply to the Authority for Condition A11(18) Approval to National Grid Gas's maintaining this designation in effect; and
 - (iii) the Authority does not, upon National Grid Gas's application, give such Condition A11(18) Approval; or
 - (b) upon the application of National Grid Gas or any User, the Authority gives Condition A11(18) Disapproval to National Grid Gas's maintaining this designation in effect; or
 - (c) continuance in effect of this designation would contravene any Directive of any other Competent Authority.
4. Terms used in this designation shall have the meanings ascribed thereto in or pursuant to the Network Code (as defined in the Ancillary Agreement).

Schedule 4

Stranraer

1. This Schedule sets out and describes the arrangements made by National Grid Gas for the purposes of supplying gas to the Scottish Independent Network at Stranraer (the "**SIN**") and referred to in Sections A1.7.5 and B1.9.2(b).
2. Gas supplied to the SIN will be taken from the System at the CSEP, and will be included in the CSEP Daily Quantity Offtaken (or, where paragraph 3.1 of Annex F of the CSA applies, the quantity referred to in paragraph 3.1(a) of Annex E and the measured quantity referred to in paragraph 3.2 of Annex E); but (except as expressly provided in this Schedule) the taking of such gas will not be counted as an offtake from the System for the purposes of Sections B, C, E and F or any other provision of the Network Code relating to the subject matter of those Sections, and National Grid Gas will not be deemed to be a User of the System at the CSEP by virtue of the provisions of this Schedule.
3. National Grid Gas has arranged with a Downstream Capacity Holder for the transportation of gas from the CSEP to the SIN.
4. For the purposes only of determining the amount of Uncommitted Available Capacity, National Grid Gas will be deemed to hold an amount of NTS Exit Capacity at the Firm CSEP for which it will apply in accordance with the provisions of Schedule 3 (including paragraph 5 thereof) as though it were a CSEP User.
5. For the purposes only of determining the quantities of gas to be allocated to CSEP Users as offtaken from the System at the CSEP pursuant to the Network Code and this Agreement:
 - (a) National Grid Gas will nominate, no later than the DM Output Nomination Time, in an amount not exceeding the amount of NTS Exit Capacity deemed to be held by National Grid Gas pursuant to paragraph 4, a quantity of gas to be taken from the System at the CSEP each Day for the purposes of supply to the SIN;
 - (b) National Grid Gas's nomination under paragraph (a) will not be revised after the DM Output Nomination Time (and any differences between the quantity nominated and the quantities offtaken by Users from Supply Point Components on the SIN will be managed as linepack changes in pipes downstream of the CSEP);
 - (c) National Grid Gas's nomination under paragraph (a) shall be treated as though it were an Output Nomination in respect of the Firm CSEP for the purposes only of:
 - (i) the application (where applicable) of Clause 6 of this Agreement;
 - (ii) any provisions referring to Output Nominations of any agreement(s), approved by National Grid Gas for the purposes of this provision, for the appointment by CSEP Users of an agent:
 - (1) for the purposes of submitting Exit Allocation Statements in respect of the CSEP or Entry Allocation Statements in respect of the SEP, or
 - (2) for the purposes of Clause 8.2;
 - (d) pursuant to paragraph (c), a quantity of gas will be treated as allocated to National Grid Gas as taken from the System at the CSEP at the Firm CSEP

and/or the Interruptible CSEP on each Day (but in accordance with paragraph 2 subject to paragraph (f) below such quantity will not be an UDQO);

- (e) an agent appointed for the purposes in paragraph (c)(ii)(1) may submit a statement in respect of the quantity of gas treated as allocated to National Grid Gas under paragraph (d), and such statement will be treated (for the purposes only of the application of Section E3.2 as respects CSEP Users) as an Exit Allocation Statement;
 - (f) for the purposes of determining the liability of CSEP Users under Clause 7.7 and paragraph 4.2(b) of Schedule 3, the quantity allocated to National Grid Gas under paragraph (d) will be treated as an UDQO and National Grid Gas will be treated as a CSEP User.
6. For the purposes of this Schedule 4, National Grid Gas will and will be entitled to be party to any such agency agreement(s) as referred to in paragraph 5(c)(ii); and notwithstanding paragraph 2, National Grid Gas will be liable for charges of the agent under any such agreement(s) as though National Grid Gas were a CSEP User party to such agreement(s).
7. Notwithstanding paragraph 2, the amounts payable by CSEP Users in respect of any relevant charges shall be calculated as though National Grid Gas were a CSEP User itself liable (by virtue of this Schedule 4) for such charges; for which purposes "**relevant charges**" are any charges within Clause 4.3 which are referable to the activities of National Grid Gas pursuant to Clauses 6, 8 or Schedule 3.