GLOSSARY OF TERMS

Advanced Reservation of Capacity Agreement (ARCA)
A contract between the developer and National Grid which allows a developer to reserve NTS exit capacity without engaging a shipper. The developer accepts liability if a shipper does not later buy the capacity they have reserved.

Aggregated System Entry Point (ASEP)
A point where gas flows into the National Transmission System.

Capacity
A commercial product which can only be purchased by shippers. Capacity must be secured for all projects to ensure there is enough space in the network to accommodate / flow the gas required by your facility. Entry capacity is needed to deliver gas to the NTS; exit capacity is needed to offtake gas from the NTS.

Commissioning (Our facility)
The process of flowing gas through the connection and increasing it to working pressure, in order to test National Grid's connection.

Commissioning (Your facility)
You must validate your measurement facilities and prove this to us before gas can be flowed.

Conceptual Design Study (CDS)
A study which evaluates the connection apparatus, connecting pipeline (where applicable), estimated cost and estimated timescales for the works.

Connection
The construction of facilities necessary to interface with National Grid's network.

Connected System Exit Point (CSEP)
An offtake from the NTS which feeds more than one directly connected facility.

Design and Build Agreement (DBA)
A contract between the developer and National Grid governing the terms under which to carry out a conceptual design study and construction.

Developer
The company responsible for managing the development and construction of the directly connected plant.

Entry Connection
The necessary infrastructure (remotely operable valve and associated telemetry) needed to deliver gas onto the NTS. Capacity must be booked

separately through a shipper and an operational agreement must be signed before the connection can be used.

Exit Connection
The necessary infrastructure (remotely operable valve and associated telemetry) needed to offtake gas from the NTS. Capacity must be booked separately through a shipper and an operational agreement must be signed before the connection can be used.

Feasibility Study
A study which includes an evaluation of connection options and/or potential route corridors for a connecting pipeline, a budget estimate, and an indicative timescale for the construction works.

Isolation Joint
A piece of equipment which ensures electrical segregation between National Grid and the connecting party's apparatus.

National Transmission System (NTS)
The 4000 mile high pressure pipelines which transport natural gas across the country to feed the gas distribution networks and directly connected customers

(CSEP) Network Exit Agreement / Network Entry Agreement / Storage Connection Agreement
A contract between the operator of the NTS connected facility and National Grid, outlining all the operational aspects of flowing gas to and from the NTS as appropriate.

Operator
The company that is or will become responsible for the day to day operation of the NTS connected facility, once it has been fully commissioned.

Quarterly System Entry Capacity (QSEC) Auction
An auction held once a year in March for shippers to buy firm entry capacity in 3 month periods for up to 15 years, starting 2 years after the auction. Rules are governed by the UNC

Remotely Operable Valve (ROV) Installation
An above ground compound or installation at every NTS entry or exit point, built owned and maintained by National Grid. It consists of the ROV itself, and a bypass valve. The compound will also have telemetry which provides data links to our control centre and your measurement facilities.

Shipper
The company which contracts with National Grid for the use of the NTS to transport gas. All shippers must be signatories of the UNC.

Storage Connection
The necessary infrastructure (remotely operable valve and associated telemetry) needed to deliver and offtake gas from the NTS. Capacity must be

booked separately through a shipper and an operational agreement must be signed before the connection can be used.

Storage Facility
A facility which can take gas off the NTS and deliver it back at a later date.

Telemetry
The necessary hardware and software systems in place to provide flow information and manage the status of the installation.

Validation
The process of proving to National Grid that the offtake facilities are working effectively and to the appropriate standards.

Uniform Network Code (UNC)
The set of rules within a legal framework what define the rights and responsibilities of shippers and National Grid and forms the basis of all contracts between them.