

Document comparison done by DeltaView on 18 November 2011 10:04:50

<b>Input:</b>	
Document 1	pcdocs://dwslib/9232192/1
Document 2	pcdocs://dwslib/9232115/2
Rendering set	DWS Underline Strikethrough

<b>Legend:</b>	
<a href="#">Insertion</a>	
<a href="#">Deletion</a>	
<a href="#">Moved from</a>	
<a href="#">Moved to</a>	
Style change	
Format change	
<del>Moved-deletion</del>	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

<b>Statistics:</b>	
	Count
Insertions	236
Deletions	429
Moved from	0
Moved to	0
Style change	0
Format changed	0
Total changes	665

AMENDED AND RESTATED CSEP ANCILLARY AGREEMENT  
UK-CONTINENT INTERCONNECTOR

**THIS AGREEMENT** ~~is~~ made on and with effect from 25.8.1998 25 August 1998 between:

- (1) NATIONAL GRID GAS plc (formerly BG plc), whose principal office ~~and other details are as set out in Part 1 of Schedule 1 hereto~~ is at 1-3 Strand, London WC2N 5EH; and
- ~~(2)~~ (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 26<sup>th</sup> February 1996, pursuant to which they are bound by the Network Code.
- ~~(B)~~ (B)—This Agreement is in a form designated by TranseeNational Grid Gas with ~~{Condition 7A11(418) Approval}~~ of the DirectorAuthority and is being entered into (i) pursuant to Section J5.9.16.6.1 as a CSEP Ancillary Agreement in relation to the Connected System Exit Point at Bacton at which the UK-Continent interconnector is connected to the System and (ii) pursuant to Section I4.7.1 as an Ancillary Agreement (for the purposes, inter alia, of Section V1.1.6) in relation to the corresponding System Entry Point.

**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 TranseeNational Grid Gas (on its own behalf and on behalf of all other Parties) and a User wishing to become a CSEP User, in the form in "Annex A hereto;

**"Annex B-4"**: Annex B-4 of the CSEP NExA;

**"Commencement Date"**: the 26<sup>th</sup> Business Day after the date of this Agreement, or 1<sup>st</sup> October 1998, whichever is the later;

**"Connected Offtake System"**: the UK-Continent interconnector;

**"Connected ~~Systems~~System Point"**: the points at which the UK-Continent interconnector is connected to the System at Bacton, which comprise both a Connected System Exit Point and a System Entry Point;

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

**"CSEP NExA"**: the Interconnection Agreement dated 25.8.98 25 August 1998 between TranseeNational Grid Gas and the CSO, as from time to time amended (in accordance with Section J5.7.1), 6.4.1, as CSEP Network Exit Agreement;

**"CSEP User"**: a Party to this Agreement other than [Transeo National Grid Gas](#), including for the purposes of [clauses Clauses](#) 3.1 and 9 a User who is a Party pursuant only to Section [11.7.1](#) ;

**"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-4;

**"Designated Agency Agreement"**: an Agreement for the time being designated by [Transeo National Grid Gas](#), with Condition [7A11\(418\)](#) 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~~ [5.2 or otherwise for the purposes of this Agreement](#);

**"Effective Date"**: is 1 October 2012;

**"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 National Grid [Gas](#), as from time to time modified pursuant to that licence; [and](#)

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

1.2 Words and expressions defined in or for the purposes of the Network Code [or the CSEP NExA](#) and not otherwise defined herein shall have the meanings ascribed thereto in the Network Code [or the CSEP NExA](#); 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.

~~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.~~

~~1.4 Not used~~

1.5 Any reference in this Agreement to an agent of CSEP Users is a reference only to a person which is an agent (for the relevant purposes) of all CSEP Users.

1.6 To the extent to which [clause Clause](#) 9 or any other part of this Agreement makes provision in respect of the Connected [Systems System](#) Point as System Entry Point, this Agreement shall take effect as an Ancillary Agreement in respect of such System Entry Point.

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 ~~J1.3-21.5.2~~ for which purposes this Agreement does not count as a Network Exit Agreement) shall continue in force thereafter.
- 2.2 Clause ~~4-10~~ and 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.

