

NETWORK CODE OF INDEPENDENT PIPELINES LIMITED

VERSION ~~56.00~~

[~~054.0611.4720~~]

Version	Modification Number	Title	Date of Authority Direction	Implementation Date
2.0	Establishment of the iGT UNC	N/A	N/A	09/03/2007
3.0	QPL038	Remove TAS Specific Change Processes from INC	28/01/2011	24/06/2011
4.0	CTM004	IPL Registered Address	22/03/2012	22/03/2012
5.0	IPL041S	Changes to the Independent Pipeline Limited Individual Network Code following Single Service Provision (SSP) implementation	17/06/2015	01/06/2017

1. Network Code

This document (including the Schedule and its Appendices) is the network code of Independent Pipelines Limited prepared pursuant to [standard condition 9] of the Operator's Licence.

2. Interpretation

2.1 In this document (other than the Appendices):

"iGT UNC" means the document entitled the "Independent Gas Transporters Uniform Network Code" which has been prepared by the Operator and the Other iGTs as from time to time modified;

"Network Code" means this document as from time to time modified in accordance with the network code modification procedures set out in the iGT UNC or the Operator's Licence;

"Operator" means Independent Pipelines Limited a company registered in England and Wales with company number 2828692 whose registered office is at Driscoll 2, Ellen Street, Cardiff CF10 4BP;

"Operator's Licence" means the Transporter's Licence granted or treated as granted to the Operator;

"Other iGTs" those persons (other than the Operator) holding a Transporter's Licence and who have agreed to incorporate the iGT UNC (with or without amendment) into their respective Transporter Codes;

"Transporter Code" the network code of a person (other than the Operator) holding a Transporter's Licence prepared pursuant to [standard condition 9] of that Transporter's Licence;

"Transporter's Licence" means in respect of a person, a gas transporters licence granted or treated as granted under Section 7(2) of the Gas Act 1986 to such person as from time to time in force;

2.2 Terms used in the Schedule and which are not defined in this document shall have the meaning in the iGT UNC.

2.3 Terms used in the Appendices and which are not defined therein shall have the meaning in the iGT UNC.

3. Provisions of Network Code

3.1 Subject to Clause 3.2, the Network Code comprises the provisions set out in the iGT UNC which are (subject to Clause 3.2) hereby incorporated into this document.

3.2 Schedule 1 to this document and its Appendices set out provisions:

- (a) which are to be applied in addition to those set out in the iGT UNC;
- (b) of the iGT UNC which are to be disapplied;
- (c) of the iGT UNC which are to be modified;
- (d) of the iGT UNC which are further defined, detailed or explained.
- (e) of the iGT UNC which are to be delayed in their implementation

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 provisions of Part CI 13.2 to 13.6 shall not apply.
3. 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.
4. As referred to in Part CIV 5.3, the Operator requires that only the Operator may undertake the works referred to in Part CIV 5.2.
5. 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.
6. 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.
7. As referred to in Part G21, 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.
8. An Invoice Query notified pursuant to Part G16.2 may additionally be notified by electronic mail to such email address as the Operator may specify to Pipeline Users for the purpose.
9. 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".
10. 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 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"

APPENDIX 2

CODE CREDIT RULES AND CODE CREDIT LIMITS

CODE CREDIT LIMITS

3.1 — General

~~3.1.1 — 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.~~

~~3.1.2 — 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.~~

~~3.1.3 — 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.~~

~~3.1.4 — 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.~~

3.2 — Code Credit Limit and Relevant Code Indebtedness

~~3.2.1 — 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 with 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.~~

~~3.2.2 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.~~

~~3.2.3 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.~~

~~3.2.4 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.~~

~~3.2.5 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.~~

~~3.2.6 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 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.~~

~~3.3 Requirements as to Relevant Code Indebtedness~~

~~3.3.1 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.~~

~~3.3.2 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.~~

~~3.3.3 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.~~

~~3.4 Security under Code Credit Rules~~

~~3.4.1 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.~~

~~3.4.2 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.~~

~~3.4.3 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 reduction in surety, to such extent or by such amount as will permit the condition in paragraph 1.4.4 to be satisfied.~~

~~3.4.4 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).~~

~~3.4.5 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).~~