

## MODIFICATION 0708 – DOCUMENT 1

### SECTION B – SYSTEM CAPACITY

*Insert a new paragraph 8 to read as follows:*

#### 8 INTERRUPTION

##### 8.1 Introduction

8.1.1 This paragraph 8 contains provisions in relation to:

- (a) the designation of Supply Point Capacity at eligible Supply Points as Interruptible, pursuant to invitation to submit, submission and acceptance of Interruption Offers;
- (b) the designation of Supply Point Capacity at Temporary Interruptible Supply Points as Temporary Interruptible Supply Point Capacity, pursuant to paragraph 8.12;
- (c) requirements to be satisfied by Users in respect of Interruptible Supply Points;
- (d) the Interruption by a DN Operator of the offtake of gas from an LDZ at Interruptible Supply Points; and
- (e) the consequences of a failure to Interrupt.

8.1.2 For the purposes of the Code:

- (a) Supply Point Capacity at an LDZ Supply Point is “**Interruptible**” in relation to an Interruptible Period where it is subject to Interruption in accordance with this paragraph 8 and is “**Firm**” where it is not subject to Interruption;
- (b) Supply Point Capacity at an eligible Supply Point may be designated as Interruptible:
  - (i) pursuant to the acceptance of an Interruption Offer under paragraph 8.4; or
  - (ii) (upon a Supply Point Confirmation becoming effective) in accordance with paragraph 8.1.5(a);
- (c) Supply Point Capacity at a Temporary Interruptible Supply Point may be designated as Interruptible pursuant to paragraph 8.13;
- (d) an “**Interruptible Tranche**” of Supply Point Capacity at an LDZ Supply Point is a tranche (in kWh/Day) of DM Supply Point Capacity, designated as Interruptible and defined (i) in the case of a Temporary Interruptible Supply Point pursuant to paragraph 8.12; and (ii) in the case of any other LDZ Supply Point by the Registered User consistent with the requirements in paragraph 8.1.4, with an associated Interruption Allowance, Interruption Option Price and Interruption Exercise Price; and a “**proposed**” Interruptible Tranche is such a tranche which is the subject of an Interruption Offer;
- (e) “**Interruption**” in respect of a tranche of Supply Point Capacity at an LDZ Supply Point means interruption on the DN Operator's instruction (for one or more Days or parts of a Day) of the offtake of gas from the LDZ at the LDZ Supply Point to the

extent required under paragraph 8.7, and references to an Interruptible Tranche being Interrupted and to the DN Operator's right to Interrupt an Interruptible Tranche shall be construed accordingly;

- (f) an “**Interruptible Period**” is a Gas Year or other period in which Supply Point Capacity at a Supply Point is designated as Interruptible;
- (g) an LDZ Supply Point is an “**Interruptible**” Supply Point in an Interruptible Period where the Registered User holds Interruptible Supply Point Capacity at the LDZ Supply Point in that period;
- (h) in relation to an Interruptible Tranche of Supply Point Capacity at a Supply Point and an Interruptible Period:
  - (i) the “**Interruption Option Price**” is the amount (if any) that the DN Operator is required (irrespective of Interruption) to pay to the User, in respect of each Day of the Interruptible Period, in respect of the designation of such Supply Point Capacity as Interruptible;
  - (ii) the “**Interruption Exercise Price**” is the amount (if any) that the DN Operator is required to pay to the User in respect of each Day upon which the DN Operator Interrupts such Interruptible Tranche;
  - (iii) the “**Overall Interruption Price**” is the amount (if any) that the DN Operator would pay in total by way of Interruption Exercise Price (on the assumption of Interruption on every Day of the Interruption Allowance) and Interruption Option Price

each expressed in pence per kWh/Day of Supply Point Capacity;

- (i) the “**Interruption Allowance**” is the number of Days in an Interruptible Period on which an Interruptible Tranche of Supply Point Capacity may be Interrupted;
- (j) the “**Minimum Interruptible Amount**” is the minimum amount of Supply Point Capacity which may be comprised in an Interruptible Tranche, determined (i) (in relation to Temporary Interruptible Supply Point Capacity) in accordance with paragraph 8.13 and (ii) (in relation to any other Supply Point Capacity and an Interruption Zone) in accordance with the Interruptible Capacity Methodology and specified in an Interruption Invitation, subject to paragraph 8.2.5;
- (k) an “**eligible**” Supply Point is an LDZ Supply Point for which the Annual Quantity is greater than 5,860,000 kWh (200,000 therms).

8.1.3 References in this paragraph 8 to Supply Point Capacity are to DM Supply Point Capacity.

8.1.4 The designation of Interruptible Tranches of Supply Point Capacity in respect of any Interruptible Period at an LDZ Supply Point must satisfy the following requirements:

- (a) the number of Interruptible Tranches shall not exceed nine (9);
- (b) the aggregate amount of the Interruptible Tranches shall not exceed (but need not be equal to) the amount of the Registered Supply Point Capacity;

- (c) the amount of each Interruptible Tranche shall not be less than the Minimum Interruptible Amount.

8.1.5 Where a User submits a Supply Point Confirmation in respect of a Proposed Supply Point which comprises a Supply Point that is comprised in an Existing Supply Point which is Interruptible in any Interruptible Period (an “**existing**” Interruptible Supply Point):

- (a) the DN Operator will provide details of the Interruptible Tranches of the existing Interruptible Supply Point to the User within two (2) days after submission of the Supply Point Confirmation (and such details will not have been provided earlier in the Supply Point Offer);
- (b) the Proposed Supply Point shall be an Interruptible Supply Point in relation to such Interruptible Period, having the same Interruptible Tranches of Supply Point Capacity (with the same Interruption Allowances, Interruption Option Prices and Interruption Exercise Prices) as the existing Interruptible Supply Point, subject to paragraph 8.1.6.

8.1.6 Where in relation to an Interruptible Supply Point:

- (a)
  - (i) (other than a Temporary Interruptible Supply Point) the amount of Supply Point Capacity held by the Registered User is subject to an increase pursuant to any provision of the Code, or in relation to a Supply Point Confirmation the Confirmed Supply Point Capacity is greater than the Prevailing Supply Point Capacity, the increased amount of Supply Point Capacity shall be Firm and there shall be no effect on the Interruptible Tranches of Supply Point Capacity in any Interruptible Period;
  - (ii) (which is a Temporary Interruptible Supply Point) the amount of Supply Point Capacity held by the Registered User is subject to an increase pursuant to any provision of the Code, or in relation to a Supply Point Confirmation the Confirmed Supply Point Capacity is greater than the Prevailing Supply Point Capacity, the increased amount of Supply Point Capacity shall be Interruptible and the Interruptible Tranche shall be increased accordingly;
- (b) (including a Temporary Interruptible Supply Point) the amount of Supply Point Capacity held by the Registered User is subject to a decrease pursuant to any provision of the Code, or in relation to a Supply Point Confirmation the Confirmed Supply Point Capacity is less than the Prevailing Supply Point Capacity, the amount of the decrease shall be applied in relation to each Interruptible Period so as to reduce or extinguish the Interruptible Tranches and/or reduce the Firm Supply Point Capacity in such manner as may be agreed between the DN Operator and the Registered User (or, in the case of a Supply Point Confirmation, the Proposing User) or, in the absence of such agreement, in accordance with the following provisions:
  - (i) the Interruptible Tranches in relation to such Interruptible Period shall be ranked in order of Overall Interruption Price, highest priced first;
  - (ii) the amount of the decrease in Supply Point Capacity shall be applied (so as to reduce or extinguish each such tranche) against the Interruptible Tranches in the order ranked, until the amount of the decrease has been fully applied or all Interruptible Tranches have been extinguished;

- (iii) the remaining amount (if any) of the decrease in Supply Point Capacity shall be applied so as to reduce the amount of the Firm Supply Point Capacity;
- (iv) if (pursuant to paragraph (ii) the residual amount of any Interruptible Tranche is less than the Minimum Interruptible Amount, such amount shall be redesignated as Firm.

