

GAS NETWORKS IRELAND

AND

GNI (UK) LIMITED

BETWEEN

EIC: 21Z00000000283H

INTERCONNECTION POINT AT GORMANSTON

FOR THE

INTERCONNECTION AGREEMENT

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- (1) GNI (UK) is the operator of the GNI (UK) System incorporating the South-North Pipeline and holds the GNI (UK) Transportation Licences pursuant to which GNI (UK) has prepared a network code (a copy of which as in force at the date of this Agreement has been provided to GNI) and as amended from time to time is available to GNI setting out the terms on which GNI Shippers may arrange with GNI (UK) for the conveyance of gas from or to the Interconnection Point by means of the GNI (UK) System;
- (2) GNI is the operator of the GNI System and as such has published the Code of Operations, a copy of which as it applies at the date of this Agreement has been provided to GNI (UK) setting out the terms on which GNI Shippers may arrange with GNI for the conveyance of Natural Gas to or from the Interconnection Point by means of the GNI System;
- (3) The Interconnection Point comprises:
 - (i) an IP CSEP from and an IP VEntry to the GNI System (each as defined in the Code of Operations); and
 - (ii) an Entry Point to and a Virtual Exit Point from the GNI (UK) System each as defined in the GNI (UK) Code;
- (4) Natural Gas will be made available for offtake from the GNI System at the Interconnection Point for onward transportation in the GNI (UK) System;
- (5) There is no physical flow of Shipper's gas from the GNI (UK) System to the GNI System at the Interconnection Point and accordingly, GNI Shippers and GNI (UK) Shippers may nominate and be allocated gas as delivered to the GNI System and

WHEREAS:

- each a "Party" and together the "Parties"
- (1) GNI (UK) LIMITED (Company Number 02827969) whose registered office is at 5th Floor, 6 Andrew Street, London EC4A 3AE and who also has an office at Brighthouse Bay, Kirkcubright, Scotland acting in its capacity as operator of the GNI (UK) System (hereinafter referred to as "GNI (UK)", which term shall include its successors in such capacity)
- and
- (2) GAS NETWORKS IRELAND a company incorporated in Ireland (Registered No. 555744 and whose registered office is at Gasworks Road, Cork acting in its capacity as operator of the GNI System and transporter pursuant to the Code of Operations (hereinafter referred to as "GNI" which term shall include its successors in such capacity).

THIS AGREEMENT dated the 29th day of April 2016 is made BETWEEN

"CAM Code" means the Commission Regulation (EU No. 984/2013 of 14 October 2013 establishing a network code on capacity allocation mechanisms of gas transmission systems and supplementing Regulation (EC) No. 715/2009

"Balancing Code" means Commission Regulation (EU No. 312/2014 of 26 March 2014) establishing a network code on gas balancing of transmission networks;

"Business Day" means a day (other than a Saturday or Sunday) on which banks are open for business in Dublin;

"Agreement" or "South-North Interconnection Agreement" means this interconnection agreement including its Schedules as the same may be amended from time to time;

"Agreed Target Quantity" shall mean the quantity of gas which GNI and GNI (UK) agree is to flow at the Interconnection Point on a Gas Flow Day as determined in accordance with paragraph 5.4 of Schedule 9;

"Affiliate" means a company which is a subsidiary of or a holding company of a Party within the meaning of those terms as contained in Section 7 and Section 8 of the Companies Act 2014 provided always that for the purpose of this Agreement GNI (UK) acting in its capacity as operator of the GNI (UK) System shall not be or be regarded as an Affiliate of GNI and GNI shall not be regarded as an Affiliate of GNI (UK) as operator of the GNI (UK) System;

Except where the context otherwise expressly indicates, the following terms in this Agreement shall have the following meanings (technical standard units and terms being defined in Schedule 5, which definitions shall apply to the main body of this Agreement as well as to the Schedules):

1 DEFINITIONS AND INTERPRETATION

IT IS HEREBY AGREED AS FOLLOWS:

(7) This Agreement is the Interconnection Agreement for the Interconnection Point at the South-North Interconnection Point for the purposes of EU Codes the GNI Code of Operations and the GNI (UK) Code.

(6) The parties may from time to time amend this Agreement in accordance with the terms hereof; and

Flow Day only to the extent that there are (in aggregate) nominations and allocations of equal or greater quantities as delivered to the GNI (UK) System at the Interconnection Point and off-taken from the GNI System in respect of the same Gas Flow Day;

"CER" means the Commission for Energy Regulation being the regulatory authority for the gas market (including natural gas emergencies) in the Republic of Ireland;

"Code of Operations" or "Code" means the code of practice for the operation of the GNI System pursuant to the provisions of the Gas (Interim) (Regulation) Act 2002 and the gas transmission licence issued by the CER and as modified from time to time with the approval of the CER;

"Code Modification" shall mean a modification to or a proposal for a modification to the Code of Operations or the GNI (UK) Code as the case may be;

"Competent Authority" means any local, national or supra-national agency, authority, department, inspectorate, minister, official, court, tribunal or public or statutory Person (whether autonomous or not) of Ireland or the European Union which has jurisdiction over GNI in its capacity as operator of the GNI System and/or GNI (UK) in its capacity as operator of the GNI (UK) System or the subject matter of this Agreement including NIAUR (in respect of GNI (UK) and the GNI (UK) System in Northern Ireland) and the CER in respect of both Parties, the GNI System and the GNI (UK) System in Ireland;

"Connected System Point" or "CSP" means the point at which the GNI System is connected to the GNI (UK) System as shown in Schedule 1;

"Constraint" means an inability on the part of the GNI (UK) System to take delivery at the Interconnection Point of the Agreed Target Quantity and a notification by GNI (UK) to GNI advising of such inability shall be termed a Constraint Notice;

"Curtailment" means an inability on the part of the GNI System to facilitate the offtake of the Agreed Target Quantity at the Interconnection Point and a notification by GNI to GNI (UK) advising of such inability shall be termed a Curtailment Notice;

"Curtailment Notice" is a notice given by GNI to GNI (UK) advising of a Curtailment; "Day" has the meaning in the Code of Operations and the GNI (UK) Code;

"Directive" means any present or future directive, regulation, request, requirement, instruction, including the Code of Operations and/or the GNI (UK) Code, code of practice, direction or rule of any Competent Authority having the force of law or, 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, or with which a Party is otherwise required to comply and any modification, extension or replacement thereof;

"Direction" means the direction of flow at the Interconnection Point and in relation to IP Capacity or a nomination "Direction" signifies whether it is capacity required or a nomination made to offtake gas from the GNI System and deliver to the GNI (UK) System or capacity required or a nomination to offtake gas from the GNI (UK) System and deliver to the GNI System;

"Gas Flow Day" means, in relation to the application of any provision of this Agreement, the Day in relation to deliveries, offtakes or flow of gas or other operations on which such provision is to apply and references to D mean any given Gas Flow Day, references to D-1 mean the Day before any given Gas Flow Day and references to D+1 mean the Day after any given Gas Flow Day;

"Force Majeure Event" shall have the meaning given in Clause 13.2;

- (i) in relation to the GNI (UK) System, any unplanned event that is not reasonably controllable or preventable and that may cause, for a limited period, capacity reductions, affecting thereby the quantity or quality of gas at the Interconnection Point and which may consequently result in an Exceptional Event (as that term is defined under the GNI Code of Operations) on the GNI System and/or an Exceptional Event (as that term is defined under the GNI (UK) Code) on the GNI (UK) System; and
- (ii) in relation to the GNI System has the meaning in the GNI Code of Operations.

"EU Codes" means the Balancing Code, the CAM Code and the Interoperability Code;

"Emergency" means an escape or suspected escape of Natural Gas or circumstances which, in the opinion of GNI and/or GNI (UK) (as the case may be), has or may have the effect that (a) the safety of its System is significantly at risk or (b) the safe conveyance of Natural Gas by its System is at such a quality as to constitute, when supplied to premises, a danger to life or property or (d) where the relevant Party's ability to maintain safe pressures within its System is affected or threatened by an interruption or disruption to its System, an insufficiency of deliveries of Natural Gas to its System, or any actual or potential failure of or damage to any part of its System or (e) any other circumstances reasonably believed by GNI, the NGBM NINEC (where applicable), or GNI (UK) (as the case may be) to constitute an emergency (which, for the avoidance of doubt, may include circumstances upstream or downstream of the Interconnection Point) and, where the context requires, a reference to an Emergency includes the event or circumstance which gives rise to such Emergency;

"Effective Date" shall be the date upon which this Agreement shall have been approved by NIAUR and the CER;

"Dundalk Arrangements" means the arrangements made between GNI (UK) and GNI pursuant to which GNI may have access to the South North Section for the purpose of transportation of GNI Shippers Natural Gas in the South Section and offtake of Natural Gas from the South Section to those parts of the GNI System which are physically interconnected with the GNI (UK) System in RoI (but excluding for avoidance of doubt offtake from the South Section at the Interconnection Point);

"GNI" means Gas Networks Ireland or such party as may be designated as transporter pursuant to the Code of Operations from time to time;

"GNI Shipper" any person (whether or not being a GNI (UK) Shipper) with which GNI may for the time being have arranged for the transportation of gas in the GNI System or any part thereof pursuant to a Transportation Arrangement;

"GNI System" means the pipeline system operated by GNI or its Affiliate for the conveyance of Natural Gas to or from the Interconnection Point and all other pipelines comprising the Natural Gas transportation system operated by GNI or its Affiliate under the Code of Operations;

"GNI Transportation Licence" means the licence to operate the GNI System as issued by the CER pursuant to the provisions of the Gas (Interim) (Regulation) Act 2002 (as amended);

"GNI (UK) Code" means the document of that name published by GNI (UK) with the approval of NIAUR and the CER and which governs certain aspects of the relationship between GNI (UK) and GNI (UK) Shippers and as modified from time to time and shall include the agreement(s) (if any) referred to therein between GNI (UK) and GNI (UK) Shippers with respect to transportation arrangements on the South Section;

"GNI (UK) Transportation Licences" means the licences with respect to the operation of the GNI (UK) System being:

- (i) the gas conveyance licence issued by NIAUR in respect of the GNI (UK) System located in Northern Ireland pursuant to the Gas (Northern Ireland) Order 1996 and;
- (ii) the Licence to operate South Section issued by the CER pursuant to Gas (Interim) (Regulation) Act 2002 (as amended);

"GNI (UK) Shipper" means any person (whether or not being a GNI Shipper) with whom GNI (UK) or may for the time being have arranged for the transportation of gas in the GNI (UK) System pursuant to a Transportation Arrangement;

"GNI (UK) System" means the pipeline system incorporating the South-North Pipeline for the conveyance of gas from or to the Interconnection Point and all other pipelines comprising the Natural Gas transmission system operated by GNI (UK) or its Affiliates under the GNI (UK) Code;

"Hourly Flow Rate" means the hourly rate (in kWh/hour) of Natural Gas to be offtaken from the GNI System for delivery to the GNI (UK) System;

"HSE (NI)" means the Health and Safety Executive for Northern Ireland, the public body having responsibility for promotion and enforcement of health and safety at work standards in Northern Ireland;

"Interconnection Point Measurement Equipment" means the South-North Meter, the South-North Measurement Equipment and the Repeat Signals;

"Interconnector" or "I/C2" means that part of the GNI System extending from Beattock Above Ground Installation (AGI) in Scotland to Gornanston AGI in Ireland and as illustrated in Schedule 1;

"Information" shall have the meaning given in Clause 8.2;

"Initial Daily Flow Notification" has the meaning given in paragraph 2.1 of Schedule 3;

"Interconnection Point" means the Connected System Point;

"Interim Arrangements" means any temporary operational or other arrangements published by the Parties (which apply temporarily to supersede some or all of the provisions of this Agreement and/or the Schedules) and which shall be subject to the approval of the Regulatory Authorities;

"Interoperability Code" means Commission Regulation (EU No. 2015/703) of 30 April 2015 establishing a network code on interoperability and data exchange rules;

"Legal Requirement" means any Act of the Oireachtas, delegated legislation, regulation, Act of Parliament or the Legislative Assembly (in Northern Ireland), statutory instrument (in Northern Ireland and Ireland), licence (Northern Ireland or Ireland) or Directive of a Competent Authority and "Legally Required" shall be construed accordingly;

"Maximum Daily Flow Rate" has the meaning given in Schedule 4 Section 1 subsection 3;

"Maximum Hourly Flow Rate" means the operationally maximum hourly rate (in kW) at which Natural Gas can be offaken from the GNI System and delivered to the GNI (UK) System at the Interconnection Point as referenced in Schedule 3;

"Metered Quantity" means the quantity(ies) of Natural Gas determined as having been delivered to, and/or offaken at, the Interconnection Point on a Day as measured by the Interconnection Point Measurement Equipment or as otherwise determined by the GNI pursuant to Schedule 4;

"Moffat IP Entry Point" has the meaning in the Code of Operations;

"National Gas Emergency Manager" or "NGEM" shall mean such person or body as shall be appointed to fulfill the role and function of the NGEM as defined in S.I. 697 of 2007 or any function or role substantially similar to the role of the NGEM pursuant to S.I. 697 of 2007 or any legislation or instrument amending or replacing it;

"National Grid" or "NGG" means National Grid Gas PLC the operator of the Natural Gas transmission pipeline system in the Great Britain;

"Natural Gas" means any hydrocarbons or mixture of hydrocarbons and all associated gases consisting primarily of methane which at 15°C and at atmospheric pressure are predominantly in a gaseous state;

"Natural Gas Emergency Plan" has the meaning given in S.I. 697 of 2007 or any legislation or instrument amending or replacing S.I. 697 of 2007 in addressing natural gas emergency planning in Ireland;

"NIAUR" means the Northern Ireland Authority for Utility Regulation with responsibility for regulation of Natural Gas in Northern Ireland as established pursuant to the provisions of the Energy (Northern Ireland) Order 2003 as amended;

"NINEC" "Northern Ireland Network Emergency Co-Ordinator" has the meaning set out in the Gas Safety (Management) Regulations (NI) 1997;

"Person" means any natural person, company, firm, partnership, association or body corporate;

"Reasonable and Prudent Operator" or "RPO" means a Person seeking, in good faith, to perform its contractual obligations and, in so doing and in the general conduct of its undertaking, exercising that degree of skill, diligence, prudence and foresight which is reasonably and ordinarily exercised by skilled and experienced operators engaged in the same type of undertaking, under the same or similar circumstances and conditions, and any reference to the "Standard of a Reasonable and Prudent Operator" shall mean such degree of skill, diligence, prudence, and foresight;

"Regulator(s)" or "Regulatory Authority(ies)" means the CER or NIAUR or both of them as the case may be;

"Repeat Signals" shall have the meaning given in Section 4 of Schedule 4 hereto;

"Shipper" means a GNI Shipper and/or a GNI (UK) Shipper and "Shippers" means all or any two or more of them as the case may be;

"South-North Interconnection Point" means the Interconnection Point at the Connected System Point;

"South-North Interconnection Point Exit Flow Profile Methodology" or "South-North EFPM" shall mean the methodology published by GNI from time to time (with the approval of the CER) outlining the basis upon which GNI shall develop the South-North Interconnection Point Profile Notice(s) in respect of a Day;

"South-North Interconnection Point Profile Notice" or "GPN" has the meaning given in paragraph 2 of Schedule 3;

(a) done or made in the exercise of any function, authority or discretion conferred on that party under this Agreement; or

“Willful Misconduct” means, in relation to any party to this Agreement, an intentional and conscious, or reckless, disregard of any provision of this Agreement or of good gas industry practice by any of such party’s, or its Affiliates’, directors or senior supervisory or management employees but shall not include any act, omission, error of judgement or mistake made in the exercise of good faith, and which exercise of such good faith is:

“Transportation Licences” means the GNI (UK) Transportation Licences and the GNI Transportation Licence (or such one or more of them as the context requires);

“Transportation Arrangement” means (i) a transportation arrangement (incorporating the provisions of the Code of Operations) between GNI and a GNI Shipper for the transportation of Natural Gas in the GNI System and reference to such a transportation arrangement shall include the Code of Operations or (ii) a transportation arrangement between GNI (UK) and one or more GNI (UK) Shipper(s) for the transportation of Natural Gas in the GNI (UK) System and reference to such a transportation arrangement shall include the GNI (UK) Code;

“Third Party” means a Person who is not a party to this Agreement.

“Systems” means both of them;

“System” means the GNI System or the GNI (UK) System as the context requires and

Republic of Ireland;

“South Section” that part of the GNI (UK) System which is physically located in the

Ballyabanagh and identified as such and illustrated in Schedule 1;

“South-North Pipeline” or “SNP” means the pipeline extending from Gormanston to

Measurement Equipment as specified in Schedule 4;

“South-North Permitted Range” means the percentage range of Uncertainty in relation to energy flow and volume flow that applies to the Interconnection Point

Interconnection Point;

“South-North Meter” means the custody transfer fiscal gas meters and equipment operated by GNI for measuring volumes of Natural Gas delivered at the

Schedule 4;

“South-North Measurement Equipment” means the equipment operated by GNI from time to time that is necessary to enable the GNI to determine the Calorific Value and gas quality parameters of Natural Gas off-taken or delivered at the Interconnection Point and to convert the volume of Natural Gas measured by the South-North Meter into energy (in kWh) and which equipment is at the date hereof as described in

- (b) Justifiable by special circumstances including, but not limited to, the safeguarding of life, property or the environment and other emergency situations.
- 1.2 Where the sense requires, terms denoting the singular only shall include the plural and vice-versa, and reference to a gender shall include any other gender.
- 1.3 Unless otherwise stated, a reference to a Clause, Section or Schedule is a reference to a clause, section or schedule of this Agreement.
- 1.4 The Schedules to this Agreement shall form an integral part of this Agreement and any Clause which contains a reference to a Schedule shall be read as if all or such part or Section of the Schedule which is referred to was set out in the main body of the Clause itself but, if there is a conflict, the provisions of the main body of this Agreement shall prevail over such Schedule to the extent necessary and terms defined in the Schedules shall have the same meaning when used in the main body of this Agreement save where the context otherwise requires.
- 1.5 Clause, paragraph and Section numbers and headings are inserted for convenience of reference only and shall not affect the construction of this Agreement.
- 1.6 References to "day", "month" and "year" shall, unless otherwise stated, mean a calendar day, month and year respectively.
- 1.7 Unless otherwise expressly provided herein, reference to an agreement or instrument is to the same as properly amended, modified, novated or replaced from time to time.
- 1.8 Reference to a statute, by-law, regulation, rule, delegated legislation or order is to the same as amended, modified consolidated or re-enacted from time to time and to any by-law, regulation, rule, delegated legislation or order made thereunder.
- 1.9 Unless otherwise defined in this Agreement or otherwise agreed in writing between the Parties, terms defined in the Code of Operations from time to time shall have the same meaning when used in this Agreement.
- 1.10 The words "include" and "including" shall be construed without limitation.
- 1.11 Unless otherwise stated, references to time are to time in Ireland.
- 1.12 For the purposes of the final determination of any values herein, all values will be calculated to two (2) decimal places by initially calculating without rounding, adding the value five (5) to the value in the 3rd decimal place and then deleting all decimals to the right of the 2nd decimal.
- 1.13 For the purposes of the determination of any quantities herein, a "Day" or "day" shall be construed as a period of twenty-four (24) hours. In the event of a twenty-three (23) or twenty-five (25) hour Day or day, a quantity set out in this Agreement shall be adjusted by multiplying such quantity by the number of hours on such Day or day and dividing the result thereof by twenty-four (24).