### 3. **Conditions of becoming a CSEP User**

- 3.1 For the purposes of Section ~~J5.6-46.5.2 I~~ and ~~H.7.1V 1.1.6~~ a User must:
- (~~ia~~) be a party to or accede to any Designated Agency Agreement which is for the time being in force; and
  - (~~ib~~) comply with any requirements stipulated in such Agreement for the purposes of this ~~clause~~Clause 3.1 (~~ib~~);

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

- 3.2 Subject to ~~clause~~Clause 3.8, by executing or acceding to this Agreement a User shall be deemed to have given notice to TranseeNational Grid Gas pursuant to Section ~~J5.6-46.3.1~~ in respect of the CSEP.
- 3.3 Subject to the conditions in ~~clause~~Clause 3.1, where a User applies (in accordance with ~~clause~~Clause 3.4) to become a CSEP User in respect of the CSEP, the Parties shall admit such User as an additional party to this Agreement, for which purposes TranseeNational 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 User with effect from any date (the "**proposed accession date**"):
- (a) the User shall, not less than 2520 Business Days and not more than 6 months before the proposed accession date, give notice of its wish to TranseeNational Grid Gas, specifying the proposed accession date;
  - (b) if TranseeNational Grid Gas is satisfied that the condition in ~~clause~~Clause 3.1 is or will by the proposed accession date be satisfied, TranseeNational 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 TranseeNational Grid Gas such Accession Agreement, not less than 2010 Business Days before the proposed accession date, ~~subject to paragraph 2.13 of Schedule 3~~;
  - (d) TranseeNational 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 and the date of its accession .

- 3.5 Each Party (other than [TranseeNational Grid Gas](#)) hereby authorises [TranseeNational Grid Gas](#) to sign on its behalf and deliver any Accession Agreement pursuant to [clauseClause](#) 3.3, and undertakes not to withdraw, qualify or revoke such authority.
- 3.6 Upon the execution of an Accession Agreement by [TranseeNational Grid Gas](#) and a User, the User shall become a Party.
- 3.7 A CSEP User shall cease to be a CSEP User and a Party:
- (a) upon ceasing to be a User under the Network Code; or
  - (b) with effect from the date so specified, if:
    - (i) the CSEP User gives notice to [TranseeNational Grid Gas](#) to the effect that, and specifying the date (not less than 10 [Business Days](#) after the date of such notice) with effect from which, the CSEP User wishes to cease to be a CSEP User; and
    - (ii) on the date so specified, the CSEP User:
      - (1) does not hold any Available NTS Exit [\(Flat\)](#) Capacity at the CSEP;
      - (2) does not hold any Registered NTS Exit [\(Flat\)](#) Capacity at the CSEP; and
      - (3) is not party to any outstanding System Capacity Transfer in relation to the CSEP; or
  - (c) with effect from the effective date of such designation, if:
    - (i) after the date of this Agreement, [TranseeNational Grid Gas](#) designates any Agreement as a Designated Agency Agreement; and
    - (ii) the 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 [clauseClause](#) 3.1([ii](#)), at or by the date with effect from which [TranseeNational Grid Gas](#) designated such Agreement.
- 3.8 Where a User has become a Party by virtue only of Section ~~I4.7.1~~, that User shall not be a CSEP User for the purposes of Section J5.6 and shall not be entitled to offtake gas from the System, hold NTS Exit Capacity, make Output Nominations or submit Exit Allocation Statements in respect of the CSEP.
- 4. General Network Exit Provisions**
- 4.1 Each CSEP User acknowledges the terms of the CSEP [NexANExA; 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 System Point, CSEP Users or SEP Users as applicable shall be liable to pay such charge.
- 4.4 Each CSEP User authorises Transeo National Grid Gas to disclose information relating to that CSEP 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 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 Transeo National Grid Gas agrees that:
  - (i) it will provide to each CSEP User a copy of any amendment made to the CSEP NExA; and
  - (ii) it will not agree with the CSO to terminate the CSEP NExA without giving notice to CSEP Users at least 60 days Business Days before the effective date of such termination.