8.1.7 If at any time an Interruptible Supply Point (other than a Temporary Interruptible Supply Point in respect of which the Supply Point Capacity is designated by the DN Operator as Temporary Interruptible Supply Point Capacity) ceases to be an eligible Supply Point, the DN Operator may elect, by giving not less than two (2) months' notice to the Registered User, that the Supply Point shall cease to be Interruptible, in which case all Interruptible Tranches of Supply Point Capacity (in respect of any Interruptible Period) shall be redesignated as Firm with effect from the date of such election.

8.1.8 The Interruption Option Price in respect of any Interruptible Tranche:

- (a) shall be determined Daily in respect of the amount of the Interruptible Tranche on each Day of the Interruptible Period to which it relates, after taking account of any decrease in such amount pursuant to paragraph 8.1.6(b) and any redesignation of Supply Point Capacity as Firm in accordance with paragraph 8.5 or 8.6.7(b)(i);
- (b) shall be invoiced and is payable (irrespective of whether the DN Operator exercises its right of Interruption) monthly in arrears, in accordance with Section S.

8.1.9 Without prejudice to the generality thereof, the indemnity provided for in Section V11.1.1 shall apply in respect of the taking of any steps or the exercise by the Transporter of any entitlement provided for in this paragraph 8.

## 8.2 Interruption Invitations

8.2.1 For the purposes of this paragraph 8:

- (a) an "**Interruption Offer**" is an offer by a User to designate one or more tranches of DM Supply Point Capacity at an eligible Supply Point as Interruptible in any Interruptible Period;
- (b) an "**Interruption Invitation**" is an invitation by a DN Operator to Users to submit Interruption Offers in relation to Supply Points in an LDZ or part of an LDZ;
- (c) an "**invitation date**" is a date on which Users may submit Interruption Offers pursuant to an Interruption Invitation;
- (d) the "**Interruptible Capacity Methodology**" is the methodology established by each DN Operator and approved by the Authority setting out:
  - (i) the financial terms (including terms as to Interruption Option Price and Interruption Exercise Price) on which Interruption Offers may be made;
  - (ii) the basis on which Interruption Offers will be ranked for selection;
  - (iii) the basis on which Interruption Zones within an LDZ may be defined;

- (iv) different numbers of Days in an Interruptible Period which may comprise an Interruption Allowance;
  - (v) the basis on which Minimum Interruptible Amounts will be determined;
  - (vi) such further matters as may be contemplated by this paragraph 8 or otherwise which the DN Operator may (with the approval of the Authority) decide to include;
- (e) an “**Interruption Zone**” is the LDZ or part of an LDZ (determined in accordance with the Interruptible Capacity Methodology) in respect of which an Interruption Invitation is issued.

8.2.2 In each Gas Year (Y) a DN Operator shall invite Interruption Offers by Users in respect of each of Gas Years Y+4 to Y+8 inclusive, and may invite Interruption Offers in respect of Gas Years Y+1 to Y+3 inclusive (each a separate Interruptible Period) by an “**annual**” Interruption Invitation, in relation to which:

- (a) the invitation dates shall be ten (10) consecutive Supply Point Systems Business Days in June of Gas Year Y;
- (b) the first such invitation date shall be not less than twenty eight (28) Days after the Interruption Invitation is issued.

8.2.3 A DN Operator may invite Interruption Offers at any other time and in respect of any other Interruptible Period (whether comprising all of part of any Gas Year), by an “**ad-hoc**” Interruption Invitation, in relation to which the invitation date(s) shall be such date or dates as the DN Operator may decide.

8.2.4 An Interruption Invitation shall specify:

- (a) the identity of the DN Operator;
- (b) the Interruptible Period(s) in respect of which the invitation is issued;
- (c) the Interruption Zone(s) in respect of which the invitation is issued;
- (d) the invitation date(s);
- (e) the Minimum Interruptible Amount in respect of each Interruption Zone, subject to paragraph 8.2.5;
- (f) the available Interruption Allowances (in accordance with the Interruptible Capacity Methodology);
- (g) in respect of each of the available Interruption Allowances, the amount (if any), as estimated by the DN Operator at the time the Interruption Invitation is issued, of Supply Point Capacity (in excess of the amount which, at the time of the Interruption Invitation, is already Interruptible) in the Interruption Zone required to be Interruptible in each Interruptible Period;
- (h) the maximum number (if greater than one) of alternative Interruption Offers which may be submitted in respect of any Supply Point, tranche of Supply Point Capacity and Interruptible Period;

- (i) such further terms and conditions of the invitation as may be required or permitted by the Interruptible Capacity Methodology.

8.2.5 The Minimum Interruptible Amount specified in respect of an Interruption Zone in an Interruption Invitation relating to any Interruptible Period may not be greater than the Minimum Interruptible Amount in respect of that Interruption Zone (or any other Interruption Zone which falls wholly or partially in that Interruption Zone) in any earlier Interruption Invitation relating to that Interruptible Period.

### **8.3 Interruption offers**

8.3.1 The Registered User of an eligible Supply Point in the relevant Interruption Zone may submit Interruption Offers pursuant to an Interruption Invitation in accordance with this paragraph 8.3.

8.3.2 An Interruption Offer shall specify:

- (a) the identity of the User;
- (b) the Interruption Invitation in respect of which the Interruption Offer is made;
- (c) the Supply Point (within the relevant Interruption Zone) in respect of which the Interruption Offer is made;
- (d) the Interruptible Period(s) in respect of which the Interruption Offer is made;
- (e) the following details (consistent with the requirements in paragraphs 8.1.4 and 8.3.3) of each proposed Interruptible Tranche:
  - (i) the amount (in kWh/Day of Supply Point Capacity) of the proposed Interruptible Tranche;
  - (ii) the Interruption Allowance (being one of the available allowances in the Interruption Invitation);
  - (iii) the Interruption Option Price (in pence per kWh/Day of Interruptible Supply Point Capacity);
  - (iv) the Interruption Exercise Price (in pence per kWh/Day of Supply Point Capacity per Day of Interruption); and
- (f) such further details as may be permitted or required by the Interruptible Capacity Methodology.

