iGT | UNC

Stage 01: Modification Proposal

QPL041:

Changes to the Quadrant Pipelines Limited Individual Network Code following Single Service Provision (SSP) implementation

At what stage is this document in the process?

01	Modification Proposal
02	Workgroup Report
03	Draft Modification Report
04	Final Modification Report

This modification seeks to amend the QPL Individual Network Code in line with SSP changes, thereby removing or amending references that are no longer applicable following SSP implementation.

The Proposer recommends that this modification should proceed to consultation

High Impact:
Due to Industry awareness N/A

Medium Impact:
Due to Industry awareness N/A

Low Impact:
Pipeline Operators, Pipeline Users

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About this document:

This modification will be presented by the proposer to the panel on 21st January 2015. The panel will consider the proposer's recommendation, and agree whether this modification should be subject to self-governance; and whether it should be issued for consultation or be referred to a workgroup for assessment.

Any questions?

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1. Plain English Summary

Is this a Self-Governance Modification?

This Modification is being proposed as a Self-Governance change. From the Gas Transporters Licence; Standard Condition 9:

"Self-governance criteria" means that a proposal, if implemented:

a. is unlikely to have a material effect on:

i. existing or future gas consumers;

ii. Competition in the shipping, transportation or supply of gas conveyed through pipes or any commercial activities connected with the shipping, transportation or supply of gas conveyed through pipes;

iii. The operation of one or more pipe-line system(s);

iv. Matters relating to sustainable development, safety or security of supply, or the management of market or network emergencies; and

v. the network code modification procedures; and

b. is unlikely to discriminate between different classes of parties to the uniform network code / relevant gas transporters or gas shippers.

This modification, whilst amending the arrangements for commercial activities connected with the shipping of gas, is seeking to address consequential changes as a result of Single Service Provision (SSP) and, thereby remove redundant references within the QPL Individual Network Code.

If so, will this be progressed as a Fast Track Modification?

It is not proposed that this Modification is progressed as a Fast Track Modification.

Rationale for Change

Following the implementation of Single Service Provision (SSP) there will be activities that will no longer be carried out by the Network Operator. This modification will remove the obligation around specific formats and methods that will no longer be applicable under SSP from the licensee's Individual Network Code .

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Solution

This modification seeks to remove duplicated obligations from the QPL Individual Network Code. By removing these references, any ambiguity of processing by the Network Operator with the Network User will also be removed.

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As these amendments will reflect actual processing changes due to SSP, there will be no direct costs associated with these changes.

Relevant Objectives

This modification better facilitates objectives a, b, d and f by removing duplicated obligations from the Individual Network Code. By removing any ambiguity of processing by the Network Operator with the Network User it demonstrates the efficient and economic operation of the combined pipeline system (a and b), secures effective competition between relevant shippers (d) and promotes efficiency in the implementation and administration of the code (f).

As above, there will be no direct costs associated with these changes.

Implementation

Implementation should be aligned with the implementation of Single Service Provision to ensure that there is no duplication of governance nor is there a gap in governance surrounding the relevant activities.

As above, there will be no direct costs associated with these changes.

2. Rationale for Change

Areas within the QPL Individual Network Code that have been identified as requiring removal/change are as follows:

- Schedule 1
    - Point 2 – Manual - Remove
    - Point 3 – Capacity - Remove
    - Point 4 – Supply Point Register - Remove
    - Point 5 – Initial Registration – Amend numbering
    - Point 7 – Isolation Request – Amend numbering
    - Point 11-Manual – Remove
    - Point 12 – Code Credit Rules – Amend numbering
    - Point 13 – Invoice Query – Amend numbering
- Appendix 1 – Pipeline Operator Computer System – Manual - Remove

3. Solution

The solution of the change is to remove/amend references (above) within the QPL Individual Network Code that will otherwise be duplicated as a result of SSP implementation.

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4. Relevant Objectives

Impact of the modification on the Relevant Objectives:	
Relevant Objective	Identified impact
a) Efficient and economic operation of the pipe-line system.	Positive
b) Coordinated, efficient and economic operation of (i) the combined pipe-line system, and/ or (ii) the pipe-line system of one or more other relevant gas transporters.	Positive
c) Efficient discharge of the licensee's obligations.	None
d) Securing of effective competition: (i) between relevant shippers; (ii) between relevant suppliers; and/or (iii) between DN operators (who have entered into transportation arrangements with other relevant gas transporters) and relevant shippers.	Positive
e) Provision of reasonable economic incentives for relevant suppliers to secure that the domestic customer supply security standards… are satisfied as respects the availability of gas to their domestic customers.	None
f) Promotion of efficiency in the implementation and administration of the Code.	Positive
g) Compliance with the Regulation and any relevant legally binding decisions of the European Commission and/or the Agency for the Co-operation of Energy Regulators.	None

The proposer considers that this Modification would facilitate:

Objective a, b, d and f

With the implementation of Single Service Provision some core activities will no longer be carried out by the Network Operator. Although the obligations still stand they are covered by the 'pointing exercise' between the iGT UNC and the UNC. This modification better facilitates objectives a, b, d and f by removing duplicated obligations from the Individual Network Code. By removing any ambiguity of processing by the Network Operator with the Network User it demonstrates the efficient and economic operation of the combined pipeline system (a and b), secures effective competition between

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relevant shippers (d) and promotes efficiency in the implementation and administration of the code (f).

5. Impacts and Costs

As these amendments will reflect actual processing changes due to SSP, there will be no direct costs associated with these changes.

6. Likely Impact on Consumers

None identified.

7. Likely Impact on Environment

None identified.

8. Implementation

This modification should have an implementation date aligned to that of Single Service Provision.

9. Legal Text

SCHEDULE 1

1. References in this Schedule and the Appendices hereto to a "Part" are unless provided otherwise to a Part of the iGT UNC

~~2. The Operator has in place a Manual. Pursuant to Part A2.10 the references to the Manual, the Computer System and System Communication in the iGT UNC shall take effect in the Operator's Network Code. The terms on which the Computer System may be accessed and System Communications may be given and received together with other terms are set out in Appendix 1. These terms apply in addition to the terms set out in the iGT UNC.~~

~~3. Part B2.5 shall not apply and the following Clause shall apply in its place and Part B2.6 shall be construed accordingly:~~

~~"Capacity is expressed in kWh/6 minutes or such other measure of Capacity as the Pipeline Operator may deem appropriate from time to time."~~

~~4. As referred to in Part CI1.4, the following revisions to the Supply Point Register may be made (where and in the manner~~

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~~otherwise permitted under the Network Code) without a Supply Point Reconfirmation by the Registered User:~~

~~(a) change in Supply Point AQ;~~

~~(b) change in the details for making contact in an Emergency or Local Emergency;~~

~~(c) Isolation of a Supply Meter Point;~~

~~(d) request for Re-establishment of a Supply Meter Point;~~

5. The provisions of Part CI 13.2~~6~~ to 13.6~~11~~ shall not apply.

6. For the purposes of the Code "Capacity Variable Component" shall mean in respect of a Customer Charge, the component (if any) thereof the amount of which is determined by reference to the amount of Offtake Capacity allocated to a Pipeline User pursuant to Part B.

7. As referred to in Part CIV 5.3~~8~~, the Operator requires that only the Operator may undertake the works referred to in Part CIV 5.2~~7~~.

8. Part D7.3 to 7.6 are disapplied until a date to be notified by the Operator.

9. As referred to in Part G 4.2, the Operator is not required to submit separate Invoice Documents in respect of Invoice Credits and accordingly Invoice Credits may be included in Invoice Documents containing Invoice Amounts.

10. As referred to in Part G4.5, Invoice Remittance Advices will not accompany Invoice Documents and accordingly Pipeline Users are required to produce and complete Invoice Remittance Advices.

