

NETWORK EXIT AGREEMENT

relating to the SUPPLY METER POINT

at [add location]

between

NATIONAL GAS TRANSMISSION PLC

and

[ABC Company Limited]



**National Gas Transmission plc
National Grid House
Warwick Technology Park
Gallows Hill
Warwick CV34 6DA**

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“Code” means the network code prepared by National Gas pursuant to Standard Special Condition A11(3) of the Gas Transporter’s Licence, which incorporates the Uniform Network Code, as defined in Standard Special Condition A11(6) of National Gas’s Licence, as both documents are amended from time to time;

“Connection Construction Agreement” means the Agreement for the construction of National Gas’s Facilities to be made between National Gas and **[ABC]** dated [] 20[];

“CSEP Network Exit Agreement” has the meaning given to it in the Code;

“Fuel Gas” means gas offtaken by any Registered Users for the purposes of heating gas offtaken at the Supply Meter Point;

“Fuel Gas Meters” means the meters used to measure the volume of Fuel Gas described in Schedule 1 – Part II;

“Gas Act” means the Gas Act 1986;

“Gas Code” means Schedule 2B to the Gas Act;

“Gas Transporter’s Licence” has the meaning given to it in the Code and in this Agreement, refers specifically to the Gas Transporter’s Licence held by National Gas;

“Legal Requirement” means any Act of Parliament, regulation, licence, or any present or future directive, request, requirement, instruction, code of practice, direction or rule of any local, national or supra-national agency, authority, department, inspectorate, minister, official, court, tribunal or public or statutory person (whether autonomous or not) of the United Kingdom (or the government thereof) which has jurisdiction over a party to or the subject matter of this agreement (but only, if not having the force of law, if it is reasonable in all the circumstances for it to be treated as though it had legal force), and any modification, extension or replacement thereof;

“Local Emergency” means an emergency arising in connection with the operation of **[ABC]’s Plant, [ABC]’s Facilities, or National Gas’s Facilities** which affects the safety of any person or threatens to cause damage to **[ABC]’s Plant, [ABC]’s Facilities, National Gas’s Facilities, or the National Transmission System**;

“Maximum Flow Rate” has the meaning given to it in Table 2 in Schedule 1 Part II, whatever the amount of capacity held at the Supply Meter Point;

“National Gas’s Facilities” means the facilities to be installed and owned by National Gas at the Supply Meter Point described in Schedule 2;

“National Transmission System” has the meaning given to it in the Code;

“Network Exit Agreement” has the meaning given to it in the Code;

“Network Exit Provisions” has the meaning given to it in the Code and in this Agreement, refers specifically to the provisions set out in Schedule 1 Parts I and II;

“Novation Agreement” means the agreement in the form set out in Schedule 6;

“**Party**” means a party to this Agreement and “**Parties**” means both parties to this Agreement;

“**Primary Meters**” means the meters described in Schedule 2 used to measure the quantity of gas made available for offtake at the Supply Meter Point excluding Fuel Gas and Auxiliary Gas where metered by separate Fuel Gas Meters and Auxiliary Gas Meters;

“**Permitted Range**” of the Supply Point Measurement Equipment comprises (i) the permitted uncertainty level in the Supply Point Measurement Equipment, for all steady-state flow conditions, determined at the point of offtake; and (ii) the specified range (of values of the measured property or characteristic) within which the permitted uncertainty levels apply;

“**Registered User**” has the meaning given to it in the Code and in this Agreement, refers specifically to any Registered User, or the Registered Users in whose name or names the Supply Meter Point is registered;

“**Regulations**” means the Gas (Meters) Regulations 1983 (S.I. 1983/684);

“**Substantial Completion**” has the meaning given to the phrase “Date of Substantial Completion” in the Construction Connection Agreement;

“**Supply Meter Point**” has the meaning given to it in the Code and in this Agreement, refers specifically to the Supply Meter Point at which [ABC]’s Facilities are connected to the National Transmission System described in Schedule – Part I;

“**Supply Point Measurement Equipment**” means the Primary Meters and associated secondary measurement instrumentation including that described in Schedule 1 – Part II;

“**System Exit Point**” has the meaning given to it in the Code and in this Agreement, refers specifically to the System Exit Point comprising the Supply Meter Point;

“**VLDMC Supply Point**” has the meaning given to it in the Code.

1.2. In this Agreement:

1.2.1. any reference to the word “including” shall mean including but not limited to;

1.2.2. any references to (i) Clauses and Schedules are to clauses and schedules of this Agreement, and (ii) a paragraph is a reference to a paragraph of a Schedule;

1.2.3. any references to any statute, Code of Practice, International Standards (ISO), Institution of Gas Engineers and Managers (IGEM) documents (whether specifically named or not) includes reference to all orders, statutory instruments, regulations denoting validity therefrom and all amendments and re-enactments thereof;

1.2.4. where the context so admits, references to the singular shall include the plural and vice versa;

1.2.5. headings are for convenience only and shall not affect the interpretation of this Agreement;

1.2.6. any reference to the giving of a notice shall mean a notice in writing, to agreement between the Parties shall mean agreement in writing and to consent shall mean consent in writing.

2. NETWORK EXIT PROVISIONS AND AGREEMENT AND THE CODE

Network Exit Agreement and Network Exit Provisions

2.1. This Agreement is the Network Exit Agreement relating to the Supply Meter Point and contains the Network Exit Provisions in respect of the Supply Meter Point.

2.2. [ABC] shall, at all times, operate [ABC]'s Facilities and [ABC]'s Plant in accordance with and, otherwise, comply with the Network Exit Provisions.

The Uniform Network Code, the Licence and the Gas Act

2.3. [ABC] acknowledges that:

2.3.1. the Code requires that Network Exit Provisions are in force in respect of any Supply Meter Point comprised in a VLDMC Supply Point and that the Supply Meter Point is comprised in a VLDMC Supply Point;

2.3.2. nothing in the Code or this Agreement shall prevent National Gas from exercising any entitlement or discharging any duty under the Gas Code or otherwise under the Gas Act or pursuant to the Gas Transporter's Licence which may involve the disconnection of or refusal to convey gas to or to allow gas to be conveyed to any premises and in particular [ABC]'s Plant.

3. DURATION AND TERMINATION

Duration

3.1. This Agreement shall be effective from the later of:

3.1.1. the date of its execution, and

3.1.2. Substantial Completion,

and shall continue in force until termination in accordance with its terms.

