

Interconnector (UK) Limited



IUK Access Code

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SECTION A
TRANSPORTATION SYSTEM GENERAL PRINCIPLES

1. Transportation

1.1. IAA Shipper Nominations: an IAA Shipper may:

- (a) nominate Natural Gas for offtake from an Approved Transmission System at any Entry Point; and
- (b) nominate Natural Gas for redelivery to an Approved Transmission System at any Exit Point.

Such nominations shall be made in accordance with this Access Code.

1.2. Natural Gas availability: Interconnector shall:

- (a) at each Entry Point, offtake Quantities of Natural Gas nominated for and made available at that Entry Point by the IAA Shipper; and
- (b) make available to the Shipper at the Exit Point for which the IAA Shipper has an Exit Nomination Quantities of Natural Gas in accordance with that Exit Nomination.

Interconnector shall not be required in any hour physically to offtake or make available Quantities of Natural Gas equal to the IAA Shipper's Nominations for that hour where any Operating Arrangements apply. If Operating Arrangements apply, Interconnector shall act in accordance with paragraph 1.3 of Section D in managing the physical flow of Natural Gas at each Connection Point.

1.3. Rate of Offtake by IAA Shipper: The IAA Shipper shall offtake Natural Gas at each Exit Point at the same rate as such Natural Gas is made available to it by Interconnector at that Exit Point.

1.4. Reduced Offtake Rate: If the IAA Shipper offtakes Natural Gas at a rate less than the rate at which Natural Gas is made available by Interconnector at any Exit Point:

- (a) Interconnector's obligation to offtake Natural Gas at the Entry Point(s) shall be suspended;
- (b) such suspension shall apply simultaneously and in the same Quantities as such Natural Gas is not offtaken by the IAA Shipper at the Exit Point; and
- (c) the IAA Shipper shall, if Interconnector so requests, reduce its rate of delivery of Natural Gas at the Entry Point (in order to restore the balance in the Transportation System).

The suspension of Interconnector's obligation to offtake Natural Gas made available by the IAA Shipper at the Entry Point shall end when the balance is restored by the IAA Shipper or (pursuant to paragraph 1.5) by Interconnector and the Transportation System has returned to normal operating conditions.

- 1.5. **Restoring Transportation System Balance:** If the IAA Shipper, having been requested by Interconnector in accordance with paragraph 1.4 to restore the balance in the Transportation System by reducing its rate of delivery of Natural Gas at the Entry Point, shall fail to do so immediately upon such request being made or within such period of time thereafter as Interconnector may specify or allow, Interconnector shall be entitled to restore the balance in the Transportation System and allocate a Balancing Charge to the Shipper in accordance with the procedures in Section E.

SECTION B CAPACITY

1. Transportation System Capacity

- 1.1. **Acquiring and Holding Capacity:** IAA Shippers may apply for and hold capacity in the Transportation System at each Connection Point.
- 1.2. **Capacity Classes:** The classes of capacity which may be held by IAA Shippers are Entry Capacity and Exit Capacity.
- 1.3. **Capacity Definitions:** For the purposes of the Access Code:
- (a) **"Entry Capacity"** is capacity in the Transportation System available for use by an IAA Shipper in delivering gas to the Transportation System at the Bacton Entry Point or the Zeebrugge Entry Point;
 - (b) **"Exit Capacity"** is capacity in the Transportation System available for use by an IAA Shipper in offtaking gas from the Transportation System at the Zeebrugge Exit Point or the Bacton Exit Point.

2. Capacity Rights

- 2.1. **Capacity Held:** For the purposes of the Access Code, an IAA Shipper's Capacity Rights in relation to a Connection Point is the Capacity which the IAA Shipper is registered (in accordance with this Section B) as holding at that Connection Point on the Gas Flow Day.
- 2.2. **Registration:** IAA Shippers may apply for and be registered on ISIS or any successor system as holding (i) daily Entry Capacity and (ii) an equal amount of daily Exit Capacity, pursuant to a bid under paragraph 4.

3. Available Daily Capacity

- 3.1. **Availability:** By 14.30 hours (UKT) / 15.30 hours (CET) on each Day before the Gas Flow Day, Interconnector will publish the quantity of Entry Capacity and Exit Capacity available at each Connection Point for that Gas Flow Day.
- 3.2. **Publication:** Such capacity will be published on the Bulletin Board on ISIS and on Interconnector's website and will specify :
- (a) Quantity of Entry Capacity, if any, available at Bacton Entry Point;
 - (b) Quantity of Exit Capacity, if any, available at Zeebrugge Exit Point;
 - (c) Quantity of Entry Capacity, if any, available at Zeebrugge Entry Point;
 - (d) Quantity of Exit Capacity, if any, available at Bacton Exit Point; and
 - (e) Reserve Prices for such capacities.

4. Daily Capacity Auction

4.1. **Application:** IAA Shippers may bid for (i) daily Entry Capacity at the Bacton Entry Point and/or the Zeebrugge Entry Point for a Day; and (ii) daily Exit Capacity at the Zeebrugge Exit Point and/or the Bacton Exit Point in accordance with this paragraph 4.

4.2. **Information Required:** An application (a "**daily capacity bid**") for daily Capacity shall specify:

- (a) the Entry Point;
- (b) the quantity of Entry Capacity applied for;
- (c) the minimum quantity of Entry Capacity which the IAA Shipper is willing to be allocated for the purposes of paragraph 5.1(d);
- (d) the amount (the "**bid price**"), (in p/kWh/h/day, which shall not be less than the Reserve Price) that the IAA Shipper is willing to pay for the specified quantity of Entry Capacity;
- (e) the Exit Point;
- (f) the quantity of Exit Capacity applied for;
- (g) the minimum quantity of Exit Capacity which the IAA Shipper is willing to be allocated for the purposes of paragraph 5.1(d);
- (h) the amount (the "**bid price**"), (in p/kWh/h/day which shall not be less than the Reserve Price) which the IAA Shipper is willing to pay for the Exit Capacity applied for;
- (i) such other information as Interconnector may stipulate from time to time;

and the "**total bid price**" shall be the sum of the bid prices in (d) and (h).

4.3. **Submission:** A daily capacity bid:

- (a) may be submitted at any time from 14.30 hours (UKT) / 15.30 hours (CET) on the Day before the Gas Flow Day until 16.00 hours (UKT) / 17.00 hours (CET) on the Day before the Gas Flow Day ("**daily capacity bid deadline**") for which the Entry Capacity and Exit Capacity are applied for; and
- (b) may be withdrawn at any time before the daily capacity bid deadline.

4.4. **Withdrawal:** An IAA Shipper may not withdraw a daily capacity bid after the daily capacity bid deadline.

4.5. **Non-compliant Bids:**

4.5.1 Interconnector shall reject a daily capacity bid if:

- (a) any requirement of paragraph 4.2 is not complied with; or

(b) the bid was submitted after the daily capacity bid deadline.

4.5.2 Interconnector may reject a daily capacity bid if the total liability (including the bid) of the IAA Shipper to pay fees and charges would exceed that IAA Shipper's Credit Criteria.

5. Daily Capacity Allocation

5.1. **Procedure:** After the daily capacity bid deadline expires, Interconnector will allocate (i) Entry Capacity for each Entry Point; and (ii) Exit Capacity for each Exit Point, as follows :

- (a) all daily capacity bids submitted in respect of the relevant Gas Flow Day will be ranked in order of bid price (the highest price ranking first);
- (b) Capacity will be allocated to capacity offers in descending order, allocating Entry Capacity and Exit Capacity to the daily capacity offer with the highest price first;
- (c) where the quantity of Entry Capacity and Exit Capacity applied for under a bid exceeds the amount (the "**remaining unallocated amount**") of the relevant capacity remaining unallocated after allocation to higher priced bids, the IAA Shipper will be allocated a quantity equal to the remaining unallocated quantity, unless paragraphs (d) or (e) apply;
- (d) where each of two or more bids ("**equal priced bids**") specifies the same bid price, and the quantity of relevant capacity remaining applied for in aggregate under such bids exceeds the remaining unallocated quantity, the remaining unallocated quantity will be allocated pro rata to the quantities applied for in each such bid, unless paragraph (e) applies;
- (e) where the quantity to be allocated in respect of a bid pursuant to paragraph (c) or (d) is less than the minimum quantity specified in the capacity bid, the bid will be disregarded (and of no effect), and a revised allocation will be made between remaining equal price bid(s) under paragraph (d).

5.2. **Acceptance and Registration:** Interconnector will:

- (a) accept bids in respect of which Entry Capacity and Exit Capacity are allocated in accordance with paragraph 5.1; and
- (b) notify each IAA Shipper whose bid is so accepted and those IAA Shippers whose bids were not accepted;
- (c) register those IAA Shippers whose bids were accepted as holding Entry Capacity (in the quantity so allocated) in respect of the Entry Point and Exit Capacity (in the quantity so allocated) in respect of the Exit Point for the relevant Gas Flow Day.

5.3. **Obligation to Pay:** Each IAA Shipper who bids for daily Capacity for a relevant Gas Flow Day:

- (a) for each Entry Point, shall pay, the bid price for the relevant Gas Flow Day in respect of the Entry Capacity allocated in accordance with this paragraph 5 pursuant to such daily capacity bid;

- (b) for each Exit Point, shall pay the bid price for the relevant Gas Flow Day in respect of the Exit Capacity allocated in accordance with this paragraph 5 pursuant to such daily capacity bid;
- 5.4. **ISIS Accounts:** By 17.00 hours (UKT) / 18.00 hours (CET) on the Day before the Gas Flow Day, Interconnector shall transfer the Entry and Exit Capacity associated with the allocation pursuant to paragraph 5.1 for each IAA Shipper to their respective ISIS accounts.
- 5.5. **Invoicing:** Entry Capacity Charges and Exit Capacity Charges will be invoiced and payable in accordance with the IAA Appendix A Clause 2.

SECTION C
NOMINATIONS AND MATCHING PROCEDURES

1. Nomination and Renomination Requirements

1.1. Nominations: An IAA Shipper's "Nominations" shall mean:

- (a) in relation to any Gas Flow Day, its Entry Nominations and its Exit Nominations for that Gas Flow Day; and
- (b) in relation to any hour, its Entry Nominations and Exit Nominations for that hour.