~~11. As referred to in Part G4.6, the Operator will submit Invoice Documents by System Communication.~~

12. As referred to in Part G21~~19~~, the Operator operates Code Credit Rules and accordingly will determine and assign for each Pipeline User a Code Credit Limit and may require a Pipeline User to provide surety or security. The provisions detailing the operation of the Code Credit Rules and the consequences of Pipeline Users being assigned Code Credit Limits are detailed in Appendix 2.

13. An Invoice Query notified pursuant to Part G16~~5~~.2 may additionally be notified by electronic mail to such email address as the Operator may specify to Pipeline Users for the purpose.

14. In Part K23.2(b) the words "or a User Agent appointed by" shall be deemed to have been inserted (and therefore shall apply in addition) after the words "consultant to".

15. The following Clause shall apply in addition to those contained in Part K24: "Nothing in Clause 23.1 shall apply to the disclosure by the Pipeline Operator of

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Protected Information to any User Agent where the disclosure by the Pipeline Operator of such Protected Information to the appointing Pipeline User would not have infringed Clause 23.1"

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APPENDIX 1

PIPELINE OPERATOR COMPUTER SYSTEM

1. GENERAL

1.1 Introduction

1.1.1 The Pipeline Operator and each Pipeline User will communicate with each other by means of TAS, subject to and in accordance with this Appendix 1.

1.1.2 TAS Users are required to comply with the relevant requirements of this Appendix 1 in respect of use of TAS.

1.1.3 For the purposes of the Code the Computer System shall also be known as "TAS" (and the terms shall be interchangeable) and shall from time to time be modified in accordance with paragraph 7

1.1.4 A "**TAS User**" is:

(i) any Pipeline User, provided that a Discontinuing User shall cease to be a TAS User upon the User Discontinuance Date; and

(ii) any other person permitted to have use of TAS under paragraph 1.3.

1.1.5 For the purposes of the Code a System Communication shall also be known as a "**TAS Communication**" (and the terms shall be interchangeable) and as well as being a message transmitted by means of TAS is also a message transmitted by the Pipeline Operator or by a TAS User in accordance with the requirements of paragraph 4 and for these purposes a "**message**" is a discrete transmission electronically sent or electronically posted by the Pipeline Operator or by a TAS User.

1.1.6 Without prejudice to any contractual obligation binding on the Pipeline Operator other than under the Code, the Pipeline Operator accepts no responsibility for the accuracy of any communication which is not a Code Communication and is made as a TAS Communication.

1.2 Code Communications

1.2.1 A TAS Communication given in accordance with this Appendix 1 shall be treated as an effective and valid Code Communication and the Pipeline Operator and each Pipeline User confirms that it intends and agrees that TAS Communications shall have legal effect for the purposes of the Code.

1.2.2 The TAS Manual specifies in respect of each Code Communication therein listed whether it is to be given as a TAS Communication, by Conventional Notice, by facsimile or by telephone and in some cases alternative such means by which it may be given and (subject to paragraph 1.2.4 and Part K34.2) a Code

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Communication may only be given by the means so specified or (where alternative such means are specified) by one of such alternative means.

1.2.3 Where the Code or the TAS Manual specifies the form and/or format of TAS Communication by which a particular Code Communication is required to be given, that Code Communication may be given only in that form and/or that format.

1.2.4 In the event of certain failures (referred to in paragraph 5) of TAS, Code Communications shall be (and are permitted to be) given in accordance with paragraph 5.

1.2.5 Where a Code Communication which is required to be given as a TAS Communication (and is not permitted to be given by another means except pursuant to paragraph 1.2.4) is not given in accordance with the requirements of this Appendix 1 and the TAS Manual, and as a result is not properly received by the intended recipient, it shall be deemed not to have been given and shall be of no effect.

1.2.6 The failure of a TAS User or the Pipeline Operator to comply with a requirement that a Code Communication be given as a TAS Communication is to be given, or as to the form or format in which such TAS Communication is to be given, shall not of itself be a breach of the Code (but without prejudice to paragraph 1.2.5 or to any breach which may result from the failure to give the Code Communication).

1.3 External TAS Users

1.3.1 Pipeline Users acknowledge that the Pipeline Operator may permit persons (other than Pipeline Users), within any of the categories set out in paragraph 1.3.2, to have use of TAS.

1.3.2 The categories of persons referred to in paragraph 1.3.1 are as follows:

(i) The Authority;

(ii) Meter Readers;

(iii) User Agents;

(iv) Downstream System Operators or Upstream System Operators;

1.3.3 The extent to which any such person may have use of TAS will be as set out in the TAS Manual.

1.4 TAS Manual

1.4.1 The Manual shall also be known as the "**TAS Manual**" (and the terms shall be interchangeable) and may be from time to time revised in accordance with paragraph 7.

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1.4.2 It shall be an obligation of the Pipeline Operator or a TAS User to comply with a provision of the TAS Manual where such provision is expressly identified in the TAS Manual as one which is made binding on the Pipeline Operator or such TAS User by this Appendix 1 and not otherwise; but it is acknowledged that as respects all provisions of the TAS Manual (whether or not made binding by this Appendix 1) a Pipeline User may be unable to make a TAS Communication (and so may be unable to exercise an entitlement to make a Code Communication required to be made as such) where the Pipeline User does not comply with such provisions.

1.4.3 The TAS Manual does not form a part of the Code (subject to paragraph 7.5.1) and in case of any conflict between the Code and the TAS Manual, the Code shall prevail.

1.4.4 The Pipeline Operator reserves the right to charge any TAS User for any copy of the TAS Manual or any revision or update thereto (including on a serviced basis which includes the provision of all revisions and updates up to a specified date), other than such number of copies as may be provided (as described in the TAS Manual) free of charge to TAS Users.

1.5 Help Desk

1.5.1 The Pipeline Operator will provide a help desk, with reasonable resources to meet reasonable requests made by TAS Users, as described in the TAS Manual, which will assist TAS Users in identifying the nature and cause of any operational problems experienced in using TAS.

1.5.2 Without prejudice to paragraph 6.3, where (following any assistance from such help desk or the identification of any such operational problem or otherwise) the Pipeline Operator agrees to provide any further assistance to a TAS User in the remedying of such an operational problem as is referred to in paragraph 1.5.1 (other than one resulting from any default of the Pipeline Operator), the Pipeline Operator reserves the right to make a charge therefor in accordance with the TAS Manual.

1.5.3 Except where the Code or the TAS Manual expressly provides otherwise, no communication by or to the help desk shall take effect as a Code Communication.

1.6 Operational Security

1.6.1 Each TAS User and the Pipeline Operator undertakes to implement and maintain all security procedures and measures required under "**TAS Security Policy**" by the TAS Manual to prevent unauthorised use of TAS and to ensure the protection of TAS Communications against the risk of resulting alteration, delay, disruption or loss.

1.6.2 If a TAS User becomes aware that (notwithstanding paragraph 1.6.1), any unauthorised use of TAS has or may have occurred, it shall promptly by telephone or facsimile so notify the Pipeline Operator and take such other steps as may be required under the TAS Manual.

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1.6.3 If the Pipeline Operator becomes aware that (notwithstanding paragraph 1.6.1) any unauthorised use of TAS has or may have occurred, it shall promptly by telephone or facsimile so notify any TAS User who may be affected thereby (a TAS User being so affected where a TAS Communication given by or to such TAS User may have been affected thereby) and take such other steps as may be required under the TAS Manual.

1.6.4 Upon any notification under paragraph 1.6.2 or 1.6.3, the Pipeline Operator and the relevant TAS User(s) shall discuss what steps if any (in addition to those required under the TAS Manual) may be appropriate to reduce the risk of any further unauthorised use of TAS, and the extent to which any modification under paragraph 7 may be appropriate in the light thereof.

1.6.5 If through TAS, a TAS User obtains or receives unauthorised access to information concerning another TAS User, or receives a Code Communication sent to another TAS User, the first TAS User will promptly so inform the Pipeline Operator and will delete the information or communication from its TAS User Equipment and any other equipment without making any copy thereof (and destroying any copy accidentally made) and make no further use thereof.