#### **Capacity ~~5~~ 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 and 5.10.5.6.7.1 and 6.7.2.~~

~~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 (subject to having made the applicable registrations at the CSEP) 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. The CSEP Daily Quantity Offtaken shall be allocated in accordance with the following provisions:
- 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 SEP 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.~~

~~(a) Using the CSEP Daily Quantity Offtaken which has been provided by the CSO, National Grid Gas will notify the CSEP Daily Quantity Offtaken to the CSEP User Agent not later than 1100 hours on the Day following the Gas Flow Day and (where such quantity is pursuant to any provision of the Network Code to be revised) may notify a revision of the quantity so notified to the CSEP User Agent not later than 1100 hours on the Exit Close Out Date;~~

~~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(ii) shall apply by reference to the Firm and the Interruptible CSEP together.~~

~~(b) if, by 1600 hours on the Day following the Gas Flow Day, and (where National Grid Gas notifies a revision of the CSEP Daily Quantity Offtaken to the CSEP User Agent) by 1600 hours on the Day on which the National Grid Gas notifies such revision, the CSEP User Agent has notified to National Grid Gas amounts, aggregating the CSEP Daily Quantity Offtaken (as revised at the relevant time), to be allocated to the CSEP Users;~~

~~(i) the amounts so notified may be revised (provided they continue to aggregate the CSEP Daily Quantity Offtaken, as revised at the relevant time) by the CSEP User Agent at any time before 1600 hours on the Exit Close Out Day; and~~

~~(ii) the CSEP Daily Quantity Offtaken shall be allocated the CSEP Users in the amounts so notified or such revised amounts so notified not later than 1600 hours on the Exit Close Out Day; and~~

~~(c) by 1900 hours on any Day after the Gas Flow Day and up to and including the Exit Close Out Date: where Clauses 6.3 and 6.4 apply, National Grid Gas shall provide details of the quantities determined (provisionally before or finally upon the Exit Close Out Date as UDQOs) to the CSEP User Agent.~~

~~6.5 Subject to clause 6.11, in 6.3 In respect of any Day for which CSEP ~~User's~~Users' UDQOs are not determined pursuant to Section E3.2.5 and Clause 6.2 (by reference to Exit Allocation Statements complying with Section E3.2.6 submitted by the CSEP Users or their agent User Agent) nor pursuant to Section E3.2.8:(a) ~~clause 6.6~~3.2.8, Clause 6.4 shall apply for the purposes of determining and allocating 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 ~~67 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 Transeo 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 Transco 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 — Where, in respect of the first Day on which gas is offtaken from the System at the CSEP, Section E3.2.8 would otherwise apply, the CSEP Daily Quantity Offtaken shall be;~~

~~— (a) — allocated between all CSEP Users equally; and~~

~~— (b) — treated as offtaken at the Firm CSEP.~~

## ~~7. — Interruptible CSEP~~

~~7.1 — Transco 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 Transco 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 5.6(ii) or (iv) of Annex B-4 by reason of the Exit Flow Profile or revision thereof not complying with paragraph 4.1.(ii) or 4.2.(ii) of Annex B-4;~~

~~(c) — for the avoidance of doubt, in accordance with paragraph (b), where Transco has accepted a request made pursuant to paragraph 5.1(i)(l) of Annex B-4 and subsequently gives a Curtailment Notice which requires a reduced 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-4, 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, Transco agrees that the reduced 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 Transco and notified to CSEP Users and the GSO, but so that no tranche shall be smaller than 5860 MW (equivalent to 200,000 therms per Day) and until Transco 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**"), Transco gave an Interruption Notice and the requirements (the "**Curtailment Requirements**") of paragraph 5.3 of Annex B-4 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 Transco:—~~

~~(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:—~~

$$\frac{2 * R * (A - B) * C}{24}$$

~~(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 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 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 G6.9.7.~~

~~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) Transco 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 Transco, not later than the Exit Close-out Date, an allocation of such amounts (in aggregate equal to the aggregate amount notified by Transco 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 Transco;~~

~~6.4 If, by 1600 hours on the Day following the Gas Flow Day, or by 1600 hours on any Day on which National Grid Gas notifies to the CSEP User Agent any revision of the CSEP Daily Quantity Offtaken, the CSEP User Agent has not notified to National Grid Gas amounts aggregating to the CSEP Daily Quantity Offtaken (as revised at the relevant time) to be allocated to the CSEP Users, then the CSEP Daily Quantity Offtaken shall be allocated between the CSEP Users:~~