2.4 If at any time following the first Day in respect of which Natural Gas made available for offtake from the GNI System has been allocated to GNI Shippers, no Natural Gas has been made available for offtake from the GNI System for delivery to the GNI (UK) System at the Interconnection Point for a continuous period of 36 months (other than as a result of damage to or failure of any part of the GNI System or the GNI

2.3 Notwithstanding any other provisions of this Agreement, if the Interconnection Point ceases to be an Entry Point pursuant to the GNI (UK) Code, or ceases to be an IP CSEP pursuant to the GNI Code and in either case for a continuous period of one year, or such other period as the Parties may otherwise agree in writing, this Agreement may be terminated forthwith by one Party serving written notice on the other Party to such effect at any time thereafter and while the Interconnection Point does not include an Entry Point and an IP CSEP.

(iii) the Interconnection Point is unidirectional where the direction of physical flow in respect of Shipper's Natural Gas is from I/C2 forming part of the GNI System to the GNI (UK) System and the Parties offer a daily product for interruptible capacity in the other direction pursuant to the GNI (UK) Code and the Code of Operations.

(ii) Shippers Natural Gas may be offtaken from the GNI System to the GNI (UK) System at the Interconnection Point for such period as the Interconnection Point remains an IP CSEP pursuant to the Code of Operations; and

(i) Shippers Natural Gas may be delivered to the GNI (UK) System at the Interconnection Point for such period as the Interconnection Point remains an Entry Point pursuant to the GNI (UK) Code;

2.2 Notwithstanding any other provisions of this Agreement, it is agreed between the parties hereto that:

2.1 This Agreement shall take effect on and from the Effective Date and shall continue in force and effect unless and until terminated pursuant to Clause 2.3, 2.5 or Clause 15.

2 EFFECTIVE DATE AND DURATION

1.15 In this Agreement, unless the context otherwise requires, references to the offtake of gas from the GNI System at the Interconnection Point to the GNI (UK) System are to the physical offtake of gas representing the actual flow at the Interconnection Point.

1.14 Unless otherwise provided, references in a Schedule to this Agreement to Sections and paragraphs are references to Sections and paragraphs of the Schedule in which such reference is made.

(UK) System where such damage is other than as a result of a Force Majeure Event and is being remedied with reasonable diligence);

and:

(a) it is not reasonably foreseeable that within the following twelve (12) months Natural Gas will be made available for offtake and/or tendered for delivery at the Interconnection Point; and

(b) as a result of the circumstances described in paragraphs 2.2(i) or 2.2(ii) and paragraph (a) above, it is no longer economic for either Party to maintain the connection of its System to the other Party's System,

the Parties shall discuss in good faith such circumstances and what steps may be taken with a view to agreeing upon a basis on which such continued connection may be made economic or upon the termination of this Agreement.

2.5 Without prejudice to Clause 15, the Parties may agree to terminate this Agreement at any time or either Party may terminate this Agreement on not less than 6 months (or such lesser period as may be agreed between the Parties) notice to the other Party. Any such termination shall require the prior approval of the Regulatory Authorities and shall be without prejudice to the claims of either Party in respect of any breach of this Agreement prior to such termination.

2.6 The Parties agree and acknowledge that the Dundalk Arrangements are in course of development and the Parties shall subject to the approval of the Regulatory Authorities agree such modifications to this Agreement as may be necessary to take account of the Dundalk Arrangements.

2.7 Certain of the provisions of this Agreement, include the Schedules or any one or more of them may be suspended, superseded or deferred in whole or in part on or in connection with the implementation of Interim Arrangements and the terms of such Interim Arrangements shall apply in substitution for the relevant provisions of this Agreement (as if set out herein) for the duration of the Interim Arrangements.

3 GENERAL TERMS AND CONDITIONS

3.1 Subject to the terms of this Agreement, it is agreed that GNI (UK) shall be entitled to have the GNI (UK) System connected to the Interconnection Point and that GNI shall be entitled to have the GNI System connected to the GNI (UK) System at the Interconnection Point.

3.2 GNI and GNI (UK) agree that, in all material respects, the GNI System and the GNI (UK) System shall prior to first flows of Shippers Natural Gas at the Interconnection Point be, and continue to be, technically and operationally compatible at the Interconnection Point, such that the GNI System and the GNI (UK) System may

- safely be connected for the purpose of Natural Gas flowing from IC2 which is part of the GNI System to the GNI (UK) System in accordance with the provisions of this Agreement. Both Parties will subject to clause 3.4 take all reasonable actions to ensure that their respective Systems remain technically and operationally compatible at the Interconnection Point for the purposes of this Agreement.
- 3.3 Without prejudice to any other agreement between the Parties nothing in this Agreement shall:
- (i) subject to clause 3.10, impose or confer on either Party any obligation to or entitlement against the other Party to deliver Natural Gas to or offtake Natural Gas from the other Party's System, or as to the rates, quantities, pressure and quality of Natural Gas so delivered or offtaken, (it being acknowledged that the only persons having such obligations or entitlements with respect to the GNI System are GNI Shippers and with respect to the GNI (UK) System are GNI (UK) Shippers);
 - (ii) make any provision of any Transportation Arrangement binding as between GNI (UK) and GNI; nor
 - (iii) impose or confer upon any GNI (UK) Shipper or any GNI Shipper any obligation or entitlement to deliver Natural Gas to or offtake Natural Gas from the applicable System (but without prejudice to any Transportation Arrangement); nor
 - (iv) take effect as a warranty against defects by either Party in relation to its System.
- 3.4 Nothing in this Agreement shall be construed as requiring either Party to reinforce any part of its System or to take any other step with a view to it being feasible to tender Natural Gas for delivery, or accept Natural Gas made available for delivery into its System, at the Interconnection Point in any quantities or at any rate, nor to accept an application by any GNI (UK) Shipper for any capacity in the GNI (UK) System or an application by a GNI Shipper for capacity in the GNI System .
- 3.5 Without prejudice to any other agreements between the Parties, neither Party shall be liable to the other in respect of any failure by (in the case of GNI) Shippers and (in the case of GNI (UK), GNI (UK) Shippers to comply with any provision of that Party's Transportation Arrangements nor shall either Party be liable to the other for any failure of that Party to make Natural Gas (at any rate or pressure or of any quality or in any quantity) available for offtake from, or accept delivery of Natural Gas into, its System.
- 3.6 Each Party acknowledges that the other Party's Transportation Arrangements contain or may contain provisions pursuant to which the delivery or offtake Natural Gas to or from that Party's System by (in the case of GNI) GNI Shippers and (in the case of GNI (UK)) GNI (UK) Shippers may be suspended or discontinued and/or the rate of such delivery or offtake may be limited.

- 4.4 The provisions of Schedule 9 (Operational Balancing Account and Allocation Principles) to establish the operational balancing account between GNI and GNI (UK) and to summarise allocation principles at the Interconnection Point are hereby given
- 4.3 The provisions of Schedule 6 (Data Exchange) are given effect for the purpose inter alia of compliance with Article 3(e) and Article 10 of the Interoperability Code. Point and are made to satisfy Article 3(b) and Article 7 of the Interoperability Code.
- 4.2 The provisions of Schedule 4 (Measurement Provisions) are hereby given effect for the purpose of monitoring and measurement of the pressure, quantity and quality of gas flowing from the GNI System to the GNI (UK) System at the Interconnection Point and are made to satisfy Article 3(b) and Article 7 of the Interoperability Code.
- 4.1 The provisions of Schedule 3 and Schedule 8 paragraph 4.1 are hereby given effect in respect of the Interconnection Point and are made to satisfy Article 3(a) and Article 6 of the Interoperability Code.

4 INTERCONNECTION PROVISIONS

- 3.10 The Parties acknowledge and agree that the Cumulative Steering Difference represents a quantity of gas over flowed or under flowed at the Interconnection Point by one Party from the other and which the other Party is entitled to have returned under the arrangements in Schedule 9 (OBA) . If this Agreement is terminated then (unless the Parties agree otherwise) the Parties will ensure gas flows before or at the time of termination such that any Cumulative Steering Difference at the time is restored to zero. If either Party (i) becomes insolvent or (ii) does not take such action as may be necessary to return such Cumulative Steering Difference to zero at the request of the other Party and/or (iii) on termination of this Agreement, the Party to which a quantity of gas must be delivered to restore the Cumulative Steering Difference to zero will be entitled to make a financial claim against the first Party in respect of the value of the gas comprising the Cumulative Steering Difference.
- 3.9 Where pursuant to any Legal Requirement (including in the case of GNI, the Code of Operations and in the case of GNI (UK) the GNI (UK) Code), either Party is required to take a particular action or not to take or to cease a particular action, nothing in this Agreement shall prevent such Party from taking such action or not taking, or ceasing to take, such action and such Party shall not be in breach of any of its obligations to the other Party pursuant to this Agreement where such Party acts in accordance with such Legal Requirement.
- 3.8 Each Party will perform its duties under this Agreement in accordance with the standard of a Reasonable and Prudent Party and in compliance with the terms and conditions of this Agreement
- 3.7 It is acknowledged that each Party is responsible for determining the amount of capacity in its System which shall be made available by said Party.

effect in relation to the Interconnection Point and are made to satisfy Article 3(d) and Article 9 of the Interoperability Code.

4.5 The provisions of Schedule 8 (Nominations) are hereby given effect in relation to the Interconnection Point and are made to satisfy Article 3(c), 8, 10 and 21 of the Interoperability Code and Article 12.3 of the Balancing Code.

4.6 The provisions of Schedule 7 (Capacity) are made to satisfy in particular Articles 5, 6, 7, 19, 20, 22, 23 and 27 of the CAM Code.

5 DELIVERY AND OFFTAKE PROVISIONS; OPERATING PROCEDURES

5.1 The provisions of Schedule 2 Section 4 shall apply with respect to the pressure of Natural Gas made available for offtake from the GNI System at the Interconnection Point.

5.2 GNI shall notify GNI (UK) if GNI becomes aware that Natural Gas made available for offtake at the Interconnection Point and/or tendered for delivery to the GNI (UK) System at the Interconnection Point or, if GNI receives notification from National Grid that Natural Gas being made available for delivery to the GNI System at the Moffat IP Entry Point, does not meet the applicable gas quality specification for Natural Gas made available for offtake by NGG.

5.3 The provisions of Schedules 3 shall apply in relation to the Interconnection Point, including with respect to profiles of Natural Gas at the Interconnection Point.

5.4 The provisions of Schedule 4 shall apply for the purpose of the monitoring and measurement of the pressure, quantity and quality of Natural Gas flowing from the GNI System to the GNI (UK) System, at the Interconnection Point.

5.5 The Parties may put in place between each other such operating procedures as they may consider appropriate from time to time.

5.6 The Parties shall comply with any operating procedures agreed between them from time to time pursuant to this Agreement. To the extent that there is any conflict between any such operating procedures and this Agreement, the provisions of this Agreement shall prevail.

6 MAINTENANCE

6.1 Without prejudice to Clause 8, the Parties agree to exchange information as to, and to take reasonable steps to co-ordinate, their respective plans for maintenance of their respective Systems to the extent that any such maintenance plans may affect the flow of Natural Gas and capacity at the Interconnection Point.

Without prejudice to Clause 7.1, 7.5, 7.6 and 7.9 the existence of an Emergency in the GNI (UK) System or any localised part of it shall be determined by GNI (UK) (including in accordance with any applicable Legal Requirement) irrespective of the cause of the Emergency and of whether GNI (UK) or any other Person may have caused or contributed to the Emergency. An Emergency on the GNI (UK) System shall continue until such time as GNI (UK) determines that the circumstances which gave rise to the Emergency no longer apply and that normal operation of the GNI (UK) System or any localised part of it may be resumed. GNI (UK) shall inform GNI (UK) System of any localised part of it may be resumed. GNI (UK) shall inform GNI (UK) System of any localised part of it may be resumed.

7.3

Without prejudice to Clause 7.1, 7.5, 5.6 and 7.9 the existence of an Emergency on the GNI (UK) System or any localised part of it shall be determined by GNI (UK) (including in accordance with any applicable Legal Requirement), irrespective of the cause of the Emergency and of whether GNI (UK) or any other Person may have caused or contributed to the Emergency. An Emergency on the GNI (UK) System shall continue until such time as GNI (UK) determines that the circumstances which gave rise to the Emergency no longer apply and that normal operation of the GNI (UK) System or any localised part of it may be resumed. GNI (UK) shall inform GNI (UK) System of any localised part of it may be resumed. GNI (UK) shall inform GNI (UK) System of any localised part of it may be resumed. GNI (UK) shall inform GNI (UK) System of any localised part of it may be resumed.

7.2

In the event of any conflict the emergency arrangements as developed by or pursuant to the directions or instructions of the CER, HSE (NI) or such other relevant Competent Authority as applicable in each jurisdiction shall prevail.

Notwithstanding the foregoing, the Parties shall develop emergency arrangements within the framework of the All Island Joint Gas Emergency Response Protocol which shall in all cases be consistent with any emergency arrangements implemented by or by the directions or instructions of the CER of HSE (NI) or such other Competent Authority as applicable in each case in accordance with their statutory powers.

GNI (UK) and GNI acknowledge that certain emergency arrangements are the responsibility of a Competent Authority(ies) being currently the CER in the Republic of Ireland and the HSE (NI) in Northern Ireland respectively and in each case or such other Competent Authority as may be appointed to fulfil such role.

7.1

7 EMERGENCIES AND EXCEPTIONAL EVENTS

This clause is given effect to satisfy Article 4 of the CAM Code.

6.3

Where the operation of any pipeline inspection or maintenance equipment in either System requires a specific rate of delivery of Natural Gas to the GNI (UK) System or a specific rate of offtake of Natural Gas from the GNI System at the Interconnection Point for any period, each Party agrees to co-operate with the other as appropriate and use what means it possesses with each GNI (UK) Shipper and/or GNI Shipper, as the case may be, to ensure their co-operation where necessary with a view to ensuring that such rate of delivery is maintained for such period.

6.2

- 7.4 Both Parties shall use all reasonable endeavours to assist one another to restore safe operation of their respective Systems as soon as reasonably practicable after notification of an Emergency provided that (without prejudice to any right of the Party which determined the existence of an Emergency on its System to take any action itself in such event) this shall not require either Party to act in breach, in the case of GNI, of any Transportation Arrangement of GNI and, in the case of GNI (UK), any Transportation Arrangement of GNI (UK).
- 7.5 To the extent that either Party is obliged to comply with the procedures and instructions established by the NEM, and/or the NINEC, the Parties shall without prejudice to the compliance by any Party with any Legal Requirement co-operate with each other (and shall to the extent practicable procure that their respective Shippers shall co-operate) to facilitate compliance by such Party with such procedures and instructions.
- 7.6 Without prejudice to any other right of GNI (UK) or of GNI (as the case may be) to reduce or discontinue the flow of Natural Gas at the Interconnection Point, if, as a result of an Emergency or circumstances which could give rise to an Emergency affecting the GNI (UK) System or the GNI System (as the case may be) or any part of such affected System, it is necessary for GNI (UK) or GNI (as the case may be) to take steps to reduce the level of demand on the affected System or such part of it, GNI (UK) or GNI (as the case may be), may request or in the case of Clauses 7.6(i), 7.6(iv) or 7.6(v) require the rate at which Natural Gas is being off-taken and/or delivered at the Interconnection Point be reduced:
- (i) consistent with any Directive of a Competent Authority relating to such reduction; or
- (ii) by such amount or to such rate as the Party of the affected System may reasonably require to protect or maintain the integrity of the affected System or
- (iii) to relieve or prevent an Emergency or anticipated Emergency; or
- (iv) to comply with the requirements, procedures or instructions of the NEM; or
- (v) to comply with the requirements of the NINEC acting in accordance with statutory powers.
- 7.7 Each Party shall as soon as reasonably practical notify the other Party of any Exceptional Event which affects that Party's System and shall notify the other Party of:

- (i) the impact of such Exceptional Events on the quantity and/or quality of natural gas which may be delivered to or off-taken at the Interconnection Point; and
- (ii) the anticipated duration of the Exceptional Event;
- (iii) the termination of the Exceptional Event.
- 7.8 For the avoidance of doubt an Emergency with respect to the South Section and/or the GNI System shall, where such Emergency has been declared in accordance with the requirement of the NGEM, continue until such time as the NGEM determines that the circumstances that gave rise to the Emergency no longer apply.
- 7.9 Without prejudice to clause 7.8 the Parties acknowledge that GNI (UK) shall notify NINEC of an Emergency with respect to the South Section which may affect gas transportation in Northern Ireland.
- 8 INFORMATION AND CONFIDENTIALITY
- 8.1 GNI and GNI (UK) may disclose the terms of this Agreement to any Shipper, any interested Third Party and to any expert for the purpose of expert determination under this Agreement.
- 8.2 GNI and or GNI (UK) may disclose any information obtained from the other pursuant to this Agreement ("Information")
- (i) in order to comply with this Agreement; and
- (ii) to any Shipper or otherwise in so far as required for the purposes of, or in order to comply with, applicable Transportation Arrangements; and
- (iii) to the Regulatory Authority(ies) and or to any Competent Authority.
- 8.3 Save as provided in Clause 8.2, each Party undertakes to keep all Information received hereunder strictly confidential and shall not disclose any Information received by it from the other Party to any Third Party without the prior written consent of the Party from whom it received such Information, except:
- (i) to the extent reasonably required to fulfil any obligation or exercise any right pursuant to this Agreement or any applicable Legal Requirement (including any Transportation Arrangements);
- (ii) to the extent that such disclosure is required by law or any regulatory authority (including any recognized stock exchange) or pursuant to any judicial or other arbitral process or tribunal having jurisdiction in relation to the party (or applicable Affiliate) being required to disclose the same;

8.5 Save as expressly provided in this Agreement, nothing in this Agreement shall require GNI or GNI (UK) to act upon or in accordance with any instruction or information received from the other (but without prejudice to any Legal Requirement).

