

24.8.98

MOFFAT ANCILLARY AGREEMENT

(AMENDED AND RESTATED CSEP ANCILLARY AGREEMENT)

**GB - IRELAND INTERCONNECTOR**

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

- (1) **BGNATIONAL 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 ~~Transee~~ National Grid Gas with Condition ~~7A11(418)~~ Approval of the Director Authority and is being entered into (1) pursuant to Section J5.9-16.6.1 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~~ 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 ~~Transee~~ National Grid Gas (on its own behalf and on behalf of all other Parties) and a User wishing to become a ~~CSEP~~ Moffat User, in the form in Annex A hereto;

**"Annex B-2"**: Annex B-2 of the ~~CSEP NE~~ 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 ~~Transee~~ National Grid Gas;

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

**"CSEP Connected System Point"**: the ~~Connected System Exit~~ System Point at Moffat at which the Connected ~~Offtake~~ System is connected to the System;

**"CSEP NExA CSA"**: the Connected Systems Agreement dated ~~\_\_\_\_\_~~ 25 August 1998 between ~~Transeo~~ 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 J~~5.7.16.4.1~~ and/or Clause 10.7;

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

~~"CSEP User": a Party to this Agreement other than Transeo;~~

**"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;

**"Curtailment 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 ~~Transeo~~ National Grid Gas, with Condition ~~7A11(418)~~ A11(18) Approval of the ~~Director~~ 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 J~~5.8.36.5.2~~ 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 ~~Transeo~~ National Grid Gas pursuant to the ~~public~~ gas transporter's licence treated as granted to ~~Transeo~~ National Grid Gas, as from time to time modified pursuant to that licence;

**"Party"**: subject as provided in ~~clause~~ Clause 3.6, ~~Transeo~~ 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

~~"Transeo": BG plc as licensee under the public gas transporter's licence treated as granted to it.~~

"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 ~~V1.3.1.1~~ and (in accordance with Section ~~J5.9.26.6.2~~) 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 CSEP/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~~ 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 ~~of the Network Code~~ 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. ~~VERSION 1.0~~

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

3.1 ~~For~~A User must (in relation to the CSEP, for the purposes of Section ~~J5.6.4~~a User ~~must~~6.3.4, and in relation to the SEP):

(~~ii~~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

(~~iii~~ib) comply with any requirements stipulated in such ~~Agreement for the purposes of this clause 3.1(ii)~~agreement.

before it may become a ~~CSEP~~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 ~~Transeo~~National Grid Gas pursuant to Section ~~J5.6.16.3.1~~6.3.1 in respect of the CSEP.

3.3 Subject to the conditions in ~~clause~~Clause 3.1, where a User applies (in accordance with clause 3.4) to become a ~~CSEP~~Moffat User ~~in respect of the CSEP~~, the Parties shall admit such User as an additional party to this Agreement, for which purposes ~~Transeo~~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 ~~CSEP~~Moffat User with effect from any date (the "proposed accession date"):

(a) the User shall, not less than ~~25~~20 Business Days and not more than 6 months before the proposed accession date, give notice of its wish to ~~Transeo~~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 ~~Transeo~~National Grid Gas is satisfied that the condition in ~~clause~~Clause 3.1 is or will by the proposed accession date be satisfied, ~~Transeo~~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 ~~Transeo~~National Grid Gas such Accession Agreement, not less than ~~20~~10 Business Days before the proposed accession date, subject to paragraph 2.14 of Schedule 3;

(d) ~~Transeo~~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 ~~Transeo~~National Grid Gas) hereby authorises ~~Transeo~~National Grid Gas to sign on its behalf and deliver any Accession Agreement pursuant to ~~clause~~Clause 3.3, and undertakes not to withdraw, qualify or revoke such authority.

4. ~~VERSION 1.0~~

- 3.6 Upon the execution of an Accession Agreement by ~~Transeo~~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 ~~CSEP~~Moffat User shall cease to be a ~~CSEP~~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 ~~CSEP~~Moffat User gives notice to ~~Transeo~~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 ~~CSEP~~Moffat User wishes to cease to be a ~~CSEP~~Moffat User, and
    - (ii) (in the case of a CSEP User) on the date so specified, the ~~CSEP~~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, ~~Transeo~~National Grid Gas designates any ~~Agreement~~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~~agreement, or has not complied with any such requirements of such ~~Agreement~~agreement as are referred to in ~~clause~~Clause 3.1(~~ii~~b), at or by the date with effect from which ~~Transeo~~designated such AgreementNational 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 ~~CSEP~~Moffat User acknowledges the terms of the ~~CSEP-NExA~~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 ~~CSEP, Connected Systems Point, Moffat Users (or~~ CSEP Users ~~or SEP Users as applicable)~~ shall be liable to pay such charge.