8.3.3 Where (pursuant to an earlier Interruption Invitation) a Supply Point is already an Interruptible Supply Point in an Interruptible Period, an Interruption Offer in relation to that Interruptible Period (or in the case of an ad-hoc Interruption Invitation, an Interruptible Period falling within that period):

- (a) may specify additional proposed Interruptible Tranches, provided that the requirements in paragraph 8.1.4(a) and 8.1.4(b) shall apply in respect of the existing and proposed Interruptible Tranches in aggregate;

- (b) subject to any requirements in the Interruptible Capacity Methodology, may specify an increase in the Interruption Allowance in respect of any existing Interruptible Tranche.
- 8.3.4 A User may submit an Interruption Offer, and may withdraw or modify an Interruption Offer already submitted in respect of the Interruption Invitation, at any time between 08:00 hours and 17:00 hours on an invitation date.
- 8.3.5 In relation to an Interruption Invitation, Supply Point, proposed Interruptible Tranche and Interruptible Period, a User may have, at any one time, up to but no more than the number prescribed in the Interruption Invitation of Interruption Offers capable of acceptance by a DN Operator.
- 8.3.6 A DN Operator may reject an Interruption Offer where:
- (a) the Interruption Offer is made in respect of an Supply Point which is not an eligible Supply Point;
  - (b) the User submitting the Interruption Offer is not the Registered User of the Supply Point in respect of which the Interruption Offer is made;
  - (c) the Interruption Offer does not comply with any of the requirements in paragraphs 8.1.4, 8.3.2 and (if applicable) 8.3.3;
  - (d) the Interruption Offer does not comply with any other requirement specified (consistent with the Interruptible Capacity Methodology) in the Interruption Invitation.
- 8.3.7 The DN Operator will inform the User of the rejection of an Interruption Offer pursuant to paragraph 8.3.6 within two (2) Supply Point Systems Business Days after the invitation date on which the offer was submitted.

#### **8.4 Acceptance of Interruptible Offers**

- 8.4.1 In relation to each Interruption Invitation, the DN Operator shall:
- (a) select Interruption Offers (from those prevailing at the end of the last invitation date) for acceptance in accordance with the Interruptible Capacity Methodology;
  - (b) in the case of an ad-hoc Interruption Invitation, not more than twenty eight (28) days after the last invitation date in respect of such ad-hoc Interruption Invitation, inform each User of which of its Interruption Offers have, and which have not, been accepted; and
  - (c) in the case of an annual Interruption Invitation, not later than 31 July in the year of such annual Interruption Invitation, inform each User of which of its Interruption Offers have, and which have not, been accepted.
- 8.4.2 Where the DN Operator accepts an Interruption Offer:
- (a) the proposed Interruptible Tranche subject to the Interruption Offer shall be designated as Interruptible;
  - (b) the DN Operator shall be liable to pay the User the Interruption Option Price in accordance with paragraph 8.1.8.

8.4.3 In relation to each Interruption Invitation, the DN Operator will publish the details set out in paragraph 8.4.4, in respect of the LDZ as a whole, and separately in respect of each Interruption Zone in respect of which Interruption Offers submitted by at least three (3) Users were accepted:

- (a) in the case of an ad-hoc Interruption Invitation, not more than twenty eight (28) days after the last invitation date in respect of such ad-hoc Interruption Invitation; and
- (b) in the case of an annual Interruption Invitation, not later than 31 July in the year of such annual Interruption Invitation.

8.4.4 The details referred to in paragraph 8.4.3 are:

- (a) the number of Interruption Offers received;
- (b) the number of Interruption Offers accepted by the DN Operator;
- (c) the aggregate amount of Supply Point Capacity in respect of which Interruption Offers were received;
- (d) the aggregate amount of Supply Point Capacity which was designated as Interruptible pursuant to Interruption Offers accepted by the DN Operator;
- (e) the highest and lowest Overall Interruption Prices submitted by Users; and
- (f) the highest and lowest Overall Interruption Prices submitted by Users under Interruption Offers which were accepted.

## 8.5 Redesignation of Supply Point Capacity as Firm

8.5.1 The Registered User of an Interruptible Supply Point may at any time (other than in a period between the issue of an Interruption Invitation and the last of the invitation dates under such invitation) apply to the DN Operator to redesignate Interruptible Supply Point Capacity as Firm, by notice specifying:

- (a) the identity of the Supply Point;
- (b) the date ("**redesignation date**"), not less than two months after the application is made, with effect from which the redesignation is requested to take effect;
- (c) the quantity of Supply Point Capacity to be redesignated as Firm.

8.5.2 The DN Operator shall accept an application to redesignate Interruptible Supply Point Capacity as Firm with effect from the redesignation date unless the DN Operator determines and notifies the User that the Firm Transportation Requirement will not (at such date or at any time thereafter) be satisfied, in which case the application shall lapse.

8.5.3 For the purposes of the Code the "**Firm Transportation Requirement**" in respect of an Interruptible Tranche of Supply Point Capacity is the requirement that (after taking into account the Transporter's ability to Interrupt at other Interruptible Supply Points) it would be feasible, without the right of Interruption of such Interruptible Tranche, to make gas available for offtake at the Supply Point at a rate not less than the Supply Point Offtake Rate and in quantities (in a twenty-four (24) hour period) in the amount of the Supply Point Capacity.

- 8.5.4 Where an application to redesignate Interruptible Supply Point Capacity as Firm is accepted, in relation to each relevant Interruptible Period:
- (a) the Interruptible Tranches of Supply Point Capacity shall be ranked in order of Overall Interruption Price, highest-priced first;
  - (b) the Supply Point Capacity in each such tranche, in the order ranked, shall be redesignated as Firm, until the requested amount of Supply Point Capacity has been redesignated or (as the case may be) all of the Interruptible Supply Point Capacity has been redesignated;
  - (c) if (pursuant to paragraph (b) the residual amount of any Interruptible Tranche is less than the Minimum Interruptible Amount, such amount shall be redesignated as Firm.
- 8.5.5 For the purposes of paragraph 8.5.3:
- (a) a relevant Interruptible Period is any Interruptible Period, commencing from the Interruptible Period in which the redesignation date falls, for which there is Interruptible Supply Point Capacity at the Supply Point;
  - (b) the redesignation shall take effect with effect from the redesignation date.

## **8.6 Requirements as to Interruptible Supply Points**

- 8.6.1 By submitting an Interruption Offer in respect of an LDZ Supply Point in relation to any Interruptible Period, or submitting a Supply Point Confirmation in respect of an Interruptible Supply Point (including, for the avoidance of doubt, an Interruptible Supply Point with Temporary Interruptible Supply Point Capacity), and by not applying to redesignate Supply Point Capacity as Firm at any time, the Registered User represents to the DN Operator that, or where the User is not the supplier that the supplier has represented to the User that, the requirement in paragraph 8.6.2 will be complied with.
- 8.6.2 The requirement referred to in paragraph 8.6.1 is that the contract or contracts of supply to the consumer, in force at the time of the User's action or omission under paragraph 8.6.1, oblige the consumer to give effect to Interruption (including in the case where the requirement for Interruption is notified by the DN Operator under paragraph 8.8.4) to the extent required on the basis of the Interruptible Tranches of Supply Point Capacity which will exist as a result of such action or omission.
- 8.6.3 Where a User is or is to become the Registered User of one or more Interruptible Supply Points the User shall:
- (a) not later than the relevant date (in accordance with paragraph 8.6.6) in respect of the first Interruptible Supply Point of which it becomes Registered User, provide to the DN Operator at least one telephone number and at least one (1) facsimile number (but not more than four (4) numbers in total) by means of which the DN Operator may contact, twenty-four (24) hours a Day, a representative of the User, and the name(s) or title(s) of not more than three (3) representatives of the User who may be contacted at such numbers;
  - (b) maintain the details provided under paragraph (a) up to date, and notify the DN Operator of any change in such details before such change takes effect; and

- (c) secure that at all times on each Day one of such representatives is available and capable of being so contacted by telephone (with access to facsimile) or by facsimile.