(ii) subject to the provisions of Clause 8.3, disclose such data and information as provided pursuant to this Agreement.

(i) without the consent of the other Party use (excluding by way of disclosure) such data and information in connection with the operation of its System and for the purposes contemplated by this Agreement; and

8.4 GNI shall jointly with GNI (UK) own all data and information delivered pursuant to this Agreement and each Party may:

(viii) to any bona fide potential assignee of a Party of any interest in this Agreement, provided that such Party obtains a similar undertaking of confidentiality from such potential assignee, together with an undertaking from such potential assignee to utilise any information so disclosed solely for the purposes of the proposed assignment.

(vii) in respect of any Party or any of its Affiliates, to any of its directors, officers, employees, consultants, external legal advisers, insurers, insurance brokers or statutory auditors or to any of its in-house contractors (being a contractor or an employee of such contractor working as a member of staff of such party or any of its Affiliates but not falling within the legal definition of an employee) who is made aware of the confidential nature of such Information; or

(vi) to an Affiliate of a Party provided that such Party shall procure that such Affiliate does not further disclose such Information without the prior written consent of the Disclosing Party;

(v) that GNI may disclose to GNI Shippers any notice of a Constraint at the Interconnection Point and/or the contents of such notices given by GNI (UK) to GNI;

(iv) that GNI (UK) may disclose to GNI (UK) Shippers any notice of a Constraint at the Interconnection Point or the contents of such notices given by GNI to GNI (UK);

(iii) to the extent that such Information is or lawfully comes into the public domain other than by a breach of this Clause 8 or which is lawfully received from a Third Party not under an obligation of confidentiality to the disclosing Party;

(ii) to an expert to the extent that such disclosure is required in the course of or for the purposes of a reference made to such expert pursuant to the terms of this Agreement;

9.3 Nothing in this Agreement limits a Party's liability for injury or death caused by negligence.

of whatever kind and nature suffered by the other Party under or in connection with this Agreement, howsoever caused (including the default or negligence of the first Party or a breach of any duty owed at law by the first Party).

- (iii) any loss of profit, loss of revenue, loss of use, loss of contract, loss of goodwill, or increased cost of working;
- (ii) any indirect or consequential loss, damage, cost or financial harm; or
- (i) any claim for loss, damage and/or expense of a Third Party; or

9.2 Without prejudice to any other provision of this Agreement excluding or limiting the liability of either Party to the other (including, without limitation, the provisions of clause 9.1), neither Party (the "first" Party) shall be liable to the other Party for:

and the first Party accordingly waives any liability (in contract, tort or otherwise) of the other Party in respect of any such loss, damage or liability of the first Party.

(iv) in consequence of acting on any information provided by the other Party under this Agreement irrespective of the accuracy or completeness of such information without prejudice to any provision in this Agreement for the correctness or adjustment of any incompleteness or inaccuracy;

(iii) arising in connection with or as a result of the other Party's performance of Schedule 7 (*Capacity*), Schedule 8 (*Nominations*) and Schedule 9 (*O&A and Allocation Principles*) in each case of this Agreement (subject to Clause 9.3), failure to perform (whether negligently or otherwise) its obligations set out in except as expressly otherwise provided in this Agreement; or

(ii) as a result of anything done or not done (whether negligently or otherwise) by the other Party; or

(i) in consequence of its System being connected at the Interconnection Point to the other Party's System;

9.1 Each Party (the "first" Party) shall itself bear the risk of any loss, damage or liability which the first Party may suffer:

9 LIABILITY

8.6 This Clause 8 is without prejudice to the provisions of any Transportation Arrangement as to the ownership of information or confidentiality as between the parties thereto.

- (iii) a statement of whether an Amendment is required for compliance with a Legal Requirement applying to either Party;
- (ii) draft legal text implementing the proposed Amendment;

(i) a description of the relevant proposed Amendment in sufficient detail to enable the other Party to evaluate the proposed Amendment in full, together with its reasons for proposing the Amendment;

- 10.2 Either Party may propose an amendment to this Agreement (an Amendment) to the other Party by sending written notice to the other Party ("an Amendment Proposal"). The Amendment Proposal shall include:
- 10.1 The Parties may, at any time, amend this Agreement in accordance with this clause 10.

10 CHANGE

- 9.7 The indemnity in Clause 9.5 shall not apply in respect of any claim made by a Shipper pursuant to any contract between the Shipper and Party B.
- (i) pursuant to any contract between the Shipper and Party B; or
- (ii) pursuant to any claims for fraudulent misrepresentation.

9.6 For the purposes of Clause 9.5 a relevant claim is a claim in respect of costs, losses or damages of the Shipper arising pursuant to the provisions of Party A's Transportation Arrangements.

the delivery or receipt of gas, or the specification of gas made available for delivery, at the Interconnection Point.

- (i) the determination of the Processed Nomination Quantity or Confirmed Nomination Quantity in respect of such Shippers Nominations.
- (ii) The determination of quantities to be allocated (pursuant to a Nomination) to such Shipper.

9.5 Without prejudice to any other agreement between the Parties, each Party (A) agrees to indemnify the other Party (B) on demand in respect of any costs, losses or damages incurred by Party B as a result of a relevant claim made by a Shipper of Party A against Party B arising out of any failure (whether negligent or otherwise) by Party B to comply with any provision of this Agreement in respect of:

9.4 Nothing in this Agreement limits a Party's liability for any loss, damage or liability caused by the Willful Misconduct of, or fraudulent misrepresentation or fraudulent concealment by, that Party.

(i) GNI will notify GNI (UK) whether it considers, in its sole discretion, that the Amendment is an amendment in respect of which GNI is required to consult

10.5 Prior to or at the meeting to be held in accordance with clause 10.4,

(iii) the Amendment Proposal and any alternative Amendment proposed under clause 10.3(ii), with a view to agreeing upon whether and if so what amendments are to be made to this Agreement.

(ii) whether an Amendment is required for compliance with a Legal Requirement ("a Legally Required Amendment"); and if the Parties are unable to agree, clause 10.8 will apply;

and if either Party considers that the proposed Amendment satisfies either of (a) or (b) the proposed Amendment will be a "Consultation Amendment";

(b) the Regulatory Authorities or either of them) may require GNI and/or GNI (UK) to consult including pursuant to any applicable Transportation Licence;

(a) the Parties are required to consult under the Interoperability Code; or

(i) whether the proposed Amendment is an Amendment on which:

10.4 Representatives of the Parties shall meet within forty-five (45) Business Days after the date of the Amendment Proposal or if later within 30 Business Days after the provision of any further information required pursuant to clause 10.3 to discuss:

(iii) stating whether it requires further information to evaluate the Amendment Proposal (in which case the proposing Party will provide such additional information as soon as reasonably practicable, and in any event within ten (10) business days) and the receiving Party shall repeat the steps in Clause 10.3(i) and (ii) following receipt of such additional information).

(ii) if the receiving Party wishes to propose an alternative Amendment, setting out the details in Clause 10.2; and/or

(i) stating whether it agrees with the Amendment Proposal, and if it does not, specifying what it disagrees with and the reasons for which it disagrees; and

consideration):
the proposing Party (having given such Amendment Proposal reasonable

10.3 The receiving Party shall within fifteen (15) Business Days after the date on which the Amendment Proposal was sent (the date of the Amendment Proposal), give notice to

(iv) the date by which the proposing Party wishes the proposed Amendment to be implemented (if any).

- 10.9 Following the procedures in clauses 10.1 to 10.8, subject to clause 10.7:
 - (i) if the Parties have agreed on an Amendment, clause 10.11 shall apply;
 - (ii) if the Parties do not agree upon the Amendment to be made to this Agreement, the forms of the Amendment which each of them proposes (each being an Alternate Amendment).
- 10.8 Within 150 Business Days after the date of an Amendment Proposal (or as soon as practicable after a determination under clause 10.7) the Parties will record;
 - (i) whether they agree upon the Amendment to be made to this Agreement and (if so) the agreed form of that Amendment; or
 - (ii) if the disagreement is not resolved within twenty (20) Business Days after such meeting with the CER and (as applicable) with NIAUR either Party may refer the disagreement as to whether an Amendment is a Legally Required Amendment for determination by an expert in accordance with clauses 11 and 12, prior to either Party taking any further steps in respect of such Amendment.
- 10.7 If, within twenty (20) Business Days after the date of an Amendment Proposal, the Parties are unable to reach agreement on whether an Amendment is Legally Required:
 - (i) the Parties shall jointly consult with (including making available a director or other senior representative to meet with the CER jointly with NIAUR with a view to reaching agreement, and
 - (ii) if the disagreement is not resolved within twenty (20) Business Days after such meeting with the CER and (as applicable) with NIAUR either Party may refer the disagreement as to whether an Amendment is a Legally Required Amendment for determination by an expert in accordance with clauses 11 and 12, prior to either Party taking any further steps in respect of such Amendment.
- 10.6 If agreement is not reached on any matter set out in clause 10(4) (ii) or (iii) within thirty (30) Business Days after the meeting of the Parties' representatives pursuant to that clause, directors or other senior representatives of the Parties with authority to settle any disagreement will, within twenty (20) Business Days of a written request from one Party to the other, meet in a good faith effort to resolve any disagreement.
- and if the relevant Party considers that the proposed Amendment satisfies clause 10.5(i) or 10.5(ii) the proposed Amendment will be treated as requiring such consultation.
- (ii) GNI (UK) will notify GNI whether it considers in its sole discretion, that the Amendment is an amendment in respect of which GNI (UK) is required to consult with GNI (UK) Shippers in accordance with the provisions of any applicable EU Code or Transportation Arrangement,
- with GNI Shippers in accordance with the provision of any applicable EU Code or Transportation Arrangement; and

- (f) if the Regulatory Authorities do not approve any Amendment, the proposal will lapse but this shall not prevent a Party from proposing a new Amendment taking into account the Amendment;
 - (e) subject to any required approval of the Regulatory Authorities or either of them as the case may be and (where applicable under paragraph (a)) approval of the relevant Code Modification, the Parties shall amend this Agreement to incorporate the Amendment;
 - (d) both Parties will submit the Amendment, incorporating any changes as agreed between the Parties, for approval under any applicable Legal Requirement, including Transportation Licence(s) or Transportation Arrangements and, in the case of an Amendment which is a Consultation Amendment, together with the results of consultation;
 - (c) if it is a Consultation Amendment the Parties will consult upon the Amendment as set out in Clause 10.15 below;
 - (b) where GNI (UK) has notified GNI under clause 10.5(ii) GNI (UK) will consult with Shippers (either in conjunction with any Code Modification or otherwise) and seek any necessary approvals of the Regulatory Authorities in connection with the proposed Amendment.
 - (a) where GNI has notified GNI (UK) under clause 10.5(i) GNI will consult with Shippers (either in conjunction with any Code Modification or otherwise) and seek any necessary approval of the CER in connection with the proposed Amendment.
- 10.11 If the Parties have agreed on an Amendment:

Agreement on proposed Amendments

- 10.10 Where clause 10.9 (ii)(a) or (b) applies, if at any time before submission to the Regulatory Authorities the Parties reach agreement on an Amendment, clause 10.11 will apply in respect of the Amendment from that time onwards.
- (iii) if the Parties have not agreed on an Amendment, and an Amendment is not a Legally Required Amendment, the Amendment Proposal (and any alternative Amendment proposed under clause 10.3(b)) shall lapse, and no further action shall be taken in respect of the Amendment Proposal or alternative Amendment, and neither Party shall be obliged to amend this Agreement.
 - (ii) if the Parties have not agreed on an Amendment, and an Amendment is a Legally Required Amendment, then:
 - (a) subject to paragraph (b), clause 10.14 shall apply;
 - (b) if the Parties agree that the proposed Amendment relates to a technical matter, clause 10.13(ii) shall apply;

(a) the requirements in clause 10.11(a) to (d) shall apply, and the Party shall comply with those requirements in respect of each Alternate Amendment separately but simultaneously, for the avoidance of doubt clause 10.15(e) shall apply to each Alternate Amendment such that an Party may change its Alternate Amendment following consultation prior to submission of such Alternate Amendment to the Regulators for approval;

10.14 If the Parties have not agreed on an Amendment (where one is Legally Required) and they do not agree that the proposed Amendment relates to a technical matter or agree that the proposed Amendment does not relate to a technical matter:

Non-Agreed Amendment - not a Technical Matter

- (i) the expert shall have regard to both Alternate Amendments;
- (ii) the expert shall be required to provide the text for the Amendment that the expert determines, and to determine the date from which such amendment is to be effective; and
- (iii) the Amendment decided by the expert shall be treated as an agreed Amendment for the purposes of clause 10.11 (and no other proposed Amendment will be pursued further).

(b) in so determining, the expert may choose either Amendment or decide on another Amendment; and

and:

- (i) the Amendment should (unless the Parties agree otherwise) be the minimum necessary for compliance with the relevant Legal Requirement; and
- (ii) the Amendment should create the least adverse consequences for either Party consistent with enabling compliance with the relevant Legal Requirement;

(a) before taking any of the steps in accordance with clause 10.11, the Parties will refer both Alternate Amendments to an expert to determine, in accordance with Clause 12 what Amendment is necessary on the following basis:

10.13 If the Parties have not agreed on an Amendment (where one is Legally Required), and they agree that the proposed Amendment relates to a technical matter:

Non-Agreed Amendment - Technical Matter

into account any comments made by the Regulatory Authorities when rejecting the proposals.

10.16 Each Party shall bear its own costs of the preparation of all documentation and negotiation of changes, save as where otherwise agreed in writing by the Parties, except that the Experts costs shall be paid in accordance with clause 12.9.

(e) in the case of Alternate Amendments, either Party may change its Alternate Amendment following consultation. If a Party changes its Alternate Amendment it will discuss the changes with the other Party and the Regulatory Authorities.

(d) in the case of an agreed Amendment, the Parties may change the Amendment following consultation undertaken pursuant to clause 10.15(a) if the Parties agree on the changes to be made to the Amendment, but not otherwise;

(c) GNI (UK) and GNI will endeavour to coordinate the consultations under (a) and (b) of this clause 10.15

(b) if the Amendment(s) relate to provisions in respect of which GNI (UK) or GNI is required to consult in accordance with any applicable Legal Requirement binding on GNI (UK) or GNI the consultation by GNI (UK) or GNI will be in accordance with the applicable Legal Requirement or Transportation Arrangement (as applicable);

(a) the Parties will contemporaneously consult with their Shippers on the Amendment or (as the case may be) both Alternate Amendments;

10.15 The basis on which the Parties shall consult under clauses 10.11)(c) and 10.14(a) are:

Consultation Amendments

If one of the Alternate Amendments is not approved as provided in clause 10.14(b) the proposals will lapse, but this will not prevent a Party from making a further amendment proposal taking into account any comments made by the Regulatory Authority(ies) when rejecting the proposals.

the Parties shall amend this Agreement to incorporate that Alternate Amendment

(ii) the approval in relation to the same Alternate Amendment of the CER for GNI (and where applicable the approval of any relevant code modification)

(i) the approval, in relation to one of the Alternate Amendments, of NIAUR and CER for GNI (UK) and (where applicable under paragraph (a)) approval of the relevant code modification; and

(b) subject to;

- 11.4 A Party shall give a written notice detailing the subject matter of a dispute to each other Party to a dispute and shall provide relevant supporting information as is reasonable with the notice.
- 11.3 Where the Agreement provides or the Parties agree to refer a matter to an expert for determination, either Party may refer a matter to an expert in accordance with Clause 12.
- 11.2 Nothing in this Agreement shall prevent any Party from seeking interim or interlocutory relief in any court of competent jurisdiction.
- 11.1 For the purposes of this Agreement, a dispute is any dispute or difference, arising out of or in connection with this Agreement, except for any difference concerning an Amendment to this Agreement.

II DISPUTE RESOLUTION

- 10.21 Neither Party shall be obliged to comply with any provision of this Agreement to the extent that such compliance would place such Party in breach of a Legal Requirement and the Party shall not be in breach of this Agreement as a result of any such failure provided such Party notifies the other Party of:
- (a) the applicable Legal Requirements;
- (b) the provision of this Agreement with which the Party cannot lawfully comply, and proposes an Amendment in accordance with clause 10 as soon as reasonably practical.
- 10.20 The Parties shall inform the Regulatory Authorities of the implementation of an Amendment within ten (10) days after its implementation.
- 10.19 The Parties acknowledge that it is their mutual aim to conclude and implement an amendment to this Agreement within twelve (12) months of an Amendment Proposal being received in respect of that Amendment.
- 10.18 Nothing agreed between the Parties amends this Agreement or otherwise binds the Parties (except as to these procedures) until and unless an Amendment is approved by the relevant Regulatory Authorities and pursuant to a Code Modification, where applicable.
- 10.17 The Parties may, except in respect of the period for consultation with Shippers, after consultation, vary, by agreement of all of the Parties, any of the time periods or procedures set out in this clause 10.