~~(c) a CSEP User with no UDQO in respect of the Interruptible CSEP may be liable for such amounts pursuant to paragraph (b).~~

~~(a) in proportion to the Nominated Quantities under the CSEP Users' Output Nominations in respect of the Connected System Exit Point for the Day or (if such Nominated Quantity is zero for each CSEP User) in proportion to the NTS Exit Capacity which the CSEP User is registered as holding at such CSEP; or~~

~~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 paragraph 7.6(b) shall not apply in relation to that CSEP User:~~

~~(i) 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) if the CSEP User Agent shall have notified National Grid Gas (not less than 15 Business Days before the Gas Flow Day) of proportions aggregating unity for the purposes of allocation in such circumstances, in such proportions,~~

~~provided that if National Grid Gas is reasonably satisfied that such omission of the CSEP User Agent resulted from an administrative error (by the CSEP User Agent) of an infrequent nature, National Grid Gas may permit the CSEP User Agent to submit (by such time, not later than 1600 hours, on the Exit Close Out Day as National Grid Gas may require) a late notification or revised notification for the purposes of Clause 6.2(b).~~

~~(ii) in exceptional circumstances, where the User can demonstrate to Transco'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.~~

## 7. Not used

### 8. Rates and quantities of offtake

8.1 Each CSEP User acknowledges the terms of Annex B-4, and in addition acknowledges:

~~(i)~~ that ~~Transco~~National Grid Gas will not provide to CSEP Users Exit Flow Profiles;

~~(ii)~~ that ~~Transco~~National Grid Gas will not, and shall be under no obligation to, compare any Output Nomination or Renomination (including pursuant to any accepted Flexibility BidLocational Market Transaction) made by any CSEP User in respect of the CSEP with any Exit Flow Profile or revision thereof, or otherwise take note of any such Nomination in implementing or in exercising its rights pursuant to Annex B-4;

~~(iii)~~ in particular, that where ~~Transco has accepted a Flexibility Bid at the CSEP it is the CSEP User's responsibility to ensure that the Exit Flow Profile is revised appropriately, and that Transco's~~ Locational Market Transaction is made in relation to the CSEP 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; and

~~(iv)~~ that the quantities which in aggregate may be offtaken from the ~~system~~System at the CSEP are limited by the provisions of the CSEP NEXA as to Ramp Rates (as therein defined).

8.2 Accordingly, it is the responsibility of CSEP Users to arrange (pursuant to arrangements with persons on whose behalf gas is conveyed in the Connected

Offtake System, and arrangements between such persons and the CSO) consistency of any Exit Flow Profile with their Nominations.

- 8.3 Any Curtailment Notice ~~(including an Interruption Notice)~~, and a notice that ~~an Interruptiona Curtailment~~ Notice no longer applies, will (in accordance with Annex B-4) 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 ~~TranscoNational 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.

## 9. Establishing aggregate quantities

- 9.1 ~~TranscoNational Grid Gas~~ and CSEP Users agree and acknowledge that, under the Interconnection Agreement referred to in the definition of 'CSEP NEXA', the CSO is required to notify to ~~TranscoNational Grid Gas~~, in relation to each Day~~;~~:

(a) a quantity (the "**measured quantity**") which represents the aggregate physical quantity determined (in accordance with Annex D thereof) as having flowed on the Day at the Connected ~~SystemsSystem~~ Point, which will (if there were physical gas flows in both directions at different times during the Day) reflect the net amount of such flows; and

(b) where on the Day (irrespective of whether there were physical gas flows in both directions at different times) IUK Shippers nominated gas flows both into and out of the IUK System at the Connected ~~SystemsSystem~~ Point:

(i) a quantity (the "**gross exit quantity**") which represents the aggregate amount to be treated as having flowed on the Day from the ~~TranscoNational Grid Gas~~ System to the IUK System at the CSEP, which will be a gross amount based on quantities which the CSO determines would have flowed in the absence of any nomination of a gas flow out of the IUK System at the Connected ~~SystemsSystem~~ Point; and

(ii) a quantity (the "**gross entry quantity**") which represents the aggregate amount to be treated as having flowed on the Day into the ~~TranscoNational Grid Gas~~ System from the IUK System at the System Entry Point, which will be a gross amount based on quantities which the CSO determines would have flowed in the absence of any nomination of a gas flow into the IUK System at the Connected ~~SystemsSystem~~ Point.