8.6.4 A User shall, in relation to each Interruptible Supply Point of which it is or is to become the Registered User:

- (a) not later than the relevant date (in accordance with paragraph 8.6.6), provide to the DN Operator:
  - (i) in accordance with paragraph (e), the names and/or job titles of representatives of the consumer (“**interruption contacts**”) (who, for the avoidance of doubt, may be the same contacts as those referred to in Section Q as “**emergency contacts**”), provided that the total number of interruption contacts provided for under this paragraph (and emergency contacts provided for under Section Q) shall not exceed five (5) in relation to any Supply Point;
  - (ii) at least one (1) (but not more than four (4)) telephone numbers for each interruption contact by means of which the DN Operator may contact, twenty-four (24) hours a day, at least one interruption contact; and
  - (iii) one (1) facsimile number, for the purposes of receiving communications pursuant to Sections B8, G and Q, which is able to receive transmissions twenty-four (24) hours a day;
- (b) take all reasonable steps to secure that the details provided under paragraph (a) are maintained up to date and to notify the DN Operator of any change in such details before such change takes effect;
- (c) take all reasonable steps to secure that at all times on each Day one of such representatives is available and capable of being so contacted by telephone (with access to facsimile) and by facsimile;
- (d) secure that the consumer acknowledges the right of the DN Operator to contact the consumer in the circumstances in paragraph 8.8.4 and undertakes to comply with any notification by the DN Operator thereunder; and
- (e) for the purposes of paragraph (a):
  - (i) in the case of an Interruptible Supply Point in respect of any site which is manned twenty-four (24) hours a day, provide to the DN Operator the name(s) and/or job title(s) of at least one (1) but not more than four (4) interruption contacts; and
  - (ii) in the case of an Interruptible Supply Point in respect of any site which is not manned twenty-four (24) hours a day, provide to the DN Operator the name(s) and/or job title(s) of at least one (1) but not more than two (2) interruption contacts.

8.6.5 For the purposes of enabling the DN Operator to plan the exercise of its rights as to Interruption of Interruptible Supply Points, in relation to each Gas Year the Registered User of an Interruptible Supply Point will, if so required by the DN Operator, not later than the relevant date (in accordance with paragraph 8.6.6) and thereafter from time to time upon any

significant change in such details, obtain from the consumer or supplier and provide to the DN Operator the consumer's best estimate of the following details:

- (a) whether or not gas is likely in normal circumstances to be offtaken at or between particular times of Day specified by the DN Operator for the purposes of this paragraph 8.6.5;
- (b) the maximum quantity of gas to be offtaken on any Saturday and on any Sunday; and
- (c) holiday periods in each year during which gas will not be offtaken from the LDZ at the Supply Point.

8.6.6 For the purposes of paragraphs 8.6.3, 8.6.4 and 8.6.5, the relevant date in respect of an Interruptible Supply Point in relation to a User is:

- (a) the day which is twenty eight (28) days before the start of the first Interruptible Period in respect of which the User submitted any Interruption Offer in relation to that Supply Point; or
- (b) (as the case may be) the date on which the User submits a Supply Point Confirmation as provided in paragraph 8.1.5.

8.6.7 If the User fails to comply with any of the requirements in paragraphs 8.6.3, 8.6.4 and 8.6.5, then (without prejudice to the User's continuing obligation to comply):

- (a) the DN Operator may notify the User of such failure;
- (b) if within five (5) Supply Point Systems Business Days after the DN Operator's notification under paragraph (a) the User has not remedied such failure to comply:
  - (i) the DN Operator may give notice to the User to the effect that
    - (A) the Supply Point Capacity comprised in all or any of the Interruptible Tranches in relation to any Interruptible Period is redesignated as Firm; or
    - (B) in the case of Temporary Interruptible Supply Point Capacity, the provisions of paragraph 8.12.3(d) apply and the designation of such DM Supply Point Capacity as Temporary Interruptible Supply Point Capacity is terminated with immediate effect and the Maximum Supply Point Offtake Rate in respect of the relevant Temporary Interruptible Supply Point shall, with effect from the time of such termination, be reduced to zero until such time as the Supply Point Capacity at the Temporary Interruptible Supply Point is subsequently designated as Interruptible or Firm pursuant to the paragraph 8;
  - (ii) in any event, the DN Operator shall not be liable to pay the Interruption Option Price in respect of any Interruptible Tranche in respect of any month until the failure to comply is remedied.

8.6.8 Where in relation to any Interruptible Supply Point (but without prejudice to Section C in relation to Renominations), the Registered User or supplier:

- (a) exercises (other than pursuant to an Interruption Notice under paragraph 8.8.1) any entitlement to require the consumer to discontinue consuming gas offtaken from the LDZ on a Day; or
- (b) having exercised such an entitlement, authorises the consumer to resume such consumption

the Registered User will as soon as reasonably practicable, and in accordance with paragraph 8.6.10, inform the DN Operator of the matters set out in paragraph 8.6.9, provided that the Registered User shall use reasonable endeavours to inform the DN Operator not more than one (1) hour after such discontinuance and/or not less than one (1) hour before such resumption.

8.6.9 The matters to be informed by the Registered User to the DN Operator pursuant to paragraph 8.6.8 are:

- (a) the identity of the Interruptible Supply Point;
- (b) the time with effect from which the consumer will be required to discontinue, or authorised to resume, consumption; and
- (c) an estimate of the amount by which the quantity of gas offtaken will increase or decrease as a result of such discontinuance or resumption.

8.6.10 For the purposes of paragraph 8.6.8 the User will give the relevant information to the DN Operator by means of telephone or facsimile, unless it has given to the DN Operator not less than one month's notice of its intention to give such information by Batch Transfer Communication, in which case such User will give information to the DN Operator for the purposes of paragraph 8.6.8 only by Batch Transfer Communication, and will promptly inform the DN Operator by telephone or facsimile of the transmission of each such Batch Transfer Communication.

8.6.11 Where the DN Operator notifies a User that it is unable satisfactorily to access a Batch Transfer Communication transmitted pursuant to paragraph 8.6.10, that User will promptly send to the DN Operator by facsimile the information contained in that Batch Transfer Communication.

8.6.12 Where the Transporter reasonably determines, in relation to an Interruptible Supply Point whose Annual Quantity does not exceed 58,600,000 kWh (2,000,000 therms), that (by reason of the location or other characteristics of the part of the System in which the Supply Point is located, or the nature of the Consumer's Plant) the operational benefits of the Transporter's ability to Interrupt the Supply Point would be materially diminished unless individual Output Nominations are made in respect of the Supply Point, the Transporter may designate the Supply Point as requiring individual Output Nominations for the purposes of Section A4.5.3.

8.6.13 Any designation under paragraph 8.6.12 shall be:

- (a) in the case of an existing Supply Point Registration, by notice to the Registered User not later than the fifth (5th) Supply Point Systems Business Day in September in the Gas Year preceding the first Gas Year in which such designation is to be effective; or
- (b) in the case of a Proposed Supply Point Registration, in the Supply Point Offer.

## **8.7 Interruption**

8.7.1 The DN Operator shall be entitled, in accordance with the further provisions of this paragraph 8, to require Interruption on a number of Days in an Interruptible Period not exceeding the Interruption Allowance, in respect of any Interruptible Tranche of Supply Point Capacity at a Supply Point.

8.7.2 Where (in accordance with this paragraph 8) the DN Operator requires Interruption at a Supply Point, the Registered User shall secure that the requirements in paragraph 8.7.3 are complied with.