1.7 Virus Protection

The Pipeline Operator and each TAS User shall:

(a) implement and maintain policies and procedures in accordance with the requirements of the TAS Manual, designed to prevent harmful code or programming instruction(s):

(i) from being transmitted to the other or incorporated into TAS or into any computer program material or medium delivered to the other by reason of anything done by such Party pursuant to this Appendix 1, or

(ii) if received by it from the other, from being incorporated into its own computer hardware or software; and

(b) promptly notify the other (in accordance with the relevant procedures set out in the TAS Manual) if it knows or has any reason to believe that (notwithstanding paragraph (a)) any such code or instruction has been so transmitted or incorporated or received.

1.8 Liability

1.8.1 For the purposes of Part K26.2, damage or loss to or corruption of any software or data or information contained in a computer system, resulting from a wilful breach of paragraph 1.6 or 1.7(a), shall be deemed to be physical damage.

1.8.2 Part K26.1 shall not apply in respect of paragraph 1.8.1.

1.8.3 The Pipeline Operator or (as the case may be) a TAS User shall not be liable in respect of any such damage or loss as is referred to in paragraph 1.8.1 to the extent that the breach giving rise thereto occurred as a result of the breach by

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another TAS User or (as the case by be) the Pipeline Operator of a provision of this Appendix 1.

1.9 Planned TAS Downtime

1.9.1 To enable the Pipeline Operator to operate and maintain TAS, on each Day and/or particular Days TAS, or (where so specified in the TAS Manual) particular parts of TAS, will not be operational at certain times and for certain periods ("**Planned TAS Downtime**") specified in or determined in accordance with the TAS Manual.

1.9.2 During Planned TAS Downtime, the Pipeline Operator will not be able to use TAS or the relevant part thereof and accordingly will not be able to make TAS Communications, except to the extent, if any, provided for in the TAS Manual. TAS Users may however be able to send TAS Communications during TAS downtime and these Communications will be held and subsequently received by TAS when TAS becomes available.

1.9.3 During Planned TAS Downtime, notwithstanding any other provision of the Code, the Pipeline Operator will not be entitled to make any Code Communication which is required to be made as a TAS Communication, except to the extent (if any) provided for in the TAS Manual or (where part only of TAS is subject to such downtime) where such part is not required to enable such communication to be made and their respective rights under the Code shall be construed accordingly.

1.9.4 Except as provided in paragraph 5.1.3(ii), the unavailability of TAS during Planned TAS Downtime will not be a TAS Code Contingency for the purposes of paragraph 5; but any such unavailability which extends or the Pipeline Operator reasonably anticipates will extend beyond the period of Planned TAS Downtime will (subject to and in accordance with the TAS Contingency Procedures) be a TAS Code Contingency.

2. EQUIPMENT AND OPERATIONAL REQUIREMENTS

2.1 Introduction

2.1.1 This paragraph 2 sets out requirements (in respect of the provision of computer hardware, telecommunications facilities and equipment and computer software, and operational requirements) applicable to TAS Users in relation to use of TAS.

2.1.2 TAS has been designed to function:

(a) on and with certain hardware and software configurations;

(b) in accordance with the address strategy; and

(c) in accordance with defined standards and protocols

all described in the TAS Manual.

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2.2 User Equipment and User Software

2.2.1 Each TAS User is responsible, at its expense, to provide, maintain (and where necessary, modify, upgrade or replace) the computer hardware and other equipment, software and telecommunications facilities necessary to enable the TAS User to use TAS and transmit, receive, translate, record and store TAS Communications, as described in the TAS Manual.

2.2.2 The Pipeline Operator and each TAS User shall take all reasonable steps to secure that the equipment, any software and facilities to be installed by it in connection with TAS are adequately protected against damage and security risks.

2.2.3 For the purposes of this Appendix 1:

(a) "**TAS User Equipment**" is the computer hardware and other equipment from time to time provided by a TAS User in accordance with paragraph 2.2.1;

(b) "**TAS User Software**" is the software (if any) from time to time installed on the TAS User Equipment in accordance with paragraph 2.2.1.

2.2.4 A TAS User shall not use TAS other than in accordance with the protocols and standards and other requirements set out in the TAS Manual.

2.2.5 It is the responsibility of each TAS User to ensure that the TAS User Equipment and any TAS User Software comply with the specifications and satisfy the configurations described in the TAS Manual.

2.2.6 Except as otherwise provided in the TAS Manual, and without prejudice to the requirements of this paragraph 2.2, TAS Users may procure from any source any of the equipment, facilities and software required under paragraph 2.2.1.

2.2.7 Where the TAS Manual specifies (in addition to what is specified for the purposes of paragraph 2.2.1) any standard ("**Standard TAS Configuration**") for the specification, or configuration of equipment, software or other facilities to be installed pursuant to paragraph 2.2.1, a TAS User who does not secure compliance with the Standard TAS Configuration shall be responsible for satisfying himself and securing that the equipment, software and facilities installed by him are capable of operating in accordance with the requirements of this Appendix 1 and allowing TAS to function therewith.

2.2.8 The Pipeline Operator agrees that it will, from time to time review the Standard TAS Configuration in the light of technological developments in computer hardware and software generally available to TAS Users with a view to determining whether it would be appropriate (as a TAS Modification) to modify such configuration.

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2.3 Means of telecommunication

The means of telecommunication to be used for the purposes of TAS, including the telecommunication protocols and requirements as to third Party service provider(s) will be as set out in the TAS Manual.

2.4 Temporary inhibition of use

2.4.1 Where at any time:

(a) a TAS User is not complying with any requirement of this Appendix 1 or the TAS Manual in respect of use of TAS;

(b) such non-compliance does not result from:

(i) any action by the Pipeline Operator, other than an action which it is required to take or might reasonably be expected to take to comply with a requirement of this Appendix 1 or the TAS Manual, or

(ii) a failure by the Pipeline Operator to comply with a requirement of this Appendix 1 or the TAS Manual; and

(c) in the reasonable opinion of the Pipeline Operator such non-compliance is resulting in or will result in material disruption to the use of TAS by other TAS Users and/or the Pipeline Operator

the Pipeline Operator may take any reasonable steps to inhibit or (but only where appropriate) discontinue use of TAS by the defaulting TAS User.

2.4.2 The Pipeline Operator will notify a TAS User by telephone (followed by facsimile) of any steps under paragraph 2.4.1 wherever practicable before and in any event as soon as practicable after taking such steps and will restore the TAS User's use of TAS promptly upon the TAS User demonstrating to the Pipeline Operator reasonable satisfaction that the non-compliance referred to in paragraph 2.4.1(c) will not recur.

3. USE OF TAS

3.1 Introduction

3.1.1 A TAS User may for the purposes contemplated by the Code or the TAS Manual (including such purposes under a NExA), but not otherwise:

(i) use TAS;

(ii) make use of the TAS Manual.

3.2 Restrictions on the Use of the TAS Manual

3.2.1 A TAS User may not:

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(i) copy the TAS Manual, except for the purpose of making 2 back-up copies;

(ii) delete, remove or in any way obscure any proprietary notices of the Pipeline Operator on any copy of the TAS Manual.

3.2.2 Without prejudice to the provisions as to confidentiality of Part K23 each TAS User shall:

(i) reproduce the Pipeline Operator copyright notices on any copy made by it of the TAS Manual;

(ii) keep records of the making of each copy of the TAS Manual and location of such copies and upon request forthwith produce such records to the Pipeline Operator; and

(iii) without prejudice to the foregoing, subject to paragraph 3.2.3, take all such other reasonable steps which shall from time to time be necessary in the reasonable opinion of the Pipeline Operator to protect the confidential information and intellectual property rights of the Pipeline Operator in the TAS Manual.