- 9.2 ~~TranscoNational Grid Gas~~ shall have no responsibility to investigate or verify any quantity notified under ~~elauseClause~~ 9.1 (b).

- 9.3 Subject to ~~elauseClause~~ 9.4, the gross exit quantity and the gross entry quantity, as notified by IUK pursuant to ~~elauseClause~~ 9.1 (b)(i) and (ii), shall be the CSEP Daily Quantity Offtaken and the Entry Point Daily Quantity Delivered, respectively.

- 9.4 If for any Day the net sum of the gross entry quantity and the gross exit quantity is not equal to the measured quantity, or the CSO fails to notify to [Transeo National Grid Gas](#) the gross entry quantity and gross exit quantity by the time required under this Agreement, the CSEP Daily Quantity Offtaken (where the measured quantity represents a flow out of the System) or the Entry Point Daily Quantity Delivered (where the measured quantity represents a flow into the System) shall be the measured quantity, and the other shall be zero.
- 9.5 If it appears that [clause Clause](#) 9.4 will or may apply in relation to any Day, [Transeo National Grid Gas](#) will (before the latest time by which the CSO is required to provide the details referred to in that [clause Clause](#)) so notify the CSO so as to give the CSO an opportunity to provide or correct such details and avoid the application of that [clause Clause](#).

## 10. **Communications**

Notwithstanding any provision of Section U or the UK Link Manual, ~~the following~~ Code Communications [for applications to become a CSEP User](#) shall be given by facsimile in such format as [Transeo National Grid Gas](#) shall reasonably require:

- ~~(i) Applications to become a CSEP User;~~ ~~(ii) Applications for NTS Exit Capacity.~~

## 11. **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. The Parties may rescind or change any term of this Agreement without the consent of a person who is not party to this Agreement.](#)

## 12. **Governing Law**

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

~~[English law governs this Agreement and its interpretation.](#)~~

- ~~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:~~

## 13. **Jurisdiction**

- ~~(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~~

~~[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.](#)~~

- ~~(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.~~

14. Counterparts

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

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.



## **Schedule 1**

### **Part 1**

#### **BG plc ("~~Transco~~")**

100 Thames Valley Park Drive  
Reading  
Berkshire RG6 IPT

### **Part 2**

#### **Other Parties**

Alliance Gas Limited  
11 Regent Street  
London SW1Y 4AG

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

Associated Gas Supplies Limited  
30 Buckingham Gate  
London SW1E 6NN

BP Gas Marketing Limited  
Britannic House  
1 Finsbury Circus  
London EC2M 7BA

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

Dynergy UK Limited  
41 Vine Street  
London EC2N 2AA

Enron Capital & Trade Resources Limited  
Four Millbank  
London SW1P 3ET

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

Norsk-Hydro (UK) Limited  
Bridge House  
69 London Road  
Twickenham  
Middlesex TW1 3RH

## 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

~~5.1.92.2.3~~ The CSEP is a relevant CSEP for the purposes of Section ~~C5.1.92.2.3(b)~~(ii) (but without prejudice to any provision of Annex B-4).

~~5.1.124.1.7~~ The CSEP is a relevant CSEP for the purposes of Section ~~C5.1.12(ii)4.1.7(b)~~ (but without prejudice to any provision of ~~clauses 6 or 7~~Clause 4 or Annex B-4).

~~5.2.34.1.10~~ The CSEP is a relevant CSEP for the purposes of Sections ~~C5.2.3(i) and (ii)4.1.10(b)~~.

~~5.4.14.1.11~~ The CSEP is a relevant CSEP for the purposes of Section ~~C5.4.1.4.1.11(b)~~.

### Section D

2.1.3 The CSEP is not a relevant CSEP for the purposes of Section D Transitional Document Part IID paragraph 2.1.3 (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).