Termination or suspension

3.2. National Gas may terminate this Agreement, or suspend the Network Exit Provisions on not less than 14 days' notice to [ABC]:

3.2.1. If:

(a) at any time after Substantial Completion, [ABC] ceases to offtake gas from the Supply Meter Point for consumption by [ABC]'s Plant for a period exceeding one year; and

(b) [ABC] is unable within such 14 day notice period to provide evidence to the reasonable satisfaction of National Gas that the offtake of gas from the Supply Meter Point for consumption by [ABC]'s Plant will be resumed within eighteen months of the date of service of such notice;

- 3.2.2. if **[ABC]** makes a material change to **[ABC]**'s Facilities (including a material change in the pipework layout, configuration and ancillary equipment or meter reading frequency) without National Gas's consent, such consent not to be unreasonably withheld, or delayed;
- 3.2.3. if any gas is offtaken from the Supply Meter Point for the purposes of supply to any premises other than **[ABC]**'s Plant, unless before the expiry of such notice National Gas shall have been provided with evidence to its reasonable satisfaction that the offtake of gas from the Supply Meter Point for supply to premises other than **[ABC]**'s Plant has ceased and will not be resumed;
- 3.2.4. if **[ABC]** is in material breach of any of its obligations under this Agreement and **[ABC]** has failed to remedy the breach within such notice period;
- 3.2.5. if, at any time, **[ABC]** is in breach of any of the warranties set out in Clause 13.1.

Automatic termination

- 3.3. This Agreement shall terminate immediately and without notice if:
 - 3.3.1. it is replaced with a CSEP Network Exit Agreement in respect of the Supply Meter Point;
 - 3.3.2. **[ABC]** ceases to be the owner of **[ABC]**'s Plant.

Termination for insolvency

- 3.4. National Gas may terminate this Agreement immediately by notice to **[ABC]** if:
 - 3.4.1. a receiver, administrator or similar officer is appointed over any of the assets or business of **[ABC]**;
 - 3.4.2. **[ABC]** makes an arrangement for the benefit of its creditors;
 - 3.4.3. **[ABC]** goes into liquidation except for the purposes of a genuine solvent amalgamation or solvent reconstruction; or
 - 3.4.4. anything similar or analogous happens under the national, state or local laws of any other country.

Consequences of termination or suspension

- 3.5. If:
 - 3.5.1. this Agreement is terminated, the Network Exit Provisions shall no longer be in force at the Supply Meter Point;
 - 3.5.2. the Network Exit Provisions are suspended, they shall not be in force at the Supply Meter Point for the period of the suspension.
- 3.6. **[ABC]** acknowledges that, if this Agreement is terminated or the Network Exit Provisions are suspended:

- 3.6.1. Registered Users will not be entitled under the Code to offtake gas from the National Transmission System at the System Exit Point at all, or for the period of the suspension;
 - 3.6.2. National Gas will not be required by the Code to make gas available for offtake at the Supply Meter Point at all, or for the period of the suspension; and
 - 3.6.3. National Gas shall be entitled to take such steps as it considers appropriate to give effect to this Clause 3.6 including discontinuing and/or reducing the delivery of gas to [ABC]'s Plant and/or disconnecting [ABC]'s Plant and/or [ABC]'s Facilities from National Gas Facilities and/or decommissioning National Gas Facilities, in the case of suspension for the period of the suspension.
- 3.7. If National Gas takes any steps under Clause 3.6.3 it will notify the Registered User(s) of these steps as soon as reasonably practicable after taking them.
- 3.8. If the Network Exit Provisions are suspended National Gas shall:
- 3.8.1. if it considers that the grounds for the suspension no longer exist, be entitled to lift the suspension of the Network Exit Provisions by giving [ABC] 3 days' notice at any time with the effect that
 - (a) the Network Exit Provisions shall, again, be in full force and effect;
 - (b) Registered Users may, again, be entitled under the Uniform Network Code to offtake gas from the National Transmission System at the System Exit Point; and
 - (c) National Gas may, again, be required by the Uniform Network Code to make gas available for offtake at the Supply Meter Point;
 - 3.8.2. be entitled on not less than 3 days' notice to [ABC], given at any time during the suspension, to terminate this Agreement.

4. DISCONNECTION AND DECOMMISSIONING COSTS

- 4.1. Upon any of the following:
- 4.1.1. the termination of this Agreement;
 - 4.1.2. the suspension of the Network Exit Provisions;
 - 4.1.3. [ABC]'s Facilities ceasing operation (either as notified by [ABC] to National Gas, or as otherwise reasonably determined by National Gas),
 - 4.1.4. a request from [ABC] for [ABC]'s Facilities to be disconnected from the National Transmission System,
 - 4.1.5. [ABC]'s Facilities being disconnected from the National Transmission System under Clause 3, or

4.1.6. **[ABC]**'s Facilities otherwise ceasing to be connected to the National Transmission System, **[ABC]** shall:

- (a) be responsible for the costs of any disconnection, decommissioning and disassembly or removal of **[ABC]**'s Facilities; and
- (b) pay to and/or reimburse National Gas all reasonable costs incurred by National Gas in respect of the disconnection, decommissioning and disassembly or removal of National Gas's Facilities which shall, to the extent dealt with, be determined in accordance with National Gas's relevant and then current charging methodology statement.

4.2. If the Network Exit Provisions are suspended and the Supply Meter Point has been disconnected and National Gas subsequently lifts the suspension of those provisions and reconnects the Supply Meter Point **[ABC]** shall reimburse National Gas its reasonable costs and expenses incurred in connection with such reconnection.

5. SUB-CONTRACTORS

5.1. Either Party may sub-contract any part, or all, of its obligations under this Agreement to any sub-contractor without the consent of the other Party, including by **[ABC]** to an operator of **[ABC]**'s Plant and/or **[ABC]**'s Facilities, provided that:

- 5.1.1. such sub-contracting shall not relieve the Party sub-contracting from its obligations under this Agreement; and
- 5.1.2. the Party sub-contracting shall remain responsible for and liable to the other Party for its sub-contractor's performance of its obligations under this Agreement.

6. LIABILITY AND THIS AGREEMENT

6.1. Subject to Clause 6.3, National Gas shall not be liable to **[ABC]** for anything done, or omitted to be done pursuant to, or in connection with, this Agreement including in respect of the following:

- 6.1.1. any failure of National Gas to make gas available for offtake from the National Transmission System;
- 6.1.2. any failure of National Gas to make gas available for offtake from the National Transmission System at any particular pressure;
- 6.1.3. the quality, specification, composition of, or any impurities in, the gas which National Gas makes available for offtake from the National Transmission System,

in each case at the Supply Meter Point.

6.2. Subject to Clause 6.3, **[ABC]** shall not be liable to National Gas for anything done, or omitted to be done pursuant to, or in connection with this Agreement including in respect of any failure by any Registered User (other than **[ABC]**, if it is a Registered User) to comply with any provision of the Code.

- 6.3. Each of National Gas and **[ABC]** shall be liable to the other under Clauses 4, 13 and 14.
- 6.4. If **[ABC]** is a Registered User nothing in this Agreement shall affect the liability of National Gas to **[ABC]**, or of **[ABC]** to National Gas, under the Code.