3.2.3 Except where the TAS User is in breach of this paragraph 3.2, paragraph 3.2.2(iii) shall not require a TAS User to take or join in taking any legal Proceedings:

(i) where the TAS User is (in its reasonable opinion) justified in declining to do so on the grounds that it does not wish to be involved in legal Proceedings against the particular third Party(ies) involved; and

(ii) except on terms that the Pipeline Operator indemnifies the TAS User in respect of all costs and liabilities incurred in so doing and on such other terms as the TAS User may reasonable require.

3.2.4 A TAS User shall not and shall not attempt to, download, delete, modify or knowingly damage or access for any purpose other than as authorised under this Appendix 1, any software program comprised in TAS or installed on any equipment forming part of TAS.

4. TAS COMMUNICATION

4.1 Introduction

4.1.1 The forms of TAS Communication comprise the following:

(i) TAS User Communication (given by the Pipeline Operator) in accordance with paragraph 4.3;

(ii) User TAS Communication (given by a TAS User) in accordance with paragraph 4.4;

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or (subject to compliance with any legal requirement) any other arrangements as agreed by a TAS User and the Pipeline Operator from time to time.

4.1.2 The form in which particular Code Communications are to be given as a TAS Communication is described in the TAS Manual.

4.2 Particular Communication Facilities

4.2.1 For the purposes of TAS Communications, TAS includes certain Automatic Audit Trail Facilities.

4.2.2 In respect of certain forms of TAS Communication, an "**Automatic Audit Trail Facility**" is a facility (described in the TAS Manual) forming part of TAS at the Pipeline Operator premises, which will automatically record the sending or the receipt by the Pipeline Operator of the message comprised in such TAS Communication and log the date and time of such sending or receipt.

4.3 TAS-User Communication

4.3.1 A "**TAS-User Communication**" is a message or batch of messages transmitted by the Pipeline Operator to a TAS User or TAS Users by means of TAS, as described in the TAS Manual.

4.3.2 A message transmitted as a TAS-User Communication will be held in TAS at the Pipeline Operator premises, when the TAS User requests a TAS update by sending an update request to TAS, any pending TAS-User Communications will be transmitted to the TAS User's TAS Mailbox.

4.3.3 A "**TAS Mailbox**" is an internet email address designated by the TAS User for the purpose of sending and receiving TAS Communications in accordance with the TAS Manual.

4.3.4 A TAS-User Communication will remain accessible by a TAS User or TAS Users for the period specified (in respect of the relevant communication) in the TAS Manual, following which it will no longer be accessible.

4.3.5 TAS Users shall be responsible for accessing (in accordance with paragraph 4.3.2) TAS-User Communications at such intervals as shall be appropriate and prudent (having regard without limitation to paragraph 4.3.4).

4.3.6 A Code Communication given as a TAS-User Communication shall be deemed to have been received by a TAS User to whom it is transmitted at the time the message is logged 'as sent' by the Automatic Audit Trail Facility, irrespective of whether or when accessed in accordance with paragraph 4.3.5 by that TAS User.

4.4 User-TAS Communication

4.4.1 A "**User-TAS Communication**" is a message or batch of messages transmitted by a TAS User to the Pipeline Operator as described in the TAS Manual.

4.4.2 Where a User-TAS Communication is received, a TAS-User Communication is automatically transmitted from TAS to the sender acknowledging receipt thereof:

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4.4.3 A Code Communication given as a User-TAS Communication shall be deemed to have been received by the Pipeline Operator at the time the message is logged 'as received' by the Automatic Audit Trail Facility.

4.5 Non-receipt of messages

4.5.1 Where a TAS User has transmitted a TAS Communication and has not received an acknowledging message (in accordance with paragraph 4.4.2) or where the Pipeline Operator becomes aware that a TAS User Communication has not been received, paragraph 4.5.2 shall apply.

4.5.2 In the circumstances in paragraph 4.5.1:

(a) the sender of the TAS Communication shall, as soon as it becomes aware that the TAS Communication was not received, endeavour to contact (by telephone or facsimile) and so notify the intended recipient of that TAS Communication;

(b) following such notification the sender and the intended recipient shall immediately take all reasonable steps (other than steps involving the investigation of equipment installed at the other's premises) to identify the cause of the recipient's non-receipt of the TAS Communication and if either of them shall so identify such cause it shall promptly so inform the other (by telephone or facsimile);

(c) upon the identification of such cause the Party responsible for such cause shall promptly remedy any non-compliance with any operational requirement for the proper functioning of TAS and take any other reasonable steps available to it to restore proper communication between their respective mail systems;

(d) as soon as such communication has been restored, the sender shall retransmit the TAS Communication;

4.6 Audit Trail

4.6.1 The Pipeline Operator will retain a complete and chronological record of all TAS Communications it transmits and receives, for the minimum period applicable in respect of the relevant communication, as specified in the TAS Manual, following transmission or receipt.

4.6.2 The Pipeline Operator and each TAS User shall ensure that electronic or computer records containing TAS Communications are readily accessible and are capable of being reproduced in a human readable form and of being printed, if required for a minimum period (in any event not exceeding 5 years) as designated by the Pipeline Operator from time to time.

4.6.3 Records made by the Automatic Audit Trail Facility of the transmission or receipt of TAS Communications and (as respects TAS Communications the transmission or receipt of which is not so recorded) other records retained by the Pipeline

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Operator and/or TAS Users in accordance with this paragraph 4.6, shall be prima facie evidence of the transmission or receipt of such TAS Communications.

4.6.4 In the event of a dispute between the Pipeline Operator and a TAS User as to any Code Communication the sending of which was (as a TAS Communication) recorded by the Automatic Audit Trail Facility, the Pipeline Operator will, as soon as reasonably practicable after a request to do so, provide to the TAS User a copy of what is recorded (in respect of such communication) in such facility.

5. CONTINGENCY ARRANGEMENTS

5.1 General

5.1.1 For the purposes of the Code:

(a) the "**TAS Contingency Procedures**" are procedures forming part of the TAS Manual for the Pipeline Operator and TAS Users to communicate with each other in the event of a TAS Code Contingency;

(b) a "**TAS Code Contingency**" is an event or circumstance affecting TAS, of a kind specified in the TAS Contingency Procedures, which affects the ability of the Pipeline Operator or TAS Users (or where so specified in the Contingency Procedures, of a particular TAS User or particular TAS Users) to give or receive TAS Communications, or to generate information to be contained in a Code Communication.

5.1.2 The Pipeline Operator and TAS Users agree to adopt and (in the event of a TAS Code Contingency) to implement the relevant TAS Contingency Procedures.

5.1.3 A TAS Code Contingency may (where so specified in the TAS Contingency Procedures) include:

(i) a degradation in performance of TAS which falls short of a failure thereof (where the TAS Contingency Procedures are likely, having regard to such degradation, to provide a superior method of communicating);

(ii) Planned TAS Downtime.

5.2 Code Communications

5.2.1 In the event of a TAS Code Contingency, where so provided in the TAS Contingency Procedures, a Code Communication which would normally be required to be given as a TAS Communication may (notwithstanding any other provision of the Code or the TAS Manual) be given by any means provided for in the TAS Contingency Procedures.

5.2.2 Except as provided in the Code or the TAS Contingency Procedures, the provisions of the Code will apply in and will not be affected by a TAS Code Contingency; and in particular any requirements under the Code or the TAS Manual as to the timing and content of any Code Communication, and the giving of communications by means other than TAS, will continue to apply.

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5.2.3 Under the TAS Contingency Procedures communication resources of the Pipeline Operator and Pipeline Users will be used for the purposes of facilitating the continued giving (in accordance with the TAS Contingency Procedures) of certain kinds of Code Communications in a TAS Code Contingency, and so may not be available for other kinds of Code Communications; and accordingly in any case where the TAS Contingency Procedures do not make provision for the giving of a particular kind of Code Communication (which is required to be given as a TAS Communication), it may not be possible for Code Communications of that kind to be given.