4.4 Each ~~CSEP~~Moffat User authorises ~~Transeo~~National Grid Gas to disclose information relating to that ~~CSEP~~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 ~~Transeo~~National Grid Gas will provide information to the agent thereunder, and ~~Transeo~~National Grid Gas has written to the agent confirming its willingness to do so, then ~~Transeo~~National Grid Gas agrees with ~~CSEP~~Moffat Users to provide to the agent such information (but ~~Transeo~~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 ~~Transeo~~National Grid Gas agrees that:

(i)a) it will provide to each ~~CSEP~~Moffat User a copy of any amendment made to the ~~CSEP-NExA~~CSA; and

(ii)b) it will not agree with the CSO to terminate the ~~CSEP-NExA~~CSA without giving notice to ~~CSEP~~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. ~~Capacity~~Exit capacity booking

5.1 The Firm CSEP is a relevant Connected System Exit Point for the purposes of Sections ~~J5.10.1, 5.10.2, 5.10.3~~6.7.1, 6.7.2, 6.7.3, 6.7.4 and ~~5.10.5~~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 ~~Transeo~~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(~~h~~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~~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~~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~~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 ~~elause~~Clause 6.6 applies in relation to any Day for which ~~Transeo~~National Grid Gas gave an Interruption Notice.

6.8 The amount allocated to a CSEP User pursuant to ~~elause~~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 ~~elause~~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 ~~Transeo~~National Grid Gas gave an Interruption Notice, the quantity of gas allocated (pursuant to ~~elause~~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 ~~elauses~~Clauses 6.6 to 6.9, for each CSEP User:

(a) the ~~"Firm"~~"Firm" and ~~"Interruptible"~~"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 FransooNational Grid Gas (provided FransooNational 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 FransooNational 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 FransooNational 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 FransooNational 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 elauseClause 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 elauseClause 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, FransooNational 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 FransooNational Grid Gas and notified to CSEP Users and the CSO, but so that no tranche shall be smaller than 58605.860 MW

(equivalent to 200,000 therms per Day) and until ~~Transeo~~National Grid Gas otherwise notifies CSEP Users there shall not be more than 9 tranches.

7.6 Subject to ~~elause~~Clause 7.9, where, in relation to any Day (a ~~“Failed Interruption Day”~~), ~~Transeo~~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 ~~elauses~~Clauses 7.7 and 7.8) to pay the following aggregate amounts to ~~Transeo~~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 ~~elause~~Clause 7.7) for any amount under paragraph (a), for the purposes of Section G ~~6.9.7.6.9.6.~~

7.7 Subject to ~~elause~~Clause 7.8(b), CSEP Users shall be liable for the aggregate amounts under ~~elause~~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) ~~Transeo~~National Grid Gas will notify to such agent the aggregate amounts under ~~clause~~Clause 7.6 not later than the Day after any Failed Interruption Day;
- (b) where the agent notifies to ~~Transeo~~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 ~~Transeo~~National Grid Gas under paragraph (a)) between particular CSEP Users specified by the agent, ~~clause~~Clause 7.7 shall not apply, and CSEP Users will be liable for such amounts in accordance with the agent's notification to ~~Transeo~~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~~Clause 7.5, a CSEP User shall not be liable for an amount determined under ~~clause~~Clause 7.7, and ~~paragraph~~Clause 7.6(b) shall not apply in relation to that CSEP User:

- (~~i~~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
- (~~ii~~b) in exceptional circumstances, where the User can demonstrate to ~~Transeo~~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 ~~CSEP~~Moffat User acknowledges the terms of Annex B-2 of the CSA; and in addition acknowledges:

- (~~i~~a) that Renomination Quantities under Renominations in respect of the CSEP may be limited in particular where the Exit Flow Rate is Flexed;
- (~~ii~~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 ~~If all CSEP Users have~~An agent may only be appointed ~~a person as agent to do so, for the purposes of submitting~~ Exit Flow Profiles ~~will be submitted (as contemplated by Annex B-2) by such agent (and may provide for~~(pursuant to Section J4.5 and Annex B-2 of the CSA, which may include a Flexed Exit Flow Rate ~~as therein provided); but otherwise clause 9 shall apply.)~~ (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 ~~CSEP~~Moffat Users agree to ensure that (in terms of the Renomination Effective Times of Renominations, ~~where clause 9 applies, and otherwise by their instructions to their agent~~) as much notice as is reasonably practicable is given to ~~Transeo~~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 ~~Transeo~~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 Subject to clause 8.6 and 8.9 (and irrespective of whether clause 9 applies), Transeo will (to the standard of a Reasonable and Prudent Operator) operate the flow control valve at the CSEP with a view to ensuring (so far as consistent with the provisions of the CSEP NExA as to pressure) that the rate of offtake from time to time is as close as is reasonably practicable to the Flexed Exit Flow Rate.~~

~~8.6 Transeo shall have no liability to any CSEP User in respect of (and no payment liability of any CSEP User pursuant to the Network Code shall be prejudiced by) any breach of clause 9 or 8.5 or other failure to operate the flow control valve at the CSEP in accordance with this clause 8.~~

~~8.7 Clause 8.6 shall be without prejudice to any liability arising pursuant to and subject to Section J3; provided that for the purposes of Section J3:~~

~~(a) Transeo shall not be taken to have failed to make gas available for offtake by reason only of the operation of or failure to operate the flow control valve;~~

~~(b) where Transeo claims that it is not liable for any deficiency in availability of gas at the CSEP by virtue of paragraph (a), it shall provide reasonable evidence to CSEP Users that, but for the operation of or failure to operate the flow control valve, such deficiency in availability of gas for offtake would not have occurred.~~

~~8.8~~

8.5 Each ~~CSEP~~Moffat User acknowledges:

(a) ~~subject to clause 9,~~ that ~~Transeo~~National Grid Gas will not validate or compare any Exit Flow Profile or revision thereof against or with any ~~Output~~ Nominations or Renominations ~~(including pursuant to any accepted Flexibility Bid)~~ submitted to ~~Transeo~~National Grid Gas;

(b) ~~subject to clause 9,~~ that ~~Transeo will not take any account of Output Nominations or Renominations in (including pursuant to any accepted Flexibility Bid) operating the flow control valve pursuant to clause 8.5;(c) in particular,~~ ~~subject to clause 9,~~ that where ~~Transeo has accepted a Flexibility Bid~~

~~12. \_\_\_\_\_ #215104-1.0~~

~~at the CSEP it is the CSEP User's responsibility to ensure that the Exit Flow Profile is revised appropriately, and that Transeo a Locational Market Transaction is made in relation to the CSP National Grid Gas will not take the acceptance of such bid transaction into account in determining (where it is entitled to determine) whether to accept or reject any Exit Flow Profile;~~

~~(d) that Transeo will not, unless System security is prejudiced, operate the flow control valve other than on the basis of an Exit Flow Profile or revision thereof; and in particular, Transeo will not (unless System security is prejudiced) adjust the flow control valve where it has given a Curtailment Notice pursuant to paragraph 5.6(iii) or (iv) of Annex B-2 unless a revised Exit Flow Profile is submitted);~~

~~8.9.6~~ Where ~~Transeo~~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 ~~Transeo~~National Grid Gas's opinion is not material (having regard to the period remaining of the Gas Flow Day):

~~(a) Transeo will (and is requested and authorised by CSEP Users to) operate the flow control valve with a view (so far as is feasible) to correcting over the remainder of the Day the resulting difference in the quantity offtaken from the quantity which would have been offtaken at the Flexed Exit Flow Rate;(b) accordingly, the rate of offtake during the remainder of the Day may differ from the Flexed Exit Flow Rate;(c) Transeo will not (where clause 9 applies) revise the Exit Flow Profile by virtue of anything done pursuant to paragraph (a), and will not inform CSEP Users or their agent of anything so done.~~

~~8.10~~8.7 If the CSO has given notice to ~~Transeo~~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, ~~Transeo~~National Grid Gas will inform ~~CSEP~~Moffat Users that it has received such notice (but not of the content of such notice).

