

MODIFICATION 0683S – OFFTAKE ARRANGEMENTS DOCUMENT (OAD) REVIEW UPDATES – PHASE 1

LEGAL TEXT EXPLANATORY NOTE

| <u>Reference</u> | <u>Explanation</u> |
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| Offtake Arrangements Document | |
| Section A – Scope and Classification | |
| Paragraph 2.2.3 | New definition added to recognise existence of a 'closed' NTS/LDZ Offtake (previously OAD only recognised 'closed' LDZ/LDZ Offtakes). |
| Paragraph 3.1.1 | Updated to refer to new Offtake Subsidiary Document, the [Supplemental Agreement and Shared Site Agreement Template Document] which will set out the different forms of Supplemental Agreements and which replaces the OAD Appendix. |
| Paragraph 3.1.6 | Updated to refer to new Offtake Subsidiary Document, the [Supplemental Agreement and Shared Site Agreement Template Document]. |
| Paragraph 3.2.2 | Extends the existing rules about need for Supplemental Agreement to be agreed in the event a 'closed' Offtake ceases to be closed to include closed NTS/LDZ Offtakes. |
| Section B – Connection Facilities | |
| Paragraph 1.2.6 | Updated cross reference to new Offtake Subsidiary Document. |

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| Paragraph 1.5.1 | Updated cross reference to new Offtake Subsidiary Document. |
| Paragraph 1.5.2 | Updated cross reference to new Offtake Subsidiary Document. |
| Paragraph 2.1.2 | Updated cross reference to new Offtake Subsidiary Document. |
| Paragraph 2.2.3 | Expansion of specific circumstances (which if they apply) require the Modifying Party to give advance notice to any affected Party of alterations etc. Specific circumstances now include interference with other Party's supply of electricity or electrical equipment, interference with telemetry or interference with access to the site. In such cases any alteration or replacement of facilities which gives rise to any such interference must be performed as Relevant Maintenance (and therefore in accordance with the requirements of Section G). |
| Paragraph 2.6.3 | Updated cross reference to new Offtake Subsidiary Document. |
| Paragraph 3.1.1 | To make clear the Site User's right to have equipment installed on the Site Owner's land is without prejudice (and subject) to the new rules allowing a Site Owner to request the Site User to remove redundant assets, and the application of the new 'Redundant Asset Removal Procedures'. |
| Paragraph 3.6.4 | New rule to allow Site Owner to request Site User remove a 'redundant' asset and where relevant for new Offtake Subsidiary Document, the 'Redundant Asset Removal Procedures' to apply. |
| Paragraph 3.6.5 | New definitions of a 'redundant' asset and the 'Redundant Asset Removal Procedures'. |
| Paragraph 3.6.6 | To make clear where a redundant asset is removed the Site User no longer has a right to have the asset installed or to receive shelter or support for the asset from the Site Owner. |
| Paragraph 3.6.7 | The right to request the removal of an asset does not apply where the Site Owner has granted the Site User a lease or other land right in relation to the land the Site User occupies (so that OAD rules are not in conflict with any other grant of rights). |
| Section D - Measurements | |
| Annex D-2 | Updated cross reference to new Offtake Subsidiary Document. |
| Section E - Telemetry | |

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| Paragraph 1.2.3 | Updated cross reference to new Offtake Subsidiary Document. |
| Section F – Determination of Calorific Value | |
| Paragraph 2.2.3 | Updated cross reference to new Offtake Subsidiary Document. |
| Section G - Maintenance | |
| Paragraph 1.2.1 | To make clear work which involves the opening of a 'closed' NTS/LDZ Offtake must be carried out as Relevant Maintenance and in accordance with Section G (as is already the case with the opening of a 'closed' LDZ/LDZ Offtake). |
| Section J – LDZ/LDZ Offtakes – Planning and Operational Flows | |
| Paragraph 3.5.1 | To make clear reference to 'closed' Offtake is to a 'closed' LDZ/LDZ Offtake. |
| Paragraph 3.6.1 | To acknowledge that Relevant Maintenance may require the opening of a 'closed' Offtake. |
| Paragraph 3.6.5 | To make clear Relevant Maintenance which involves opening a 'closed' Offtake will only be carried out (and therefore the 'closed' Offtake opened) once the Parties have agreed the steps each will take regarding the opening (and subsequent re-closing) of the 'closed' Offtake. |
| Paragraph 4.1.1 | To make clear rules relate only (as is the case for all of Section J) to LDZ/LDZ Offtakes. |
| Paragraph 4.1.2 | Deleted as now covered by amendment to G1.2.1. |
| Section N - General | |
| Paragraph 1.2.1 | To add two new Offtake Subsidiary Documents, the [Supplemental Agreement and Shared Site Agreement Template Document] and the Redundant Asset Removal Procedures. |
| Paragraph 3.1.2 | Updated cross reference to new Offtake Subsidiary Document. |
| Paragraph 3.4.1 | Updated cross reference to new Offtake Subsidiary Document. |

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| Paragraph 10.1.1 | New rules to recognise concept of a 'shared site' where Parties each have assets located at a site, but at which there is no Offtake; so new defined terms for Shared Site, Shared Site Facilities, Shared Site Agreement and Shared Site Agreement Date required. |
| Paragraph 10.1.2 | Requirement that Shared Site Agreement follow the form of the template in the [Supplemental Agreement and Shared Site Agreement Template Document]. |
| Paragraph 10.1.3 | To make clear agreement is bilateral, that the agreement can only be changes with the agreement of the parties and that the agreement is not subject to the Modification Rules. |
| Paragraph 10.1.4 | To make clear at a 'shared site' a Shared Site Agreement is required. |
| Paragraph 10.1.5 | Requires agreement to be updated as needed, and for agreement to be replaced by the appropriate Supplemental Agreement in the event an Offtake is established at the shared site at a future date. |
| Paragraph 10.1.6 | Provides for the application of relevant rules (i.e. those listed in paragraph 10.1.7) at a shared site by reference to the existing rules that apply at an Offtake and in relation to the Offtake Site. |
| Paragraph 10.1.7 | Lists relevant rules to apply in relation to a 'shared site' for the purposes of paragraph 10.1.6, e.g. rules around ownership, responsibilities, access, alterations, safety and emergencies and in relation to the execution and amendment of Shared Site Agreements. |
| Appendix | Deleted, and template Supplemental Agreements and Shared Site Agreement will now to be found in the new Offtake Subsidiary Document, the [Supplemental Agreement and Shared Site Agreement Template Document]. This document which will be subject to governance by the Offtake Committee; and therefore future changes to the templates will not require a Modification. |