5.3 Short-term suspension of use

Where at any time a failure in or degradation in the performance of any part of TAS is likely to occur, or such a degradation has occurred, and in the Pipeline Operator's judgement it will be possible to prevent such failure or degradation, or remedy such degradation, by suspending use of TAS or a part thereof at a time and for a period which will not result in significant inconvenience to Pipeline Users in the use of TAS for making Code Communications:

(a) The Pipeline Operator shall be entitled, without initiating any TAS Contingency Procedures (but subject to paragraph (b)) which otherwise would be applicable, to suspend use of TAS (in accordance with such procedures as to notification of TAS Users and otherwise as may be provided in the TAS Manual);

(b) if at any time subsequently it becomes apparent to the Pipeline Operator that such suspension will continue for a period or at a time at which it will result in such inconvenience to Pipeline Users, any applicable TAS Contingency Procedures will be initiated.

6. FAILURE OF TAS

6.1 Performance levels

6.1.1 The Pipeline Operator and TAS Users agree and acknowledge:

(i) that it would not be economical for TAS to be designed, built or operated so as to reduce the probability of its failure below a certain level, and accordingly that such failures may occur; and

(ii) that the TAS Contingency Procedures referred to in paragraph 5 for giving Code Communications in circumstances of such a failure have been established in recognition of what is stated in paragraph (i), and are reasonable and adequate for the purposes of implementation of the Code in such circumstances.

6.2 TAS Operational Performance

6.2.1 The software programming within TAS is intended to operate:

(i) in a manner which is consistent with the functions of TAS described in this Appendix 1 and the TAS Manual, and

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(ii) as respects any Code Communication to be given by TAS Communication, in a manner which is consistent with the requirements of the Code as to the form and content of such communication.

6.2.2 For the purposes of this paragraph 6, the software programming within TAS contains a software error if and only if such software programming operates in a way which is inconsistent with the functions referred to in paragraph 6.2.1(i) or the requirements referred to in paragraph 6.2.1(ii);

6.2.3 Where:

(i) a software error has been identified, but

(ii) there are means, not involving significant expense or inconvenience to TAS Users or to the Pipeline Operator, by which the impact or incidence of the software error can be avoided or corrected so that TAS Users can continue to have use of TAS without the software error itself being corrected;

the software error is a "**Minor**" software error.

6.2.4 The Pipeline Operator will from time to time prepare and provide to each TAS User a report of all software errors identified as being contained within TAS, specifying those software errors which are Minor software errors, describing (in relation to each such Minor software error) the means referred to in paragraph 6.2.3(ii) and stating whether the error is to be corrected in accordance with paragraph 6.2.5.

6.2.5 Implementation of the means referred to in paragraph 6.2.3(ii) shall not be a breach by a TAS User or the Pipeline Operator of any conflicting requirement of the Code or the TAS Manual nor shall a TAS Communication given in accordance with such means be invalidly given for the purposes of paragraph 1.2.

6.2.6 Where the existence of a Minor software error would otherwise result in a TAS User or the Pipeline Operator being in breach of this Appendix 1 or would invalidate a particular TAS Communication, such Party shall not be in such breach and such TAS Communication shall not be so invalidated.

6.3 Defects not attributable to the Pipeline Operator

6.3.1 For the purposes of this paragraph 6:

(a) references to TAS:

(i) will be considered as including any requirement contained in the TAS Manual as to the specification for equipment, other software and any facility to be provided (in accordance with paragraph 2) by a TAS User;

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(ii) except as provided in paragraph (i), will not be considered as extending to or including any TAS User Equipment or TAS User Software;

(b) in determining the performance of TAS or whether there is an error in software programming within TAS, there shall be excluded all occurrences, errors, delays or failures which:

(i) result from or are attributable to any defect in, or in the installation, performance, operation or use of, any TAS User Equipment or TAS User Software, or any other equipment, facility or software provided by a TAS User;

(ii) result from or are attributable to any failure (not being the failure of TAS or software error in question itself) by any TAS User, in its use of TAS, to comply with the requirements of this Appendix 1 and the TAS Manual, except as respects any error (in accordance with paragraph 7.2.7 where applicable) in the TAS Manual;

(iii) would not have arisen but for the election of a TAS User not to provide the Standard TAS Configuration; or

(iv) are attributable to the provider(s) of telecommunication services (as referred to in paragraph 2.3).

6.3.2 Without prejudice to paragraph 6.3.1(b)(iv), where a provider of telecommunications services (for the purposes of TAS) is failing to perform its obligations in respect of the provision of such services, the Pipeline Operator agrees to take reasonable steps to secure that such person resumes such performance.

7. TAS MODIFICATIONS

7.1 Introduction

7.1.1 The Pipeline Operator may not make TAS Modifications other than in accordance with this paragraph 7.

7.1.2 For the purposes of this Appendix 1:

(a) "**TAS Modification**" means a Pipeline Operator System Modification, a User System Modification or a Manual Modification;

(b) "**The Pipeline Operator System Modification**" means a modification to the specification of TAS or any modification to any equipment or software comprised therein and installed at the Pipeline Operator premises;

(c) "**User System Modification**" means a modification to the specification required under the TAS Manual of the equipment, software and other facilities required to be provided by a TAS User under paragraph 2;

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(d) "**Manual Modification**" means any amendment to the TAS Manual.

7.1.3 Except in the case of a Class 3 Modification, or as otherwise provided in this Appendix 1, where any TAS Modification is to be made:

(i) The Pipeline Operator will bear the costs of developing any required change;

(ii) each TAS User will bear the costs of any modification to the TAS User Equipment or (except as provided in paragraph (i)) TAS User Software required to implement the TAS Modification (or to enable the TAS User to continue to comply with this Appendix 1 following such modification), and all other costs incurred by the TAS User in consequence of the TAS Modification;

(iii) The Pipeline Operator will bear all other costs incurred for the purposes of making the TAS Modification.

7.1.4 A Pipeline User will not be in breach of any provision of the Code by reason of any inability of the Pipeline User to comply with such provision which results from disruption to the Pipeline User's use of TAS during and occasioned by the making of a TAS Modification, provided that the TAS User shall have complied with any reasonable requirements proposed by the Pipeline Operator for implementing the modification and for making TAS Communications during the making of such modification.

7.2 Modification Classes

7.2.1 TAS Modifications are classified for the purposes of this paragraph 7 as Class 1, Class 2, Class 3 and Class 4 Modifications in accordance with this paragraph 7.2.

7.2.2 A "**Class 1 Modification**" is:

(a) a Pipeline Operator System Modification which will have no adverse operational or other adverse impact on any TAS User and will not require any TAS User to incur any cost to be borne by it in accordance with paragraph 7.1.3(ii), or which has been consented to by all TAS Users on whom such modification will have such an impact; or

(b) a Manual Modification (other than one within paragraph 7.2.4(b)) required:

(i) as a consequence of any Pipeline Operator System Modification or User System Modification made in accordance with this paragraph 7; or

(ii) to correct any inaccuracy in the TAS Manual so that it correctly describes any aspect of TAS which is not itself the subject of a Pipeline Operator System Modification or User System Modification.

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7.2.3 A "**Class 2 Modification**" is:

(a) a User System Modification which is required to enable a Pipeline Operator System Modification which is a Class 2 Modification or a Class 3 Modification to be implemented;

(b) any other TAS Modification (other than a Manual Modification within paragraph 7.2.4(b)) proposed by the Pipeline Operator in any of the following circumstances:

(i) where:

(1) The Pipeline Operator reasonably determines that the functionality or performance of TAS is insufficient to support the implementation of relevant provisions of the Code, and such modification is required to make the required improvement to such performance, and

(2) The Pipeline Operator does not intend that the costs incurred by the Pipeline Operator in making such modification should be recovered from TAS Users, and

(3) the costs (of revising or replacing any computer hardware or software) for TAS Users entailed by the making of the modification are reasonable in the circumstances; or

(ii) where each of the conditions in paragraph 7.2.5 is satisfied in respect of such modification.