## 9. ~~Transeo-generated~~ Exit Flow Profile

~~9.1 Subject to clause 8.6, if and for so long as CSEP Users have not appointed an agent pursuant to clause 8.2, or if an agent so appointed does not provide an Exit Flow Profile in accordance with Annex B-2:~~

~~(a) Transeo will prepare on behalf of CSEP Users an Exit Flow Profile for an aggregate quantity of gas equal to the aggregate of the Nomination Quantities under Output Nominations made by CSEP Users in relation to the CSEP not later than 19:00 hours on the Preceding Day;~~

~~(b) Transeo will from time to time revise on behalf of CSEP Users the Exit Flow Profile in accordance with clause 9.2;(c) an Exit Flow Profile or revision thereof prepared by Transeo pursuant to paragraph (a) or (b) shall be deemed to have been provided to Transeo for the purposes of Annex B-2, and Transeo will not provide a copy thereof to CSEP Users (but may provide a copy to the~~

CSO). 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.

~~9.2 Transeo will revise the Exit Flow Profile every hour, on the basis of all Renominations received by Transeo during the period of 60 minutes expiring on the hour, and by reference to the aggregate of the Renomination Quantities and (subject to clause 9.3) Renomination Effective Times, under those Renominations.~~

~~9.3 Where this clause 9 applies:~~

~~(a) subject to paragraph (c), Transeo will require (for the purposes of this clause 9), in addition to the requirements of Annex B-2 as to Change Lead Time, a further 2 hours notice of Renominations (or if less, the number of hours until 04:00 on the Gas Flow Day);~~

~~(b) accordingly (subject to paragraph (c)) where a Renomination specifies a Renomination Effective Time which is less than 4 complete hours (ending on the hour) after the Renomination was submitted, the Renomination will be deemed (for the purposes of this clause 9) to have specified a Renomination Effective Time which expires on the nearest hour which is not less than 4 hours after the Renomination was submitted (but without any adjustment of the Renomination Quantity);~~

~~(c) Transeo will use reasonable endeavours, where a particular Renomination specifies a Renomination Effective Time less than 4 hours after submission of the Renomination, to reduce the requirements of Annex B-2 as to Change Lead Time and the additional requirement under paragraph (a), and accordingly to take account (in a revision of the Exit Flow Profile) of a Renomination sooner than provided in paragraph (b).~~

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 ~~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 ~~Transeo~~the CSO in accordance with this ~~clause 9~~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 Transeo will not revise an Exit Profile Notice other than pursuant to Renominations submitted by CSEP Users and in accordance with this clause 9, whether or not Transeo has issued a Curtailment Notice under paragraph 5.5(iii) or (iv) of Annex B-2.~~
- ~~9.6 For the avoidance of doubt, where Transeo receives no Output Nominations in respect of the CSEP, Transeo will prepare an Exit Flow Profile with an Exit Flow Rate of zero (and only the quantity flowing during the consequent Ramp Period will flow).~~
- ~~9.7 Where Transeo rejects a request deemed (pursuant to clause 9.4) to be made pursuant to paragraph 5.1(i)(1) of Annex B-2 in respect of an Initial Exit Flow Profile:~~
- ~~(a) Transeo will prepare an Exit Flow Profile which provides for the Exit Flow Rate which is most close to that deemed to have been requested without infringing the requirements of paragraph 4.1(i) of Annex B-2;~~
  - ~~(b) the Curtailment Notice will specify the percentage by which the quantity of gas subject to the Exit Flow Profile prepared under paragraph (a) is less than the quantity of gas subject to the rejected Exit Flow Profile.~~
- ~~9.8 Where, in an Exit Flow Profile (at the start of the Day) or revision thereof prepared by Transeo, there is a revision of the Exit Flow Rate, such Exit Flow Profile will provide for the shortfall (in the case of an increase in rate of offtake) or excess (in the case of a decrease) in the quantity offtaken since the time of the revision, arising during the Ramp Period, to be made good:~~
- ~~(i) by a temporary continuation of the change in the rate of offtake beyond the revised Exit Flow Rate (in other words, an extension of the Ramp Period), followed by a return (and further, opposite, Ramp Period) to the Exit Flow Rate;~~
  - ~~(ii) in the shortest period of time which is consistent with the limits on Ramp Rates, but without the rate of offtake deviating beyond the permitted limit of the Flexed Exit Flow Rate.~~
- ~~9.9 Except pursuant to clause 9.8, Transeo will not provide for any Flexed Exit Flow Rate in any Exit Flow Profile prepared by it under this clause 9.~~
- ~~9.10 Transeo will not be concerned (in preparing any Exit Flow Profile under this clause 9) with whether any Output Nomination or Renomination complies with Section C5.1.4(iv) of the Network Code.~~
- ~~9.11 In the event of any inability (resulting from a computer systems failure or otherwise) of Transeo to prepare or revise an Exit Flow Profile in accordance with the provisions of this clause 9:~~