- 11.5 The Parties to a dispute shall use reasonable endeavours to resolve the dispute within thirty (30) days after the date of receipt of the notice by the last Party to receive written notice in accordance with clause 11.4.
- 11.6 If the Parties are unable to resolve the dispute within the period specified in clause 11.4, the dispute will be settled in the Irish courts, save where the matter may be referred to an expert for determination in accordance with clause 12.3.
- 11.7 Except where otherwise provided in this Agreement, any notice, submission statement or other communication relating to any dispute to be given pursuant to this Agreement by or to any Party or an expert, shall be in writing.
- 12 EXPERT**
- 12.1 Wherever this Agreement provides or the Parties agree that any matter is to be referred to an expert for determination, the provisions of this Clause 12 shall apply.
- 12.2 An Party seeking the referral of such matter to an expert shall give written notice to the other Party that it wishes an expert to be appointed and with such notice shall give:
- (i) details of the matter which it proposes shall be resolved by the experts;
 - (ii) nominate two (2) persons as proposed experts; and
 - (iii) the proposed terms of reference.
- 12.3 Within seven (7) days after service of the notice under clause 12.2 the other Party may by notice to the Party who has served notice under clause 12.2 nominate up to two (2) other persons as proposed experts.
- 12.4 The Parties shall endeavour within fourteen (14) days after service of the notice under clause 12.2 to agree upon the selection of an expert and may meet for that purpose.
- 12.5 If within twenty-one (21) Business Days from the service of the said notice, the Parties have failed to agree upon the identity of the expert and/or the terms of reference then the matter may be referred by either Party to the President for the time being of the Law Society of Ireland or his nominee who shall be requested to select the expert in accordance with this Clause 12 and, if willing to do so, settle the terms of reference of such expert within thirty (30) Business Days of such referral, and whose decision shall be final and binding on the Parties.
- 12.6 Upon an expert being agreed or selected under the foregoing provisions of this Clause 12, the Parties shall forthwith notify such expert in writing of his selection and of the proposed terms of his appointment and shall request him within fourteen (14) Business Days to confirm to the Parties whether or not he is willing and able to accept

- (e) each Party may, not later than twenty eight (28) days after the appointment of the expert submit to the expert and the other Party written submissions of not more than ten (10) pages in length together with any additional supporting information and data which they wished to submit in respect of the dispute and the Parties may also submit a statement of facts which they have agreed between themselves with the expert.
 - (d) the Parties shall, not later than fourteen (14) days after the appointment of the expert submit to the expert and to the other Party written submissions of not more than ten (10) pages in length together with all supporting documentation, information and data which they wished to submit in respect of the dispute and the Parties shall raise any matters upon which he requires clarification and discuss with the Parties any additional procedural requirements he or they may have;
 - (c) no later than seven (7) days following his appointment the expert shall by giving reasonable notice to each Party convene a meeting with the parties at which he shall discuss any matters upon which he requires clarification and discuss with the Parties any additional procedural requirements he or they may have;
 - (b) unless he or she shall have the relevant experience and/or training to determine the matter in dispute in accordance with the terms of reference.
 - (a) who at the time of his appointment or within the immediately preceding six months is a director, office holder or employee of, or directly or indirectly retained as a consultant to, either of the Parties or an Affiliate of any of them;
- 12.8 No Person shall be appointed to act as the expert under this Agreement:

- 12.7 If the expert shall be either unwilling or unable to accept the appointment or shall not have confirmed his willingness and ability to accept such appointment within such period, (unless the Parties are able to agree on the appointment of another expert) the matter may be referred by either Party to the President of the Law Society of Ireland who shall be requested to make a further selection and the process shall be repeated until an expert is found who accepts the appointment in accordance with the proposed terms.
- (d) a request for confirmation that the expert is able and willing to act in accordance with the proposed terms of his appointment.
 - (c) a statement that the information disclosed in the notification is confidential and that it should not be disclosed, copied or revealed whether the appointment is accepted or not; and
 - (b) the proposed terms of his appointment in accordance with the provisions of this clause;
 - (a) names of the Parties and a summary of the dispute;
- the appointment on the terms proposed. The notification to the expert shall include the following:

document, information, data or submissions made under clause 12.8(d);

(f) the expert shall disregard any documentation, information, data or submissions supplied or made (other than pursuant to clause 12.8(d)) by any Party later than twenty-eight (28) days after his appointment unless the same are provided in response to a request from the expert;

(g) if the expert shall wish to obtain independent professional and/or technical advice in connection with the dispute;

(i) he shall first provide the Parties with details of the name, organisation and estimated fees of his professional or technical adviser; and

(iii) he may engage such adviser with the consent of the Parties (which consent shall not be unreasonably withheld) for the purpose of obtaining such professional and/or technical advice as he may reasonably require.

(h) an expert may at his discretion and at any time request information from any of the Parties orally which shall only do so in the present of the other Party;

(i) at any time after the period referred to in clause 12.8(e) expires with the written consent of the Parties the expert may (but shall not be required to) convene a hearing upon giving the Parties reasonable notice;

(j) the expert shall provide a draft of his determination, which shall be a report in writing giving reasons for the determination to the Parties not later than forty nine (49) days following his appointment;

(k) each Party may, within fourteen (14) days following delivery of the draft determination, submit to the expert any documentation, information, data, submissions or comments not exceeding five (5) pages in length on or in respect of the draft determination;

(l) the expert shall submit his final determination which shall be a report in writing giving reasons for his determination of the dispute, to the Parties not later than seventy (70) days following his appointment;

(m) if the expert fails to submit the final determination by the time required in accordance with clause 12.8(i) at the request of any Party another expert may be appointed in accordance with the provisions of this clause 12 and the appointment of the previous expert shall cease unless, before the appointment of the new expert, the previous expert shall have submitted its final determination hereunder, in which case the new expert shall be forthwith informed that his services will not be required;

13.2 A "Force Majeure Event" shall mean any event or circumstance or combination of events and circumstances which is beyond the reasonable control of a Party and which, or the effect of which, adversely affects the performance by that Party of its obligations under or pursuant to this Agreement provided, however, that any such event or

13.1 For the avoidance of doubt, the provisions of this Agreement shall be without prejudice to any question as to whether either Party is entitled, as a result of circumstances constituting a Force Majeure Event for the purposes of this Agreement, to claim an event of force majeure has arisen pursuant to any other agreement it has entered into, or to any relief in respect of its obligations (or is subject to any liability in respect of its obligations) under any such other agreement.

13 FORCE MAJEURE

12.12 Without prejudice to any legal obligation of any Party to a dispute to disclose any applicable information to a Competent Authority all documentation, information, data, submissions and comments disclosed or delivered whether in writing or otherwise by a Party to the expert or to the other Party either in connection with or in consequence of the appointment of the expert shall be regarded and treated as confidential, and the expert and the Parties shall not disclose any or all of the documentation, information, data submissions and comments, including the contents with copies thereof in any form except in connection with any proceedings in any court which a Party is not prohibited under this clause 12. Nothing in this clause shall prohibit the disclosure by a Party of the determination of a dispute to Shippers where in the reasonable opinion of the relevant Party such determination directly affects such Party's Shippers. Any Party which proposes disclosure of information to a Competent Authority or Shipper shall first notify the other Party of the intention to do so and shall use reasonable endeavours to agree the form and extent of such disclosure with the other Party.

12.11 Each of the Parties shall bear its own costs of providing all data, information and submissions given by it and the costs and expenses of all the counsel, witnesses and employees retained by it but the costs and expenses of the expert and any independent advisors to the expert and any costs of his appointment shall be borne equally by the Parties.

12.10 The determination of the expert shall be final and binding upon the Parties save in the event of fraud or manifest error in which case another expert may be appointed in accordance with the provisions of this Clause 12.

12.9 The expert shall be deemed not to be an arbitrator but shall render his/her determination as an expert and the law relating to arbitration shall not apply to such expert or his determination or the procedure by which he reaches his determination.

(n) the expert shall be an independent contractor and the relationship of the Parties and the expert shall in no event be construed to be that of the principle or agent.

circumstance, or combination of events and circumstances, shall not constitute a Force Majeure Event hereunder if it could have been prevented, overcome, or remedied by the affected Party through the exercise of reasonable diligence and reasonable care. Force Majeure Events hereunder shall include each of the following events and circumstances, but only to the extent that each satisfies the above requirements:

- (a) any act of war (whether declared or undeclared), hostilities, invasion, armed conflict or act of foreign enemy, blockade, embargo, mobilisation, requisition, revolution, riot, insurrection, civil commotion or disorder, act of terrorism, or sabotage;

- (b) any act of God;

- (c) radioactive contamination, ionising radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel, or radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof;

- (d) strikes, works to rule or go-slows;

- (e) earthquake, tidal wave, flood, storm, cyclone, typhoon, tornado or lightning, landslide or landslip or adverse weather or climatic conditions;

- (f) fire or explosion;

- (g) epidemic or plague;

- (h) unlawful, illegal, criminal or negligent acts of Third Parties;

- (i) equipment failure; or

- (j) any event or circumstances of a nature analogous to the foregoing.

13.3

(a) If, by reason of a Force Majeure Event(s), a Party is wholly or partially unable to carry out its obligations under this Agreement, the affected Party shall give the other Party notice of the Force Majeure Event(s) as soon as reasonably practicable, describing the Force Majeure Event(s) and the obligations affected together with an estimate of the period of time that the affected Party will be unable to perform such obligations and any other relevant matters.

(b) Failure by the affected Party to give notice of a Force Majeure Event to the other Party as required by clause 13.3(a) shall not prevent the affected Party from giving such notice at a later time; provided however that, in such case, the affected Party shall not be excused pursuant to clause 12.5 from any failure or delay in complying with its obligations under or pursuant to this Agreement until the notice required by clause 12.3(a) has been given.

(i) the other Party is in material breach of any of its obligations under this Agreement and the Party in material breach has failed to remedy such material

15.1 Subject to the prior written approval of the Regulatory Authorities (the requirement for which approval may be expressly waived in writing by such Regulatory Authorities), either Party (the "first Party") shall have the right to terminate this Agreement on not less than one (1) month's written notice to the other Party on or at any time after the occurrence of any of the following events or circumstances:

15 TERMINATION

Any successor to GNI (UK) or GNI shall enter into an Agreement with the other Party agreeing to be bound by the terms of this Agreement.

14.1 Neither Party shall be entitled to assign its rights and obligations under this Agreement in whole or in part without the prior written consent of the other Party provided however that such consent shall not be unreasonably withheld or delayed in the case of an assignment by GNI (UK) to a successor Party responsible for the operation of the South-North Pipeline or in the case of an assignment by GNI to a successor licensee under the Transportation Licences for the operation of the GNI System.

14 ASSIGNMENT

(b) the time limits and deadlines for the performance by the affected Party of its obligations under this Agreement (other than the obligation on the part of either Party to make any payments to the other Party under or pursuant to this Agreement) which are affected by such Force Majeure Event shall be extended Day to Day for so long as the relevant Force Majeure Event or its effects continue.

(a) the affected Party shall not be liable for any failure or delay in performing its obligations (other than the obligation on the part of either Party to make any payments to the other Party under or pursuant to this Agreement) to the extent that such failure or delay has been caused or contributed to by one or more Force Majeure Event(s) or its or their effects or by any combination thereof; and

13.5 So long as the affected Party has given notice pursuant to clause 13.3(a) and at all times since the occurrence of the Force Majeure Event complied with its obligations under clause 12.4 and continues so to comply, then:

13.4 The affected Party shall use all reasonable efforts to mitigate the effects of a Force Majeure Event, including the payment of all sums of money which are reasonable and cost-effective in the light of the likely efficacy of the mitigation measures. This Clause 13.4 shall not oblige the affected Party to settle any labour dispute.

(a) such communication shall be in writing and (i) may be delivered to the recipient or sent by first class prepaid letter post to the address of the recipient as set out in Clause 17.1(d) or (ii) by facsimile transmission to the recipient Party's facsimile transmission number as set out in Clause 16.1(d), or to such other

17.1 Where any notice or other communication (other than an operational communication) is to be given or made by either Party to the other under this Agreement

17 NOTICES

This Agreement shall be governed by and construed in accordance with the Law of Ireland and, subject to Clause 12, the Parties hereby submit to the exclusive jurisdiction of the Irish Courts.

16 LAW

15.3 This Agreement shall absolutely cease and terminate on the expiry of any notice period specified in any notice of termination issued pursuant to this Agreement unless any such notice of termination is withdrawn prior to its expiry. Termination shall be without prejudice to the prior rights or liabilities of the Parties hereunder provided however neither Party shall have any liability to the other as a result of such termination.

15.2 Either Party may terminate this Agreement on ten (10) days' written notice if a Receiver, Examiner or Administrator is appointed of the whole or any part of the other Party's assets or forthwith if the other Party is struck off the Register of Companies in the jurisdiction where it is incorporated or an order is made or a resolution is passed for winding up the other Party (unless such order or resolution is part of a voluntary scheme for the reconstruction or amalgamation of the Party as a solvent corporation and the resulting corporation, if a different legal Person, undertakes to be bound by this Agreement), or if anything analogous to the foregoing occurs in any applicable jurisdiction.

(iii) it or the other Party ceases to have any legal or regulatory approvals necessary for it to perform its role as Party of its System.

(ii) a Force Majeure Event has subsisted for a continuous period of two years; or

breach (if the material breach is capable of being remedied) within such period as is reasonably specified for that purpose in a notice ("Default Notice") issued by the first Party to the Party in default. Any such Default Notice shall specify the material breach giving full particulars (in reasonable detail) of the remedy and the period (which shall not be less than two (2) months) within which to remedy the material breach; or

address or number as may be notified hereunder by that Party from time to time for this purpose;

(b) such communication shall be deemed to have been given or made and delivered, if by post, on the second Business Day after posting, if by delivery, when left at the relevant address (or on the first Business Day thereafter if left on a non-Business Day), and, subject to Clause 17.1(c)(ii), if by facsimile transmission between the hours of 09.00 hours and 17.00 hours on a Business Day, at the time of receipt by the sender of confirmation of complete transmission and, otherwise, on the first Business Day after transmission;

(c) where a communication by facsimile is received in an incomplete or illegible form:

(i) if the recipient so requests (by telephone or otherwise), the sender shall promptly retransmit the communication to the recipient; and

(ii) provided that the request for retransmission was made within twenty-four (24) hours after the deemed time of receipt, in accordance with Clause 17.1(b), of the first facsimile, the communication shall not be deemed to have been received until such time (whether or not between 09.00 hours and 17.00 hours) of receipt by the sender of confirmation of such retransmission.

(d) For the purposes of Clause 17.1(a):

(i) Notices and other communications to GNI (other than operational communications) shall be sent to:

Gas Networks Ireland
Gasworks Road, Cork

Attention: Company Secretary
Fax No.: + 353 21 4534001

(ii) Notices and other communications to GNI (UK) (other than operational communications) shall be sent to:

GNI (UK) Limited
5th Floor
6 Andrew Street
London EC4A 3AB

Attention: Company Secretary
Fax No.: + 44 1557870292

Without prejudice to Clause 22, either Party may procure that some (but not all) of the obligations of such Party pursuant to this Agreement shall be performed and that certain of the rights of such Party pursuant to this Agreement may be exercised by its

23 SUB-CONTRACTING

This Agreement shall be binding upon and ensure for the benefit of the Parties and their respective successors and permitted assigns.

22 SUCCESSORS AND ASSIGNS

(b) No waiver by any Party of any provision of this Agreement shall be binding unless made expressly and expressly confirmed in writing. Any such waiver shall relate only to such matter, non-compliance or breach to which it expressly relates and shall not apply to any subsequent or other matter, non-compliance or breach and shall not affect the other terms of this Agreement.

(a) The failure to exercise or delay in exercising a right or remedy provided by this Agreement or by law does not constitute a waiver of the right or remedy or a waiver of other rights or remedies.

21 WAIVER

The provisions of clause 8, clause 9, clause 11, clause 12, clause 16 and this clause 22 shall survive termination. Termination of this agreement shall be without prejudice to the antecedent rights and liabilities of the Parties.

20 SURVIVAL

The rights, duties, obligations and liabilities of the parties to this Agreement shall be several and not joint or collective, and each party shall be responsible only for its obligations as set out herein, it being the express purpose and intention of the Parties that this Agreement shall not be construed as creating any partnership or association or as (except as expressly stated) authorising either of the Parties to act as agent, servant or employee for any other party for any purpose whatsoever.

19 NO PARTNERSHIP

This Agreement may be signed in any number of counterparts, each of which, when signed and delivered, shall be an original but with all the counterparts together constituting the same document.

