

Proposed Modification & Initial Modification Report No.32

Allocations

3rd April 2015

Please find attached details of Proposed Modification 32 and Initial Modification Report 32 raised by Premier Transmission Ltd as required under Section 2 and 3 of the PTL Transportation Code Modification Rules.

A Description of the nature and purpose of the modification

This proposal is being made to address Allocations arrangements as a result of the implementation of EU Codes. It provides for the replacement of the Moffat Agent allocations role with an 'allocate as nominate' regime at Moffat, as a result of the implementation of an Operational Balancing Agreement at the point. It also describes the processes by which Shippers will receive Trade Allocations. The Modification also incorporates the existing rules for allocations at Exit Points into a single Code section with the new elements and provides for the calculation of aggregate allocations which will enable the calculation of an aggregate imbalance position for each Shipper on the NI Network as a whole. Supporting changes to section 9 are also included.

B How the modification better facilitates the relevant objective

The Relevant Objective, (condition 2.4 of the PTL Licence) will be better facilitated by the Licensee's Network Code as a result of this modification. This change will contribute to the secure, safe, reliable, efficient and economic development of the Network by ensuring that new arrangements for allocations are introduced into the Northern Irish regime in time to enable a compliant and co-ordinated approach to allocations as required by the Interoperability Code which is expected to enter into EU Law by March/April 2015.

C The clauses of the Transportation Code that require amendment

This proposal will introduce a new section 3 of the PTL Code to cover the new rules for entry allocations and the amended rules for exit allocations as well as trade allocations. It will also introduce Transition section 5 which deals with the implementation of the new section 3 and the associated definitions and makes some supporting changes to section 9.

D Impact on other Designated Pipeline Operator's Network Codes:

Premier Transmission has worked with BGTL and BGE(NI) to develop a co-ordinated approach to the Codes, and the TSOs are aiming to keep the changes to the BGE(NI) Code and the Premier Transmission Code as aligned/identical as possible. In accordance with the BGTL Code, Shippers use of the BGTL pipeline is determined with reference to their allocations under the PTL Code, and there are no Entry Points to the Northern Irish network on the BGTL transportation system. Therefore there is no requirement to change the BGTL code to mirror the changes in the PTL Code.

It should be noted that BGE(NI) has recently announced a change of name to GNI (UK) Limited. Premier Transmission is considering how best to implement this change across the suite of Modifications currently under development for EU compliance and will notify Shippers once the approach has been finalised.

E The date proposed for implementation

PTL suggests that the proposed implementation date is 8th July 2015

F How to Respond

Please send responses no later than 5th May 2015 to:

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Belfast
BT7 1SH

G. Further Information on the Modification Proposal

Introduction

The text of this proposal has been developed following Industry Consultation on the draft Business Rules published on 3rd November 2014.

For IP Entry Allocations and Trade Allocations, the text is in line with the Business Rules.

For Exit Allocations, the text is again in line with the Business Rules. VRF Allocations are simplified relative to the current Code and text for the calculation of Aggregate NI Exit Allocations is included. The text concerning allocations at shared exit points and Shippers' allocation arrangements has been slightly simplified for clarity in places, and some section headings have also been re-phrased for clarity, but there are no changes to the fundamental principles of shared exit allocations.

It should be noted that the terms for the application of overrun charges at IP Entry Points are included in the CAM and Entry Exit Code Modification 28.

This proposal also contains revised text for section 9 to ensure that the allocations text is aligned with the details of how the measured quantities at entry and exit points are determined. This is unchanged for Exit Points, and section 9.2 contains amendments to reflect the introduction of the OBA arrangements.

Legal Text

Please find below the full legal text for this Code Modification Proposal, set out in the following order:

	Page
• Section 3 – new text	4
• Section 9 – revised text	12
• Section T5 – new text	18
• Appendix 1 – additions, deletions and amendments	20

Replace section 3 with this revised section 3 to read as follows:

3. ALLOCATIONS

3.1 Introduction

3.1.1 This section 3 provides for the determination of the quantities of gas treated as delivered to and offtaken from the Transportation System by each Shipper on each Day.

3.1.2 Premier Transmission shall:

- (a) allocate the IP Entry Quantity and the Exit Quantity; and
- (b) provide Trade Allocations;

to Shippers after the Gas Day in accordance with this section 3.

3.1.3 The IP Entry Quantity and the IP Measured Quantity are determined as a result of the operation of an OBA at an IP in accordance with section 9.2.1.

3.1.3 The Exit Quantity at an Exit Point is determined with reference to Measurement Equipment in accordance with sections 9.4 and 9.5.

3.2 IP Allocations - General

3.2.1 In this Code:

- (a) an **“IP Allocation”** is the quantity of gas allocated to a Shipper by Premier Transmission in respect of a Gas Flow Day, in accordance with this section 3, pursuant to a Shipper’s IP Nomination;
- (b) an **“IP Entry Allocation”** is an IP Allocation made pursuant to a Shipper’s IP Entry Nomination;
- (c) a **“VRF IP Exit Allocation”** is an IP Allocation made pursuant to a Shipper’s VRF IP Exit Nomination;
- (d) an **“OBA”** is an operational balancing agreement which is in place between BGE(UK) and the Adjacent Transporter at an IP pursuant to which (except on Non OBA Days) any Steering Difference is managed operationally;
- (e) a **“Steering Difference”** is the difference between the net quantity of gas nominated by Shippers for flow at an IP and the IP Measured Quantity of gas at that IP in respect of a Day;
- (f) an **“OBA Day”** is a Day on which, under the OBA, Shippers are allocated a quantity of gas in accordance with section 3.2.3 (which does not include any part of the Steering Difference);

- (g) a “**Non-OBA Day**” is a Day on which the whole of the IP Measured Quantity at an IP is allocated amongst Shippers in accordance with section 3.2.5;
- (h) the “**Aggregate VRF IP Exit Nominated Quantity**” is the sum of the IP Nominated Quantities in all Shippers’ VRF IP Exit Nominations in respect of a Gas Flow Day at an IP.

Determination of IP Entry Allocations

- 3.2.2 When determining IP Entry Allocations on an OBA Day, Premier Transmission shall apply the Prevailing IP Entry Allocation Rule.
- 3.2.3 The “**Prevailing IP Entry Allocation Rule**” is that, for each of a Shipper’s IP Nominated Quantities in the Forward Flow Direction in respect of the Gas Flow Day, a Shipper’s IP Entry Allocation shall be equal to the Shipper’s IP Nominated Quantity in the Forward Flow Direction for that Gas Flow Day at that IP.
- 3.2.4 When determining IP Entry Allocations on a Non-OBA Day, Premier Transmission shall apply the Fallback IP Entry Allocation Rule.
- 3.2.5 The “**Fallback IP Entry Allocation Rule**” is that, for each of a Shipper’s IP Nominated Quantities in the Forward Flow Direction in respect of the Gas Flow Day, a Shipper’s IP Entry Allocation shall be determined as the IP Measured Quantity plus the Aggregate VRF IP Exit Nominated Quantity multiplied by the ratio of the total of the Shipper’s IP Nominated Quantities (in the Forward Flow Direction) to the aggregate of all Shippers’ IP Nominated Quantities (in the Forward Flow Direction) at that IP.
- 3.2.6 For the avoidance of doubt, the application of the Fallback IP Entry Allocation Rule in respect of an IP on the NI Network does not require or imply that the Fallback IP Entry Allocation Rule should be applied at any other point on the NI Network in respect of a Gas Flow Day.
- 3.2.7 Where the Fallback IP Entry Allocation Rule is to be applied, Premier Transmission shall notify Shippers by D+5.

Determination of VRF IP Exit Allocations

- 3.2.8 For each VRF IP Exit Nomination made by a Shipper in respect of a Gas Flow Day, a Shipper’s VRF IP Exit Allocation shall be determined by Premier Transmission as being equal to the IP Nominated Quantity in respect of that VRF IP Exit Nomination.
- 3.2.9 For the avoidance of doubt, section 3.2.8 applies where Premier Transmission has revised VRF IP Exit Nominations in accordance with sections 2.7.11 to 2.7.13 and whether or not the VRF IP Exit Nominations were made in respect of an OBA Day or a Non-OBA Day.

3.3. Initial IP Entry Allocations, Final IP Entry Allocations, Initial VRF IP Exit Allocations and Final VRF IP Exit Allocations

- 3.3.1 Premier Transmission shall determine and provide a Shipper with an initial IP Entry Allocation in respect of each IP Nominated Quantity in the Forward Flow Direction for a Day by the end of D+1 (“**Initial IP Entry Allocation**”).

- 3.3.2 Premier Transmission shall determine and provide a Shipper with a final IP Entry Allocation in respect of each IP Nominated Quantity in the Forward Flow Direction for a Day by the end of D+5 (“**Final IP Entry Allocation**”).
- 3.3.3 Premier Transmission shall determine and provide a Shipper with an initial VRF IP Exit Allocation in respect of each IP Nominated Quantity in the Reverse Flow Direction for a Day by the end of D+1 (“**Initial VRF IP Exit Allocation**”).
- 3.3.4 Premier Transmission shall determine and provide a Shipper with a final VRF IP Exit Allocation in respect of each IP Nominated Quantity in the Reverse Flow Direction for a Day by the end of D+5 (“**Final VRF IP Exit Allocation**”).
- 3.3.5 For the avoidance of doubt:
- (a) there shall be no difference between Initial IP Entry Allocations and Final IP Entry Allocations unless they relate to a Non-OBA Day;
 - (b) there shall be no difference between Initial VRF IP Exit Allocations and Final VRF IP Exit Allocations.
- 3.3.6 A Shipper may not amend its Initial IP Entry Allocations or Initial VRF IP Exit Allocations.
- 3.3.7 Final IP Entry Allocations and Final VRF IP Exit Allocations shall, subject to section 9 (*Measurement and Testing*), be binding upon a Shipper.

3.4 Aggregate NI Entry Allocations

3.4.1 In respect of a Gas Flow Day, Premier Transmission shall determine a Shippers’ Aggregate NI Entry Allocation in accordance with this section 3.4.

3.4.2 A Shippers’ “**Aggregate NI Entry Allocation**” in respect of a Gas Flow Day shall be determined as:

$$\text{Aggregate NI Entry Allocation}_D = \sum \text{Final IP Entry Allocations}_D + \sum \text{Trade Buy Allocations}_D$$

where:

$\sum \text{Final IP Entry Allocations}_D$ means the sum of a Shipper’s Final IP Entry Allocations in respect of an IP and a Shipper’s entry allocations at South North Interconnection Point determined under the BGE(UK) Code in respect of the Gas Flow Day; and

$\sum \text{Trade Buy Allocations}_D$ means the sum of a Shipper’s Trade Buy Allocations in respect of the Gas Flow Day determined in accordance with section 3.11.4(a).

3.4.3 For the avoidance of doubt, a Shipper’s VRF IP Exit Allocations are included in the determination of a Shipper’s Aggregate NI Exit Allocation in accordance with section 3.10.2 and are not included in the determination of a Shipper’s Aggregate NI Entry Allocation.

3.4.4 Premier Transmission and the Downstream System Operator may exchange nominations information for the purposes of determining a Shipper’s Aggregate NI Entry Allocation.

3.4.5 Premier Transmission will provide a Shipper with its Aggregate NI Entry Allocation by the end of D+5.

3.5 Exit Allocations

3.5.1 In this Code an “**Exit Allocation**” is the quantity of gas allocated to a Shipper by Premier Transmission in respect of a Gas Flow Day and an Exit Point, in accordance with this section 3, pursuant to a Shipper’s Exit Nomination.

3.5.2 In respect of each Exit Point, Premier Transmission shall allocate the Exit Quantity among the Shippers who have submitted Exit Nominations in respect of that Exit Point for a Gas Flow Day and provide an initial Exit Allocation by the end of D+1 (“**Initial Exit Allocation**”).

3.5.3 Each Initial Exit Allocation shall become a final Exit Allocation:

- (a) at an Exit Point other than Belfast Gas Exit Point No 1, subject to sections 3.5.5, 3.7 3.9 and 9.5, at 16:00 on D+5;
- (b) at Belfast Gas Exit Point No 1, subject to sections 3.5.5, 3.7 and 9.5 at 16:00 on the fifth Business Day of the subsequent month (“**M+5**”);

(“**Final Exit Allocation**”).

3.5.4 Final Exit Allocations shall, subject to section 9 (*Measurement and Testing*), be binding upon a Shipper.

3.5.5 An Initial Exit Allocation is subject to any adjustment which Premier Transmission reasonably determines is necessary in order to correct any error made in the application of section 3.6 of this Code.

3.6 Pro-rata Exit Allocations

3.6.1 Where two or more Shippers offtake gas at an Exit Point (a “**Shared Exit Point**”) a Shipper’s Exit Allocation shall, subject to sections 3.7 and 3.8, be made in accordance with the formula set out below:

$$SQ_e = Q_e \times \frac{SNQ_e}{ANQ_e}$$

where:-

SQe = a Shipper's Exit Allocation on the Gas Flow Day at the Shared Exit Point;

Qe = the Exit Quantity on the Gas Flow Day at the Shared Exit Point;

SNQe = the Shipper's Exit Nominated Quantity on the Gas Flow Day at the Shared Exit Point;

ANQe = Aggregate Exit Nominated Quantities on the Gas Flow Day at the Shared Exit Point;

provided that, for the purposes of both SNQe and ANQe, on any Day on which no Shipper has an Exit Nominated Quantity or the Aggregate Exit Nominated Quantities are zero (0), each Shipper which has an Exit Point Registration in respect of the relevant Shared Exit Point shall be deemed to have an Exit Nominated Quantity of one (1) kWh.

3.6.2 Subject to section 3.9, where there is only one Shipper which has submitted an Exit Nomination in respect of an Exit Point on that Gas Flow Day, the whole of the Exit Quantity at such Exit Point shall be allocated to that Shipper in its Initial Exit Allocation.

3.7 Exit Reallocations

3.7.1 A change to Initial Exit Allocations at a Shared Exit Point in respect of a Day (a "Reallocation") may be requested in accordance with this section 3.7.

3.7.2 Subject to section 3.9, a Reallocation may only be requested:

- (a) at an Exit Point other than Belfast Gas Exit Point No 1;
 - (i) by all Shippers whose Exit Allocations would change as a result of any such Reallocation writing jointly to Premier Transmission; and
 - (ii) during the period between the commencement of D+1 and 16:00 hours on D+5;
- (b) at Belfast Gas Exit Point No 1;
 - (i) by Phoenix on behalf of Shippers at Belfast Gas Exit Point No 1; and
 - (ii) during the period between the commencement of D+1 and 16:00 hours on M+5;
- (c) once in respect of each Gas Flow Day unless the Exit Quantity is adjusted in accordance with section 9 (*Measurement and Testing*) in which case a further Reallocation may be requested.

3.7.3 A Reallocation shall be accepted by Premier Transmission only if:

- (a) Premier Transmission is satisfied that the aggregate quantity of gas which would be allocated to such affected Shippers in respect of D, if section 3.6.1 were applied, is equal to the total quantity of gas which the affected Shippers have requested be reallocated; and

- (b) in the case of a Reallocation of gas at Belfast Gas Exit Point No 3, Premier Transmission receives written approval from the Downstream System Operator of such Reallocation before 16:00 on D+5.

3.7.4 A Reallocation accepted in accordance with section 3.7.3 shall, subject to section 9 (*Measurement and Testing*), become a Final Exit Allocation.

3.7.5 Shippers holding an Exit Point Registration in respect of Belfast Gas Exit Point No 1 authorise Premier Transmission to accept Reallocation requests at Belfast Gas Exit Point No 1 from Phoenix in accordance with section 3.7.2(b)(i).

3.8 Shippers' Allocation Arrangements at Shared Exit Points

3.8.1 Any Shippers may enter into an agreement, subject to section 3.9, providing for the basis upon which the Exit Quantity at a Shared Exit Point shall be allocated among them after any Gas Flow Day and provide a summary of such agreement (a "**Shippers' Allocation Arrangement**") to Premier Transmission in the Prescribed Form containing the information set out in section 3.8.3.

3.8.2 Premier Transmission shall, subject to sections 3.8.3 and 3.8.4, allocate the Exit Quantity in respect of a Shared Exit Point in accordance with the Shippers' Allocation Arrangement.

3.8.3 A Shippers' Allocation Arrangement shall:

- (a) be a summary of an agreement which has as parties to it all and only those Shippers which have an Exit Point Registration in respect of the Exit Point in relation to which the relevant Shippers wish to agree a Shippers' Allocation Arrangement;
- (b) be provided to Premier Transmission not later than twenty (20) Business Days before the Day in respect of which the relevant Shippers wish to agree an alternative allocation;
- (c) be amended not more than 3 times in any Gas Year other than to the extent necessary to comply with (a) above; and
- (d) provide for the allocation of a quantity of gas in respect of a Day equal to the Exit Quantity in respect of the Shared Exit Point by one of the following methods:
 - (i) the allocation of a stated percentage of the Exit Quantity in respect of the Shared Exit Point to each party to the agreement to which the Shippers' Allocation Arrangement relates such that 100% of the Exit Quantity is allocated;
 - (ii) the allocation of a stated quantity, firstly to one party to the agreement to which the Shippers' Allocation Arrangement relates (to the extent that the Exit Quantity in respect of the Shared Exit Point exceeds that quantity), secondly to another party to the agreement to which the Shippers' Allocation Arrangement relates (to the extent that the Exit Quantity in respect of the Shared Exit Point exceeds that quantity) and so on with all of any balance being allocated to a specified Shipper; or
 - (iii) the allocation of a quantity, firstly equal to a Shipper's Exit Nominated Quantity (to the extent that the Exit Quantity in respect of the Shared Exit Point exceeds that quantity), secondly equal to a Shipper's Exit Nominated Quantity (to the

extent that the Exit Quantity in respect of the Shared Exit Point exceeds that quantity) and so on with all of any balance being allocated to a specified Shipper.

- 3.8.4 Subject to 3.9, if a Shippers' Allocation Arrangement relates to the allocation of gas at Belfast Gas Exit Point No 2 and/or Belfast Gas Exit Point No 3, Premier Transmission shall only allocate the Exit Quantity at Belfast Gas Exit Point No 2 and/or Belfast Gas Exit Point No 3 in accordance with the Shippers' Allocation Arrangement if Premier Transmission receives written approval from the Downstream System Operator of such Shippers' Allocation Arrangement.

3.9 Allocations at Belfast Gas Exit Point No 2 and Belfast Gas Exit Point No 3

- 3.9.1 Notwithstanding that Premier Transmission, in accordance with section 3.5, shall make Initial Exit Allocations and Final Exit Allocations to Shippers at Belfast Gas Exit Point No 2 and, Belfast Gas Exit Point No 3, these shall be for information purposes only. For the purposes of PS Code Charges and Emergencies the Downstream System Operator shall allocate quantities of gas to Shippers exiting the PTL System at Belfast Gas Exit Point No 2 and, Belfast Gas Exit Point No 3 under the BGE(UK) Code in accordance with the NINOA.

- 3.9.2 In the event that the Downstream System Operator does not allocate quantities of gas to Shippers exiting the PTL System at Belfast Gas Exit Point No 2 and/or Belfast Gas Exit Point No 3, Premier Transmission shall allocate quantities of gas to such Shippers under section 3 in respect of the PTL System.

3.10 Aggregate NI Exit Allocations

- 3.10.1 In respect of a Gas Flow Day, Premier Transmission shall determine a Shipper's Aggregate NI Exit Allocation in accordance with this section 3.10.

- 3.10.2 A Shipper's "**Aggregate NI Exit Allocation**" in respect of a Gas Flow Day shall be determined as:

$$\text{Aggregate NI Exit Allocation}_D = \sum \text{Final Exit Allocations}_D + \sum \text{Final VRF IP Exit Allocations}_D + \sum \text{Trade Sell Allocations}_D$$

where:

$\sum \text{Final Exit Allocations}_D$ means the sum of a Shipper's Final Exit Allocations in respect of every Exit Point and a Shipper's final exit allocations in respect of every exit point determined under the BGE(UK) Code in respect of the Gas Flow Day;

$\sum \text{Final VRF IP Exit Allocations}_D$ means the sum of a Shipper's VRF IP Exit Allocations in respect of an IP and a Shipper's VRF exit allocations in respect of South North Interconnection Point determined under the BGE(UK) Code in respect of the Gas Flow Day; and

$\sum \text{Trade Sell Allocations}_D$ means the sum of a Shipper's Trade Sell Allocations in respect of the Gas Flow Day determined in accordance with section 3.11.4(b).

3.10.3 Premier Transmission and the Downstream System Operator may exchange nominations information for the purposes of determining a Shipper's Aggregate NI Exit Allocation.

3.10.4 Premier Transmission will provide a Shipper with its' Aggregate NI Exit Allocation by the end of M+5.

3.11 Trade Allocation Rules

3.11.1 A "**Trade Allocation**" is the quantity of gas allocated to a Shipper pursuant to a Trade Nomination, and may be either a Trade Buy Allocation or a Trade Sell Allocation.

3.11.2 Premier Transmission shall provide Trade Allocations to each Shipper by D+5.

3.11.3 The quantity of gas allocated to each Shipper pursuant to a Confirmed Trade Nomination shall be determined by Premier Transmission as being equal to the Confirmed Trade Quantity.

3.11.4 Where a Shipper and its Trading Counterparty have been allocated Confirmed Trade Quantities:

(a) the Shipper which made the Trade Buy Nomination will be allocated the Confirmed Trade Quantity as a "**Trade Buy Allocation**"; and

(b) the Shipper which made the Trade Sell Nomination will be allocated the Confirmed Trade Quantity as a "**Trade Sell Allocation**".

3.11.5 For the avoidance of doubt, in respect of a Gas Flow Day:

(a) a Trade Buy Allocation will be included in a Shipper's Aggregate NI Entry Allocation in accordance with section 3.4; and

(b) a Trade Sell Allocation will be included in a Shipper's Aggregate NI Exit Allocation in accordance with section 3.10 .

Replace section 9 with this revised section 9 to read as follows:

9. MEASUREMENT AND TESTING

9.1 Introduction and Definitions

9.1.1 For the purposes of this Code:

- (a) the Measurement Equipment at the Moffat Entry Point is owned, read and validated by National Grid who provide measurement information to BGE (UK);
- (b) the Measurement Equipment at the Stranraer Exit Point is owned and validated by National Grid and Premier Transmission reads such equipment;
- (c) the Measurement Equipment at the Ballylumford Exit Point is owned, read and validated by Premier Transmission;
- (d) the Measurement Equipment at the Belfast Network Exit Point is owned and validated by Belfast Gas. Premier Transmission reads such equipment in accordance with the Belfast Metering Agreement. Premier Transmission agrees that it will not agree to amend the Belfast Metering Agreement without first consulting with the Authority and Shippers;
- (e) the Measurement Equipment at the Carrickfergus Connected Systems Point and the Lisburn Exit Point is owned and validated by the Downstream System Operator: Premier Transmission reads such equipment in accordance with the NINOA.

9.1.2 In this Code:

- (a) "**Adjusted Final Allocation at Exit**" is any adjustment in accordance with section 9.6;
- (b) "**Measurement Equipment**" is the measurement, metering, sampling, analysis and other equipment installed from time to time at the Moffat Entry Point or at an Exit Point;
- (c) "**Permitted Range**" means any inaccuracy in the Measurement Equipment at the Moffat Entry Point and at each Exit Point which in all steady-state flow conditions does not exceed 1.1 per cent over the range of 20-100 per cent of the maximum Flow Rate for which the Metering Equipment is designed calculated using the method specified in ISO 5167/5168 for the determination of uncertainties of the measurement of those volume flow rates which are used to compute Flow Rates;
- (d) "**validate**" means to determine by checking tolerances the validity of the reading of a meter.

Moffat Entry Point

9.2 IP Entry Quantity at the Moffat Entry Point

9.2.1 The quantity of gas determined to have been delivered to the Transportation System at an IP (the "**IP Entry Quantity**") shall, subject to section 9.3:

- (a) in respect of an OBA Day, be the sum of all Shippers' IP Nominated Quantities in respect of an IP;
- (b) in respect of a Non-OBA Day, be the IP Measured Quantity notified by BGE(UK) pursuant to the Tripartite Agreement.

9.2.2 In the absence of the provision by BGE(UK) of an IP Measured Quantity in accordance with section 9.2.1(b), the IP Measured Quantity shall be a quantity determined by Premier Transmission:

- (a) using appropriate gas engineering technology; or
- (b) relying on written evidence of such quantities presented by a Shipper before 16:00 on D+5.

9.3 Adjustment to the Initial IP Entry Allocation at the Moffat Entry Point

9.3.1 In relation to a Non-OBA Day, if Premier Transmission reasonably determines that there has been an error in the allocation of the IP Measured Quantity determined to have been delivered at the an IP as a result of the incorrect application of section 3.2, Premier Transmission shall correctly apply section 3.2 to such quantity and any affected Final IP Entry Allocation shall be adjusted accordingly by no later than M+5.

Exit Points

9.4 Exit Quantity at an Exit Point

9.4.1 The quantity of gas delivered at:

- (a) the Stranraer Exit Point shall, subject to section 9.5, be determined by Premier Transmission using readings taken from the Measurement Equipment at that Exit Point;
 - (b) the Ballylumford Exit Point shall, subject to section 9.5, be determined by Premier Transmission using readings taken from the Measurement Equipment at that Exit Point;
 - (c) Belfast Gas Exit Point No 1 shall, subject to section 9.5, be determined by Premier Transmission in accordance with the Belfast Metering Agreement and the NINOA;
 - (d) Belfast Gas Exit Point No 2 and Belfast Gas Exit Point No 3 shall, subject to sections 9.5 and 9.12, be determined by Premier Transmission in accordance with the NINOA,
- (in each case an "Exit Quantity").

9.5 Adjustment to the Exit Quantity at an Exit Point

9.5.1 If it is determined by Premier Transmission that the Measurement Equipment at an Exit Point or a NI Network Exit Point has registered beyond the Permitted Range (whether under or over recording the quantity of gas oftaken), the Measurement Equipment at that Exit Point shall be assumed to have registered beyond the Permitted Range during the latter half of the period since it was last validated except where it is proven that the

Measurement Equipment began to register beyond the Permitted Range on some other date, in which case this date shall be taken.

9.5.2 A Final Exit Allocation shall, subject to section 9.12, be adjusted in respect of any Day (an “**Exit Point Adjustment Day**”) as set out below if:

- (a) it is determined by Premier Transmission or in accordance with the Belfast Metering Agreement or the NINOA that the Measurement Equipment at an Exit Point has registered beyond the Permitted Range in accordance with section 9.5.1 (such amount beyond the Permitted Range being known as an “**Exit Point Adjustment Quantity**”); or
- (b) Premier Transmission reasonably determines that there has been an error in the allocation of the Exit Quantity determined to have been delivered at any Exit Point as a result of the incorrect application of sections 3.5, 3.6 or 3.7; or
- (c) Premier Transmission shall, before 16:00 hours on D+5, deem a quantity to have flowed in accordance with section 9.8.

9.5.3 In the case of an Exit Point Adjustment Quantity arising in accordance with section 9.5.2 (a) where any Final Exit Allocation had been carried out in accordance with section 3.5 or 3.7 the Final Exit Allocation shall be adjusted by applying to the aggregate of the Exit Quantity and the Exit Point Adjustment Quantity, whichever of section 3.5 or 3.7 was previously applied.

9.5.4 In the case of an Exit Point Adjustment Quantity arising in accordance with section 9.5.2 (a) where any Final Exit Allocation had been carried out in accordance with section 3.6 the Final Exit Allocation shall be adjusted as follows:

- (a) in the case of a Shared Exit Point from which there has been more than one Shipper offtaking gas on any Exit Point Adjustment Day, by allocating the Exit Point Adjustment Quantity to those Shippers pro rata to the proportion in which gas was allocated to those Shippers by the Final Exit Allocation before the adjustment is made;
- (b) in the case of an Exit Point where there has been only one Shipper offtaking gas on any Exit Point Adjustment Day, by allocating all of the Exit Point Adjustment Quantity to the Shipper.

9.5.5 In the case of it being determined that there has been an error in the allocation of the Exit Quantity in accordance with section 9.5.2 (b) or Premier Transmission shall deem a quantity to have flowed as referred to in section 9.5.2 (c) the Exit Quantity shall be correctly allocated in accordance with whichever of sections 3.5, 3.6 or 3.7 was previously applied.

9.6 Adjustment of charges

9.6.1 If there is an Adjusted Final Allocation at Exit Premier Transmission shall, subject to section 9.12:

- (a) allocate the Adjusted Monthly Charge in accordance with the Adjusted Final Allocation at Exit in respect of the Exit Point Adjustment Day;
- (b) recalculate any PS Transmission Amounts and/or any PS Code Charges which it has made in respect of the Exit Point Adjustment Day on the basis that gas is deemed to

have been allocated in accordance with the Adjusted Final Allocation at Exit in respect of the Exit Point Adjustment Day; and

- (c) recover any under payment from and repay any overpayment to the Shippers accordingly in the next invoice issued to the Shipper following such recalculation.

9.7 Validation of Exit Point Measurement Equipment

9.7.1 Premier Transmission shall:

- (a) request National Grid to validate the Measurement Equipment at the Stranraer Exit Point at least once in each Gas Year;
- (b) validate the Measurement Equipment at the Ballylumford Exit Point at least once in each Gas Year;
- (c) require that the Measurement Equipment at the Belfast Network Exit Point is validated in accordance with the Belfast Metering Agreement at least once in each Gas Year;
- (d) require that the Measurement Equipment at the Carrickfergus Connected Systems Point and Lisburn Exit Point is validated in accordance with the NINOA.

9.7.2 A Shipper may at any time request a validation of the Measurement Equipment at any Exit Point or NI Network Exit Point in respect of which it has an Exit Point Registration in which case Premier Transmission shall use its reasonable endeavours to ensure that such validation shall be carried out as soon as reasonably practicable.

9.7.3 Each Shipper agrees and acknowledges that all costs and expenses incurred in connection with any validation in accordance with section 9.7.2 shall, if it is found that the accuracy of the Measurement Equipment is within the Permitted Range, be borne by the Shipper which requested the validation of the Measurement Equipment.

9.7.4 If a validation, in accordance with this section 9, determines that the Measurement Equipment at an Exit Point or NI Network Exit Point registered beyond the Permitted Range the Measurement Equipment shall be adjusted or replaced, as necessary, to read within the Permitted Range and centrally and accurately where this is technically possible with the existing Measurement Equipment.

9.7.5 Any validation of the Measurement Equipment at an Exit Point or NI Network Exit Point shall be conducted by or on behalf of Premier Transmission. Premier Transmission shall give reasonable advance notice of such validation to any Shipper which requested it and shall use its reasonable endeavours to ensure that such Shipper shall be entitled to be present.

9.7.6 Premier Transmission shall provide a report of the validation to such Shipper within ten (10) Business Days of the validation stating the results of the validation. Such validation shall be binding on both Premier Transmission and such Shipper (even if the Shipper does not attend) unless Premier Transmission or such Shipper disputes the validation within fifteen (15) Business Days after such validation. In the event that such dispute is not resolved within a further fifteen (15) Business Days Premier Transmission or such Shipper may refer the matter to an Expert for Expert Determination.

9.8 Absence of reliable readings at an Exit Point

9.8.1 In the absence of reliable readings from the Measurement Equipment at an Exit Point or a NI Network Exit Point, or if any of such Measurement Equipment fails to function, Premier Transmission shall deem that the quantity of gas flowing through such Measurement Equipment was equal to the aggregate of the Exit Nominated Quantities in respect of such Exit Point or NI Network Exit Point unless, in Premier Transmission's reasonable opinion, a more accurate determination of the quantity of gas flowing through such Measurement Equipment would be achieved by Premier Transmission:

- (a) using appropriate gas engineering technology; or
- (b) relying on any written evidence of such quantities presented by a Shipper before 16:00 hours on D+5.

9.9 Access to Exit Point Measurement Equipment

Premier Transmission shall use its reasonable endeavours to ensure that a Shipper shall have a right of access to the Measurement Equipment at any Exit Point or NI Network Exit Point in respect of which it has an Exit Point Registration, at reasonable times, at its own risk and on giving reasonable notice to Premier Transmission for any reasonable purpose.

9.10 Additional Exit Point information

9.10.1 If requested by a Shipper, Premier Transmission shall, to the extent that it is available, provide the Shipper the following data from the Exit Point or NI Network Exit Point in respect of which it has an Exit Point Registration, in respect of such offtaken gas, as soon as the same is reasonably available:

- (a) instantaneous Flow Rate;
- (b) cumulative volume;
- (c) instantaneous energy rate;
- (d) cumulative energy; and
- (e) calorific value.

9.10.2 Premier Transmission shall provide such information without cost to the Shipper to the extent that Premier Transmission is able to provide such information without incurring a material cost.

9.11 Measurement of offtake pressure

9.11.1 The pressure of gas at Belfast Gas Exit Points No 1, Belfast Gas Exit Point No 2 and Belfast Gas Exit Point No 3 shall be deemed to be the pressure which the Measurement Equipment measures at the Ballylumford Exit Point.

9.12 Measurement and Testing at Belfast Gas Exit Point No 2 and Belfast Gas Exit Point No3

9.12.1 Measurement and Testing applied under this section 9 at Belfast Gas Exit Point No 2 and Belfast Gas Exit Point No 3 shall not be made by Premier Transmission. BGE(UK) shall apply Measurement and Testing to Shippers exiting the PTL System at Belfast Gas Exit Point No 2 and Belfast Gas Exit Point No 3 under the BGE(UK) Code and in accordance with the NINOA.

9.12.2 In the event that BGE(UK) does not apply Measurement and Testing to Shippers exiting the PTL System at Belfast Gas Exit Point No 2 and/or Belfast Gas Exit Point No 3, Premier Transmission shall apply section 9 to such Shippers in respect of the PTL System.

.....

Insert new section T5 immediately after section T4 to read as follows:

Transition Section T5

T5.1 Introduction

T5.1.1 This section T5 sets out the provisions which will apply to Shippers from the T5 Implementation Date and sets out when:

- (a) the modified section 3 (*Allocations*) (“**Modified Section 3**”);
- (b) the modified section 9 (Measurement and Testing) (“**Modified Section 9**”); and
- (c) the modified Appendix 1 (*Definitions and Interpretation*) (“**Allocations Modified Appendix 1**”);

all as set out in Code Modification 32 shall be effective. Existing sections of the Code in force prior to Code Modification 32 becoming effective in accordance with this section T5 are referred to in this section T5 as “**Unmodified**”.

T5.1.2 In this section T5:

- (a) “**T5 Implementation Date**” means the date of implementation of this section T5 which shall be 8th July 2015 or, if later, the date the Authority approves Code Modification 32;
- (b) “**Allocations Operational Date**” means a date, determined and published by Premier Transmission, not earlier than the T5 Implementation Date and not later than the First OBA Day (in respect of which IP Allocations, Exit Allocations and Trade Allocations will be made pursuant to Modified Section 3);
- (c) the “**First OBA Day**” means Gas Flow Day commencing 05:00 on 1st October 2015.

T5.2 Commencement of Modified Section 3

T5.2.1 Subject to T5.2.3 and T5.2.4, the provisions of Modified Section 3 shall apply, with respect to the First OBA Day and each subsequent Gas Flow Day, from the First OBA Day.

T5.2.2 Subject to T5.2.3 and T5.2.4, the provisions of the Unmodified section 3 shall apply with respect to Gas Flow Days before the First OBA Day.

T5.2.3 Shipper’s Allocation Arrangements (as defined in Unmodified section 3) which have been notified to Premier Transmission prior to the T5 Implementation Date shall be treated (after the T5 Implementation Date) as having been notified as Shipper’s Allocation Arrangements under the Modified Section 3.8 and, for the avoidance of doubt, shall otherwise continue to operate unamended.

T5.2.4 Where there are fewer than 20 Business Days between the Allocations Operational Date and the First OBA Day, and a Shipper wishes to notify Premier Transmission of a Shipper’s Allocation Arrangement pursuant to Modified Section 3 to apply with respect to the First OBA Day (and/or Gas Flow Days thereafter) Premier Transmission may, at its sole discretion, agree to accept and implement such notifications in such shorter timescales as may be feasible.

T5.3 Commencement of Modified Section 9

T5.3.1 The provisions of Modified Section 9 shall apply, with respect to the First OBA Day and each subsequent Gas Flow Day, from the First OBA Day.

T5.3.2 The provisions of the Unmodified section 9 shall apply with respect to Gas Flow Days before the First OBA Day.

T5.4 Cessation of Section 18.5 (*Moffat Administration Agreement – Alteration of Allocation at Moffat Entry Point*)

T5.4.1 Section 18.5 shall apply in respect of all Gas Flow Days before the First OBA Day and for the avoidance of doubt, shall not apply on the First OBA Day or in respected of Days thereafter.

T5.5 Commencement of Allocations Modified Appendix 1

T5.5.1 From the T5 Implementation Date, the terms set out in Allocations Modified Appendix 1 shall, subject to T5.6, become effective as and when use of each of those terms is required by the coming into force of the provisions set out in this section T5 and shall continue to apply thereafter.

T5.6 Successional Changes to Appendix 1

T5.6.1 “**CAM Modified Appendix 1**” and “**CAM Effective Date**” have the meanings given to them in section T2 implemented or to be implemented in accordance with Code Modification 28, [“**Gas Day Modified Appendix 1**” has the meaning given to it in section T3 implemented or to be implemented in accordance with Code Modification 29] and “**Nominations Modified Appendix 1**” has the meaning given to it in section T4 implemented or to be implemented in accordance with Code Modification 31.

T5.6.2 Allocations Modified Appendix 1 adds new defined terms to the Code and where relevant modifies terms set out in CAM Modified Appendix 1, [Gas Day Modified Appendix 1] and Nominations Modified Appendix 1.

T5.6.3 Terms contained in Unmodified Appendix 1 which are not otherwise amended or deleted by CAM Modified Appendix 1, Gas Day Modified Appendix 1, Nominations Modified Appendix 1 or Allocations Modified Appendix 1, or any other subsequent Code Modifications shall continue to apply in this Code after the CAM Effective Date.

.....

Amend Appendix 1 to include new terms (and modify existing terms) to read as shown in the list below:

APPENDIX 1

DEFINITIONS AND INTERPRETATION

Part I - Definitions

~~“Adjusted Final Allocation at Entry”~~ has the meaning given to it in section 9.1.2 (a);

“Adjusted Final Allocation at Exit” has the meaning given to it in section 9.1.2 (ab);

~~“Aggregate NI Entry Allocation”~~ has the meaning given to it in section 3.4.2;

~~“Aggregate NI Exit Allocation”~~ has the meaning given to it in section 3.10.2;

~~“Aggregate VRF IP Exit Nominated Quantity”~~ has the meaning given to it in section 3.2.1(h);

~~“Agg VRF Nom”~~ has the meaning given to it in section 3.4.2 (b);

~~“Allocated”~~ means that quantity of gas allocated to a Shipper in respect of a Gas Flow Day, after any adjustment to the allocation, in accordance with section 3 and “Allocation” shall be construed accordingly;

~~“D+1”~~ has the meaning given to it in section 3.2.1; means the Day after D;

~~“D+5”~~ has the meaning given to it in section 3.2.2; means the fifth Day after D;

~~“Entry Allocations”~~ means the quantities of gas Allocated to Shippers in respect of an Entry Point;

~~“Entry Point Adjustment Day”~~ has the meaning given to it in section 9.1.2 (c);

~~“Entry Quantity”~~ has the meaning given to it in section 9.2.1;

~~“Exit Allocation”~~ has the meaning given to it in section 3.5.1 and “Exit Allocations” shall be construed accordingly;

“Exit Point Adjustment Day” has the meaning given to it in section 9.56.2;

“Exit Point Adjustment Quantity” has the meaning given to it in section 9.56.2(a);

“Exit Quantity” has the meaning given to it in section 9.4.15;

“Fallback IP Entry

<u>Allocation Rule</u>	has the meaning given to it in section 3.2.5;
<u>“Final Allocation”</u>	has the meaning given to it in section 3.2.2;
<u>“Final Exit Allocation”</u>	means, in respect of a Gas Flow Day, the quantity of gas Allocated to a Shipper; and at an Exit Point other than Belfast Gas Exit Point No 1 such Allocation shall be made by D+5 and at Belfast Gas Exit Point No 1 such Allocation shall be made by M+5 and <u>“Final Exit Allocations”</u> shall be construed accordingly; has the meaning given to it in section 3.5.3 and <u>“Final Exit Allocations”</u> shall be construed accordingly;
<u>“Final IP Entry Allocation”</u>	means the quantity of gas Allocated to a Shipper at an IP in respect of a Gas Flow Day, such Allocation to be made by D+5 and <u>“Final IP Entry Allocations”</u> means the sum of each Final IP Entry Allocation Allocated to a Shipper in respect of a Gas Flow Day; has the meaning given to it in section 3.3.2 and <u>“Final IP Entry Allocations”</u> shall be construed accordingly;
<u>“Final VRF IP Exit Allocation”</u>	has the meaning given to it in section 3.3.4 and <u>“Final VRF IP Exit Allocations”</u> shall be construed accordingly;
<u>“Firm Allocated Quantity”</u>	has the meaning given to it in section 3.3.1 and <u>“Firm Allocated Quantities”</u> shall be construed accordingly;
<u>“Initial Allocation”</u>	has the meaning given to it in section 3.2.1;
<u>“Initial Exit Allocation”</u>	has the meaning given to it in section 3.5.2 and <u>“Initial Exit Allocations”</u> shall be construed accordingly;
<u>“Initial IP Entry Allocation”</u>	has the meaning given to it in section 3.3.1 and <u>“Initial IP Entry Allocations”</u> shall be construed accordingly;
<u>“Initial VRF IP Exit Allocation”</u>	has the meaning given to it in section 3.3.3 and <u>“Initial VRF IP Exit Allocations”</u> shall be construed accordingly;
<u>“Interruptible Allocated Quantity”</u>	has the meaning given to it in section 3.3.2 and <u>“Interruptible Allocated Quantities”</u> shall be construed accordingly;
<u>“Interruptible VRF Allocated Quantity”</u>	has the meaning given to it in section 3.3.3. For the avoidance of doubt (and as provided for in Condition 2A.2.1.8 of the Licence) this quantity is not subject to the commodity charge element of the Postalised Charges defined in the Licence;
<u>“IP Allocation”</u>	has the meaning given to it in section 3.2.1(a) and <u>“IP Allocations”</u> shall be construed accordingly;
<u>“IP Entry Allocation”</u>	has the meaning given to it in section 3.2.1(b) and <u>“IP Entry Allocations”</u> shall be construed accordingly;
<u>“IP Entry Quantity”</u>	has the meaning given to it in section 9.2.1;
<u>“IP Measured Quantity”</u>	the Northern Ireland share of the quantity of gas delivered at the Moffat Entry Point, determined by National Grid using readings

	<u>taken from the Measurement Equipment at the Moffat Entry Point as described in section 9.1.1(a);</u>
“M+5”	has the meaning given to it in section 3.2.2 (b); <u>means the fifth Business Day of the Month following M;</u>
“Measurement Equipment”	has the meaning given to it in section 9.1.2 (be);
“Non-OBA Day”	<u>has the meaning given to it in section 3.2.1(g) and “Non-OBA Days” shall be construed accordingly;</u>
“OBA”	<u>has the meaning given to it in section 3.2.1(d);</u>
“OBA Day”	<u>has the meaning given to it in section 3.2.1(f) and “OBA Days” shall be construed accordingly;</u>
“Permitted Range”	has the meaning given to it in section 9.1.2 (ce);
“Prevailing IP Entry Allocation Rule”	<u>has the meaning given to it in section 3.2.3;</u>
“Reallocation”	has the meaning given to it in section 3. 76 .1;
“Shared Exit Point”	has the meaning given to it in section 3. 65 .1;
“Shipper’s Allocation Arrangement”	has the meaning given to it in section 3. 87 .1;
“Steering Difference”	<u>has the meaning given to it in section 3.2.1(e);</u>
“Trade Allocation”	<u>has the meaning given to it in section 3.11.1 and “Trade Allocations” shall be construed accordingly;</u>
“Trade Buy Allocation”	<u>has the meaning given to it in section 3.11.4(a) and “Trade Buy Allocations” shall be construed accordingly;</u>
“Trade Sell Allocation”	<u>has the meaning given to it in section 3.11.4(b) and “Trade Sell Allocations” shall be construed accordingly;</u>
“Tripartite Agreement”	<u>means the tripartite agreement in relation to arrangements at the interconnection point at Moffat between National Grid, BGE(UK) and Premier Transmission;</u>
“validate”	has the meanings given to them-it in section 9.1.2 (df) and “validation” and “validated” shall be construed accordingly;
“VRF IP Exit Allocation”	<u>has the meaning given to it in section 3.2.1(c) and “VRF IP Exit Allocations” shall be construed accordingly;</u>