- ~~(a) Transeo will notify CSEP Users of that fact, and of the time at which such inability ceases to apply;~~
- ~~(b) the prevailing Exit Flow Profile shall continue in force until such inability ceases to apply;~~
- ~~(c) when such inability has ceased to apply, the Exit Flow Profile will be revised by reference to Output Nominations and Renominations submitted after Transeo notified Users (under paragraph (a)) of such cessation. 9.12 Where (pursuant to paragraph 9.1) Transeo prepares the Exit Flow Profile in respect of any Day in respect of which Transeo National Grid Gas gives an Interruption Notice:~~
- (a) ~~clause~~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~~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;
- ~~(c) if a CSEP User submits a Renomination in respect of the CSEP, for which the Renomination Effective Time is the curtailment time, and the Renomination Quantity is the quantity specified for it by Transeo under paragraph (b) (i) (and does not subsequently, while the Interruption Notice is in force, submit any other Renomination for an increase in Nomination Quantity):~~
- ~~(i) the CSEP User will not be liable for any amount determined under clauses 7.6 and 7.7, and clause 7.6(b) shall not apply in respect of such User;~~
- ~~(ii) the amounts for which other CSEP Users are liable under clauses 7.6 and 7.7 shall be determined disregarding paragraph (i).~~

~~9.13~~9.6A Curtailment Notice given (upon rejection of a request deemed made pursuant to clause 9.4) pursuant to paragraph 5.5~~(iii)~~ 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 Transeo 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~~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 12.2.2 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 ~~Transeo~~National Grid Gas shall reasonably require:

(i) ~~Applications~~a) applications to become a ~~CSEP~~Moffat User; and

(ii) ~~Applications for NTS Exit Capacity~~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.

**~~11. RTPA Clause~~**

~~11.1—Any provision contained in this Agreement or in any arrangement of which this Agreement forms part by virtue of which this Agreement or such arrangement is subject to registration under the Restrictive Trade Practices Act 1976 shall not come into effect:~~

- ~~(i) —if a copy of the Agreement is not provided to the Director within 28 days of the date on which the Agreement is made; or~~
- ~~(ii) —if, within 28 days of the provision of the copy, the Director gives notice in writing, to the party providing it, that she does not approve the Agreement because it does not satisfy the criterion specified in clause 1(6) of the Schedule to The Restrictive Trade Practices (Gas Conveyance and Storage) Order 1996~~

~~provided that if the Director does not so approve the Agreement then clause 11.2 shall apply.~~

~~11.2—Any provision contained in this Agreement or in any arrangement of which this Agreement forms part by virtue of which this Agreement or such arrangement is subject to registration under the Restrictive Trade Practices Act 1976 shall not come into effect until the day following the date on which particulars of this Agreement and of any such arrangement have been furnished to the Office of Fair Trading under Section 24 of the Act (or on such later date as may be provided for in relation to any such provision) and the parties hereto agree to furnish such particulars within three months of the date of this Agreement.~~**AS**

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

Signed for and on behalf of

**BGNATIONAL GRID GAS plc**

Signature: .....

Name: .....

Position: .....

~~CSEP~~MOFFAT ANCILLARY AGREEMENT

GB - IRELAND INTERCONNECTOR

Signed for and on behalf of:

**Amoco (U.K.) Exploration Company**

Signature: .....

Name: .....

Position: .....

~~CSEP ANCILLARY AGREEMENT~~ MOFFAT ANCILLARY AGREEMENT

**GB - IRELAND INTERCONNECTOR**

Signed for and on behalf of:

**Associated Gas Supplies Limited**

Signature: .....

Name: .....

Position: .....

~~CSEP ANCILLARY AGREEMENT~~ MOFFAT ANCILLARY AGREEMENT

**GB - IRELAND INTERCONNECTOR**

Signed for and on behalf of:

**British Gas Trading Limited**

Signature: .....