18 COUNTERPARTS

John S. Pugh

John S. Pugh
.....
For and on behalf of
GAS NETWORKS IRELAND

John S. Pugh

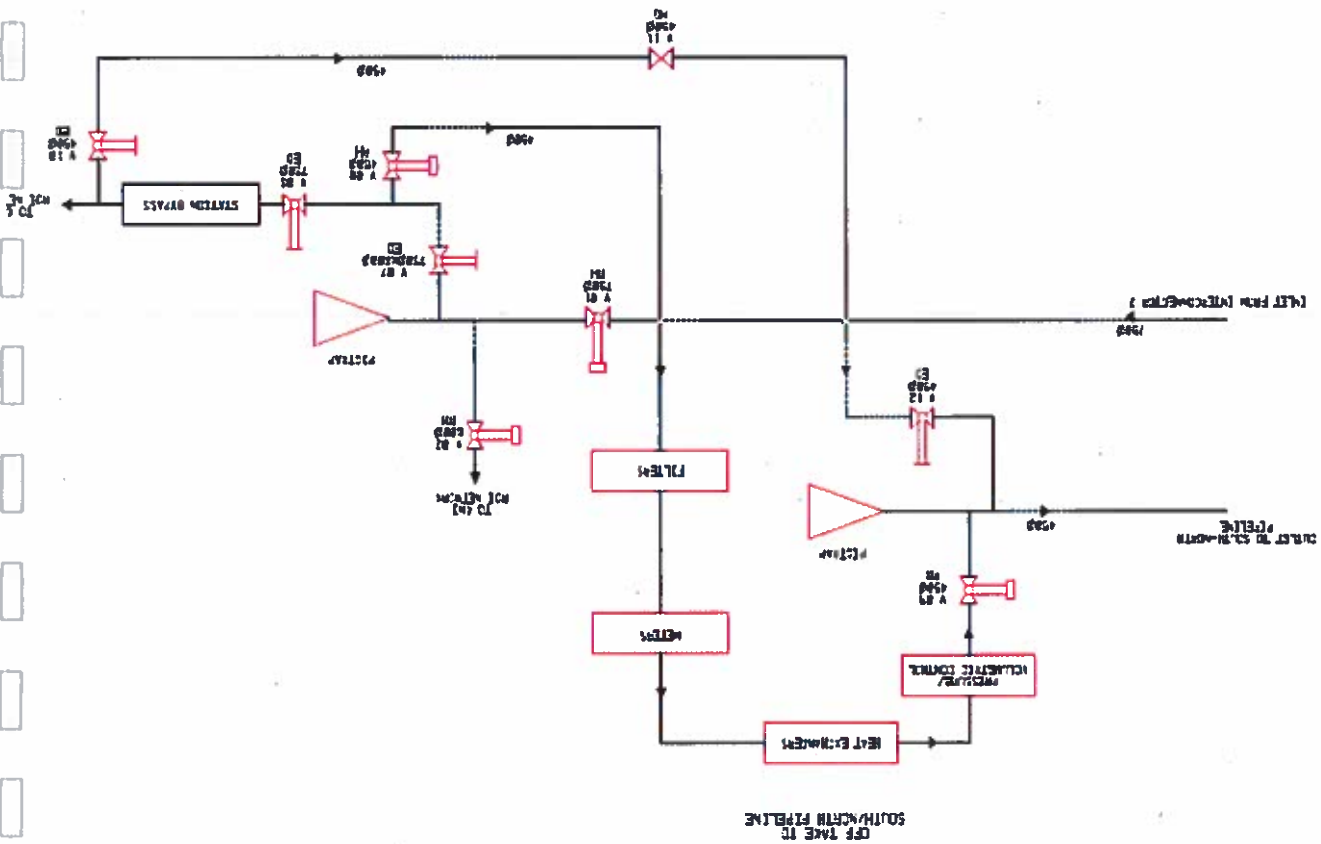
John S. Pugh
.....
For and on behalf of
GNI (UK) Limited

In Witness whereof this Agreement is executed the day and year first above written:

agents, Affiliates or contractors under its overall supervision and control. Where any of the rights or obligations of an Party (the "first Party") are so exercised or performed or required to be so exercised or performed, the first Party shall not be relieved of liability in respect thereof pursuant to this Agreement and the other Party shall have no recourse to such agents, Affiliates or contractors in respect thereof and the sole recourse of such other Party shall be to the first Party in accordance with this Agreement.

Gormanston Interconnection Point Schematic

SCHEDULE 1



SCHEDULE 2

GENERAL AND INTERPRETATION

1. Scope

1.1 This Schedule 2 sets out provisions applying to the delivery and/or offtake of Natural Gas at the Interconnection Point.

2. Interpretation

2.1 Unless expressly otherwise provided, references in this Schedule 2 to rates of delivery or offtake of Natural Gas are to the instantaneous rate (expressed in kWh/hour or kCM/hour) of such delivery to or offtake from at the Interconnection Point.

2.2 For the purpose of this Agreement references to offtake or rates of offtake are references to the rate at which gas is offtaken from, or "made available for offtake" from the GNI System at the Interconnection Point and references to delivery or rates of delivery at the Interconnection Point shall be deemed to refer to the rate at which Natural Gas is delivered to the GNI (UK) System at the Interconnection Point.

3. Certain Interconnection Point Provisions

3.1 For the purposes of this Agreement:

(i) the provisions of Schedule 4 as to the measurement of flow (and determination of volume) and the determination of Calorific Value of Natural Gas delivered shall apply;

(ii) Schedule 4 specifies or refers to the measurement equipment which is (and is required to be) installed in respect of the Interconnection Point.

4. Delivery & Offtake Pressure

4.1 Delivery Pressure

4.1.1 GNI shall provide Natural Gas at the Interconnection Point at the prevailing pressure which prevailing pressure may be up to but shall not exceed the maximum operating pressure (currently seventy (70)) barg.

4.1.2 GNI shall ensure that Natural Gas is not delivered at a pressure in excess of the maximum operating pressure or such revised number established as the maximum operating pressure under IGE/TDI (latest edition) as notified from time to time by GNI (UK) to GNI provided that GNI (UK) shall have

5.1 GNI shall notify GNI (UK) of variations in the composition of Natural Gas in accordance with Clause 5.2 of the Agreement. In circumstances where GNI (UK) becomes aware of changes in the composition of Natural Gas (GNI) (UK) shall notify GNI accordingly.

5. Gas Quality

provided to GNI not less than twelve (12) months' notice of such revised number and GNI (UK) shall have discharged any costs which may be incurred by GNI from time to time with respect to ensuring delivery of Natural Gas at a pressure which does not exceed such revised number.

FLOW PROFILES, METERING, INTERRUPTION

SCHEDULE 3

- 1 Profiles**
- 1.1** The quantities in which and rates at which gas is offtaken from the GNI System for delivery to the GNI (UK) System at the South-North Interconnection Point, and changes in such quantities and rates, shall be limited in accordance with this Schedule 3. Each Party shall be entitled to take any operational step available to it to ensure that the requirements of this Schedule 3 are complied with in respect of the rate of offtake.
- 1.2** GNI shall provide GNI(UK) with the notifications required by this Schedule 3 via electronic means.
- 1.3** For the purposes of this Schedule 3:

(a) "Change Lead Time" shall be a period of time from the hour bar immediately following the time of submission by GNI to GNI(UK) of an Initial EFP or a Revised EFP before which a Flow Rate Change may not commence.

(b) "Exit Flow Profile" means a statement in such form as may be agreed between the Parties, showing the quantity of gas (taking account of paragraph 7.3) to be offtaken, and the rate (for each hour) of offtake of gas, from the GNI System for delivery to the GNI (UK) System during a Gas Flow Day at the South-North Interconnection Point and "Initial Exit Flow Profile" (which is also an Exit Flow Profile) is defined in paragraph 2.1;

(c) "Exit Flow Rate" means the instantaneous rate of offtake of gas at the South North Interconnection Point (other than during a Ramp Period), shown or to be shown in an Exit Flow Profile, expressed in kWh/hour or kWh/day;

(d) "Final Preceding Day Rate" means the Prevailing Exit Flow Rate applying at the end of the Preceding Day, as shown in the Exit Flow Profile in force at the end of the preceding Day;

(e) "Flexed" is defined in paragraph 6.2;

(f) "Flow Rate Change Limit" means 7,408 MW Variable

(g) "Flow Rate Change Time" means the time (being the start of the Ramp Period) with effect from which a revision in the Exit Flow Rate becomes effective;

2.2 A revised Exit Flow Profile ("Revised Exit Flow Profile") for the South North Interconnection Point may be provided to GNI(UK) (including following a presumed zero flow Initial Exit Flow Profile, showing a revised Exit Flow Rate for the Gas Flow Day.

2.1 An Exit Flow Profile (the "Initial Exit Flow Profile") for the South North Interconnection Point in relation to the Gas Flow Day will be provided by GNI to GNI(UK) by 15.00 hours on D-1 provided at least one Shipper has nominated at the South-North Interconnection Point for the Gas Flow Day in the Matching Cycle which commenced at 13:00 hours on D-1. If GNI does not provide an Initial Exit Flow Profile by 15:00 on D-1, it shall be presumed that GNI has provided an Initial Exit Flow Profile with an Exit Flow Rate of zero kWh/Day.

2 Exit Flow Profile

1.4 Where any provision of this Schedule 3 refers to any amount in "MW Variable" such amount has been derived from an amount in MCM at an assumed calorific value of 40 MJ/Standard Cubic Metre; and where the average calorific value of gas offtaken from the GNI System at the South-North Interconnection Point differs materially from such assumed value the MW amount referred to in such provision shall be adjusted accordingly.

paragraph 7.2) such change occurs.

(ii) "Ramp Period" is the period of time over which (on the basis of the prevailing Ramp Rate permitted from time to time in

(i) "Ramp Rate" means the instantaneous rate of change (in MW/minute) of the rate of offtake; and

(k) in relation to any change (whether an increase or a decrease) in the Exit Flow Rate or Flexed Exit Flow Rate;

(l) "Prevailing Exit Flow Rate" at any time means the Exit Flow Rate prevailing at or immediately before such time; and

(i) "Initial Exit Flow Rate" means the Exit Flow Rate applying at the start of the Gas Flow Day;

T is the period in hours from the Flow Rate Change Time to the end of the Gas Flow Day;

ΔQ is the amount by which the aggregate quantity (in kWh) of gas shown in the Exit Flow Profile is revised by the revised Exit Flow Profile (and shall be positive in the case of an increase, and negative in the case of a decrease, in such quantity); and

(h) "Incremental Flow Rate" is the amount by which, upon a revision of the Exit Flow Profile, the Exit Flow Rate is revised, calculated as:

$$\Delta Q/T$$

2.8 Where an Exit Flow Profile has been submitted earlier than required under this Schedule 3, a further Exit Flow Profile may be submitted (whether to correct any invalidity in accordance with paragraph 2.7 in the earlier profile or to reflect a change in circumstances), subject to and in accordance with this Schedule 3, which will replace the earlier such Exit Flow Profile; provided that not more than two such replacement Exit Flow Profiles may be submitted in any hour (commencing on the hour).

2.7 Subject to paragraphs 2.4 and 5.1, a statement which purports to be an Exit Flow Profile but which is not in the form in Appendix A or is not provided in accordance with the requirements of this Schedule 3, or which provides for a rate of offtake (at any time of the Day) which is not in compliance with any requirement of this Schedule 3 as to the Exit Flow Rate, will not be valid or take effect as an Exit Flow Profile; and where it receives such a statement GNI(UK) will notify GNI of such invalidity and where appropriate will advise of the reasons for such invalidity (which notification for the avoidance of doubt shall not be a Constraint Notice).

2.6 An Exit Flow Profile shall not specify an Exit Flow Rate or Flexed Exit Flow Rate which exceeds the maximum flow rate; for which purposes the maximum hourly flow rate for the South-North Interconnection Point is 2.761 GWh Variable or (following any modification of the Connection Facilities) any greater rate(s) notified by GNI to GNI(UK). Save in an instance(s) where an Exit Flow Rate of zero is specified, an Exit Flow Profile shall not specify an Exit Flow Rate or Flexed Exit Flow Rate less than the minimum flow rate; for which purposes the minimum hourly flow rate for the South-North Interconnection Point is 0.331GWh Variable.

2.5 If upon a request pursuant to paragraph 2.4(a) GNI determines that it is not feasible for GNI to deliver gas in accordance with such a request, GNI will not later than one hour after the start of the Change Lead Time, reject the request.

the Exit Flow Profile may be revised in accordance with such request.

(a) GNI is requested by GNI(UK) to provide a revision of the Exit Flow Profile with a Change Lead Time less than is required pursuant to paragraph 2.3; and

(b) GNI determines that it is feasible for GNI to provide gas for delivery in accordance with such revised profile,

2.4 IF

2.3 Subject to paragraph 2.4, the "Change Lead Time" is a period of at least 1 hour;

with effect from a time (on the hour) not earlier than the expiry of the Change Lead Time (but no revision shall be shown in the Exit Flow Rate applying before that time).

in the case of a rejected request pursuant to 5.2 (a), GNI shall submit an Exit Flow Profile adhering to the Flow Rate Change Limit. The Exit Flow Profile prevailing before such request shall continue in force.

(a) GNI(UK) will reject the request ;

If, upon a request pursuant to paragraph 5.1(a), GNI(UK) determines that it is not feasible to accept gas for delivery in accordance with such request:

then an Initial Exit Flow Profile may be provided, or the Exit Flow Profile revised, in accordance with such request.

(b) GNI(UK) determines that it is feasible for GNI(UK) to accept gas for delivery in accordance with such profile or revised profile

(a) GNI(UK) is requested by GNI to accept an Initial Exit Flow Profile, or a revision of the Exit Flow Profile, which does not comply with the requirements of paragraph 4.1 or (as the case may be) 4.2(a); and

5 Flow rate flexibility, rejection and curtailment

(b) be less than zero.

(a) differ from the Initial Exit Flow Rate by more than the Flow Rate Change Limit; nor

Subject to paragraph 5.1, the Exit Flow Rate and the Flexed Exit Flow Rate upon any revision of the Exit Flow Profile shall not:

Flow Rate Change Limits

Subject to paragraph 5.1, the Initial Exit Flow Rate and the Flexed Initial Exit Flow Rate shall not differ from the Final Preceding Day Rate by more than the

4 Exit Flow Rate Limits

value,

Upon any revision of the Exit Flow Profile which is effective after the start of the Gas Flow Day, the Exit Flow Rate applying with effect from the end of the Ramp Period (following the Flow Rate Change Time) shall be a uniform rate for the remaining hours of the Day during which the flow rate shall be a non zero

Exit Flow Profile submitted pursuant to paragraph 2.1.

The Initial Exit Flow Rate shall be a uniform rate for hours of the Day during which the flow rate shall be a non-zero value, calculated as 1/(the number of hours with a non-zero flow rate value) of the aggregate quantity shown in the

3 Exit Flow Rate

Flow Rate.
 3 shall be construed as an undertaking by GNI(UK) that the GNI(UK) System of the GNI System but not the GNI(UK) System, and nothing in this Schedule of the avoidance of doubt, the Flexed Exit Flow Rate relates to the operation For the avoidance of doubt, the Flexed Exit Flow Rate relates to the operation will receive or will be capable of receiving gas at a rate equal to the Flexed Exit

7.4
 7.3 A change in Exit Flow Rate pursuant to paragraph 7.2 shall be assumed to occur at the greatest Ramp Rate permitted under paragraph 7.2.

(b) where GNI notifies a reduction in such prevailing rate and the prevailing Exit Flow Profile provides for a Ramp Period which (having regard to the time at which such reduction takes effect and the times at which such Ramp Period starts and ends) is inconsistent with such reduction, the Exit Flow Profile shall be revised accordingly.
 (a) such rate so notified shall not be less than (and until GNI first gives such a notification, shall be equal to) 50 MW/minute;

7.2 Where a change in the rate of offtake is to be made (by reason of a revision in the Exit Flow Profile at the start of or during the Gas Flow Day), the Ramp Rate shall not exceed an instantaneous rate of change equal to the prevailing rate notified by GNI to GNI(UK) provided that:

7.1 Subject to and consistently with paragraphs 7.2 and 7.4, the parties intend and agree that the rate of offtake should be equal to the prevailing Flexed Exit Flow Rate.

7 Rates of exit flows

6.2 For the purposes of this Schedule 3, a reference to the "Flexed" Exit Flow Rate or Incremental Flow Rate at any time is a reference to such Exit Flow Rate or Incremental Flow Rate as adjusted by the amount (in MW) of any deviation at such time pursuant to paragraph 6.1 (and in the absence of any such deviation to the Exit Flow Rate or Incremental Flow Rate, without adjustment).

6.1 Save for hours of the Day during which the Exit Flow Rate shall be zero, an Exit Flow Profile may show, in addition to the Exit Flow Rate, a rate of offtake which deviates in any hour of the Day from the Exit Flow Rate by not more than 20% of the Prevailing Exit Flow Rate, provided that the aggregate quantity of gas shown in the Exit Flow Profile as being offtaken in the Day taking account of any such deviation is equal to the aggregate quantity which would be offtaken in the Day at the Exit Flow Rate.

6 Profile flexibility

5.3 There shall be no minimum period of notice required for a Curtailment Notice and an Initial Exit Flow Profile shall be provided or (as the case may be) the prevailing Exit Flow Profile shall be revised in compliance with any such Curtailment Notice and without undue delay

- (a) the Metered Quantity for Day D;
- (b) the quantity of Natural Gas which would have been offtaken from the GNI System on Day D if quantities of Natural Gas had not been nominated for delivery to the GNI System at the Interconnection Point in respect of Day D.
- (c) at any time up to 11.00 hours on D + 4 revised details of the Metered Quantity as offtaken from the GNI System on Day D and the revised quantity as referred to in (b).

8 D+1 Metering Information

7.5 Without prejudice to any other operational procedure established by the Parties) where GNI becomes aware that, as a result of any constraint or other circumstances affecting the GNI System, the rate at which gas is being offtaken from the GNI System for delivery to the GNI (UK) System will or is likely to be less than the Prevailing Exit Flow Rate, GNI will so notify GNI(UK) of that fact.

SCHEDULE 4

MEASUREMENT PROVISIONS

Section 1

Metering

1. **General**
The quantity of Natural Gas physically off-taken from the GNI System and delivered to the GNI (UK) System at the Interconnection Point shall be determined by the Interconnection Point Measurement Equipment.

2. **Uncertainty and Error**

At the Connected System Point:

- (a) the total Uncertainty in the measurements of the volume flow rates and energy flow rates of the Interconnection Point Measurement Equipment shall, at all flow rates from six per cent (6%) to one hundred per cent (100%) of the directional Maximum Daily Rate (as defined in Section 1, Paragraph 3 of this Schedule 4), be within the Permitted Range; and
- (b) the Interconnection Point Measurement Equipment shall be free of Constant Systematic Error and Variable Systematic Error in respect of both volume flow rates and energy flow rates;
- (c) the methods specified in BS 7965:2000 and ISO5168:2005 shall be used for the calculation of Uncertainty in the measurement of volume flow rates and Errors in volume flow rates in each case in respect of the Meter and as referred to in Section 1, Paragraph 3 of this Schedule 4;
- (d) the methods specified in BS 7965:2000 and BS ISO TR 5168:1998 shall be used for the calculation of Uncertainty in the measurement of energy flow rates and for the calculation of Constant Systematic Errors and Variable Systematic Errors in energy flow rates in each case in respect of the Interconnection Point Measurement Equipment and as referred to in Section 1, Paragraph 3 of this Schedule 4.

Quantity	Permitted Range (at flow rates from 6% to 100% of Maximum Daily Rate)
Volume flow Rates (MCM/Day)	±1.0%
Energy flow rates (kWh/hour)	±1.1%

TABLE 1 – INTERCONNECTION POINT MEASUREMENT UNCERTAINTY

The South North Permitted Range in respect of the Interconnection Point Measurement Equipment is as set out in Table 1 below for all flow rates from six per cent (6%) to one hundred per cent (100%) of the Maximum Daily Flow Rate. The Maximum Daily Flow Rate is six (6) MCM / Day (66.3 GWh/Day) at an assumed mean Gross Calorific Value for that Day of forty (40) MJ/m³. In the event that the Gross Calorific Value for a Day is greater than or less than forty (40) MJ/m³, the value attributed to the relevant Maximum Daily Flow Rate shall be adjusted accordingly.