7. AMENDMENTS AND LEGAL REQUIREMENTS

- 7.1. No amendment or variation to this Agreement shall be effective unless in writing and signed by duly authorised representatives of National Gas and **[ABC]**.
- 7.2. If there is any change in any Legal Requirement, after the date of this Agreement, relating to the composition, or other characteristics of gas delivered to, or conveyed by the National Transmission System, as a result of which any provision of this Agreement is not consistent with or does not enable a Party to comply with the Legal Requirement, the affected Party may require that the relevant provision of this Agreement shall be amended so as to be so consistent or enable such compliance. Each Party shall use all reasonable endeavours to ensure that this Agreement is so modified. Where an affected Party notifies the other Party of such a requirement and the Parties do not agree upon what is an appropriate amendment within a reasonable time (not exceeding one month) after such notice, the affected Party may refer such matter to be determined by an Expert in accordance with Schedule 5.
- 7.3. Where any modification of the Code is made as a result of which any provision of this Agreement is inconsistent with, or results in National Gas being unable to comply with the Code, National Gas may require that the relevant provision of this Agreement shall be amended to be so consistent or enable such compliance. Each Party shall use all reasonable endeavours to ensure that this Agreement is so modified. Where National Gas notifies **[ABC]** of such a requirement and the Parties do not agree upon what is an appropriate amendment within a reasonable time (not exceeding one month) after such notice, National Gas may refer such matter to be determined by an Expert in accordance with Schedule 5.

8. CONNECTION AND OFFTAKE FACILITIES

- 8.1. This Agreement shall be without prejudice to the terms of the Construction Connection Agreement and any lease or other instrument made between National Gas and **[ABC]** in respect of the land on which National Gas's Facilities are situated.
- 8.2. National Gas and the Registered Users shall have the right of access, at all times, for the purposes of Schedule 1 Part II, to the Supply Point Measurement Equipment and to **[ABC]**'s Facilities for the purposes of determining whether **[ABC]** is in compliance with the warranties given under Clause 13 and the Network Exit Provisions. **[ABC]** shall provide such access on receiving reasonable notice from National Gas, subject to the compliance of the persons seeking access with the reasonable site security and safety requirements of **[ABC]**. **[ABC]** shall ensure that such rights of access may be exercised safely.
- 8.3. **[ABC]** shall give National Gas at least three months' notice of any gas being offtaken from the Supply Meter Point for the purposes of supply to premises other than **[ABC]**'s Plant, so as to permit **[ABC]**, National Gas and any other relevant party to

negotiate the terms of a CSEP Network Exit Agreement that will supersede this Agreement.

9. OPERATING PROCEDURES

- 9.1. Where **[ABC]** and National Gas (with or without the Registered Users) establish or record any procedures for the implementation of anything provided for in this Agreement, such procedures shall not (unless expressly otherwise provided) be legally binding and shall not modify or affect the interpretation of this Agreement.

10. MAINTENANCE

- 10.1. **[ABC]** and National Gas will exchange information as to their plans for maintenance of **[ABC]**'s Facilities and **[ABC]**'s Plant and National Gas's Facilities respectively and the National Transmission System, for the purposes of minimising the disruption to the supply of gas to **[ABC]**'s Plant.
- 10.2. Where the operation of any pipeline inspection, or maintenance equipment in the National Transmission System requires a specific even rate of offtake of gas from the National Transmission System by Registered Users at the Supply Meter Point for any period, **[ABC]** agrees to provide reasonable co-operation to National Gas (and with each Registered User) with a view to ensuring that the Registered Users' rate of offtake is maintained for such period.

11. EMERGENCIES

- 11.1. **[ABC]** and National Gas agree to provide reasonable co-operation to the other with a view to ensuring safety and integrity of **[ABC]**'s Facilities, **[ABC]**'s Plant, National Gas's Facilities and the National Transmission System in the event of any emergency circumstances affecting the other Party provided that this shall not require National Gas to act in breach of the Code.
- 11.2. In the event of a Local Emergency the provisions of Schedule 4 shall apply.
- 11.3. **[ABC]** and National Gas will establish detailed procedures for giving effect to Clause 11.1.
- 11.4. **[ABC]** shall at all times be contactable via telephone at the number detailed in Schedule 4 and shall be responsible for providing an emergency service for **[ABC]**'s Facilities in accordance with statutory requirements and relevant Institution of Gas Engineers and Managers (IGEM) recommendations, for the time being in force.

12. TRANSFER

- 12.1. Subject to Clause 12.2 and 12.3, neither Party may assign, transfer or novate any of its rights or obligations under this Agreement, except with the consent of the other Party, such consent not to be unreasonably withheld or delayed.
- 12.2. National Gas may novate all of its rights and obligations under this Agreement to any Affiliate that is (or will be at the time of such transfer taking effect) the holder of a Gas Transporter's Licence in respect of the National Transmission System by entering into a novation agreement in the form of the Novation Agreement with the Affiliate. **[ABC]** agrees to enter into any such Novation Agreement upon request.

- 12.3. Notwithstanding clause 3.3.2, **[ABC]** may novate all of its rights and obligations under this Agreement to any person which becomes the owner of **[ABC]**'s Plant by entering into a novation agreement in the form of the Novation Agreement with the new owner. National Gas agrees to enter into any such Novation Agreement upon request.

13. ABC'S WARRANTIES

- 13.1. **[ABC]** warrants with effect from the date of Substantial Completion and with continuing effect that:

13.1.1. it holds a licence to operate a pipeline, has been granted an exemption, or is exempt from any such requirement to hold a licence under the Gas Act;

13.1.2. **[ABC]**'s Facilities are and will be maintained to continue to be, technically and operationally compatible in all material respects with National Gas's Facilities and the National Transmission System;

13.1.3. **[ABC]**'s Facilities are safe and suitable to receive natural gas in accordance with the parameters set out in this Agreement, the Gas Safety (Management) Regulations 1996 and all other Legal Requirements and all relevant regulations;

13.1.4. it is the owner of **[ABC]**'s Plant and **[ABC]**'s Facilities.

- 13.2. If, at any time, the condition of **[ABC]**'s Facilities become such that **[ABC]** is in breach of any of the warranties set out in Clause 13.1 **[ABC]** shall immediately notify National Gas.

14. INFORMATION AND CONFIDENTIALITY

- 14.1. **[ABC]** may disclose the terms of this Agreement to any User (as defined in the Code) who has submitted a Supply Point Confirmation (as defined in the Code) in respect of the Supply Meter Point.

- 14.2. National Gas may disclose the terms of this Agreement to the Registered Users.

- 14.3. Subject to Clause 14.4, each Party shall keep confidential and shall not disclose any information relating to the affairs of the other Party which it obtains pursuant to this Agreement, other than information:

14.3.1. which at the time of disclosure is in the public domain, or thereafter becomes part of the public domain otherwise than as a consequence of a breach by a Party of its obligations under this Clause 14;

14.3.2. which it obtains (other than under a duty of confidence) other than pursuant to this Agreement;

14.3.3. which it is required to disclose to any government department or any governmental or regulatory agency having jurisdiction over any Party (including but not limited to the Gas and Electricity Markets Authority), or as required by law or any lawful subpoena or recognised stock exchange or other process in connection with any judicial arbitration or administration proceeding;

(c) If sent by email, at the time of sending if sent by email (except that if (i) the email is sent outside of 9am to 5pm or on a non-Business Day it shall be deemed to have been received by the address at 9am on the next Business Day, or (ii) an automatic notification is received by the sender sending the email informing the sender that the email has not been delivered to the recipient or that the recipient is out of the office that email will be deemed not to have been served).