1.2. Entry Nominations: An IAA Shipper's "Entry Nominations" shall mean:

- (a) in relation to any Gas Flow Day and each Entry Point, the Quantities of Natural Gas to be delivered by that IAA Shipper at that Entry Point on that Gas Flow Day in accordance with its Confirmed Daily Nominations and/or Confirmed Renominations; and
- (b) in relation to any hour on a Gas Flow Day and each Entry Point:
 - (i) (where that IAA Shipper has submitted a profile in accordance with paragraph 2.5.1), that part of its Entry Nominations for that Gas Flow Day and that Entry Point which, in accordance with that profile, relates to that hour; or
 - (ii) (in any other case) that part of its Entry Nominations for that Gas Flow Day and that Entry Point as is equal to the total of those Entry Nominations divided by the number of hours in that Gas Flow Day.

1.3. Exit Nominations: An IAA Shipper's "Exit Nominations" shall mean:

- (a) in relation to any Gas Flow Day and each Exit Point, the Quantities of Natural Gas to be redelivered by Interconnector to that IAA Shipper at that Exit Point on that Gas Flow Day in accordance with its Confirmed Daily Nominations and/or Confirmed Renominations; and
- (b) in relation to any hour on a Gas Flow Day and each Exit Point:
 - (i) (where that IAA Shipper has submitted a profile in accordance with paragraph 2.5.1) that part of its Exit Nominations for that Gas Flow Day and that Exit Point which, in accordance with that profile, relates to that hour; or
 - (ii) (in any other case) that part of its Exit Nominations for that Gas Flow Day and that Exit Point as is equal to the total of those Exit Nominations divided by the number of hours in that Gas Flow Day.

2. Nominations and Renominations

2.1. IAA Shippers' Nominations and Renominations:

2.1.1. An IAA Shipper may submit to Interconnector at any time Matching Data for the Gas Flow

Day, together with the relevant Coded Counterparty Information. In submitting such Matching Data, the IAA Shipper shall specify:

- (a) the hour in which such Matching Data is to be effective, being not earlier than the hour which is two hours from the commencement of the next hour following the submission of such Matching Data; and
- (b) the Quantity of Natural Gas required to be delivered and redelivered in each remaining hour of the Gas Flow Day commencing with the hour in which such Matching Data takes effect.

2.1.2. An IAA Shipper shall ensure, when submitting Matching Data in accordance with paragraph 2.1.1, that, in each hour on the Gas Flow Day, its Net Flow at each Connection Point does not exceed its Relevant Capacity Rights for that hour at that Connection Point, as determined on the basis of such Matching Data and any other Matching Data submitted by the IAA Shipper in relation to the same hour in that Gas Flow Day.

2.2. **Nominations and Renominations Matching Process**

2.2.1. The Equivalent Matching Procedures shall provide that each ATS Agent shall supply Interconnector with any Matching Data of an ATS Shipper with respect to the Gas Flow Day submitted to the ATS Agent, together with relevant Coded Counterparty Information.

2.2.2. Interconnector shall:

- (a) compare and seek to match any Matching Data which is provided by IAA Shippers with Coded Counterparty Information pursuant to paragraph 2.1 with the latest Matching Data which has been provided through the ATS Agent by ATS Shippers with Coded Counterparty Information pursuant to paragraph 2.2.1; and
- (b) advise each IAA Shipper individually as to whether or not its Matching Data is Matched in terms of (i) the Quantities of Natural Gas to be delivered or received, and (ii) the relevant ATS Shipper counterparties. Each IAA Shipper shall be responsible for communicating with its relevant counterparties where its Matching Data is Unmatched and may submit revised Matching Data and/or Coded Counterparty Information as necessary to Interconnector.

2.2.3. If an IAA Shipper's Matching Data remains Unmatched under the foregoing provisions of this paragraph 2.2, the following default rules shall apply:

- (a) if an IAA Shipper and an ATS Shipper (through the relevant ATS Agent) specify different Quantities of Natural Gas, then the Quantities to be used for the purposes of paragraph 2.3 shall be:
 - (i) where the relevant AT System is the NTS:
 - (1) if National Grid Gas has not advised Interconnector of an AT System Entry Constraint or an AT System Exit Constraint in accordance with Section I paragraph 2.1, the aggregate of the IAA Shippers' Matching Data;
 - (2) if the relevant ATS Agent has advised Interconnector following an AT

System Entry Constraint or an AT System Exit Constraint of new Matching Data with respect to the reduced Quantities referred to in Section I paragraph 2.1, the lesser of the aggregate of the relevant ATS Shippers' Matching Data as so advised by the ATS Agent and the aggregate of the IAA Shippers' Matching Data; or

- (ii) where the relevant AT System is the FTS, the lesser of the aggregate of the relevant ATS Shippers' Matching Data as advised by the ATS Agent and the aggregate of the IAA Shippers' Matching Data.
- (b) If an IAA Shipper has not identified an ATS Shipper counterparty and/or that ATS Shipper (through the relevant ATS Agent) has not identified the same IAA Shipper as its counterparty, then Interconnector will not act on the IAA Shipper's Matching Data or such other Quantities as may be applicable under sub-paragraph (a) above.

2.3. Confirmed Nominations and Renominations

- 2.3.1. Subject as provided in paragraphs 2.3.2 and 2.4, Interconnector shall in relation to each IAA Shipper and each relevant AT System aggregate and confirm to the IAA Shipper the Quantities of Natural Gas (a) specified by that IAA Shipper in its Matching Data submitted in accordance with paragraph 2.1 and which has been Matched by not later than 02:59 hours (UKT) / 03:59 hours (CET) on the Gas Flow Day and/or (b) such other Quantities as may be applicable by virtue of paragraphs 2.2.3 except where Interconnector is precluded by paragraph 2.2.3(b) from acting on such Matching Data or other applicable Quantities. Each such confirmed aggregation shall be a "**Confirmed Nomination**" or "**Confirmed Renomination**".
- 2.3.2. Interconnector shall not be required to accept or act on, and may reject, any Matching Data submitted after 01:00 hours (UKT) / 02:00 hours (CET) on any Day if Interconnector in its discretion (taking account of other IUK Shippers' Nominations, any applicable Operating Arrangements and other operating conditions) determines that any Confirmed Nomination or Confirmed Renomination which would result from such Matching Data would, or would be likely to, result at any Connection Point in an Excess Steering Difference where none would otherwise arise or an Excess Steering Difference which is greater than any Excess Steering Difference which would otherwise arise.

2.4. Capacity Limits

- 2.4.1. An IAA Shipper's Matching Data shall not be confirmed by Interconnector in accordance with paragraphs 2.3 if such confirmation would in any hour result in:
 - (a) that IAA Shipper's Net Flow at any Entry Point not equalling its Net Flow at any Exit Point for that hour.
 - (b) that IAA Shipper's Net Flow at either Connection Point exceeding its Relevant Capacity Rights for that hour at that Connection Point; or

In any such case Interconnector shall endeavour to advise the IAA Shipper as soon as practicable of the amount of any such excess if such Matching Data had been confirmed.

- 2.4.2. Where Interconnector advises an IAA Shipper in accordance with paragraph 2.4.1, the IAA Shipper shall submit to Interconnector not later than one hour from the commencement of

the next hour following such notice being given, such revised Matching Data as may be necessary in order to ensure that in each hour on the relevant Gas Flow Day:

- (a) its Net Flow at each Entry Point equals its Net Flow at each Exit Point for that hour; and
- (b) its Net Flow at each Connection Point does not exceed its Relevant Capacity Rights for that hour at that Connection Point.

If the IAA Shipper shall, for whatever reason, fail to submit such revised Matching Data by the relevant time, Interconnector, for the purposes of paragraph 1 of Section D, shall be entitled at its discretion to adjust and/or cancel any or all Matching Data and/or Nominations of the IAA Shipper save to the extent that such Nominations have already been satisfied by the offtake and redelivery of Natural Gas during the Gas Flow Day.

2.5. Nomination Flow Rates

2.5.1. An IAA Shipper, in submitting its Matching Data may provide Interconnector with a profile of its preferred hourly flow rates for each Gas Flow Day and provided that:

- (a) the Quantities of Natural Gas required from hour to hour are matched hour to hour under the provisions of paragraphs 2.2.2;
- (b) the variations in the hourly flow rate are within such operational limits of the average hourly flow rate as may be reasonably determined by Interconnector on a case-by-case basis; and
- (c) such profile does not result in any hour in its Net Flow at any Connection Point exceeding its Relevant Capacity Rights for that hour at that Connection Point; or

the IAA Shipper's Confirmed Daily Nomination or (as the case may be) any Confirmed Renomination for the Gas Flow Day in question will be confirmed on the basis of such profile.

2.5.2. For the avoidance of doubt, an IAA Shipper may not on any Gas Flow Day or in any specified hour on a Gas Flow Day, submit Matching Data specifying an aggregate Quantity of Natural Gas for redelivery at an Exit Point which is different from the aggregate Quantity of Natural Gas made available by the IAA Shipper for offtake by Interconnector at any Entry Point.

2.5.3. If in relation to any Gas Flow Day the Nominations of all Shippers are such as would require a physical flow of Natural Gas at the Entry or Exit Measurement Facilities at a low rate, then (subject to agreement with the applicable Approved Operator) Interconnector may offtake or (as the case may be) redeliver the relevant Quantities intermittently in batches throughout the Gas Flow Day or an any subsequent Gas Flow Day.

3. Contractual Congestion Management

3.1. Buy-back

3.1.1. **Commencement:** If aggregate Nominations exceed, or are predicted to exceed, the physical capability of the Transportation System, then Interconnector will seek to buy back

Entry Capacity and Exit Capacity to reduce the Nominations by requesting IUK Shippers to offer Capacity.

3.1.2. **Quantity:** Interconnector will determine the quantity of Capacity to be bought back to resolve the situation (the "**Buy-back Requirement**"), and publish such quantity on the Bulletin Board on ISIS and the Interconnector website and the period for IUK Shippers to offer Capacity for buy-back.