3. Interconnection Point Measurement Equipment Permitted Ranges

Validation and Inspection Rights

Section 2

1. **Inspection Rights**

GNI (UK) shall have the right, upon giving reasonable notice to GNI, to inspect:

- (i) the Interconnection Point Measurement Equipment provided that GNI (UK) complies with GNI's safety, environmental and security requirements pertaining to the CSP, and
- (ii) charts and other measurement or test data relating to the Interconnection Point Measurement Equipment.

However, the reading, calibration and adjustment of the Interconnection Point Measurement Equipment and the renewing of any consumables shall be carried out by GNI who shall preserve all original test data, charts and other similar records for a period of three (3) years and shall make a copy thereof available to the GNI (UK) upon request.

2. **Validation**

2.1 GNI shall calibrate / validate the South-North Measurement Equipment at regular intervals consistent with good oil and gas industry practice unless otherwise agreed in writing with GNI (UK).

2.2 The methods specified in the approved validation procedures agreed between GNI and GNI (UK) and as more particularly set out in BS 7965:2013, EN as may be amended from time to time by agreement between GNI and GNI (UK) shall be used for the validation of the Interconnection Point Measurement Equipment.

2.3 GNI (UK) may request that any element of the Interconnection Point Measurement Equipment be validated at any time in which case any such validation shall be carried out as soon as reasonably practicable. The costs and expenses of such validation and of any adjustment or replacement of the components of the Interconnection Point Measurement Equipment made as a result of any validation made pursuant to this paragraph 2.3 shall, if the Interconnection Point Measurement Equipment is found to read within the Interconnection Point Measurement Equipment Permitted Range and shall not be subject to any Constant Systematic Error or Variable Systematic Error, be paid by GNI (UK) and, in all other cases, by GNI.

2.4 Subject to paragraph 2.3, GNI may adjust or replace the components of the Interconnection Point Measurement Equipment at any time.

2.5 Immediately following validation pursuant to paragraph 2.1 or 2.3, the individual components of the Interconnection Point Measurement Equipment shall be adjusted or replaced by GNI as necessary so that the Interconnection Point Measurement Equipment complies with the provisions of Section 1, paragraph 2 (a) and (b) of Schedule 4 above.

2.6 (a) Where the Interconnection Point Measurement Equipment is found when validated to be subject to either a Constant Systematic Error or a Variable Systematic Error or to be found to read outside the Permitted Range in respect of volume flow and/or energy flow, then:

(i) the Interconnection Point Measurement Equipment shall be assumed to have been subject to the Constant Systematic Error or Variable Systematic Error or to have been reading outside the Permitted Range (as appropriate) during the latter half of the period since the later of (a) the date when last validated and found to be free of any Constant Systematic Error or Variable Systematic Error and within the Permitted Range and (b) since last adjusted to correct a previous Constant Systematic Error or Variable Systematic Error or to read within the Permitted Range and during the first half of such period not to be subject to either a Constant Systematic Error or Variable Systematic Error or to have been reading outside the Permitted Range (except in the case where it is proved that the Interconnection Point Measurement Equipment has been subject to a Constant Systematic Error or Variable Systematic Error or to have been reading outside the Permitted Range (as appropriate) since some other date in which case the error shall be assumed to have applied since such date);

(ii) for the purposes of paragraph 2.6(b), the quantities read as delivered from the GNI System on each Day at the Interconnection Point during the period when the Interconnection Point Measurement Equipment is or is assumed in accordance with paragraph 2.6(a)(i) above to have been subject to a Constant Systematic Error or Variable Systematic Error or to have been reading outside the South-North Permitted Range (as appropriate) shall be adjusted by GNI in accordance with the provisions of paragraph 2.6(a)(iii);

(iii) GNI shall calculate the adjustment referred to in paragraph 2.6(a)(ii) so as to provide a corrected value for volume flows and energy flows as if there had been no such Constant Systematic Error or Variable Systematic Error or as if the Interconnection Point Measurement Equipment had been reading within the Permitted Range and GNI shall notify GNI (UK) of such adjustment with its validation report in accordance with the provisions of paragraph 2.7(b)

(b) The amount by which the adjusted quantity determined to have been delivered on any Day pursuant to any validation or the resolution of any dispute in relation thereto differs from the quantity originally determined to have been delivered on such Day shall be treated as the Entry Point Adjustment Quantity (as that term is defined pursuant to the Code of Operations) in respect of the Interconnection Point for such Day.

(a) Any validation pursuant to this paragraph 2 shall be conducted by GNI in respect of the Interconnection Point Measurement Equipment in accordance with the provisions of paragraph 2.1. GNI shall give reasonable advance notice thereof to GNI (UK) who shall (whether itself or through an agent appointed by it) be entitled to be present. Such agent shall be acceptable to GNI whose acceptance shall not be unreasonably withheld. GNI (UK) and any such agent shall comply with GNI's safety, environmental and security requirements pertaining to the Connected System Point. GNI (UK) shall be responsible for the compliance of its agent.

(b) GNI shall provide a validation report to GNI (UK) within twenty eight (28) Days of any validation stating the results of such validation and the calculation of any adjustment to volume flows and energy flows pursuant to paragraph 2.6 (a)(iii)

(a) In the event that that GNI (UK) wishes to dispute such results or any such adjustment, it must notify the GNI of its objection setting out the grounds for its dispute and, where applicable, its proposed alternative adjustment, within fourteen (14) Days after receiving the validation report referred to in paragraph 2.7(b). In such event paragraph 2.9 shall apply.

(b) In the event that GNI (UK) does not dispute such results or adjustment in accordance with the foregoing provisions of this paragraph 2.8, such results and any adjustment shall be deemed to be final and binding on GNI (UK) and GNI (and on all GNI Shippers and all GNI (UK) Shippers and, where applicable, the adjustments referred to in paragraph 2.6(a)(iii) shall be applied in accordance with paragraph 2.6(b).

(c) Provided that it was given reasonable advance notice of a validation in accordance with paragraph 2.6(a), GNI (UK) shall not be entitled to dispute the results of, or any adjustment set out in, the resultant validation report solely on the ground that it did not attend such validation.

At the request of either GNI (UK) or GNI, GNI (UK) and GNI shall meet and discuss and endeavour to settle any dispute or failure to agree arising from the application of the provisions of this paragraph 2 and, if within thirty (30) 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 GNI (UK) or GNI) in accordance with the provisions of Clause 10.

Section 3

Measurement Failure

1. If during any part of any Day, any part of the Interconnection Point Measurement Equipment is not operating in accordance with the requirements of this Agreement, the quantity of Natural Gas offtaken from the GNI System or delivered to the GNI (UK) System at the Interconnection Point during such time will be deemed to be such quantity as may be agreed between GNI (UK) and GNI, in both cases acting reasonably and using such alternative measurements for the derivation of such quantity of Natural Gas as are practicable in the circumstances having regard to the provisions of paragraphs 2 and 3 below.
2. For a Interconnection Point Measurement Equipment failure, recourse to the relevant line flow rates, meter pressure, meter temperature and gas quality data including Calorific Value should be made to manually determine the quantity of Natural Gas offtaken or delivered at the Interconnection Point during such time.
3. In the event that no agreement is reached pursuant to the provisions of paragraph 1 above by the end of the fourth (4th) following Day, the quantity of Natural Gas offtaken from / or delivered at the Interconnection Point on that Day shall be the minimum quantity not disputed by the Parties.

**Section 4
Repeat Signals**

1. Repeat Signals from CSP to GNI (UK)

Repeat Signals in respect of the Interconnection Point shall be provided by GNI to BGE (UK). These Repeat Signals shall be derived directly from the South-North Measurement Equipment and the South-North Meter and be delivered electronically.

(a) The following repeat signals ("Repeat Signals") shall be provided by GNI:

- (i) Gas quality:
 - i. Calorific Value (CV);
 - ii. Relative Density (RD);
 - iii. Wobbe Index (WI);
 - iv. Composition to C6+;
 - v. Carbon Dioxide (CO2);
 - vi. Nitrogen (N);
- (ii) instantaneous and integrated volume flow;
- (iii) instantaneous and integrated energy flow;
- (iv) Delivery pressure;
- (v) metering system common alarm for any faults affecting fiscal accuracy;

1. In this Agreement, the following terms have the following meanings:
 - “bar means the bar as defined in ISO 1000-1981(e)
 - “bar” or “bar gauge” means the pressure in bar in excess of atmospheric pressure;
 - “Calorific Value” or “CV” means that number of Megajoules produced by the complete combustion at a constant absolute pressure of 1.01325 bar of one (1) Cubic Metre of Natural Gas at a temperature of fifteen degrees Celsius (15°C) with excess air at the same temperature and pressure as the Natural Gas when the products of combustion are cooled to fifteen degrees Celsius (15°C) and when the water formed by combustion is condensed to the liquid state and the products of combustion contain the same total mass of water vapour as the Natural Gas and air before combustion; and for the avoidance of doubt Calorific Value shall be REAL as defined in ISO 6976-1 :1995;
 - “Constant Systematic Error” has the meaning given BS ISO 5168:2005;
 - “Cubic Metre” or “m³”, when applied to Natural Gas, means that amount of gas which at a temperature of fifteen degrees Celsius (15°C) and an absolute pressure of 1.01325 bar and being free of water vapour occupies one (1) cubic metre;
 - “Cubic Foot”, when applied to Natural Gas, means the quantity of Natural Gas which at sixty (60) degrees Fahrenheit and an absolute pressure of sixty (60) inches of mercury at seventy two (72) degrees Fahrenheit and the Natural Gas being saturated with water vapour and at the same temperature and pressure occupies one (1) cubic foot;
 - “degree Celsius” or “C” means the particular interval between the temperature expressed in Kelvin and the temperature 273.15 Kelvin as defined in ISO 80000-1:2009;
 - “GWh” means 1,000,000 kWh;
 - “hour” means the hour as defined in ISO 80000-1:2009;
 - “joule” means the joule as defined in ISO 80000-1:2009;
 - “kCM” means one thousand (1,000) Cubic Metres;
 - “kilogram” means the kilogram as defined in ISO 80000-1:2009;

TECHNICAL INTERPRETATION

SCHEDULE 5

The reference conditions in the definitions of Calorific Value and Cubic Meter are agreed with the approval of the CER and NIAUR for the purpose of Article 13(3) of the Interoperability Code.

“Watt” means one (1) Joule per second.

“Variable Systematic Error” has the meaning given in ISO 5168:2005; and

“Uncertainty” has the meaning given in ISO 5168:2005;

“SI Units” means units of physical measurement under System Internationales;

“second” means the second as defined in ISO 80000-1:2009;

“Relative Density” means the quotient of the gas density and the density of dry air of standard composition specified at the same state conditions, 15 degrees Celsius and 1.01325 bar;

“metre” means the metre as defined in ISO 80000-1:2009;

“Megajoule” or “MJ” means one million (1,000,000) Joules;

“MMSCFD” means 10⁶ Cubic Feet per Day;

“MCM” means one million (1,000,000) Cubic Metres;

“kWh” means three million six hundred thousand (3,600,000) Joules;

“kW” means one thousand (1,000) Watts;

SCHEDULE 6

DATA EXCHANGE

1.1 Communications and data exchange

- 1.1.1 The Parties will communicate information including with respect to Exceptional Events in accordance with the remaining provisions of this Schedule 6.
- 1.1.2 This Schedule 6 is given effect for the purpose of compliance with Article 10 and Articles 21, 22, 23 of the Interoperability Code:
 - (a) Data means data to be sent by one Party to the other Party under any provision of this Agreement ;
 - (b) a reference to a system is to the information technology system or systems established by a Party to produce, receive, handle and process Data.
- 1.1.3 Where this Agreement makes specific provision as to how a particular communication between the Parties is to be sent, this Schedule 6 applies subject to that provision.
- 1.1.4 Each Party shall:
 - (a) make such arrangements (including providing and maintaining systems and making arrangements with third party providers) as are reasonably necessary to ensure it is able to send Data to and receive Data from other parties pursuant to the provisions of this Agreement and in accordance with the further provisions of this paragraph;
 - (b) keep the other Party informed of the arrangements made pursuant to paragraph (a).
- 1.1.5 The Parties shall coordinate and cooperate with each other in implementing Schedule 6 in order to ensure the compatibility of their respective arrangements.
- 1.1.6 In relation to Data of the kind referred to in Articles 22 and 23 of the Interoperability Code, the arrangements in this Schedule 6 are agreed in compliance with the requirements of those Articles.
- 1.1.7 Each Party (the first Party) shall:
 - (a) (in relation to Data to be sent electronically) ensure it has appropriate virus protection to manage the risk of sending infected files of Data to the other Party and of receiving infected files of Data from any Party;

- (b) ensure that only authorised, appropriately qualified personnel are allowed to have access to and deal with the Data received from the other Party;
 - (c) notify the other party without delay of any unauthorised access which has or may have occurred to the first Party's system;
 - (d) ensure it has appropriate security measures to prevent unauthorised access of its system;
 - (e) ensure that it has all necessary rights to send Data (as envisaged by the provisions of this Agreement) to the other Party, and to authorise the other Party to deal with the Data in the way envisaged under this Agreement;
 - (f) make appropriate arrangements to maintain the security of Data received from the other Party;
 - (g) maintain the confidentiality of Data received from the other Party, and only deal with such Data as envisaged by the provisions of this Agreement;
 - (h) ensure that any third party to which the first Party transfers Data received from the other Party maintains its confidentiality and deals with it only as permitted under this Agreement;
 - (i) (in relation to Data to be sent electronically) ensure the security and reliability of communications of Data to any Party through agreed arrangements for encryption, electronic signatures and non-repudiation by signed confirmation;
 - (j) ensure the other Party is informed in a timely manner prior to any planned unavailability of the first Party's system.
- 1.1.8 The standard required of each Party under paragraph 1.1.7(a), (d) and (f) is the standard of a Reasonable and Prudent Operator.
- 1.1.9 If and for so long as any failure or unavailability (including any planned unavailability) of any Party's system occurs which disrupts or may disrupt the exchange of Data between the Parties, the Parties agree to apply agreed contingency arrangements:
- 1.1.10 If a Party (Party A) fails to comply with the obligations in paragraph 1.1.7:
- (a) Party A will not have any liability to the other Parties (Party B) in respect of the failure, except as provided in paragraph 1.1.11;
 - (b) Party B may take any reasonable steps to protect itself and its systems from any adverse consequences of Party A's failure (which may include suspending the transfer of Data for so long as such failure continues);
 - (c) no Party shall have any liability to the other (in respect of failed Data transfers) in a case where Party B takes any steps within paragraph (b).

1.1.11 In case of a breach by Party A of the obligations in paragraph 1.1.7(e), (g) and (h), Party A will indemnify the other Parties against any liability to any Shipper resulting from such breach (excluding any liability arising under any contract between Party B and such Shipper).

**SCHEDULE 7
CAPACITY**

1 Introduction

1.1 This Schedule 7 sets out arrangements between the Parties in connection with:

(a) the allocation to GNI Shippers and GNI (UK) Shippers and holding, surrender and transfer by their Shippers of bundled capacity at the Interconnection Point;

(b) the coordination required by the Parties in relation to interruptible capacity, at the Interconnection Point; and

(c) capacity maximisation, at the Interconnection Point.

2 Interpretation

2.1 In this Schedule:

1 **Introduction**

1.1 This Schedule 7 sets out arrangements between the Parties in connection with:

(a) the allocation to GNI Shippers and GNI (UK) Shippers and holding, surrender and transfer by their Shippers of bundled capacity at the Interconnection Point;

(b) the coordination required by the Parties in relation to interruptible capacity, at the Interconnection Point; and

(c) capacity maximisation, at the Interconnection Point.

2 Interpretation

2.1 In this Schedule:

Bundled means, in relation to Firm IP Capacity in one System, that it is, or is to be, bundled with Firm IP Capacity in the other System either (a) for the purposes of allocation in a single Auction, or (b) (when held by a Shipper) for the purposes of transfer of (and certain other transactions in respect of) such Firm IP Capacity; and a reference to Bundled Firm IP Capacity held by a Shipper in either System is to what is recorded as Bundled by the operator of that System; and **Unbundled** shall be construed accordingly;

Bundled Capacity Auction means an Auction of Bundled Firm IP Capacity;

class of IP Capacity means whether it is firm or interruptible;

"Firm IP Capacity" means firm IP Capacity in each System of the same period, Direction and (where applicable) amount;

IP Capacity means, for each of the Parties, capacity (defined in accordance with that Party's Transportation Arrangements) in that Party's System which may be held by that Party's Shippers in connection with the offtake or (as the case may be) delivery of gas to that System at the Interconnection Point;

period of IP Capacity means the period for which such IP Capacity (in the same amount for each Day of such period) is or is to be allocated or held;

The amount of IP Capacity in one System which may be allocated in an Auction for an annual period (other than the following year) Unbundled depends on the amount of IP Capacity in the other System which is already allocated.

(a) for the five (5) gas years following the Auction date, 10% of technical capacity;
(b) for the remaining ten (10) gas years, 20% of technical capacity.

The amount of technical IP Capacity which is to be withheld from allocation in an Auction for an annual period is:

Bundled IP Capacity is to be allocated to Shippers in a single Auction on a single booking platform.

IP Capacity in one System is to be Bundled with IP Capacity in the other System for the purposes of allocation by Auctions to the extent required by the CAM Code (and otherwise may be allocated Unbundled).

which comply with the CAM Code.

(c) under ascending clock or uniform price auction algorithms,

(b) held at intervals and at times; and

(a) for capacity products (defined by period, and by Direction) and available amounts of capacity;

3.2 Firm IP Capacity is allocated to Shippers by way of Auctions:

This paragraph 3 summarises certain provisions of each Party's Transportation Arrangements relating to Auctions and Bundled Firm IP Capacity, on the basis of which this Schedule operates; and each Party confirms that it considers its Transportation Arrangements to be consistent with this paragraph 3 and otherwise compatible with the provisions of this Schedule. If any inconsistency is found between the provisions of a Party's Transportation Arrangements relating to IP Capacity and this Schedule the Parties will discuss the matter with a view to agreeing whether to amend this Schedule and/or pursue a modification to the relevant Party's Transportation Arrangements. For the avoidance of doubt whilst this is being discussed and agreed the Code of Operations shall prevail as between GNI and GNI Shippers and the GNI (UK) Code shall prevail as between GNI(UK) and GNI(UK) Shippers.