Name: .....

Position: .....



**GB - IRELAND INTERCONNECTOR**

Signed for and on behalf of:

**Conoco (U.K.) Limited**

Signature: .....

Name: .....

Position: .....

~~CSEP ANCILLARY AGREEMENT~~ MOFFAT ANCILLARY AGREEMENT

**GB - IRELAND INTERCONNECTOR**

Signed for and on behalf of:

**Mobil Gas Marketing (U.K.) Limited**

Signature: .....

Name: .....

Position: .....

~~CSEP ANCILLARY AGREEMENT~~ MOFFAT ANCILLARY AGREEMENT

**GB - IRELAND INTERCONNECTOR**

Signed for and on behalf of:

**National Power plc**

Signature: .....

Name: .....

Position: .....

**GB - IRELAND INTERCONNECTOR**

Signed for and on behalf of:

**Powergen plc**

Signature: .....

Name: .....

Position: .....

**GB - IRELAND INTERCONNECTOR**

Signed for and on behalf of:

**Quantum Gas Management plc**

Signature: .....

Name: .....

Position: .....

~~CSEP ANCILLARY AGREEMENT~~ MOFFAT ANCILLARY AGREEMENT

**GB - IRELAND INTERCONNECTOR**

Signed for and on behalf of:

**Marathon Oil U.K. Limited**

Signature: .....

Name: .....

Position: .....

## Schedule 1

### Part 1

~~BGNATIONAL GRID GAS~~ plc (~~“Transeo”~~)

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~~Clause 1.4).

#### Section B

3.6.1 (See Schedule 3, paragraph 4.1)

#### Section C

~~5.1.9~~4.1.7 The CSEP is a relevant CSEP for the purposes of Section C~~5.1.9~~(ii~~4.1.7~~(b) (but without prejudice to any provision of ~~clauses 6, Clauses 6 or 7 or 9 or~~Clauses 6 or 7 or 9-Annex B-2 of the CSA).

~~5.1.12~~4.1.10 The CSEP is a relevant CSEP for the purposes of Section C~~5.1.12~~(ii~~4.1.10~~(b) (but without prejudice to any provision of ~~clause 9 or 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 ~~E1.9~~1.8 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: ~~Transeo~~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 ~~Transeo~~[National Grid Gas](#) Exit Allocation Statements or revisions thereof;
  - (ii) by 19:00 hours: where ~~elauses~~[Clauses](#) 6.6 to 6.11 apply, ~~Transeo~~[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 ~~Transeo~~[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 ~~Transeo~~[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 ~~Transeo~~[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

~~2.2.1 The CSEP is a relevant CSEP for the purposes of Section F2.2.1(a)(iii).~~

~~2.2.2 The CSEP is a relevant CSEP for the purposes of Section F2.2.2(i).~~

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

~~3.9.23.9~~ 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 TranseoNational Grid Gas and any person) pursuant to which TranseoNational 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<sub>1</sub>;

“Sub-CSEP Transfer Certificate”: a certificate in the form in Annex B<sub>2</sub>; and

“Uncommitted Available Capacity”: at any time, the maximum amount of NTS Exit Capacity in respect of the CSEP for which TranseoNational Grid Gas is permitted to accept applications without infringement of Section J5.10.1, 6.7.1, determined:

(ia) after taking account of such capacity already held or applied for, and

(ib) excluding any amount of such capacity in relation to which TranseoNational Grid Gas is at the relevant time committed to accept an application by a CSEP User pursuant to any ARCA, but

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

- (iii) 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.
- 1.3 The CSEP NExA provides for the CSO to notify to ~~Transeo~~[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 ~~Transeo~~[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 ~~Transeo~~[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 ~~J5.10.5~~[6.7.5](#), 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~~(ii)~~ and (iii) shall not apply, and accordingly the NTS Exit ~~Capacity~~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~~capacity period.

2.6 Subject to the provisions of the Network Code, ~~Transeo~~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 ~~Transeo~~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 ~~Transeo~~National Grid Gas the Sub-CSEP Capacity Certificate;
- (b) ~~Transeo~~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 ~~paragraphs~~paragraph 2.7(b);
- (c) where the application will not comply with those paragraphs, ~~Transeo~~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 ~~Transeo~~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 ~~Transeo~~National Grid Gas notified the User under paragraph (b) that such application would be accepted) or in accordance with any notification given by ~~Transeo~~National Grid Gas under paragraph (c).