3.1.3. **Offers:** IUK Shippers may offer daily Entry Capacity in respect of the Bacton Entry Point and/or the Zeebrugge Entry Point for a Day and daily Exit Capacity in respect of the Zeebrugge Exit Point and/or the Bacton Exit Point in response to the information published by Interconnector in accordance with this paragraph 3.1.

3.1.4. **Information Required:** An offer (a "**daily capacity offer**") for daily Capacity shall specify:

- (a) the Entry Point;
- (b) the quantity of Entry Capacity offered;
- (c) the minimum quantity of Entry Capacity for which the IAA Shipper is willing to have the offer accepted ;
- (d) the amount (the "**offer price**"), which the IAA Shipper wishes to be paid for the offered Entry Capacity;
- (e) the Exit Point;
- (f) the quantity of Exit Capacity offered;
- (g) the minimum quantity of Exit Capacity which the IAA Shipper is willing to have the offer accepted;
- (h) the amount (the "**offer price**"), which the IAA Shipper wishes to be paid in respect of the offered Exit Capacity;
- (i) such other information as Interconnector may stipulate from time to time;

and the "**total offer price**" shall be the sum of the offer prices in (d) and (h).

3.1.5. **Submission:** A daily capacity offer:

- (a) may be submitted at any time until one (1) hour after the time Interconnector publishes the request for offers ("**daily capacity offer deadline**") for which the Entry Capacity and Exit Capacity are offered; and
- (b) may, subject to paragraph 3.1.6, be withdrawn or amended at any time before the daily capacity offer deadline.

3.1.6. **Withdrawal:** An IUK Shipper may not withdraw a daily capacity offer after the daily capacity offer deadline.

3.1.7. **Non-compliant offers:** Interconnector:

- (a) shall reject a daily capacity offer where any requirement of paragraph 3.1.4 is not complied with; and
 - (b) shall reject such an offer where the amount of Entry Capacity or Exit Capacity offered exceeds the amount of the IAA Shipper's registered Entry Capacity or Exit Capacity.
- 3.1.8. **Capacity Allocation:** After the daily capacity offer deadline expires, Interconnector will, unless the Forced Buy-back provisions in paragraph 3.2 apply, allocate Entry Capacity for each Entry Point and Exit Capacity for each Exit Point as follows:
- (a) all daily capacity offers submitted in respect of the relevant Gas Flow Day will be ranked in order of total offer price (the lowest price ranking first);
 - (b) Capacity will be allocated to capacity offers in ascending order, allocating Entry Capacity and Exit Capacity to the daily capacity offer with the lowest price first;
 - (c) where the amount of Entry Capacity and Exit Capacity offered exceeds the amount (the "**remaining unallocated amount**") of the relevant capacity remaining unallocated after allocation to lower priced offers, the IAA Shipper will be allocated an amount equal to the remaining unallocated amount, unless paragraphs (d) or (e) apply;
 - (d) where each of two or more offers ("**equal priced offers**") specifies the same offer price, and the amount of relevant capacity remaining applied for in aggregate under such offers exceeds the remaining unallocated amount, the remaining unallocated amount will be allocated pro rata to the amounts offered in each such offer, unless paragraph (e) applies;
 - (e) where the amount to be allocated in respect of an offer pursuant to paragraph (c) or (d) is less than the minimum amount specified in the capacity offer, the offer will be disregarded (and of no effect), and an allocation made in respect of the next priced offer or a revised allocation will be made between remaining equal price offer(s) under paragraph (d).
 - (f) No offer will be accepted where the offer price exceeds the Maximum Buy-back Price set in accordance with Section F paragraph 3.
- 3.1.9. By one (1) hour after the capacity offer deadline, Interconnector will accept offers in respect of which Entry Capacity and Exit Capacity are allocated in accordance with paragraph 3.1.8, and each IAA Shipper whose offer is so accepted will be notified and registered as holding a reduced quantity of Entry Capacity (in the amount so allocated) in respect of the Entry Point and a reduced quantity of Exit Capacity (in the amount so allocated) in respect of the Exit Point for the relevant Gas Flow Day.
- 3.1.10. An IUK Shipper agrees, by submitting a daily capacity offer, to surrender in exchange for payment (the "**Buy-back Cost**"), such Entry Capacity and equivalent Exit Capacity selected by Interconnector in respect of such offer in accordance with this Section 3.1 and to reduce its Entry Nomination and Exit Nomination accordingly.
- 3.1.11. By three (3) hours after the daily capacity offer deadline, Interconnector shall transfer the Entry Capacity and Exit Capacity associated with the allocation pursuant to paragraph

3.1.8 for each IUK Shipper out of their respective ISIS accounts and advise those IUK Shippers whose daily capacity offers were not accepted.

- 3.1.12. If the IUK Shipper does not re-nominate appropriately then Interconnector will adjust that IUK Shipper's Nominations accordingly to reflect its reduced Capacity holding.

3.2 Forced Buy-back

- 3.2.1 **Determination:** Where Interconnector, in its absolute discretion, determines that (i) the quantity of Capacity offered and accepted pursuant to paragraph 3.1 is insufficient to meet the Buy-back Requirement, or (ii) where Buy-back is required after 22.00 (UKT) / 23.00 (CET), then Interconnector will implement Forced Buy-back.

- 3.2.2 **Implementation:** When Interconnector determines that a Forced Buy-back is to be implemented, Interconnector will reduce each IAA Shipper's Entry Capacity and Exit Capacity in proportion to their Capacity Related Share to meet the Buy-back Requirement and the Buy-back Cost payable to each IAA Shipper for such reduction shall be calculated using the Forced Buy-back Price.

4. Miscellaneous

4.1 Information provided in good faith

Interconnector shall be entitled to rely upon the accuracy and completeness of any information supplied to it by an IAA Shipper, an ATS Agent or the operator of an AT System in accordance with or as contemplated by the provisions of this Section C.

4.2 Equivalent Matching Procedures

Interconnector shall agree Equivalent Matching Procedures with each ATS Agent but it shall be the responsibility of IAA Shippers to ensure that their ATS Shipper counterparties (a) provide the relevant ATS Agent with the information required under the Equivalent Matching Procedures and in accordance with the terms thereof and (b) procure that the ATS Agent acts in accordance with the terms of the Equivalent Matching Procedures.

SECTION D ALLOCATION PROCEDURES

1. Allocation of Deliveries and Redeliveries

1.1 **Measurement:** The Quantity of Natural Gas delivered at an Entry Point or redelivered at an Exit Point on any Day shall be measured continuously at the relevant Entry or Exit Measurement Facilities and allocated to IAA Shippers with respect to each hour during the Day in accordance with the provisions of this paragraph 1.

1.2 **Offtake and Redelivery:** Interconnector shall manage the offtake and/or (as the case may be) redelivery of Quantities of Natural Gas at each Connection Point, based on IAA Shippers' Net Scheduled Quantities at any relevant time, acting as a Reasonable and Prudent Operator and using reasonable endeavours in order to minimise any Excess Steering Differences so far as practicable and taking account of any applicable Operating Arrangements.

1.3 **Allocations:** Subject to the provisions in relation to any Excess Steering Differences, in respect of each hour on any Day:

- (a) an IAA Shipper's Entry Allocations shall be equal to its Scheduled Entry Quantity for that hour; and
- (b) an IAA Shipper's Exit Allocations shall be equal to its Scheduled Exit Quantity.

1.4 **Excess Steering Differences Apportionment:** Subject as provided in paragraph 1.5, any Excess Steering Difference which arises in respect of (i) any hour or any Day and (ii) any Connection Point; shall be apportioned amongst IAA Shippers in accordance with the principles listed in paragraphs (a) through (d) below. The Entry Allocations or Exit Allocations (as the case may be) of each affected IAA Shipper for that hour, or for the hours in that Day, shall be reduced or increased (as the case may be) by an amount equal to that IAA Shipper's share of the Excess Steering Difference.

- (a) If the Excess Steering Difference arises in respect of any hour at a Connection Point which is a Commercial Flow Entry Point for that hour, it shall be allocated (as provided in sub-paragraph (d) below) to those IAA Shippers who have a Scheduled Entry Quantity at that Connection Point for that hour;
- (b) If the Excess Steering Difference arises in respect of any hour at a Connection Point which is a Commercial Flow Exit Point for that hour, it shall be allocated (as provided in sub-paragraph (d) below) to those IAA Shippers who have a Scheduled Exit Quantity at that Connection Point for that hour;
- (c) For the purposes of this paragraph (c):

"Entry Hours" shall be the hour or hours (if any, and whether consecutive or not) on that Day during which that Connection Point is a Commercial Flow Entry Point; and

"Exit Hours" shall be the hour or hours (if any, and whether consecutive or not) on that Day during which that Connection Point is a Commercial Flow Exit Point for the purposes of this paragraph.

If the Excess Steering Difference arises in respect of any Day at a Connection Point, then the following provisions shall apply:

and:

- (i) (if there are both Entry Hours and Exit Hours on that Day) the Excess Steering Difference shall first be apportioned between the Entry Hours and the Exit Hours, in the same ratio as the total of the Aggregate Net Scheduled Quantities for all the Entry Hours at that Connection Point bears to the total of the Aggregate Net Scheduled Quantities for all the Exit Hours at that Connection Point; and
 - (ii) the Excess Steering Difference (or, as the case may be, the part of the Excess Steering Difference) attributable to the Entry Hours shall first be apportioned between those Entry Hours in (for each Entry Hour) the same ratio as the Aggregate Net Scheduled Quantity at that Connection Point for that Entry Hour bears to the total of the Aggregate Net Scheduled Quantities at that Connection Point for all those Entry Hours, and the amount so apportioned to each Entry Hour shall then be allocated (as provided in sub-paragraph (d) below) to those IAA Shippers who have a Scheduled Entry Quantity at that Connection Point for that Entry Hour; and
 - (iii) the Excess Steering Difference (or, as the case may be, the part of the Excess Steering Difference) attributable to the Exit Hours shall first be apportioned between those Exit Hours in (for each Exit Hour) the same ratio as the Aggregate Net Scheduled Quantity at that Connection Point for that Exit Hour bears to the total of the Aggregate Net Scheduled Quantities at that Connection Point for all those Exit Hours, and the amount so apportioned to each Exit Hour shall then be allocated (as provided in sub-paragraph (d) below) to those IAA Shippers who have a Scheduled Exit Quantity at that Connection Point for that Exit Hour.
- (d) Any Excess Steering Difference which, in accordance with any of paragraphs (a) – (c) above, is to be allocated to any IAA Shippers in relation to any hour shall be allocated to each of those IAA Shippers:
- (i) (in the case of paragraphs 1.4(a) and 1.4(c)(ii)) in the same ratio as its Scheduled Entry Quantity for that hour at the relevant Connection Point bears to the aggregate of all Shippers' Scheduled Entry Quantities for that hour at that Connection Point; and
 - (ii) (in the case of paragraphs 1.4(b) and 1.4(c)(iii)) in the same ratio as its Scheduled Exit Quantity for that hour at the relevant Connection Point bears to the aggregate of all Shippers' Scheduled Exit Quantities for that hour at that Connection Point.

1.5 If:

- (a) notwithstanding paragraph 2.3.2 of Section C, Interconnector has accepted or acted on Matching Data as described in that paragraph; and

- (b) Interconnector has acted in accordance with paragraph 1.2; and
- (c) Interconnector determines that an IAA Shipper's Confirmed Renomination resulting from such Matching Data results at any Connection Point in an Excess Steering Difference where none would otherwise have resulted or an Excess Steering Difference which is greater than any Excess Steering Difference which would otherwise have resulted,

Interconnector may determine that all or any part of such Excess Steering Difference shall be allocated to that IAA Shipper, and in any such case the apportionment of the Excess Steering Difference amongst IAA Shippers under paragraph 1.4 shall be adjusted accordingly.

- 1.6 Allocations once made in accordance with this paragraph 1 shall not subsequently be re-opened except for such adjustments as are contemplated in paragraphs 1.4 and 1.5 or in Section G.

2. Allocation of Fuel Gas and Electricity

- 2.1 Fuel Gas consumed in the operation of the Transportation System comprises :

- (a) Fuel Gas used for the operation of compressors at Bacton when the Bacton Connection Point is a Commercial Flow Entry Point; and
- (b) Fuel Gas used for the operation of heaters at Zeebrugge when the Zeebrugge Connection Point is a Commercial Flow Exit Point; and
- (c) Fuel Gas used for the operation of heaters at Bacton when the Bacton Connection Point is a Commercial Flow Exit Point.

- 2.2 Any Fuel Gas related to paragraph 2.1 (a) shall be allocated to IAA Shippers in proportion to their Aggregate Net Entry Allocations.

- 2.3 Any Fuel Gas related to paragraphs 2.1 (b) or 2.1 (c) shall be allocated to IAA Shippers in proportion to their Aggregate Net Exit Allocation.

- 2.4 Any Compressor Electricity consumed in the operation of the Transportation System when the Zeebrugge Connection Point is a Commercial Flow Entry Point shall be allocated to IAA Shippers in proportion to their Aggregate Net Entry Allocations.

3. Reporting by Interconnector

3.1. On the Day Information

Interconnector shall provide IAA Shippers with their individual Entry Allocations, Exit Allocations for (a) the latest hour and (b) up to the latest hour, on the Gas Flow Day.

3.2. Daily Reports

Interconnector shall before 08.00 hours (UKT) / 09.00 hours (CET) on each Day provide each IAA Shipper with a report specifying in relation to the immediately preceding Day:

- (a) the IAA Shipper's Entry Nominations and Entry Allocations at each relevant Entry

Point for that Day;

- (b) its Exit Nominations and Exit Allocations at each relevant Exit Point for that Day;
- (c) its allocated share of Fuel Gas for that Day and its allocated share of Compressor Electricity for that Day;
- (d) the flow weighted average Gross Calorific Value and Wobbe Index of the Natural Gas delivered to that IAA Shipper at each relevant Entry Point and redelivered to it at each relevant Exit Point on that Day; and
- (e) the Quantity of Natural Gas measured at each of the Bacton Measurement Facilities and the Zeebrugge Measurement Facilities.

3.3. Monthly Reports

Interconnector shall before the 12th Business Day of each month provide each IAA Shipper with a report specifying in relation to each Day of the immediately preceding Month:

- (a) the IAA Shipper's Entry Nominations and Entry Allocations at each relevant Entry Point;
- (b) its Exit Nominations and Exit Allocations at each relevant Exit Point;
- (c) its allocated share of Fuel Gas and its allocated share of Compressor Electricity;
- (d) any relevant metering adjustments; and
- (e) the flow weighted average Gross Calorific Value and Wobbe Index of the Natural Gas delivered to that IAA Shipper at each relevant Entry Point and redelivered to it at each relevant Exit Point.

SECTION E BALANCING

1. Introduction and definitions

1.1. In this Section :

- (a) **"Balancing Charge"** means the charge payable to an IAA Shipper in respect of a Positive Imbalance or the charge payable by an IAA Shipper in respect of a Negative Imbalance as set out below;
- (b) a **"Negative Imbalance"** is where any Entry Allocation of an IAA Shipper at an Entry Point is less than the corresponding Exit Allocation at an Exit Point on any Day;
- (c) a **"Positive Imbalance"** is where any Exit Allocation of an IAA Shipper at an Exit Point is less than the corresponding Entry Allocation at an Entry Point on any Day;
- (d) the **"Allowed Tolerance"** is the tolerance on the cumulative Negative Imbalance or Positive Imbalance that is allowed for each IAA Shipper before Balancing Charges apply, the value of which will be determined by Interconnector from time to time in the reasonable exercise of its discretion but shall initially be set at 560,000 kWh.

2. Balancing Obligation

- 2.1 An IAA Shipper shall on any Gas Flow Day or in any specified hour on a Gas Flow Day, submit Matching Data specifying an aggregate Quantity of Natural Gas for redelivery at an Exit Point which is equal to the aggregate Quantity of Natural Gas made available by the IAA Shipper for offtake by Interconnector at any Entry Point.

3. Balancing Charges

- 3.1 Any Negative Imbalance or Positive Imbalance that is less than the Allowed Tolerance shall be carried forward to the next Day.
- 3.2 On any Day on which the IAA Shipper' accumulated Positive Imbalance exceeds the Allowed Tolerance, a Balancing Charge shall be payable to it calculated in accordance with Section F paragraph 4.
- 3.3 On any Day on which the IAA Shipper's accumulated Negative Imbalance exceeds the Allowed Tolerance, it shall pay a Balancing Charge, calculated in accordance with Section F paragraph 4.
- 3.4 Once a Balancing Charge has been applied the Positive Imbalance or as the case may be the Negative Imbalance shall be reduced by the quantity used in the Balancing Charge calculation.

SECTION F CHARGING METHODOLOGY

1. Initial Registration Fee

An Initial Registration Fee will be charged by Interconnector on signature of an IUK Access Agreement, and which must be paid before the IAA Shipper can access ISIS and bid for Capacity pursuant to Section B. The amount of the Initial Registration Fee shall be published by Interconnector in the IUK Charging Methodology Statement.

2. Monthly Administration Fee

A Monthly Administration Fee will be invoiced as part of the Monthly Charge in an amount published by Interconnector in the IUK Charging Methodology Statement.

3. Capacity Charges

3.1. IAA Shipper Capacity Purchases

3.1.1. For each Day that Entry Capacity has been allocated to an IAA Shipper pursuant to Section B, an Entry Capacity Charge shall be paid by the IAA Shipper to Interconnector in an amount equal to the quantity of allocated Entry Capacity multiplied by that IAA Shipper's bid price for such Capacity.

3.1.2. For each Day that Exit Capacity has been allocated to an IAA Shipper pursuant to Section B, an Exit Capacity Charge shall be paid by the IAA Shipper to Interconnector in an amount equal to the quantity of allocated Exit Capacity multiplied by that IAA Shipper's bid price for such Capacity.

3.1.3. Interconnector shall, from time to time, update and publish the minimum prices (the "**Reserve Price**") to be paid for each of the Entry Capacity and Exit Capacity by IAA Shippers. Such Reserve Price shall be published by Interconnector in the IUK Charging Methodology Statement.

3.2. Interconnector Buy-back Costs

3.2.1. For each Day that Interconnector has bought back Capacity pursuant to Section C paragraph 3, Interconnector shall pay to the IAA Shipper a Buy-back Cost equal to:

(a) where Interconnector has selected Buy-back Capacity pursuant to Section C paragraph 3.1, the quantity of selected Entry Capacity and Exit Capacity multiplied by that IAA Shipper's offer price for such Capacity.

The maximum price that Interconnector will accept for a daily capacity offer from a IUK Shipper pursuant to Section C paragraph 3.1 (the "**Maximum Buy-back Price**") shall be published by Interconnector in the IUK Charging Methodology Statement.

(b) where Interconnector has implemented Forced Buy-back pursuant to Section C paragraph 3.2, the quantity of reduced Entry Capacity and Exit Capacity multiplied by the Forced Buy-back Price.

The Forced Buy-back Price shall be published by Interconnector in the IUK Charging Methodology Statement.

4. Balancing Charge

- 4.1. On any Day on which an IAA Shipper has a Positive Imbalance a Balancing Charge shall be payable to it by Interconnector of the value of the Positive Imbalance multiplied by the Positive Imbalance Daily Gas Price.
- 4.2. On any Day on which an IAA Shipper has a Negative Imbalance it shall pay a Balancing Charge equal to the value of the Negative Imbalance multiplied by the Negative Imbalance Daily Gas Price.

5. Fuel Charges

5.1. Fuel Gas

- (a) A Fuel Gas Charge shall be payable by an IAA Shipper in respect of any Day any Fuel Gas is allocated to the IAA Shipper in accordance with paragraph 2.1 of Section D.
- (b) In respect of each Day, each IAA Shipper's Fuel Gas Charge shall be an amount (in Pounds Sterling) equal to the Negative Imbalance Daily Gas Price multiplied by the total quantity of Fuel Gas allocated to that IAA Shipper on that Day.

5.2. Electricity Charges

- 5.2.1. The Monthly Electricity Charge shall be payable by an IAA Shipper in respect of any Day during a Month any Compressor Electricity is allocated to the IAA Shipper in accordance with paragraph 2 of Section D.
- 5.2.2. Before each Gas year Interconnector shall in respect of that Gas Year notify all IAA Shippers of its best estimate of the "Estimated Compressor Electricity Unit Cost", expressed in Euro/kWh based on historical reverse flowrate data, forecast information concerning reverse flowrates for that Gas Year, the costs for the supply to Interconnector of Compressor Electricity and any other available and relevant information.
- 5.2.3. In respect of each Month, each IAA Shipper's Monthly Electricity Charge, shall be an amount (in Euros) equal to the Estimated Compressor Electricity Unit Cost multiplied by the total amount of Compressor Electricity allocated to that IAA Shipper in that Month in accordance with the provisions of paragraph 2.2 of Section D.
- 5.2.4. As soon as practicable (but in any event within 60 days, or such longer period as may be necessary to allow for the receipt by Interconnector of all relevant invoices and data relating to the supply of Electricity) after the end of each Gas Year, Interconnector shall calculate in respect of that Gas Year the "Actual Compressor Electricity Unit Cost", expressed in Euros/kWh, based on the actual total consumption of Compressor Electricity and the actual total Compressor Electricity Costs.
- 5.2.5. Interconnector shall then calculate:
 - (a) the aggregate amount of all Monthly Electricity Charge payments made by each IUK Shipper to Interconnector in respect of each Month during that Gas Year; and

- (b) the aggregate amount of all Monthly Electricity Charge payments that would have been made by each IAA Shipper to Interconnector over the same period had the Monthly Electricity Charge payments of that IAA Shipper in respect of each Month during that Gas Year been calculated and paid by reference to the Actual Compressor Electricity Unit Cost (rather than the Estimated Compressor Electricity Unit Cost) for each Month in such Gas Year.
- 5.2.6. Interconnector shall send each IAA Shipper a copy of such calculations in respect of its Monthly Electricity Charge (together with reasonable supporting details).
- 5.2.7. The excess of the aggregate amount referred to in 5.2.5(a) above over the aggregate amount referred to in 5.2.5(b) above or (as the case may be) the excess of the aggregate amount referred to in 5.2.5(b) above over the aggregate amount referred to in 5.2.5(a) above shall be payable by Interconnector to the applicable IAA Shipper or (as the case may be) by the applicable IAA Shipper to Interconnector together with interest (from the date when each successive Monthly Electricity Charge fell due for payment until payment of such excess) at a rate equal to the aggregate of Euro LIBOR plus two per cent (2%).
- 5.2.8. If, for any Gas Year, the Actual Compressor Electricity Unit Cost exceeds the Estimated Compressor Electricity Unit Cost by more than 15%, then notwithstanding paragraph 5.2.4, the Actual Compressor Electricity Unit Cost shall be deemed to be an amount equal to 115% of such Estimated Compressor Electricity Unit Cost.

6. Monthly Charge

- 6.1 **Obligation to Pay:** Each Month, the IAA Shipper shall pay Interconnector for Transportation Services by way of a Monthly Charge, invoiced as described in Clause 2 of Appendix A to the IUK Access Agreement.
- 6.2 The Monthly Charge shall comprise:
- (a) the Monthly Administration Fee , and
 - (b) the summation of daily Entry Capacity Charges calculated in accordance with paragraph 3.1.1, and
 - (c) the summation of daily Exit Capacity Charges calculated in accordance with paragraph 3.1.2, and
 - (d) the summation of daily Balancing Charges where the IAA Shipper has a Negative Imbalance in accordance with Section E paragraph 2.2, and
 - (e) the summation of daily Fuel Gas Charges calculated in accordance with paragraph 5.1, and
 - (f) the Monthly Electricity Charges calculated in accordance with paragraph 5.2;

less
 - (g) the summation of daily Buy-back Costs calculated in accordance with paragraph 3.2.1, and

- (h) the summation of daily Balancing Charges where the IAA Shipper has a Positive Imbalance in accordance with Section E paragraph 2.1, and
- (i) any reduction in the Capacity Charges due to Lost Capacity calculated in accordance with Section I paragraph 1.5.

7. Revenue Disbursement

- 7.1. At the end of each Gas Year, Interconnector shall calculate the amount of net positive revenue, if any, received from: -
 - (a) the relevant proportion of sales of Entry Capacity and Exit Capacity to IAA Shippers, less
 - (b) purchases of Buy-back Capacity from IUK Shippers.
- 7.2. Interconnector shall then determine the proportion of the amount calculated in paragraph 7.1 that will be distributed amongst all IUK Shippers pro-rata to each IUK Shipper's share of the total flows in that Gas Year and the next invoice issued by Interconnector to the IUK Shipper shall be adjusted to reflect the appropriate amount.

8. IUK Charging Methodology Statement

- 8.1. Interconnector shall publish the IUK Charging Methodology Statement setting out the current values of fees and prices under this Access Code and shall only amend such document following a period of consultation.

SECTION G MEASUREMENT, SAMPLING AND ANALYSIS

1. General

- 1.1 **Overall Build Standards:** All facilities for the measurement, sampling and analysis of Natural Gas required in connection with the allocation procedures set out in Section D shall be designed, installed, maintained and operated in accordance with this Section G.

2. Design of Measurement Facilities

- 2.1 **Design Principles:** Unless any Governmental Authority require otherwise, the principles described below shall apply with respect to the design of the metering equipment used for the purposes of the procedures for the allocation of Natural Gas described in Section D.

- 2.1.1 The Quantity of Natural Gas in each hour which is:

- (a) offtaken by Interconnector at an Entry Point, or
- (b) redelivered by Interconnector at an Exit Point;

shall be determined by flow meters with a determination of density at meter conditions from direct measurement or from measured temperature, measured pressure, on line analysis and determination of Gross Calorific Value and standard density from on line analysis.

- 2.1.2 The measurement facilities referred to in paragraph 3 of this Section G shall have an accuracy consistent with Good Industry Practice and shall be consistent with each other such measurement facility.

- 2.2 **Good Industry Practice:** For the purposes of this Section G, “**Good Industry Practice**” shall mean any practice or standard generally recognised within the gas industry in the country where the relevant measurement facilities are located including compliance with any non-statutory code of practice and guidance notes issued by the relevant Governmental Authority and as applicable from time to time.

3. Location and Identification of Measurement Facilities

3.1 Bacton Measurement Facilities

The “**Bacton Measurement Facilities**” shall mean and include the facilities owned and operated by Interconnector and forming part of the Bacton Facilities for measuring the offtake of Natural Gas at Bacton from the NTS or the redelivery of Natural Gas at Bacton to the NTS.

3.2 Zeebrugge Measurement Facilities

The “**Zeebrugge Measurement Facilities**” shall mean and include the facilities owned and operated by Fluxys for measuring the redelivery of Natural Gas to the Fluxys Transmission

System at Zeebrugge or the offtake of Natural Gas from the Fluxys Transmission System at Zeebrugge.

3.3 Fuel Gas Measurement Facilities

Fuel Gas consumption for compressor operation at Bacton will be measured by facilities forming part of the Bacton Facilities. Fuel Gas consumption in heaters at Bacton and Zeebrugge will be estimated by Interconnector.

3.4 Compressor Electricity Measurement Facilities

Facilities for the measurement of Compressor Electricity consumed by Interconnector at Zeebrugge, are those operated by or on behalf of the Belgian electricity transmission system operator.

3.5 Entry and Exit Measurement Facilities

3.5.1. In relation to the transportation of Natural Gas from Bacton to Zeebrugge, the “**Entry Measurement Facilities**” shall be the Bacton Measurement Facilities and the “**Exit Measurement Facilities**” shall be the Zeebrugge Measurement Facilities.

3.5.2. In relation to the transportation of Natural Gas from Zeebrugge to Bacton, the “**Entry Measurement Facilities**” shall be the Zeebrugge Measurement Facilities and the “**Exit Measurement Facilities**” shall be the Bacton Measurement Facilities.

3.5.3. The expressions “**Entry Measurement Facilities**” and “**Exit Measurement Facilities**” when used in this Access Code shall be construed accordingly.

4. Maintenance and Calibration

4.1 Tolerance:

4.1.1 All measurement equipment shall be maintained in accordance with applicable Governmental Authority requirements, applicable codes and standards and manufacturer's specifications to ensure that measurement accuracy is maintained within the appropriate tolerance limits.

4.1.2 Tolerance limits for all measurement equipment shall be on the basis of Governmental Authority requirements, manufacturer's specifications, applicable codes and standards and operational experience.

4.1.3 Calibration tests of the measurement equipment shall be made at such frequencies as reasonably needed to ensure that such equipment remains within the above tolerance limits.

4.2 Equipment Unavailable:

4.2.1 This sub-paragraph 4.2 applies if, for any reason, any measurement equipment is out of service or out of repair so that the Quantity of Natural Gas offtaken or redelivered is not correctly indicated by the reading thereof, for any known or unknown period of time,

4.2.2 In those circumstances, the Quantity offtaken or redelivered during such period shall be

calculated using the best data available using the first of the following methods determined by Interconnector to be feasible :

- (a) by using the registration of any alternative or back-up measuring equipment installed and reasonably believed to be accurately registering; or
- (b) by correcting the error if the percentage of error is ascertainable by calibration, test or mathematical calculations in accordance with Good Industry Practice; or
- (c) by estimating in accordance with Good Industry Practice using the readings from the Exit Measurement Facilities (where it is the Entry Measurement Facilities which are affected) or the Entry Measurement Facilities (where it is the Exit Measurement Facilities which are affected) and taking account (in each such case) of system stock changes; or
- (d) by estimating in accordance with Good Industry Practice the relevant Quantity by Quantities offtaken or redelivered and recorded during preceding or subsequent periods under similar conditions when the measuring equipment was registering accurately.

5. Measurement Errors

5.1 Adjustments to Measurements:

5.1.1 If, upon test, any error in measuring equipment is found to affect the Quantities being measured by an amount exceeding one per cent, such measuring equipment shall

- (a) forthwith be adjusted to record accurately; and
- (b) previous recordings of such equipment shall be corrected to zero discrepancy for any period which is known definitely, or agreed upon.

5.1.2 Where the period is not known or is not agreed upon, such corrections shall be for a period extending over one half of the time elapsed since the last test date.

5.2 **Adjustment to Allocations:** If it is determined that there has been an error in the measurement of the Quantity of Natural Gas delivered at an Entry Point or redelivered at an Exit Point, the Entry Allocations or Exit Allocations may be adjusted in accordance with paragraph 1 of Section D.

5.3 **Adjustments to Charges and Payments:** If there are any adjustments to the Entry Allocations or Exit Allocations, Interconnector shall:

- (a) calculate any Balancing Charges due in respect of any relevant Gas Flow Day; and
- (b) recover any under payment from and repay any overpayment to IAA Shippers accordingly in the next invoice issued to the IAA Shipper following such recalculation.

6. Sampling and Analysis

For all offtaken and redelivered streams entering or leaving the Transportation System, composition shall be measured by on line gas chromatography for determination of density at line conditions, density at standard conditions and Gross Calorific Value.

SECTION H

QUALITY REQUIREMENTS AND OPERATING CONDITIONS

1. Entry Conditions

- 1.1. **Compliance with Specification:** The Natural Gas made available, or caused to be made available, by the IAA Shipper at any Entry Point shall comply with the relevant quality requirements and operating conditions specified in Schedule 1 of this Section H.
- 1.2. **Notification of Non-compliance:** If Natural Gas is made available by the IAA Shipper at any Entry Point which does not comply with the said quality requirements and operating conditions, the IAA Shipper shall notify Interconnector or cause Interconnector to be notified of such non-compliance as soon as the IAA Shipper or the Approved Operator of any Approved Transmission System through which the Natural Gas is being made available to Interconnector becomes aware (or ought reasonably to have become aware) of such non-compliance.
- 1.3. **Right to Refuse:** Interconnector shall at all times have the right to refuse to offtake Natural Gas made available by the IAA Shipper at that Entry Point, and shall have the right to shut off such Natural Gas, if it does not comply with such quality requirements and operating conditions.
- 1.4. **Reasonable Endeavours to Offtake:** Notwithstanding its right to refuse to offtake, Interconnector shall use its reasonable endeavours to offtake such Natural Gas if it is satisfied that neither Interconnector nor other IUK Shippers will be adversely affected thereby. Interconnector shall promptly inform the IAA Shipper of any decision taken by it either to shut off or to offtake such non-complying Natural Gas pursuant to paragraph 1.3 or paragraph 1.4.
- 1.5. **Indemnity by IAA Shipper:** If Natural Gas is made available by the IAA Shipper at any Entry Point which does not comply with the quality requirements and operating requirements specified in this Section H, the IAA Shipper shall indemnify Interconnector and each of the other IUK Shippers in accordance with IAA Appendix A Clause 7.1.
- 1.6. **Actions:**
 - 1.6.1. **Offtake:** Following the offtake by Interconnector of any Natural Gas made available by an IUK Shipper at an Entry Point which does not comply with the quality requirements and operating conditions specified in Schedule 1 of this Section H, Interconnector shall promptly notify each IUK Shipper of any Quantities of Natural Gas which it requires each such IUK Shipper to offtake and remove from the Transportation System at the said Entry Point and the timing thereof.
 - 1.6.2. **IUK Shipper Action:** Except in relation to an IAA Shipper who, within sixty (60) minutes of being advised by Interconnector as aforesaid (or within such other longer period as Interconnector may in its discretion allow), confirms to Interconnector that it is able and willing to offtake and remove the specified Quantities referred to under paragraph 1.3(a) and then replace such Quantities and submits the Matching Data required to give effect thereto (any such IAA Shipper a “**Compliant IAA Shipper**”), Interconnector shall make such arrangements as it shall consider appropriate in order to:

- (a) clear and/or clean the Transportation System, including arranging for all or any of the Natural Gas to be offtaken and sold or otherwise disposed of at the discretion of Interconnector; and
 - (b) replace any Quantity of Natural Gas in such manner and upon such terms at the discretion of Interconnector.
- 1.6.3. **Actions required:** Interconnector shall promptly advise each IAA Shipper other than a Compliant IAA Shipper of:
- (a) any Quantities of Natural Gas to be disposed of or acquired by each such IAA Shipper pursuant to such arrangements and the timing thereof;
 - (b) the identity of the relevant ATS Shipper counterparty or counterparties in relation to such disposal and/or acquisition; and
 - (c) the Matching Data which it should submit in order to give effect to such arrangements.
- 1.6.4. **Matching Data:** Each IAA Shipper other than a Compliant IAA Shipper shall, within sixty (60) minutes of being advised by Interconnector as aforesaid, submit the Matching Data required to give effect to such arrangements with regard to both Quantities and timing as advised by Interconnector, failing which, Interconnector shall be entitled to submit such Matching Data on the IAA Shipper's behalf.
- 1.7. **Continuing Provisions:** Paragraph 1.3 shall continue to apply notwithstanding the offtake by Interconnector of any Non-Compliant Gas pursuant to the arrangements set out in Section I paragraph 3.

2. Exit Conditions

- 2.1. **Compliance with Specification:** Interconnector shall (subject to the provisions of this paragraph 2) make Natural Gas available at the relevant Exit Point in accordance with the IAA Shipper's Exit Nominations:
- (a) which meets the relevant quality requirements and operating conditions specified in Schedule 1 of this Section H, provided that Natural Gas made available by the IAA Shipper and all other IUK Shippers complies with such operating conditions and quality requirements at all Entry Points; and
 - (b) at such pressure (within the range specified in Schedule 1 of this Section H) as is sufficient to meet the pressure at the Exit Point set from time to time by the Approved Operator of the FTS (in the case of the Zeebrugge Exit Point) or by the Approved Operator of the NTS (in the case of the Bacton Exit Point), provided that Natural Gas made available by the IAA Shipper and all other IUK Shippers complies with the pressure for delivery at all Entry Points specified in Schedule 1 of this Section H.
- 2.2. **Compliance with Specification:** If Natural Gas made available to the IAA Shipper at any relevant Exit Point does not comply with the relevant quality requirements and operating conditions specified in Schedule 1 of this Section H (other than, in any hour during a Flow Transition, in relation to the pressure for redelivery), and provided that the Natural Gas made available by the IAA Shipper at all Entry Points complies with the relevant quality

requirements and operating conditions, Interconnector, as soon as it becomes aware of the situation, shall notify the IAA Shipper of such deviation and the IAA Shipper shall have the right to refuse to offtake such Natural Gas at that Exit Point and shall have the right to shut off such Natural Gas. The IAA Shipper shall immediately notify Interconnector of its intention to exercise such rights.

- 2.3. **No Waiver:** Paragraphs 2.1 and 2.2 shall continue to apply subject to the provisos contained in those paragraphs which shall not be affected or varied as a result of any offtake by Interconnector of Non-Compliant Gas pursuant to the arrangements set out in Section I paragraph 3.
- 2.4. **Non-compliant Gas:** If in accordance with paragraph 2.3 the IAA Shipper refuses to offtake such Natural Gas at the relevant Exit Point, then unless Interconnector has been affected by an event of Force Majeure, the Capacity Charges to be paid by the IAA Shipper for that Gas Flow Day shall be reduced by an amount equal to the “**Failed Delivery Quantity**” multiplied by the price paid for the Capacity.

The Failed Delivery Quantity is the total Quantity of Natural Gas which is made available by the Shipper and offtaken by Interconnector at the relevant Entry Point but which Interconnector is deemed to have failed to make available at the relevant Exit Point.

- 2.5. **Indemnity by Interconnector:** In the event the IAA Shipper shall offtake Natural Gas made available by Interconnector at the Exit Point which does not comply with the quality requirements and operating conditions specified in this Section H, and provided that the Natural Gas made available by the IAA Shipper and all other IUK Shippers complies with such operating conditions and quality requirements at all Entry Points, Interconnector shall indemnify the IAA Shipper in accordance with IAA Appendix A Clause 7.2.

3. **Changes to NTS or FTS Specifications:**

- 3.1 If Interconnector shall at any time consider that changes in the specifications or requirements applicable to the NTS or FTS necessitate changes being made to the quality requirements and operating conditions specified in Schedule 1 of this Section H, Interconnector shall give notice in writing to all IAA Shippers of the changes proposed by Interconnector.
- 3.2 If the changes in relation to the specifications applicable to the NTS or FTS involve narrower or more restrictive specifications being imposed, Interconnector shall, if it considers it necessary to do so, make appropriate changes to the quality requirements and operating conditions specified in Schedule 1 of this Section H with immediate effect.

Section H Schedule 1 Quality Requirements and Operating Conditions

	Unit	Min	Max
Gross Calorific Value	MJ/Nm ³	38.9*	44.6
Wobbe Index	MJ/Nm ³	49.8	54.25
Pressure for offtake at Bacton Entry Point(s)	Barg	45ψ	70
Pressure for redelivery at Bacton Exit Point	Barg	45	70
Pressure for offtake at Zeebrugge Entry Point	Barg	55φ	80
Pressure for redelivery at Zeebrugge Exit Point	Barg	55	80
Temperature at Bacton Entry Point connected with the NTS	°C	1	28
Temperature at Bacton Exit Point	°C	1	38
Temperature at Zeebrugge Exit Point	°C	2	38
Temperature at Zeebrugge Entry Point	°C	2	38
Hydrocarbon dewpoint	°C from 1 Barg up to 69 Barg		minus 2
Water dewpoint	°C at 69 Barg		minus 10
Oxygen content	ppm by vol		1000
Carbon Dioxide	Mole %	-	2.5
Hydrogen Sulphide content (inclusive of COS)	ppm by vol		3.3
Total Sulphur at any time	mg/m ³		30
Hydrogen	Mole %		0.1 ♦
Incomplete Combustion Factor			0.48 ♦

Soot Index

0.6 ♦

Gas entering the Transportation System shall comply with the statement as to impurities contained in the table set out in Schedule 3, Part 1 of GSMR or that statement as amended, modified, re-enacted or replaced from time to time. ★

Gas entering the Transportation System shall have no added odorant.

Notes

- * Subject to IAA Shipper's reasonable endeavours to provide gas at a minimum of 39.4 MJ/Nm³ at the Entry Point.
- ♦ As required by GSMR. The Incomplete Combustion Factor and the Soot Index are to be calculated in accordance with those Regulations
- ★ The text of the said statement as to impurities set out in GSMR as at 1.1.00 is as follows:

“[Natural Gas] shall not contain solid or liquid material which may interfere with the integrity or operation of pipes or any gas appliance (within the meaning of regulation 2(1) of the [Gas Safety (Installation and Use) Regulations 1994] which a consumer could reasonably be expected to operate”.

All quality requirements and operating conditions apply to both Entry and Exit Nominations except where otherwise stated above.

SECTION I INCIDENT MANAGEMENT

1. Transportation System Constraints

1.1 **Offtake and Redelivery Quantities:** If Interconnector advises IAA Shippers at any time after Entry and Exit Capacity has been allocated to IAA Shippers that the Transportation System will be operating on the Gas Flow Day or any part thereof subject to a Transportation System Constraint, then:

- (a) if that Transportation System Constraint affects Interconnector's ability to offtake or redeliver Natural Gas at the Bacton Connection Point or the Zeebrugge Connection Point (the "**Constrained Connection Point**") the provisions of paragraph 1.2 shall apply; and
- (b) Interconnector shall advise IAA Shippers which Connection Point is a Constrained Connection Point and the maximum total Quantity of Natural Gas per hour which Interconnector is able to physically offtake or (as the case may be) physically redeliver at the Constrained Connection Point (the "**Maximum Constrained Quantity**").

1.2 **Constraints:** For each hour of the Gas Flow Day affected by the Transportation System Constraint during which Interconnector is unable to offtake or redeliver Natural Gas at the Constrained Connection Point in accordance with IUK Shippers' aggregate Nominations:

- (a) When the Flow Direction at the Constrained Connection Point is Entry, Interconnector shall constrain the Entry Nominations for that hour at the Constrained Connection Point of those IUK Shippers whose Entry Nominations for that hour at the Constrained Connection Point exceed their Exit Nominations for that hour at the Constrained Connection Point, so that the amount of the Aggregate Entry Nominations (after applying that constraint) for that hour at the Constrained Connection Point less the amount of the Aggregate Exit Nominations for that hour at the Constrained Connection Point shall be equal to the Maximum Constrained Quantity; and
- (b) When the Flow Direction at the Constrained Connection Point is Exit, Interconnector shall constrain the Exit Nominations for that hour at the Constrained Connection Point of those IUK Shippers whose Exit Nominations for that hour at the Constrained Connection Point exceed their Entry Nominations for that hour at the Constrained Connection Point, so that the amount of the Aggregate Exit Nomination (after applying that constraint) for that hour at the Constrained Connection Point less the amount of the Aggregate Entry Nomination for that hour at the Constrained Connection Point shall be equal to the Maximum Constrained Quantity.

1.3 **Maximum and Proportionate Constraints:**

- (a) In any hour, the maximum constraint of an IAA Shipper's Nominations pursuant to paragraph 1.2 shall be such that at the Constrained Connection Point that IAA Shipper's Entry Nominations are equal to its Exit Nominations.

- (b) If it is not necessary to constrain all of the Nominations, then each affected IUK Shipper's share of the constraint of those Nominations shall be equal to the proportion which that IUK Shipper's Entry Flow Related Share bears to the aggregate of all affected IUK Shippers' Entry Flow Related Shares; and the proportion which that IUK Shipper's Exit Flow Related Share bears to the aggregate of all affected IUK Shippers' Exit Flow Related Shares.
- 1.4 **Advice to ATS Agents:** If during the course of a Gas Flow Day an IAA Shipper's deliveries or redeliveries of Natural Gas shall be constrained in accordance with paragraphs 1.2 and 1.3, Interconnector shall as soon as possible advise the ATS Agent in relation to each relevant AT System of the reduced Quantities which that IAA Shipper is entitled to offtake from or redeliver to such AT System on that Gas Flow Day.
- 1.5 **Lost Capacity Reduction :** If on any Day the Entry Capacity or Exit Capacity available to an IAA Shipper (after any Buy-back is taken into account) is at least three per cent (3%) less than the capacity required to satisfy the IAA Shipper's unconstrained Nominations (the "**Lost Capacity**"), then unless Interconnector has been affected by an event of Force Majeure or an AT System Constraint, the Capacity Charges to be paid by the IAA Shipper for that Gas Flow Day shall be reduced by an amount equal to the Lost Capacity multiplied by the price paid for the Capacity.
- 2. AT System Constraints**
- 2.1 **Reduction of Offtake or Redelivery:** If the operator of an AT System shall notify Interconnector of a constraint affecting the rate at which Quantities of Natural Gas may be offtaken from that AT System at an Entry Point (an "**AT System Entry Point Constraint**") or redelivered to that AT System at an Exit Point (an "**AT System Exit Point Constraint**") Interconnector shall proceed to reduce its rate of offtake or redelivery accordingly.
- 2.2 **Actions:** Upon the occurrence of an AT System Entry Point Constraint or an AT System Exit Point Constraint:
- (a) the relevant ATS Agent shall identify through new Matching Data supplied to Interconnector in accordance with paragraph 2.2 of Section C the IAA Shippers affected and the reduced Quantities which the relevant ATS Shippers will be able to deliver to the IAA Shippers at the relevant Entry Point or (as the case may be) which the IAA Shippers will be able to deliver to the ATS Shippers at the relevant Exit Point; and
- (b) Interconnector shall as soon as reasonably practicable confirm to each affected IAA Shipper:
- (i) the reduced Quantities which that IAA Shipper may make available at the relevant Entry Point (such confirmation, a "**Constrained Entry Nomination**"); or
- (ii) the reduced Quantities which Interconnector will redeliver to it at the relevant Exit Point (such confirmation, a "**Constrained Exit Nomination**"),
- and subject as provided in paragraph 2.3 of this Section I, such Constrained Entry Nomination shall take effect as the IAA Shipper's Entry Nomination at the relevant

Entry Point and/or such Constrained Exit Nomination shall take effect as the IAA Shipper's Exit Nomination at the relevant Exit Point on the Gas Flow Day in question.

- 2.3 The provisions of paragraph 2.2(b) shall be without prejudice to the right of any affected IAA Shipper to submit new or revised Matching Data to Interconnector in accordance with paragraph 2.1.1 of Section C.

3. Arrangements for Non-Compliant Gas

- 3.1 **Summary:** The purpose of the arrangements provided for in this paragraph 3 is to enable or facilitate the offtake by Interconnector of Non-Compliant Gas (as defined below). The arrangements shall apply on an interruptible basis.

- 3.2 **Application:** This paragraph 3 applies if, on any Day, Interconnector becomes aware (based on its monitoring of the relevant measurement facilities comprised in the Bacton Facilities and on any notice received from any IUK Shipper or from the Approved Operator of any AT System) that, during any hour or hours on that and/or any subsequent Day, Natural Gas made or to be made available by any IUK Shipper(s) at any Bacton Entry Point (a “**Non-Compliant Entry Point**”) does not or will not comply with one or more of the quality requirements specified in Section H (but for this purpose excluding the quality requirement, incorporated by reference to GSMR, relating to the presence of solid or liquid material and, for the avoidance of doubt, also excluding any requirements or conditions relating to temperature or pressure) (“**Non-Compliant Gas**”).

- 3.3 **Assessment:** In the circumstances described in paragraph 3.2, Interconnector (acting as a Reasonable and Prudent Operator) shall, as soon as reasonably practicable, assess whether the Commingled Output Stream will comply with the quality requirements referred to in paragraph 3.2 if Interconnector were to offtake all or some of the Non-Compliant Gas made or to be made available by any IUK Shipper(s) in any subsequent hour or hours of that Gas Flow Day.

- 3.4 **Assessment Criteria:** In making its assessment Interconnector shall take into account:

- (a) the degree or extent to which the Non-Compliant Gas does not (or is expected not to) comply with the applicable quality requirement(s);
- (b) the Quantities of Non-Compliant Gas nominated for delivery by IUK Shippers at the Non-Compliant Entry Point;
- (c) the Quantities of Natural Gas nominated for redelivery by IUK Shippers at all Exit Points;
- (d) such margin of error as Interconnector (in its sole discretion) considers appropriate (taking account of operational experience from time to time);
- (e) the Flow Direction at each Connection Point; and
- (f) such other factors, circumstances and physical flow and operating conditions as Interconnector (in its sole discretion) considers relevant.

- 3.5 **Determination and Notice:** Based on such assessment Interconnector shall determine and shall as soon as reasonably practicable give notice (a “**Non-Compliant Gas Entry Notice**”) to

each IAA Shipper which has Entry Capacity at the Non-Compliant Entry Point of:

- (a) the applicable Non-Compliant Entry Point;
- (b) the applicable quality condition with which the Non-Compliant Gas does not (or is not expected to) comply and the degree or extent to which it does not (or is not expected to) comply; and
- (c) the Quantities of Non-Compliant Gas (if any) which such IAA Shipper may (subject to paragraph 3.7 below) make available for offtake at the Non-Compliant Entry Point in each subsequent hour of that Day,

and, if for any hour or hours such Quantities are less than such IAA Shipper's Entry Nomination at the Non-Compliant Entry Point, then subject as provided in paragraph 3.6, those lesser Quantities specified in the Non-Compliant Gas Entry Notice shall take effect as such IAA Shipper's Entry Nomination at the Non-Compliant Entry Point for the hour or hours in question. If at any relevant time more than one IUK Shipper is making or expected to make Non-Compliant Gas available for offtake at the Non-Compliant Entry Point, Interconnector shall apply the principles prescribed in paragraphs 1.2, 1.3, 1.4 and 1.5 to the IAA Shippers delivering at the Non-Compliant Entry Point, as if that Entry Point were a Constrained Connection Point.

- 3.6 **Revised Matching Data:** The provisions of paragraph 3.5 shall be without prejudice to the right of any such IAA Shipper to submit new or revised Matching Data to Interconnector in accordance with paragraph 2.1.1 of Section C.
- 3.7 **Changes:** Notwithstanding the issue of a Non-Compliant Gas Delivery Notice, Interconnector may at any time exercise its rights under Section H paragraphs 1.3 or 1.4 and/or issue a revised Non-Compliant Gas Delivery Notice if there is any change (or expected change) in the factors, conditions and circumstances referred to in paragraphs 3.3 and 3.4 or if for any other reason Interconnector considers that its assessment under paragraphs 3.3 and 3.4 should be revised.
- 3.8 **No Waiver:** This paragraph 3 is without prejudice to Interconnector's rights and obligations under Section H paragraphs 1.3 and 1.4.

SECTION J¹
ELECTRONIC DATA SYSTEM

1. Introduction

- 1.1 This Section J sets out the terms and conditions for the IAA Shipper to access and use the Electronic Data System known as the Interconnector Shippers' Information System ("ISIS").
- 1.2 ISIS may be accessed through the Internet using a standard browser or the Transmission Protocol.

2. Use of the Electronic Data System

- 2.1. Interconnector hereby permits the IAA Shipper, any Affiliated Company of the IAA Shipper and any IAA Shipper Agent from time to time to access and use the Electronic Data System on the terms and conditions set out in this Access Code. Any use of the Electronic Data System by any such Affiliated Company and/or any such IAA Shipper Agent shall be deemed to be use by the IAA Shipper, and the IAA Shipper will be fully liable to Interconnector for all acts and/or omissions of any such Affiliated Company and/or any such IAA Shipper Agent, and all the provisions of this Access Code shall be read and construed subject to this provision. The IAA Shipper shall not use, or allow access to use, the Electronic Data System for any other purpose than the Specified Purpose. In the event that the IAA Shipper advises Interconnector that it has appointed an IAA Shipper Agent, Interconnector will facilitate installation of an IAA Shipper Connection directly with the IAA Shipper Agent subject to the consent of the IAA Shipper first being obtained. Interconnector will disable the IAA Shipper Connection issued to any IAA Shipper Agent if and when requested to do so by the IAA Shipper.
- 2.2. Both parties shall use their respective best endeavours not to allow, permit or introduce into the Electronic Data System or the IAA Shipper Equipment or the IAA Shipper Software any viruses, worms or trojan horses or anything else which could damage, impose a threat to, or impair in any way the Electronic Data System or the IAA Shipper Equipment or the IAA Shipper Software (the "**Destructive Features**"). This shall include both parties implementing and maintaining appropriate policies and procedures designed to prevent such Destructive Features.
- 2.3. The IAA Shipper shall not allow, permit or effect any breach of security in relation to the IAA Shipper Area of Responsibility. Interconnector shall not allow, permit or effect any breach of security in relation to the Interconnector Area of Responsibility.
- 2.4. The IAA Shipper shall be liable, notwithstanding any other remedies Interconnector may have against the IAA Shipper (including the right to terminate its IUK Access Agreement), to indemnify Interconnector for any loss, damage, cost and expenses (including loss of data) which Interconnector suffers in consequence of any breach of any of its obligations under paragraphs 2.1 and/or 2.6. Such liability shall not extend to Consequential Losses.

¹ The section still under Interconnector review

- 2.5. The IAA Shipper shall report any errors or faults in the Electronic Data System to Interconnector as soon as practicable after the IAA Shipper becomes aware of such errors or faults, and the IAA Shipper shall provide reasonable assistance to Interconnector in relation to such errors or faults for the purposes of correction. Where Interconnector discovers errors or faults in the Electronic Data System which affect the IAA Shipper, Interconnector shall report such errors or faults to the IAA Shipper as soon as practicable after Interconnector becomes aware of such errors or faults. Interconnector shall prioritise any such errors or faults and shall take all reasonable steps to rectify the same at the earliest possible opportunity.
- 2.6. The IAA Shipper agrees that in using the Electronic Data System it shall not, nor shall it attempt to, gain access to or download data from the Electronic Data System other than that data which the IAA Shipper is permitted to access or download.
- 2.7. Both parties acknowledge that they are aware that use of the Electronic Data System and the data on the Electronic Data System (whether by providing, accessing, utilising, storing or otherwise dealing with the same) may from time to time be subject to certain statutory and other legal requirements. Both parties undertake to comply with any such requirements.

3. Changes to and Availability of the Electronic Data System

- 3.1 Interconnector reserves the right to amend, revise or update any programs, information and facilities in the Electronic Data System from time to time provided that any such changes are reasonable and do not materially diminish the quality of the Electronic Data System. Except in the case of emergency (such as for illustrative purposes and without limitation the security of the system being under an immediate threat) Interconnector will provide the IAA Shipper with reasonable notice of any proposed changes and where appropriate will consult with the IAA Shipper before implementation.
- 3.2 Interconnector shall use all reasonable endeavours to ensure that the Electronic Data System and the connections within the Interconnector Area of Responsibility shall be available during the Available Hours. Interconnector has established and will maintain Contingency Arrangements to deal with any material failure in the Electronic Data System and/or the connections within the Interconnector Area of Responsibility but cannot guarantee that such Contingency Arrangements will ensure availability of the Electronic Data System or any such connections.
- 3.3 For the avoidance of doubt, Interconnector shall not be responsible for the IAA Shipper Area of Responsibility, or the availability or performance of any or all hardware or any connected systems, software, technology or telecommunications outside the Interconnector Area of Responsibility.

4. Conditions of Use of IAA Shipper Equipment and/or Access to the Electronic Data System

- 4.1 Interconnector reserves the right to control and supervise all access to the Electronic Data System in its discretion acting as a Reasonable and Prudent Operator, and any access to the Electronic Data System by the IAA Shipper is subject to the following provisions:

- 4.1.1 The IAA Shipper shall advise Interconnector in writing which method(s) of IAA Shipper Connection it wishes to use to access the Electronic Data System. The IAA Shipper Connection shall be subject to the approval of Interconnector.
- 4.1.2 The IAA Shipper shall, prior to the initial connection of the IAA Shipper Equipment and the IAA Shipper Software with the Electronic Data System, have the IAA Shipper Equipment and the IAA Shipper Software approved by Interconnector and, subject to the rights of Interconnector under Clause 4.1.3 below, the IAA Shipper may connect the IAA Shipper Equipment and IAA Shipper Software using the IAA Shipper Connection.
- 4.1.3 Interconnector may at any time require the IAA Shipper to disconnect the IAA Shipper Connection or any part or parts thereof, if in the reasonable opinion of Interconnector any part of the IAA Shipper Equipment is or has been the cause of, or is likely to be the cause of, failures, interruptions, errors or defects in the Electronic Data System. In the event that the IAA Shipper is required to disconnect the IAA Shipper Connection, Interconnector will as soon as possible thereafter advise the IAA Shipper of such changes as must be made to the IAA Shipper Equipment to enable the IAA Shipper to re-obtain access to the Electronic Data System subject to such further reasonable charges as Interconnector shall determine.
- 4.1.4 Any material breach of Clause 4.1.2 or unauthorised access to, or use of, the Electronic Data System within the IAA Shipper Area of Responsibility will entitle Interconnector (in addition to any other remedy it may have) to terminate the IAA Shipper Connection to the Electronic Data System and/or its IUK Access Agreement immediately.
- 4.2 The IAA Shipper shall not (without Interconnector's express prior written consent), and shall ensure that no other person shall, within the IAA Shipper Area of Responsibility:
- 4.2.1 make any additions, modifications, adjustments or alterations to the Electronic Data System or if the IAA Shipper is utilising Private Network Access make any additions, modifications, adjustments or alterations to the technology or infrastructure used to provide the Private Network Access; or
- 4.2.2 attempt to rectify, or permit any persons other than Interconnector or its agents to rectify, any fault or inaccuracy in the Electronic Data System; or
- 4.2.3 use the IAA Shipper Software (when dealing in any way with the Electronic Data System or the information or facilities obtained therefrom) in a manner which would constitute a breach of the terms and conditions of this Agreement.
- 4.3 The IAA Shipper shall, on reasonable notice and at reasonable times, permit Interconnector or its representatives or agents to have access to the IAA Shipper's premises and to the IAA Shipper Connection, the IAA Shipper Equipment and/or the IAA Shipper Software for the purposes of inspection of and testing the same or for any other purpose referred to herein.
- 5. Copyright, Trade Marks and Other Intellectual Property Rights relating to the Electronic Data System**
- 5.1 The IAA Shipper acknowledges that any and all of the copyright, trademarks, and other intellectual property rights subsisting in or used in connection with the Electronic

Data System and infrastructure (including the manner in which it is presented or appears) and all information, documentation and manuals relating thereto are the property of Interconnector or the relevant Third Party Licensor as the case may be.

- 5.2 The IAA Shipper shall not, during or after the expiry or termination of this Agreement, without the prior written consent of Interconnector or any relevant Third Party Licensor as the case may be or to the extent only permitted by any applicable law, abuse or permit the abuse of any copyright or database right in the Electronic Data System or adopt any trade mark or trade name that includes or is similar to, or may be mistaken for, the whole or any part of any trade mark or trade name used by Interconnector or any Third Party Licensor as the case may be.
- 5.3 Interconnector warrants to the IAA Shipper that Interconnector or any relevant Third Party Licensor owns all copyright, database rights and any other intellectual property rights or similar rights in the selection and arrangement of the contents of the Electronic Data System and in the electronic materials necessary for its operation.
- 5.4 The IAA Shipper acknowledges that Interconnector or any relevant Third Party Licensor owns all copyright, database rights and any other intellectual property rights or similar rights in the selection and arrangement of the contents of the Electronic Data System and in the electronic materials necessary for its operation.
- 5.5 The IAA Shipper undertakes not to reproduce, adapt, translate, arrange or make available to any third party, either directly or indirectly, any part of the Electronic Data System except to the extent that, and for so long as, the IAA Shipper is expressly permitted to do so in accordance with this Agreement or as permitted by any mandatory provisions of law.