3 Transportation Arrangements

Platform Rules and Processes means the rules, systems, processes and algorithms of the Platform Operator applied and used by the Platform Operator in performing the functions contemplated by this Agreement.

Platform Operator means the operator of the booking platform on which certain activities with respect to Firm IP Capacity by the Parties and/or their Shippers are to be carried out;

- 3.7 The starting price in any Bundled Capacity Auction is the sum of reserve prices specified by each of the Parties.
- 3.8 Any Auction Premium in a Bundled Capacity Auction is to be allocated between the Parties in percentages agreed by them.
- 3.9 In a Bundled Capacity Auction under the ascending clock auction algorithm:
- (a) the large price step is to be the sum of large price steps specified by each of the Parties; and
 - (b) the small price step is to be a specified fraction (agreed by each of the Parties) of the large price step.
- 3.10 Under GNI's Transportation Arrangements IP Capacity (in the GNI System) may be held by Shippers in connection with the offtake or delivery of gas at the Interconnection Point from or to the GNI System and from or to the GNI (UK) System,
- 3.11 If an Auction (the first Auction) under the ascending clock algorithm has not closed:
- (a) where the next relevant Auction is under the ascending clock algorithm, by the fifth Business Day; or
 - (b) where the next relevant Auction is under the uniform price algorithm, by the Business Day,
- before the information publication date for the next relevant Auction, the first Auction will be discontinued without closing (where the next relevant Auction is the next Auction for IP Capacity in the same Direction as and for a period which includes any Day(s) in the period of the first Auction).
- 3.12 A Shipper holding Firm Unbundled IP Capacity in both Systems may elect that such IP Capacity is to be Bundled by a notification to either of the Parties.
- 3.13 A Shipper may offer to surrender IP Capacity for reallocation in an Auction; and where a Shipper offers to surrender Bundled IP Capacity in one System, the Parties may agree that the offer is only valid if the Shipper has offered to surrender equivalent Bundled IP Capacity in the other System.
- 3.14 A transfer by a Shipper of Bundled IP Capacity in one System to another Shipper will not be valid unless the Shipper also transfers the IP Capacity in the other System with which it is Bundled to that other Shipper.
- 3.15 An Party will record the amount of the IP Capacity in its System held by each Shipper which is and is not Bundled.
- 3.16 A Shipper holding Bundled IP Capacity in one System may not voluntarily terminate its Transportation Arrangements with the Party of that System if the other Party objects to such termination on the grounds that the Shipper holds Bundled IP Capacity in the other Party's System.

3.17	<p>In order to participate in an Auction for or surrender or transfer IP Capacity, Shippers are required to be party to an agreement with the Platform Operator under which the Platform Operator will perform the functions contemplated by the relevant Party's Transportation Arrangements.</p>
3.18	<p>The arrangements described above will commence as follows:</p> <p>(a) the first Auctions of Bundled IP Capacity:</p> <p>(i) for a period of one Day, will be for 1 November 2015;</p> <p>(ii) for a period of one month, will be for December 2015;</p> <p>(iii) for a period of a quarter, will be for quarters in the Gas Year 2016/17;</p> <p>(iv) for a period of a year, will be for the Gas Years 2016/17.</p> <p>(b) Transfers of Bundled IP Capacity may be made for periods commencing on or after 1 November 2015.</p> <p>(c) surrenders of Bundled IP Capacity will only be jointly validated in accordance with paragraph 3.13 once both Parties CMP procedures have been activated in accordance with the their respective codes.</p>
Platform Operator	
4	<p>The Parties agree that the Platform Operator for the Interconnection Point is PRISMA European Capacity Platform GmbH.</p>
4.1	<p>Any change to the Platform Operator requires the agreement of both Parties.</p>
4.2	<p>The functions to be performed by the Platform Operator are:</p>
4.3	<p>(a) in relation to Auctions:</p> <p>(i) determining amounts of Bundled and Unbundled IP Capacity available for allocation in each Auction;</p> <p>(ii) publication of Auction information and holding of Auctions (in respect of both Bundled and Unbundled IP Capacity);</p> <p>(b) receipt and validation of transfers by Shippers of IP Capacity (both Bundled and Unbundled); and</p> <p>(c) receipt and validation of surrenders by Shippers of IP Capacity (both Bundled and Unbundled).</p>
4.4	<p>Each of the Parties (or its Affiliates) shall be party to an agreement with the Platform Operator under which the Platform Operator agrees to perform the functions contemplated by this Schedule and by that Operator's Transportation Arrangements.</p>

- 5.3 The Parties agree that the Auction Premium in any Bundled Capacity Auction will be shared between them as to one half (1/2) each or such other shares or may be agreed in writing between the Parties.
- 5.2 The Parties agree that the small price step in a Bundled Capacity Auction under an ascending clock algorithm shall be one fifth (1/5) of the large price step.
- 5.1 The Parties agree that Bundled IP Capacity in each System will be allocated in a single Auction.

5 Capacity Auction details

- 4.9 If (notwithstanding each Party complying with paragraph 4.8) any question arises as to how the Platform Operator is to carry out its functions under this Schedule 7, the Parties agree to discuss the question with a view to agreeing prior to giving any instruction to the Platform Operator in relation to such question.
 - (a) send to the Platform Operator the information necessary to enable the Platform Operator to hold Bundled Capacity Auctions and perform its other functions contemplated by this Schedule, including the following:
 - (i) amounts of IP Capacity available for Auction;
 - (ii) amounts of IP Capacity already allocated;
 - (iii) reserve prices;
 - (iv) large price steps and small price step; and
 - (b) where the Platform Rules and Processes allow or require that Party to make choices, make such choices as are required to give effect to this Schedule.
- 4.8 Each of the Parties shall:
 - (a) send to the Platform Operator the information necessary to enable the Platform Operator to hold Bundled Capacity Auctions and perform its other functions contemplated by this Schedule, including the following:
 - (i) amounts of IP Capacity available for Auction;
 - (ii) amounts of IP Capacity already allocated;
 - (iii) reserve prices;
 - (iv) large price steps and small price step; and
 - (b) where the Platform Rules and Processes allow or require that Party to make choices, make such choices as are required to give effect to this Schedule.
- 4.7 If any incompatibility is found between the Platform Rules and Processes and the provisions of this Schedule or any Party's Transportation Arrangements the Parties will discuss the matter with a view to agreeing whether to amend this Schedule, seek a modification of the Platform Rules and Processes and/or pursue a modification of the relevant Party's Transportation Arrangements.
- 4.6 Each of the Parties considers that the Platform Rules and Processes are compatible with its Transportation Arrangements and with the provisions of this Schedule.
- 4.5 Nothing in this Schedule requires the Parties to enter into or incur any joint obligations or liabilities to the Platform Operator; and each of the Operators is severally responsible for any fees or other amounts payable to the Platform Operator in connection with its agreement under paragraph 4.4.

- 5.4 For the purposes of Auctions, IP Capacity will be expressed in kWh/Day.
- 5.5 For the purposes of Auctions, the prices of IP Capacity will be expressed in euro (€) and sterling (£).
- 6 Bundled IP Capacity held by Shippers**
- 6.1 If a Shipper submits to either Party (A) a request that IP Capacity should be Bundled, and the request specifies the Direction and amount of the IP Capacity and the period for which it is to be Bundled, and Party (A) would (under its Transportation Arrangements) accept the request, then:
- (a) Party (A) will send the request to the other Party (B) within 10 Business Days after receiving the request from the Shipper;
- (b) Party (B) will notify Party (A) whether Party (B) (under its Transportation Arrangements) accepts the request, within 10 Business Days after receiving the request from Party (A);
- (and each Party confirms that, under its Transportation Arrangements, it is appointed as agent by its Shippers to send and receive such requests to or from the other Party).
- 6.2 With effect from the time from which both Parties CMP procedures have been activated as referred to in paragraph 3.18(d), if a Shipper offers to surrender Bundled IP Capacity in one System, the offer will not be valid pursuant to 3.18(d) unless the Shipper offers to surrender equivalent Bundled IP Capacity in the other System.
- 6.3 The Parties agree that transfers of Bundled Capacity will be transfer of use and OTC pursuant to the Platform Rules and Processes.
- 6.4 If either Party gives notice to a Shipper holding Bundled IP Capacity in its System to terminate the Transportation Arrangements with the Shipper, the Party shall inform the other Party of such termination and of the amount of such Bundled IP Capacity held by the Shipper at the time of termination.
- 6.5 If either Party (A) notifies the other Party (B) that a Shipper holding Bundled IP Capacity in Party (A's) System wishes voluntarily to terminate the Transportation Arrangements with Party (A) with effect from a specified date, Party (B) will inform Party (A) whether Party (B) objects to such termination on the grounds that the Shipper holds Bundled IP Capacity in Party (B's) System on or after that date.
- 7 Coordination of Interruptible Capacity**
- 7.1 The Parties agree that the minimum interruption lead times for interruptible capacity is 75 minutes before the hour bar from which such interruption is to be effective.
- 7.2 Each Party shall inform the other Party, in accordance with paragraph 7.3 below as soon as practicable after giving notice of interruption of interruptible capacity.
- 7.3 In relation to notices of interruption, of interruptible capacity, it is agreed as follows:

- (a) GNI (UK) shall provide GNI notice in agreed form of interruption of interruptible capacity, given by GNI (UK) on the GNI (UK) System as soon as reasonably practicable after giving such notice;
- (b) GNI shall provide GNI (UK) notice in agreed form of interruption, of interruptible capacity, given by GNI on the GNI System as soon as reasonably practicable after giving such notice.

**SCHEDULE 8
NOMINATIONS**

1	General
1.1	The arrangements in this Schedule 8 are the provisions relating to the matching of GNI Shipper Nominations with GNI (UK) Shipper Nominations at the South-North Interconnection Point.
1.2	The arrangements in this Schedule 8 shall apply with respect to Nominations in respect of the Gas Flow Day(s) which commence on or after 01 October 2015.
2	Interpretation
2.1	In this Schedule 8 the following terms have the following meanings:
	<p>Corresponding Nomination is defined in paragraph 5.4;</p> <p>Counterparty Shipper means:</p> <p>(a) in relation to a GNI Nomination, the GNI Shipper, or</p> <p>(b) in relation to a GNI (UK) Nomination, the GNI Shipper</p>
	<p>specified in such Nomination as the Shipper making a Corresponding Nomination to the other Party;</p> <p>Double-Sided Nomination means a Nomination submitted by a GNI Shipper to GNI or by a GNI (UK) Shipper to GNI (UK) which is not a Single-Sided Nomination;</p> <p>EIC means the Energy Identification Code as issued by ENTSOE or one of its local issuing offices (LIOs) and published on the ENTSOE website and being international;</p> <p>GNI Nomination means a Nomination (including a Renomination) submitted by a GNI Shipper to GNI which is not rejected by GNI under GNI's Transportation Arrangements;</p> <p>GNI (UK) Nomination means a Nomination (including a Renomination) submitted by a GNI (UK) Shipper to GNI (UK) which is not rejected by GNI (UK) under the Initial Nomination means a Nomination submitted before 13:00 on Gas Flow Day D-1 under which the nomination quantity is to flow from the start of the Gas Flow Day;</p>

Initiating TSO means the initiating transmission system operator as referred to in Article 8(2)(c) of the Interoperability Code;

Matching Timetable means the timetable set out in paragraph 7 for the actions required in each Nomination Cycle under this Schedule 8;

Matching TSO means the matching transmission system operator as referred to in Article 8(2)(c) of the Interoperability Code;

Nomination means a nomination by a Shipper to either of the Parties of a quantity of gas to be delivered to or offtaken from that Party's System at the Interconnection Point on a Gas Flow Day, and includes a Renomination;

Nomination Cycle means the 2 hour cycle for processing and confirmation of Initial Nominations, and Renominations received in each hour, as described in paragraph 3;

Nomination Deadline means in respect of an Initial Nomination 13:00 on Gas Flow Day D-1 and in respect of any other Nomination the start of an hour commencing at 16:00 on Gas Flow Day D-1 and ending on the hour which commences at 02:00 hours on Gas Flow Day D;

Nomination Quantity means the quantity of gas nominated in a Nomination (or such quantity as processed or confirmed as described in this Schedule);

Renomination means a Nomination by a Shipper which revises an earlier Nomination for a Gas Flow Day;

Renomination Effective Time means the time on the Gas Flow Day from which a Renomination is to become effective;

Single-Sided Nomination means a Nomination submitted to GNI (UK) (as Initiating TSO), by a Shipper which is both a GNI (UK) Shipper and a GNI Shipper, which operates as both GNI (UK) Nomination and GNI Nomination.

2.2 In relation to a Nomination:

(a) the **Processed Nomination Quantity** is the Nomination Quantity adjusted by processing in accordance with the relevant Party's Transportation Arrangements;

(b) the **Confirmed Nomination Quantity** is the quantity determined in accordance with paragraph 5.5 and paragraph 6

2.3 The Direction of a Nomination signifies whether the Nomination is for offtake from the GNI System and delivery to the GNI (UK) System, or offtake from the GNI (UK) System and delivery to the GNI System.

3 **Nomination Arrangements**

- 3.1 This paragraph 3 summarises certain provisions of each Party's Transportation Arrangements relating to Nominations, on the basis of which this Schedule operates; and each Party confirms that it considers its Transportation Arrangements to be consistent with this paragraph 3 and otherwise compatible with the provisions of this Schedule 8.
- 3.2 Nominations contain the data necessary to enable each of the Parties to perform its responsibilities under paragraph 5.
- 3.3 Renominations may be submitted no earlier than 15:00 on Gas Flow Day D-1 and thereafter until 02:00 on Gas Flow Day D.
- 3.4 For a Renomination submitted within any hour (H):
 - (a) the Renomination is treated as submitted at the start of hour H+1 (renomination submission time);
 - (b) the Renomination Effective Time must be an exact hour no earlier than 2 hours after the renomination submission time (and not earlier than the start of the Gas Flow Day) and not later than 04:00 on the Gas Flow Day.
- 3.5 For any Nomination, each Party will notify the Confirmed Nomination Quantity to the Shipper no later than 2 hours after:
 - (a) in the case of an Initial Nomination, the deadline for submission referred to in the definition of Nomination Deadline in paragraph 2.1;
 - (b) in the case of a Renomination, the renomination submission time.
- 3.6 The Parties agree and acknowledge that:
 - (a) GNI is responsible for preparing and submitting (and, where a Curtailment Notice is given or where GNI (UK) is constrained and is unable to take delivery of some or all of the quantity as specified in the then prevailing Exit Flow Profile revising) an Exit Flow Profile which complies with the requirements of Schedule 3 of of this Agreement (a compliant Exit Flow Profile);
 - (i) GNI will derive the Exit Flow Profile in accordance with the methodology published by GNI in accordance with the provisions of this Agreement;
 - (ii) GNI will be responsible for determining or redetermining an aggregate end-of-day quantity based on the sum of the Confirmed Nomination Quantities so that GNI can prepare a compliant Exit Flow Profile, including in a case where GNI gives a Curtailment Notice or where GNI is constrained and is unable to take delivery of some or all of the quantity in the prevailing Exit Flow Profile;

- (b) Each Party is entitled to determine the existence of an Exceptional Event affecting its System;
- 3.7 Where a Shipper does not submit a Nomination by the relevant Nomination Deadline:
 - (a) where the applicable Nomination is an Initial Nomination:
 - (i) the relevant Shipper shall be deemed to have submitted a Nomination with a Nomination Quantity of zero; and
 - (ii) such deemed Nomination shall not be subject to the process described in paragraph 5.1(c) and the relevant Party shall not determine nor communicate a Processed Nomination in respect of such deemed Nomination;
 - (b) subject to paragraph 3.7.(c) in respect of any other Nomination where the Shipper does not submit a Nomination by a Nomination Deadline the Shipper shall not be deemed to have submitted a Nomination with a Nomination Quantity of zero or otherwise and accordingly, the Shipper's prevailing Confirmed Nomination Quantity shall continue; and
 - (c) where an Exceptional Event has been notified (and not withdrawn) in respect of the Day a Confirmed Nomination Quantity will be determined in respect of the relevant Shipper's prevailing Nomination in accordance with paragraph 6.2(b) or 6.2(c) notwithstanding that a Shipper may not have submitted a Nomination.
- 4 Roles of Parties
 - 4.1 It has been agreed between the Parties that GNI (UK) is the Initiating TSO and that GNI is the Matching TSO.
 - 4.2 GNI appoints GNI (UK) as its agent to receive Single-Sided Nominations from Shippers which are both GNI (UK) Shippers and GNI Shippers.
 - 5 Responsibilities of Parties
 - 5.1 For each Nomination Cycle, in accordance with the Matching Timetable:
 - (a) GNI (UK) will send to GNI:
 - (i) details of the Single-Sided Nominations submitted for that Nomination Cycle in accordance with paragraph 5.2;
 - (ii) details in respect of GNI (UK) Processed Nomination Quantities submitted for that Nomination Cycle in accordance with paragraph 5.3;
 - (b) GNI will:

- 5.4 A GNI (UK) Processed Nomination Quantity and a GNI Processed Nomination Quantity are Corresponding Nominations where:
- (a) the identity (EIC) of the GNI (UK) Shipper submitting the Nomination;
 - (b) the identity (EIC) of the Counterparty Shipper specified in the Nomination;
 - (c) the identity (EIC) of the Adjacent TSO of the Counterparty Shipper
 - (d) the Gas Flow Day to which the Nomination relates;
 - (e) the Direction of the Nomination;
 - (f) the Processed Nomination Quantity;
 - (g) whether the Nomination is Single-Sided or Double-Sided; and
 - (h) in the case of a Renomination, the Renomination Effective Time
- 5.3 The details of GNI (UK) Processed Nomination Quantities to be sent by GNI (UK) to GNI under paragraph 5.1(a)(ii) include but are not limited to:
- (a) the identity (EIC) of the Shipper submitting the Nomination;
 - (b) the identity (EIC) of the Adjacent TSO of the Counterparty Shipper;
 - (c) the Gas Flow Day to which the Nomination relates;
 - (d) the Direction of the Nomination; and
 - (e) the Nomination Quantity (as a Daily Quantity).
- 5.2 The details of Single-Sided Nominations to be sent by GNI (UK) to GNI under paragraph 5.1(a)(i) include, but are not limited to:
- (a) determine which GNI Processed Nomination Quantities and GNI (UK) Processed Nomination Quantities are Corresponding Nominations in accordance with paragraph 5.4;
 - (ii) in relation to the Corresponding Nominations, determine the Confirmed Nomination Quantities from the Processed Nomination Quantities in accordance with paragraph 5.5;
 - (iii) send to GNI (UK) the GNI (UK) Confirmed Nomination Quantities for the Corresponding Nominations (together with the GNI Processed Nomination Quantities in respect of GNI Nominations, and the status of the Processed Nomination Quantities);
 - (c) GNI and GNI (UK) will inform their respective Shippers of the Confirmed Nomination Quantities.