~~1.91.8~~ Notwithstanding Sections E1.6 and ~~E1.91.8~~ 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 Entry Close-out Date or (as the case may be) the Exit Close-out Date:
    - (i) by 09:30 hours: CSO to provide to Transee National Grid Gas details or revised details of measured quantity and other quantities referred to in clause Clause 9.1; and

- (ii) by 11:00 hours: [TranseoNational Grid Gas](#) to pass to relevant Users' agent (if appointed) the details received (under (i)) from CSO;
    - (b) from the first information Day (in accordance with Section ~~E1.6.2~~[E1.6.2](#)) until the Entry Close-out Date or (as the case may be) the Exit Close-out Date by:
      - (i) ~~by~~ 16:00 hours: relevant Users or their agent (if appointed) to provide to [TranseoNational Grid Gas](#) Entry Allocation Statements and/or Exit Allocation Statements or revisions thereof; and
      - (ii) by 19:00 hours: where clauses 6.6 to 6.11 apply, and/or where Section E2.1.8 or 2.1.9 applies, Transco to provide details of quantities determined (provisionally before or finally upon the Exit Close out Date or Entry Close out Date) as UDQOs and UDQIs to Users;
  - (2) in relation to Days before the Entry Close-out Date or (as the case may be) the Exit Close-out Date, where information is not provided to [TranseoNational Grid Gas](#) in accordance with and by the times required under this paragraph [1.9](#)(l)(a)(i) and (b)(i), such information will not be taken into account in the information available to Users pursuant to Section E1.6; and
  - (3) in relation to the Entry Close-out Date or (as the case may be) the Exit Close-out Date, where relevant information is not provided to [TranseoNational Grid Gas](#) in accordance with and by the times required under this paragraph [1.9](#)(l)(a)(i) and (b)(i), such information will not be taken into account in determining Users' UDQIs and UDQOs (and, if provided after the required time, will be rejected).
- 6.4 Where pursuant to paragraph 4.5 of Part 1 of Annex D 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 [TranseoNational 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), b(iii) and (d)(ii).

## Section J

3.9.2 The CSEP is a relevant CSEP for the purposes of Sections [J3.9.2](#) and [J3.9.3, 3.10](#), 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-4.

## Schedule 3

### Capacity rules - Firm CSEP

#### 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 Transco and any person) pursuant to which Transco 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 B1;

**"Sub-CSEP Transfer Certificate"**: a certificate in the form in Annex B2;

**"Uncommitted Available Capacity"**: at any time, the maximum amount of NTS Exit Capacity in respect of the CSEP for which Transco is permitted to accept applications without infringement of Section J5.10.1, determined:

- (i) after taking account of such capacity already held or applied for, and
- (ii) excluding any amount of such capacity in relation to which Transco is at the relevant time committed to accept an application by a CSEP User pursuant to any ARCA, but

~~(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 Transco 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 Transco.~~

~~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 Transco 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, 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 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, Transco 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 DGH 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 Transco 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 Transco the Sub-CSEP Capacity Certificate;~~

~~(b) — Transco 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 2.7(b);~~

~~(c) — where the application will not comply with those paragraphs, Transco 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 Transco'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 Transco notified the User under paragraph (b) that such application would be accepted) or in accordance with any notification given by Transco under paragraph (c).~~

~~2.9 Pursuant to Section J5.10.3, 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 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 Transco 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 Transco not later than the 4th Business Day after such notification from Transco, 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) the identity of the First and Second CSEP Users;~~
- ~~(ii) 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);~~
- ~~(iii) 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 Transco 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 Transco the Sub-CSEP Transfer Certificate;~~~~
  - ~~(b) Transco 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 Transco 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 Transco's notification to the Second CSEP 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) — Transco 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:~~

$$\frac{\text{A}}{\text{B}} * \text{C}$$

~~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 sums 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 During the Initial Booking Period, CSEP User may apply for NTS Exit Capacity, for a proposed registration date which is the Commencement Date, pursuant to this Schedule 3.~~

~~5.2 Subject to paragraph 5.4, if for any Sub-CSEP the aggregate of the amounts of Initial NTS Exit Capacity applied for exceeds 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.~~