- 2.9 Pursuant to Section ~~J5.10.3~~, ~~6.7.3~~ 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 ~~Transeo~~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~~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 ~~Transeo~~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 ~~Transeo~~National Grid Gas not later than the 4th Business Day after such notification from ~~Transeo~~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:

- (i)a) the identity of the First and Second CSEP Users;
- (iib) 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);
- (iic) 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 ~~Transeo~~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 ~~Transeo~~[National Grid Gas](#) the Sub-CSEP Transfer Certificate;
- (b) ~~Transeo~~[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 ~~Transeo~~[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 ~~Transeo~~[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) ~~Transeo~~[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 ~~Transeo~~[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) BGNATIONAL GRID GAS plc ("TranseoNational Grid Gas") on its own behalf and on behalf of all the other parties to the CSEPMoffat Ancillary Agreement referred to below; and
- (2) [ ] (the "**Applicant User**") whose principal office is at [ ]

#### WHEREAS:

- (A) By the CSEPMoffat Ancillary Agreement dated [ ] and amended and restated with effect from [ ] and made between TranseoNational 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 CSEPMoffat 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 CSEPMoffat Ancillary Agreement and not otherwise defined herein shall have the meanings ascribed thereto under the CSEPMoffat Ancillary Agreement.
2. TranseoNational 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 CSEPMoffat Ancillary Agreement on the terms and conditions hereof.
3. The Applicant User hereby accepts its admission as a Party and undertakes with TranseoNational Grid Gas (acting on its own behalf and on behalf of each of the other Parties) to perform and to be bound by the CSEPMoffat Ancillary Agreement as a Party as from the date hereof.
4. For all purposes in connection with the CSEPMoffat Ancillary Agreement the Applicant User shall as from the date hereof be treated as if it has been a signatory of the CSEPMoffat Ancillary Agreement, and as if this Agreement were part of the CSEPMoffat Ancillary Agreement, and the rights and obligations of the Parties shall be construed accordingly.
5. This Agreement and the CSEPMoffat 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.

~~6.1 Any provision contained in this Agreement or in any arrangement of which this Agreement forms part by virtue of which this Agreement or such arrangement is~~

41. ~~VERSION 1.0~~

~~subject to registration under the Restrictive Trade Practices Act 1976 shall not come into effect:~~

- ~~(i) if a copy of the Agreement is not provided to the Director within 28 days of the date on which the Agreement is made; or~~
- ~~(ii) if, within 28 days of the provision of the copy, the Director gives notice in writing, to the party providing it, that she does not approve the Agreement because it does not satisfy the criterion specified in clause 1(6) of the Schedule to The Restrictive Trade Practices (Gas Conveyance and Storage) Order 1996~~

~~provided that if the Director does not so approve the Agreement then clause 6.2 shall apply.~~

~~6.2 Any provision contained in this Agreement or in any arrangement of which this Agreement forms part by virtue of which this Agreement or such arrangement is subject to registration under the Restrictive Trade Practices Act 1976 shall not come into effect until the day following the date on which particulars of this Agreement and of any such arrangement have been furnished to the Office of Fair Trading under Section 24 of the Act (or on such later date as may be provided for in relation to any such provision) and the parties hereto agree to furnish such particulars within three months of the date of 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:

**BGNATIONAL GRID GAS plc**

Signature: .....

Name: .....

Position: .....

Signed for and on behalf of:

**[The Applicant User]**

Signature: .....

Name: .....

Position: .....

Annex B\_1

Form of Sub-CSEP Capacity Certificate<sup>+</sup>

From: \_\_\_\_\_ of \_\_\_\_\_

To: BGNATIONAL GRID GAS plc ("~~Transeo~~"National Grid Gas)

\_\_\_\_\_ interconnector

Connected System Exit Point at \_\_\_\_\_ (the "CSEP")

We are a Downstream Capacity Holder (as defined in the CSEP 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 \_\_\_\_\_.<sup>2</sup>

We may withdraw or amend this certificate by giving notice of not less than 10 days to ~~Transeo~~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 ~~Transeo~~National Grid Gas.

~~Transeo~~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: .....