- (a) the GNI (UK) Nomination is a Single-Sided Nomination; or
 - (b) in the case of Double Sided Nominations:
 - (i) they relate to the same Gas Flow Day;
 - (ii) they are in the same Direction;
 - (iii) the Shipper identified as Counterparty Shipper in each Nomination is the Shipper which submitted the other Nomination; and
 - (iv) they are Initial Nominations, or are Renominations received before the same Nomination Deadline for processing within the same Nomination Cycle.
 - (v) they relate to the same Renomination Effective Time.
- 5.5 The Confirmed Nomination Quantity for Corresponding Nominations is determined as follows:
- (a) where the Processed Nomination Quantities under both Nominations is the same, the Confirmed Nomination Quantity is equal to the Processed Nomination Quantity;
 - (b) where the Processed Nomination Quantities under both Nominations is not the same, the Confirmed Nomination Quantity is equal to the lesser of the Processed Nomination Quantity under the GNI (UK) Nomination and the Processed Nomination Quantity under the GNI (UK) Nomination, subject to paragraphs (c) and (d);
 - (c) where (at the start of the relevant Nomination Cycle) GNI has notified to GNI an Exceptional Event, and has not notified the cessation of the Exceptional Event, in relation to Nominations in the affected Direction, the Confirmed Nomination Quantity is equal to the Processed Nomination Quantity under the GNI (UK) Nomination;
 - (d) where (at the start of the relevant Nomination Cycle) GNI (UK) has notified to GNI an Exceptional Event, and has not notified the cessation of the Exceptional Event, in relation to Nominations in the affected Direction, the Confirmed Nomination Quantity is equal to the Processed Nomination Quantity under the GNI (UK) Nomination;
 - (e) where (at the start of the relevant Nomination Cycle):
 - (i) GNI has notified to GNI (UK) an Exceptional Event, and has not notified the cessation of the Exceptional Event; and
 - (ii) GNI (UK) has notified to GNI an Exceptional Event, and has not notified the cessation of the Exceptional Event;

(d) the Parties will notify the revised Confirmed Nomination Quantities to their respective Shippers in accordance with paragraph 5.1(e).

(ii) GNI will redetermine (in accordance with paragraph 5.5(d) and notify to GNI (UK) revised Confirmed Nomination Quantities for Nominations, on the basis of the revised Processed Nomination Quantities in accordance with paragraph 5.1(c) or 5.5(f) as applicable;

(i) GNI will determine revised Processed Nomination Quantities under GNI Shipper Nominations;

(c) if GNI is the Affected Party,

(ii) GNI will redetermine (in accordance with paragraph 5.5(c) or 5.5(f) as applicable, and notify to GNI (UK) revised Confirmed Nomination Quantities for Nominations, on the basis of the revised Processed Nomination Quantities in accordance with paragraph 5.1(c) or 5.5(f) as applicable;

(i) GNI (UK) will notify the revised Processed Nomination Quantities to GNI in accordance with paragraph 5.1(a)(ii);

(b) if GNI (UK) is the Affected Party,

(a) the Affected Party may determine (in accordance with its Transportation Arrangements) revised Processed Nomination Quantities for its Nominations prevailing at the time;

6.2 Where a Party notifies the other Party an Exceptional Event or Emergency affecting its System (under paragraph 6.1(a)), in relation to Nominations in the affected Direction:

(b) that an Exceptional Event or Emergency previously notified is no longer affecting the Affected Party's System.

(a) that there is an Exceptional Event or Emergency affecting the Affected Party's System, and the Direction (affected Direction) in which it is affected by the Exceptional Event or Emergency; or

6.1 Either of the Parties (the Affected Party) may (before or during the Day) notify the other Party as provided in this paragraph 6.1:

6 Exceptional Events and Emergency

in relation to Nominations in the affected Direction, the Confirmed Nomination Quantity is equal to the lesser of the Processed Nomination Quantity under the GNI (UK) Nomination ;

6.3 The steps in paragraph 6.2 will be taken in accordance with the Matching Timetable on the basis that the Nomination Cycle starts following the hour during which the Affected Party notifies the Exceptional Event or Emergency.

7 Matching Timetable

7.1 The Matching Timetable is as follows:

Deadline Latest Time for Provision (Relative to Commencement of Nomination Cycle)	Paragraph reference in this Annex	Matching Activity
Within 15 minutes	5.1(a)(i)	GNI (UK) forwards Single Sided Nominations to GNI
Within 45 minutes	5.1(a)(ii)	GNI (UK) forwards its Processed Nominations to GNI
Within 90 minutes.	5.1(c)(iv)	GNI forwards its Processed Nominations and the Quantities to GNI Confirmed Nominations Quantities to GNI (UK)
Within 120 minutes	5.1(e)	GNI and GNI (UK) notify Confirmed Nominations Quantities to Shippers

7.3 If, in any Nomination Cycle, any Party is unable to meet any of the times in the Matching Timetable for sending data to the other Party, it will, before that deadline, inform the other Parties, and will send the relevant data as soon as it is able to, and the other Party will use reasonable endeavours to perform its activities when the data is sent.

8 Communications

8.1 This paragraph 8 sets out terms agreed between the Parties in connection with the exchange of data pursuant to this Schedule 8. The terms in this Schedule 8 apply in addition to the terms of Schedule 6.

8.2 The arrangements in this paragraph 8 are agreed in compliance with the requirements of Article 21 of the Interoperability Code.

8.3 The Parties will use document based data exchange to send and receive data compliant with the Interoperability Code.

8.4 The Parties shall send data under this Schedule in the data format, and in accordance with the protocol, and by the network compliant with the Interoperability Code, which are for the time being:

- (a) protocol AS4;
- (b) data format edig@s-xml or an equivalent data format ensuring identical degree of interoperability.

8.5 The Parties shall develop data exchange systems to comply with paragraph 8.3 and 8.4 pending development of such systems and for any period for which the relevant systems may be unavailable the Parties shall exchange information by way of facsimile transmission or such other means of electronic communications as may be agreed between the Parties.

OPERATIONAL BALANCING ACCOUNT AND ALLOCATION PRINCIPLES

SCHEDULE 9

1 DEFINITIONS

1.1 For the purposes of this Schedule 9:

"Net Confirmed Quantity" shall mean the difference between (1) Confirmed Forward Flow/Quantity and (2) the Confirmed Reverse Flow Quantity;

"Agreed Target Quantity" shall mean the quantity of gas which GNI and GNI (UK) agree is to flow at the Interconnection Point on a Gas Flow Day as determined in accordance with paragraph 5.4;

"Confirmed Forward Flow Quantity" means the applicable quantity notified by GNI to GNI (UK) as the sum of the Confirmed Nomination Quantities of gas for delivery to the GNI (UK) System and offtake from the GNI System at the Interconnection Point as established pursuant to Schedule 8 for a Gas Flow Day;

"Confirmed Reverse Flow Quantity" means the applicable quantity notified by GNI to GNI (UK) as the sum of the Confirmed Nomination Quantities of gas for offtake from the GNI (UK) System and delivery to the GNI System at the Interconnection Point as established pursuant to Schedule 8 for a Gas Flow Day;

"Confirmed Nomination Quantity" has the meaning given in Schedule 8 (Nominations);

"Cumulative Steering Difference" or "CSD" means for the Gas Flow Day commencing on 1 May 2016, zero, and for any subsequent Gas Flow Day (D) shall be as calculated in accordance with paragraph 5;

"Cumulative Steering Difference Correction" shall mean a quantity of gas that the Parties agree should be added to the Net Confirmed Quantity for a Gas Flow Day in accordance with paragraph 5 in order to determine the Agreed Target Quantity and may be positive or negative in value.

"Daily Metered Quantity" shall mean the measured quantity of natural gas offtaken from the GNI (UK) System and delivered to the GNI (UK) System at the Interconnection Point on a Gas Flow Day as determined in accordance with Schedule 3 paragraph 8

"Proportional Allocation" means a method of allocation to Shippers of quantities on a pro-rata basis by reference to the Daily Metered Quantity as opposed to allocations of Confirmed Quantities.

"Steering Tolerance" shall mean a tolerance on the Cumulative Steering Difference equal to the amount published as such on the GNI website as the then prevailing

steering tolerance amount which will be subject to review by the Parties within 12 to 18 months of Schedule 8 coming into force;

"Steering Difference" (SD) shall subject to paragraph 6.34 mean for a Gas Flow Day the difference between the Daily Metered Quantity and the Agreed Target Quantity at the end of the Gas Flow Day, and is:

(a) positive if the Daily Metered Quantity is greater than the Agreed Target Quantity, and

(b) negative if the Daily Metered Quantity is less than the Agreed Target Quantity.

Terms which are defined in Schedule 8 (Nominations) have the meanings given to them in that Schedule.

1.2 The Net Confirmed Quantity (and quantities from which it is derived) and Agreed Target Quantity for a Day are calculated following each Nomination Cycle.

1.3 For the purposes of determining Agreed Target Quantity for a D, or whether the condition in paragraph 6.2(a) is met on D, the SD and CSD for D-1 shall be determined based on the Daily Metered Quantity for D-1 as determined (in accordance with Schedule 3 paragraph 8) not later than 11:00 hours on D; and paragraph 8 of this Schedule 9 shall apply if any subsequent adjustment is made in respect of the Daily Metered Quantity.

2 FLOW CONTROL

2.1 The Parties agree that GNI is responsible for flow control at the Interconnection Point.

2.2 For each Gas Flow Day, GNI shall use all reasonable endeavours to steer a quantity of gas equal to the Agreed Target Quantity prevailing following each Nomination Cycle (but subject to the requirements of Schedules 3.

3 OBA MANAGEMENT

3.1 For each Gas Flow Day (D), GNI shall calculate and communicate to GNI (UK) the SD and the CSD in respect of that Gas Flow Day by 11:00 on D + 1 provided GNI has notified to GNI(UK) the Daily Metered Quantity by 11:00 on D + 1 as per Schedule 3 paragraph 8.

3.2 If GNI (UK) considers that GNI has incorrectly calculated the SD or the CSD for a Gas Flow Day, GNI (UK) shall contact GNI by 12:30 on D + 1 and they shall discuss and agree on the correct values of the SD and CSD.

3.3 If GNI (UK) contacts GNI by 12:30 on D+1 in accordance with paragraph 3.2 pending agreement between the Parties as to the correct calculation of the SD or the CSD for the applicable Gas Flow Day the values as determined and notified to GNI (UK) in accordance with paragraph 3.1 will prevail.

4 DELIVERY ACCURACY

- 4.1 GNI shall subject always to the provisions of Schedule 3 be responsible for and use reasonable endeavours to steer the Agreed Target Quantity or such other quantity as may be agreed between GNI and GNI (UK).
- 5 **CUMULATIVE STEERING DIFFERENCE AND CUMULATIVE STEERING DIFFERENCE CORRECTIONS**
- 5.1 The Parties shall cooperate to maintain the CSD as close to zero as possible.
- 5.2 The Cumulative Steering Difference for Day (D) shall be calculated as:

$$\text{CSD (D-1) + Steering Difference (Day D) + CSDC (Day D) and where:}$$
- 5.3 CSD (D-1) is the Cumulative Steering Difference as established following notification of the Metered Quantity on D-1.

$$\text{SD = the Steering Difference for Day D; and}$$
- 5.4 CSDC (Day D) shall be the Cumulative Steering Difference Correction incorporated into the Agreed Target Quantity in respect of Day D.

$$\text{CSD (D-1) + Steering Difference (Day D) + CSDC (Day D) and where:}$$
- 5.5 For each Gas Flow Day (D) there shall be a Cumulative Steering Difference Correction which (unless otherwise agreed) shall be an amount equal to the CSD in respect of D-1 and shall be positive where CSD in respect of D-1 is negative and negative where CSDD-1 is positive
- 5.4 The Agreed Target Quantity for each Gas Flow Day shall be the Net Confirmed Quantity plus with effect from the time that the CSD is established in accordance with paragraph 3.1 the Cumulative Steering Difference Correction for the Day. The Parties may decide to exclude the Cumulative Steering Difference Correction from the Agreed Target Quantity in respect of a Gas Flow Day in respect of which an Exceptional Event has been notified.
- 5.5 The Agreed Target Quantity following each Nomination Cycle for each Gas Flow Day shall subject to Schedule 3 (Exit Flow Profile) be reflected in the Exit Flow Profile issued by GNI at the time.
- 6 **ALLOCATION PRINCIPLES**
- 6.1 The basis for the quantities delivered and off-taken at the Interconnection Point to be allocated among GNI (UK)'s and GNI's respective Shippers in respect of each Gas Flow Day (accordance with their Transportation Arrangements) is such that on an OBA Day Shippers shall be allocated Confirmed Nomination Quantities and on a non-OBA Day, Proportional Allocation shall apply and where:
 (a) an OBA Day is any Day apart from a Non-OBA Day;
 (b) a Non-OBA Day is a Day for which paragraph 6.2 applies;
 A Day is a Non-OBA Day if:
- 6.2

8.3 The Parties may agree to take such revision into account (in accordance with paragraph 8.2) in calculating the CSD for a Gas Flow Day later than the Gas Flow Day specified

8.2 In the event that Daily Metered Quantity is revised in respect of one or more Gas Flow Days, the Cumulative Steering Difference for the Gas Flow Day on which the revision is agreed or determined shall be revised by an equivalent amount.

8.1 The Daily Metered Quantity in respect of a Gas Flow Day or Gas Flow Days may be revised pursuant to the arrangements in Schedule 4 paragraph 3. The provisions of paragraph 8.2 and 8.3 shall only apply where the revision of the Daily Metered Quantity takes place prior to 11:00h on D+4.

8 ADJUSTMENTS OF DAILY METERED QUANTITY

(b) does not agree that the Day shall be a Non-OBA Day and the Cumulative Steering Difference in respect of that Day may include the relevant Steering Difference notwithstanding that it may exceed the Steering Tolerance.

(a) agrees that a Day shall be a Non-OBA Day; or

7.3 The Party receiving the PARN shall respond to the PARN at the latest within 1 hour after receipt of the PARN stating that either it:-

The PARN shall be valid and timely if the Party requesting proportional allocation has sent the notice to the other Party at the latest at 13.00 on Gas Flow Day D+1 and if the criteria in paragraph 6.2 (a), (b) and (c) have been met

7.2 Notification Procedure

This notice in a form agreed between the Parties shall be used by an Party in order to request the other Party that a Day shall be a Non-OBA Day.

7.1 Purpose

7 PROPORTIONAL ALLOCATION REQUEST NOTICE ("PARN")

6.3 For a Non-OBA Day (D) the Cumulative Steering Difference for Day D shall save where otherwise agreed between the Parties be determined as the sum of the Cumulative Steering Difference for Day D-1 and the Cumulative Steering Difference Correction (if any) for Day D (and the Steering Difference for Day D shall be deemed to be zero).

(c) the Parties have agreed in accordance with paragraph 7.3 that the Gas Flow Day is a Non-OBA Day.

(b) the Parties, having used their reasonable endeavours, are unable to agree to allow the Cumulative Steering Difference to exceed the Steering Tolerance after the Gas Flow Day for a period of time; and

(a) the Cumulative Steering Difference at the end of the Gas Flow Day (D) exceeds or would exceed the Steering Tolerance; and

in paragraph 8.2, or to apportion such revision over more than one such Gas Flow Day.

**SCHEDULE 10
CAPACITY OPTIMISATION PROCESSES**

1 Capacity Optimisation Process / Analysis in relation to Firm IP Capacity

1.1 The Parties shall meet once per year, in advance of the publication of the amount of Firm IP Capacity to be made available in the annual Auction of yearly Firm IP Capacity, to jointly analyse the technical Firm IP Capacities in each System.

1.2 The analysis shall include a detailed comparison between the Parties of:

(a) technical Firm IP Capacity in each System; and

(b) Firm IP Capacity in each System available for allocation in each Auction

1.3 Any differences shall be noted and quantified, and as much as possible, the reasons for differences should be identified and recorded. The analysis shall take account of assumptions made in the EU-wide 10 year development plan, existing national investment plans, relevant obligations under the applicable national laws, and any relevant contractual obligations.

1.4 The Parties shall also assess relevant parameters, including but not limited to: pressure commitments, relevant supply and demand scenarios, and carbonic values. Options for adjusting these parameters will be discussed and examined. The Parties shall also have regard to information that Shippers may provide with regard to expected future flows. In addition, the relevant Party's regulatory regime and obligations will be considered as part of this process.

1.5 Following completion of the analysis, the Parties will identify any potential steps and actions that can be taken to increase technical Firm IP Capacity, and hence increase the offer of Bundled Capacity. For any action to increase technical Firm IP Capacity proposed, then the effects of that action shall be considered, and shall include but not be limited to:

(a) under what timetable can the proposed action be implemented;

(b) are there any increased costs associated with the proposed action, and does the regulatory regime(s) allow for recovery of those costs (especially if there are any cross-subsidies between the Parties);

(c) does the benefit justify the cost; and

(d) are there any impacts, benign or detrimental, on other points on either System and stakeholders (terminal Parties, Shippers, other TSOs etc).