15.3. In the event of an emergency as detailed in Schedule 4, the provisions of that Schedule regarding contact details shall override this Clause 15.

16. SURVIVAL

Any provision of this agreement that expressly or by implication is intended to come into or continue in force on or after termination or expiry of this agreement including Clauses 4 and 14 shall remain in full force and effect.

17. WAIVER

No waiver or consent by either Party (express or implied) of any one or more defaults by the other shall operate or be construed as a waiver of, or consent to, any other defaults, whether of a like or different nature, and failure by a Party to complain of any act of the other or to declare such other in default in respect of this Agreement, regardless of how long that failure continues, shall not constitute a waiver by such Party of its rights with respect to such default.

18. SEVERABILITY

If any term or provision of this Agreement shall be held to be illegal or unenforceable in whole or in part, under any enactment or rule of law, such term or provision or part shall to that extent be deemed not to form part of the Agreement but the validity and enforceability of the remainder of the Agreement shall not be affected.

19. THIRD PARTY RIGHTS

Save and except for those rights which have been expressly granted to the Registered User(s) under this Agreement and to any rights which may accrue to any successor or permitted assign of the Parties, no provision of this Agreement shall or maybe construed as creating any rights enforceable by a third party and all third party rights as may be implied by law are hereby excluded to the fullest extent permitted by law from this Agreement.

20. GOVERNING LAW AND COURTS

20.1. This Agreement and any disputes that arise out of, or in connection with, this Agreement (including non-contractual disputes) shall be governed by and construed in accordance with the laws of England and Wales and the Courts of England and Wales shall have exclusive jurisdiction in respect of such disputes.

20.2. The Parties irrevocably agree that, save in respect of decisions to be made by an expert pursuant to Clause 7 the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim that arises out of, or in connection with, this Agreement or its subject matter or formation (including non-contractual disputes or claims).

SCHEDULE 1

Part I

Network Exit Provisions

1. Plant and Equipment

1.1. The plant and equipment installed at or near the Supply Meter Point comprises the following:

- (i) National Gas's Facilities: []mm valve and associated monitoring and control equipment installed at or immediately upstream of the Supply Meter Point;
- (ii) **[ABC]**'s Facilities: plant and equipment installed and owned by **[ABC]** for purposes connected with the offtake of gas from the National Transmission System and including filters pre-heaters, regulators, measurement and telemetry equipment and all associated pipework and equipment installed at or immediately downstream of the Supply Meter Point.

as described in more detail in Schedule 2.

1.2. For the purposes of determining the period referred to in UNC TPD Section J4.4.5(b)(ii) (and without prejudice to Clause 8.1), where National Gas has been notified of a requirement for maintenance of or failure or defect in National Gas's Facilities:

(a) National Gas will:

(i) arrange for an engineer to attend at National Gas's Facilities within six hours after National Gas being so notified for the purposes of assessing the maintenance, repair or replacement works required; and

(ii) unless such works can be carried out by the engineer upon such visit, prepare and submit to [ABC] and Registered User(s) a programme for the carrying out of the works with all reasonable diligence;

(b) where the engineer carries out such works upon such visit, the period referred to in that Section shall be deemed to expire when such works are completed;

(c) except as provided in paragraph (b), the period referred to in that Section will be the period expiring at the end of the period provided for in the programme provided under paragraph (a)(ii), with any reasonable extensions necessitated by any failure of [ABC] to provide reasonable access and co-operation to National Gas in the carrying out of the required works.

2. Point of Offtake

2.1. The point of offtake at the Supply Meter Point is as shown in [*Diagram 1*] of Schedule 2.

2.2. The point of offtake of [*Fuel Gas /Auxiliary Gas /Boiler Gas*] is as shown in [*Diagram 2*] in Schedule 2.

3. Pressure

3.1. For the purposes of UNC TPD Section J4.3.1(e) the Applicable Offtake Pressure (as at the date of this Agreement) is 25bar gauge.

3.2. For the purposes of Section J2.2.1, at the date of this Agreement the Registered Users will be taken to have been advised by [ABC] that the anticipated normal offtake pressure in respect of the Supply Meter Point is [] bar gauge.

3.3. The point at which the pressure of gas made available for offtake from the National Transmission System is as shown in [*Diagram 1*] of Schedule 2.

4. Offtake Rate Changes and Ramp Rates

4.1. For the purposes of the Code, Sections J4.5, J4.6, J4.7 and J5.7 are to apply to this Agreement.

- 4.2. For the avoidance of doubt, where there is more than one Registered User, references in this paragraph 4 to the rate of offtake are to the aggregate offtake by all Registered Users.
- 4.3. For the purposes of this paragraph 4, the “SPOR” is the Supply Point Offtake Rate in respect of the Supply Meter Point or (where there is more than one Registered User) the sum of such Supply Point Offtake Rates.
- 4.4. For the purposes of Section J4.5.1:
- (a) the time at which the Offtake Profile Notice for each Gas Flow Day is to be given to National Gas is 17.00 hours on the Preceding Day;
 - (b) the End of Day Demand Forecast Notice (which sets out the estimated total amount of gas to be offtaken during the Gas Flow Day) shall be provided to National Gas by no later than 12.00 hours on the Preceding Day.
- 4.5. For the purposes of Section J4.5.4, the period of notice to be given to National Gas of any change in the rate of offtake (by a revised Offtake Profile Notice) shall be as follows:
- (i) for an increase, or (subject to paragraph 4.6) a relevant cumulative increase, which exceeds 50% of the SPOR as per [Table 2], not less than 4 hours;
 - (ii) for an increase, or (subject to paragraph 4.6) a relevant cumulative increase, which exceeds 25% but does not exceed 50% of the SPOR as per [Table 2], not less than 2 hours;
 - (iii) for an increase, which does not exceed 25% of the SPOR as per [Table 2], not less than 1 hour;
 - (iv) for a decrease, not less than 1 hour.
- 4.6. For the purposes of paragraph 4.5 a relevant cumulative increase is the aggregate increase in rate of offtake under any two or more connected increases, for the purposes of which two increases are connected where notice of the second-notified increase is required (in accordance with paragraph 4.5) to be given before the first-notified increase has occurred.
- 4.7. For the purposes of Section J4.6, the tolerance within which the rate of offtake may deviate from the Prevailing Offtake Rate without the requirement for notice under paragraph 4.5 is +/- 3% (plus or minus three percent).
- 4.8. For the purposes of Section J4.7:
- (a) except as provided in paragraph (b), the rate of increase of the rate of offtake shall not exceed []MW/minute;
 - (b) on each occasion on which the rate of offtake increases from zero, the rate of increase of the rate of offtake during the first two minutes from the time at which offtake commences shall not exceed []MW/minute;
 - (c) the rate of decrease of the rate of offtake shall not exceed []MW/minute.