8.7.3 The requirements are that:

- (a) at all times at which the requirement for Interruption is in force, the rate of offtake of gas, in kWh/hour, at the Supply Point does not exceed a rate of offtake determined as follows:

$$\text{SPOR} * (\text{SPC} - \text{IT}) / \text{SPC}$$

and

- (b) on each Day or part Day of Interruption the quantity of gas offtaken, in kWh, during the period in which the requirement for interruption is in force, does not exceed a quantity determined as follows:

$$(\text{SPC} - \text{IT}) * \text{H} / 24$$

where

SPOR is the Supply Point Offtake Rate;

SPC is the Registered Supply Point Capacity;

IT is the amount or aggregate amount (in kWh/Day) of the Interruptible Tranche or Interruptible Tranches which were subject to Interruption pursuant to the relevant requirement;

H is the period in hours on the Day during which the requirement for Interruption was in force.

8.7.4 Subject to paragraph 8.7.5, the DN Operator may require Interruption at an Interruptible Supply Point:

- (a) for operational purposes in connection with the management of its System, or
- (b) on not more than three (3) Days in any Gas Year, where the DN Operator has any reasonable doubt as to whether the requirements in paragraph 8.6.2 are satisfied or the provisions of this paragraph 8.7 in relation to Interruption are or are capable of being complied with in respect of the Supply Point, for the purposes of verifying such matters

and the DN Operator may, where it has issued an Interruption Notice pursuant to paragraph (a) or (b), issue a replacement Interruption Notice pursuant to the other sub-paragraph and from the time at which such replacement notice takes effect all rights, obligations or restrictions applicable to such replacement notice shall apply accordingly and shall supersede those applicable to the replaced notice.

- 8.7.5 The number of Days (including parts of a Day) in respect of which the DN Operator requires Interruption in respect of an Interruptible Tranche of Supply Point Capacity in any Interruptible Period shall not exceed the Interruption Allowance.
- 8.7.6 Where the DN Operator requires Interruption in respect of an Interruptible Tranche of Supply Point Capacity, the DN Operator shall pay to the Registered User the Interruption Exercise Price invoiced and payable in accordance with Section S in respect of such Interruptible Tranche, for each Day (including part of a Day) of such Interruption.
- 8.7.7 For the purposes of paragraphs 8.7.5 and 8.7.6, a Day in respect of which the DN Operator gives more than one Interruption Notice in respect of an Interruptible Tranche shall be counted only as one (1) Day of Interruption of the Interruptible Tranche.
- 8.7.8 The exercise by the DN Operator of any right (other than pursuant to this paragraph 8.7) to require or secure the discontinuance or reduction of offtake at any Supply Meter Point shall not count towards the use of any Interruption Allowance or otherwise count as Interruption for the purposes of this paragraph 8.7.
- 8.7.9 For the purposes of this paragraph 8, where an Interruption Notice is given in relation to an Interruptible Supply Point, the requirement for Interruption pursuant to that notice is “**in force**” with effect from the Interruption Start Time specified in the notice until:
- (a) the time specified in the DN Operator's notification under paragraph 8.8.5 or (if no time is specified) the time that such notification is given, or
  - (b) if earlier, the Interruption Start Time under another Interruption Notice relating to the same Interruptible Supply Point.

## **8.8 Interruption Notification Requirements**

- 8.8.1 Where the DN Operator requires or has a revised requirement for Interruption in respect of one or more Interruptible Tranches at one or more Supply Points, the DN Operator will give to the Registered User, not less than five (5) hours before the time (“**Interruption Start Time**”) with effect from which Interruption is required, notice (“**Interruption Notice**”) specifying:
- (a) the Supply Points and (for each Supply Point) the Interruptible Tranche(s), to be Interrupted;
  - (b) the Gas Flow Day;
  - (c) the Interruption Start Time; and
  - (d) the DN Operator's estimate (which shall not bind the DN Operator) of the time at which the requirement for Interruption will cease to apply.
- 8.8.2 The User may request by telephone or facsimile an alteration to the Supply Points and Interruptible Tranches specified in the Interruption Notice; and where not less than five (5) hours before the Interruption Start Time the DN Operator and the User have agreed (but so that the DN Operator shall not be required to agree) upon such an alteration, the Interruption Notice will be revised accordingly and resubmitted by the DN Operator to the User as soon as reasonably practicable.
- 8.8.3 The User shall, by telephone or facsimile (or otherwise in accordance with this paragraph 8.8):

- (a) not later than thirty (30) minutes after Interruption Notice was given, acknowledge receipt of that notice;
- (b) not later than five (5) hours after Interruption Notice was given, confirm to the DN Operator that Interruption (in accordance with such notice) has taken place or shall take place; and
- (c) as soon as reasonably practicable, notify the DN Operator of any facts or circumstances known to the User that might prevent Interruption from taking place or cause Interruption to take place after the Interruption Start Time;

8.8.4 Where the User has not acknowledged receipt of an Interruption Notice within thirty (30) minutes after such notice was given, the DN Operator may not less than four (4) hours before the Interruption Start Time notify the requirement for Interruption at each relevant Supply Point directly to the consumer, specifying the Gas Flow Day, Interruptible Tranches subject to Interruption and Interruption Start Time.

8.8.5 Where the DN Operator has given an Interruption Notice (which has not been superseded by another such notice) in respect of any Interruptible Tranche(s) of Supply Point Capacity, as soon as reasonably practicable after the DN Operator determines that the requirement for Interruption at that Interruptible Tranche no longer applies or will at a certain time cease to apply (having regard to the circumstances in accordance with paragraph 8.7.4 in which such notice was given), the DN Operator will so notify the User specifying the time (where later than the time of such notification) at which the requirement for Interruption will no longer apply.

## 8.9 Failure to Interrupt

8.9.1 For the purposes of the Code:

- (a) subject to paragraph (a), there is a “**failure to Interrupt**” in relation to an Interruptible Tranche of Supply Point Capacity where, on any occasion on which the DN Operator requires Interruption in respect of the Supply Point, either of the requirements in paragraph 8.7.3 is not complied with on any Day (the “**failure Day**”) during which the requirement for Interruption was in force;
- (b) a failure to comply with a requirement for Interruption pursuant to paragraph 8.7.4(b) will be counted as a failure to Interrupt for the purposes of paragraph 8.9.2 if:
  - (i) the User does not demonstrate to the reasonable satisfaction of the DN Operator that all appropriate steps are being taken to ensure that such a failure does not recur at the relevant Supply Point; or
  - (ii) the failure is the third failure occurring at the relevant Supply Point during the same Gas Year to comply with a requirement for Interruption pursuant to paragraph 8.7.4(b)

but not otherwise; provided that any such failure shall be counted as a failure to interrupt for the purposes of paragraph 8.9.6;

- (c) for the purposes of paragraph 8.9.1(b), a Supply Point the subject of a Supply Point Reconfirmation shall be treated as being the same Supply Point as the Existing Supply Point.