7.2.4 A "**Class 3 Modification**" is:

(a) any Pipeline Operator system Modification where the Pipeline Operator does not intend to make such modification unless the costs of making the modification are to be recovered from TAS Users;

(b) any of the following Manual Modifications:

(i) a change in the TAS Contingency Procedures which would materially worsen the ability of the Pipeline Operator and TAS Users to communicate pursuant to the TAS Contingency Procedures;

(ii) a modification of any provision of the TAS Manual which is (pursuant to paragraph 1.4.2) expressly identified as binding on the Pipeline Operator or TAS Users;

(iii) a modification in respect of the means (as described in paragraph 1.2.2) of giving a Code Communication, or the form (as described in paragraph 4.1.2), other than the inclusion of an additional such form, of giving any TAS Communication; or

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(c) any other TAS Modification which is not a Class 1 or Class 2 Modification or is one which the Pipeline Operator elects to treat as a Class 3 Modification.

7.2.5 The conditions referred to in paragraph 7.2.3(b)(ii) are that, in respect of a proposed TAS Modification:

(i) such modification would not materially increase the scope of information concerning a TAS User to which other TAS Users have access by virtue of TAS;

(ii) such modification would not adversely affect the functions or facilities of TAS which are available to TAS Users, nor reduce the scope of the information which the Pipeline Operator makes available to TAS Users by means of TAS;

(iii) such modification would not result in a TAS User with the Standard TAS Configuration incurring material cost, after taking account of any quantifiable savings in cost which such a TAS User acting reasonably efficiently and prudently would reasonably be expected to enjoy as a result of making the modification; and

(iv) where such modification is a Manual Modification, the modification would not result in any of the following provisions of this Appendix 1 applying or taking effect in a way which is (as respects the interests of TAS Users) materially and adversely different from that in which it applies or takes effect in the absence of such modification: paragraph 1.2.2, 1.6, 1.7, 2.2.7, 6 and this paragraph 7.

7.2.6 The condition in paragraph 7.2.5(ii) shall not be regarded as infringed by reason only of a reasonable level of disruption for the purposes of implementation of a TAS Modification.

7.2.7 Where there is any bona fide doubt as to whether an inconsistency between the operation of the software programming within TAS and the relevant functions described in the TAS Manual is a software error (in accordance with paragraph 6.2) or an inaccuracy in the TAS Manual (in accordance with paragraph 7.2.2(b)(i)):

(i) subject to paragraph (ii), the Pipeline Operator will resolve such doubt in the manner which is most consistent with the proper implementation of the Code or (failing that) in such manner as the Pipeline Operator shall reasonably determine;

(ii) if upon the application (within 5 Business Days after the Pipeline Operator has notified Pipeline Users of its proposed resolution) of any Pipeline User, the Authority shall give Condition 9(3)Disapproval to the Pipeline Operator resolving the matter in the proposed manner under paragraph (i), the Pipeline Operator will resolve the matter in such other manner to which the Authority shall upon the Pipeline Operator application give Condition 9(3) Approval.

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7.2.8 A "**Class 4 Modification**" is:

(a) any TAS Modification (other than a Manual Modification within paragraph 7.2.4 (b)) proposed by the Pipeline Operator in any of the following circumstances;

(i) where the modification is required by or in connection with a modification to the Code which is made pursuant to the Modification Rules; or

(ii) where the modification is made to connect a Minor software error in accordance with and subject to paragraph 7.2.4.

7.3 Class 1 Modifications

7.3.1 The Pipeline Operator shall be entitled to make a Class 1 Modification at any time.

7.3.2 Where possible before or (failing that) as soon as reasonably practicable after making a Class 1 Modification the Pipeline Operator will:

(i) inform TAS Users of that modification if it is a Manual Modification or if TAS Users are likely (in having use of TAS) to become aware of it or if (in the Pipeline Operator opinion) it is likely to be of interest operationally to TAS Users, and

(ii) if it is a Manual Modification, provide an updated version of the relevant part of the TAS Manual to TAS Users without charge.

7.4 Class 2 Modifications

7.4.1 The Pipeline Operator shall be entitled to make a Class 2 Modification subject to and in accordance with this paragraph 7.4.

7.4.2 Before the Pipeline Operator makes any Pipeline Operator System Modification or User System Modification (other than one required to implement a Class 3 Modification) as a Class 2 Modification, the Pipeline Operator must make a modification proposal in respect thereof in accordance with the Modification Rules.

7.5 Class 3 Modifications

7.5.1 For the purposes only of this paragraph 7.5, that part of the TAS Manual which describes or specifies any aspect of TAS which is the subject of a proposed Class 3 Modification shall be deemed to be incorporated into and to form a part of the Code.

7.5.2 Before making a Class 3 Modification, the Pipeline Operator must make a modification proposal in respect thereof in accordance with the Modification Rules.

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7.5.3 The Pipeline Operator may make a Class 3 Modification where (in accordance with the Pipeline Operator's Licence and the Modification Rules) the Authority directs or consents to the modification the subject of the modification proposal referred to in paragraph 7.5.2.

7.5.4 If the terms of the modification do not themselves provide for such matters, and subject to the nature of the modification, paragraph 7.4 shall apply in respect of a Class 3 Modification.

7.5.5 The Pipeline Operator acknowledges that Pipeline Users are at liberty to propose modifications to TAS which would be implemented as Class 3 Modifications.

7.6 Class 4 Modifications

7.6.1 Where the Pipeline Operator proposes to make a Class 4 Modification:

(a) The Pipeline Operator will request the Representative to notify TAS Users of its proposal, setting out in outline their nature and purpose of the modification and an indicative timetable for implementing the modification;

(b) TAS Users may, within a period of 15 Business Days after receiving notice from the Representative, submit to the Representative any comments on the proposal (including its implications for TAS Users;

(c) The Pipeline Operator may revise its proposal in the light of any comments made by TAS Users (and will not be required to notify under paragraph (a) any such revision);

(d) after the period referred to in paragraph (b), and after considering any comments made by TAS Users, the Pipeline Operator will (unless it has withdrawn its proposal) prepare a plan (such plan, as from time to time revised pursuant to the further provisions of this paragraph 7.6, being the "**Implementation Plan**") for the implementation of its proposal or revised proposal, setting out in reasonable detail the nature of the proposal and the steps and timetable proposed for its implementation.

7.6.2 The Pipeline Operator will provide to the Representative a copy of each Implementation Plan, which the Representative will provide to each TAS User.

7.6.3 Where a TAS Modification is proposed by the Pipeline Operator for the purposes of enabling it or Pipeline Users to comply with any provision of the Code (including without limitation paragraph 6), it is agreed that the Pipeline Operator and Pipeline Users will be deemed not to be in breach of such provision of the Code as a result of such modification not being made to the extent that the Pipeline Operator is delayed in implementing such proposal by reason of anything done pursuant to this paragraph 7.6.

7.6.4 Where the Pipeline Operator has requested the Representative to notify a TAS User of a proposal under paragraph 7.6.1(a), unless the TAS User notifies the Representative otherwise by way of comment pursuant to paragraph 7.6.1(b), the

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TAS User shall be deemed to have accepted the proposed modification as being a Class 4 Modification.

8. FURTHER INTERPRETATION

8.1 Condition 9(3) Approval and Disapproval

8.1.1 Where any provision of this Appendix 1 (the "**relevant provision**") provides that the Pipeline Operator will or may take a particular step or action (the "**relevant step**") in pursuance of that provision if the Authority shall give Condition 9(3) Approval thereto, or if the Authority shall not give Condition 9(3) Disapproval thereto:

(i) except in a case in paragraph (ii), the Pipeline Operator will not take the relevant step unless the Pipeline Operator has given a notification under paragraph 8.1.2(i);

(ii) where under the relevant provision the Pipeline Operator may take the relevant step unless a Pipeline User applies to the Authority for Condition 9(3)Disapproval to the Pipeline Operator doing so, the Pipeline Operator may take the relevant step unless the Pipeline User or any of the Pipeline Users concerned has, within the period or by the date prescribed in the relevant provision, given a notification under paragraph 8.1.2(ii).