4.9. For the purposes of Section J5.7:

(a) the requirements under paragraphs 4.5 and 4.8 do not apply:

(i) in the event of Operational Intertripping of **[ABC]**'s Plant as defined in, and occurring in accordance with the requirements of the Grid Code established by National Grid Electricity Transmission plc;

(ii) in the event of any unplanned unexpected and unavoidable failure of any part of **[ABC]**'s Plant resulting in the immediate cessation or reduction of the level of its operation;

(b) following any event within paragraph (a) above, notice under paragraph 4.5 is not required in respect of any increase in the rate of offtake which is completed within a period of sixty minutes after, and results in a rate of offtake not exceeding the Prevailing Offtake Rate immediately before, the occurrence of such event.

5. Frequency Response

5.1. If **[ABC]** requires the Frequency Response service, it shall notify National Gas as set out in accordance with in Section J5.8.

6. Measurement

- 6.1. For the purposes of Section J5.9, the provisions of Schedule 1 Part II as to the measurement of flow (and determination of volume) and the determination of calorific value of gas offtaken shall apply.

7. Planned Maintenance

- 7.1. For the purposes of Section L4.3.2(a), the allowable number of days of Planned Maintenance shall be **[eight]** in any one Planned Maintenance Period and [20] in any three consecutive Planned Maintenance Periods.
- 7.2. National Gas shall discuss any Planned Maintenance with **[ABC]**. National Gas and **[ABC]** shall co-operate with each other in the scheduling of maintenance and shall each use reasonable endeavours to co-ordinate the maintenance of National Gas's Facilities and the maintenance of **[ABC]**'s Plant. However, notwithstanding the foregoing, nothing shall (a) oblige National Gas to undertake maintenance of National Gas's Facilities at or about the same time as **[ABC]** undertakes or proposes to undertake maintenance of **[ABC]**'s Plant, or (b) prevent National Gas from undertaking maintenance of National Gas's Facilities at any time other than at the time **[ABC]** undertakes or proposes to undertake maintenance of **[ABC]**'s Plant.

8. Communication Arrangements

- 8.1. Schedule 3 sets out the requirements (if any) which apply for the purposes of Section J5.5.1.

SCHEDULE 1

Part II

Network Exit Provisions (continued)

- 1. Installation, Commissioning, Operation and Maintenance of the Supply Point Measurement Equipment comprised within [ABC]’s Facilities**
 - 1.1. [ABC] shall install, commission, operate and maintain the Supply Point Measurement Equipment in accordance with OFGEM COP/1c “Code of Practice for all Higher Pressure and all other Low Pressure Meter Installations not covered by COP/1a and COP/1b” and National Gas’s T/SP/ME/1 “Gas Transporter’s Requirements for Gas Measurement Systems Connected to the National Gas Network” and the Institution of Gas Engineers and Managers (IGEM) Recommendations on IGE/GM/4 “Flow Metering Practice for pressures between 38 and 100 Bar”.

- 2. Maintenance procedures for the Supply Point Measurement Equipment comprised within [ABC]’s Facilities**
 - 2.1. [ABC] shall produce a maintenance procedure in accordance with T/SP/ME/1, IGE/GM/4 and COP/1c for the Supply Point Measurement Equipment before commencement of commissioning for agreement of the Registered User(s) and National Gas.

- 3. Commissioning procedures for the Supply Point Measurement Equipment comprised within [ABC]’s Facilities**
 - 3.1. [ABC] shall produce a commissioning procedure in accordance with T/SP/ME/1, IGE/GM/4 and COP/1c, and relevant metering standards ISO 5167, ISO 9951, BS 7965, ISO 6976 and AGA8 for the Supply Point Measurement Equipment before commencement of commissioning for agreement of the Registered User(s) and National Gas. [ABC] shall give National Gas and the Registered User(s) reasonable advance notice of the Meter(s) validation at final commissioning and shall at this time provide Meter calibration certificates from an accredited calibration facility for the Primary, Fuel Gas and Auxiliary Meters being commissioned.

- 4. Measurement of gas flows at the Supply Meter Point**
 - 4.1. The Supply Point Measurement Equipment comprised within [ABC]’s Facilities is or will be the property of and shall be maintained by [ABC].
 - 4.2. All gas offtaken from the National Transmission System, except that referred to in paragraph 4.3(c), shall be measured by the Supply Point Measurement Equipment and all gas measurement data as detailed in the Construction Connection Agreement shall be provided as telemetry signals to National Gas.
 - 4.3. The quantity of gas offtaken at the Supply Meter Point shall be deemed to be the sum of:
 - (a) the quantities determined by the Primary Meters and the Process Gas Chromatograph in accordance with paragraphs 5 and 8; and

- (b) the quantities of Fuel Gas and Auxiliary Gas determined by measurements made by the Fuel Gas Meters and the Auxiliary Gas Meters in accordance with paragraph 6 and the process gas chromatograph in accordance with paragraph 8 or such other methods as may be agreed between the Parties where no such Fuel Gas Meters or Auxiliary Gas Meters exist at the Supply Meter Point.
- (c) the unmetered energy quantities determined in accordance with paragraph 9.1 to account for unmetered energy occurring between the Supply Meter Point and Supply Point Measurement Equipment.

5. Supply Point Measurement Equipment

- 5.1. The Permitted Range shall be as specified in Tables 1.1 and 1.2 of this Schedule 1 Part II;
- 5.2. The uncertainty of the Measurement Equipment must be assessed by an agreed technique and in accordance with the relevant parts of ISO 5167, ISO 9951 and BS 7965 as may be applicable (or such other standards as may be agreed between the Parties).
- 5.3. Subject to paragraph 5.7 **[ABC]** must at its own expense undertake validation of the Supply Point Measurement Equipment occurring no less frequently than once every 12 months and may following such validation adjust or replace the components in accordance with paragraph 5.6 also at its own expense.
- 5.4. A Registered User or National Gas may request that the Supply Point Measurement Equipment be validated if the previous validation took place more than six months previously and any validation pursuant to this paragraph 5.4 shall be carried out as soon as reasonably practicable. **[ABC]** shall bear the costs and expenses of such validation and any adjustment or replacement of the components of the Supply Point Measurement Equipment made as a result thereof.
- 5.5. A Registered User or National Gas may request that the supply Point Meter equipment be validated at any time in which case any such validation shall be carried out as soon as reasonably practicable. Subject to paragraph 5.4 the costs and expense of such validation, and any adjustment or replacement of the components of the Supply Point Measurement Equipment made as a result of any validation made pursuant to this paragraph 5.5 shall if the Supply Point Measurement equipment is found to read within the Permitted Range be paid by the person requesting the validation and in any other case by **[ABC]**.
- 5.6. Immediately following validation as specified in paragraph 5.3, 5.4 or 5.5 the individual components of the Supply Point Measurement Equipment shall be adjusted or replaced as necessary so that Supply Point Measurement Equipment be capable of reading and set to read without systematic bias within the Permitted Range. Each individual component of the Supply Point Measurement Equipment shall read within its recommended tolerance. Where the Supply Point Measurement Equipment is found when so validated to read outside the Permitted Range and it is not apparent when the equipment started to function incorrectly then:
 - (a) It shall be assumed (for the purposes of estimating the metered consumption for the Daily Read Error) that such Supply Point Measurement Equipment

started to function incorrectly half way through the period from when the equipment was last inspected (whether pursuant to this paragraph or any annual or other maintenance inspection) to the day of the inspection;