8.9.2 Where there is a failure to Interrupt at a Supply Point:

- (a) irrespective of whether the failure to Interrupt resulted from Force Majeure, and irrespective of the size and number of the Interruptible Tranches which were subject to Interruption, where the DN Operator determines that the failure to Interrupt results in a significant risk to the security of the relevant System the DN Operator may take any steps available to it to isolate or disconnect the Supply Meter Point (irrespective of whether it is a Shared Supply Meter Point) comprised in the Supply Point; and
- (b) save to the extent the failure to Interrupt resulted from Force Majeure, and subject to paragraph 8.9.8, the Registered User shall pay, in respect of each failure Day, a charge determined as the aggregate, for all Interruption Notices under which the requirement for Interruption was in force on that Day, of the following:

$$X = 2 * Y * Z$$

where:

X is the amount payable in respect of each Interruption Notice in respect of the failure Day;

Y is the greater of:

Y1 the aggregate quantity (in kWh) of gas offtaken at the Supply Point, at any time or times on the Day at which the requirement for Interruption was in force, at a rate in excess of the rate permitted in paragraph 8.7.3(a); and

Y2 the quantity (in kWh) offtaken, during the period in the Day in which the requirement for Interruption was in force, in excess of the quantity permitted in paragraph 8.7.3(b);

Z is the greater of:

Z1 the Applicable Annual Rate of the LDZ Capacity Charge in respect of the Supply Point; and

Z2 the weighted average Overall Interruption Price applicable in respect of the Interruptible Tranches which the User is treated as having failed to Interrupt, determined in accordance with paragraph (c);

(c) for the purposes of determining 'Z2':

(i) the Interruptible Tranches which were subject to Interruption shall be ranked in order of Overall Interruption Price, highest-priced first;

(ii) the quantity 'Y' shall be allocated to such Interruptible Tranches in the order ranked, until such quantity has been allocated in full;

(iii) the Interruptible Tranches which the User is treated as having failed to Interrupt shall be the tranches to which the quantity 'Y' was so allocated (and where the amount or remaining unallocated amount of the quantity 'Y' is less than the amount of the relevant Interruptible Tranche, such amount or remaining unallocated amount is the “**failed portion**” of such tranche);

- (iv) the weighted average Overall Interruption Price is determined as follows:

$$\frac{\sum_{\tau} (QTF_{\tau} * OIP_{\tau})}{\sum_{\tau} QTF_{\tau}}$$

where

$\sum_{\tau}$  is summation by the Interruptible Tranches which the User was treated as failing to Interrupt

and where for each such Interruptible Tranche

$QTF_{\tau}$  is the amount (or as the case may be the failed portion) of the Interruptible Tranche

$OIP_{\tau}$  is the Overall Interruption Price of such Interruptible Tranche.

- 8.9.3 The amounts payable under paragraphs 8.9.2(b) and 8.9.4 will be invoiced and are payable in accordance with Section S.
- 8.9.4 Where the DN Operator takes any such steps as are referred to in paragraph 8.9.2(a) the Registered User will be liable to reimburse to the DN Operator the costs and expenses incurred by the DN Operator in taking such steps and in any subsequent reconnection or restoration of the connection of the Supply Point.
- 8.9.5 The Registered User shall secure that there is made available to the DN Operator such access to the Supply Point and the Supply Meter Point comprised in the Supply Point as shall be required for the purposes of paragraph 8.9.2(a).
- 8.9.6 No Day on which there is a failure to Interrupt in respect of an Interruptible Tranche of Supply Point Capacity shall count:
- (a) towards use of the Interruption Allowance in respect of that Interruptible Tranche under paragraph 8.7.6, or
  - (b) as a Day in respect of which the DN Operator is required to pay the Interruption Exercise Price under paragraph 8.7.7.
- 8.9.7 The following shall not be Force Majeure affecting a User for the purposes of this paragraph 8.9:
- (a) the unavailability of any such representative as is referred to in paragraph 8.6.3 or 8.6.4 of the User or the consumer to be contacted by the DN Operator, other than for wholly unforeseeable and unavoidable reasons (which must also satisfy the conditions for being Force Majeure); and
  - (b) the fact that there is no facility for the Consumer's Plant to operate with a supply of fuel or energy alternative to or in substitution for gas.
- 8.9.8 Where the Registered User has requested (in compliance with the applicable requirements of paragraph ~~G73~~) the Isolation of each Supply Meter Point comprised in an Interruptible Supply Point, subject to paragraph ~~3-7G8~~, the User shall not be liable under paragraph 8.9.2(b) in respect of any subsequent failure to Interrupt at such Supply Point (unless and until any such Supply Meter Point is re-established).

## 8.10 Shared Supply Meter Points

8.10.1 This paragraph 8.10 applies in respect of any Interruptible Supply Point(s) in which a Shared Supply Meter Point is comprised.

8.10.2 Paragraph 8.7.3 shall apply on an aggregated basis, in respect of Supply Points ("relevant" Supply Points) which comprise the Shared Supply Meter Point, and in accordance with the further provisions of this paragraph 8.10.

8.10.3 Where an Interruption Notice is given in respect of any such Interruptible Supply Point:

- (a) for the purposes of paragraph 8.7.3(a), the maximum permitted rate of offtake at the Supply Point) shall be:

$$(SPC - IT) / SPC$$

- (b) for the purposes of paragraph 8.7.3(b), the maximum permitted quantity (in aggregate at all relevant Supply Points) shall be:

$$\Sigma_F SPC + \Sigma_I (SPC - IT) * H / 24$$

where

$\Sigma_F$  is summation over all (if any) relevant Firm Supply Points

$\Sigma_I$  is summation over all (if any) relevant Interruptible Supply Points

and where SPOR, SPC, IT and H have the meanings in paragraph 8.7.3.

8.10.4 The provisions of paragraph 8.9.2(b) shall apply, irrespective of the allocation (including pursuant to paragraphs ~~4.7.7G9.1.6~~ or ~~4.7.12G9.1.11~~) among Users of the quantity of gas offtaken on any Day at the relevant DM Supply Points, on the following basis:

- (a) the quantity 'Y' shall be determined on the basis of the aggregate quantities offtaken at all relevant DM Supply Points in excess of the permitted rate or amount in accordance with paragraph 8.10.3;
- (b) all Interruptible Tranches subject to Interruption at all relevant DM Supply Points in aggregate shall be ranked as provided in paragraph 8.9.2(c)(i), and the aggregate quantity 'Y' allocated to them as provided in paragraph 8.9.2(c)(ii), to determine (under paragraph 8.9.2(c)(iii)) the Interruptible Tranches which the Registered Users are treated in aggregate as having failed to Interrupt;
- (c) the Registered Users of the Interruptible Supply Points shall be liable for the aggregate amount payable in respect of a Day pursuant to paragraph 8.9.2(b) (as determined in accordance with this paragraph 8.10.4):
- (i) in the prevailing proportions (if any) notified under paragraph 1.7.15(b);
- (ii) in the absence of any such notified proportions, in proportion to the Nominated Quantities for the Day in respect of the relevant DM Supply Points comprised in the Interruptible Supply Points.

## 8.11 Interruptible LDZ Capacity at LDZ CSEPs

8.11.1 Subject to the applicable CSEP Network Exit Provisions and the provisions of any Ancillary Agreement relating to the CSEP:

- (a) a CSEP User or CSEP Users may designate a tranche or tranches of LDZ Capacity in relation to an LDZ CSEP as interruptible, subject to and in accordance with this paragraph 8.11;
- (b) the DN Operator may designate a tranche of LDZ Capacity in relation to a New Metered CSEP as Temporary Interruptible LDZ Capacity, subject to and in accordance with paragraph 8.13.

8.11.2 In this paragraph 8.11 references to an LDZ CSEP are to an LDZ System Point as referred to in Section A3.3.1 and not to any separate System Exit Point deemed (pursuant to CSEP Network Exit Provisions) to be comprised in such a System Point as provided in Section A3.3.5.