8.1.2 Paragraph 8.1.3 shall apply in respect of a relevant provision of this Appendix 1 in any particular case where and only where:

(i) (for the purposes of Condition 9(3) Approval) the Pipeline Operator has notified the Pipeline User or Pipeline Users concerned that the circumstances are such that, and of the manner in which, the Pipeline Operator might take the relevant step; or

(ii) (for the purposes of Condition 9(3) Disapproval) the relevant provision permits a Pipeline User to make an application to the Authority, a Pipeline User has notified the Pipeline Operator that the Pipeline User wishes the Pipeline Operator not to take the relevant step.

8.1.3 Where this paragraph 8.1.3 applies in respect of a relevant provision in any particular case:

(a) the provision shall be construed as:

(i) requiring the Pipeline Operator to make a determination (after its notification required by paragraph 8.1.1(i) or the relevant provision) as to whether to take the relevant step; and

(ii) requiring that such determination should be such as is calculated to facilitate the achievement of the relevant objectives (as described in Standard Licence Condition 9(1) of the Pipeline Operator's Licence);

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(b) the Pipeline Operator will (in the case in paragraph 8.1.2(i)), not less than 10 Business Days after its notification thereunder) make the determination under paragraph (a)(i) and (having done so) will:

(i) notify the Authority and the Pipeline User(s) concerned of its determination, and

(ii) not implement (by taking the relevant step) such determination:

(1) if the Authority shall give Condition 9(3) Disapproval to its doing so, or

(2) where Condition 9(3) Approval of the Authority is required for the relevant step, if the Authority shall not give Condition 9(3) Approval to its doing so;

(c) in the case in paragraph 8.1.2(ii), the Pipeline Operator will send to the Authority a copy of each notification given by a Pipeline User thereunder.

8.1.4 For the purposes of the Code, "**Condition 9(3) Approval**" means a determination by the Authority, pursuant to Standard Licence Condition 9(3) of the Pipeline Operator's Licence, that the determination made by the Pipeline Operator pursuant to paragraph 8.1.3(a)(i) complies with the requirement in paragraph 8.1.3(a)(ii), and "**Condition 9(3) Disapproval**" means a determination by the Authority that such determination does not so comply.

9. USER AGENTS

9.1 General

9.1.1 A Pipeline User may, subject to and in accordance with this paragraph 9, appoint another person to be the agent of the Pipeline User for the purposes of making and receiving Code Communications or particular Code Communications on behalf of the Pipeline User.

9.1.2 For the purposes of the Code, a "**User Agent**" is a person who has been appointed as agent of a Pipeline User in accordance with paragraph 9.1.1.

9.1.3 Subject to paragraph 9.4.3, a Pipeline User may appoint more than one person as User Agent.

9.1.4 A person may be appointed as User Agent by more than one Pipeline User

9.2 Agent for TAS Communications

9.2.1 A person who is a Pipeline User or another TAS User (in accordance with the provisions of this Appendix) may be appointed as User Agent (a "**TAS User Agent**") for the purposes of making and receiving Code Communications as TAS Communications.

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9.2.2 A TAS User Agent may be appointed for the purposes of making and receiving on behalf of the appointing User Code Communications within all or any of the categories specified (for the purposes of this paragraph 9.2) in the TAS Manual.

9.2.3 The scope of a TAS User Agent's authority may not be limited other than by reference to the categories referred to in paragraph 9.2.2; and a TAS User Agent will at all times be authorised to make any Code Communication on behalf of the appointing Pipeline User within the category(ies) for which he is appointed.

9.2.4 The appointing Pipeline User may change the categories of Code Communication for which a TAS User Agent is appointed by giving notice to the Pipeline Operator to that effect specifying the changed categories in accordance with paragraph 9.2.2 and the date in accordance with paragraph 9.3.4 with effect from which such change is to take effect.

9.2.5 A Pipeline User shall terminate (in accordance with paragraph 9.3.3) the appointment of a TAS User Agent if the agent ceases to be a TAS User.

9.3 Appointment

9.3.1 A Pipeline User wishing to appoint a User Agent shall give notice to the Pipeline Operator .

(i) Specifying the identity of the appointing Pipeline User and the proposed User Agent;

(ii) Specifying the categories of Code Communication (in the case of TAS Communications, in accordance with paragraph 9.2.2) for which the User Agent is to be appointed, or specifying that the User Agent is appointed for all such categories; and

(iii) Specifying the Day in accordance with paragraph 9.3.4 with effect from which the appointment is to take effect.

9.3.2 The appointment of the User Agent shall be effective from the Day specified in accordance with paragraph 9.3.1(iii), and shall continue, subject to any change under paragraph 9.2.4, until terminated in accordance with paragraph 9.3.3.

9.3.3 The appointing Pipeline User may terminate the appointment of a User Agent by giving notice to the Pipeline Operator to that effect specifying the date in accordance with paragraph 9.3.4 with effect from which such termination is to take effect.

9.3.4 The date with effect from which a User Agent is appointed, or the categories of Code Communication for which a TAS User Agent is appointed may be changed, or the appointment of a User Agent may be terminated, shall be not less than 5 Business Days after the Pipeline User's notice to the Pipeline Operator thereof; provided that upon the Pipeline User's request in exceptional circumstances the Pipeline Operator will endeavour to accommodate notice (of any such matter) of a lesser period.

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9.4 Effect of Appointment

9.4.1 A Code Communication given by a User Agent shall identify the appointing Pipeline User on whose behalf the Code Communication is given, and (subject to paragraph 9.4.2) shall not be effective unless it does so.

9.4.2 Where a User Agent who is itself a Pipeline User gives any Code Communication which does not state that it is given on behalf of an appointing Pipeline User and identify that Pipeline User, such Code Communication shall be treated as given by the User Agent on its own account in its capacity as Pipeline User.

9.4.3 Any Code Communication given by a User Agent within the categories for which such agent is appointed shall be deemed to have been given by and shall be binding on the appointing Pipeline User, and the Pipeline Operator shall be entitled without enquiry as to the agent's authority to rely on such Code Communication for all purposes of the Code.

9.4.4 A Pipeline User who has appointed a User Agent may continue itself to give Code Communications.

9.4.5 Where a Pipeline User has appointed one or more User Agents:

(a) the Pipeline User shall be responsible for ensuring that the actions of the Pipeline User and each such agent are not in conflict;

(b) where any Code Communication is given by the Pipeline User or any such agent;

(i) to the extent any further Code Communication is subsequently given by any of them which (in accordance with the Code) is effective to modify or revoke the earlier Code Communication, the earlier Code Communication shall be so modified or revoked;

(ii) except as provided in paragraph (i), any Code Communication subsequently given by any of them which conflicts with the earlier Code Communication will be disregarded.

9.4.6 The Pipeline Operator shall not be responsible for any unauthorised use or disclosure by a User Agent of information relating to the appointing Pipeline User (whether or not obtained, in the case of a TAS User Agent, in its capacity as TAS User).

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(c) **APPENDIX 2**

(d) **CODE CREDIT RULES AND CODE CREDIT LIMITS**

1. CODE CREDIT LIMITS

1.1 General

1.1.1 The Pipeline Operator will, in accordance with the Code Credit Rules, determine and assign to each Pipeline User a Code Credit Limit, and will keep each Pipeline User informed of its Code Credit Limit (as revised in accordance with paragraph 3.2.2) for the time being.

1.1.2 The Code Credit Rules set out (inter alia):

(i) the principles on which the Pipeline Operator will assess and from time to time revise (in accordance with paragraph 1.2.2) its assessment of the credit worthiness of Pipeline Users (and persons providing surety for Pipeline Users) and establish Code Credit Limits;

(ii) the basis on which a Pipeline User may (with a view to increasing its Code Credit Limit) provide surety or security for Relevant Code Indebtedness, or (with a view to reducing its Relevant Code Indebtedness) make prepayments to the Pipeline Operator;

(iii) procedures by which a Pipeline User may discuss its Code Credit Limit with the Pipeline Operator.