- (b) For the purposes of calculating the amount of allowance to be made to or the surcharge to be made on the Registered User(s) the quantities read as offtaken during the period when the Supply Point Measurement Equipment is assumed to have read outside the Permitted Range shall be adjusted by an amount corresponding to the error by which the Supply Point Measurement Equipment was found on validation to read outside the Permitted Range; and
- (c) The amount by which the quantity determined to have been offtaken on any Day differs from the quantity originally determined to have been offtaken on such Day pursuant to any validation or resolution of any dispute in relation thereto shall be treated as the DM Reconciliation Quantity in respect of the Supply Meter Point on such Day and the provisions of the Code Section M in respect of DM Reconciliation (including any charges payable as a consequence of the application of such provisions) shall apply in relation thereto.

5.7. Any validation pursuant to this paragraph 5 shall be conducted by **[ABC]** and **[ABC]** shall give reasonable advance notice of such validation to National Gas and the Registered User(s) which shall be entitled to be present. Following each validation **[ABC]** shall affix a lead seal to the relevant meter which shall not be removed by **[ABC]** until the next validation in accordance with paragraph 5. **[ABC]** shall provide a validation report to National Gas and the Registered User(s) within fourteen Days of any validation stating the results of such validation.

5.8. The results of any validation conducted by **[ABC]** shall be binding on **[ABC]** and on the Registered User(s) and National Gas unless any of the Registered User(s) or National Gas shall within fourteen Days after receiving the validation report specified in paragraph 5.7 give notice to **[ABC]** that it disputes the accuracy of such validation. The Registered User(s) and National Gas shall not be entitled to dispute the accuracy of such validation solely on the grounds that such party did not attend such validation.

5.9. At the request of either National Gas, **[ABC]** or any Registered User, National Gas, **[ABC]** and the Registered User(s) shall meet and discuss and endeavour to settle any dispute or failure to agree arising from the application of the provisions of this paragraph 5 and if within thirty Days after such request they shall have been unable to agree the matter may be referred to an expert for determination (at the request of either National Gas, **[ABC]** or any of the Registered Users(s)) in accordance with the provisions of Schedule 5.

6. Fuel Gas Meters and Auxiliary Gas Meters

6.1. **[ABC]** shall ensure that the Fuel Gas Meters and Auxiliary Gas Meters comply with Regulation 3 of the Regulations.

6.2. Where a Registered User or National Gas in accordance with Section 17 of the Gas Act requires any Fuel Gas Meter or Auxiliary Gas Meter to be examined then where such Fuel Gas Meter or Auxiliary Gas Meter is found, when so examined, not to conform to the standards prescribed by the Regulations then:

- (a) The Fuel Gas Meter or Auxiliary Gas Meter shall be assumed not to have conformed to the standards prescribed by the Regulations to the degree so found since the penultimate date on which (otherwise than in connection with the examination) the Fuel Gas Meter or Auxiliary Gas Meter was read except in a case where it is proved to have begun not to have conformed as described on some other date and/or as the parties may agree having met (in good faith) and discussed such nonconformity; and
 - (b) The amount by which the quantity determined to have been offtaken on any Day differs from the quantity originally determined to have been offtaken on such Day pursuant to any validation or resolution of any dispute in relation thereto shall be treated as the DM Reconciliation Quantity in respect of the Supply Meter Point and such Day and the provisions of the Code in respect of DM Reconciliation (including any charges payable as a consequence of the application of such provisions) shall apply in relation thereto.
- 6.3. Where any Fuel Gas Meter or Auxiliary Gas Meter is removed for the purpose of being examined in accordance with paragraph 6.2 the expenses incurred in removing, examining and replacing the Fuel Gas Meter or Auxiliary Gas Meter and fixing any substituted Fuel Gas Meter or Auxiliary Gas Meter shall, if the Fuel Gas Meter or Auxiliary Gas Meter is found to conform with the Regulations be paid by the person requesting the examination, otherwise such expenses shall be paid by **[ABC]**.
- 6.4. Any examination of any Fuel Gas Meter or Auxiliary Gas Meter under the provisions of this paragraph 6 shall be conducted by a meter examiner appointed under Section 17 of the Gas Act.
- 6.5. The register of any Fuel Gas Meter or Auxiliary Gas Meter recording the volume of Fuel Gas or Auxiliary Gas shall be corrected to Cubic Metres and corrections for the purpose of this paragraph 6.7 shall be effected by:
 - 6.6. Automatic correctors where available; or
 - 6.7. Reference to National Gas's Standard Factors for Temperature and Pressure Correction.
 - (a) Subject to paragraph 6.11 for the purposes of this Agreement the quantity of Fuel Gas and Auxiliary Gas on any Day in a month at a Fuel Gas Meter or Auxiliary Gas Meter which does not have a data logger on that Day shall be deemed to be the quantity derived by dividing the difference between the Fuel Gas Meter reading or the Auxiliary Gas Meter reading made closest to the end of such month (or at a time on which the data logger was installed if applicable) and the Fuel Gas meter reading or the Auxiliary Gas Meter reading made closest to the beginning of such month by the number of Days in the period between such readings when such Fuel Gas Meter or Auxiliary Gas Meter did not have a data logger. The quantity of Fuel Gas or Auxiliary Gas on any Day at a Fuel Gas Meter or Auxiliary Gas Meter which has a data logger on that Day shall be derived from the recordings of the data logger at the beginning and end of that Day.
 - (b) On any Day at any Fuel Gas Meter or Auxiliary Gas Meter at which no data logger is installed National Gas may examine the register of the Fuel Gas Meter or

Auxiliary Gas Meter and any quantity thereby determined shall for the purposes of this Agreement be treated as a quantity of Fuel Gas or Auxiliary Gas on that Day at that Fuel Gas Meter or Auxiliary Gas Meter.

7. Inspection Rights

- 7.1. National Gas and the Registered User(s) shall have the right, upon giving reasonable notice to **[ABC]** in accordance with Clause 8.2, to inspect the Supply Point Measurement Equipment and the charts and other measurements or test data of National Gas but the reading calibration and adjustment of the Supply Point Measurement Equipment and the changing of any charts shall be carried out only by **[ABC]** who shall preserve all original test data, charts, calibration certificates and other similar records for a period of three years and shall, at National Gas's or the Registered User's reasonable expense, make a copy thereof available to National Gas or the Registered User(s) upon request.