8.11.3 For the purposes of this paragraph 8.11, paragraphs 8.1 to 8.9 shall apply, subject to the further provisions of this paragraph 8.11, as if references in those paragraphs:

- (a) to an LDZ Supply Point were to an LDZ CSEP;
- (b) to a Supply Meter Point were to an Individual System Exit Point comprised in a CSEP;
- (c) to DM Supply Point Capacity were to LDZ Capacity;
- (d) to the Registered User of a Supply Point were to a CSEP User in relation to a CSEP;
- (e) to a User, in the context of an Interruptible Tranche, were to all of the Interruptible CSEP Users (in accordance with paragraph 8.11.5).

8.11.4 Paragraphs 8.1.5, 8.5, 8.6, 8.7.4(b), 8.8.4, 8.9.2(a) and 8.9.4 shall not apply for the purposes of this paragraph 8.11 (but without prejudice to any equivalent provisions of the CSEP Network Exit Provisions and/or any Ancillary Agreement).

8.11.5 For the purposes of this paragraph 8.11, in relation to each Interruptible Tranche of LDZ Capacity at an LDZ CSEP for an Interruptible Period:

- (a) the CSEP User(s) ("**Interruptible CSEP User(s)**") associated with such Interruptible Tranche, and
- (b) the proportions ("**Interruptible CSEP Proportions**", aggregating one (1)) in which the Interruptible CSEP User(s) have entitlements and liabilities in respect of such Interruptible Tranche

shall be determined in accordance with paragraphs 8.11.6 and 8.11.7.

8.11.6 An Interruption Offer in respect of a CSEP:

- (a) shall specify, in addition to the requirements (construed in accordance with paragraph 8.11.3) in paragraph 8.3.2, in respect of each Interruptible Tranche of LDZ Capacity, the identity of each Interruptible CSEP User and the Interruptible CSEP Proportions (aggregating one (1)) for such CSEP Users;
- (b) shall be submitted by or on behalf of all of the Interruptible CSEP Users.

- 8.11.7 The identity of the Interruptible CSEP User(s), and/or their respective Interruptible CSEP Proportions (aggregating one (1)), in respect of an Interruptible Tranche of LDZ Capacity at an LDZ CSEP, may be varied from time to time by a notice submitted to the DN Operator submitted by or on behalf of each CSEP User which (prior to such notice) is, or (pursuant to such notice) is to become, an Interruptible CSEP User.
- 8.11.8 There is no requirement under the Code that (and the DN Operator will not be concerned with whether) the Interruptible CSEP User(s) at an LDZ CSEP hold or continue to hold LDZ Capacity corresponding to their respective Interruptible CSEP Proportions of the Interruptible Tranches.
- 8.11.9 The amount in aggregate of the Interruptible Tranches at an LDZ CSEP shall not exceed the amount in aggregate of LDZ Capacity held by all of the Interruptible CSEP Users; and paragraph 8.1.6 shall apply on the basis of increases and decreases in the aggregate amounts of LDZ Capacity held by such Interruptible CSEP Users.
- 8.11.10 For the purposes of paragraphs 8.7.3 and 8.9.2 (as they apply for the purposes of this paragraph 8.11):
- (a) references to the Registered Supply Point Capacity shall be references to the aggregate LDZ Capacity held by all CSEP Users at a CSEP;
  - (b) references to the Supply Point Offtake Rate shall be to the maximum aggregate rate of offtake permitted in accordance with the CSEP Network Exit Provisions (as referred to in Section J3.9.2(a)).
- 8.11.11 The Interruptible CSEP Users shall be entitled to be paid the Interruption Option Price and the Interruption Exercise Price in relation to an Interruptible Tranche severally in their Interruptible CSEP Proportions.
- 8.11.12 Where on any Day there is a failure to Interrupt at an Interruptible CSEP, irrespective of the identity of the Interruptible CSEP Users in respect of each Interruptible Tranche and of such Users' UDQOs (pursuant to allocation under Section E3.2) for such Day:
- (a) the Interruptible Tranche(s) which the Interruptible CSEP Users are treated as having failed to Interrupt ("**failed tranches**") shall be determined in accordance with paragraph 8.9.2(c)(iii) (construed in accordance with the foregoing provisions of this paragraph 8.11);
  - (b) following the determination of such failed tranches, the formula in paragraph 8.9.2(b) shall be applied separately in respect of each such failed tranche (or failed portion), and Z2 shall be the overall interruption price of each such failed tranche;
  - (c) in respect of each failed tranche, the Interruptible CSEP Users shall be liable for the amounts so determined severally in their Interruptible CSEP Proportions in respect of that Interruptible Tranche.

## **8.12 Temporary Interruptible Supply Point Capacity for New Supply Points**

- 8.12.1 The DN Operator may, if requested by the Proposing User, designate a New Supply Point as a Temporary Interruptible Supply Point subject to 8.12.2. Following the designation of the Temporary Interruptible Supply Point, the Supply Point Capacity at the Temporary Interruptible Supply Point will be designated as Temporary Interruptible Supply Point

Capacity, subject always to paragraph 8.12.3. For the avoidance of doubt, any such request or designation shall not constitute an Interruptible Offer or Interruption Invitation.

8.12.2 A “**Temporary Interruptible Supply Point**” is a New Supply Point (other than an Existing Supply Point, a NTS System Entry Point or a NTS Exit Point) designated by the DN Operator and which meets the following requirements:

- (a) the Annual Quantity is greater than 5,860,000 kWh (200,000 therms); and
- (b) the New Supply Point is governed by a Siteworks Contract accepted by the Siteworks Applicant that specifically identifies the Siteworks required.

8.12.3 Following the designation of the Supply Point Capacity as “**Temporary Interruptible Supply Point Capacity**” by the DN Operator the following conditions shall apply at the Temporary Interruptible Supply Point:

- (a) the Supply Point is Class 1; and
- (b) the Daily Read Requirement applies; and
- (c) the Transporter shall ensure that Transporter Daily Read Equipment is and remains (at all times throughout the period that such Supply Point is designated as a Temporary Interruptible Supply Point) connected to the Supply Meter Installation in relation to the Temporary Interruptible Supply Point;
- (d) following Supply Point Registration of the Supply Meter Points comprised within the Temporary Interruptible Supply Point, the DM Supply Point Capacity at the Temporary Interruptible Supply Point will be Interruptible and subject to Interruption in accordance with this paragraph 8;
- (e) the Interruptible Tranche at the Temporary Interruptible Supply Point shall be such tranche (in kWh/Day) of DM Supply Point Capacity as the DN Operator shall stipulate and in the absence of any express stipulation shall be the whole of such DM Supply Point Capacity;
- (f) in relation to the Interruptible Tranche at the Temporary Interruptible Supply Point:
  - (i) the Interruption Option Price shall be zero;
  - (ii) the Interruption Exercise Price shall be zero;
  - (iii) the Overall Interruption Price shall be zero;
  - (iv) the Interruption Allowance shall be such number of Days as the DN Operator shall stipulate;
  - (v) the Minimum Interruptible Amount shall be such amount (in kWh/Day) as the DN Operator shall stipulate and in the absence of any express stipulation shall be the total amount of Temporary Interruptible Supply Point Capacity from time to time in respect of that Temporary Interruptible Supply Point;
- (g) the DM Supply Point Capacity at the Temporary Interruptible Supply Point shall continue to be Interruptible for such period as the DN Operator shall stipulate; provided always that the DN Operator shall be entitled (at its sole discretion) to

terminate the designation of such DM Supply Point Capacity as Temporary Interruptible Supply Point Capacity with effect from any time prior to the stated expiry date, in which case such DM Supply Point Capacity shall thereupon be automatically designated as Firm; and

- (h) the provisions of this paragraph 8 shall apply in relation to the Interruption of DM Supply Point Capacity at the Temporary Interruptible Supply Point, including (but without limitation) paragraph 8.9.

8.12.4 If at any time (being a time after both (a) the designation of the DM Supply Point Capacity at the Temporary Interruptible Supply Point as Temporary Interruptible Supply Point Capacity and (b) following Supply Point Registration of the Supply Meter Points comprised within the Temporary Interruptible Supply Point) the DN Operator issues an Interruption Invitation (whether an annual Interruption Invitation or an ad hoc Interruption Invitation) and the Temporary Interruptible Supply Point is in the Interruption Zone in respect of which that Interruption Invitation is issued:

- (a) the Proposing User shall be entitled to submit an Interruption Offer pursuant to that Interruption Invitation; and
- (b) if the DN Operator accepts any such Interruption Offer, the DM Supply Point Capacity at the Temporary Interruptible Supply Point shall automatically cease to be Temporary Interruptible Supply Point Capacity at the commencement of the earliest Interruptible Period to which the relevant Interruption Offer relates.

### **8.13 Temporary Interruptible LDZ Capacity for LDZ CSEPs**

8.13.1 The DN Operator may, if requested by a Proposing CSEP User or Proposing CSEP Users, designate a New Metered CSEP as a Temporary Interruptible Metered CSEP, subject to 8.13.4. Following the designation of the Temporary Interruptible Metered CSEP, the LDZ Capacity at a Temporary Interruptible Metered CSEP will be designated as Temporary Interruptible LDZ Capacity, subject always to paragraph 8.13.5. For the avoidance of doubt, any such request or designation shall not constitute an Interruptible Offer or Interruption Invitation.

8.13.2 A “**New Metered CSEP**” is a proposed new Metered CSEP which, at the time of any request pursuant to paragraph 8.13.1 in respect of such new Metered CSEP, is not yet connected to the Total System (and includes a reference to such Metered CSEP after it has been so connected to the Total System);

8.13.3 A “**Proposing CSEP User**” is a User who wishes to apply for LDZ Capacity at a new Metered CSEP;

8.13.4 A “**Temporary Interruptible Metered CSEP**” is a New Metered CSEP which meeting the following requirements:

- (a) the Annual Quantity is greater than 5,860,000 kWh (200,000 therms); and
- (b) the New Metered CSEP is governed by a Siteworks Contract accepted by the Siteworks Applicant that specifically identifies the Siteworks required.

8.13.5 Following the designation of the LDZ Capacity as Temporary Interruptible LDZ Capacity by the DN Operator the following conditions shall apply at the Temporary Interruptible Metered CSEP:

- (a) the Proposing CSEP User or Proposing CSEP Users shall comply with the applicable CSEP Network Exit Provisions and the provisions of any Ancillary Agreement (including, but without limitation as to the installation, operation and maintenance of metering equipment to measure the flow, volume, calorific value, pressure and temperature of gas offtaken from the Total System);
- (b) the LDZ Capacity at all Individual System Exit Points comprised within the Temporary Interruptible Metered CSEP will be interruptible and subject to Interruption in accordance with this paragraph 8 (including, but without limitation paragraph 8.11);
- (c) the Interruptible Tranche at the Temporary Interruptible Metered CSEP shall be such tranche (in kWh/Day) of LDZ Capacity applicable to that CSEP as the DN Operator shall stipulate and, in the absence of any express stipulation, shall be the whole of such LDZ Capacity;
- (d) in relation to the Interruptible Tranche at the Temporary Interruptible Metered CSEP:
  - (i) the Interruption Option Price shall be zero;
  - (ii) the Interruption Exercise Price shall be zero;
  - (iii) the Overall Interruption Price shall be zero;
  - (iv) the Interruption Allowance shall be such number of Days as the DN Operator shall stipulate;
  - (v) the Minimum Interruptible Amount shall be such amount (in kWh/Day) as the DN Operator shall stipulate and in the absence of any express stipulation shall be the total LDZ Capacity from time to time in respect of the Temporary Interruptible Metered CSEP;
- (e) the LDZ Capacity at the Temporary Interruptible Metered CSEP shall continue to be Interruptible for such period as the DN Operator shall stipulate; provided always that the DN Operator shall be entitled (at its sole discretion) to terminate the designation of such LDZ Capacity as Temporary Interruptible LDZ Capacity at any time prior to the stated expiry date, in which case such LDZ Capacity shall thereupon automatically be designated as Firm; and
- (f) the provisions of this paragraph 8 (including paragraph 8.11 but except paragraphs 8.1.5, 8.5, 8.6, 8.7.4(b), 8.8.4, 8.9.2(a) and 8.9) shall apply in relation to the Temporary Interruptible Metered CSEP and the Interruption of LDZ Capacity at the Temporary Interruptible Metered CSEP.

8.13.6 If at any time (being a time after the designation of the LDZ Capacity at the Temporary Interruptible Metered CSEP as Temporary Interruptible LDZ Capacity) the DN Operator issues an Interruption Invitation (whether an annual Interruption Invitation or an ad hoc Interruption Invitation) and the Temporary Interruptible Metered CSEP is in the Interruption Zone in respect of which that Interruption Invitation is issued:

- (a) the relevant CSEP User or CSEP Users shall be entitled to submit an Interruption Offer pursuant to that Interruption Invitation; and
- (b) if the DN Operator accepts any such Interruption Offer, the LDZ Capacity at the Temporary Interruptible Metered CSEP shall automatically cease to be Temporary

Interruptible LDZ Capacity at the commencement of the earliest Interruptible Period to which the relevant Interruption Offer relates.

#### **8.14 Interruptible CSEP Supply Point Capacity**

8.14.1 In this paragraph 8, references to Supply Points (and classes thereof) include CSEP Supply Points (and the corresponding classes thereof).

8.14.2 For the purposes of this paragraph 8, in relation to a CSEP Supply Point:

- (a) a reference to consumer, supplier, isolation or disconnection is to the consumer or supplier at or isolation or disconnection of the IGTS Supply Point;
- (b) a reference to consumption is to the consumption of gas offtaken from the IGT System at the IGTS Supply Point; and a reference to Consumer's Plant is to the plant and/or equipment in which gas so offtaken is consumed;
- (c) a reference to the offtake, or rate of offtake of gas from the Total System is to the offtake or rate of offtake from the IGT System at the IGTS Supply Point;
- (d) references to the feasibility of making gas available for offtake at a CSEP Supply Point shall be construed as though the CSEP Supply Point were a single Individual System Exit Point (but taking account of all other offtake of gas at the Unmetered Connected System Exit Point);
- (e) a reference to an LDZ shall include any IGT Systems directly-connected or indirectly-connected to the LDZ;
- (f) a reference to a contract of supply is to a contract of supply of gas to the consumer at the IGTS Supply Point.

8.14.3 For the purposes of this paragraph 8, in relation to a CSEP Supply Point references to a Supply Point Confirmation are to the equivalent things provided (pursuant to IGTAD Section E3.1) in the IGT Code; and references to a Proposed Supply Point shall be construed accordingly.

8.14.4 For the purposes of the Code, references to an Interruptible IGTS Supply Point are to an IGTS Supply Point for which the corresponding CSEP Supply Point is interruptible.

8.14.5 Paragraph 8.11 shall not apply to Unmetered Connected System Exit Points.