<sup>1</sup> ~~\_\_\_\_\_ The CSEP User applying for NTS Exit Capacity is to obtain and provide to Transeo this certificate.~~

<sup>2</sup> ~~\_\_\_\_\_ This period may be equal to or more than 12 months, or (in the cases in paragraphs 3.2(ii) or 5.4 of Schedule 3) less than 12 months.~~

Annex B\_2

Form of Sub-CSEP Transfer Certificate

From: \_\_\_\_\_ of \_\_\_\_\_

To: ~~BGNATIONAL GRID GAS~~ plc (~~“Transeo”~~ “National Grid Gas”)

\_\_\_\_\_ interconnector

Connected System Exit Point at \_\_\_\_\_ (the “CSEP”)

We are a Downstream Capacity Holder (as defined in the ~~CSEP 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 ~~Transeo~~ National Grid Gas.

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

Dated: .....

Signed: .....

## Annex C

### Notice of designation of Agreement

1. ~~Transeo~~National Grid Gas, with Condition ~~7A11(418)~~ Approval of the ~~Director~~Authority, hereby designates with effect from \_\_\_\_\_ the attached Agreement entitled \_\_\_\_\_ and dated \_\_\_\_\_ (the ~~"Agency Agreement"~~<sup>22</sup>) as a ~~"Designated Agency Agreement"~~<sup>22</sup> for the purposes of the Ancillary Agreement (GB-Ireland Interconnector) dated \_\_\_\_\_ (the ~~"Ancillary Agreement"~~<sup>22</sup>).
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. ~~Transeo~~National Grid Gas may withdraw this designation, by notice to all persons who are for the time being ~~CSEP~~Moffat Users ~~in relation to the CSEP~~:
  - (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 ~~Transeo~~National Grid Gas at the time of this notice; and
    - (ii) as a result of such circumstances ~~Transeo~~National Grid Gas has reasonable grounds to apply to the ~~Director~~Authority for Condition ~~7A11(418)~~ Approval to ~~Transeo~~National Grid Gas's maintaining this designation in effect; and
    - (iii) the ~~Director~~Authority does not, upon ~~Transeo~~National Grid Gas's application, give such Condition ~~7A11(418)~~ Approval; or
  - (b) upon the application of ~~Transeo~~National Grid Gas or any User, the ~~Director~~Authority gives Condition ~~7A11(418)~~ Disapproval to ~~Transeo~~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 [Transeo 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 ~~of the Network Code~~ or any other provision of the Network Code relating to the subject matter of those Sections, and [Transeo 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. [Transeo 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, [Transeo 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) [Transeo 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 [Transeo 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) [Transeo 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) [Transeo 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 ~~clauses 6.6 and 9~~ [Clause 6](#) of this Agreement;
    - (ii) any provisions referring to Output Nominations of any agreement(s), approved by [Transeo 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 ~~elause~~Clause 8.2;
- (d) pursuant to paragraph (c), a quantity of gas will be treated as allocated to ~~Transeo~~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 ~~Transeo~~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 ~~elause~~Clause 7.7 and paragraph 4.2(b) of Schedule 3, the quantity allocated to ~~Transeo~~National Grid Gas under paragraph (d) will be treated as an UDQO and ~~Transeo~~National Grid Gas will be treated as a CSEP User.
6. For the purposes of this Schedule 4, ~~Transeo~~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, ~~Transeo~~National Grid Gas will be liable for charges of the agent under any such agreement(s) as though ~~Transeo~~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 ~~Transeo~~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 ~~elause~~Clause 4.3 which are referable to the activities of ~~Transeo~~National Grid Gas pursuant to ~~elause~~Clauses 6, 8 or ~~9 or schedule~~Schedule 3.

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Input:	
Document 1	file://C:/Documents and Settings/Frank.Roper/Desktop/ORIGINAL CSEP AA FOR MOFFAT 24 8 98.DOC
Document 2	file://C:/Documents and Settings/Frank.Roper/Desktop/MOFFAT Ancillary Agreement Amendment and Reinstatement Agreement ( 01 07 11).DOC
Rendering set	standard

Legend:	
	<u>Insertion</u>
	<del>Deletion</del>
	<del>Moved from</del>
	<u>Moved to</u>
	Style change
	Format change
	<del>Moved deletion</del>
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	513
Deletions	481
Moved from	1
Moved to	1
Style change	0
Format changed	0
<b>Total changes</b>	<b>996</b>