~~5.3 Subject to paragraph 5.4, if the amounts of Initial NTS Exit Capacity applied for at all Sub-CSEPs, as reduced pursuant to paragraph 5.2, exceeds the Uncommitted Available Capacity, NTS Exit Capacity shall be allocated to CSEP Users pro rata the amounts properly applied for pursuant to paragraph 5.1 as reduced pursuant to paragraph 5.2.~~

~~5.4 In paragraphs 5.2 and 5.3, references to Initial NTS Exit Capacity and to Downstream Capacity Entitlements shall exclude (and such amounts shall be determined net of) the amount of any NTS Exit Capacity applied for and held by a CSEP User pursuant to and in accordance with an ARCA, or for which Transco is committed to accept an application, at the relevant Sub-CSEP, pursuant to an ARCA.~~

~~5.5 In this paragraph 5 “Initial NTS Exit Capacity” means NTS Exit Capacity at the CSEP properly applied for pursuant to paragraph 5.1 and for which the proposed registration date is the Commencement Date.~~

Not used

**Annex A**  
**Form of Accession Agreement**

THIS ACCESSION AGREEMENT is made on [        ] between:

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

WHEREAS:

- (A) By the CSEP Ancillary Agreement dated \_\_\_\_\_ and made between [TranseoNational Grid Gas](#) and the persons named therein (and 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.
- (B) The Applicant User wishes to be admitted as an additional Party under the CSEP Ancillary Agreement.

IT IS HEREBY AGREED as follows;

1. In this Accession Agreement words and expressions defined in or for the purposes of the CSEP Ancillary Agreement and not otherwise defined herein shall have the meanings ascribed thereto under the CSEP 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 CSEP 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 CSEP Ancillary Agreement as a Party as from the date hereof.
4. For all purposes in connection with the CSEP Ancillary Agreement the Applicant User shall as from the date hereof be treated as if it has been a signatory of the CSEP Ancillary Agreement, and as if this Agreement were part of the CSEP Ancillary Agreement, and the rights and obligations of the Parties shall be construed accordingly.
5. This Agreement and the CSEP 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 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 I(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:

Signed for and on behalf of:

~~**BGNational Grid Gas plc**~~  
**User]**

**[The Applicant**

Signature:

Signature:

Name:

Name:

Position:

Position:



**Annex B-1**  
**Form of Sub-CSEP Capacity Certificate<sup>1</sup>**

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

To: BG plc ("Transco")

\_\_\_\_\_ interconnector

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

We are a Downstream Capacity Holder (as defined in the CSEP Ancillary Agreement dated \_\_\_\_\_ 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 Transco 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 Transco.

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

Dated: \_\_\_\_\_

Signed: \_\_\_\_\_

Not used.

<sup>1</sup> The CSEP User applying for NTS Capacity is to obtain and provide to Transco 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 B2**  
**Form of Sub-CSEP Transfer Certificate**

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

To: BG plc ("Transco")

\_\_\_\_\_ interconnector

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

We are a Downstream Capacity Holder (as defined in the CSEP Ancillary Agreement dated \_\_\_\_\_ 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 Transco.

Transco may disclose this certificate to the First and Second CSEP Users.

Dated: \_\_\_\_\_

Signed: \_\_\_\_\_

Not used.

**Annex C**  
**Notice of designation of Agreement**

1. TranseeNational Grid Gas, with Condition 7A11(418) Approval of the DirectorAuthority, 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 (UK-Continent Interconnector) dated \_\_\_\_\_ (the "**Ancillary Agreement**").
2. This designation shall remain in force notwithstanding any change in the persons who are for the time being partiesParties to the Agency Agreement.
3. TranseeNational Grid Gas may withdraw this designation, by notice to all persons who are for hethe time being CSEP 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 TranseeNational Grid Gas at the time of this notice; and
    - (ii) as a result of such circumstances TranseeNational Grid Gas has reasonable grounds to apply to the DirectorAuthority for Condition 7A11(418) Approval to TranseeNational Grid Gas's maintaining this designation in effect; and
    - (iii) the DirectorAuthority does not, upon TranseeNational Grid Gas's application, give such Condition 7A11(418) Approval; or
  - (b) upon the application of TranseeNational Grid Gas or any User, the DirectorAuthority gives Condition 7A11(418) Disapproval to TranseeNational 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).