8. Calorific Value

- 8.1. The calorific value of the gas offtaken at the Supply Meter Point and any Fuel Gas offtaken and any Auxiliary Gas offtaken shall be determined by the Process Gas Chromatograph, specified in Schedule 2 installed to National Gas's T/SP/ME/1, with Calorific Value determined to ISO 6976 and shall have a sample system compliant with ISO 10715.
- 8.2. **[ABC]** shall give National Gas and the Registered User(s) reasonable advance notice of the final commissioning of the Process Gas Chromatograph which should include a Performance Evaluation to ISO 10723 carried on the Gas Chromatograph at its final installed location to demonstrate that the instrument is within the required bias and combined measurement uncertainty specified in T/SP/ME/1. That is +/- 1.0% (Volume) and +/- 1.1% (Energy) at the 95% Confidence Interval for the Primary Meter and +/- 2.9% (Volume) and +/- 3% (Energy) at the 95% Confidence Interval for the Boiler Meter.
- 8.3. **[ABC]** shall operate and maintain the Process Gas Chromatograph to National Gas's T/PM/GQ/3 and T/SP/ME/1 and shall, following replacement and or repair of certain key components, as agreed between the parties, carry out a performance evaluation to ISO 10723, at the installed location, to demonstrate that the instrument is within the required bias and combined measurement uncertainty specified in T/SP/ME/1. That is +/- 1.0% (Volume) and +/- 1.1% (Energy) at the 95% Confidence Interval and +/- 2.9% (Volume) and +/- 3% (Energy) at the 95% Confidence Interval for the Boiler Meter.

9. Unmetered Energy

- 9.1. The amount of unmetered energy and gas lost in Emergencies, or (without prejudice to National Gas's remedies in respect of a meter failure) as a result of meter failure shall be agreed between **[ABC]**, National Gas, and the Registered User, on a case by case basis. The parties shall meet to endeavour to reach such agreement as soon as reasonably practicable (and in any event no later than 30 days) after the occurrence of an event resulting in quantities of unmetered energy. If within such 30 day period they have been unable to agree, the matter may be referred by any Party to be determined by an expert in accordance with the procedure set out in Schedule 5.

10. Metering Measurement Uncertainty

- 10.1. The Maximum Flow Rates (Volumetric and Energy) of the Supply Point Measurement Equipment for the purposes of determining uncertainty is set out in Tables 1.1 and 1.2 below. Note: Energy flowrates have been calculated at a range of typical Calorific Values (CVs) seen on the NTS (36.9 to 42.3 MJ/m³)
- 10.2. Under steady state conditions gas shall not be offtaken from the National Transmission System below the Minimum Volumetric Flow Rate set out in Table 1.1 below.
- 10.3. The Supply Point Measurement Equipment shall be capable of measuring gas flow over the Operational Flow range from the Minimum to the Maximum flows set out in Tables 1.1 & 1.2 below.
- 10.4. The Maximum Flow Rate does not constitute for the purposes of the Code, or otherwise, an indication of the available Supply Point Capacity at the Supply Meter Point.

Table 1.1

Primary Meter Accuracy (Measurement Uncertainty)

			+/-1% (Volume) At the 95% Confidence Interval	+/-1.1% (Energy) At the 95% Confidence Interval		
Primary Meter Range	Sm ³ /h	CV (MJ/m ³)	Mscm/d	GWh/day	MWh/day	kWh/hour
Operational Flow Range at low CV)	[] to []	36.9	[] to []	[] to []	[] to []	[] to []
Operational Flow Range at typical CV	[] to []	40	[] to []	[] to []	[] to []	[] to []
Operational Flow Range at high CV	[] to []	42.3	[] to []	[] to []	[] to []	[] to []

Table 1.2

[Auxiliary / Boiler] Meter Accuracy (Measurement Uncertainty)

			+/-2.9% (Volume) At the 95% Confidence Interval	+/-3.0% (Energy) At the 95% Confidence Interval		
Boiler Meter Operational Flow Range	Sm ³ /h	CV (MJ/m ³)	Mscm/d	GWh/day	MWh/day	kWh/hour
Operational Flow Range at low CV	[] to []	36.9	[] to []	[] to []	[] to []	[] to []
Operational Flow Range at typical CV	[] to []	40	[] to []	[] to []	0.3066 to 9.2000	[] to []
Operational Flow Range at high CV	[] to []	42.3	[] to []	[] to []	[] to []	[] to []

Table 2

Minimum and Maximum Offtake Flow Rate

	Minimum Flow Rate (GWh/d @typical CV)	Maximum Flow Rate (GWh/d @typical CV)
Primary Meter (when site flowing)	[]	[]
Boiler Meter (when site on outage)	[]	[]

[The **[Auxiliary/Boiler]** Meter is downstream of the Primary Meter and, therefore, when the site is flowing, the offtake measurement shall be from the Primary Meter. When the site is on outage the offtake measurement will be from the **[Auxiliary/Boiler]** Meter. Therefore, under normal operating conditions the Minimum and Maximum Flow Rate is [] & [] GWh/d @ typical CV, respectively.]

[The Primary meter shall have a volumetric measurement uncertainty of +/-[x.x]% (or better) and an energy measurement uncertainty of +/-[x.x]% (or better) at the 95% Confidence Interval (k=2) as determined by a method such as ISO5168 (or other accepted Guide to Uncertainty in Measurement (GUM) approved method) of the flow rate over the operational

flow range to meet the requirements of National Gas Specification T/SP/ME/1 Table 1 Accuracy Requirements for Volume and Energy Measurement Systems.]

[The [**Auxiliary/Boiler**] meter shall have a volumetric measurement uncertainty of +/-[**x.x**]% (or better) and an energy measurement uncertainty of +/-[**x.x**]% (or better) at the 95% Confidence Interval (k=2) as determined by a method such as ISO5168 (or other accepted Guide to Uncertainty in Measurement (GUM) approved method) of the flow rate over the operational flow range to meet the requirements of National Gas Specification T/SP/ME/1 Table 1 Accuracy Requirements for Volume and Energy Measurement Systems.]

SCHEDULE 2

The Plant and Offtake Facilities

1. [ABC]'s Plant

- 1.1. The industrial plant located at [] and known as [].

2. Description of Offtake Facilities

- 2.1. National Gas's Facilities are those facilities delineated in schematic Diagram 1 contained in this Schedule 2.
- 2.2. [ABC]'s Facilities are those facilities delineated in schematic Diagram 2 contained in this Schedule 2
- 2.3. Includes engineering line diagrams showing National Gas's Facilities, the Supply Meter Point, [ABC]'s Facilities and the Supply Point Measurement Equipment in accordance with Section J4.3.1 (a) and (b).

Diagram 1

Diagram 2

SCHEDULE 3

Agent for Communications etc.

If applicable to provide for any allocation agreement or agency and appointment of agent for nominations, etc.

SCHEDULE 4

Emergency Procedures

In the event of Local Emergency, [ABC] and National Gas, notwithstanding any other provision of this Agreement, may, pursuant to Clause 11.1 agree any variation to the rate of offtake at the Supply Meter Point that may be expected to cause a reduction in the threat to the safety of any person or the threat of damage to any property and, for the purposes of the Code, the Offtake Profile Notice in respect of the time during which such variation takes effect shall be deemed to have been modified accordingly. As soon as reasonably practicable after any such variation is agreed National Gas shall notify the Registered User(s).