1.1.3 The Code Credit Rules do not form a part of the Code and (but without prejudice to the further provisions of this paragraph or to anything done pursuant to the Code Credit Rules) nothing in the Code shall make compliance with such rules an obligation of the Pipeline Operator or Users.

1.1.4 Nothing in the Code or the Code Credit Rules shall constitute any duty of care or other obligation on the part of the Pipeline Operator (whether to or for the benefit of the Pipeline User in question or Pipeline Users in general) in relation to the implementation of the Code Credit Rules or the provisions of this paragraph 3.

1.2 Code Credit Limit and Relevant Code Indebtedness

1.2.1 For the purposes of the Code:

(a) a "**Code Credit Limit**" is an amount representing a Pipeline User's maximum permitted Relevant Code Indebtedness.

(b) "**Relevant Code Indebtedness**" is:

(i) the aggregate amount, for which a Pipeline User is at any time liable to the Pipeline Operator pursuant to the Code, determined on the basis of amounts accrued (and in accordance

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~~with~~

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paragraph (c) where applicable) and irrespective of whether such amounts have been invoiced under Part G or (where invoiced) have become due for payment; less

(ii) any amount which has been paid to the Pipeline Operator by the Pipeline User by way of prepayment, on the basis that the Pipeline Operator may apply such amount without the Pipeline User's consent in or towards payment of amounts referred to in paragraph (i), and which has not yet been so applied;

(c) for the purposes of paragraph (b)(i) a Pipeline User's liability for Transportation Charges in respect of a Day shall be treated as accruing on the following Day.

1.2.2 For the avoidance of doubt, the amount of a Pipeline User's Relevant Code Indebtedness shall be determined by reference to the relevant provisions of the Code, and nothing in the Code shall be construed as withdrawing from a Pipeline User any right to dispute whether the Pipeline Operator has correctly calculated such amount in any case, or from the Pipeline Operator any right to dispute the validity of any Invoice Query submitted by any Pipeline User.

1.2.3 Without prejudice to paragraph 1.2.2, where a Pipeline User has submitted an Invoice Query in accordance with Part G15 in respect of any Invoice Document the Pipeline Operator will review and give due consideration to such Invoice Query before taking any steps pursuant to paragraph 1.3.

1.2.4 A Pipeline User's Code Credit Limit may from time to time be reviewed and revised, in accordance with the Code Credit Rules, on notice of not less than 30 Days (or any lesser period agreed by the Pipeline User) to the Pipeline User:

(i) at intervals of approximately 12 months;

(ii) at the Pipeline User's request (but subject to paragraph 1.2.6);

(iii) where any published credit rating of the Pipeline User or any person providing surety for the Pipeline User is revised downwards;

(iv) where (but without prejudice to any requirement of the Code Credit Rules) any instrument of surety or security expires or is determined;

(v) at the Pipeline Operator's request where at any time the Pipeline Operator has reasonable grounds to believe that the effect of the review will be to reduce the Pipeline User's Code Credit Limit.

1.2.5 Subject to paragraph 1.2.6, the Pipeline Operator will bear the costs and fees that it incurs (but not any costs incurred by the Pipeline User) in connection with any review of a Pipeline User's Code Credit Limit in accordance with paragraph 1.2.4.

1.2.6 The Pipeline Operator will not be obliged to agree to any request of the Pipeline User under paragraph 1.2.4(ii) unless the Pipeline User agrees to reimburse to

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the Pipeline Operator the reasonable costs and fees payable by the Pipeline Operator to any third party in accordance with the Code Credit Rules in connection with such request.

1.3 Requirements as to Relevant Code Indebtedness

1.3.1 Where:

(i) A Pipeline User's Relevant Code Indebtedness exceeds 70% of its Code Credit Limit and the Pipeline Operator has given notice to the Pipeline User to that effect; and

(ii) at any time following such notice the Pipeline User's Relevant Code Indebtedness exceeds 85% of its Code Credit Limit and the Pipeline Operator has given notice to the Pipeline User to that effect (which notice may in appropriate circumstances be given at the same time as that under paragraph (i)),

paragraphs 1.3.2 and 1.3.3 shall apply.

1.3.2 Subject to paragraph 1.3.1, where and for so long as the Relevant Code Indebtedness of a Pipeline User for the time being exceeds 85% of the Pipeline User's Code Credit Limit, the Pipeline Operator shall be entitled to reject or refuse to accept a [Supply Point Nomination or] Supply Point Confirmation under Part C, other than a Supply Point Renomination or Supply Point Reconfirmation until such time as the Pipeline User's Relevant Code Indebtedness is reduced to less than 85% of its Code Credit Limit.

1.3.3 Subject to paragraph 1.3.1, where and for so long as the Relevant Code Indebtedness of a Pipeline User for the time being exceeds 100% of the Pipeline User's Code Credit Limit, the Pipeline Operator may give Termination Notice (in accordance with Part K7) to the Pipeline User.

1.4 Security under Code Credit Rules

1.4.1 Any instrument of surety or security provided by a Pipeline User pursuant to the Code Credit Rules (and whether or not entered into by the Pipeline User) shall not be a part of the Code; and no provision of or modification of the Code, nor any inconsistency between the Code and any such instrument, and nothing done by the Pipeline Operator pursuant to the Code, shall prejudice or invalidate any such instrument.

1.4.2 Where a Pipeline User had provided surety or security pursuant to the Code Credit Rules the Pipeline User (or the person giving the surety) may request the Pipeline Operator to release all or any of such security or agree to a reduction in any maximum amount of such surety.

1.4.3 Following a request by a Pipeline User under paragraph 1.4.2, the Pipeline Operator will as soon as reasonably practicable and, except where the Pipeline User also requests a review (by an agency appointed by the Pipeline Operator for such purposes) and revision of its Code Credit Limit, in any event not more than 10 Business Days after such request, release security, or agree to a

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~~reduction in surety, to such extent or by such amount as will permit the condition in paragraph 1.4.4 to be satisfied.~~

~~1.4.4 The condition referred to in paragraph 1.4.3 is that the amount of the Pipeline User's Relevant Code Indebtedness at the date of such release or reduction is not more than 85% of the amount of the Pipeline User's Code Credit Limit, determined in accordance with the Code Credit Rules on the basis of the release of security or reduction in surety (and taking account of any alternative surety or security provided by the Pipeline User).~~

~~1.4.5 A Pipeline User may (inter alia) provide security for the purposes of the Code Credit Rules in the form of a deposit in a bank account where:~~

~~(i) the account is in the joint names of the Pipeline User and the Pipeline Operator;~~

~~(ii) interest on the amount deposited in the account will accrue for the benefit of the Pipeline User;~~

~~(iii) the Pipeline User and the Pipeline Operator have irrevocably instructed the bank, in terms reasonably satisfactory to the Pipeline Operator, and the Pipeline User to make payment to the Pipeline Operator of amounts (up to the amount deposited in the account) which have become due for payment to the Pipeline Operator (but having regard to the time at which pursuant to Part G 16 payment is due where an Invoice Query has been raised) against reasonable evidence provided by the Pipeline Operator that payment of such amount has become due (but such instruction shall be without prejudice to any provision of Part G as to the payment of interest);~~

~~(iv) the bank shall have agreed that the amounts deposited in the account may not be set off or otherwise applied by the bank in respect of any indebtedness of the Pipeline User or other person;~~

~~(v) amounts (other than in respect of interest earned) standing to the credit of the account will not be paid to the Pipeline User except with the Pipeline Operator's written agreement (but subject to paragraph 1.4.3).~~

10. Recommendation

The Proposer invites the Panel to:

- Determine that this modification should be subject to self-governance;
- Determine that (where self-governance is recommended) this modification should not be subject to a fast track procedure;
- Determine that this modification should progress to /Consultation.

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