Emergency Contact details:

National Gas: Gas National Control Centre
Telephone:0870 191 0631

[ABC]:
Telephone:+44 (0) []

or such other details as [ABC] and National Gas may provide each other with from time to time.

SCHEDULE 5

Expert Determination

1. This Schedule 5 shall comprise the provisions of Sections A.1 and A.2 of the General Terms of Uniform Network Code which shall be adopted mutatis mutandis, subject to the amendments set out in paragraph 2 below.

(a) Section A 1.1.1 shall not apply;

(b) Section A 1.1.2 shall be deleted and replaced with the following:

For the purposes of this Schedule 5:

(i) a “dispute” is any dispute or difference arising between National Gas and [ABC] which this agreement provides shall be referred to an expert;

(ii) a “User” includes [ABC] and the Registered User;

(iii) in respect of any dispute “parties” means National Gas and the User or Users party to such dispute and “party” shall be construed accordingly;

(iv) subject to (v) below, a reference to “the Code”, “the Framework Agreement” or any “Ancillary Agreement” shall mean a reference to “this Agreement”;

(v) the “Network Code Committee” shall for the purposes of this Schedule 5 be the same committee as that designated under the Uniform Network Code;

(vi) a reference to “Section A” shall for the purposes of this Agreement be interpreted as a reference to this “Schedule 5”.

(c) Section A1.3 shall not apply.

SCHEDULE 6

Novation Agreement

THIS NOVATION AGREEMENT (“**Agreement**”) is made the [] day of 202[].

BETWEEN:

- (1) [ABC] LIMITED, a company registered in [] and having its registered office at [] (“**ABC**”);
- (2) [XYZ] LIMITED, a company registered in [] and having its registered address at [] (“**XYZ**”);
and
- (3) [Remaining Party] LIMITED, a company registered in [] and having its registered address at [] (“**Remaining Party**”),

each a “**Party**” and, together, the “**Parties**”.

WHEREAS:

- (A) ABC and Remaining Party are parties to a Network Exit Agreement relating to [] dated [] (the “**NExA**”). [ABC is the owner of ABC’s Plant (as defined in the NExA)] OR [ABC is the holder of the Gas Transporter’s Licence (as defined in the NExA)].
- (B) [ABC has agreed to transfer ABC’s Plant to XYZ] OR [A Gas Transporter’s Licence in respect of the National Transmission System (as defined in the NExA) will be held by XYZ and not ABC].
- (C) ABC wishes to novate its rights and obligations under the NExA to XYZ and Remaining Party wishes to consent to the novation of the NExA on the terms of this Agreement.

NOW IT IS AGREED, in consideration of the mutual undertakings of the Parties, as follows:

1. INTERPRETATION

- 1.1. In this agreement “**Business Days**” means days on which banks are open in the United Kingdom other than a Saturday or Sunday.
- 1.2. In this agreement, unless otherwise specified, references to:
 - (a) clauses are to clauses of this Agreement; and
 - (b) headings are for convenience only and do not affect interpretation of this Agreement.

2. CONDITION PRECEDENT

- 2.1. The novation of the NExA under this Agreement shall be subject to and conditional upon the [completion of the transfer of ABC’s Plant to XYZ] OR [A Gas Transporter’s Licence in respect of the National Transmission System being held by XYZ] (the “**Condition Precedent**”).
- 2.2. XYZ shall send Remaining Party an email notice addressed to [] informing Remaining Party of the date on which the Condition Precedent was satisfied (the “**Novation Date**”). This notice shall be sent within 2 Business Days of the Novation Date.

- 2.3. If the Condition Precedent is not satisfied by [] this Agreement shall lapse and take no further effect.

3. XYZ'S UNDERTAKING AND RIGHTS

- 3.1. With effect from the Novation Date and in consideration of the undertakings given by Remaining Party in Clause 4, **XYZ** undertakes to be bound by, observe, perform and/or discharge all the liabilities and obligations of **ABC** under the NExA, whether actual, accrued, contingent or otherwise and whether arising before, on or after the Novation Date, as if **XYZ** were and had always been a party to the NExA in the place of **ABC**.
- 3.2. With effect from the Novation Date, **XYZ** shall be entitled to the rights and benefits under the NExA in place of **ABC**.

4. REMAINING PARTY'S UNDERTAKING AND RELEASE OF ABC

- 4.1. With effect from the Novation Date and in consideration of the undertakings given by **XYZ** in Clause 3 and **ABC** in Clause 5, Remaining Party:
- (a) releases and discharges **ABC** from all obligations to observe, perform, discharge and be bound by the NExA whether in respect of the period before, on or after the Novation Date;
 - (b) accepts **XYZ's** undertaking in Clause 3 to observe, perform, discharge and be bound by the NExA in respect of the period before and after the Novation Date; and
 - (c) agrees to observe, perform, discharge and be bound by the NExA as if **XYZ** were and had always been a party to the NExA in the place of **ABC**.

5. ABC'S UNDERTAKING

- 5.1. With effect from the Novation Date and in consideration of the undertakings given by Remaining Party in Clause 4, **ABC** releases and discharges Remaining Party from all obligations to **ABC** to observe, perform, discharge and be bound by the NExA whether in respect of the period before, on or after the Novation Date.

6. NOTICES

- 6.1. With effect from the Novation Date, for the purposes of all provisions in the NExA concerning the service of notices, the details of **XYZ** are as follows:

- 6.2. For the purposes of Clause [] of the NExA:

Attention:

Tel:

For the purpose of Clause [] of the NExA:

Tel:

7. GENERAL

- 7.1. The Contracts (Rights of Third Parties) Act 1999 shall not apply to this agreement.

- 7.2. This Agreement constitutes the whole and only agreement between the Parties relating to the novation of the NExA and supersedes and extinguishes any other agreement, document, representation or pre-contractual statement relating to its subject matter.
- 7.3 This Agreement may be executed in one or more counterparts and all such counterparts shall constitute one and the same agreement.

8. GOVERNING LAW

- 8.1. This Agreement and any dispute or claim of whatever nature arising out of, or in connection with, it shall be governed and construed in accordance with English law.
- 8.2. In relation to any legal action or proceeding arising out of, or in connection with, this Agreement, each of the Parties irrevocably submits to the exclusive jurisdiction of the English courts.

IN WITNESS whereof this Agreement has been signed by the duly authorised representatives of the Parties with effect from the day and year first above written.

For and on behalf of:

[ABC] LIMITED

By:

Name:

For and on behalf of:

[XYZ] LIMITED

By:

Name:

For and on behalf of:

[Remaining Party]

By:

Name:

IN WITNESS WHEREOF the duly authorised representatives of National Gas and **[ABC]** have executed this Agreement the day and year first before written.

For and on behalf of:

NATIONAL GAS TRANSMISSION PLC

By:

Name:

For and on behalf of:

[ABC COMPANY LIMITED]

By:

Name: