



Department for
Energy Security
& Net Zero

~~Annex~~

~~Updated Indicative Heads of Terms~~

~~To the document entitled "~~

Carbon Capture, ~~Usage~~ and Storage:
(CCS) Network Code ~~—Updated
Indicative~~ Heads of Terms"

Consultation draft

December ~~2022~~2023

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SECTION A: INTRODUCTION, STRUCTURE AND INTERPRETATION

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1.	Introduction	<p>1.1 This document is the CCS Network Code prepared and maintained by each T&SCo pursuant to Standard Licence Condition [x] of its Licence.</p> <p><i>Note: it is expected that the licence conditions of T&SCo's Licence will require each T&SCo to have a network code – with an acknowledgement that this single uniform Code will satisfy that requirement, unless otherwise specified in the T&SCo's licence.</i></p> <p>1.2 The Code sets out the commercial and technical rules and arrangements between T&SCos and Users, and between individual T&SCos, in relation to:</p> <ul style="list-style-type: none"> (a) the connection by Users to a T&S Network, or part of a T&S Network; (b) the delivery of carbon dioxide by Users into the T&S Network at a Delivery Point; (c) the transportation and storage of carbon dioxide delivered by Users at Delivery Points; (d) the operation and maintenance of each T&S Network; and (e) the interface between T&SCos in relation to different T&S Networks or parts of a T&S Network.
2.	Parties	<p>2.1 For the purposes of the Code:</p> <ul style="list-style-type: none"> (a) "T&SCo" means, in relation to each T&S Network or part of a T&S Network, the entity that is the holder of a Licence authorising it to operate that T&S Network or part of a T&S Network; and (b) "User" means a person other than T&SCo who is bound by the provisions of this Code and delivers carbon dioxide into the T&S Network at a Delivery Point. <p>2.2 For the purposes of the Code:</p> <ul style="list-style-type: none"> (a) a "Party" means a T&SCo or a User; (b) in the context of any Ancillary Agreement, references to "Parties" are to the T&SCo or a User who is party to that agreement; (c) where a right or obligation is imposed on a T&SCo, then, unless otherwise specified, that right or obligation relates to the T&S Network, or part of a T&S Network, to which the Licence held by that T&SCo relates;

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		<p>(d) a reference to T&SCos is a reference to all T&SCos collectively; and</p> <p>(e) anything required to be done by T&SCos which is done by or on behalf of all of them shall be treated as having been done by all of them.</p>
3.	Contractual effect	<p>3.1 The Code is made binding on a T&SCo or a User pursuant to the Code Agreement.</p> <p>T&SCo</p> <p>3.2 Each T&SCo shall enter into:</p> <p>(a) the Code Agreement <u>or a Code Accession Agreement</u>; and</p> <p><u>(b) the CDS Contract</u> or</p> <p>(b) an a CDS Accession Agreement.</p> <p><i>Note: subject to commencement timing it may be the case that multiple parties will sign the initial Code Agreement and/or that all initial T&SCos and initial Users will sign the Code Agreement or Accession Agreement prior to the Code commencing.</i></p> <p>User accession</p> <p>3.3 In order to become a User in relation to a T&S Network, a person must satisfy or secure satisfaction of the following requirements:</p> <p>(a) the applicant shall have entered into:</p> <p>(i) the Code Agreement or an a Code Accession Agreement;</p> <p>(ii) a Construction Agreement with T&SCo; and</p> <p>(iii) a Connection Agreement with T&SCo,</p> <p>and each document shall have become effective in accordance with its terms;</p> <p>(b) the applicant shall have provided to T&SCo, in the form prescribed by T&SCo from time to time, the applicant's name, legal nature and address, and any other information that is required to be provided as part of the connection process set out in Section C (<i>Connection</i>); and</p> <p>(c) the applicant shall have provided the emergency contact details required under Section G (<i>Industrial procedures</i>).</p>

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4.	Structure	<p>4.1 The Code comprises:</p> <p>(a) the following sections of the main body:</p> <ul style="list-style-type: none"> (i) this Section A: Introduction, structure and interpretation; (ii) Section B: Governance; (iii) Section C: Connection; (iv) Section D: Network structure and planning; (v) Section E: Network use and capacity; (vi) Section F: Network design and specification; (vii) Section G: Industrial procedures; (viii) Section H: Charges, invoicing and payment; (ix) Section I: Data; (x) Section J: General; and (xi) (x) Section JK: Glossary. <p>(b) the following exhibits:</p> <ul style="list-style-type: none"> (i) Exhibit A: Code Accession Agreement; (ii) Exhibit B: Construction Agreement; and (iii) Exhibit C: Connection Agreement; and (iv) Exhibit D: CDS Accession Agreement. <p>Note: the Code Agreement, which will be signed by the Original T&SCos and the Initial Users, is included as an exhibit to the Code Accession Agreement.</p> <p>(c) the following annexures:</p> <ul style="list-style-type: none"> (i) Annexure A: Carbon Dioxide Specifications – General; (ii) Annexure B: Carbon Dioxide Specifications (ECCNorthern Endurance Partnership T&S Network); (iii) Annexure C: Carbon Dioxide Specifications (LBAHyNet T&S Network); (iv) Annexure D: Measurement Requirements (ECCNorthern Endurance Partnership T&S

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		<p>Network); and</p> <p>(v) Annexure E: Measurement Requirements ([LBA]HyNet T&S Network);</p> <p><i>Note: the annexures will set out information specific to each T&S Network. The process for introducing new annexures applying to new T&S Networks will be part of the accession process to the Code by new T&SCos.</i></p> <p>(vi) Annexure F: Emergency Procedure Terms of Reference;</p> <p>(vii) Annexure G: Commissioning Procedure Terms of Reference;</p> <p>(viii) Annexure H: Isolation Procedure Terms of Reference;</p> <p>(ix) Annexure I: Minimum Documentation Requirements;</p> <p>(x) Annexure J: Information Publication Requirements;</p> <p>(xi) Annexure K: Retained Data;</p> <p>(xii) Annexure L: CDS Terms of Reference;</p> <p>(xiii) Annexure M: Independent Verifier Terms of Reference; and</p> <p>(xiv) Annexure N: T&S Network Portal Terms of Reference.</p> <p>4.2 Sections A to J, Exhibits A to C-[D] and Annexure A]Annexures A, F, G, H, I, J, K, L, M are referred to as the "Uniform Provisions" and apply equally to all T&S Networks, while Annexures [B to E], referred to as the "Specific Provisions", are specific to each individual T&S Network and.</p> <p>4.3 The Exhibits include the prescribed forms for the Ancillary Agreements.</p> <p>4.4 Where applicable, parties are required to enter into Ancillary Agreements in the form of the template set out in the relevant Exhibit and in accordance with any "Drafting instruction" set out in the template (save that where the contents of the schedules in the Ancillary Agreements arerequire further population, any information to be populated shall be specific to each User). Any departures from the template of an Ancillary Agreement as set out in the relevant Exhibit (including to the terms of any schedule and any "Drafting instruction") shall be dealt</p>

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		with via the modification procedure under Section B.
5.	Interpretation – general	<p>5.1 Unless the context otherwise requires, words and expressions defined in the Act or the Standard Licence Conditions and not otherwise defined in the Code shall have the meaning given to them in the Act or the Standard Licence Conditions.</p> <p>5.2 References to the Code (or any part thereof) are to the Code (or such part thereof) as from time to time modified in accordance with the Modification Rules.</p> <p>5.3 A reference in the context of any provision of the Code to a "representative" of any person is a reference to any director, officer or employee of that person or any agent, consultant or contractor appointed or engaged by that person for purposes connected with the subject matter of the relevant provision of the Code.</p> <p>5.4 An "Affiliate", in relation to a party, is any entity that directly or indirectly controls, is controlled by, or is under common control with that party from time to time and "control" has the meaning given in section 1124 of the Corporation Tax Act 2010 and controls, controlled and the expression "change of control" shall be interpreted accordingly.</p>
6.	Interpretation – times and dates	<p>6.1 For the purposes of the Code:</p> <p>(a) "Day" means the 24 hour period from 00:00 hours (midnight) until 23:59 hours;</p> <p>(b) "Business Day" means a Day other than:</p> <p>(i) a Saturday or a Sunday; or</p> <p>(ii) a Day which begins at 00:00 hours on a bank holiday in England, Wales or Scotland;</p> <p>(c) "Calendar Week" means a period of 7 Days starting on Monday;</p> <p>(d) (e) "Charging Year" means the period from 1 April in any year until and including 31 March in the following year;</p> <p>(e) (d) unless the context otherwise requires, "carbon dioxide" means a stream consisting primarily of carbon dioxide (CO₂) molecules and references to carbon dioxide being delivered by a User to the T&S Network assume that the gaseous stream being delivered is carbon dioxide;</p> <p>(f) (e) references to:</p> <p>(i) a calendar day (such as 1 January) or a day</p>

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		<p>of the week (such as Sunday) is to the Day which begins at 00:00 hours on that day;</p> <p>(i) (ii) a week is to the period from 00:00 hours on a day until 23:59 hours on the 7th day following;</p> <p>(ii) (iii) a month (or a number of months) is to the period from 00:00 hours on a day in one month until 00:00 hours on the same day of the month which follows (or follows by the relevant number of months), or if there is no such day in such month 00:00 on the first day of the next following month;</p> <p>(iii) (iv) a calendar month is to the period from 00:00 hours on the first day of a month until 00:00 hours on the first day of the following month, and references to a particular calendar month (such as January) shall be construed accordingly;</p> <p>(iv) (v) a year is to the period from 00:00 hours on a day in one year until 00:00 hours on the same day (or where the day in the first year was 29 February, on 1 March) in the following year;</p> <p>(v) (vi) a calendar year (such as 2022) is to be construed accordingly;</p> <p>(vi) (vii) each reference in this Code to any time of the day shall, unless otherwise stated, be construed as a reference to London time.</p> <p>(g) (f) unless the context otherwise requires, capitalised terms have the meanings set out in Section JK JK (<i>Glossary</i>).</p>

SECTION B: GOVERNANCE

~~This proposed governance framework is being developed concurrently with:-~~

- ~~• the development of reforms to the equivalent processes under the gas and electricity industry; and~~
- ~~• as set out in the transport and storage business model January 2022 update, the consultation and development of the Future System Operator.~~

~~It is likely that regard may need to be had to the outcome of these processes in finalising this governance framework.~~

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1.	Modification Panel	<p>1.1 Each T&SCo, together with the other T&SCos, is required to operate a procedure for the Modification of the CCS Network Code so as to better facilitate the achievement of the Relevant Objectives in accordance with the terms of its Licence.</p> <p>1.2 The T&SCos shall ensure that a Modification Panel is established within three (3) months from the Code Implementation Date. The Modification Panel will be comprised of:</p> <ul style="list-style-type: none"> (a) the Panel Chairperson, being a non-voting Member; (b) six (6) T&SCo Representatives, being Voting Members; (c) six (6) User Representatives, being Voting Members, with at least one representative of each User Type; and (d) one (1) representative of the Authority, <u>being a non-voting Member; and</u> (e) <u>one (1) representative of the Secretary of State,</u> being a non-voting Member. <p>Panel Chairperson</p> <p>1.3 The Panel Chairperson shall be appointed by majority vote of the Modification Panel and shall serve as Panel Chairperson until such time as their appointment expires in accordance with paragraph 1.31.</p> <p>T&SCo Representatives</p> <p>1.4 Subject to paragraph 1.13, the T&SCos shall appoint (and as the case may be re-appoint) up to six (6) T&SCo Representatives to the Modification Panel.</p> <p>1.5 Subject to paragraph 1.6 and 1.7, each T&SCo will have an equal representation of T&SCo Representatives and in such circumstances each T&SCo shall have absolute discretion over the individuals that it appoints as the</p>

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		<p>T&SCo Representative(s) representing that T&SCo.</p> <p>1.6 Subject to paragraph 1.7, where the number of T&SCOs and the limit of six (6) T&SCo Representatives prevents equal representation in accordance with paragraph 1.5, each T&SCo shall have at least one T&SCo Representative (the identify of whom shall be determined in that T&SCo's absolute discretion) and the T&SCOs shall collectively by agreement appoint any additional T&SCo Representatives to reach 6 T&SCo Representatives.</p> <p>1.7 Where the number of T&SCOs and the limit of six (6) T&SCo Representatives prevents each T&SCo having at least one T&SCo Representative, the T&SCOs shall collectively by agreement appoint the T&SCo Representatives.</p> <p>1.8 The Authority shall (itself or through a designated independent person appointed by the Authority) appoint the T&SCo Representatives where the T&SCOs are unable to collectively agree upon the identity of any T&SCo Representatives under paragraph 1.6, 1.7 or 1.39 .</p> <p>Users' Representatives</p> <p>1.9 Subject to paragraph 1.13, the Users shall appoint (and as the case may be re-appoint) up to six (6) User Representatives to the Modification Panel.</p> <p>1.10 Subject to paragraph 1.11 and 1.12, each User will have an equal representation of User Representatives and in such circumstances each User shall have absolute discretion over the individuals that it appoints as the User Representative(s) representing that User.</p> <p>1.11 Subject to paragraph 1.12, where the number of Users and the limit of six (6) User Representatives prevents equal representation in accordance with paragraph 1.10, each User shall have at least one User Representative (the identity of whom shall be determined in that User's absolute discretion) and the Users shall collectively by agreement appoint any additional User Representatives to reach 6 User Representatives.</p> <p>1.12 Where the number of Users and the limit of 6 User Representatives prevents each User having at least one User Representative, the Users shall collectively by agreement appoint the User Representatives, provided that there is at least one User Representative for each User Type.</p> <p>1.13 Where there are more than six (6) User Types, from the date upon which any such additional User Types</p>

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		<p><u>accede to the Code,</u> the number of User Representatives and T&SCo Representatives on the Modification Panel shall be increased to the number of User Types–</p> <p>Note: Consideration to be given to how User Types will be defined so as to provide fair representation. (and where such accession occurs after the Modification Panel has been established in accordance with paragraph 1.2, the process in paragraphs 1.4 to 1.14 shall apply to the appointment of any additional User Representatives and/or T&SCo Representatives).</p> <p>1.14 The Authority shall (itself or through a designated independent person appointed by the Authority) appoint the relevant User Representatives where the Users (or Users of a User Type) are unable to collectively agree upon the identity of any User Representatives under paragraph 1.11, 1.12 or 1.40 .</p> <p>Secretary</p> <p>1.15 The T&SCos shall collectively appoint an individual representative to act as the Secretary. The Secretary shall :</p> <p><u>(a)</u> attend meetings of the Modification Panel and;</p> <p><u>(b)</u> carry out the various tasks and duties assigned to it in this section B (<i>Governance</i>) ; <u>and</u></p> <p><u>(c)</u> <u>at all times act and take decisions in an impartial, objective and balanced manner</u></p> <p>1.16 The Authority shall (itself or through a designated independent person appointed by the Authority) appoint the Secretary where the T&SCos are unable to collectively agree upon the identity of the Secretary under paragraph 1.15.</p> <p>1.17 Each T&SCo shall be responsible for funding an equal proportion of the costs and expenditure incurred by the Secretary in the carrying out of the various tasks and duties assigned to it in this section B (<i>Governance</i>).</p> <p>1.18 By:</p> <p>(a) the date that is one month after the Code Implementation Date in relation to the first Charging Year; and</p> <p>(b) 30th October each Charging Year thereafter,</p> <p>the Secretary shall prepare and submit to the Modification Panel and the Authority for the Modification</p>

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		<p>Panel's approval:</p> <p>(c) a Resource Plan; and</p> <p>(d) Budget Forecast,</p> <p>("Resource Plan and Budget Forecast") in accordance with the requirements of paragraphs 1.19 and 1.20.</p> <p>1.19 The Resource Plan shall include provision for the level of resources that the Secretary considers necessary to undertake its functions, including any:</p> <p>(a) suitable facilities for business purposes;</p> <p>(b) office equipment, including telephones and other communication devices or computer workstations</p> <p>(c) office furniture; and</p> <p>(d) any applications developed for internal or external business purposes.</p> <p>1.20 The Budget Forecast shall set out:</p> <p>(a) the itemised budget forecast expenditure for each line item of resource to be provided;</p> <p>(b) the estimated aggregate funds required to implement the resource plan; and</p> <p>(c) such other costs and expenses to be incurred or likely to be incurred by the Secretary.</p> <p>1.21 The Modification Panel shall, as quickly as practicable and in any event within ten (10<u>10</u>) Business Days of receipt of the Resource Plan and Budget Forecast, determine whether or not to approve the proposed Resource Plan and Budget Forecast and shall within such ten (10) Business Day period either notify the Secretary of its approval or, in the event that the Modification Panel reasonably withholds its approval, notify the Secretary of any changes or variations to the proposed Resource Plan and Budget Forecast recommended by the Modification Panel. If the Secretary does not accept such changes or variations submitted by the Modification Panel, any such dispute or difference shall be referred to the Authority to be determined by the Authority.</p> <p>1.22 Within one month of the end of each Charging Year, the Secretary shall prepare and submit to the Modification Panel and the Authority an Expenses Claim setting out the details of any Secretary Expenditure (net of VAT)</p>

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		<p>during that Charging Year, together with reasonable supporting evidence in relation to such expenses ("Secretary's Expenses Claim").</p> <p>1.23 On receipt of the Secretary's Expenses Claim, the Modification Panel shall, within ten (10) Business Days prepare and circulate to the Parties a statement setting out for the relevant Charging Year its determination of:</p> <ul style="list-style-type: none"> (a) the budgeted expenditure under the Resource Plan; (b) taxes or duties chargeable, if any; (c) the proportion of the Secretary Expenditure payable by, each Party in accordance with the principle of equal apportionment as set out in paragraph 1.17; and (d) any other information the Modification Panel, in its reasonable discretion, considers relevant, <p>("Draft Statement of Expenses").</p> <p>1.24 If a Party disputes the Draft Statement of Expenses (or any part of it), it shall, within five (5) Business Days of the date of the Draft Statement of Expenses notify the Modification Panel and the Secretary with details of the dispute (an "Expenses Dispute Notification") and, within a further five (5) Business Days, provide such supporting evidence as the Modification Panel may reasonably require.</p> <p>1.25 Within five (5) Business Days of the notice period for disputes under Paragraph 1.24 expiring, the Modification Panel shall:</p> <ul style="list-style-type: none"> (a) (where no Expenses Dispute Notification has been made) notify the Parties and the Secretary that the Draft Statement of Expenses is final; or (b) (where one or more Expenses Dispute Notifications have been made) circulate to the Parties and the Secretary a revised statement of expenses which shall reflect the undisputed part of the Secretary Expenses Claim only, <p>("Final Statement of Expenses").</p> <p>1.26 The Modification Panel shall consider all disputes under Paragraph 1.24 and shall make a determination, which shall be notified to the Parties and the Secretary within fifteen (15) Business Days of the notice period for disputes under Paragraph 1.24 expiring.</p> <p>1.27 Determinations under Paragraph 1.26 shall be reflected</p>

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		<p>in the next following Draft Statement of Expenses to be issued under Paragraph 1.23, and any Party that made an Expenses Dispute Notification may not make an Expenses Dispute Notification in respect of that part or parts of the Draft Statement of Expenses that were subject to the earlier dispute.</p> <p>1.28 Following receipt by the Modification Panel of the Final Statement of Expenses, the Secretary may invoice each of the T&SCos for its proportion of the Secretary Expenditure, together with VAT, for each Charging Year, as set out in the Final Statement of Expenses.</p> <p>1.29 Each T&SCo shall pay any amount due under paragraph 1.28 to the Secretary within thirty (30) days of the amount being invoiced to it.</p> <p>1.30 The allocation of funding between the Parties under paragraph 1.17 shall be reviewed by the Authority once every two years from the Code Implementation Date.</p> <p style="text-align: center;">Appointments and retirements</p> <p>1.31 Each Voting Member shall be appointed for a two (2) year period commencing on 1 October and ending with effect from the second anniversary of such date ("Appointment Period").</p> <p>1.32 Each Voting Member shall retire at end of their Appointment Period.</p> <p>1.33 Each retiring Member shall be eligible for re-appointment, save that where additional Voting Members have been appointed pursuant to paragraphs 1.6, 1.7, 1.8 (in the case of T&SCo Representatives), or paragraphs 1.11, 1.12 or 1.14 (in the case of User Representatives) and subject always to paragraphs 1.39 and 1.40, such Voting Members will be appointed for a maximum of one Appointment Period.</p> <p>1.34 Any Voting Member who is, pursuant to paragraph 1.32 to retire and who is not to be re-appointed (and consequently in respect of whom no notice shall have been received pursuant to paragraphs 1.35 or paragraph 1.36) shall not be entitled to receive notice of any meeting of the Modification Panel which is to take place after the end of their Appointment Period.</p> <p>1.35 In respect of each individual who is a T&SCo Representative, the T&SCos shall, not later than 1st September in the year following the year in respect of which the T&SCo's Representative's Appointment Period commences, notify the Secretary:</p> <p>(a) that such individual is to be re-appointed as a</p>

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		<p>T&SCo Representative; or</p> <p>(b) that such individual is not to be so re-appointed and the identity of the individual to be appointed as a T&SCo Representative.</p> <p>1.36 In respect of each individual who is a User Representative, each User shall, not later than 1st September in the year following the year in respect of which the Users' Representative's Appointment Period commences, notify the Secretary (copying the notice to the Authority):</p> <p>(a) that such individual is to be re-appointed as a User Representative; or</p> <p>(b) that such individual is not to be so re-appointed at the relevant meeting and the identity of the individual to be appointed as a User Representative.</p> <p>1.37 Where any notice is received pursuant to paragraphs 1.35 or 1.36, the appointment or, as the case may be, the re-appointment to which such notice relates shall have effect from the 1 October specified in such notice. Each individual who is to be appointed or, as the case may be, reappointed as a Member at that meeting shall be entitled to receive notice of any meeting of the Modification Panel which is to take place after the commencement of their Appointment Period.</p> <p>1.38 If notices shall be received in accordance with paragraph 1.35 or 1.36 in respect of less than six (6) individuals to be appointed (or, as the case may be, reappointed) as User Representatives or T&SCo Representatives (as applicable) all individuals identified in such notices shall, pursuant to paragraph 1.35 or 1.36 (as applicable) be appointed (or, as the case may be, reappointed) and the individuals who are, pursuant to paragraph 1.32, to retire and in respect of whom no notice shall have been received pursuant to paragraph 1.35(a) or paragraph 1.36(a), shall retire at the end of their Appointment Period.</p> <p>1.39 If less than six (6) individuals are appointed (or, as the case may be, reappointed) as T&SCo Representatives the T&SCos shall collectively by agreement appoint the individuals to act as additional T&SCo Representatives (and paragraph 1.32 shall not apply to any such appointment).</p> <p>1.40 If less than six (6) individuals are appointed (or, as the case may be, reappointed) as User Representatives the Users shall collectively by agreement appoint the individuals to act as additional User Representatives (and paragraph 1.32 shall not apply to any such</p>

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		<p>appointment).</p> <p>Ceasing to be a Member</p> <p>1.41 A Member shall, other than by way of retirement pursuant to paragraph 1.32, cease to be a Member where:</p> <p>(a) the Member notifies the Secretary that they wish to cease to be a Member; or</p> <p>(b) in the case of a Voting Member, the Member is absent from three (3) consecutive monthly meetings (convened in accordance with paragraph 1.461.48) of the Modification Panel.</p> <p>1.42 <u>If at any time after the Modification Panel has been established in accordance with paragraph 1.2:</u></p> <p>(a) <u>an existing User has more than one Voting Member;</u></p> <p>(b) <u>and/or a new User accedes to the Code,</u></p> <p><u>such existing User or Users shall, by notice to the Secretary in accordance with paragraph 1.41, remove one or more Voting Members from their membership as is necessary to maintain the principle of equal representation set out in paragraph 1.10, based on the new number of Users (and the principles set out in paragraphs 1.4 to 1.14 shall apply to any replacement Voting Members).</u></p> <p>1.43 <u>If at any time after the Modification Panel has been established in accordance with paragraph 1.2:</u></p> <p>(a) <u>an existing T&SCo has more than one Voting Member; and</u></p> <p>(b) <u>a new T&SCo accedes to the Code,</u></p> <p><u>such existing T&SCOs shall by notice to the Secretary in accordance with paragraph 1.41, remove one or more Voting Members from their membership as is necessary to maintain the principle of equal representation set out in paragraph 1.10, based on the new number of T&SCOs (and the principles set out in paragraphs 1.4 to 1.14 shall apply to any replacement Voting Members).</u></p> <p>1.44 1.42 <u>Where pursuant to paragraph 1.41 or otherwise a vacancy shall arise, subject always to the principles set out in paragraphs 1.4 to 1.14 in the case of:</u></p> <p>(a) a T&SCo Representative, the T&SCOs shall, by notice to the Secretary, identify another individual to be appointed as a T&SCo¹</p>

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		<p>Representative;</p> <p>(b) a User Representative, the Users shall, by notice to the Secretary, identify another individual to be appointed as a User Representative.</p> <p>Meetings of the Panel</p> <p><u>1.45</u> 1.43 Meetings of the Modification Panel will provide a forum in which Modifications Proposals can be discussed in accordance with the Modification Procedures.</p> <p><u>1.46</u> 1.44 Except as otherwise permitted in the Code:</p> <p>(a) determinations of the Modification Panel shall be made by Panel Majority; and</p> <p>(b) Workgroups may be created or dissolved by Panel Majority,</p> <p>where "Panel Majority" shall mean</p> <p>(c) a majority (in number) of the votes exercised by the Voting Members present at that meeting and voting in favour of such matter; or</p> <p>(d) if there is an equal number of votes by the Voting Members present at that meeting in favour of and against such matter, where the representative of the Authority elects to exercise a casting vote in favour of such matter.</p> <p>Frequency of meetings</p> <p><u>1.47</u> 1.45 The Secretary shall convene meetings of the Modification Panel by notice to the Members not less frequently than once each month unless there is no matter as an agenda item for the Modification Panel to discuss. In any event, a meeting of the Modification Panel will be convened once every three calendar months.</p> <p>Notice convening meetings</p> <p><u>1.48</u> 1.46 The Secretary shall be responsible for providing notices of meetings with agendas and materials in relation to the matters to be considered at the meeting.</p> <p>Location and Form of Meetings</p> <p><u>1.49</u> 1.47 Meetings of the Modification Panel may take place by any audio, audio-visual or interactive communication, provided that each Member shall be able to communicate to each of the other Members and be heard by each of the other Members simultaneously.</p>

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		<p><u>1.50</u> 1.48 Any Member who shall be able to participate in the manner envisaged by paragraph 1.47<u>1.49</u> in any meeting of the Modification Panel shall be treated as being present at such meeting, notwithstanding that the Members may not all be meeting in the same place and accordingly shall, if such Member is a voting Member, be entitled to vote and shall count towards a quorum.</p> <p><u>1.51</u> 1.49 Where any Member is unable to attend a meeting of the Modification Panel such Member shall be entitled to appoint another person as their proxy to exercise all or any of their rights to attend and to speak and vote at such meeting, provided that notice of such appointment is given to the Secretary no later than twenty-four (24) hours prior to such meeting taking place.</p> <p>Quorum</p> <p><u>1.52</u> 1.50 Eight (8) Members, of whom four (4) shall be T&SCo Representatives and four (4) shall be User Representatives present at a meeting of the Modification Panel shall be a quorum.</p> <p>Voting</p> <p><u>1.53</u> 1.51 Any matter expressed to require a determination of the Modification Panel shall be determined by a vote.</p> <p><u>1.54</u> 1.52 On any vote each Voting Member present shall be entitled to exercise a vote. Where there is:</p> <p>(a) an equal number of T&SCo Representatives and User Representatives present, each Voting member shall be entitled to exercise one (1) vote; and</p> <p>(b) an unequal number of T&SCo Representatives and User Representatives present, votes shall be weighted such that:</p> <p>(i) there shall be an equal number of voting rights between T&SCo Representatives and User Representatives; and</p> <p>(ii) each T&SCo Representative and User Representative has equally weighted voting rights.</p> <p><u>1.55</u> 1.53 Subject to paragraph 1.54<u>1.56</u>, it is expected that each Voting Member shall, as appropriate, represent and inform the Modification Panel of the views of that Member's appointor (or appointors) in relation to Modification Proposals.</p> <p>Note: i.e. if a User Representative is appointed by a</p>

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		<p>User it would be entitled to reflect the views of that User, if it was appointed by Users within a User Type it would be expected to reflect the views of the Users of that User Type.</p> <p>1.56 1.54 Where a Voting Member has been appointed by the Authority pursuant to paragraph 1.8 or 1.14, such Voting Member shall represent and inform the Modification Panel of the views of the T&SCo, User or User Type (as applicable) of which that Voting Member is a part, in relation to Modification Proposals.</p> <p>1.57 1.55 A resolution in writing signed in wet ink or electronically by Voting Members shall be valid and effective for the purposes of discharging any function requiring a determination of the Modification Panel as if such vote were conducted in accordance with paragraph 1.511.53 at a duly convened meeting of the Modification Panel provided that votes are received by the Secretary from such Members as would, if present, form a quorum in accordance with paragraph 1.501.52 not later than three (3) Business Days (or such shorter period as the Secretary may reasonably notify) following receipt by Voting Members of such documents as are necessary for the purposes of such written resolution.</p> <p>Observers and Invitees</p> <p>1.58 1.56 The Panel Chairperson may at its discretion, authorise any individual (who is not a Member) to attend a meeting of the Modification Panel as an observer on behalf of a User or T&SCo and to participate in the business of the meeting.</p> <p>1.59 1.57 The Modification Panel and/or the Authority may, from time to time, determine to invite any individual to attend all or part of a meeting of the Modification Panel.</p> <p>1.60 1.58 Where such an invitation is made, the Secretary shall give as much notice as reasonably practicable to Members of the Modification Panel of the name of the individual invited, the organisation that the individual represents and the date of the relevant meeting(s). Where the Authority requests the Secretary to invite any individual, the Secretary shall set out in writing to the Authority details of any objections that the Parties may have to such attendance.</p> <p>1.61 1.59 Any invitee to a meeting of the Modification Panel pursuant to paragraph 1.581.60 shall be entitled to receive copies of any relevant minutes, agendas, notices and Modification Proposals due to be discussed at that meeting (but shall not be entitled to participate in the business of the meeting).</p>

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2.	<u>Third Party Participants</u>	<p><u>2.1</u> The Authority shall have the right (but not the obligation) to designate, from time to time, any person or body who is not a party to the Code but who is representative of interested third parties to participate in the Modification Procedure as a third party participant ("Third Party Participant").</p> <p><u>2.2</u> Third Party Participants may include (but are not limited to), a future User and/or T&SCo as identified under the Selection Process.</p> <p><u>2.3</u> Any such designation made under paragraph 2.1, shall be made in writing, and shall be maintained on a register held by the Authority.</p>
3. 2.	Modification Procedure	<p>Modification proposalsProposals</p> <p><u>3.1</u> 2.1 A Modification Proposal in respect of the Code may be made from time to time by:</p> <ul style="list-style-type: none"> (a) a T&SCo; (b) a User; (c) <u>a Third Party Participant;</u> (d) <u>the Authority, where such Modification Proposal is a Significant Code Review Modification Proposal or an Urgent Modification Proposal;</u> or (e) (e) <u>the Secretary of State.</u> <p><u>3.2</u> <u>The Authority may direct a T&SCo to make a Significant Code Review Modification Proposal and the T&SCo shall make a proposal in accordance with that direction and such a proposal shall proceed in accordance with the Modification Procedures.</u></p> <p><u>3.3</u> <u>A T&SCo, a User, or a Third Party Participant may not make a Modification Proposal during the relevant Significant Code Review Phase if the subject matter of such proposal relates to a matter which is the subject of a Significant Code Review, unless the Authority directs that it may do so, having taken into account, among other things, the urgency of the subject matter of such proposal.</u></p> <p><u>Form of Modification Proposals</u></p> <p><u>3.4</u> 2.2 Each Modification Proposal made pursuant to paragraph 2.1 <u>3.1</u>:</p> <ul style="list-style-type: none"> (a) <u>shall state the Proposer's view as to:</u> <ul style="list-style-type: none"> (i) <u>whether it should be a Self-Governance Modification Proposal and the Proposer's</u>

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		<p><u>reasons for such a view; and</u></p> <p>(ii) <u>whether, if the Proposer's view is that it should be a Self-Governance Modification, it satisfies the Fast Track Self Governance Procedure and the Proposer's reasons for such a view;</u></p> <p>(b) <u>shall where it is made pursuant to a direction of the Authority state that it is so made;</u></p> <p>(c) <u>in the case of a Modification which proposes a timescale for the implementation of the Modification (for the purposes of enabling the Authority and any persons, including but not limited to Users, T&SCos and Third Party Participants to be aware of the potential benefits or constraints associated with such timing), except in the case where the Authority has directed a timetable in accordance with paragraph 3.72 and/or 3.73, where only one Fixed Implementation Date may be included, shall include:</u></p> <p>(i) <u>two or more Fixed Implementation Dates;</u></p> <p>(ii) <u>a Proposed Authority Decision Date in respect of each Fixed Implementation Date, for the purposes of enabling the Modification to be implemented by the Fixed Implementation Date;</u></p> <p>(iii) <u>a Backstop Lead Time; and</u></p> <p>(iv) <u>the reasons why it is proposing each date under paragraph (i), (ii) and (iii).</u></p> <p>(d) <u>shall be in writing;</u></p> <p>(e) <u>shall set out the informationin reasonable but not excessive detail the case for change and be in the form specified in the Code.solution proposed;</u></p> <p><i>Note: Requirements of a Proposal to be developed but it will include as a minimum the justification for the proposed modification;</i></p> <p>(f) <u>shall detail the sections and paragraphs of the Code which are potentially impacted by the Modification Proposal;</u></p> <p>(g) <u>shall, if the Proposer considers that the Modification Proposal should be treated as an Urgent Modification Proposal, identify the Modification Proposal as such and indicate the</u></p>

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		<p><u>Proposer's justification for such belief;</u></p> <p>(h) <u>shall state the name of the Proposer and contact details;</u></p> <p>(i) <u>shall, without prejudice to the Modification Panel's right of determination pursuant to paragraph 3.14, state the Proposer's preference as to whether the Modification Proposal should:</u></p> <p style="padding-left: 20px;">(i) <u>proceed to Consultation;</u></p> <p style="padding-left: 20px;">(ii) <u>proceed to Workgroup Assessment; or</u></p> <p style="padding-left: 20px;">(iii) <u>where paragraph 3.4(a)(ii) applies, be implemented;</u></p> <p>(j) <u>may state the Proposer's opinion of the likely impact of the implementation of the Modification Proposal upon User's computer systems and/or manual processes and procedures;</u></p> <p>(k) <u>may include the Proposer's suggested text;</u></p> <p>(l) <u>where it is a Significant Code Review made by the Authority shall state that it is such; and</u></p> <p>(m) <u>shall state the proposed timeframe for the implementation, suggested process to be followed through of the Modification Rules (ie Consultation, Workgroup, Self-Governance Proposal etc) Proposal.</u></p> <p><u>3.5 The Modification Panel may, from time to time, stipulate the form which Modification Proposals should take.</u></p> <p><u>3.6</u> 2.3 The Secretary shall be required to establish and maintain an online register of all Modification Proposals which shall be made publicly available.</p> <p><u>3.7</u> 2.4 Each Modification Proposal shall be given to the Secretary who shall ensure that the information required pursuant to the Code has been provided, and the form of the Modification is as specified in the Code before accepting such Modification Proposal.</p> <p><u>3.8</u> 2.5 Where a purported Modification Proposal, does not comply with paragraph 2.23.2 the Secretary may reject such <u>a</u> Modification Proposal.</p> <p><u>3.9</u> 2.6 On receipt of a Modification Proposal, the Secretary shall:</p> <p style="padding-left: 20px;">(a) allocate a unique reference number to that</p>

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		<p>proposal;</p> <p>(b) update the online register of Modification Proposals established pursuant to paragraph 2.33.5; and</p> <p>(c) by the later of:</p> <p>(i) the end of three (3) Business Days following receipt of a Modification Proposal; or</p> <p>(ii) the end of the first Business Day following the date on which the Secretary receives notification of any decision of the Authority pursuant to paragraph 2.36<u>3.71</u> as to whether the Modification Proposal should be treated as an Urgent Modification Proposal,</p> <p>send a copy of that Modification Proposal to each T&SCo, each User, <u>each Third Party Participant, the Secretary of State</u> and the Authority; and</p> <p>(d) 2.7—subject to paragraph 2.36<u>3.71</u>, put initial discussion of the Modification Proposal, on the Agenda for the next meeting of the Modification Panel (provided the Modification Proposal is received no later than [x] Business Days prior to the date of the next meeting of the Modification Panel).</p> <p><u>Modification Proposals made during a Significant Code Review Phase</u></p> <p><u>3.10</u> Where the Authority has received a written assessment of the Modification Panel under paragraph 3.15 in respect of a Modification Proposal, the Secretary shall inform the Proposer and each T&SCo, User, and Third Party Participant, of the direction or re-direction it has received from the Authority.</p> <p><u>3.11</u> Where the direction or re-direction received by the Secretary from the Authority is not to proceed with the Modification Proposal that Modification Proposal shall become a Significant Code Review Suspended Modification Proposal and shall continue to be so until either the end of the Significant Code Review Phase or unless the Authority directs otherwise (having taken into account, among other things not limited to, the urgency of the subject matter of such a proposal).</p> <p><u>3.12</u> Where the Authority has not made a direction or has not made a re-direction not to proceed with a Modification Proposal in respect of which the Authority has received a written assessment under paragraph</p>

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		<p><u>3.15, such proposal shall not be or shall cease to be a Significant Code Review Suspended Modification Proposal and that Modification Proposal shall proceed in accordance with the Modification Procedures.</u></p> <p>Discussion of Modification Proposal</p> <p><u>3.13</u> 2.8—The Modification Panel shall discuss each new Modification Proposal at a meeting of the Modification Panel. The Modification Panel shall make determinations having:</p> <ul style="list-style-type: none"> (a) discussed the Modification Proposal; (b) heard the presentation of the Proposer's representative (provided that the Modification Panel shall be entitled to determine to proceed where the Proposer's representative fails to attend); and (c) considered whether there are any other persons from whom representations should be invited and considered. <p>2.9 Subject to paragraph 6, the<u>The</u> Modification Panel may determine that a Modification Proposal:</p> <ul style="list-style-type: none"> (d) either satisfies the Self-Governance Criteria or does not; (e) where the Self-Governance Criteria has been determined to be satisfied, either satisfies the Fast Track Self-Governance Procedure (which must be determined Unanimously by the Modification Panel) or does not; (f) where the Fast-Track Self-Governance Criteria has been determined to be satisfied, the Modification be implemented (which must be determined Unanimously by the Modification Panel); (g) should be referred to a Workgroup for a Workgroup Assessment (and the Modification Panel may determine the Terms of Reference for such work (including terms as to the identity of any third parties to be consulted, <u>which may include Third Party Participants</u>) and the date upon which it requires the Workgroup to submit its Workgroup Report); (h) should proceed to Consultation; (i) should be deferred to a subsequent meeting of the Modification Panel for further discussions; or

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		<p>(j) be referred back to the Proposer for further development (provided this can only be determined once per Modification Proposal).</p> <p><u>3.14</u> <u>The Modification Panel shall assess whether the subject matter of a Modification Proposal made during a Significant Code Review Phase relates to a matter that is the subject of an ongoing Significant Code Review and instruct the Secretary to submit to the Authority as soon as is reasonably practicable a written assessment including:</u></p> <p><u>(a) representations received as to whether such proposal relates to the matter which is the subject of a Significant Code Review;</u></p> <p><u>(b) its determination as to whether such proposal relates to the matter which is the subject of Significant Code Review;</u></p> <p><u>(c) its reasons for making such determination; and</u></p> <p><u>(d) a copy of the relevant Modification Proposal.</u></p> <p>Workgroup Assessment</p> <p><u>3.15</u> 2.10 If the Modification Panel determines that the Modification Proposal should proceed to Workgroup Assessment then the Secretary shall within ten (10) Business Days of such determination finalise the Terms of Reference for that Workgroup Assessment and notify each T&SCo and User and invite them to make representations in respect of the Modification Proposal within fifteen (15) Business Days.</p> <p><u>3.16</u> 2.11 Once the Terms of Reference for the Workgroup Assessment have been finalised:</p> <p>(a) the Workgroup shall meet and consider the Modification Proposal in accordance with the details and timescales set out in the Terms of Reference;</p> <p>(b) the Secretary shall ensure that the Authority <u>is notified of all meetings of the Workgroup and invited to attend;</u></p> <p><u>(c) the Secretary shall ensure that the Secretary of State</u> is notified of all meetings of the Workgroup and invited to attend; and</p> <p><u>(d)</u> (e) the Workgroup shall prepare a Workgroup Report containing a recommendation based on the Workgroup's consideration of the Modification Proposal within the timescale set out in the Terms of Reference and send a copy</p>

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		<p>to all Members as soon as reasonably practicable but in any event not less than eight (8) Business Days prior to the meeting of the Modification Panel at which that report is to be discussed.</p> <p>Note:-</p> <p><u>3.17</u> The minimum requirements of a Workgroup Report will be specified in the Code</p> <p>Note: The Code shall allow for a Party to make Alternative Proposals for consideration by the Workgroup (including where the initial proposer of a proposal withdraws that original proposal) <u>need to comply with the requirements for a Modification Report set out in paragraph 3.40.</u></p> <p><u>3.18</u> 2.12 Having considered the Workgroup Report, the Modification Panel shall determine if the Modification Proposal shall proceed to Consultation or whether it should be referred back to the Workgroup for further work.</p> <p><u>Alternative Proposals</u></p> <p><u>3.19</u> <u>In respect of a Modification Proposal which the Modification Panel pursuant to paragraph 3.14(d) has determined should be referred to a Workgroup, a Party or a Third Party Participant may make an alternative Modification Proposal in accordance with paragraph 3.4 and the Workgroup shall consider an alternative Modification Proposal made under this paragraph 3.20 if it is made no less than five (5) Business Days before the next meeting of the Workgroup. Where there are fewer than five (5) Business Days before such Workgroup meeting the alternative Modification Proposal will be included on the agenda for the following Workgroup meeting.</u></p> <p><u>3.20</u> <u>Where a Modification Proposal has been referred to a Workgroup and the Workgroup requests that the Modification Proposal should be amended but the Proposer of the Modification Proposal does not agree to amend the Modification Proposal, any person (other than the Proposer) who is eligible to make an alternative Modification Proposal under paragraph 3.20 may, in accordance with paragraph 3.4 make an alternative Modification Proposal under this paragraph 3.21 which shall include the amendment.</u></p> <p><u>3.21</u> <u>Where the Modification Panel has determined a Modification Proposal should be referred to a Workgroup and:</u></p> <p><u>(a) the Workgroup Report in respect of such Modification Proposal has been sent to all</u></p>

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		<p><u>Members in accordance with paragraph 3.17; or</u></p> <p><u>(b) the Modification Panel has made a determination to refer the Workgroup Report in respect of such Modification Proposal back to the Workgroup for revision or further work under paragraph 3.19 and such Workgroup Report has been sent to all Members in accordance with paragraph 3.20 after such revision or further work.</u></p> <p><u>an alternative Modification Proposal shall not be made in respect of Modification Proposal or be considered by the Workgroup under paragraph 2.19.</u></p> <p><u>3.22 Where the Modification Panel has determined a Modification Proposal should be referred to a Workgroup under paragraph 3.14(d) and the Workgroup Report in respect of such Modification Proposal has been sent to the Modification Panel an alternative Modification Proposal shall not be made in respect of such Modification Proposal or be considered by the Workgroup under paragraph 3.20.</u></p> <p><u>3.23 An alternative Modification Proposal may not be made:</u></p> <p><u>(a) in respect of a Modification Proposal after the Modification Panel pursuant to paragraph 3.14(e) has determined such Modification Proposal should proceed to Consultation;</u></p> <p><u>(b) where the Authority directs a T&SCo in writing that an alternative Modification Proposal shall not be made in respect of a Modification Proposal; or</u></p> <p><u>(c) by the Authority, unless such alternative Modification Proposal is in respect of a Significant Code Review.</u></p> <p><u>in case of limb (b), the T&SCo shall notify the Secretary about the direction as soon as reasonably practicable after it has been received by the T&SCo, and the Modification Panel shall ensure that a Modification Proposal will not be considered as an alternative Modification Proposal to the relevant Modification Proposal.</u></p> <p><u>3.24 In respect of any Modification Proposal which is withdrawn, any of the parties (except for the Proposer) may, but shall not be required to, either raise an alternative Modification Proposal in accordance with paragraph 3.4) or adopt the withdrawn proposal (in which case the adopted proposal shall continue through the Modification Procedures from the point at which it was withdrawn).</u></p>

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		<p><u>Withdrawal or variation of Modification Proposals</u></p> <p><u>3.25</u> <u>A Proposer may:</u></p> <p>(a) <u>subject to paragraph 3.32, withdraw a Modification Proposal, at any time before the final Modification Report is circulated to the Authority pursuant to paragraph 3.39 or in respect of a Self-Governance Modification Proposal at any time before the Modification Panel makes a determination under paragraph 3.68(a), by notice to the Secretary, and subject to paragraph 3.20, any Modification Proposal so withdrawn shall lapse; or</u></p> <p>(b) <u>subject to paragraph 3.32, vary a Modification Proposal, at any time before the Modification Panel has determined to proceed to Consultation by notice to the Secretary, and subject to paragraphs 3.20 to 3.25, any Modification Proposal so varied shall replace the original Proposal;</u></p> <p>(c) <u>subject to paragraphs 3.20 to 3.25, 3.32, 3.33, request a variation to a Modification Proposal ("Variation Request"), at any time after the Modification Panel has determined to proceed to Consultation pursuant to paragraph 3.14(e) and before the Modification Panel has made a determination in respect of such Modification Proposal pursuant to paragraph 3.38(a), by notice to the Secretary, and any such variation request shall contain a description of the nature of the variation.</u></p> <p><u>3.26</u> <u>The Secretary shall, within a reasonable period of time following any withdrawal (including any withdrawal directed by the Authority pursuant to paragraph 3.33), variation or variation request (except where such variation request is made at the Modification Panel meeting) notify each T&SCo, each Member, each User, and each Third Party Participant of such withdrawal, variation or variation request (as the case may be).</u></p> <p><u>3.27</u> <u>Following receipt of the notice given pursuant to paragraph 3.26(c) the Secretary shall submit such variation request to the appropriate Modification Panel which the Proposer may attend for the purpose of explaining the variation request.</u></p> <p><u>3.28</u> <u>Subject to paragraphs 3.20 to 3.25, and paragraph 3.33, the Modification Proposal shall be varied to replace the original Proposal which shall be deemed withdrawn where the Modification Panel:</u></p> <p>(a) <u>determines by a unanimous vote that the</u></p>

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		<p><u>variation request is immaterial, and in such case the varied Modification Proposal shall continue through the Modification Procedures from the point at which the original Proposal was deemed withdrawn;</u></p> <p><u>(b) does not so determine in accordance with (a) , and in such case the Modification Panel shall make a determination in respect of the varied Modification Proposal in accordance with paragraph 3.14.</u></p> <p><u>3.29 The Proposer of a variation request may withdraw it at any time before the Modification Panel votes in accordance with paragraph 3.29.</u></p> <p><u>3.30 A Modification Proposal made by a User shall be deemed withdrawn where the User ceases to be a User.</u></p> <p><u>3.31 For the purposes of paragraphs 3.26 to 3.33, the Authority, upon request by a Proposer of a Significant Code Review Modification Proposal, may direct:</u></p> <p><u>(a) that the Proposer may vary, withdraw or make a variation request in respect of the relevant Significant Code Review Modification Proposal; or</u></p> <p><u>(b) that the Proposer may not vary, withdraw or make a variation request in respect of the relevant Significant Code Review Modification Proposal and that such proposal shall proceed in accordance with the Modification Procedures;</u></p> <p><u>3.32 Any Significant Code Review Modification Proposal and any alternative to such Significant Code Review Modification Proposal shall be withdrawn where the Authority issues a direction to that effect.</u></p> <p>Consultation</p> <p><u>3.33 2.13If the Modification Panel determines that the Modification Proposal should proceed to Consultation (including in circumstances where the Modification Proposal has already been the subject of a Workgroup Report), the Secretary shall prepare a draft Modification Report in accordance with paragraph 2.19<u>3.40</u> and circulate the draft Modification Report to each T&SCo-and, each User, <u>each Third Party Participant and the Secretary of State</u> within:</u></p> <p><u>(a) fifteen (15) Business Days, where the Modification Panel has determined that legal text is required;</u></p> <p><u>(b) three (3) Business Days, where the Modification</u></p>

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		<p>Panel has determined that legal text is not required; or</p> <p>(c) such other time period as the Modification Panel shall determine,</p> <p>inviting them to make representations to the Secretary within fifteen (15) Business Days following the date of that invitation</p> <p>3.34 2.14–The Secretary shall update the online register of Modification Proposals established pursuant to paragraph 2.33.5 to include publication in full of all representations received during Consultation in respect of such Modification Proposal.</p> <p>3.35 2.15–Within ten (10) Business Days following the last day for making representations to the Secretary in respect of the draft Modification Report, the Secretary shall:</p> <p>(a) prepare a final Modification Report in accordance with paragraph 2.193.40 for approval of the Modification Panel;</p> <p>(b) submit a copy of the final Modification Report to each T&SCo, each User and each Member;</p> <p>(c) add the Modification Proposal as an agenda item for the Modification Panel to discuss in the next meeting of the Modification Panel;</p> <p>(d) where the Secretary considers that any representation made identifies issues that may arise through implementation of the proposal then the Secretary shall record such issues and include them in the final Modification Report and the Secretary shall submit it to the next Modification Panel for determination pursuant to paragraph 2.163.37.</p> <p>3.36 2.16–Where the Modification Panel determines that views on such issues identified under paragraph 2.153.36(d) should be obtained by the relevant Workgroup then:</p> <p>(a) the Secretary shall submit the final Modification Report to the relevant Workgroup and obtain a report containing their views;</p> <p>(b) within three (3) Business Days following receipt of such report the Secretary shall submit a copy of the final Modification Report to each T&SCo, each User and each Member; and</p> <p>(c) the Secretary shall add the Modification Proposal</p>

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		<p>as an Agenda item for the Modification Panel to discuss in the next meeting of the Modification Panel.</p> <p><u>3.37</u> 2.17 Subject to paragraph 2.32<u>3.67</u>, upon receipt of the final Modification Report under paragraphs 2.15<u>3.36</u> or 2.16<u>3.37</u>, the Modification Panel shall assess whether the final Modification Report complies with the requirements of paragraph 2.19<u>3.40</u>, and if it is compliant, shall:</p> <ul style="list-style-type: none"> (a) determine whether or not to recommend the implementation of the Modification Proposal to the Authority; (b) submit to the Authority its determination under paragraph 2.17<u>3.38</u>(a) and the factors which (in its opinion), justify its determination (including how the Modification Proposal meets T&SCo's objectives as set out in its Licence); and (c) instruct the Secretary to send the final Modification Report, together with its recommendation to the Authority. <p><u>3.38</u> 2.18 The Secretary shall, within one (1) Business Day of an instruction under paragraph 2.17<u>3.38</u>(c), circulate to the Authority and each T&SCo and each User, <u>each Third Party Participant and the Secretary of State</u> the following:</p> <ul style="list-style-type: none"> (a) a copy of the final Modification Report and any other attachments; and (b) a copy of the Modification Panel's recommendation to the Authority seeking a determination of the Authority as to whether the Modification should be implemented or not. <p>Content of Modification Report</p> <p><u>3.39</u> 2.19 Each Modification Report shall include the following information:</p> <ul style="list-style-type: none"> (a) set out or append in full: <ul style="list-style-type: none"> (i) the relevant Modification Proposal including, in the case of a Modification Proposal, any suggested text provided by the proposer; and (ii) where the Modification Panel has determined that legal text is required, the legal text; (b) provide an analysis of whether and if so the

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		<p>extent to which shall in relation to a <u>recommendation of</u> the Modification would Panel under paragraph 3.38(a), include details of the <u>Modification Panel's reasoning for determining whether or not the Modification Proposal</u> better facilitate the <u>facilitates</u> achievement (for the purposes of each T&SCo's Licence) of the Relevant Objectives;</p> <p>(c) <u>state whether or not a determination has been made by the Modification Panel under paragraph 3.38(a) and the number of Voting Members in favour of, and the number of Voting Members present and not voting in favour of, the implementation of the Modification Proposal;</u></p> <p>(d) (e) where it relates to a Self-Governance Modification Proposal, state that fact and whether the Modification Panel or the Authority determined that such proposal satisfied the Self-Governance Criteria;</p> <p>(e) <u>state whether the proposal is made in respect of a Significant Code Review by, or at the direction of, the Authority;</u></p> <p>(f) <u>where it relates to a Modification Proposal other than a Self-Governance Modification Proposal and where the Proposer has proposed a timescale for the implementation of the Modification in accordance with paragraph 3.4(c), shall include:</u></p> <p>(i) <u>two or more Fixed Implementation Dates;</u></p> <p>(ii) <u>a Proposed Authority Decision Date in respect of each Fixed Implementation Date, for the purposes of enabling the Modification to be implemented by the Fixed Implementation Date;</u></p> <p>(iii) <u>a Backstop Lead Time; and</u></p> <p>(iv) <u>the reasons why it is proposing each date under paragraph (i), (ii) and (iii);</u></p> <p>(g) (d) address the implications (if any) of the implementation of such Modification Proposal:</p> <p>(i) on operation of the T&S Network;</p> <p>(ii) for the T&SCos and each T&SCo, including:</p> <p>(A) the implications for the operation of the Onshore Transportation</p>

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		<p>System and/or the Offshore Transportation and Storage System;</p> <p>(B) the development and capital cost and operating cost implications (if any) for each T&SCo of implementing the Modification Proposal and if there are any such cost implications, the extent to which it is appropriate for each T&SCo and/or the T&SCos to recover the costs, and (to such extent) a proposal for the most appropriate way for the costs to be recovered; and</p> <p>(h) (e) address the implications (if any) of the implementation of the Modification for Users, including:</p> <p>(i) the administrative and operational implications (if any) of the implementation of the proposal on Users; and</p> <p>(ii) the capital cost and operating cost implications (if any) for Users of implementing the Modification Proposal</p> <p>(i) (f) address the implications (if any) for other relevant persons;</p> <p>(j) (g) provide a summary of the representations and/or responses of those persons (if any) which the Workgroup consulted, pursuant to the Terms of Reference and paragraph 2.103.16 and (to the extent that representations are not addressed or otherwise commented upon in the Modification Report) comment, in the context of the Modification Report as a whole, on such representations;</p> <p>(k) (h) detail the programme for works (if any) required as a consequence of the implementation of the Modification Proposal;</p> <p>(l) (i) set out a proposed timetable to be followed in respect of the implementation of the Modification (including, but without limitation, the date upon which the Modification should become effective);</p> <p>(m) (j) state whether or not any matter detailed in the Workgroup Report (pursuant to paragraph 2.113.17(ed)) has been addressed or otherwise</p>

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		<p>dealt with and:</p> <p>(i) if such matter has been so addressed or dealt with, the result; or</p> <p>(ii) if such matter has not been so addressed or dealt with, an explanation as to why such matter has not been addressed or dealt with;</p> <p><u>(n)</u> (k) state the number of Voting Members in favour of, and the number of Voting Members present and not voting in favour of, the implementation of the Modification Proposal pursuant to the determination made under paragraph 2.17<u>3.38</u>;</p> <p><u>(o)</u> (l) have attached to it copies of all the representations received by the Secretary; and</p> <p><u>(p)</u> (m) set out a high level summary of views expressed in the representations, which may be satisfied by stating the number of representatives in favour of, and the number of representatives against the implementation of the Modification Proposal (or Third Party Modification Proposal).</p> <p><u>3.40</u> <u>Where two or more Modification Proposals have proceeded through the Modification Procedures together (and neither proposal has been withdrawn and all work has not been discontinued following a decision of the Modification Panel in respect of either proposal) the Modification Report shall, in addition to the analysis referred to in paragraph 3.40(b), provide an analysis as to which of the Modification Proposals would in the opinion of the Modification Panel better facilitate the achievement of the Relevant Objectives. Where two (2) Modification Proposals were proceeding through the Modification Procedures together and the Modification Panel shall have determined that only one (1) of the Modification Proposals should proceed, the Modification Report shall provide a commentary as to the circumstances in which the Modification Panel so determined.</u></p> <p><u>3.41</u> <u>Each Modification Report shall be addressed and furnished to the Authority and none of the facts contained or opinions stated in any Modification Report should be relied upon by any other person.</u></p> <p><u>3.42</u> <u>In preparing any Modification Report, the Secretary shall:</u></p> <p><u>(a) do so on the basis set out in these Modification</u></p>

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		<p style="text-align: center;"><u>Rules; and</u></p> <p>(b) <u>not be required to have regard (other than as expressly provided in these Modification Rules) to the consequences of any Modification on any person or persons.</u></p> <p>Implementation</p> <p><u>3.43</u> 2.20 Where the Authority receives a final Modification Report pursuant to paragraph 2.18<u>3.39</u>, the Authority may determine:</p> <p>(a) that the final Modification Report provides insufficient detail in order to make a decision, in which case the Secretary shall make the necessary arrangements to address the deficiency and re-submit it to the Modification Panel and paragraph 2.17<u>3.38</u> shall re-apply; or</p> <p>(b) whether the proposed Modification shall be implemented and may give notice of its decision together with reasons, to the Secretary, in which case on receipt of such notice from the Authority:</p> <p>(i) if the notice confirms the Authority's determination not to implement the proposed Modification, the Secretary shall circulate to each T&SCo, each User and each Member a non-implementation notice; and</p> <p>(ii) if the notice confirms the Authority's determination to implement the Modification, the Secretary shall circulate to each T&SCo, each User and each Member an implementation notice.</p> <p><u>3.44</u> 2.21 If, in respect of a Modification Proposal which is the subject of a Modification Report previously submitted to the Authority by the Secretary in accordance with paragraph 2.18<u>3.39</u>:</p> <p>(a) the Authority has not given notice of its decision in respect of that Modification Report within two (2) calendar months (in the case of Urgent Modification Proposals), or four (4) calendar months (in the case of non-Urgent Modification Proposals) from the date upon which the relevant Modification Report was submitted to it; or</p> <p>(b) the Authority, or any Voting Member, by notice to the Secretary expresses the reasonable opinion that the circumstances relating to that</p>

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		<p style="text-align: center;">Modification have materially changed,</p> <p>the Secretary shall place that Modification Proposal on the Agenda for consideration at the next Modification Panel meeting.</p> <p><u>3.45</u> 2.22 Having considered the circumstances relating to the Modification Proposal which is subject to paragraph 2.21<u>3.45</u>, the Modification Panel may determine that the Secretary should request the Authority to give an indication of the likely date by which the Authority's decision shall be made.</p> <p>Modification</p> <p><u>3.46</u> 2.23 Subject to paragraph 2.24<u>3.48</u>, the Secretary shall modify the Code in accordance with each consent given and each direction made by the Authority.</p> <p><u>3.47</u> 2.24 The Secretary shall modify the Code without the consent of the Authority in accordance with a determination made by the Modification Panel in respect of a Self-Governance Modification Proposal under paragraph 2.33<u>3.68</u>(a) no less than fifteen (15) Business Days after the date of such determination provided that no Appeal has been made or the Authority has not directed that its approval is required in accordance with paragraph 2.27<u>3.51</u>(b).</p> <p><u>3.48</u> 2.25 The Secretary shall, as soon as reasonably practicable, notify each T&SCo, each User and each Member of each Modification. Each such notice shall specify the legal text of the Modification and the date upon which the Modification shall become effective and may provide (for the purposes of information only) an explanatory note (which note should not be relied upon) in respect of the Modification. Each Modification shall become effective upon the date specified in the relevant notice.</p> <p>Self-Governance Modifications</p> <p><u>3.49</u> 2.26 Where the Modification Panel determines that the Modification Proposal satisfies the Self-Governance Criteria and paragraph 2.9<u>3.14</u>(a) applies, the Secretary shall submit a Self-Governance Statement to the Authority with a proposed Self-Governance Determination Date.</p> <p><u>3.50</u> 2.27 The Authority may, at any time before the proposed Self-Governance Determination Date:</p> <p>(a) reject the Modification Panel's determination that the Self-Governance Criteria have been satisfied; or</p>

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		<p>(b) direct that its approval is required to implement the Self-Governance Modification Proposal.</p> <p><u>3.51</u> 2.28 Notwithstanding any determination to the contrary under paragraph 2.9<u>3.14</u>(a), the Authority may determine that a Modification Proposal satisfies the Self-Governance Criteria.</p> <p><u>3.52</u> 2.29—Where paragraph 2.9<u>3.14</u>(b) applies but paragraph 2.9<u>3.14</u>(c) does not (i.e. the Modification Proposal satisfies the Fast Track Self Governance Procedure but the Modification Panel does not determine that it should be implemented immediately), the Modification shall become a Self-Governance Modification Proposal and be further determined by the Modification Panel under paragraph 2.9<u>3.14</u>.</p> <p><u>3.53</u> 2.30—Where the Modification Panel makes a determination in respect of a Self-Governance Modification Proposal under paragraph 2.9<u>3.14</u>(c) (i.e. in respect of a fast tracked Modification) a Party or the Authority may object to such determination and the Self-Governance Modification Proposal shall not be implemented. Any such objection shall be received within fifteen (15) Business Days of the implementation notice under paragraph 2.20<u>3.44</u>(b)(ii) being issued.</p> <p>Note:</p> <p>Appeal rights and basis for objection to be developed<u>Procedures</u></p> <p><u>3.54</u> <u>No later than fifteen (15) Business Days after the Self-Governance Determination Date, a User, T&SCo or Third Party Participant may make an Appeal by giving written notice of the Appeal to the Secretary, such notice to identify:</u></p> <p>(a) <u>the Self-Governance Modification Proposal which is the subject of the Appeal;</u></p> <p>(b) <u>any representations which the Appealing Party wishes to make in support of the Appeal; and</u></p> <p>(c) <u>evidence supporting the Appealing Party's view that it will be unfairly prejudiced by the modification proposed in the relevant Self-Governance Modification Proposal.</u></p> <p><u>3.55</u> <u>Subject to the Appeal being made within the period referred to in paragraph 3.55, the Secretary shall, on receipt of a notice under paragraph 3.55 notify each T&SCo, User, Third Party Participant and the Authority that an Appeal has been made and the Secretary shall put discussion of the Appeal on the Agenda of the next</u></p>

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		<p><u>meeting of the Modification Panel.</u></p> <p><u>3.56 The Modification Panel shall decide, at the meeting referred to in paragraph 3.56, whether to confirm or reverse its determination under paragraph 3.38(a) having regard to any representations made by the Appealing Party in support of the Appeal.</u></p> <p><u>3.57 The Modification Panel shall, upon deciding whether to confirm or reverse its determination under paragraph 3.38(a), notify the Secretary and the Appealing Party of its decision as soon as reasonably practicable following receipt of the Appeal, and where the Modification Panel:</u></p> <p><u>(a) confirms its determination under paragraph 3.38(a), the Secretary shall notify each T&SCo, User, Third Party Participant and the Authority of the Modification Panel's confirmation of its determination and send each such person an implementation or (as the case may be) non-implementation notice under paragraph 3.44(b) confirming the implementation or (as the case may be) non-implementation of the proposal; or</u></p> <p><u>(b) reverses its determination under paragraph 3.38(a), the Secretary shall notify each T&SCo, User, Third Party Participant and the Authority of the Modification Panel's determination and send each such person an implementation or (as the case may be) non-implementation notice, which shall have effect in place of the implementation or (as the case may be) non-implementation notice issued pursuant to the Modification Panel's initial determination under paragraph 3.38(a).</u></p> <p><u>3.58 The Appealing Party may no later than fifteen (15) Business Days after the Self-Governance Modification Proposal Determination Date make an appeal to the Authority; such appeal to identify the Self-Governance Modification Proposal which is the subject of the appeal and include any representations which the Appealing Party wishes to make in support of the appeal.</u></p> <p><u>3.59 If the Authority determines the Authority Appeal satisfies the Appeal Criteria, the Authority may consider the Authority Appeal having regard (without limitation) to:</u></p> <p><u>(a) the Self-Governance Modification Proposal;</u></p> <p><u>(b) the final Modification Report in respect of the Self-Governance Modification Proposal;</u></p> <p><u>(c) any representations made by the Appealing</u></p>

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		<p><u>Party in support of the Authority Appeal; and</u></p> <p><u>(d) the determination made by the Modification Panel under paragraph 3.58(a).</u></p> <p><u>3.60 Following such determination in accordance with paragraph 3.60, the Authority may:</u></p> <p><u>(a) confirm the Modification Panel’s determination under paragraph 3.58(a); or</u></p> <p><u>(b) quash the Modification Panel’s determination under paragraph 3.58(a) and rule that the Modification Panel’s determination should have no further effect for the purposes of the Modification Rules.</u></p> <p><u>3.61 The Authority shall notify the Secretary and the Appealing Party of its decision under paragraph 3.61 in respect of the Authority Appeal as soon as reasonably practicable following receipt of the Authority Appeal, and the decision of the Authority shall be final and binding.</u></p> <p><u>3.62 Where paragraph 3.61(b) applies the Authority may:</u></p> <p><u>(a) remit the Self-Governance Modification Proposal which is the subject of the Modification Panel’s quashed determination under paragraph 3.58(a) back to the Modification Panel for reconsideration and redetermination; or</u></p> <p><u>(b) determine that the proposed modification to the Code should be made; or</u></p> <p><u>(c) determine that the proposed modification to the Code should not be made.</u></p> <p><u>3.63 Where the Authority:</u></p> <p><u>(a) confirms the Modification Panel's determination under paragraph 3.58(a), the Secretary shall notify each T&SCo, User and Third Party Participant of the Authority's confirmation of the Modification Panel's determination under paragraph 3.58(a) confirming the implementation or (as the case may be) non-implementation of the proposal;</u></p> <p><u>(b) quashes the Modification Panel's determination under paragraph 3.58(a), the Secretary shall notify each T&SCo, User, Member and Third Party Participant of the Authority's decision and send each such person an implementation notice or (as the case may be) non-implementation notice, which shall have effect in place of the</u></p>

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		<p style="text-align: center;"><u>Modification Panel's determination under paragraph 3.58(a);</u></p> <p><u>3.64</u> <u>Where the Secretary, under paragraph 3.61(a) gives notice of the Authority's confirmation of the Modification Panel's determination under paragraph 3.58(a) confirming the implementation of a proposal or under paragraph 3.63(b) sends an implementation notice, paragraph 3.47 shall apply.</u></p> <p><u>3.65</u> 2.31—Where a (fast tracked) Self-Governance Modification Proposal is objected to under paragraph 2.30<u>3.54</u> then the Self-Governance Modification Proposal shall return to the Modification Panel and be considered as a Modification Proposal under the provisions of paragraph 2.9<u>3.14</u>.</p> <p><u>3.66</u> 2.32—Where the Modification Proposal is a Self-Governance Modification Proposal paragraphs 2.17<u>3.38</u>, 2.18<u>3.39</u>, and 2.20<u>3.44</u> shall not apply to such proposal.</p> <p><u>3.67</u> 2.33—The Modification Panel shall upon receipt of the final Modification Report under paragraph 2.15<u>3.36</u> or 2.16<u>3.37</u>, in respect of a Self-Governance Modification Proposal:</p> <ul style="list-style-type: none"> (a) assess whether the final Modification Report complies with the requirements of the Code, and if it is compliant, shall make a determination as to whether or not the Self-Governance Modification Proposal should be implemented; (b) instruct the Secretary to include such determination and the Modification Panel's reasoning for such determination in the Final Modification Report; and (c) instruct the Secretary to circulate an implementation notice or a non-implementation notice (as the case may be) in respect of such proposal to each T&SCo, each User and each Member. <p><u>3.68</u> 2.34—Where the Modification Panel makes a determination in respect of a Self-Governance Modification Proposal under paragraph 2.33<u>3.68</u>(a), a T&SCo or User may appeal such determination and the Self-Governance Modification Proposal shall not be implemented until the Authority has confirmed a determination in respect of an appeal and an implementation notice has been sent.</p> <p style="text-align: center;">Urgent Modification Proposals</p> <p><u>3.69</u> 2.35—If the Proposer considers that a Modification</p>

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		<p>Proposal should be treated as an Urgent Modification Proposal it shall state so in its Modification Proposal and the Secretary shall as soon as possible send a copy of the Modification Proposal to the Authority.</p> <p><u>3.70</u> 2.36 Where the Authority:</p> <p>(a) agrees that the Modification Proposal should be treated as an Urgent Modification Proposal, all or any of the Modification Rules (including, but without limitation, consulting with the Modification Panel and seeking representations from each T&SCo and Users or any other person may be deviated from and any other procedure accepted by the Authority may be followed; or</p> <p>(b) does not agree that the Modification Proposal should be treated as an Urgent Modification Proposal the Secretary shall notify the Modification Panel and the standard Modification Rules will apply.</p> <p><u>Time Periods</u></p> <p><u>3.71</u> <u>Notwithstanding any time periods specified in this paragraph 3, in respect of any Significant Code Review Modification Proposal, the Authority may, by direction in writing to a T&SCo, specify and/or amend the timetable to apply to each stage of such Modification Proposal and/or the implementation date of such Modification Proposal.</u></p> <p><u>3.72</u> <u>Where the Authority makes a direction referred to in paragraph 3.72 and such direction specifies:</u></p> <p>(a) <u>a timetable in respect of all of the steps specified in this paragraph 3 as applying to such Modification Proposal, the Modification Proposal shall progress in accordance with the timetable specified in such direction (and not the timetable set out in this paragraph 3);</u></p> <p>(b) <u>a timetable in respect of some (but not all) of the steps specified in these Modification Rules as applying to such Modification Proposal (and does not direct that the steps in respect of which no timetable is directed are not to apply to such Modification Proposal), then such Modification Proposal shall proceed on the basis of the timetable specified in the direction (in respect of the steps specified in the direction) and the timetable set out in this paragraph 3 (in respect of all other steps specified in these Modification Rules as applying to such Modification Proposal);</u></p> <p>(c) <u>an implementation date in respect of such</u></p>

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		<p><u>Modification Proposal but specifies no timetable to apply to such Modification Proposal in relation to these Modification Rules, then the T&SCo to whom the direction is made by the Authority shall notify the Secretary of the timetable that the T&SCo reasonably believes ought to apply to such Modification Proposal in order to achieve the directed implementation date, and such notified timetable shall apply for the purposes of this paragraph 3 in relation to such Modification Proposal.</u></p> <p><u>3.73</u> <u>Until such time as the Authority makes a direction referred to in paragraph 3.73, the Modification Proposal shall proceed in accordance with the Modification Procedures set out in this Section B.</u></p>
4. <u>3.</u>	Specific Provisions	<p><u>4.1</u> 3.1 Subject to paragraph 4<u>5</u>, Modification Proposals in respect of Specific Provisions shall be addressed using an equivalent Modification Procedure, save that only:</p> <ul style="list-style-type: none"> (a) the T&SCo that owns and operates the T&S Network to which those Specific Provisions apply; and (b) a User that is the holder of a Connection Agreement relating to the T&S Network, or relevant part of the T&S Network, to which those Specific Provisions apply, <p>shall be deemed a "T&SCo or a "User" for the purposes of the Modification Rules.</p>
5. <u>4.</u>	Ancillary Agreement	<p><u>5.1</u> 4.1 The "User-specific provisions" <u>(i.e. those that are contemplated as being completed in the Schedules)</u> of an Ancillary Agreement may be amended by agreement of the parties to that Agreement and not otherwise, and accordingly "User-specific provisions" of an Ancillary Agreement shall not be subject to modification pursuant to the Modification Rules (but without prejudice to any modification of any provisions of the Code which apply to or are incorporated into such Agreement).</p> <p><u>5.2</u> 4.2 The Uniform Provisions of an Ancillary Agreement may only be amended pursuant to the Modification Rules.</p> <p>Note: Distinction between the "User-specific provisions" and the Uniform Provisions of an Ancillary Agreement are subject to the development of those agreements but it may be that the "User-specific provisions" comprise the schedules and the Uniform Provisions comprise the main body.</p>

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6. 5.	Modifications General	6.1 5.1 The Secretary may decide to seek a view from the Authority on any matter arising (under these <u>Modification</u> Rules or otherwise) from a Modification Proposal that is not a Self-Governance Modification Proposal at any stage prior to the date on which the Secretary finalises the Modification Report.
6.	Authority rights	Note: it is expected that the Authority will have a right to initiate Modifications through a process referred to as a specified code review process which is intended to be similar to the significant code review process that applies in the context of gas and electricity codes but will be more streamlined while still incorporating consultation and engagement with Code parties. The details of this process are being developed, but the intention is that this process will allow the Authority to address any significant market developments or distortions.
7.	Secretary of State rights] <u>Modification Right during Interim Period</u>	<p><u>7.1</u> Where the Secretary of State makes a Modification Proposal during the Interim Period, then in addition to making a Modification Proposal pursuant to paragraph 3.1, the Secretary of State may choose to exercise powers in relation to that Modification Proposal in accordance with paragraph 7.2.</p> <p><u>7.2</u> In respect of any Modification Proposal which is made by the Secretary of State during the Interim Period (a "SoS Modification Proposal"), paragraph 3 is to have effect with the following modifications until the end of the Interim Period:</p> <p>(a) in paragraph 3.2 for "Authority" substitute "Secretary of State" and for "Significant Code Review Modification Proposal" substitute "SoS Modification Proposal";</p> <p>(b) in paragraph 3.3, for "Authority" substitute "Secretary of State", for "Significant Code Review" substitute "SoS Modification Proposal", and for "Significant Code Review Phase" substitute "SoS Modification Proposal Phase";</p> <p>(c) in paragraph 3.4(I), for "Authority" substitute "Secretary of State" and for "Significant Code Review" substitute "SoS Modification Proposal";</p> <p>(d) in paragraphs 3.10, 3.11, 3.12 and 3.15 for "Authority" substitute "Secretary of State", for</p>

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		<p><u>"Significant Code Review Modification Proposal" substitute "SoS Modification Proposal", for "Significant Code Review Phase" substitute "SoS Modification Proposal Phase", and for "Significant Code Review Suspended Modification Proposal" substitute "SoS Modification Suspended Proposal"; and</u></p> <p><u>(e) in paragraphs 3.4(b), 3.24(c), 3.32, 3.33, 3.38, 3.39(b), 3.40(e), 3.42, 3.44, 3.47 and 3.72 for "Authority" substitute "Secretary of State" and for "Significant Code Review Modification Proposal" and "Significant Code Review" substitute "SoS Modification Proposal.</u></p> <p>Note: role of Secretary of State (if any) in Modification Procedure is under review. while the Secretary of State's powers during the Interim Period are based on the Ofgem SCR process, some further defined terms (e.g. "SoS Modification Proposal Phase") will need to be further considered and developed.</p> <p><u>7.3 Where the Secretary of State chooses to exercise powers in relation to an SoS Modification Proposal in accordance with this paragraph 7 then the SoS Modification Proposal does not need to be approved by the Authority for it to be implemented.</u></p> <p><u>7.4 The Parties acknowledge and agree that notwithstanding paragraph 16.1 of Section J (General), the Contracts (Rights of Third Parties) Act 1999 shall apply to the rights conferred on the Secretary of State under this Section B and the consent of the Secretary of State will be required to rescind or vary any such rights.</u></p>
8.	Dispute resolution	<p>Dispute avoidance</p> <p>8.1 The Parties shall at all times deal proactively with any issues through Code governance processes to reduce the scope for disputes to arise. The Parties shall take all reasonable steps to identify solutions and mitigations that address the concerns of other parties and at all times to act reasonably to avoid or minimise the scope for disputes.</p> <p>8.2 Where the relevant Parties are unable to avoid or resolve a dispute, the dispute shall be resolved in accordance with the procedures summarised in this paragraph 8.</p> <p>Introduction</p> <p>8.3 For the purposes of this section:</p> <p>(a) a "dispute" is any dispute or difference arising</p>

No	Subject	Terms
		<p>between the parties under or in connection with the Code, the Code Agreement or any Ancillary Agreement; and</p> <p><i>Note: Subject to the development of the Code, some disputes may be excluded from this process if there is an alternative process (such as in respect of charging disputes)</i></p> <p>(b) in respect of any dispute "parties" means the T&SCo(s) and/or the User(s) party to such dispute, and "party" shall be construed accordingly.</p> <p>8.4 The Secretary appointed in accordance with paragraph 1.15 shall perform the administrative functions set out in this paragraph 8.</p> <p>8.5 Where any relevant provision provides or the parties have agreed that a dispute is to be referred to or resolved by Expert Determination:</p> <p>(a) paragraphs 9.1 to 9.30 shall apply; and</p> <p>(b) subject to paragraph 8.7, no party shall commence proceedings in any court in respect of or otherwise in connection with such dispute.</p> <p>8.6 The parties may agree to refer any dispute (including such a dispute as is referred to in paragraph 8.4) to mediation in accordance with paragraph 10.1.</p> <p>8.7 Nothing in this section shall prevent any party from seeking interim or interlocutory relief in any court.</p> <p>Related Disputes</p> <p>8.8 If, acting reasonably, a T&SCo believes that a dispute between a T&SCo and a User raises the same or similar issues to a dispute between that T&SCo and another User, T&SCo may require that the related disputes are addressed as a single dispute under this paragraph 8.</p> <p>8.9 If the Secretary identifies that a dispute between a T&SCo and a User(s) raises the same or similar issues to a dispute between another T&SCo(s) and another User(s), the Secretary may notify the relevant T&SCos and if agreed by those T&SCos, the T&SCos may require that the related disputes are addressed as a single dispute under the Code.</p>
9.	Expert determination	<p>Expert Determination</p> <p>9.1 A dispute which is to be referred to or resolved by Expert Determination shall be determined by an individual appointed as an expert in accordance with</p>

No	Subject	Terms
		<p>the relevant provisions of the Code.</p> <p>9.2 Within one month of the Code Implementation Date, the Parties shall develop a list of experts comprising 12 persons available to act as experts in relation to:</p> <p>(a) CDS Data Disputes; and</p> <p>(b) Invoice Disputes.</p> <p>in accordance with paragraph 9.1 and listed in alphabetical order by surname ("Listed Experts").</p> <p>9.3 The listlists under paragraph 9.2 shall comprise six (6) persons nominated collectively by agreement of the T&SCos and six (6) persons nominated collectively by agreement of Users.</p> <p>9.4 No person shall be nominated as expert under this paragraph 9 unless they have first confirmed in writing to the Secretary that they accept their nomination.</p> <p>9.5 If any Listed Expert indicates that they no longer wish to be included in the list they shall be removed from the list and replaced by a person nominated collectively by agreement of the original nominating parties (i.e. either T&SCos or Users).</p> <p>9.6 Any party to a dispute which is to be resolved by or referred to Expert Determination may give notice of the dispute in accordance with this paragraph. The notice shall be given to each other party and shall:</p> <p>(a) state whether the party believes the dispute to be a CDS Dispute or an Invoice Dispute;</p> <p>(b) (a) provide brief details of the issues to be resolved; and</p> <p>(c) (b) nominate four persons as proposed experts.</p> <p>9.7 Within five (5) Business Days after receiving a notice under paragraph 9.6, each party (other than the party giving such notice) shall by notice to each other party nominate four persons as proposed experts based on the nature of the dispute.</p> <p>9.8 The parties shall endeavour within ten (10) Business Days after the notice under paragraph 9.6 being given to agree upon the selection of an expert and may meet for this purpose.</p> <p>9.9 If within ten (10) Business Days after the notice under paragraph 9.6 was given the parties shall not have agreed upon the selection of an expert, each shall within a further five (5) Business Days give to the</p>

No	Subject	Terms
		<p>others a notice ("Preference Notice") specifying the names of seven (7) Listed Experts in order of preference and assigning to each a number ("Preference Number") from 7 (the most preferred) to 1 (the least preferred).</p> <p>9.10 The Listed Expert with the greatest aggregate the Preference Numbers assigned to them under each Preference Notice shall be selected as the expert.</p> <p>Appointment of the Expert</p> <p>9.11 Once the expert is selected, the parties shall notify the expert of the selection and request that the expert confirm within five (5) Business days whether they are willing to accept the appointment.</p> <p>9.12 The notification to the expert shall include the following:</p> <ul style="list-style-type: none"> (a) the names of the parties and a summary of the dispute; (b) a request that the expert provides a confirmation required under paragraph 9.27; (c) a request for confirmation of the expert's scale of fees; (d) a statement that the expert's fees and expenses will be paid as provided in paragraph 9.30; (e) a statement that the information disclosed in the notification is confidential and that it should not be disclosed, copied or revealed whether the appointment is accepted or not; (f) a copy of this paragraph 9; and (g) a request for confirmation that the expert is able and willing to act in accordance with the procedure set out herein. <p>9.13 If the selected expert is unwilling or unable to accept the appointment, or shall not have confirmed their willingness and ability to accept such appointment within the period required, the parties shall endeavour to agree upon the selection of another expert within three (3) Business Days, failing which another expert shall be selected in accordance with paragraph 9.11.</p> <p>Timetable and Procedure</p> <p>9.14 No later than five (5) Business Days following their appointment, the expert shall by giving reasonable notice to each party convene a meeting with the parties</p>

No	Subject	Terms
		<p>at which the expert shall raise any matters upon which they requires clarification and discuss with the parties any additional procedural requirements the expert or the parties may have.</p> <p>9.15 The parties shall, not later than ten (10) Business Days after the appointment of the expert, submit to the expert and to each other party written submissions of not more than ten (10) pages in length together with all supporting documentation, information and data which they wish to submit in respect of the dispute; and the parties may also submit a statement of facts which they have agreed between themselves to the expert.</p> <p>9.16 Each party may, not later than twenty (20) Business Days after the appointment of the expert, submit to the expert and each other party written submissions of not more than ten (10) pages in length, together with any additional supporting documentation, information and data, in reply to the submissions made under paragraph 9.15.</p> <p>9.17 The expert shall disregard any documentation, information, data or submissions supplied or made (other than pursuant to paragraph 9.22) by any party later than twenty (20) Business Days after their appointment unless the same are provided in response to a request from the expert.</p> <p>9.18 If the expert shall wish to obtain independent professional and/or technical advice in connection with the dispute:</p> <p>(a) they shall first provide the parties with details of the name, organisation and estimated fees of the professional or technical adviser; and</p> <p>(b) they may engage such adviser with the consent of the parties (which consent shall not be unreasonably withheld) for the purposes of obtaining such professional and/or technical advice as they may reasonably require.</p> <p>9.19 The expert may at their discretion and at any time request information from any of the parties orally but shall only do so in the presence of the other parties.</p> <p>9.20 At any time after the period referred to in paragraph 9.16 expires, with the written consent of the parties, the expert may (but shall not be required to) convene a hearing upon giving the parties reasonable notice.</p> <p>9.21 The expert shall provide a draft of their determination, which shall be a report in writing giving reasons for the determination, to the parties not later than thirty-five</p>

No	Subject	Terms
		<p>(35) Business Days following the expert’s appointment.</p> <p>9.22 Each party may, within ten (10) Business Days following delivery of the draft determination, submit to the expert any documentation, information, data, submissions or comments not exceeding 5 pages in length on or in respect of the draft determination.</p> <p>9.23 The expert shall submit their final determination, which shall be a report in writing giving reasons for their determination of the dispute, to the parties not later than fifty (50) Business Days following the expert’s appointment.</p> <p>9.24 If the expert fails to submit the final determination by the time required under paragraph 9.23, at the request of any party another expert may be appointed in accordance with the provisions of this paragraph 8 and the appointment of the previous expert shall cease unless, before the appointment of the new expert, the previous expert shall have submitted their final determination hereunder, in which case the new expert shall be forthwith informed that their services will not be required.</p> <p>Effect of determination</p> <p>9.25 The expert's final determination shall be final and binding on the parties except in the event of fraud or where it is so clearly erroneous on its face that it would be unconscionable for it to stand, in which case another expert may be appointed in accordance with the provisions of this paragraph 9.</p> <p>9.26 Except in respect of the application of paragraph 9.25, no party shall commence proceedings in respect of or refer to any court any finding by the expert, whether made at any time after the expert's appointment or in his determination, as to the dispute or the construction of or otherwise in respect of the Code, the Code Agreement or any Ancillary Agreement.</p> <p>Conflict of interest</p> <p>9.27 The expert shall confirm to the parties before the expert's appointment that they do not hold any interest or duty which would or potentially would conflict with the performance of their duties under their contract with the parties.</p> <p>Confidentiality</p> <p>9.28 Subject to paragraphs 8.8 and 8.9 parties and the expert shall keep the fact that the Expert Determination is taking place and its outcome confidential.</p>

No	Subject	Terms
		<p>Costs</p> <p>9.29 Each party shall bear its own costs including, without limitation, costs of providing documentation, information, data, submissions or comments and all costs of and expenses of all witnesses and other persons retained by it.</p> <p>9.30 The expert's fees and expenses shall be payable by the parties in equal amounts, unless the expert (having regard to the conduct of the parties with respect to the dispute in question) shall direct in their final determination that such costs and expenses should be borne by one or some only of the parties, in which case the parties shall pay such fees and expenses in accordance with such direction.</p>
10.	Mediation	<p>10.1 A dispute which is to be referred to mediation shall be referred to a single mediator who shall explore the interests of the parties to the dispute and encourage the parties to resolve the dispute in light of such interests.</p> <p>Appointment of mediator</p> <p>10.2 Within five (5) Business Days after agreeing to refer a dispute to mediation the parties shall meet and use their best endeavours to agree upon a person to act as mediator.</p> <p>10.3 Where the parties agree upon a mediator they shall request such person to accept appointment as mediator, and shall use all reasonable endeavours to agree (between themselves and with the mediator) upon the terms of their appointment.</p> <p>10.4 A person shall be treated as appointed as a mediator if when they have confirmed their acceptance to act as mediator in accordance herewith.</p> <p>Procedure and timetable</p> <p>10.5 Within five (5) Business Days following their appointment, the mediator shall require each party to provide them with a written summary of the dispute, which written summary shall not exceed 5 pages.</p> <p>10.6 The mediator may in their discretion:</p> <ul style="list-style-type: none"> (a) request any party to provide them with copies of any documentation or information which the mediator believes will assist to explain any such summary; and (b) provide any such written summary and/or any information or copy documentation received

No	Subject	Terms
		<p style="text-align: right;">under paragraph (a) to the other party(ies) to the dispute.</p> <p>10.7 Within ten (10) Business Days following their appointment, the mediator shall contact the parties and shall arrange to meet them.</p> <p>10.8 Each party shall attend the meeting with the mediator with a maximum of three representatives, one of whom shall be a person with decision making authority in relation to the subject matter of the dispute and one of whom may be the legal adviser of that party.</p> <p>10.9 No additional persons shall attend without the prior written consent of the mediator.</p> <p>10.10 The mediator may convene more than one meeting with the parties but shall not convene any meetings later than forty (40) Business Days following their appointment, unless the parties agree otherwise.</p> <p>10.11 The mediator may at their discretion meet each party on their own whether during a meeting attended by the other parties or otherwise, but they shall not disclose to any other party matters disclosed to the mediator in such circumstances without the consent of the disclosing party.</p> <p>10.12 At any meeting attended by the parties, the mediator may require each party to make a brief presentation of its case and the mediator may also require the other parties to reply to another party's presentation.</p> <p>10.13 The mediator shall not act as an arbitrator (and accordingly the provisions of the Arbitration Acts shall not apply).</p> <p style="text-align: center;">Result of mediation</p> <p>10.14 No party shall be bound to adopt the views or advice expressed or provided by the mediator.</p> <p>10.15 If the dispute is resolved or the parties accept the views and advice of the mediator, the parties shall use their best endeavours, within five (5) Business Days after such resolution or acceptance, to enter into a settlement agreement which shall:</p> <p style="margin-left: 40px;">(a) set out the terms accepted by the parties or on which the dispute was resolved; and</p> <p style="margin-left: 40px;">(b) contain provisions of confidentiality.</p> <p style="text-align: center;">Confidentiality</p> <p>10.16 The parties shall keep confidential the fact that the</p>

No	Subject	Terms
		<p>mediation is taking place.</p> <p>Costs</p> <p>10.17 The parties shall unless they agree otherwise bear their own costs and expenses of whatsoever nature of the mediation.</p> <p>The parties shall bear the fees and expenses of the mediator and all administrative costs arising from the mediation equally.</p>

SECTION C: CONNECTION

No	Subject	Terms
1.	<u>Introduction</u>	<p><u>1.1 This Section C:</u></p> <ul style="list-style-type: none"> <u>(a) describes how Initial Users connected to a T&S Network;</u> <u>(b) confirms the process for Prospective T&SCos to accede to the Code; and</u> <u>(c) sets out the process for connection to a T&S Network by prospective Users who seek to apply to connect to a T&S Network or, in the case of existing Users, to modify an existing Delivery Point after the Code Implementation Date where:</u> <ul style="list-style-type: none"> <u>(i) a T&SCo is already a party to the Code at the time a prospective User becomes an Eligible Applicant; and</u> <u>(ii) a T&SCo is a Prospective T&SCo at the time a prospective User becomes an Eligible Applicant.</u> <p><u>1.2 This Section C (including the connection dispute provisions in paragraph 10) is intended to apply to applications for connection to a T&S Network until:</u></p> <ul style="list-style-type: none"> <u>(a) the UK Government discontinues the Selection Process; or</u> <u>(b) a new connection process is developed under the Code,</u> <p><u>whichever is the earlier.</u></p> <p><u>Note: in the early stages of the development of the CCUS industry the Government has been leading the process for the allocation of new connections and network capacity to different types of users. It is expected that this will change over time, as the industry matures. The definition of "Selection Process" remains under review and development.</u></p>
2. 1.	Initial Users	<p><u>2.1</u> 1.1—It is acknowledged that at the Code Implementation Date:</p> <ul style="list-style-type: none"> (a) certain Users (the "Initial Users") have agreed to connect to the T&S Network and a T&SCo has agreed to allow these Users to connect to the T&S Network as part of the Government's CCUS Cluster Sequencing Process; (b) each of these Initial Users has entered into or will accede to at the Code Agreement, a Construction Agreement and a Connection Agreement, or will do so as soon as it has reach

		<p><u>financial investment decision</u>; and</p> <p>(c) <u>each of these Initial Users holds Registered Capacity or has been provisionally allocated Network Capacity (pending entry into the documents referred to in paragraph 2.1(b) and becoming a User).</u></p> <p><u>2.2 For the avoidance of doubt, it is acknowledged that as these Initial Users applied for a connection to a T&S Network before the Code Implementation Date, the provisions of the balance of Section C do not apply to these Initial Users, except for paragraph 10 (Connection disputes).</u></p>
<u>3.</u>	<u>Prospective T&SCos</u>	<p><u>3.1 From the Code Implementation Date a Connection Application may be made to a Prospective T&SCo notwithstanding the fact that a Prospective T&SCo is not a party to the Code.</u></p> <p><u>3.2 A Prospective T&SCo shall have the right to accede to the Code, in accordance with the provisions of the Code Agreement, upon being granted a Licence.</u></p> <p><u>3.3 In paragraphs 4 to 10 of this Section C a reference to a T&SCo includes a reference to a Prospective T&SCo, unless otherwise specified.</u></p>
<u>4. 2.</u>	New and modified Connections <u>Pre-Selection due diligence</u>	Note: provisions addressing the process for applying for and connecting to a T&S Network (after the Code Implementation Date) are to be developed. <u>Note: further consideration is being given to any due diligence input needed from T&SCo (under the CCS Network Code/Licence) as part of any Selection Process.</u>
<u>5.</u>	<u>Eligibility</u>	<p><u>Eligibility for application for connection</u></p> <p><u>5.1 A prospective User (or an existing User, in the case of applications for a modification of an existing Delivery Point) is an "Eligible Applicant" for the purposes of this Section C where the prospective User or existing User has been Selected and has not been Deselected.</u></p> <p><u>5.2 An Eligible Applicant may apply for:</u></p> <p><u>(a) a connection to a T&S Network at a new (as yet unbuilt) Delivery Point;</u></p> <p><u>(b) the modification of an existing Delivery Point;</u></p> <p><u>as the case may be, in accordance with this Section C.</u></p> <p><u>5.3 An Eligible Applicant's eligibility for a connection to a T&S Network or modification of an existing Delivery Point (as the case may be) relates to the T&S Network or Delivery Point that the Eligible Applicant specified in its application under the Selection Process.</u></p>

<p><u>6.</u></p>	<p><u>Application process</u></p>	<p><u>Connection Application</u></p> <p><u>6.1</u> <u>Where an Eligible Applicant wishes to request:</u></p> <p>(a) <u>a connection to the T&S Network at a new (as yet unbuilt) Delivery Point; or</u></p> <p>(b) <u>the modification of an existing Delivery Point;</u></p> <p><u>then the Eligible Applicant shall complete and submit to T&SCo an application (in the form prescribed by T&SCo from time to time) (the "Connection Application") and comply with the terms of it.</u></p> <p><u>6.2</u> <u>Where the Connection Application relates to a new Delivery Point, it shall specify:</u></p> <p>(a) <u>the nature and location of the User Facility to be connected to the T&S Network at the Delivery Point;</u></p> <p>(b) <u>the proposed size and location of the Delivery Point being applied for;</u></p> <p>(c) <u>the date when the Eligible Applicant proposes to start using the Delivery Point to deliver its carbon dioxide into the T&S Network;</u></p> <p>(d) <u>the quantity of Network Capacity provisionally allocated to the Eligible Applicant through the Selection Process; and</u></p> <p>(e) <u>any other information that T&SCo may reasonably require.</u></p> <p><u>6.3</u> <u>Where the Connection Application relates to a modification of an existing Delivery Point, it shall specify:</u></p> <p>(a) <u>the nature and location of the User Facility at the Delivery Point;</u></p> <p>(b) <u>details of the existing Delivery Point and the modifications being applied for;</u></p> <p>(c) <u>the date when the Eligible Applicant proposes to start using the modified Delivery Point to deliver its carbon dioxide into the T&S Network;</u></p> <p>(d) <u>the quantity of additional Network Capacity (if any) provisionally allocated to the Eligible Applicant through the Selection Process; and</u></p> <p>(e) <u>any other information that T&SCo may reasonably require.</u></p> <p><u>6.4</u> <u>The Connection Application shall also be accompanied</u></p>
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		<p><u>by:</u></p> <p>(a) <u>evidence that the Eligible Applicant has been Selected; and</u></p> <p>(b) <u>copies of any documents/information relating to the proposed connection to the T&S Network or modification of an existing Delivery Point (as the case may be) that were submitted by the Eligible Applicant as part of its application through the Selection Process.</u></p> <p><u>Valid Connection Application</u></p> <p>6.5 <u>A Connection Application shall be a "Valid Connection Application" where:</u></p> <p>(a) <u>the application form has been correctly and fully completed, and is consistent in all respects with the details which formed the basis of the Eligible Applicant's application through the Selection Process and subsequent Selection; and</u></p> <p>(b) <u>the Eligible Applicant has provided the evidence referred to in paragraph 6.4(a).</u></p> <p>6.6 <u>T&SCo shall:</u></p> <p>(a) <u>as soon as reasonably practicable, and in any case no more than five (5) Business Days from the date of receipt of the Connection Application, acknowledge receipt of such Connection Application;</u></p> <p>(b) <u>within twenty (20) Business Days of receipt of the Connection Application:</u></p> <p>(i) <u>confirm that it is a Valid Connection Application; or</u></p> <p>(ii) <u>advise the Eligible Applicant that the Connection Application is not a Valid Connection Application and specify the reasons that the Connection Application is not a Valid Connection Application; and</u></p> <p>(c) <u>where it considers that further information is required in order for it to consider or progress the Connection Application, request such further information from the Eligible Applicant.</u></p> <p>6.7 <u>The Eligible Applicant shall provide any additional requested information as soon as reasonably practicable and in any case no more than fifteen (15) Business Days after the date of receipt of the request from T&SCo.</u></p> <p>6.8 <u>Where a submitted Connection Application is not a</u></p>
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		<u>Valid Connection Application, the Eligible Applicant may resubmit, amend or supplement the Connection Application.</u>
<u>7.</u>	<u>Post-Selection due diligence</u>	<u>Note: further consideration is being given to any due diligence input needed from T&SCo (under the CCS Network Code/Licence) as part of any Selection Process.</u>
<u>8.</u>	<u>Initial Offer</u>	<p><u>Issue of Initial Offer</u></p> <p><u>8.1 Within three (3) months of the date on which T&SCo notifies the Eligible Applicant that the relevant Connection Application is a Valid Connection Application, T&SCo shall either:</u></p> <p><u>(a) subject to paragraph 8.2, advise the Eligible Applicant that the Connection Applicant's Valid Connection Application has been rejected; or</u></p> <p><u>(b) issue an Initial Offer to the Eligible Applicant.</u></p> <p><u>8.2 T&SCo can only reject an Eligible Applicant's Valid Connection Application where the Eligible Applicant has been Deselected.</u></p> <p><u>Contents of Initial Offer</u></p> <p><u>8.3 An Initial Offer shall include the following:</u></p> <p><u>(a) a draft Construction Agreement, including:</u></p> <p><u>(i) a draft Construction Programme; and</u></p> <p><u>(ii) a draft Commissioning Programme;</u></p> <p><u>(b) a draft Connection Agreement; and</u></p> <p><u>(c) a draft Accession Agreement (if the Eligible Applicant is not already a User under the Code).</u></p> <p><u>Acceptance or refusal of Initial Offer</u></p> <p><u>8.4 The Eligible Applicant will have one (1) month to accept or refuse the Initial Offer.</u></p> <p><u>8.5 If the Eligible Applicant decides to accept the Initial Offer then the Eligible Applicant shall return to T&SCo a signed copy of the Initial Offer.</u></p> <p><u>8.6 An Eligible Applicant's acceptance of the Initial Offer shall not give rise to a legally binding contract between the Eligible Applicant and the T&SCo.</u></p>
<u>9.</u>	<u>Connection Offer</u>	<p><u>Issuing of a Connection Offer</u></p> <p><u>9.1 Where an Eligible Applicant has accepted an Initial Offer, T&SCo shall, subject to paragraph 9.4, issue a Connection Offer to the Eligible Applicant as soon as it</u></p>

		<p><u>reasonably practicable having regard to the work required to be undertaken by T&SCo to prepare the Connection Offer.</u></p> <p><u>9.2 As part of the process to prepare a Connection Offer, T&SCo and the Eligible Applicant shall cooperate with each other and provide each other with any additional information or clarification as may be reasonably required.</u></p> <p><u>Content of Connection Offer</u></p> <p><u>9.3 A Connection Offer shall include the following:</u></p> <p><u>(a) a final Construction Agreement, including:</u></p> <p><u>(i) the Construction Programme; and</u></p> <p><u>(ii) the Commissioning Programme;</u></p> <p><u>(b) a final Connection Agreement; and</u></p> <p><u>(c) a final Accession Agreement (if the Eligible Applicant is not already a User under the Code).</u></p> <p><u>Obligation to issue Connection Offer</u></p> <p><u>9.4 A T&SCo is required to issue a Connection Offer to an Eligible Applicant unless the Eligible Applicant has been Deselected.</u></p> <p><u>Acceptance or refusal of Full Connection Offer</u></p> <p><u>9.5 The Eligible Applicant will have three (3) months to accept or refuse the Connection Offer.</u></p> <p><u>9.6 If the Eligible Applicant decides to accept the Connection Offer then the Eligible Applicant shall:</u></p> <p><u>(a) return to T&SCo a duly executed copy of the Connection Offer; and</u></p> <p><u>(b) at the same time, commit to entering into:</u></p> <p><u>(i) the Accession Agreement;</u></p> <p><u>(ii) the Construction Agreement; and</u></p> <p><u>(iii) the Connection Agreement,</u></p> <p><u>subject to conditions precedent to the financial investment decision of both T&SCo and the Eligible Applicant, as referenced in the Connection Offer.</u></p> <p><u>9.7 Where T&SCo is a Prospective T&SCo at the time it makes a Connection Offer, then that Connection Offer shall be conditional on the Prospective T&SCo becoming a party to the Code upon being awarded a</u></p>
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		Licence and acceding to the Code Agreement.
10.	Connection disputes	<p>Mediation</p> <p>10.1 Where a dispute arises between a User or a prospective User and a T&SCo in relation to a Connection Application, the directors or other senior representatives of the parties with authority to settle the dispute shall, following a written request from one party to the other, attempt in good faith to resolve the dispute.</p> <p>10.2 If the dispute cannot be resolved within 10 Business Days of the request referred to in paragraph 10.1, then the parties agree to refer the dispute to mediation in accordance with the mediation procedure set out in paragraph 10 of Section B of the Code.</p> <p>The Storage of Carbon Dioxide (Access to Infrastructure) Regulations</p> <p>10.3 The process for the parties seeking to resolve a dispute in accordance with paragraphs 10.1 and 10.2 shall be without prejudice to the right of a User or a prospective User under the Storage of Carbon Dioxide (Access to Infrastructure) Regulations 2011 or the Storage of Carbon Dioxide (Access to Infrastructure) Regulations (Northern Ireland) 2015.</p>

SECTION D: NETWORK STRUCTURE AND PLANNING

No	Subject	Terms
1.	Network Classification	<p>Overview of T&S Network</p> <p>1.1 Each T&S Network owned and operated by each T&SCo is made up of the following:</p> <ul style="list-style-type: none"> (a) the Onshore Transportation System; (b) the Offshore Pipeline Infrastructure; and (c) the Storage Complex. <p><i>Note: the relevant T&S Network and Delivery Points etc. will be specifically defined in the relevant Connection Agreement.</i></p>
2.	Network Planning	<p>2.1 Subject to paragraph 2.3, for the purposes of assisting T&SCo in planning the operation and future development of the T&S Network, all Users shall, by 31-October<u>1 May</u> of each Charging Year provide to T&SCo a forecast of:</p> <ul style="list-style-type: none"> (a) the mass of carbon dioxide to be delivered to the T&S Network through the User's Delivery Point; and (b) the User's capacity requirements, <p>for the following (20) twenty Charging Years.</p> <p>2.2 The data provided pursuant to paragraph 2.1 shall be presented in a form to be specified by T&SCo, including a periodic breakdown of [<i>period to be specified</i>] forecast figures.</p> <p>2.3 Subject to paragraph 2.4, any forecast provided by a User to T&SCo pursuant to paragraph 2.1 shall not be binding on the User and each T&SCo acknowledges that any such forecast shall be used by the T&SCo for planning purposes only.</p> <p>2.4 Users shall use reasonable endeavours to provide accurate forecasts when providing information to T&SCo under this paragraph 2 and all such forecasts must be provided on a bona fide basis.</p> <p>2.5 Users shall respond promptly to any queries from T&SCo regarding such forecasts.</p>
3.	Interface between Onshore System and Offshore System	<p>3.1 <i>Note: if the onshore and offshore components of the T&S Network are, in the future, under separate ownership and control, then the CCS Network Code will need to include some provisions dealing with the interface between the two systems and overall operation of the total system. It is not envisaged that this will apply under the initial CCS Network Code.</i></p>

SECTION E: NETWORK USE AND CAPACITY

No	Subject	Terms
1.	Network use	<p>Use of Network</p> <p>1.1 Users may use the T&S Network by delivering carbon dioxide to the Onshore Transportation System or Offshore Transportation and Storage System at a Delivery Point for permanent sequestration<u>storage</u> in the Storage Complex.</p> <p><i>Note: each User's Connection Agreement will identify (by description or a diagram or both) the Delivery Point to which that User will deliver carbon dioxide.</i></p> <p>Title and risk</p> <p>1.2 Title and risk in carbon dioxide delivered to the T&S Network at a Delivery Point in accordance with paragraph 1.1 shall pass to T&SCo at that Delivery Point.</p> <p>Network Capacity</p> <p>1.3 Users may apply for and register as holding capacity in the T&S Network ("Network Capacity") at Delivery Points.</p> <p>1.4 Network Capacity is expressed in tCO₂/hour.</p> <p>1.5 T&SCo will be<u>is</u> required to make available a minimum mass of Network Capacity ("Obligated Network Capacity") in accordance with the terms of the<u>its</u> Licence. The Obligated Network</p> <p>Registered Capacity available shall be determined by the Most Restricted Communal Element of the T&S Network, with the</p> <p><u>1.6</u> The maximum Network Capacity available for registration<u>that can be allocated</u> to a User and registered as being held by that User at a Delivery Point being<u>is</u> subject to the Maximum Eligible Capacity<u>physical limits established by the size of the User's connection at the User's Delivery Point, as defined by the Delivery Point Size</u> set out in the User's Connection Agreement.</p> <p><u>1.7</u> 1.6 A User's "Registered Capacity":</p> <p>(a) is the Network Capacity which the User is registered (in accordance with this Section E) as holding at a Delivery Point; and</p> <p>(b) constitutes a User's entitlement to deliver carbon dioxide at a given rate<u>Delivery Point measured</u> in tCO₂/hour <u>and constituting the</u></p>

No	Subject	Terms
		<p style="text-align: center;"><u>maximum instantaneous flow rate.</u></p> <p>Scope of Registered Capacity</p> <p><u>1.8</u> 1.7 Where an Onshore User holds Registered Capacity, then (unless otherwise specified) that Registered Capacity constitutes Network Capacity in the following parts of the T&S Network:</p> <ul style="list-style-type: none"> (a) the Onshore Transportation System; (b) the Offshore Transportation and Storage System. <p><u>1.9</u> 1.8 Where an Offshore User holds Registered Capacity, then (unless otherwise specified) that Registered Capacity constitutes Network Capacity in the Offshore Transportation and Storage System.</p>
2.	Categories of Network Capacity	<p>Categories of Network Capacity</p> <p>2.1 Network Capacity may be allocated to and registered as held by Users as:</p> <ul style="list-style-type: none"> (a) Long-term Network Capacity which may be applied for by a User and become Registered Capacity for each <u>Hour of each</u> Day in a period of between one (1) Charging Year and fifteen (15) Charging Years; or (b) Annual Network Capacity which may be applied for by a User and become Registered Capacity by a User for <u>each Hour of</u> each Day in a particular Charging Year. <p>Note: <i>it is expected that shorter-term capacity products and interruptible capacity will be introduced by modification when there is demand.</i></p>
3.	Allocation of Network Capacity	<p><u>Initial allocations of Network Capacity</u></p> <p>3.1 It is acknowledged that each certain Initial User holds the Registered Capacity specified in [to confirm where Registered Capacity is recorded] <u>Users have been allocated Network Capacity outside of the process set out in this Section E, where that allocation has taken place prior to the Code Implementation Date, as described in paragraph 2 of Section C.</u></p> <p><u>Network Capacity publication requirements</u></p> <p>3.2 T&SCo shall:</p> <ul style="list-style-type: none"> <u>(a)</u> publish on its T&S Network Portal: <ul style="list-style-type: none"> <u>(i)</u> information about the amount of Network

No	Subject	Terms
		<p>Capacity available to Users on the basis of Obligated Network Capacity and, <u>in particular;</u></p> <p>(ii) <u>this CCS Network Code as well as any relevant procedures prepared and published pursuant to the provisions of the Code;</u></p> <p>(iii) <u>any other technical and operating requirements relating to connection to and use of the T&S Network; and</u></p> <p>(iv) <u>a statement advising Users and prospective Users that they should apply for Network Capacity through the Selection Process;</u></p> <p>(b) <u>keep the information referred to in paragraph (a) updated at all times.</u></p> <p><u>Capacity allocation</u></p> <p><u>3.3 Users and prospective Users ("Capacity Applicants") shall be invited to apply for Network Capacity during a Capacity Application Window, which through the Selection Process.</u></p> <p><u><i>Note: the allocation process referred to in paragraph 3.3 will not apply to the Network Capacity that has already been allocated to the Initial Users (as referenced in paragraph 3.1 above). Initial Users could apply through this process for additional Network Capacity (where this is available).</i></u></p> <p><u>3.4 The Network Capacity that may be allocated to Capacity Applicants may be Long-term Network Capacity or Annual Network Capacity.</u></p> <p>3.3 The "Capacity Application Window" shall be an annual period of [x] from [x] to [x].</p> <p><i>Note: a single "Capacity Application Window" will apply so that the future capacity requirements of new Users and potential Users can be considered together. Existing Users and potential Users will all be able to apply for Network Capacity at the same time during a Capacity Application Window.</i></p> <p>3.4 An application for Network Capacity shall specify:</p> <p>(a) the identity of the User;</p> <p>(b) the Delivery Point;</p> <p>(c) the period for which the Network Capacity is</p>

No	Subject	Terms
		<p style="text-align: center;">applied for; and</p> <p>(d) — the amount (not less than the Minimum Eligible Amount and not more than the Maximum Eligible Amount for that User) of Network Capacity being applied for.</p> <p><u>Note: in the future Network Capacity will be allocated by T&SCo through different mechanisms, such as set capacity allocation windows. During the early stages of the CCUS industry, the Government has been taking the lead on the allocation of network capacity. The definition of "Selection Process" remains under review and development.</u></p> <p>3.5 Where a <u>UserCapacity Applicant</u> already holds Registered Capacity, the <u>UserCapacity Applicant</u> can apply for additional Network Capacity during a Capacity Application Window provided that:</p> <p>(a) — the User complies with all other requirements under the Code relating to allocation of Network Capacity; and</p> <p>(b) — by acquiring the addition Network Capacity, the <u>UserCapacity Applicant</u>'s total Registered Capacity does not extend for a period of time beyond fifteen (15) Charging Years (not including any Registered Capacity that has already been used up before the relevant Capacity Application Window).</p> <p>3.6 — T&SCo shall only be entitled to refuse the application for <u>additional</u> Network Capacity if: <u>.</u></p> <p>(a) — the application does not comply with paragraph 3.4 and the User fails to rectify such non-compliance within five (5) Business Days of a notice from the T&SCo requesting such rectification; or</p> <p>(b) — the requested Network Capacity is not available and T&SCo, having applied the principles set out in paragraph 3.7, has determined that:</p> <p style="padding-left: 40px;">(i) — no Network Capacity can be allocated to the User; or</p> <p style="padding-left: 40px;">(ii) — the amount of Network Capacity that be allocated to the User is less than the amount that the User has applied for.</p> <p><u>Recording of Registered Capacity</u></p> <p>3.7 Where paragraph 3.6(b) applies, the available Network Capacity will be allocated in accordance with the following principles: <u>Where Network Capacity has been</u></p>

No	Subject	Terms
		<p><u>allocated to a Capacity Applicant in accordance with the CCUS Cluster Sequencing Process or another Selection Process, then, subject to paragraph 3.7, upon the offer and acceptance of that Network Capacity it shall become that Capacity Applicant's Registered Capacity.</u></p> <p>[principles to be developed]</p> <p>Note: the Initial Code will include principles for the allocation of capacity where all capacity applications cannot be accommodated. These principles are being developed alongside the principles that will apply to new connection applications, which will be set out in Section C (Connection).</p> <p><u>3.6</u> 3.8 T&SCo will inform the User of the Network<u>Where a Capacity Applicant is a prospective User then any Network Capacity that</u> has been allocated to it and registered as being held<u>then offered and accepted</u> by that<u>the prospective</u> User within [x] of the closing of the Capacity Application Window<u>shall become Registered Capacity upon that prospective User becoming a User.</u></p> <p>Application for prospective Users</p> <p>Note: it is expected that the process to be developed under Section C (Connection) for prospective Users applying to connect to the T&S Network will include applications for Network Capacity to be determined within the single Capacity Application Window.</p> <p><u>3.7</u> <u>Registered Capacity shall be recorded in:</u></p> <p>(a) <u>the T&S Network Portal; and</u></p> <p>(b) <u>for Capacity Applicant's acquiring Registered Capacity for the first time in relation to their Delivery Point, in their Connection Agreement.</u></p>
4.	<u>Financial Security</u>	<p>Note: in the future Users may be required to provide additional financial security (in addition to the financial security required under Section H) to secure post-termination liabilities for Long-term Network Capacity. The<u>However, the level of financial security that may be required has been set for the time being is under review</u>zero.</p>
5.	<u>Nomination Forecast ing procedure</u>	<p>Nominations – General Purpose of forecasts</p> <p>Note: this paragraph 5 of Section E sets out some high level principles relating to nominations. However, this is an area that is subject to further development.</p> <p>Users will <u>nominate</u>forecast quantities of carbon dioxide for</p>

No	Subject	Terms
		<p>delivery at a Delivery Point for each hour<u>Day or for each Hour</u> of each Day in accordance with this paragraph 5 for the purposes of enabling T&SCo to plan and carry out the operation of the T&S Network. The nominations both longer term and shorter term operational planning.</p> <p><u>Types of Forecasts</u></p> <p><u>5.1</u> <u>The Forecasts</u> that Users are required to make are as follows:</p> <p>(a) Annual Nominations<u>Forecasts</u>;</p> <p><u>(b)</u> <u>Rolling Quarterly Forecasts</u>;</p> <p><u>(c)</u> (b) <u>Monthly Forecasts</u>; and</p> <p><u>(d)</u> Weekly Nominations;</p> <p>(e) Daily Nominations, Forecasts,</p> <p>collectively referred to as "<u>Nominations Forecasts</u>".</p> <p><i>Note: the details of the nominations process are to be developed. Paragraphs 5.10 onwards set out some high level principles that will apply to Daily Nominations. To avoid duplication of information being provided, it is envisaged that Annual Nominations will be provided together with other forecasting information under Section H.</i></p> <p><u>5.2</u> 5.2 A User shall submit separate Nomination(s)<u>Forecasts</u> in respect of each Delivery Point.</p> <p><u>5.3</u> A User shall not submit a Nomination in respect of a's <u>Forecast must not exceed:</u></p> <p><u>(a)</u> <u>the User's Registered Capacity in relation to the Delivery Point and time period that the Forecast relates to; and</u></p> <p><u>(b)</u> 5.3 <u>the maximum amount of carbon dioxide that can be delivered to that Delivery Point at which, for that Day or any Hour of that Day,</u> under the prevailing Maintenance Programme or because of some other notified Capacity Constraint, carbon dioxide is not to be delivered to the T&S Network from that Delivery Point on the Day.</p> <p>5.4 The User shall submit a Nomination on the basis of its good faith estimated quantity of carbon dioxide to be delivered on the relevant Day.</p> <p>5.4 The aggregate of the Nominated Quantities specified</p>

No	Subject	Terms
		<p>by a User in a Nomination shall not be greater than the Maximum Eligible Capacity for the period covered by the Nomination. Where a User's Forecast specifies the amount of carbon dioxide being forecast for any Day within the Forecast, that amount must not exceed the User's Registered Capacity totalled over the number of hours in that Day, and the forecast must be based on estimates for each Hour within that Day which do not exceed the User's Registered Capacity in tCO₂/Hour for that Hour.</p> <p>Approval and rejection</p> <p>5.5 T&SCo may reject or (in its discretion) approve a Nomination which is not submitted in accordance with, or does not comply with, Where a User's Forecast specifies the requirements amount of the Code carbon dioxide being forecast for any Hour within the Forecast, that amount must not exceed the User's Registered Capacity in tCO₂/Hour for that Hour.</p> <p>5.6 <u>A User shall use reasonable endeavours to ensure that:</u></p> <p>(a) <u>each Forecast constitutes an accurate representation of the User's expected delivery of carbon dioxide during the time periods to which the Forecast relates to; and</u></p> <p>(b) <u>as the time period between the provision of each relevant Forecast and the Day or Hour in a Day to which the Forecast relates is progressively reduced, the relevant Forecasts also become progressively more accurate.</u></p> <p>Annual NominationsForecasts</p> <p>5.7 A User shall provide an Annual Nominations shall be provided Forecast (as part of the forecasting information required to be provided by Users in accordance with process under paragraph 5 of Section H (Charges, invoicing and payment)) for each Year t to which by the forecast relates 31 October of Year t-1.</p> <p>5.8 5.8 Each Annual Nomination<u>Forecast</u> shall specify:</p> <p>(a) the Year t that it relates to;</p> <p>(b) the identity of the User;</p> <p>(c) the Delivery Point; and</p> <p>(d) the quantity of carbon dioxide nominated<u>forecast</u> for delivery for each Day of</p>

No	Subject	Terms
		<p style="text-align: center;">that Year t.</p> <p style="text-align: center;">[Monthly/Weekly Nominations]</p> <p>5.9 Note: principles that will apply to Monthly and/or Weekly Nominations are under review.</p> <p style="text-align: center;">Daily Nominations</p> <p style="text-align: center;">Rolling Quarterly Forecasts</p> <p>5.9 <u>A User shall provide a Rolling Quarterly Forecast covering a period of three calendar months ("quarter") five (5) Business Days before the start of that quarter.</u></p> <p>5.10 <u>5.10</u> Each Daily Nomination<u>Rolling Quarterly Forecast</u> shall specify:</p> <ul style="list-style-type: none"> (a) the Day<u>three calendar months that</u> it relates to; (b) the identity of the User; (c) the Delivery Point; and (d) the quantity of carbon dioxide nominated<u>forecast</u> for delivery for each hour of the Day ("the Nominated Quantity"). <u>of that quarter.</u> <p style="text-align: center;">Monthly Forecast</p> <p>5.11 <u>A User shall provide a Monthly Forecast for each calendar month five (5) Business Days before the start of that month.</u></p> <p style="text-align: center;">Re-nominations</p> <p>5.11 Note: the initial Code may include a process to allow Users to amend their original Daily Nomination through a re-nomination procedure after the daily deadline for nominations has passed.</p> <p style="text-align: center;">Over nomination and deviation from Nominated Quantity</p> <p>5.12 Note: the initial Code may include a process to address Users nominating quantities greater than their Registered Capacity and consequences for Users delivering carbon dioxide in quantities substantially deviating from their Nominated Quantities.</p> <p style="text-align: center;">Nomination timetable</p> <p>5.12 <u>A Daily Nomination in relation to each Day shall be made by [x] on the preceding Day (the "Nomination Close Time").</u> <u>Each Monthly Forecast shall specify:</u></p>

No	Subject	Terms
		<p>(a) <u>the calendar month that it relates to;</u></p> <p>(b) <u>the identity of the User;</u></p> <p>(c) <u>the Delivery Point; and</u></p> <p>(d) <u>the quantity of carbon dioxide forecast for delivery for each Day of that calendar month.</u></p> <p><u>Weekly Forecast</u></p> <p>5.13 <u>A User shall provide a Weekly Forecast for each Calendar Week by 12.00 o'clock on Thursday of the preceding Calendar Week.</u></p> <p>5.14 <u>Each Weekly Forecast shall specify:</u></p> <p>(a) <u>the Calendar Week that it relates to;</u></p> <p>(b) <u>the identity of the User;</u></p> <p>(c) 5.14 If in respect of any<u>the</u> Delivery Point:-</p> <p>(a) a User has not submitted a Daily Nomination by the Nomination Close Time; or ; and</p> <p>(b) T&SCo has rejected a Daily Nomination submitted by a User,</p> <p>(d) the User shall be deemed to have failed to make a Daily Nomination<u>quantity of carbon dioxide forecast for delivery for each Hour of that Calendar Week.</u></p> <p>5.15 A Daily Nomination submitted to T&SCo which has not been approved within [x] shall be deemed to have been rejected.</p>
6.	<p>Transfer of Registered Capacity<u>Nomination s procedure</u></p>	<p><u>Purpose of Nominations</u></p> <p>6.1 <u>Users will nominate quantities of carbon dioxide for delivery at a Delivery Point for each Hour of each Day in accordance with this paragraph 6 for the purposes of enabling T&SCo to:</u></p> <p>(a) <u>optimise the use of the T&S Network; and</u></p> <p>(b) <u>operate the T&S Network in a safe and efficient manner.</u></p> <p><u>Daily Nominations</u></p> <p>6.2 <u>A User shall provide a Daily Nomination for each Day by the Nomination Close Time, where the Nomination Close Time is 13:00 hours on the Day before the Day to which the Daily Nomination relates.</u></p>

No	Subject	Terms
		<p><u>6.3</u> <u>At any time before the Nomination Close Time, a User may change an earlier Daily Nomination already made, provided that the last Daily Nomination that is made before the Nomination Close Time shall be treated as the User's Daily Nomination for the purposes of this Section E.</u></p> <p><u>6.4</u> <u>Each Daily Nomination shall specify:</u></p> <ul style="list-style-type: none"> <u>(a) the Day it relates to;</u> <u>(b) the identity of the User;</u> <u>(c) the Delivery Point; and</u> <u>(d) the quantity of carbon dioxide nominated for delivery for each Hour of the Day ("the Nominated Quantity").</u> <p><u>General principles applying to Daily Nominations and Renominations</u></p> <p><u>6.5</u> <u>A User's Daily Nomination (or Renomination) must be the User's best estimate, made in good faith, of the amount of carbon dioxide that the User intends to deliver at the Delivery Point for each Hour of the Day to which the Daily Nomination (or Renomination) relates.</u></p> <p><u>6.6</u> <u>A User's Nominated Quantity must not exceed:</u></p> <ul style="list-style-type: none"> <u>(a) the User's Registered Capacity for the Hour and Delivery Point to which the Nominated Quantity relates;</u> <u>(b) the maximum amount of carbon dioxide that can be delivered to that Delivery Point, for that Hour, under the prevailing Maintenance Programme or because of some other notified Capacity Constraint.</u> <p><i><u>Note: it is expected that a process for Users trading their capacity could be introduced by modification when there is demand. intended that where a User is notified of a Capacity Constraint quite close to the Nomination Close Time – e.g. between 12:00 hours and 13:00 hours – meaning that its Daily Nomination (that it has made or is about to make) no longer complies with paragraph 6.6(b), the User will be given additional time to amend its Daily Nomination so that it complies with paragraph 6.6(b). This will be addressed in the full-form of the Code.</u></i></p> <p><u>Failure to nominate</u></p> <p><u>6.7</u> <u>If in respect of any Delivery Point a User has not</u></p>

No	Subject	Terms
		<p><u>submitted a Daily Nomination that complies with the requirements of paragraphs 6.2, 6.4 and 6.6 by the Nomination Close Time then:</u></p> <p>(a) <u>the User shall be deemed to have failed to make a Daily Nomination; and</u></p> <p>(b) <u>the Nominated Quantity for each Hour of the Day in relation to which the User has failed to submit a Daily Nomination shall be deemed to be zero.</u></p> <p><u>Confirmation</u></p> <p><u>6.8 T&SCo shall confirm to the User by no later than the Confirmation Close Time whether the User's Daily Nomination has been accepted or rejected.</u></p> <p><u>6.9 Where T&SCo has not notified the User by the Confirmation Close Time whether the User's Daily Nomination has been accepted or rejected, then the Daily Nomination shall be deemed to have been accepted.</u></p> <p><u>6.10 The Confirmation Close Time is 15:00 hours on the Day before the Day to which the Daily Nomination relates.</u></p> <p><u>6.11 Where T&SCo has accepted (or is deemed to have accepted) the User's Daily Nomination then each Nominated Quantity included in the Daily Nomination shall be the Confirmed Nominated Quantity.</u></p> <p><u>Rejection of Daily Nomination</u></p> <p><u>6.12 T&SCo may reject a User's Daily Nomination only where:</u></p> <p>(a) <u>as at Nomination Close Time, the Daily Nomination does not comply with the requirements of paragraphs 6.2, 6.4 and 6.6; or</u></p> <p>(b) <u>after Nomination Close Time, a Capacity Constraint affects the ability of T&SCo to accept the whole or part of any Nominated Quantity.</u></p> <p><u>6.13 Where T&SCo rejects the whole or part of a User's Daily Nomination because of a Capacity Constraint pursuant to paragraph 6.12(b) or for some other reason, other than pursuant to paragraph 6.12(a), then:</u></p> <p>(a) <u>the extent to which T&SCo rejects the nomination shall be deemed to be a reduction in the User's Registered Capacity in accordance</u></p>

No	Subject	Terms
		<p><u>with paragraph 12.11;</u></p> <p><u>(b) where any whole Nominated Quantity included in the User's Daily Nomination has been rejected, then such a rejected Nominated Quantity is deemed to be a Curtailed Nomination;</u></p> <p><u>(c) where any part of a Nominated Quantity included in the User's Daily Nomination has been rejected and is subject to reduction pursuant to paragraphs 12.11 of this Section E, then the Curtailed Nomination shall be the difference between the Nominated Quantity included in the User's Daily Nomination and any Renominated Constrained Quantity.</u></p> <p><u>Note: "Curtailed Nominations" (paragraphs 6.13 and 6.21) and "Constrained Registered Capacity" (paragraph 12.10) are both quantity values that will be used under T&SCo's Licence to determine the availability adjustment to the Allowed Revenue of T&SCo under the Licence. On that basis, some aspects of the relevant provisions will also (or instead) be dealt with in the conditions of the Licence.</u></p> <p><u>Renominations</u></p> <p><u>6.14 Following the Confirmation Close Time, a User may vary the Nominated Quantities set out in its Daily Nomination by submitting a Renomination.</u></p> <p><u>6.15 A Renomination can vary one or more of the Nominated Quantities set out in the User's Daily Nomination, provided that:</u></p> <p><u>(a) the Renomination is submitted by the User at least 30 minutes prior to the Hour in relation to which a Nominated Quantity is being amended; and</u></p> <p><u>(b) any Nominated Quantity included in the Renomination does not exceed the restrictions that applied to the User's Daily Nomination:</u></p> <p><u>(i) pursuant to clause 6.6 as at Nomination Close Time; or</u></p> <p><u>(ii) subsequently, pursuant to clause 12.11.</u></p> <p><u>6.16 Where T&SCo has received a Renomination from a User in accordance with paragraph 6.14, that Renomination shall be deemed to have been accepted by T&SCo unless T&SCo has notified the User that it has been rejected.</u></p>

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		<p><u>6.17</u> <u>Where T&SCo has accepted (or is deemed to have accepted) the User's Renomination then each revised Nominated Quantity included in the Renomination shall be the new Confirmed Nominated Quantity.</u></p> <p><u>6.18</u> <u>A User may make more than one Renomination in relation to the same Day (or part of a Day) provided that the Renomination complies with the requirements of this paragraph 6.</u></p> <p><u>Rejection of Renomination</u></p> <p><u>6.19</u> <u>T&SCo may reject a User's Renomination only where:</u></p> <p><u>(a) the Renomination does not comply with the requirements of paragraph 6.15; or</u></p> <p><u>(b) a Capacity Constraint affects the ability of T&SCo to accept the whole or part of any new Nominated Quantity.</u></p> <p><u>6.20</u> <u>When the T&SCo rejects a Renomination on the basis of paragraph 6.19(a), the prevailing Daily Nomination or Renomination shall remain in place.</u></p> <p><u>6.21</u> <u>Where T&SCo rejects the whole or part of a Renomination because of a Capacity Constraint pursuant to paragraph 6.19(b) or for some other reason, other than pursuant to paragraph 6.19(a), then:</u></p> <p><u>(a) the extent to which T&SCo rejects the nomination shall be deemed to be a reduction in the User's Registered Capacity in accordance with paragraph 12.11;</u></p> <p><u>(b) where the whole Renomination has been rejected, then such a rejected Renomination is deemed to be a Curtailed Nomination;</u></p> <p><u>(c) where any part of a Nominated Quantity included in the User's Renomination has been rejected and is subject to reduction pursuant to paragraph 12.11 of this Section E, then the Curtailed Nomination shall be the difference between the Nominated Quantity included in the User's Renomination and any Renominated Constrained Quantity.</u></p> <p><u>Delivery of carbon dioxide in accordance with nomination</u></p> <p><u>6.22</u> <u>A User's final Confirmed Nominated Quantity, as varied in accordance with any Renomination (including any Renomination made, or deemed to be made, in accordance with the requirements of paragraph 12.11),</u></p>

No	Subject	Terms
		<p><u>shall be the Final Confirmed Nominated Quantity.</u></p> <p><u>6.23 A User shall use reasonable endeavours to ensure that the amount of carbon dioxide it delivers at a Delivery Point is equal to the Final Confirmed Nominated Quantity.</u></p> <p><u>Non-conformity with Final Confirmed Nominated Quantity</u></p> <p><u>6.24 Where a User has Materially or Persistently failed to comply with the requirements of paragraph 6.23 then:</u></p> <p><u>(a) T&SCo may service a notice on the User ("Nominations Non-conformity Notice") which:</u></p> <p><u>(i) requires the User to desist from failing to comply with the requirements of paragraph 6.23; and</u></p> <p><u>(ii) includes details of how the User has Materially or Persistently failed to comply with the requirements of paragraph 6.23;</u></p> <p><u>(b) the User shall be permitted a "grace period" of 14 Days to implement measures to assist the User in complying with paragraph 6.23;</u></p> <p><u>(c) for the avoidance of doubt, any non-compliance with paragraph 6.23 by the User during the grace period referred to in paragraph 6.24(b) shall not entitle T&SCo to serve another Nominations Non-conformity Notice on the User.</u></p> <p><u>6.25 Where a User has Materially or Persistently failed to comply with the requirements of paragraph 6.23 having received two Nominations Non-conformity Notices within the preceding 12 months, then:</u></p> <p><u>(a) T&SCo may service a notice on the User ("Non-Delivery Notice") which:</u></p> <p><u>(i) requires the User to cease delivering carbon dioxide at the Delivery Point within 24 Hours of receipt of the Non-Delivery Notice; and</u></p> <p><u>(ii) includes details of how the User has Materially or Persistently failed to comply with the requirements of paragraph 6.23;</u></p> <p><u>(b) the User shall not be entitled to delivery any carbon dioxide at the Delivery Point until it has reasonably satisfied T&SCo that it will cease to Materially or Persistently breach paragraph</u></p>

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		<p><u>6.23; and</u></p> <p>(c) <u>where the User is unable to remedy the breach as contemplated under paragraph (b) within 14 Days, then T&SCo may issue a Default Notice to the User in accordance with Section J.</u></p> <p><u>6.26 For the purposes of paragraphs 6.24 and 6.25:</u></p> <p><u>"Materially" means a variation of more than [5%] over the course of a Day, calculated by:</u></p> <p>(a) <u>allocating a percentage figure (the "Percentage Variation") for each Hour in the Day (other than Zero Hours), which percentage figure represents the absolute variation (i.e. whether over or under) by which the User has deviated from its Final Confirmed Nominated Quantity; and</u></p> <p>(b) <u>adding up all the Percentage Variations for that Day and dividing them by the number of Hours in the Day (other than Zero Hours).</u></p> <p><u>where:</u></p> <p>(c) <u>"Zero Hour" means any Hour in that Day in relation to which the User's Final Confirmed Nominated Quantity is zero and in which the User has not delivered any carbon dioxide; and</u></p> <p>(d) <u>"Percentage Variation" for an Hour is calculated according to this formula:</u></p> $\frac{FCNQ - Actual Amount}{FCNQ} \times 100$ <p><u>where:</u></p> <p>(i) <u>FCNQ is the Final Confirmed Nominated Quantity for that Hour (expressed in tCO₂);</u></p> <p>(ii) <u>Actual Amount is the actual amount of carbon dioxide delivered in that Hour (expressed in tCO₂); and</u></p> <p>(iii) <u>the numerator in the formula is an absolute value.</u></p> <p><u>Note: where both the FCNQ and the Actual Amount have a relatively low value, equally small variations could result in a high Percentage Variation. This may need further consideration. In addition, further thinking will be required in relation to situations where</u></p>

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		<p><u><i>the FCNQ is zero and the Actual Amount is not.</i></u></p> <p><u>"Persistently" means a variation of more than [3%] for any Day (calculated using the methodology equivalent to that referenced in the definition of Materially), where that variation happens more than three times or more in any period of 14 Days.</u></p> <p><u>6.27 The User shall be required to continue paying any Capacity Charges or Network Charges relating to the time period during which it has been required to desist from delivering carbon dioxide pursuant to paragraph 6.25.</u></p> <p><u>Impact of Capacity Constraints on User ability to conform with Final Confirmed Nominated Quantity</u></p> <p><u>6.28 Where a User is unable to comply with paragraph 6.23 as a result of:</u></p> <p><u>(a) the circumstances set out in paragraph 12.13 (relating to where a User has insufficient notice of its Reduced Capacity); or</u></p> <p><u>(b) other circumstances where T&SCo has issued a direction to the User at short notice, requiring the User to change the amount of carbon dioxide it is delivering.</u></p> <p><u>then such deviation from the requirements of paragraph 6.23 shall not be taken into consideration when applying the "Materially" and "Persistently" triggers set out in paragraph 6.26.</u></p>
<u>7.</u>	<u>Communication of Forecasts and Nominations</u>	<u>7.1 Users shall make all Forecasts and Nominations through the T&S Network Portal.</u>
<u>8. 7.</u>	<u>Surrender of Registered Capacity</u>	<p><u>8.1 7.1 Users may offer to surrender Registered Capacity:</u></p> <p><u>(a) for a Year; or</u></p> <p><u>(b) for the remainder of the period of the User's Registered Long-term Network Capacity7</u></p> <p><u>provided that a User may not surrender more than 10% in aggregate of the original quantity of the Registered Capacity.</u></p> <p><u>8.2 7.2—An offer ("Capacity Offer") to surrender Registered Capacity pursuant to paragraph 7.1<u>8.1</u> shall specify:</u></p> <p><u>(a) the identity of the User;</u></p>

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		<p>(b) the Delivery Point;</p> <p>(c) the period for which Registered Capacity is offered for surrender;</p> <p>(d) the amount (not less than the Minimum Eligible Amount) of Registered Capacity offered for surrender; and</p> <p>(e) the minimum amount (not less than the Minimum Eligible Amount) of Registered Capacity for which the User is willing to have the offer accepted;</p> <p>7.3 T&SCo shall only be obliged to accept a Capacity Offer where such Registered Capacity can be re-allocated to a User in accordance with paragraph 3 after all available Obligated Network Capacity which is not the subject of a Capacity Offer has been allocated.</p> <p><u>8.3</u> 7.4 A User can make a Capacity Offer at any time, but it will <u>that Capacity Offer shall</u> only be:</p> <p><u>(a)</u> considered by T&SCo at the first Capacity Application Window <u>as part of Network Capacity allocation during the first Selection Process relating to that T&S Network</u> that follows the making of the Capacity Offer by the User; <u>and</u></p> <p><u>(b)</u> <u>accepted where such Registered Capacity can be re-allocated to another User or prospective User.</u></p> <p><u>8.4</u> 7.5 A User shall remain liable for Capacity Charges for any surrendered Registered Capacity until such capacity becomes registered to another User.</p>
8.	Underutilisation	Note: "Use it or Lose it" provisions may be introduced by modification where available capacity in T&S Networks becomes limited.
9.	Maintenance Planning	<p>Decisions on maintenance planning</p> <p>9.1 T&SCo will plan the maintenance of the T&S Network and prepare Maintenance Programmes in good faith with a view to, so far as is practicable having regard to:</p> <p>(a) the nature and urgency of the requirements for such maintenance;</p> <p>(b) any Legal Requirements applying to the operation of the T&S Network; and</p>

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		<p>(c) T&SCo's normal working practices, coordinating the timing of such maintenance to maximise the quantity of carbon dioxide, <u>produced by Users, that can be</u> transported and stored that is produced by Users.</p> <p>Maintenance</p> <p>9.2 References in the Code to maintenance (of a T&S Network or any part of it) include:</p> <p>(a) maintenance, inspection, repair, replacement, reinstatement and recommissioning of a T&S Network or such part of it;</p> <p>(b) Network Expansion Works; and</p> <p>(c) any inspection, testing and commissioning of works within paragraphs (a) and (b), and works preparatory thereto, and any works required for bringing any new or existing part of the T&S Network into or back into service.</p> <p>Users' <u>planning and forecasting</u> information</p> <p>9.3 In each year<u>Charging Year</u> each User shall provide to T&SCo, not later than [insert]<u>1 May of Charging Year t-1</u>, for the purposes of the Maintenance Programme, an estimate in respect of each week in the relevant Planning Period <u>commencing in Year t</u>, of the following:</p> <p>(a) the quantities of carbon dioxide expected to be delivered to the T&S Network on a Day (in each such week) at each Delivery Point; and</p> <p>(b) details of the times and periods for which maintenance of relevant User Facilities is planned during the relevant Planning Period which may affect the delivery of carbon dioxide to the Delivery Point; and</p> <p>(c) such further information (if any) as T&SCo may reasonably require for the purposes of this Section E.</p> <p>9.4 A User must promptly upon becoming aware of any requirement to perform maintenance of relevant User Facilities, notify T&SCo with details of times and periods and the anticipated impact on its delivery of carbon dioxide where such requirement was not known and therefore notified at the time that the information was provided under paragraph 9.3.</p> <p>9.5 A User shall use reasonable endeavours to co-ordinate the maintenance of relevant User Facilities with any</p>

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		<p>Programmed Maintenance of the T&S Network which may affect the delivery of carbon dioxide to the Delivery Point in order to maximise the quantity of carbon dioxide, <u>produced by Users, that can be transported and stored</u> that is produced by Users.</p>
10.	Maintenance Programme	<p>T&SCo Maintenance Programme</p> <p>10.1 Subject to paragraph 10.2, T&SCo will within [x] period of a T&SCo's accession to the Code and thereafter, not later than [x] each year, shall prepare and publish on its T&S Network Portal an updated Maintenance Programme for the Planning Period ahead, <u>by 16 October of the Charging Year immediately before the start of the Planning Period.</u></p> <p><u>10.2</u> Where a T&SCo has acceded to the Code and has not yet commenced commercial operation of the T&S Network, it shall publish its first Maintenance Programme within 24 weeks from the date on which it acceded to the Code..</p> <p><u>10.3</u> 10.2—The Maintenance Programme referred to in paragraph 10.1 is intended to always cover the Planning Period ahead, but the information published for that Planning Period is to be updated when the next annual Maintenance Programme is published, such that, for example:</p> <p>(a) a Maintenance Programme is published for Charging Years t, t+1, t+2, t+3 and t+4;</p> <p>(b) when the next Maintenance Programme is published for Charging Years t+1 to t+5, the information originally published for Charging Years t+1 to t+4 will be updated in accordance with the requirements of this Section E.</p> <p>Content of Maintenance Programme</p> <p><u>10.4</u> 10.3—A Maintenance Programme will identify:</p> <p>(a) the Delivery Points at which the ability of T&SCo to accept delivery of carbon dioxide will be constrained by planned maintenance of the T&S Network;</p> <p>(b) the periods for which such Delivery Points will be so affected;</p> <p>(c) whether T&SCo expects that it will continue within such period (or part thereof) to be able to accept delivery of carbon dioxide at any such Delivery Point, but (by reason of such maintenance) on a restricted basis, and if so, an indicative estimate of the maximum rate at</p>

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		<p>which T&SCo expects to be able to accept delivery of carbon dioxide];</p> <p>(d) relevant maintenance activities to be performed by Users in accordance with information provided under paragraph 9.3; and</p> <p>(e) such other information as T&SCo shall reasonably decide to include.</p> <p>Publication of draft Maintenance Programme</p> <p><u>10.5</u> 10.4 Before publishing the Maintenance Programme in accordance with paragraph 10.1, T&SCo shall:</p> <p>(a) publish on its T&S Network Portal a draft of the Maintenance Programme by [x]<u>29 May</u>; and</p> <p>(b) convene , on not less than [x] Weeks' notice, a meeting ("Annual Maintenance Meeting"), for review of the timing of planned maintenance of the T&S Network under such draft Maintenance Programme, the date of which:</p> <p style="padding-left: 40px;">(i) <u>shall be no later than 18 September (to allow T&SCo to first consider information provider by Users pursuant to paragraph 10.6); and</u></p> <p style="padding-left: 40px;">(ii) <u>is communicated to Users with not less than eight (8) weeks' notice.</u></p> <p><u>10.6</u> 10.5 Users may, up to but not later than eight (8) weeks before the date of the Annual Maintenance Meeting (or first such meeting)<u>by 24 July</u> submit to T&SCo details of the dates and periods of maintenance planned in respect of any relevant User Facilities and/or comments in relation to the timing of any planned maintenance under the draft Maintenance Programme.</p> <p><u>10.7</u> 10.6 Before holding the Annual Maintenance Meeting(s) T&SCo will discuss with each User, to such extent as it deems appropriate, the details and comments submitted to it by that User under paragraph 10.5<u>10.6</u>.</p> <p><u>10.8</u> 10.7 Subject to paragraphs 9.1 and 10.8<u>10.9</u>, Maintenance Programme decisions shall be taken by T&SCo in its sole discretion, after liaising with Users in accordance with paragraphs 10.4<u>10.5</u>, 10.5<u>10.6</u> and 10.6<u>10.7</u>.</p> <p>Co-ordination of maintenance between different T&SCos</p>

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		<p>10.9 10.8—In preparing the draft Maintenance Programme, the T&SCos shall consult each other with a view, to minimising any adverse impacts on T&SCos and Users (collectively) of maintenance activities.</p> <p>Carrying out maintenance</p> <p>10.10 10.9—Subject to paragraphs 10.10 and 10.11 and 10.12, T&SCo will, so far as is reasonably practicable, carry out all maintenance of the T&S Network in accordance with the dates and periods provided for in the applicable Maintenance Programme, as updated on an annual basis.</p> <p>10.11 10.10—If T&SCo identifies the need to carry out Reactive Maintenance then it shall:</p> <ul style="list-style-type: none"> (a) notify any Affected Users as soon as it identifies the need to carry out the Reactive Maintenance; and (b) schedule the carrying out of the Reactive Maintenance with a view to giving the Affected Users as much notice as is reasonably possible in the circumstances. <p>10.12 10.11—The notice given to Affected Users in accordance with paragraph 10.1010.11 shall include the following information:</p> <ul style="list-style-type: none"> (a) the date on which the Reactive Maintenance is to commence and its likely duration; and (b) the impact of the Reactive Maintenance on the Affected Users. <p>Changes to Programmed Maintenance</p> <p>10.13 10.12—If T&SCo becomes aware that the commencement date or duration of any Programmed Maintenance needs to be changed, outside of the annual review of the Maintenance Programme, then T&SCo shall give the Affected Users not less than twenty (20) Business Days' notice (or such lesser period as the Affected Users may agree) of the changes to the Programmed Maintenance.</p> <p>10.14 10.13—T&SCo shall use reasonable endeavours to avoid making in changes to Programmed Maintenance under paragraph 10.1210.13.</p> <p>Notification requirements</p> <p>10.15 10.14—T&SCo will notify Affected Users, by way of reminder, of the carrying out of Programmed Maintenance (as revised under paragraph 10.1210.13)</p>

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		<p>not less than 5 Business Days before the commencement of such maintenance, provided that no accidental failure to notify a User shall prejudice T&SCo's rights to carry out maintenance.</p> <p><u>10.16</u> 10.15 T&SCo will comply with notification/reporting obligations to ensure that Affected Users have ongoing visibility of the progress of any activities under the Maintenance Programme and when any Capacity Constraint arising from maintenance will conclude.</p>
11.	Capacity Constraints	<p>Introduction to Capacity Constraints</p> <p>11.1 A "Capacity Constraint" is a constraint in or affecting any part of the T&S Network at any time, as a result of which carbon dioxide flows in any part of the T&S Network are, (or but for anything done by T&SCo would be), less than the affected User<u>Users's</u> Registered Capacity, whether such constraint results from:-</p> <p>(a) the size of any part of the T&S Network; or</p> <p>(b) the operation or failure to operate any part of the T&S Network.</p> <p>11.2 A Delivery Point is "affected" by a Capacity Constraint where T&SCo is, or (but for anything done by that T&SCo) would be unable to accept delivery of the Registered Capacity of carbon dioxide at that Delivery Point, or its ability to do so is impaired, by reason of a Capacity Constraint.</p> <p>11.3 A Capacity Constraint includes (but is not limited to) a constraint which arises by reason of:</p> <p>(a) Programmed Maintenance;</p> <p>(b) Reactive Maintenance; or</p> <p>(c) Emergency.</p> <p>Record keeping</p> <p>11.4 In addition to T&SCo's notification requirements under paragraphs 12.1 and 12.2, T&SCo shall keep written records of any Capacity Constraints that have taken place, after the fact, including information relating to:</p> <p>(a) the nature and cause of the Capacity Constraint;</p> <p>(b) the Delivery Points affected by the Capacity Constraint;</p> <p>(c) the action which T&SCo has taken to address</p>

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		<p>the Capacity Constraint; and</p> <p>(d) the magnitude and duration of the Capacity Constraint.</p> <p>Note: T&SCo's obligations to maintain records of Capacity Constraints will also be addressed in the Licence, as there is a direct link between Capacity Constraints and the availability adjustment under the Licence.</p>
12.	<p>Response Capacity Constraints to</p>	<p>Notification</p> <p>12.1 To the extent not already provided in accordance with paragraph 10, as soon as is practicable after T&SCo becomes aware that a Capacity Constraint has arisen or will arise, T&SCo shall take the following actions:</p> <p>(a) T&SCo shall publish information about the Capacity Constraint on the T&S Network Portal;</p> <p>(b) T&SCo shall send notification of the Capacity Constraint to all Users of Delivery Points affected by the Capacity Constraint; and</p> <p>(c) T&SCo shall keep the information referred to in paragraphs (a) and (b) reasonably updated, including in respect of the anticipated conclusion of the Capacity Constraint.</p> <p>12.2 The information about the Capacity Constraint, which T&SCo must publish and notify to Users in accordance with paragraph 12.1 includes:</p> <p>(a) the nature and cause of the Capacity Constraint;</p> <p>(b) the Delivery Points affected by the Capacity Constraint;</p> <p>(c) the action which T&SCo is intending to take to address the Capacity Constraint; and</p> <p>(d) the magnitude and expected duration of the Capacity Constraint.</p> <p>Response</p> <p>Subject to paragraph 12.6, whereWhere a Capacity Constraint arises T&SCo shall respond to:</p> <p>(e) identify <u>identify</u> the Capacity Constraint by reducing the Network Capacity at theUsers whose Delivery Points are <u>are</u> affected by the Capacity Constraint (the "Constrained Users"); and</p>

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		<p><u>(f) unless the Capacity Constraint arises by reason of an Emergency (under paragraph 12.6) or where paragraph 12.8 applies, T&SCo shall apply the Pro-rata Reduction to the Registered Capacity of those Constrained Users.</u></p> <p><u>Pro-rata Reduction</u></p> <p><u>12.3 Pro-rata Reduction, where it is triggered pursuant to paragraph 12.3, means that the Registered Capacity of a Constrained User is reduced on a pro-rata basis, such that the reduced amount of Registered Capacity allocated to the Constrained User (the "Reduced Capacity") is calculated according to the following formula:</u></p> $\frac{\text{Available Capacity}}{\sum CURC} \times RURC$ <p><u>where:</u></p> <p><u>Available Capacity</u> is the amount of Network Capacity still available during the Capacity Constraint;</p> <p><u>CURC</u> is the Registered Capacity of all the Constrained Users; and</p> <p><u>RURC</u> is the Registered Capacity of the particular Constrained User.</p> <p><u>Surplus Available Capacity after Pro-Rata Reduction</u></p> <p><u>12.4 Where:</u></p> <p><u>(a) T&SCo has reduced the Registered Capacity of Constrained Users using Pro-rata Reduction; and</u></p> <p><u>(b) one or more Constrained Users have notified T&SCo that they are unable to utilise the Reduced Capacity (or part of it),</u></p> <p><u>then T&SCo shall seek to allocate the Reduced Capacity referred to in paragraph 12.5(b) (being the "Surplus Available Capacity") in accordance with the Constrained Capacity Optimisation Principles set out in paragraph 12.7. For the avoidance of doubt, such Surplus Available Capacity may be allocated to any Constrained User, even if it would mean that the proportion of Available Capacity allocated to that Constrained User is greater than that of other Constrained Users, provided T&SCo has applied the</u></p>

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		<p><u>Constrained Capacity Optimisation Principles.</u></p> <p><u>Reduction of Registered Capacity during Emergencies</u></p> <p><u>12.5</u> <u>Where a Capacity Constraint is caused by an Emergency then, unless it is safe and practicable for T&SCo, acting as a Reasonable and Prudent Operator, to immediately apply a Pro-Rata Reduction to the Registered Capacity of Constrained Users, then T&SCo shall respond to the Emergency by applying the Emergency Procedure (where relevant to the Emergency in question) and the Constrained Capacity Optimisation Principles set out in paragraph 12.7.</u></p> <p><u>Constrained Capacity Optimisation Principles</u></p> <p><u>12.6</u> <u>Where T&SCo is unable to apply Pro-rata Reduction in the circumstances set out in paragraph 12.6 or there is surplus Available Capacity as set out in paragraph 12.5, then T&SCo shall allocate the Available Capacity to Constrained Users, by applying the following principles (the "Constrained Capacity Optimisation Principles") to determine the reduced Registered Capacity (the "Reduced Capacity") that can be allocated to each Constrained User:</u></p> <p><u>(a) T&SCo shall act with the primary objective to:</u></p> <p><u>(i) only reduce a Constrained User's ability to deliver carbon dioxide at the Constrained User's Delivery Point as a last resort;</u></p> <p><u>(ii) allow the maximum amount of carbon dioxide to be stored;</u></p> <p><u>(b) in achieving the primary objective referred to in paragraph (a) above, T&SCo shall:</u></p> <p><u>(i) endeavour to maximise the number of Constrained Users that are able to deliver carbon dioxide into the T&S Network;</u></p> <p><u>(ii) take into consideration the operational features and requirements of individual Constrained Users, including (but not limited to) each Constrained User's Minimum Turndown Rate, Minimum and Maximum Ramp Rates, any requirements for a minimum amount of Network Capacity over a minimum period of time, and any maintenance that will be carried out by the Constrained User; and</u></p> <p><u>(c) T&SCo shall actively communicate with all</u></p>

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		<p><u>Constrained Users, to allow principles (a) to (b) to be effectively implemented.</u></p> <p><u>Note: T&SCo has a general obligation of non-discrimination under its Licence.</u></p> <p><u>12.7 Where:</u></p> <p><u>(a) a Capacity Constraint arises by reason other than an Emergency; and</u></p> <p><u>(b) the circumstances are such that responding to the Capacity Constraint by applying Pro-rata Reduction to the Registered Capacity of Constrained Users would be likely to jeopardise the safety, integrity or operability of the T&S Network,</u></p> <p><u>then T&SCo can respond to the Capacity Constraint by applying the Constrained Capacity Optimisation Principles to reduce the Registered Capacity of Constrained Users.</u></p> <p><u>12.8 Where T&SCo applies the Constrained Capacity Optimisation Principles to reduce the Registered Capacity of Constrained Users, either pursuant to paragraph 12.6 (to respond to an Emergency) or pursuant to paragraph 12.8 (other circumstances where Pro-rata Reduction cannot be immediately utilised to respond to a Capacity Constraint) then:</u></p> <p><u>(a) T&SCo shall transition to applying Pro-rata Reduction to continue to respond to the Capacity Constraint as soon as it is reasonably practicable; and</u></p> <p><u>(b) after Pro-rata Reduction is applied, T&SCo shall allocate any Surplus Available Capacity in accordance with paragraph 12.5.</u></p> <p><u>Constrained Registered Capacity</u></p> <p><u>12.9 Where, in the period up to Nomination Close Time, a Constrained User's Registered Capacity has been reduced:</u></p> <p><u>(a) by a Pro-Rata Reduction; or</u></p> <p><u>(b) in accordance with the Constrained Capacity Optimisation Principles,</u></p> <p><u>then the difference between the Constrained User's Registered Capacity and the Reduced Capacity is the Constrained Registered Capacity.</u></p> <p>Note: the principles that will apply to pro rata</p>

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		<p>reductions of capacity are being developed. Note: <u>it is intended that where there is a Capacity Constraint, it may give rise to an availability adjustment under T&SCo's Licence, on the following basis:</u></p> <p><u>(a) before Nomination Close Time by way of Constrained Registered Capacity; and</u></p> <p><u>(b) after Nomination Close Time by way of Curtailed Nomination,</u></p> <p><u>so that the availability adjustment can be correctly calculated and there is no "double counting" when a capacity constraint arises.</u></p> <p><u>Renominated Constrained Quantity</u></p> <p><u>12.10 Where a Constrained User's Registered Capacity is reduced after Nomination Close Time, then:</u></p> <p><u>(a) the Constrained User shall amend any Daily Nomination or Renomination, through a Renomination, so that no Nominated Quantity exceeds the Constrained User's Reduced Capacity;</u></p> <p><u>(b) T&SCo shall accept or reject the Renomination in accordance with the principles set out in paragraph 6; and</u></p> <p><u>(c) any amended Nominated Quantity nominated under paragraph 12.11(a) shall be the Constrained User's Renominated Constrained Quantity.</u></p> <p><u>12.11 Where a Constrained User has failed to amend any Daily Nomination or Renomination, through a Renomination in accordance with paragraph 12.11(a), then the Constrained User shall be deemed to have done so and the Constrained User's Renominated Constrained Quantity shall be deemed to be equal to the Constrained User's Reduced Capacity.</u></p> <p><u>12.12 Where a Constrained User has insufficient notice of its Reduced Capacity in order to be able to comply with the requirements of paragraph 12.11, then:</u></p> <p><u>(a) T&SCo and the User shall in good faith communicate and cooperate, both acting as Reasonable and Prudent Operators, and the User shall endeavour to comply as soon as it is reasonably possible; and</u></p> <p><u>(b) the User's actual flow of carbon dioxide for that Hour shall be deemed to be the Renominated Constrained Quantity and Final Confirmed</u></p>

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		<p><u>Nominated Quantity for the purposes of calculating the Curtailed Nomination under paragraph 6.13 or paragraph 6.21.</u></p> <p><u>General obligations of Users to follow T&SCo directions</u></p> <p><u>12.13</u> 12.4—A User must stop delivering or reduce the quantity of carbon dioxide being delivered to a Delivery Point in accordance with:</p> <ul style="list-style-type: none"> (a) any Maintenance Programme; or (b) any direction given by T&SCo to do so in accordance with the provisions of the Code. <p>12.5 If a User fails to comply with any direction given by T&SCo in accordance with paragraph 12.4<u>12.14</u>, T&SCo may take steps to prevent the User from delivering carbon dioxide to the Delivery Point, acting as a Reasonable and Prudent Operator to minimise any adverse impact on User Facilities.</p> <p>Consequences of Capacity Constraints</p> <p>12.6—Where a Capacity Constraint is caused by/arises in connection with an act, omission, breach or default of a User under the Code T&SCo shall prioritise the reduction of that User's Registered Capacity under paragraph 12.3 over the reduction of any other User's Registered Capacity.</p> <p><u>No obligation to accept delivery of carbon dioxide</u></p> <p><u>12.14</u> 12.7—Without prejudice to any other right T&SCo may have under the Code to reject the delivery of carbon dioxide (including under Section F), T&SCo will be relieved of its obligations to accept delivery of carbon dioxide of Registered Capacity to the extent that it is not feasible to do so by reason of a Capacity Constraint.</p> <p><u>Payment of Charges during Capacity Constraints</u></p> <p><u>12.15</u> 12.8 For the avoidance of doubt a<u>Subject to paragraph 12.18, a Constrained</u> User will remain liable to pay Capacity Charges and Network Charges in respect of its Registered Capacity notwithstanding that theT&SCo is unable to take delivery of carbon dioxide at the quantity of its Registered Capacity at such delivery point<u>its Delivery Point</u> by reason of a Capacity Constraint.</p> <p>Note: while T&SCo will continue to recover these charges, capacity constraints will affect its availability</p>

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		<p><i>incentives under the TRI model.</i></p> <p><u>12.16 Where:</u></p> <p><u>(a) a Capacity Constraint arises for reasons other than Planned Maintenance;</u></p> <p><u>(b) a Constrained User is unable to utilise the whole or any part of its Registered Capacity by reason of the Capacity Constraint, for a continuous period of more than [x Days]; and</u></p> <p><u>(c) the event that caused the Capacity Constraint is [covered by T&SCo's Business Interruption Insurance for Asset Damage].</u></p> <p><u>Note: details of the mechanism for the suspension of Capacity Charges and Network Charges where covered by business interruption insurance remain subject to review.</u></p> <p><u>then from that point in time until the Capacity Constraint is resolved, the Constrained User shall only be liable to pay Capacity Charges and Network Charges [in relation to the amount of Registered Capacity that the Constrained User is able to utilise.]</u></p>

SECTION F: NETWORK DESIGN AND SPECIFICATION

No	Subject	Terms
1.	Introduction	<p>Introduction to specifications</p> <p>1.1 The provisions of this Section F shall apply in respect of the delivery of carbon dioxide to the T&S Network at Delivery Points.</p> <p>1.2 Users delivering carbon dioxide to any part of the T&S Network at a Delivery Point shall comply with the relevant requirements of this Section F.</p> <p>User Facilities</p> <p>1.3 For the purposes of this Section F a "User Facility" is a single facility or several facilities (where such facilities share a single Delivery Point) connected to the T&S Network at a Delivery Point.</p> <p>Existence of Connection Agreement</p> <p>1.4 A User may not deliver carbon dioxide into the T&S Network at any Delivery Point unless there is in force a Connection Agreement between the User and T&SCo which, among other things:</p> <ul style="list-style-type: none"> (a) identifies the User Facility; (b) identifies the Delivery Point; and (c) specifies the Entry Provisions applicable to that Delivery Point.
2.	Entry Provisions	<p>Content of Entry Provisions</p> <p>2.1 The Entry Provisions for each Delivery Point are:</p> <ul style="list-style-type: none"> (a) the Carbon Dioxide Specifications, as defined in paragraph 2.4; (b) the Measurement Requirements, as defined in paragraph 2.5; and (c) the Local Requirements, as defined in paragraph 2.9. <p>Carbon Dioxide Specifications</p> <p>2.2 The Carbon Dioxide Specifications shall at all times conform to the following key principles:</p> <ul style="list-style-type: none"> (a) the primary purpose of the Carbon Dioxide Specification is to ensure the safety, protection and operability of the T&S System; (b) the Carbon Dioxide Specification shall achieve the

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		<p>following aims:</p> <ul style="list-style-type: none"> (i) protection of health and safety; (ii) corrosion management and avoidance; (iii) environmental protection; (iv) operational control assured by maintaining predictable flow conditions; (v) management of reservoir impacts. <p>2.3 In order to achieve the aims set out in paragraph 2.2(b) the Carbon Dioxide Specifications shall as a minimum meet<u>at all times comply with</u> the requirements set out in Annexure A.</p> <p>2.4 The Carbon Dioxide Specifications are specific to each individual T&S Network and are set out:</p> <ul style="list-style-type: none"> (a) in Annexure B for the {Insert name} <u>Northern Endurance Partnership</u> T&S Network; and (b) in Annexure C for the {Insert name} <u>HyNet</u> T&S Network. <p>Measurement Requirements</p> <p>2.5 In this section, "Measurement Requirements" means the requirements for the Measurement Equipment, including both<u>the procedures methods and standards by which</u> compositional analysis and flow rate measurement<u>will be measured, sampled and analysed</u> and parameters regarding accuracy/regularity of checks, control systems, operation data transmission and quality assurance.</p> <p>2.6 The Measurement Requirements shall at all times conform to the following principles:</p> <ul style="list-style-type: none"> (a) the Measurement Equipment must determine the quantity (measured in tCO₂) of all the carbon dioxide delivered by a User at a Delivery Point; (b) the impurities within the CO₂ stream shall be monitored to ensure that compliance with the Carbon Dioxide Specifications is maintained; (c) the pressure, temperature and water content should be measured continuously, together with other impurities where an exceedance may result in an imminent downstream impact. This may include oxygen NO_x, SO_x, H₂S, ammonia and, for dense and multi-phase applications, hydrogen and

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		<p>nitrogen;</p> <p>(d) other impurities should be measured regularly at a frequency to be agreed with the T&SCo, which may be four times every hour, and could follow a risk assessment process;</p> <p>(e) the calibration range, accuracy and measurement uncertainty of the measuring equipment shall be appropriate to the permissible levels of impurity, and with sufficient capacity to provide information to enable subsequent investigation in the event of an exceedance;</p> <p>(f) the CO₂ content within the stream should be measured continuously and to an accuracy consistent with any fiscal requirements;</p> <p>(g) monitoring data should be available simultaneously to both the User and the T&SCo, and records retained for sufficient length of time to enable trends to be identified and for historical information to be interrogated in the event of an impact on the T&S Network infrastructure being identified.</p> <p>2.7 The Measurement Requirements which are specific to each individual T&S Network and are set out:</p> <p>(a) in Annexure D for the {Insert name} Northern Endurance Partnership T&S Network; and</p> <p>(b) in Annexure E for the {Insert name} HyNet T&S Network.</p> <p>Note: Further consideration to be given to whether a single form of Measurement Requirements could apply to all T&S Networks.</p> <p>Local Requirements</p> <p>2.8 In this section, "User Requirements" means the requirements in respect of the Measurement Equipment that arise from legal or contractual obligations of the User [including requirements under support contracts].</p> <p><u>2.8</u> 2.9 The "Local Requirements" are additional requirements including User Requirements, that apply to a User's Delivery Point and/or the Measurement Equipment at the User's Delivery Point which shall be specified in a User's Connection Agreement, and may include:</p> <p>(a) any User-specific CO₂ Specification requirements; and</p>

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		<p>(b) any User-specific measurement requirements.</p> <p>2.9 2.10The T&SCos acknowledge that:</p> <p>(a) Users are required to comply with the User Requirements; and</p> <p>(b) the T&SCo shall adapt the Local Requirements in order to accommodate the User Requirements.</p> <p>Compliance with Regulatory Requirements</p> <p>2.10 2.11The Users acknowledge that:</p> <p>(a) T&SCo is required to comply with the Regulatory Requirements in relation to the T&S Network; and</p> <p>(b) in developing the Entry Provisions, T&SCo has had regard to the Regulatory Requirements.</p> <p>2.11 2.12Notwithstanding any other provision in this Section F, if any aspect of the Entry Provisions cause T&SCo to be in breach of the Regulatory Requirements, then:</p> <p>(a) T&SCo will give notice to each User specifying any changes required to the Entry Provisions to ensure that T&SCo is compliant with the Regulatory Requirements; and</p> <p>(b) each User must use best endeavours to comply with the notice received pursuant to paragraph 2.122.11(a) forthwith.</p>
3.	Compliance	<p>Compliance with Carbon Dioxide Specifications</p> <p>3.1 Where carbon dioxide which does not comply with the Entry Provisions is tendered for delivery to the T&S Network at a Delivery Point then T&SCo shall promptly inform the relevant User about the non-compliance, and T&SCo may, from time to time until such time as the relevant non-compliance is rectified, in its discretion either:</p> <p>(a) refuse to accept delivery or continued delivery of such carbon dioxide; or</p> <p>(b) accept such delivery or accept such delivery as to part only of what is tendered for delivery.</p> <p>3.2 T&SCo shall be entitled to take any steps available to it to limit the rate at which non-compliant carbon dioxide is delivered to the T&S Network or to secure that such carbon dioxide is not so delivered.</p>
4.	General Measurement	Measurement Equipment

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	Provisions	<p>4.1 In this section, "Measurement Equipment" means all equipment and installations, including metering, sampling and analysis equipment, inlet and outlet pipework, instruments and structures within which such equipment is housed <u>and related communication systems</u> used to:</p> <p>(a) determine mass flow of CO₂ for fiscal purposes; and/or</p> <p>(b) measure the critical components, gas quality and characteristics of carbon dioxide delivered at a Delivery Point as against the Carbon Dioxide Specifications for integrity purposes.</p> <p>Installation of Measurement Equipment</p> <p>4.2 A User may not deliver any carbon dioxide at a Delivery Point until and unless Measurement Equipment which complies with the requirements of this section has been installed by the User at the Delivery Point.</p> <p><i>Note: As part of the application process for a new connection<u>CCUS Cluster Sequencing Process or another Selection Process</u> the User will be required to provide assurance to T&SCo as to its capabilities/competence in relation to its responsibilities under this Section F.</i></p> <p>4.3 The User shall at its own cost install, commission, operate and maintain the Measurement Equipment in accordance with the requirements of this Section F.</p> <p>4.4 The User shall obtain T&SCo's prior approval in relation to the siting, specifications and installation of the Measurement Equipment and any such installation and commissioning shall, to the extent relevant, comply with the Measurement Requirements.</p> <p>Validation of Measurement Equipment</p> <p>4.5 The Measurement Equipment shall be validated by an independent third party verifier<u>the Independent Verifier</u> in accordance with, and for compliance with, the Measurement Requirements:</p> <p>(a) prior to any carbon dioxide being allowed to be delivered at a Delivery Point to flow in the T&S Network; and</p> <p>(b) at least annually thereafter.</p> <p>4.6 The identity and terms of reference of the independent third party verifier shall be agreed between the parties, provided that the independent third party verifier shall carry out the verification and the activities required by the parties with the aim of providing a verification report</p>

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		<p>that concludes with reasonable assurance that the Measurement Equipment complies with the Measurement Requirements.</p> <p>4.7 The costs of the independent third party verifier shall be borne equally between each User and T&SCo.</p> <p>Measuring Carbon Dioxide Specifications</p> <p>4.8 <u>4.6</u> The User shall at its own cost install, commission, operate and maintain Measurement Equipment to determine the characteristics defined in the Carbon Dioxide Specifications of any carbon dioxide that is delivered at a Delivery Point. Such Measurement Equipment shall comply with the Measurement Requirements and shall meet the following criteria:</p> <ul style="list-style-type: none"> (a) all measurement biases shall as far as is practicable be eliminated or compensated for; (b) the uncertainty of measurement shall be such that the risk is minimised to both the User and T&SCo that there may be carbon dioxide flowing of which either or both of them are unaware; (c) the sampling system used to obtain the composition sample of carbon dioxide for quality measurements shall ensure that the sample is representative of the carbon dioxide delivered at a Delivery Point and that no change to the carbon dioxide composition occurs between the sample point and the analytical instrument or that compensation or correction for any such change is fully accommodated within the Measurement Equipment; and (d) measurements and validation of equipment to make such measurement shall, where feasible, be traceable to national or international standards and be in accordance with the Measurement Requirements. <p>Measuring quantity of carbon dioxide</p> <p>4.9 <u>4.7</u> The User shall at its own cost install, commission, operate and maintain flow Measurement Equipment to determine the quantity of CO₂ (measured in tCO₂) flowing into the T&S Network at a Delivery Point such that:</p> <ul style="list-style-type: none"> (a) all mass flows into the T&S Network shall comply with this paragraph; and (b) the measurement of quantity of mass shall be without bias and with an uncertainty of better than <u>+ [insert] ≤ +/-1.0% of reading the measured value (at 95% confidence interval)</u> over the specified

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		<p>flow range.</p> <p>Operation of Measurement Equipment</p> <p><u>4.8</u> 4.10 The operation and maintenance of Measurement Equipment shall include:</p> <p>(a) all activities associated with meter-reading, including, reading, calibration, and filing of all data provided by the Measurement Equipment;</p> <p>(b) provision of access to real time data to the T&SCo [in accordance with the Data Transfer Procedures].</p> <p><u>4.9</u> 4.11 The User shall:</p> <p>(a) ensure that T&SCo is provided with sufficient operator permissions to enable it to exercise its rights as set out under this Code to reject or refuse the delivery of Carbon Dioxide at a User's Delivery Point; and</p> <p>(b) inform the T&SCo promptly and accurately regarding any changes to the Measurement Equipment.</p>
<p><u>5.</u> 6. 5.</p>	<p>Access to Measurement Equipment</p> <p><u>Measurement Equipment Errors</u></p>	<p>Access to inspect Measurement Equipment</p> <p>6.1 Where any part of the Measurement Equipment is located at a site owned or controlled by the User, the User shall, upon reasonable notice and subject to any site safety or other rules regarding access, grant the T&SCo and its agents, subcontractors and representatives access to such Measurement Equipment to inspect (any part of) such Measurement Equipment and obtain samples of the User's CO₂.</p> <p>6.2 If and to the extent that the User's site is not owned by the User, the User shall use its best endeavours to ensure that the relevant owner grants T&SCo a right of access in accordance with paragraph 5.1.</p> <p>6.3 If <u>any Measurement Equipment is found to not comply with the requirements of this Section F, T&SCo can require the User to immediately cease delivery of carbon dioxide at the User's Delivery Point.</u></p> <p><u>6.4 The User shall, at its own cost and expense, repair or replace (any part of) the Measurement Equipment that is not functioning in accordance with the Measurement Requirements or otherwise in accordance with this Section F.</u></p> <p><u>6.5 Where a T&SCo has reasonable doubts as to the correct operation or a User believes that there has been a</u></p>

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		<p><u>Measurement Equipment Error:</u></p> <p>(a) <u>that Party shall notify the other Party of the same;</u></p> <p>(b) <u>the Parties shall meet to discuss the matter; and</u></p> <p>(c) <u>the Parties shall seek to agree any Measurement Adjustment.</u></p> <p><u>6.6</u> <u>If the Parties are unable to reach agreement under paragraph 6.1 as to any Measurement Adjustment within 30 Days then, subject to paragraph 7.2, either Party shall be entitled to have</u> (any part of) the Measurement Equipment, T&SCo shall be entitled at all reasonable hours inspected by the Independent Verifier, upon reasonable notice and in consultation with <u>to</u> the User, to engage an independent third party to inspect (any part of) the Measurement Equipment <u>other Party,</u> and the User <u>other Party</u> shall be entitled to have its employees, agents or representatives present during any such inspection.</p> <p><u>6.7</u> 5.4 <u>The Parties</u> parties shall accept the result of any inspection and by <u>the Independent Verifier as a final determination of any Measurement Equipment Error (including the Independent Verifier's decision regarding any Measurement Adjustment).</u></p> <p><u>6.8</u> <u>The</u> costs of the inspection <u>in paragraph 6.2</u> shall be borne by T&SCo <u>the party requiring the inspection,</u> unless the inspection demonstrates that (the relevant part of) the Measurement Equipment was not functioning in accordance with the Measurement Requirements or otherwise in accordance with this Section F, in which case the costs shall be borne by the User.</p> <p><u>6.9</u> 5.5 <u>If any Measurement Equipment is found to not comply with the requirements of this section, T&SCo can require the User to immediately cease delivery of carbon dioxide at the User's Delivery Point.</u></p> <p><u>6.10</u> 5.6 <u>The User shall, at its own cost and expense, repair or replace (any part of) the Measurement Equipment that is not functioning in accordance with the Measurement Requirements or otherwise in accordance with this Section F.</u></p> <p>5.7 <u>If the inspection carried out pursuant to paragraph 5.3 demonstrates that (a part of) the Measurement Equipment was not functioning in accordance with the Measurement Requirements or otherwise in accordance with this Section F, T&SCo will establish the relevant quality or quantity of CO₂ during the relevant period on the basis of the results of the inspection. Recalculation will be performed by T&SCo with retroactive effect over</u></p>

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		<p>the period that (the relevant part of) the Measurement Equipment was not functioning in accordance with the Measurement Requirements or otherwise in accordance with this Section F.</p> <p>5.8 If the inspection does not produce a practicable standard for establishing the relevant quality or quantity of CO₂ in the relevant period, the T&SCo is entitled to estimate the quality or quantity of CO₂ according to the best data available to T&SCo, including data provided by the User (if any).</p>
<p><u>7.</u></p>	<p><u>Flow Meter Errors</u></p>	<p><u>7.1</u> Where any Measurement Adjustment in respect of a Flow Meter Error is agreed or determined under paragraph 6.1 or 6.2, such agreement or determination shall set out:</p> <p>(a) <u>the period within which any adjustments to the flow rate measurement are to be made ("Adjustment Period");</u></p> <p>(b) <u>the amount by which it is agreed or determined that the Flow Meter has over- or under-registered the volume of CO₂ delivered at the relevant Delivery Point;</u></p> <p>(c) <u>the adjusted raw data for the Adjustment Period; and</u></p> <p>(d) <u>the adjusted Daily Quantity for the Adjustment Period.</u></p> <p><u>7.2</u> Where a Flow Meter Error results from a total failure of the Flow Meter such that there is no available Flow Rate data for a period, provided that the Parties have failed to reach agreement as to the Measurement Adjustment to be applied during such period under paragraph 6.1(c), the Measurement Adjustment for the relevant period shall substitute the Flow Rate data for the relevant period with the User's Registered Capacity for that period.</p> <p><u>7.3</u> T&SCo will provide the results of any Flow Meter Adjustment to the CDS for the purposes of paragraph 11.8 of Section H.</p>
<p><u>8.</u></p>	<p><u>Re-use Service</u></p>	<p><u>Nature of Re-use Service</u></p> <p><u>8.1</u> Carbon dioxide re-use (the "<u>Re-use Service</u>") involves a User:</p> <p>(a) <u>taking delivery of carbon dioxide from the T&S Network, at a Re-use Delivery Point; and</u></p> <p>(b) <u>subject all other provisions of the Code relating to the User's rights to deliver carbon dioxide at the User's Delivery Point, re-delivering an equivalent quantity of carbon dioxide into the T&S Network at</u></p>

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		<p><u>the User's Delivery Point,</u></p> <p><u>where the taking delivery of the carbon dioxide pursuant to paragraph (a) above is:</u></p> <p><u>(c) for a Re-use Purpose; and</u></p> <p><u>(d) only temporary,</u></p> <p><u>on the basis that the User's objective is that any carbon dioxide it has taken delivery of should be returned into the T&S Network in accordance with paragraph (b).</u></p> <p><u>User right to request Re-use Service</u></p> <p><u>8.2 A User (including a prospective User applying for a connection under Section C) may request T&SCo to provide a Re-use Service to the User.</u></p> <p><u>8.3 Where a User wishes to request T&SCo to provide the Re-use Service, the User shall provide the request to T&SCo in writing, setting out the technical and operational reasons why it is requesting the Re-use Service.</u></p> <p><u>Circumstances where T&SCo shall offer the Re-use Service</u></p> <p><u>8.4 Where T&SCo has received a request from a User in accordance with paragraph 8.3, T&SCo shall offer the Re-use Service to the User where T&SCo, acting as a Reasonable and Prudent Operator, considers that:</u></p> <p><u>(a) it is technically possible to install the required Re-use Service Infrastructure and provide the Re-use Service to the User; and</u></p> <p><u>(b) the installation of the Re-use Service Infrastructure and provision of the Re-use Service to the User will not adversely impact the operation of the T&S Network and/or the ability of other Users to deliver carbon dioxide at their Delivery Points.</u></p> <p><u>Carrying out of Works</u></p> <p><u>8.5 Where a User has requested the Re-use Service in accordance with paragraph 8.3 and T&SCo has offered to provide the Re-use Service, then the User shall be responsible for the cost of the Re-use Service Infrastructure and the Re-use Service Infrastructure Works.</u></p> <p><u>8.6 The carrying out of the Re-use Service Infrastructure Works shall be governed by the Construction Agreement and the parties shall agree which parts of the Re-use</u></p>

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		<p><u>Service Infrastructure Works shall be:</u></p> <p>(a) <u>carried out by T&SCo, and therefore be T&SCo Works for the purposes of the Construction Agreement; and</u></p> <p>(b) <u>carried out by the User, and therefore the User Works for the purposes of the Construction Agreement.</u></p> <p>8.7 <u>Where any Re-use Service Infrastructure Works are agreed to be T&SCo Works for the purposes of the Construction Agreement, then:</u></p> <p>(a) <u>the Construction Agreement shall include a provision requiring the User to pay for the cost of T&SCo carrying out such Re-use Service Infrastructure Works; and</u></p> <p>(b) <u>such cost shall be determined on a cost reflective basis (applied consistently to all Users) and set out in the Construction Agreement.</u></p>
9.	<u>Terms for provision of the Re-Use Service</u>	<p><u>Application of Code to the Re-use Service</u></p> <p>9.1 <u>Where the Re-use Service is being provided to a User, the provisions of the Code shall apply as follows:</u></p> <p>(a) <u>title and risk (including carbon dioxide compositional risk) in carbon dioxide delivered to the User Facility at a Re-use Delivery Point shall pass to the User at that Re-use Delivery Point;</u></p> <p>(b) <u>the provisions of Section J relating to liabilities between the parties shall apply;</u></p> <p>(c) <u>the provisions of Section F relating to Measurement Equipment shall apply to the Re-use Meter at the Re-use Delivery Point in the same way as the Flow Meter at the User's Delivery Point;</u></p> <p>(d) <u>the quantity of carbon dioxide being delivered back to the User at the Re-use Delivery Point shall be measured using the Re-use Meter in accordance with Section F and that quantity, expressed in tCO₂/Day, is referred to as the "Re-use Daily Quantity";</u></p> <p>(e) <u>when the Onshore Flow Charge and the Offshore Flow Charge payable by the User are calculated in accordance with Section H, the User's Re-use Daily Quantity shall be subtracted from the User's Daily Quantity;</u></p> <p>(f) <u>the User shall pay for the operating costs of the</u></p>

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		<p><u>provision of the Re-use Service by paying the Re-use Service Charge, which shall be calculated by multiplying the Re-use Service Charge Rate by the User's Re-use Daily Quantity; and</u></p> <p><u>(g) when the User takes delivery of a quantity of carbon dioxide at the Re-use Delivery Point and then re-delivers an equivalent quantity of carbon dioxide at the User's Delivery Point, the User must have sufficient Registered Capacity for that quantity and must ensure that quantity is included in the Daily Nominations and Re-nominations made by the User in accordance with Section E.</u></p> <p><u>Re-use Service Charge Rate</u></p> <p><u>9.2 The methodology for calculating the Re-use Service Charge Rate shall be on a on a cost reflective basis (applied consistently to all Users).</u></p> <p><u>Note: the nature of the Re-use Service Charge Rate is subject to further review.</u></p> <p><u>Connection Agreement</u></p> <p><u>9.3 Where the Re-use Service is being provided to the User, the following details shall be set out in Schedule 4 of the User's Connection Agreement:</u></p> <p><u>(a) the description of the Re-use Delivery Point, including a schematic showing the location of the Re-use Delivery Point;</u></p> <p><u>(b) details of the Re-use Meter;</u></p> <p><u>(c) the Re-use Service Charge Rate;</u></p> <p><u>(d) any details of the size of the Re-use Delivery Point and any restrictions on how much can be taken out for re-use and the process for notifying T&SCo of when the User intends to take delivery of carbon dioxide; and</u></p> <p><u>(e) where any part of the equipment/infrastructure associated with the Re-use Service is located at a site owned or controlled by the T&SCo, provision for the T&SCo to grant, upon reasonable notice and subject to any site safety or other rules regarding access, the User and its agents, subcontractors and representatives access to such equipment/infrastructure to inspect it.</u></p>

SECTION G: INDUSTRIAL PROCEDURES

No	Subject	Terms
1.	Key Principles	<p>Key Principles</p> <p>1.1 The Industrial Procedures shall at all times conform to the following key principles:</p> <ul style="list-style-type: none"> (a) the Industrial Procedures shall be designed to: <ul style="list-style-type: none"> (i) ensure safe conduct of all operations; (ii) protect of the environment; (iii) minimise disruption to the operation of the T&S Network; (iv) meet the needs of both T&SCo and Users; and (v) support the economic and efficient capture, transport and storage of CO₂; (b) the Industrial Procedures shall comply with applicable law and regulation; (c) the Industrial Procedures shall be: <ul style="list-style-type: none"> (i) transparent; and (ii) non-discriminatory; and (d) the Industrial Procedures shall be aligned with the aims of the CCUS Network Code and Government ambitions for CCUS in the UK.
2.	Compliance	<p>2.1 All Users and T&SCOs are required to comply with the Industrial Procedures set out in or <u>to be</u> developed in accordance with the provisions of this section.</p>
3.	List of Procedures	<p>3.1 <u>The following procedures shall comprise the Industrial Procedures:</u></p> <ul style="list-style-type: none"> <u>(a) Emergency Procedure;</u> <u>(b) Commissioning; and</u> <u>(c) Isolation.</u> <p>3.2 <u>The Implementation Date for each Industrial Procedure is as follows:</u></p> <ul style="list-style-type: none"> <u>(a) Emergency Procedure: Commercial Operations Date;</u> <u>(b) Commissioning: Handover Date; and</u>

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		<u>(c) Isolation – Commercial Operations Date.</u>
4. 3.	Preparation	<p>3.1 The Core Industrial Procedures are set out in Appendix [X] to this section.</p> <p>Core Industrial Procedures Drafting Principles</p> <p>3.2 Each T&SCo shall develop, finalise, maintain and from time to time review, Supplementary<u>the</u> Industrial Procedures <u>for the applicable T&S Network.</u></p> <p>3.3 As a minimum,<u>In developing the Industrial Procedures in accordance with paragraph 4.1</u> each T&SCo is required to develop the following Supplementary Industrial Procedures:</p> <p>3.4 At least [x] weeks before the first delivery of any CO₂ at a Delivery Point, the T&SCo shall deliver to:</p> <p>(a) each User; and</p> <p>(b) the Authority,</p> <p>the draft Supplementary Industrial Procedures required to be developed pursuant to paragraph 3.3<u>3.1</u> for review and comment in accordance with paragraphs 4.1<u>6.1</u> to 4.5<u>6.6</u>.</p> <p>3.5 Paragraph 3.4 shall also apply to any new Supplementary Industrial Procedures which are subsequently developed by T&SCo, save that:</p> <p>(a) the T&SCo shall also include the proposed implementation date; and</p> <p>(b) the relevant time to submit drafts of any such procedure will be [x] weeks before the proposed implementation date.</p>

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5.	<u>New Industrial Procedures</u>	<p><u>5.1</u> <u>Where, after the Code Implementation Date, a T&SCo wishes to introduce a further procedure that:</u></p> <ul style="list-style-type: none"> <u>(a) is likely to affect more than one User in the relevant T&S Network;</u> <u>(b) places obligations onto Users; and</u> <u>(c) is likely to materially impact a User's cost base, maintenance or other operational processes</u> <p><u>(in each case, a "Proposed Industrial Procedure").</u></p> <p><u>paragraph 6.1 shall also apply to any Proposed Industrial Procedures, save that:</u></p> <ul style="list-style-type: none"> <u>(d) the T&SCo shall also include the proposed Implementation Date;</u> <u>(e) the relevant time to submit drafts of any such procedure to Users will be 6 calendar months before the proposed Implementation Date; and</u> <p><u>5.2</u> <u>Provided that any comments on the Proposed Industrial Procedure are resolved in accordance with the process set out in paragraph 6.6, the T&SCo which introduced the procedure shall be entitled to raise a Self-Governance Modification Proposal pursuant to paragraph 2.26 of Section B (Governance) to update the list of Industrial Procedures in paragraph 3.1.</u></p> <p><u>5.3</u> <u>A User may, at any time after the Code Implementation Date, request a T&SCo to introduce a Proposed Industrial Procedure under paragraph 5.1 and the T&SCo shall, give reasonable consideration to all such requests.</u></p>
6. 4.	Review Procedure	<p><u>6.1</u> 4.1 <u>As soon as reasonably practicable and in any event within {x}20 Business Days of receipt of any draft SupplementaryIndustrial Procedure or Proposed Industrial Procedure, each User shall notify the T&SCo of any comments on the draft SupplementaryIndustrial Procedure or Proposed Industrial Procedure.</u></p> <p><u>6.2</u> 4.2 <u>When providing comments to the T&SCo in accordance with paragraph 4.16.1, each User shall be required to provide the following:</u></p> <ul style="list-style-type: none"> <u>(a) information about the User (company, registered office, etc.) and about at least one reference person (name, telephone number, fax number, e-mail address, etc.) who can be contacted with respect to the User comments;</u> <u>(b) the reasons why the User believes the User comments should be incorporated; and</u>

No	Subject	Terms
		<p>(c) any documentation (analyses, reports, etc.) to support the request.</p> <p><u>6.3</u> 4.3 InBefore preparing the final version of any SupplementaryIndustrial Procedure or Proposed Industrial Procedure, the T&SCo shall <u>convene a meeting with Users in order to discuss any User comments provided in accordance with paragraph 6.1, the date of which shall be communicated to Users with not less than 10 Business Days' notice.</u></p> <p><u>6.4</u> <u>In preparing the final version of any Industrial Procedure or Proposed Industrial Procedure, the T&SCo shall:</u></p> <p>(a) give reasonable consideration to any comments provided by a User pursuant to <u>paragraphs 6.1 and 6.3; and</u></p> <p>(b) <u>prepare a report to be circulated to all Users collectively prior to delivery of the final version of the Industrial Procedure or Proposed Industrial Procedure pursuant to</u> paragraph 4.1; and<u>6.6 detailing:</u></p> <p>(i) <u>where the T&SCo has taken on board or incorporated any comments provided by Users pursuant to paragraphs 6.1 and 6.3; and/or</u></p> <p>(ii) (b) where the T&SCo does not take on board or incorporate any comments provided by a User pursuant to paragraph<u>paragraphs 6.1 and 6.3,</u> provide an explanation to the User of the reasons for this decision.</p> <p><u>6.5</u> 4.4 For the avoidance of doubt, it shall be reasonable for the T&SCo to not incorporate comments made by a User in relation to a draft Supplementary<u>Industrial Procedure or Proposed</u> Industrial Procedure where such comments, if incorporated, would affect the safe operation of the T&S Network.</p> <p><u>6.6</u> 4.5 Subject to paragraph 6.2<u>8.2</u>, once all comments have been received and considered pursuant to the process set out in paragraph 4.3<u>paragraphs 6.1 to 6.5</u>, the T&SCo shall deliver to:</p> <p>(a) each User; and</p> <p>(b) the Authority,</p> <p>the final version of the SupplementaryIndustrial Procedure or Proposed Industrial Procedure, <u>as the case may be</u>, along with the proposed <u>implementation</u></p>

No	Subject	Terms
		<p>date<u>confirmation of the Implementation Date.</u></p>
<p>7. 5.</p>	<p>Revisions</p>	<p>5.1—The T&SCo may review and/or revise the Supplementary Industrial Procedures:</p> <p>(a) when the T&SCo considers it is necessary to do so;</p> <p>(b) upon request by a User; or</p> <p>(c) in order to resolve a dispute under paragraph 7<u>8</u>,</p> <p><u>7.2</u> provided that any such revision shall be subject to the procedure set out in paragraph 4<u>6</u>, and subject always to paragraph 5.2<u>7.2</u>.</p> <p><u>7.3</u> 5.2—The T&SCo shall not be required to follow the procedure set out in paragraph 4 in relation to revisions to Supplementary Industrial Procedures in the following circumstances<u>where any such revision is:</u></p> <p>(a) Note: It is expected there will be a limited list of circumstances whereby the T&SCo will be excused from consulting on changes to Supplementary Industrial Procedures of a routine nature;</p> <p>(b) <u>does not place new obligations onto Users; and</u></p> <p>(c) <u>does not have a material impact on a User's cost base, maintenance or other operational processes.</u></p> <p><u>7.4</u> 5.3—Revisions to the Core<u>list of</u> Industrial Procedures set out in Paragraph 3.1, shall be addressed <u>as a Self-Governance Modification Proposal</u> via the Modification Procedure in Section B (<i>Governance</i>).</p> <p><u>7.5</u> <u>Where a majority of Users consider that a revision made by the T&SCo in accordance with paragraph 7.1 should not have been made then such matter may be referred by the Users to dispute resolution in accordance with the provisions of paragraph 8 of Section B (Governance).</u></p>
<p>8. 6.</p>	<p>Disputes</p>	<p>8.1 6.1—Where:</p> <p>(a) a User comment provided pursuant to paragraphs 4.16.1 and 4.26.2 of this section was not included by T&SCo in the final Supplementary Industrial Procedure; and</p> <p>(b) a majority of Users considers that such comment should have been incorporated by the T&SCo,</p> <p>then such matter may be referred by the User who made the original comment to dispute resolution in accordance with the provisions of paragraph 8 of Section B</p>

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		<p>(Governance).</p> <p><u>8.2</u> 6.2 Where any matter is referred to dispute resolution under paragraph 6.18.1, the T&SCo shall not implement the Supplementary Industrial Procedure until such dispute has been resolved in accordance with the provisions of paragraph 8 of Section B (Governance).</p>

SECTION H: CHARGES, INVOICING AND PAYMENT

~~Various concepts set out in these indicative terms are likely to overlap with the provisions of the Licence and it may ultimately be the case that some of these indicative terms will instead be included in the Licence.~~

No	Subject	Terms
1.	Charges	<p>Payment of charges</p> <p>1.1 This Section H sets out the Charging Methodology deemed established by the T&SCos pursuant to the Licence for determining the Charges.</p> <p><i>Note: any changes to the Charging Methodology will need to be made in accordance with the Modification Rules in Section B.</i></p> <p><i>Note: There may also be some aspects of the Charging Methodology set out here is a generic Charging Methodology that applies to all T&S Networks. Its application to specific T&S Networks (see comments below in relation to Onshore Transportation Systems) will need to be considered further need to be addressed in the conditions of the Licence of T&SCo.</i></p> <p>1.2 The User agrees to pay to T&SCo the Charges calculated in accordance with this Section H.</p> <p><i>Note: the approach to capacity and Charges relating to carbon dioxide flows required during Commissioning is still being considered.</i></p> <p>1.3 The Charges shall be calculated on the basis of:</p> <ul style="list-style-type: none"> (a) the Onshore Flow Charge, calculated using the rate determined in accordance with paragraph 2.1; (b) the Offshore Flow Charge, calculated using the rate determined in accordance with paragraph 2.2; (c) the Onshore Capacity Charge, calculated using the rate determined in accordance with paragraph 3.1; (d) the Offshore Capacity Charge, calculated using the rate determined in accordance with paragraph 3.2; (e) the Onshore Network Charge, calculated using the rate determined in accordance with paragraph 4.1; and (f) the Offshore Network Charge, calculated using the rate determined in accordance with paragraph 4.5. <p><i>Note: it is intended that there will be separate Charges for each T&S Network. Also, where a T&S Network includes more than one distinct Onshore Transportation System, separate Charges will apply to each such distinct Onshore Transportation System.</i></p> <p>Flow Charges</p> <p>1.4 A User shall pay to deliver carbon dioxide to the T&S Network each Day on the following basis:</p>

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		<p>(a) an Onshore User shall pay:</p> <p>(i) the Onshore Flow Charge Rate multiplied by the User's Daily Quantity (the "Onshore Flow Charge"); and</p> <p>(ii) the Offshore Flow Charge Rate multiplied by the User's Daily Quantity (the "Offshore Flow Charge"); and</p> <p>(b) an Offshore User shall pay the Offshore Flow Charge Rate multiplied by the User's Daily Quantity (the "Offshore Flow Charge").</p> <p>Note: it is acknowledged that whether a User is an "Onshore User" or an "Offshore User" (see definitions) will have implications for the Charges payable by that User. Therefore the boundary between the Onshore Transportation System and the Offshore Transportation and Storage System is an issue that is still being further considered.</p> <p>1.5 A User's "Daily Quantity" is the quantity of carbon dioxide that the User delivers <u>each Day</u> at the Delivery Point expressed in tCO₂/Day;<u>;</u></p> <p><u>(a)</u> as measured in accordance with Section F (<i>Network design and specification</i>); <u>and</u></p> <p><u>(b)</u> <u>as set out in the Processed Flow Meter Data Statement prepared by the CDS for each Billing Period.</u></p> <p>Capacity Charges</p> <p>1.6 A User shall pay for its Registered Capacity on the following basis:</p> <p>(a) an Onshore User shall pay:</p> <p>(i) the Onshore Capacity Charge Rate multiplied by the User's Registered Capacity (the "Onshore Capacity Charge"); and</p> <p>(ii) the Offshore Capacity Charge Rate multiplied by the User's Registered Capacity (the "Offshore Capacity Charge"); and</p> <p>(b) an Offshore User shall pay the Offshore Capacity Charge Rate multiplied by the User's Registered Capacity (the "Offshore Capacity Charge").</p> <p>1.7 A User's "Registered Capacity" is as defined in Section E (<i>Network use and capacity allocation</i>).</p> <p>1.8 Unless otherwise provided in this Code or agreed, the Capacity Charges shall be payable by a User irrespective of whether the User utilises its Registered Capacity by delivering carbon dioxide at its Delivery Point.</p> <p>Note: <i>send or pay principle applies to Capacity Charges but not Flow Charges.</i></p>

No	Subject	Terms
		<p>1.9 A new User connecting to the T&S Network shall not be liable to pay for its Registered Capacity until Commissioning has been completed in accordance with its Construction Agreement.</p> <p><i>Note: as noted above, details of the arrangements relating to flows of carbon dioxide during Commissioning are to be confirmed.</i></p> <p>Network Charges</p> <p>1.10 A User shall pay charges in respect of <u>certain residual</u> amounts of <u>the proportion of the</u> Allowed Revenue which will<u>is recoverable from the User, but which is</u> not be recovered under the Flow Charges or Capacity Charges but which are recoverable from Users, on the following basis:</p> <p>(a) an Onshore User shall pay:</p> <p>(i) the Onshore Network Charge Rate multiplied by the User's Delivery Point Size ("Onshore Network Charge"); and</p> <p>(ii) the Offshore Network Charge Rate multiplied by the User's Delivery Point Size ("Offshore Network Charge"); and</p> <p>(b) an Offshore User shall pay the Offshore Network Charge Rate multiplied by the User's Delivery Point Size (the "Offshore Network Charge").</p> <p>1.11 A User's "Delivery Point Size" is the physical size of the, in relation to a User's Delivery Point, the maximum possible throughput of carbon dioxide at that Delivery Point connecting, based on the User's Facility to the T&S Network<u>installed assets</u>, as set out in the <u>User's</u> Connection Agreement, expressed in tCO₂/hour.</p> <p>Charges relating to the Storage Complex</p> <p>1.12 For the avoidance of doubt, the Offshore Capacity Charge, the Offshore Flow Charge and the Offshore Network Charge cover any costs relating to the Storage Complex.</p> <p><u>Onshore Users and Offshore Users</u></p> <p><u>1.13 When a prospective User applies for a connection under Section C, T&SCo shall determine, in accordance with the Code, whether the User is an Onshore User or an Offshore User, and this shall be recorded in the User's Connection Agreement.</u></p>
2.	Charging Methodology – Flow Charges	<p>Onshore Flow Charge Rate</p> <p>2.1 The Onshore Flow Charge Rate for a Charging Year is calculated as follows:</p> $\frac{AOnFRt}{TFOnFt}$

No	Subject	Terms
		<p>where:</p> <p>(a) "AOnFR_t" is the "Allowed Onshore Flow Revenue" being the amount allowed for Variable Opex for the Onshore Transportation System within the determination of the Allowed Revenue under the Licence for the Charging Year; and</p> <p><i>Note: these costs are intended to be those costs that reflect the operational costs imposed by a User in using the Onshore Transportation System to transport and store each unit of carbon dioxide.</i></p> <p>(b) "TFO_nF_t" is the total forecast flow of carbon dioxide to be delivered to and transported through the Onshore Transportation System in the Charging Year using the forecasts provided by Users in accordance with paragraph 5,</p> <p>expressed as £[x]/tCO₂.</p> <p>Offshore Flow Charge Rate</p> <p>2.2 The Offshore Flow Charge Rate for a Charging Year is calculated as follows:</p> $\frac{AOFFR_t}{TFOF_t}$ <p>where:</p> <p>(a) "AOFFR_t" is the "Allowed Offshore Flow Revenue" being the amount allowed for Variable Opex for the Offshore Transportation and Storage System within the determination of the Allowed Revenue under the Licence for the Charging Year; and</p> <p><i>Note: these costs are intended to be those costs that reflect the operational costs imposed by a User in using the Offshore Transportation and Storage System to transport and store each unit of carbon dioxide.</i></p> <p>(b) "TFOF_t" is the total forecast flow of carbon dioxide to be delivered to and transported through the Offshore Transportation and Storage System in the Charging Year using the forecasts provided by Users in accordance with paragraph 5,</p> <p>expressed as £[x]/tCO₂.</p>
3.	Charging Methodology – Capacity Charges	<p>Onshore Capacity Charge Rate</p> <p>3.1 The Onshore Capacity Charge Rate for a Charging Year is calculated as follows:</p> $\frac{AOnCR_t}{MRCEOn_t}$

No	Subject	Terms
		<p>where:</p> <p>(a) "AOnCRt" is the "Allowed Onshore Capacity Revenue" being the amount allowed for Depreciation and WACC for the Onshore Transportation System within the determination of the Allowed Revenue under the Licence for the Charging Year; and</p> <p><i>Note: these costs are intended to be those capital costs that reflect the costs imposed by a User in reserving capacity in the Onshore Transportation System.</i></p> <p>(b) "MRCEOn_t" is the capacity of the Most Restricted Communal Element of the T&S Network for the relevant Charging Year expressed as tCO₂/hour,</p> <p>expressed as £[x]/tCO₂/hour.</p> <p>Offshore Capacity Charge Rate</p> <p>3.2 The Offshore Capacity Charge Rate for a Charging Year is calculated as follows:</p> $\frac{AOfCRt}{MRCEOf_t}$ <p>where:</p> <p>(a) "AOfCRt" is the "Allowed Offshore Capacity Revenue" being the amount allowed for Depreciation and WACC for the Offshore Transportation and Storage System within the determination of the Allowed Revenue under the Licence for the Charging Year; and</p> <p><i>Note: these costs are intended to be those capital costs that reflect the costs imposed by a User in reserving capacity in the Offshore Transportation and Storage System.</i></p> <p>(b) "MRCEOf_t" is the capacity of the Most Restricted Communal Element of the Offshore Transportation and Storage System for the relevant Charging Year expressed as tCO₂/hour,</p> <p>expressed as £[x]/tCO₂/hour.</p>
4.	Charging Methodology – Network Charges	<p><i>Note: the Network Charge is proposed to collect the remainder of a User's share of Allowed Revenue provided such charge does not exceed the relevant caps.</i></p> <p>Calculation of Onshore Network Charge Rate</p> <p>4.1 The Onshore Network Charge Rate for a Charging Year is calculated as follows:</p> $OnPNCr_t + OnMNCr_t$ <p>where:</p>

No	Subject	Terms
		<p>(a) "OnPNCR_t" is the "Onshore Proportionate Network Charge Rate" for the Charging Year calculated in accordance with paragraph 4.2; and</p> <p>(b) "OnMNCR_t" is the "Onshore Mutualised Network Charge Rate" for the Charging Year calculated in accordance with paragraph 4.3.</p> <p>Calculation of Onshore Proportionate Network Charge Rate</p> <p>4.2 The Onshore Proportionate Network Charge Rate is calculated as follows:</p> $\frac{AOnNCR_t}{OnNDP}$ <p>where:</p> <p>(a) AOnNCR_t is the Allowed Onshore Network Charge Revenue for the Charging Year being:</p> <p><i>Allowed Onshore Revenue for the Charging Year – AOnFR_t – AOnCR_t</i></p> <p>where:</p> <p>(i) the Allowed Onshore Revenue for the Charging Year is the amount of Allowed Revenue for the Onshore Transportation System affirmed<u>as determined</u> by the Authority <u>in accordance with T&SCo's Licence</u>;</p> <p>Note: the Allowed Revenue will be affirmed by the Authority in accordance with the T&SCo's licence and will include mutualisation from year t-2 for underutilisation and bad debt.</p> <p>(ii) "AOnFR_t" has the meaning given in paragraph 2.1(a);</p> <p>(iii) "EAOnCR_t" is the amount of Allowed Onshore Capacity Revenue expected to be recovered from Users on the basis of total Registered Capacity calculated as follows: <u>"AOnCR_t" has the meaning given in paragraph 3.1(a).</u></p> <p>where:</p> <p>(A) "OnCC_t" is the Onshore Capacity Charge Rate for the Charging Year calculated in accordance with paragraph 3.1; and</p> <p>(B) "TFOncR_t" is the total Registered Capacity in the Onshore Transportation System in the Charging Year; and</p> <p>Note: the difference in fees on the basis of</p>

No	Subject	Terms
		<p><i>actual Registered Capacity and the fees actually recovered will form part of the adjustments to determine the Allowed Revenue in Year t+2, pursuant to T&SCo's Licence.</i></p> <p>Note: <i>the Capacity Charges for Year t will be calculated on the basis of actual Registered Capacity. Because capacity will only be allocated during annual Capacity Application Windows through a "Selection Process" (see Section E), it will not need to be forecast for Year t.</i></p> <p>(b) "OnNDP" is the aggregate <u>size of the Delivery Point Sizes</u> of Delivery Points to the Onshore Transportation System that the Onshore Transportation System can accommodate, where the aggregate <u>size of the Delivery Point Sizes</u> of Delivery Points to the Onshore Transportation System that the Onshore Transportation System can accommodate is equal to MRCE_{On,t}<u>MRCE_{On,t}</u> when there are no interruptible or flexible connection agreements,</p> <p>expressed as £[x]/tCO₂/hour.</p> <p>Calculation of Onshore Mutualised Network Charge Rate</p> <p>4.3 The Onshore Mutualised Network Charge Rate for a Charging Year is the lesser of the Onshore Network Charges Cap and the amount calculated as follows:</p> $\frac{UAOnRt}{OnUDPt}$ <p>where:</p> <p>(a) "UAOnNCR<u>UAOnR_t</u>" is the Allowed Onshore Network Charge Revenue for the Charging Year which will not be recovered through the application of the <u>Onshore Flow Charge, the Onshore Capacity Charge and the</u> Onshore Proportionate Network Charge Rate, to be calculated as follows:</p> $AOnRt - AOnFRt - (OnCCt \times TFO nRct) - (OnPNCRt \times OnUDPt)$ <p>where:</p> <p>(i) "AOnNCR<u>AOnR_t</u>" is the Allowed Onshore Network Revenue and has the meaning given in paragraph 4.2(a)(i);</p> <p>(ii) "<u>AOnFRt</u>" has the meaning given in paragraph 2.1(a);</p> <p>(iii) "<u>OnCCt</u>" is the <u>Onshore Capacity Charge Revenue Rate for the Charging Year</u> calculated in accordance with paragraph 4.2(a)<u>3.1</u>;</p> <p>(iv) "<u>TFO nRct</u>" is the <u>total Registered Capacity in the</u></p>

No	Subject	Terms
		<p style="text-align: right;"><u>Onshore Transportation System in the Charging Year;</u></p> <p>(v) (ii) "OnPNCR_t" is the Onshore Proportionate Network Charge Rate calculated in accordance with paragraph 4.2; and</p> <p>(vi) (iii) "OnUDP_t" is the aggregate size of the Delivery Point Sizes of UserUsers's Delivery Points to the Onshore Transportation System in the Charging Year,</p> <p>expressed as £[x]/tCO₂/hour.</p> <p>4.4 The Onshore Network Charges Cap is {insert proposed rate}. <u>equal to the Onshore Proportion of the Mutualisation Cap, where:</u></p> <p>Note: the total mutualisation cap will be based on the UK carbon price for each Charging Year. The source of the price, calculation process and split between onshore and offshore elements are to be developed.</p> <p>(a) <u>Onshore Proportion, expressed as a percentage, is calculated as follows:</u></p> $\frac{\text{Allowed Onshore Revenue for Charging Year } t}{\text{Allowed Revenue for Charging Year } t} \times 100$ <p>where the Allowed Onshore Revenue for the Charging Year is the amount of Allowed Revenue for the Onshore Transportation System as determined by the Authority in accordance with T&S Co's Licence; and</p> <p>(b) <u>Mutualisation Cap for Charging Year t means a cap, expressed in £[x]/tCO₂/hour, equal to the average of the daily average price observed for the March t-1, December t, and March t UK Emissions Trading Scheme futures contract (UKA Futures Contract), published by ICE Futures Europe, over the preceding three-month period.</u></p> <p>Calculation of Offshore Network Charge Rate</p> <p>4.5 The Offshore Network Charge Rate for a Charging Year is calculated as follows:</p> $OfPNCR_t + OfMNCR_t$ <p>where:</p> <p>(a) "OfPNCR_t" is the "Offshore Proportionate Network Charge Rate" for the Charging Year calculated in accordance with paragraph 4.6; and</p> <p>(b) "OfMNCR_t" is the "Offshore Mutualised Network Charge Rate" for the Charging Year calculated in accordance with paragraph 4.7.</p>

No	Subject	Terms
		<p>4.6 Calculation of Offshore Proportionate Network Charge Rate</p> $\frac{AOfNCR_t}{OfNDP}$ <p>where:</p> <p>(a) "AOfNCR_t" is the Allowed Offshore Network Charge Revenue for the Charging Year being:</p> $Allowed\ Offshore\ Revenue\ for\ the\ Charging\ Year - AOFR_t - AOfCR_t$ <p>where:</p> <p>(i) the Allowed Offshore Revenue for the Charging Year is the amount of Allowed Revenue for the Offshore Transportation and Storage System affirmed as determined by the Authority <u>in accordance with T&S Co's Licence</u>;</p> <p>Note: the Allowed Revenue will be affirmed by the Authority in accordance with the T&S Co's licence and will include mutualisation from year t-2 for underutilisation and bad debt.</p> <p>(ii) "AOFR_t" has the meaning given in paragraph 2.2(a);</p> <p>(iii) "EAOFCR_t" is the amount of Allowed Offshore Capacity Revenue expected to be recovered from Users on the basis of total forecast Registered Capacity calculated as follows: "AOFCR_t" <u>has the meaning given in paragraph 3.2(a).</u></p> <p>where:</p> <p>(A) "OfCC_t" is the Offshore Capacity Charge Rate calculated in accordance with paragraph 3.2; and</p> <p>(B) "TFOFCR_t" is the total Registered Capacity in the Offshore Transportation and Storage System in the Charging Year; and</p> <p>Note: <i>The difference in fees on the basis of actual Registered Capacity and the fees actually recovered will form part of the adjustments to determine the Allowed Revenue in Year t+2 <u>pursuant to T&S Co's Licence.</u></i></p> <p>(b) "OfNDP" is the aggregate <u>size of the Delivery Point Sizes</u> of Delivery Points to the Offshore Transportation and Storage System that the T&S Network could<u>can</u> accommodate, where the aggregate <u>size of the Delivery Point Sizes</u> of Delivery Points to the Offshore Transportation and Storage System that the Offshore Transportation and Storage System can accommodate</p>

No	Subject	Terms
		<p>is equal to MRCEOft when there are no interruptible or flexible connection agreements,</p> <p>expressed as £[x]/tCO₂/hour.</p> <p>Calculation of Offshore Mutualised Network Charge Rate</p> <p>4.7 The Offshore Mutualised Network Charge Rate for a Charging Year is the lesser of the Offshore Network Charges CapCap and the amount calculated as follows:</p> $\frac{UAOfRt}{OfUDPt}$ <p>where:</p> <p>(a) "UAOfRR_tUAOfRt" is the Allowed Offshore Network Charges Revenue for the Charging Year which will not be recovered through the application of the <u>Offshore Flow Charge, the Offshore Capacity Charge and the</u> Offshore Proportionate Network Charges <u>Rate, to be calculated as follows:</u></p> $AOfRt - AOfFRt - (OfCct \times TFOfRct) - (OfPNCRt \times OfUDPt)$ <p><u>where:</u></p> <p>(i) <u>"AOfRt" is the Allowed Offshore Revenue calculated in accordance with 4.6(a)(i);</u></p> <p>(ii) <u>"AOfFRt" has the meaning given in paragraph 2.2(a);</u></p> <p>(iii) <u>"OfCct" is the Offshore Capacity Charge Rate to be for the Charging Year calculated as follows: in accordance with paragraph 3.2;</u></p> <p>where:</p> <p>(i) —</p> <p><u>"AOfNCR_t</u>TFOfRct" is the Allowedtotal Registered Capacity in the Offshore Network Charges Revenue calculated in accordance with 4.2(a)Transportation System in the Charging Year;</p> <p>(iv) (ii)"OfPNCR_t" is the Offshore Proportionate Network Charges Rate calculated in accordance with paragraph 4.6; and</p> <p>(v) (iii)"OfUDPt" is the aggregate sizeof the UserDelivery Point Sizes of the Users's Delivery Points to the Onshore Transportation System and the Offshore Transportation and Storage System in the Charging Year,</p>

No	Subject	Terms
		<p>expressed as £[x]/tCO₂/hour.</p> <p>4.8 The Offshore Network Charges Cap is [insert proposed rate] <u>equal to the Offshore Proportion of the Mutualisation Cap, where:</u></p> <p>Note: the total mutualisation cap will be based on the UK carbon price for each Charging Year. The source of the price, calculation process and split between onshore and offshore elements to be developed.</p> <p>(a) <u>Offshore Proportion</u>, expressed as a percentage, is calculated as follows:</p> $\frac{\text{Allowed Offshore Revenue for Charging Year } t}{\text{Allowed Revenue for Charging Year } t} \times 100$ <p><u>where the Allowed Offshore Revenue for the Charging Year is the amount of Allowed Revenue for the Offshore Transportation and Storage System as determined by the Authority in accordance with T&SCo's Licence; and</u></p> <p>(b) <u>Mutualisation Cap</u> for Charging Year t means a cap, expressed in £[x]/tCO₂/hour, equal to the average of the daily average price observed for the March t-1, December t, and March t UK Emissions Trading Scheme futures contract (UKA Futures Contract), published by ICE Futures Europe, over the preceding three-month period.</p>
5.	Charging Methodology: forecasting	<p>5.1 T&SCo will use forecasts provided by Users in relation to:</p> <p>(a) the mass of carbon dioxide to be delivered to the T&S Network through the User's Delivery Point; and</p> <p>(b) the User's expected and/or booked Registered Capacity;</p> <p>to calculate the Charges, in accordance with the Charging Methodology, for each Year (Year t).</p> <p>Note: it is intended that the administrative burden of providing information under different provisions of the Code is to be minimised to the extent possible, and is therefore still under review.</p> <p>5.2 By 1 October of Year t-1, T&SCo shall send the Forecasting Pro Forma to Users.</p> <p>5.3 Users shall:</p> <p>(a) complete the Forecasting Pro Forma by providing the required information for Year t, Year t+1 and Year t+2; and</p> <p>(b) send the completed Forecasting Pro Forma to T&SCo by 31 October of Year t-1.</p> <p>Notes:</p> <p>forecasts for Years t+1 and t+2 will be used to provide Users</p>

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		<p>with estimates of the rates to apply in those years. However, as there will be a single annual capacity booking available – the annual Capacity Application Window – a new set of charges rates based on actual Registered Capacity will be able to be calculated Year t+1 ahead of that Charging Year;</p> <ul style="list-style-type: none"> • it is assumed that T&SCo's obligations relating to sending information to the Authority and related matters will be dealt with in the licence conditions; and • forecast requirements to be reconciled with other forecasting/information sharing requirements as the Code develops to limit duplication/potential inconsistencies. <p>5.4 Users shall use reasonable endeavours to provide accurate forecasts when providing information to T&SCo under this paragraph 5 and all such forecasts must be provided on a bona fide basis.</p> <p>5.5 Users shall respond promptly to any queries from T&SCo regarding such forecasts.</p>
6.	Preparation and publication of Charges Statement	<p>6.1 For any Charging Year (Year t), T&SCo shall prepare a statement of the rates for each of the Charges that apply in Year t, as calculated in accordance with the Charging Methodology ("Charges Statement").</p> <p>6.2 The Charges Statement shall be prepared using a template approved by the Authority.</p> <p>6.3 The Charges payable by Users during each Charging Year shall be calculated by reference to the rates set out in the Charges Statement published by T&SCo in accordance with its Licence and this paragraph 6.</p> <p><i>Note: it is only the rates for calculating the Charges that will be publicly published. The Charges Statement will not include the actual Charges payable by individual Users.</i></p> <p>6.4 T&SCo shall prepare and publish the Charges Statement by 30 November of <u>Charging</u> Year t-1.</p> <p><u>6.5 T&SCo shall also prepare and publish a draft Charges Statement for Charging Years t+1 and t+2, by 30 November of Charging Year t-1, which shall:</u></p> <ul style="list-style-type: none"> <u>(a) set out estimates of the rates for each of the Charges that apply in Charging Years t+1 and t+2, as calculated in accordance with the Charging Methodology; and</u> <u>(b) be subject to revision and is being provided to Users for information purposes only.</u>
7.	Required Security	<p>7.1 The User must provide the Required Security by 31 January of each year and thereafter maintain the Required Security.</p> <p><i>Note: the obligation to maintain the security shall include the</i></p>

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		<p><i>circumstances in which T&SCo has had recourse to the existing security (i.e. the User is required to replace the security in such circumstances).</i></p> <p>7.2 The "Required Security" shall be a:</p> <p>(a) Letter of Credit; or</p> <p>(b) Deposit Deed,</p> <p>which:</p> <p>(c) is for the value of the aggregate of the forecast two highest value Invoice Documents for the relevant Charging Year; and</p> <p>(d) provides for the rights of T&SCo required by paragraph 12.</p> <p>7.3 If at any time a User fails to comply with paragraph 7.1 T&SCo may issue a notice ("Security Default Notice") requiring the User to rectify such non-compliance within 5 Business Days.</p> <p>7.4 Where a User has not rectified its non-compliance within 5 Business Days of its receipt of a Security Default Notice T&SCo shall be entitled to reject or refuse to accept all or any of the following by the relevant User:</p> <p>(a) delivery of carbon dioxide at the User's Delivery Point; or</p> <p>(b) an application for Registered Capacity or increased Registered Capacity at any Delivery Point under Section E (<i>Network use and capacity</i>),</p> <p>with effect until such time as the relevant User has provided the Required Security.</p> <p>7.5 A User shall remain liable to pay any Capacity Charges and Network Charges during any period in which paragraph 7.4 applies.</p>
8.	Meter- readings <u>Issue of Invoice Document</u>	<p><u>8.1 The parties agree and acknowledge that T&SCo shall use the Processed Flow Meter Data set out in the Processed Flow Meter Data Statement, prepared by the CDS in accordance with the CDS Contract, for the purposes of calculating the Onshore Flow Charge and the Offshore Flow Charge.</u></p> <p><u><i>Note: provision will be made for fixed decimalisation and rounding in the CDS Contract and the Data Transfer Procedures. This is subject to determining the levels of metering accuracy.</i></u></p> <p><u>8.2 8.1 Within three<u>ten</u> (3<u>10</u>)Business Days] of the last Day of a Billing Period, T&SCo must <u>submit to each User:</u></u></p> <p><u>(a) the Processed Flow Meter Data Statement, setting out the Processed Flow Meter Data which:</u></p> <p><u>(i) (a) provide the meter reading ofrelates to the actual mass of carbon dioxide delivered by each<u>the</u> User into</u></p>

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		<p>the T&S Network during that Billing Period ("User's Meter Reading") to the Authority and the relevant User; and; <u>and</u></p> <p>(ii) <u>has been used to calculate the Onshore Flow Charge and the Offshore Flow Charge (if applicable) payable by the User in relation to that Billing Period; and</u></p> <p>(b) submit the Invoice Documents to the User.</p> <p>Note: provision will be made for fixed decimalisation and rounding. This is subject to determining the levels of metering accuracy<u>Document.</u></p> <p>Note: the obligations relating to the provision of meter readings will be reviewed once issues relating to metering arrangements have been further considered and developed. timing for the issue of the Invoice Document remains subject to review in the context of both the CDS Contract process and User Requirements.</p> <p><u>8.3 Where a User delivers carbon dioxide at more than one Delivery Point then T&SCo shall issue to that User a separate Invoice Document in relation to each Delivery Point.</u></p>
9.	Invoicing <u>Content of Invoice Document</u>	<p>9.1 For each Billing Period, T&SCo will submit an<u>the</u> Invoice Document submitted by T&SCo to the<u>each</u> User <u>under paragraph 8.2 shall</u> separately identifying the <u>following</u>:</p> <ul style="list-style-type: none"> (a) Onshore Flow Charge (if applicable); (b) Onshore Capacity Charge (if applicable); (c) Onshore Network Charge (if applicable); (d) Offshore Flow Charge; (e) Offshore Capacity Charge; (f) Offshore Network Charge; and (g) any other charges or amounts that may become due and payable under the Code or any Ancillary Agreement. <p>9.2 Each Invoice Document will<u>shall be issued on T&SCo letterhead and shall</u> specify:</p> <ul style="list-style-type: none"> (a) the identity of the User; <u>(b) the Delivery Point to which the Invoice Document relates;</u> <u>(c) (b)</u> the Billing Period to which the Invoice Document relates; <u>(d) (e)</u> the Invoice Amount; <u>(e) (d)</u> the unique number by which the Invoice Document may

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		<p>be identified; and</p> <p>(f) (e) the amount of VAT (if any) payable;</p> <p>(g) <u>the VAT registration number of both the User and T&SCo;</u></p> <p>(h) <u>the date of the Invoice Document;</u></p> <p>(i) <u>the credit terms and beneficiary bank details; and</u></p> <p>(j) <u>the currency of the Invoice Amount</u></p> <p>9.3 An Invoice Document may contain an adjustment by way of a credit <u>or a debit</u> in respect of:</p> <p>(a) an Invoice Amount in another Invoice Document; and</p> <p>(b) any other amount which is agreed or determined to be payable by a User to T&SCo or by T&SCo to a User under or in connection with this Code.</p> <p><u>9.4 Any amounts payable by T&SCo to a User under or in connection with this Code, as set out in paragraph 9.3(b), shall be paid by way of an adjustment to the next Invoice Document due to be submitted after the amount becomes payable, and where any balance is still payable to the User, then that amount shall be paid by T&SCo to the User when that amount is due or at the same time as the Invoice Document is submitted to the User, whichever is the later.</u></p> <p><u>9.5</u> 9.4 Invoice Documents will be submitted to Users by [details of invoicing platform to be inserted].</p> <p>Note: platform for submission of invoices to be confirmed <u>through the T&S Network Portal.</u></p> <p><u>9.6</u> 9.5 All amounts expressed as payable pursuant to the Code shall be exclusive of VAT (unless expressly stated otherwise).</p>
10.	Invoice payment	<p>10.1 The Invoice Amount under the Invoice Document shall be paid (by the User to T&SCo or by T&SCo to the User): <u>:</u></p> <p>(a) on or before the Invoice Due Date; <u>and</u></p> <p>(b) <u>by wire transfer of immediately available funds.</u></p> <p>10.2 The Invoice Due Date shall be the date falling [twenty thirty-five (2035)] Business <u>thirty-five (2035)] Business</u> Days after the date of receipt <u>end</u> of the relevant <u>Billing Period to which the</u> Invoice Document <u>relates.</u></p> <p>Note: the time period for payment of the invoice once it is received by the User is under review.</p> <p>10.3 Amounts payable under the Code shall be paid:</p> <p>(a) free and clear of any restriction, reservation or condition; and</p> <p>(b) except to the extent (if any) required by law, without</p>

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		deduction or withholding in respect of tax or on account of any amount due or to become due to the paying party, whether by way of set off counterclaim or otherwise, <u>other than by way of adjustment as set out in paragraph 9.3(b) and 9.4.</u>
11.	Invoice Disputes and amended Invoice Documents	<p>Note: provisions relating to invoice queries and disputes are to be developed. Resolution of Invoice Disputes</p> <p><u>11.1 For the purposes of this Section H an "Invoice Dispute" is any question or dispute as to the proper calculation of any amount shown as payable by a User under an Invoice Document or as to whether any such amount is or was properly payable, where that question or dispute is not a CDS Data Dispute or in relation to a Flow Meter Error.</u></p> <p><u>11.2 References to the amount of an Invoice Dispute are to the amount by which the User submitting the Invoice Dispute considers the Invoice Amount to be incorrect.</u></p> <p><u>11.3 Where an Invoice Dispute has been raised:</u></p> <p><u>(a) the User shall provide to T&SCo in writing all relevant details of the Invoice Dispute, including the amount of the Invoice Dispute; and</u></p> <p><u>(b) T&SCo and the relevant User will endeavour to resolve the Invoice Dispute by agreement.</u></p> <p><u>11.4 Without prejudice to any obligation of Users pursuant to this Section, T&SCo agrees that it will make available such resources as are in its reasonable opinion reasonably adequate to deal reasonably promptly with the Invoice Dispute.</u></p> <p><u>11.5 Where a User raises an Invoice Dispute it shall pay the amount of the Invoice Dispute on the Invoice Due Date notwithstanding the Invoice Dispute.</u></p> <p><u>11.6 Where the parties are unable to resolve the Invoice Dispute within 30 Days of the Invoice Dispute being raised, the parties shall refer to Invoice Dispute for resolution by Expert Determination in accordance with Section B.</u></p> <p><u>11.7 As soon as reasonably practicable after any Invoice Dispute is resolved, and in any event within 20 Business Days, T&SCo will prepare and submit to the relevant User an appropriate Invoice Document in respect of the amount (if any) agreed or determined to be payable or repayable by T&SCo or the relevant User, in accordance with paragraph 8 of this Section H.</u></p> <p>Consequences of resolution of Flow Meter Errors and CDS Data Disputes</p> <p><u>11.8 Where:</u></p> <p><u>(a) a CDS Data Dispute has been finally resolved in accordance with Expert Determination under Paragraph 9 of Section B.</u></p>

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		<p><u>(Governance); or</u></p> <p><u>(b) a Flow Meter Error has been finally resolved in accordance with Section F (Network design and specification).</u></p> <p><u>T&SCo shall instruct the CDS to re-process the applicable data (including any new data provided pursuant to paragraphs 6.3, 7.1 or 7.2 of Section F) for the relevant Billing Period and re-issue the Processed Flow Meter Data Statement for the relevant Billing Period(s) within ten (10) Business Days of being notified of the outcome of the CDS Data Dispute or the Flow Meter Adjustment, as the case may be.</u></p> <p><u>11.9 Upon being re-issued with a Processed Flow Meter Data Statement pursuant to paragraph 11.8, T&SCo shall, within 10 Days, re-submit the Invoice Document(s) to the User in accordance with Paragraph 8 of Section H.</u></p> <p><u>Payment of Invoice Amounts which may be impacted by another dispute</u></p> <p><u>11.10 Where a User considers that the Invoice Amount payable under an Invoice Document may be incorrect because of matters which are the subject of a CDS Data Dispute or because of a Flow Meter Error, the User shall pay the Invoice Amount on the Invoice Due Date notwithstanding the CDS Data Dispute or the alleged Meter Flow Error (as the case may be).</u></p>
12.	Late payment	<p>12.1 Where any amount payable under an Invoice Document is not paid on or before the 5th Business Day after the Invoice Due Date, T&SCo shall be entitled to issue a notice of demand for payment of the outstanding amount ("Late Payment Notice").</p> <p>12.2 Where a party has not made payment of an amount the subject of a Late Payment Notice within five (5) Business Days of such Late Payment Notice:</p> <p>(a) without prejudice to any other rights of T&SCo under the Code, T&SCo shall be entitled to reject or refuse to accept all or any of the following by the relevant User:</p> <p>(i) delivery of carbon dioxide at the User's Delivery Point; or</p> <p>(ii) an application for Registered Capacity or increased Registered Capacity at any Delivery Point under Section E (<i>Network use and capacity</i>),</p> <p>with effect from the day after the due date for payment until such time as the relevant User has paid the amount due for payment in full; and</p> <p>(b) T&SCo shall be entitled to have recourse to the Required Security.</p> <p>Note: it is expected that the Licence will require a T&SCo to</p>

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		<p style="text-align: center;">access the late paying User's collateral before accessing the bad debt allowance.</p> <p>12.3 A User shall remain liable to pay Capacity Charges and Network Charges during any period in which paragraph 12.2 applies.</p> <p>12.4 Where any amount payable under an Invoice is not paid on or before the Invoice Due Date, the User shall pay interest, after as well as before judgment, at the Applicable Interest Rate, on the unpaid amount from the Invoice Due Date until the Day on which payment is made.</p> <p>12.5 The "Applicable Interest Rate" is the rate of interest, expressed as a percentage rate per annum, payable in respect of amounts overdue for payment, or subject to repayment, under the Code.</p> <p>12.6 The Applicable Interest Rate shall be the rate of interest set for the relevant period as the statutory interest rate for the purposes of the Late Payment of Commercial Debts (Interest) Act 1998.</p>

SECTION I: GENERAL

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1.	Information-sharing	<p>1.1 — Where any provision of the Code requires or entitles a T&SCo (or the T&SCos) to "publish" any information or document, the T&SCo will provide such information or document to each Party, any other person to whom the T&SCo may (pursuant to its Licence or any other Legal Requirement or any provision of the Code) be required to provide such information and (subject to any confidentiality restrictions under the Code) such other persons as the T&SCo shall think fit.</p>
2.	Categories of Data	<p>User-Specific Data</p> <p>2.1 — In this Section, "User-Specific Data" means all data:</p> <p>(a) — held by a T&SCo in relation to a specific User, including:</p> <ul style="list-style-type: none"> (i) — User's Maximum Eligible Capacity; (ii) — User's Registered Capacity; (iii) — accepted and rejected Nominations; (iv) — invoices; (v) — metered quantities; (vi) — outages affecting specific Users; (vii) — information required to be provided by the User to a Support Contract counterparty (pursuant to its Support Contract) or any other body pursuant to legal requirements; and (viii) — User's Measurement Equipment; (ix) — User Type; and (x) — User contact details. <p>(b) — held by a User about User networks including:</p> <ul style="list-style-type: none"> (i) — details of planned maintenance/outages in relation to User facilities; (ii) — forecast flow data; (iii) — actual flow data; (iv) — nominations; (v) — capacity bookings; and (vi) — any information which is required to be

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		<p>provided by T&SCo to the Authority (pursuant to its licence), the North Sea Transition Authority (pursuant to its licence/permit) or any other body pursuant to legal requirements.</p> <p>Measurement Data</p> <p>2.2 In this section, "Measurement Data" means all data generated by Measurement Equipment installed pursuant to paragraph 5 of Section F which is not User Specific Data.</p> <p>CCS Network Data</p> <p>2.3 In this Section, "CCS Network Data" means all data related to the CCS Network which is not User Specific Data or Measurement Data.</p>
3.	Access to Data	<p>Data Transfer Procedures</p> <p>3.1 Each T&SCo shall establish, document, implement and maintain written procedures to address exchange of and access to User Specific Data and Measurement Data between the T&SCo and Users ("Data Transfer Procedures").</p> <p>3.2 The Users and each T&SCo shall be required to comply with the Data Transfer Procedures.</p> <p>3.3 The Data Transfer Procedures shall, as a minimum cover the following in relation to different User Specific Data and Measurement Data:</p> <ul style="list-style-type: none"> (a) methods of data acquisition (e.g. SCADA, email accounts, web based platforms etc); (b) template format for data provision and reporting; (c) minimum data transfer intervals; (d) level of granularity within datasets; (e) naming protocols for specific datasets; (f) means of transfer (e.g. email, telemetry etc) <p>3.4 The Data Transfer Procedures shall comply with the requirements for format, naming, and minimum transfer intervals in relation to the User Specific Data and the Measurement Data set out in Annexure A.</p> <p>Note: These provisions are intended to provide flexibility for individual T&SCos to formulate their own detailed data acquisition and storage procedures but to</p>

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		<p>provide a level of uniformity across the Network in relation to certain data sets which will need to meet the requirements of a number of different stakeholders.</p> <p>3.5 Any revisions or amendments to the Data Transfer Procedures will be implemented by T&SCo upon reasonable notice to enable each User to adjust its systems (if required).</p> <p>CCS Network Data</p> <p>3.6 Each T&SCo shall procure that amongst others, the following CCS Network Data is accessible to Users at all times via the Network Capacity Portal, subject to operational availability, and in case of its unavailability the T&SCo shall endeavour to provide this information by other means available to the T&SCo:</p> <ul style="list-style-type: none"> (a) existing connections and new connections applications; (b) Network Capacity available (in accordance with the requirements of paragraph 3.2 of Section E (network use and capacity)); (c) annual Maintenance Programme; (d) information on Capacity Constraints (in accordance with the requirements of paragraph 12.1(a) of Section E (network use and capacity)); (e) network expansion and development information; (f) process and timelines for capacity releases; (g) aggregate Registered Capacity of all Users; (h) daily aggregate physical flow (gross); (i) aggregate metered quantities of all Users per calendar month; (j) Charges; (k) certain historic data in respect of the above. <p>3.7 The publication of CCS Network Data in accordance with paragraph 3.6 shall comply with the formatting and frequency requirements set out in Annexure B.</p>
4.	Storage of Data	<p>4.1 Each T&SCo shall keep records of all relevant data and information, including information as listed in Annexure</p>

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		C, for at least ten (10) years.
5.	Data-ownership	<p>5.1 Subject to paragraph 5.2(a), all data which is processed by a T&SCo shall belong for the purposes of the Code to the T&SCo which owns or operates the T&S Network (or part of the T&S Network) to which such data relates; and subject to paragraph 5.3 T&SCo may, but without prejudice to paragraph 7 or any other requirement of the Code, use and deal with such data as it thinks fit.</p> <p>5.2 Where pursuant to the Code a User provides or arranges for the provision of data to a T&SCo:</p> <p style="padding-left: 40px;">(a) such data (as provided to T&SCo by the User) shall belong to the User;</p> <p>5.3 the User hereby grants to T&SCo (its successors, assigns, agents and contractors) a perpetual, non-exclusive, royalty free licence (which shall survive the User Discontinuance Date) in respect of such data and all intellectual rights therein to use, copy, adapt and deal with such data for the purposes of performance and implementation of the Code and for other purposes contemplated by the Code, but not otherwise.</p>
6.	Liability	<p>6.1 Save as expressly provided elsewhere in the Code, no Party shall have any liability to any other Party in the event that any data or information exchanged or provided pursuant to this Code is found to be inaccurate, in the absence of wilful misconduct by the Party providing such information or data.</p>
7.	Information and confidentiality	<p>T&SCo obligation</p> <p>7.1 T&SCo shall ensure that Protected Information is not:</p> <p style="padding-left: 40px;">(a) disclosed to any person other than:</p> <p style="padding-left: 80px;">(i) an officer or employee of T&SCo who is required to have access to the information to carry out their duties; or</p> <p style="padding-left: 80px;">(ii) a professional adviser of or consultant to the T&SCo; or</p> <p style="padding-left: 80px;">(iii) operators appointed by the T&SCo to operate the T&S network.</p> <p style="padding-left: 40px;">(b) used by T&SCo for any purpose other than carrying its activities in relation to the T&S Network in accordance with the Code and the Licence.</p>

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		<p style="text-align: center;">User obligation</p> <p>7.2 Each User shall ensure that Protected Information is not:</p> <p style="padding-left: 40px;">(a) disclosed to any person other than:</p> <p style="padding-left: 80px;">(i) an officer or employee of the User who is required to have access to the information to carry out their duties; or</p> <p style="padding-left: 80px;">(ii) a professional adviser of or consultant to that User; or</p> <p style="padding-left: 40px;">(b) used by such User for any purpose other than one expressly contemplated by the Code or any Ancillary Agreement to which such User is party.</p> <p style="text-align: center;">Protected Information</p> <p>7.3 In this section "Protected Information" means:</p> <p style="padding-left: 40px;">(a) for the purposes of the T&SCo's obligations under paragraph 7.1:</p> <p style="padding-left: 80px;">(i) any information relating to the affairs of a User which is obtained by T&SCo pursuant to or in the course of the negotiation, implementation or performance of the Code, the Code Agreement or any Ancillary Agreement to which that User is party;</p> <p style="padding-left: 80px;">(ii) the terms of any Ancillary Agreement;</p> <p style="padding-left: 40px;">(b) for the purposes of a User's obligations under paragraph 7.2:</p> <p style="padding-left: 80px;">(i) any information relating to the affairs of T&SCo or of another User which is obtained by the User pursuant to or in the course of the negotiation, implementation or performance of the Code, the Code Agreement or any Ancillary Agreement to which the User and (in relation to another User) that other User are party;</p> <p style="padding-left: 80px;">(ii) the terms of any Ancillary Agreement to which that User is party.</p> <p style="text-align: center;">Terms of permitted disclosure</p> <p>7.4 Where Protected Information is disclosed by T&SCo as permitted under paragraph 7.1(a) or by a User as permitted under paragraph 7.2(a), the Disclosing Party</p>

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		<p>shall (without prejudice to its obligations under paragraph 7.1 or 7.2) take all reasonable steps to secure that the person to whom the information is disclosed:</p> <p>(a) is aware of the Disclosing Party's obligations under paragraph 7.1 or 7.2 in relation thereto; and</p> <p>(b) does not use or disclose the information other than as is permitted for such Party in accordance with paragraph 7.1 or 7.2.</p> <p>Exceptions</p> <p>7.5 For the purposes of this section, "Disclosing Party" and "Protected Party" shall be construed as follows:</p> <p>(a) for the purposes of T&SCo's obligations under paragraph 7.1, the Disclosing Party is T&SCo and the Protected Party is the User to whose affairs any Protected Information relates;</p> <p>(b) for the purposes of a User's obligations under paragraph 7.2, the Disclosing Party is such User and the Protected Party is the Party (either T&SCo or another User) to whose affairs any Protected Information relates.</p> <p>7.6 Nothing in paragraph 7.1 or 7.2 shall apply:</p> <p>(a) to the disclosure or use by the Disclosing Party of Protected Information to which the Protected Party has consented in writing;</p> <p>(b) to any Protected Information which:</p> <p>(i) before it is obtained by the Disclosing Party is in the public domain; or</p> <p>(ii) after it is obtained by the Disclosing Party enters the public domain</p> <p>(iii) in either case otherwise than as a result of a breach by the Disclosing Party of its obligations under paragraph 7.1 or 7.2;</p> <p>(c) to the disclosure of any Protected Information to any person if and to the extent that the Disclosing Party is required to make such disclosure to such person:</p> <p>(i) in compliance with the duties of the Disclosing Party under the Act or any other requirement of a Competent</p>

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		<p style="text-align: center;">Authority; or</p> <p>(ii) in compliance with the conditions of the Licence held by the Disclosing Party or any document referred to in such Licence with which the Disclosing Party is required by virtue of the Act or such licence to comply; or</p> <p>(iii) in compliance with any other Legal Requirement; or</p> <p>(iv) in response to a requirement of any stock exchange or regulatory authority or the Panel on Take-overs and Mergers; or</p> <p>(v) pursuant to any judicial or other arbitral process or tribunal having jurisdiction in relation to the Disclosing Party;</p> <p>(d) to the disclosure of Protected Information to any lending or other financial institution proposing to provide or arrange the provision of finance to the Disclosing Party, where and to the extent that the disclosure of such information is reasonably required for the purposes of the provision or arrangement of such finance, and provided that the person to whom the information is disclosed undertakes in writing to and in terms reasonably satisfactory to the Protected Party to maintain the confidentiality of such information;</p> <p>(e) to the disclosure of any Protected Information to the Regulator, where the Disclosing Party considers in good faith that the Protected Party may be in breach of a condition of the Licence, to the extent reasonably necessary to draw such possible breach to the attention of the Regulator;</p> <p>(f) to the disclosure of any Protected Information to any person proposing to make a connection to the T&S Network, where and to the extent that the disclosure of such information is reasonably required for the purposes of supporting T&SCo's charges or requirement to allow such proposed connection to the T&S Network to be made and provided that the person to whom the information is to be disclosed is informed in writing of the confidentiality of such information and that prior to disclosure, such person has entered into a confidentiality agreement with T&SCo which prohibits use or disclosure of such Protected Information in terms no less onerous than those contained in this section.</p>

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		<p>Survival</p> <p>7.7 — The provisions of paragraphs 7.1 to 7.6 shall continue, for a period of three (3) years after the User Discontinuance Date, to bind a Discontinuing User and (as respects the Discontinuing User) T&SCo and each other User, notwithstanding that the Discontinuing User has ceased to be a User and irrespective of the reason for such cessation.</p> <p>Licence</p> <p>7.8 — Nothing in the Code, the Code Agreement or any Ancillary Agreement shall be construed as requiring T&SCo to disclose or use any information in breach of any requirement of T&SCo's Licence.</p>
8.	Specific disclosure requirements	<p>8.1 — Without prejudice to the generality of paragraph 7, the parties acknowledge that:</p> <p>Note: The code will include specific provisions dealing with disclosure of information to the NSTA, the LCCC, etc.</p>
9.	Notices and communications	<p>9.1 — Except where the means by which a particular Communication is to be given is specified in the Code, such Communication shall be given by Conventional Notice.</p> <p>Note: It is expected that different means may be required for particular technical notifications (eg capacity availability and capacity constraints)</p> <p>9.2 — References in this paragraph to "a notice" are to any Communication or other notice to be given by one Party to another under the Code or an Ancillary Agreement, other than one which is given as a [insert any special mode of communication for specific Communications (e.g. using an online portal system)] or by telephone.</p> <p>9.3 — Any notice shall be in writing and shall be addressed to the recipient Party at the recipient Party's address or e-mail address notified pursuant to paragraph 9.4 and marked for the attention of the representative identified in accordance with paragraph 9.4.</p> <p>9.4 — The initial address, e-mail address and details of the representative for whose attention notices are to be marked shall be as specified in a Connection Agreement and any changes shall be communicated by each Party to the other Party before taking effect.</p> <p>Note: the Code will include standard provisions relating to methods of delivery and when deemed</p>

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		<p>receipt shall occur.</p> <p>Note: any technical issues relating to Communications to be developed further with input from industry.</p>
10.	Liability between T&SCo and a User	<p>10.1 For the purposes of this paragraph 10, each of:</p> <p>(a) T&SCo; and</p> <p>(b) the User that is a counterparty to the T&SCo under a Connection Agreement,</p> <p>shall be a "Counterparty".</p> <p>Liability</p> <p>10.2 Subject to the remainder of this paragraph 10 and any other express provision to the contrary, no Party shall be liable to its Counterparty for any claims, losses, damages costs, expenses or liabilities arising from any default, negligence or breach of duty (whether statutory or otherwise) or the Party's performance of its obligations under this Code or an Ancillary Agreement, except for any such claims, losses, damages, costs, expenses or liabilities in respect of:</p> <p>(a) physical damage to the property of the Counterparty; and/or</p> <p>(b) the liability (in law) of the Counterparty to any third party.</p> <p>10.3 The amount or amounts for which a Party may be liable to a Counterparty pursuant to paragraph 10.2 in respect of any one event or circumstance shall not exceed:</p> <p>(a) in respect of the liability of the T&SCo to any one User or of any one User to T&SCo, £[insert]; or</p> <p>(b) in respect of the liability in aggregate of T&SCo to more than one User, £[insert].</p> <p>Exclusions and exceptions</p> <p>10.4 No Party shall in any circumstances be liable in respect of any breach of the Code or any Ancillary Agreement to any Counterparty for:</p> <p>(a) any loss of profit, loss of revenue, loss of use, loss of contract, loss of goodwill, or increased cost of working; or</p> <p>(b) any indirect or consequential loss; or</p> <p>(c) except as provided in paragraphs 10.2(b) and</p>

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		<p>10.5, loss resulting from the liability of any Counterparty to any other person howsoever and whensoever arising.</p> <p>10.5 Nothing in this Code or any Ancillary Agreement excludes or limits the liability of any Party:</p> <p>(a) for death or personal injury resulting from the negligence of such Party; or</p> <p>(b) where such a limitation or exclusion would be contrary to applicable law.</p> <p>10.6 Paragraph 10.2 is without prejudice to any provision of the Code or any Ancillary Agreement which provides for a Party to make a payment to a Counterparty.</p> <p>10.7 Nothing in this Code or any Ancillary Agreement shall prevent any T&SCo or User from seeking injunctive relief, specific performance or other equitable relief.</p> <p>10.8 The rights and remedies of the Parties pursuant to the Code and any Ancillary Agreement exclude and are in place of any rights or remedies of any Party in tort (including negligence and nuisance) or misrepresentation in respect of the subject matter of the Code or such Ancillary Agreement and accordingly, but without prejudice to paragraphs 10.5, each Party (to the fullest extent permitted by law):</p> <p>(a) waives any rights or remedies; and</p> <p>(b) releases the Counterparty from any duties or liabilities arising in tort or misrepresentation in respect of the subject matter of the Code or such Ancillary Agreement.</p> <p>10.9 Without prejudice to paragraph 10.8, where any provision of the Code or any Ancillary Agreement provides for any amount to be payable by a Party upon or in respect of that Party's breach of any provision of the Code or any Ancillary Agreement, each Party agrees and acknowledges that the remedy conferred by such provision is exclusive of and is in substitution for any remedy in damages in respect of such breach or the event or circumstance giving rise thereto.</p> <p>10.10 Nothing in this paragraph 10 shall prevent any Party from or restrict it in enforcing any obligation owed to under or pursuant to the Code, the Code Agreement or any Ancillary Agreement.</p>
11.	Liabilities between Users, between T&SCos and cross-network	11.1 Except as provided under paragraphs [x] [Note: <i>In the development of the Code it may be necessary to provide for certain rights and liabilities such as in Part B (Governance)</i>] nothing in the Code or any Ancillary

No	Subject	Terms
	liabilities	<p>Agreement creates contractual rights or liabilities:</p> <ul style="list-style-type: none"> (a) between Users inter se; (b) between T&SCos inter se; or (c) between Users of a T&S Network and the T&SCo of another T&S Network. <p>11.2 Each</p> <ul style="list-style-type: none"> (a) T&SCo: <ul style="list-style-type: none"> (i) waives any rights or remedies against any: <ul style="list-style-type: none"> (A) other T&SCo; and (B) User other than the User which is its Connection Agreement counterparty; and (ii) releases:- <ul style="list-style-type: none"> (A) each other T&SCo; and (B) each User other than the User which is its Connection Agreement counterparty; and (b) User:- <ul style="list-style-type: none"> (i) waives any rights or remedies against any: <ul style="list-style-type: none"> (A) other User; and (B) T&SCo other than the T&SCo which is its Connection Agreement counterparty; and (ii) releases:- <ul style="list-style-type: none"> (A) each other User; and (B) T&SCo other than the T&SCo which is its Connection Agreement counterparty; <p>from of any duties or liabilities arising in tort (including negligence and nuisance) or misrepresentation in respect of the subject matter of the Code or any Ancillary Agreement.</p>
12.	Default and remedy	12.1 Where:

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		<p>(a) a User is in breach of the Code; and</p> <p>(b) such breach is not a Payment Default or Insolvency Default;</p> <p>T&SCo may give notice of such breach to the User ("Breach Notice").</p> <p>12.2 Within fourteen (14) Days of such notice the User must:</p> <p>(a) where the breach is reasonably capable of remedy within such period of fourteen (14) Days, remedy the breach in all material respects;</p> <p>(b) where the breach is capable of remedy but not reasonably within fourteen (14) Days, provide to T&SCo a remediation plan setting out the steps to be taken by the User and the timetable for taking such steps for the remedy of the breach as soon as is reasonably practicable;</p> <p>(c) where the breach is not capable of remedy, provide a remediation plan setting out:</p> <p>(i) the steps to be taken by the User and the timetable for taking such steps to mitigate the impact of the breach so far as is reasonably practicable; and</p> <p>(ii) the steps to be taken to prevent the recurrence or re-occurrence of the relevant breach so far as is reasonably practicable.</p> <p>12.3 For the purposes of paragraphs 12.1(a) the following breaches are excluded:-</p> <p>(a) a breach which results from a breach by T&SCo of the Code or an Ancillary Agreement; or</p> <p>(b) a breach other than a wilful breach of a provision of the Code where the Code specifically provides some other remedy for such breach and such other remedy may reasonably be considered to be adequate in the circumstances.</p>
13.	General Default	<p>13.1 A 'General Default' occurs when a Breach Notice has been issued for a material breach and:</p> <p>(a) paragraph 12.2(a) applies and the breach remains unremedied in any material respect after the expiry of seven (7) Days after a further notice by T&SCo to the User to the effect that the User has not complied with paragraph</p>

No	Subject	Terms
		<p>12.2(a); or</p> <p>(b) paragraph 12.2(b) applies and the User does not:</p> <p>(i) remedy the breach in all material respects with all reasonable diligence and so far as reasonably practicable in accordance with the remediation plan provided under 12.2(b) or a revised remediation plan pursuant to paragraph 13.1(b)(ii) below; or</p> <p>(ii) where notwithstanding the reasonable diligence of the User it is not reasonably practicable for the User to remedy the breach in accordance with that remediation plan, provide to T&SCo a revised remediation plan,</p> <p>and such failure remains unremedied in any material respect after the expiry of seven (7) Days after a further notice by T&SCo to the User to the effect that the User has not complied with this paragraph 13.1(b);</p> <p>(c) paragraph 12.2(c) applies and:</p> <p>(i) the User does not :</p> <p>(A) comply in all material respects with the remediation plan provided under 12.2(c) or a revised remediation plan pursuant to paragraph below; or</p> <p>(B) where notwithstanding the reasonable diligence of the User it is not reasonably practicable for the User to comply in all material respects with that remediation plan, provide to T&SCo a revised remediation plan,</p> <p>and such failure remains unremedied in any material respect after the expiry of seven (7) Days after a further notice by T&SCo to the User to the effect that the User has not complied with this paragraph 13.1(c); or</p> <p>(ii) at any time within the period of twelve (12) months following T&SCo's Breach Notice, there occurs a further material breach by the User of the same provision of the Code; and T&SCo has given a</p>

No	Subject	Terms
		<p>notice of such further breach to the User and a period of seven (7) Days has expired following such notice.</p>
14.	Insolvency Default	<p>14.1 — An Insolvency Default occurs, save if and to the extent the provisions of section 233B of the Insolvency Act 1986 apply, when a User:</p> <ul style="list-style-type: none"> (a) — is unable to pay its debts (within the meaning of Section 123(1) or (2) of the Insolvency Act 1986, but subject to paragraph (x), or any voluntary arrangement is proposed in relation to it under Section 1 of that Act or it enters into any composition or scheme of arrangement (other than for the purpose of a bona fide solvent reconstruction or amalgamation); or (b) — has a receiver (which expression shall include an administrative receiver within the meaning of Section 29 of the Insolvency Act 1986) of the whole or any material part of its assets or undertaking appointed; or (c) — has an administration order under Section 8 of the Insolvency Act 1986 made in relation to it; or (d) — passes any resolution for winding up (other than for the purpose of a bona fide solvent reconstruction or amalgamation); or (e) — becomes subject to an order by the High Court for winding up; or (f) — becomes subject to a bankruptcy order; or (g) — becomes subject to an event made in a jurisdiction outside England and Wales, equivalent or analogous to any one or more of those events listed in paragraphs 14.1(a) to 14.1(f) above. <p>14.2 — For the purposes of paragraph 14.1(a), Section 123(1)(a) of the Insolvency Act 1986 shall have effect as if for '£750' there was substituted £10,000, and the User shall not be deemed to be unable to pay its debts for the purposes of that paragraph if any such demand as is mentioned in the said Section is being contested in good faith by the User with recourse to all appropriate measures and procedures.</p>
15.	Payment Default	<p>15.1 — A Payment Default occurs where in relation to any amount (or amounts in aggregate) of not less than £[insert] which has become due for payment by the User under the Code:</p>

No	Subject	Terms
		<p>(a) the T&SCo has issued a notice of demand for payment of the outstanding amount (a "Late Payment Notice"); and</p> <p>(b) the User has not paid such amount in full by the [insert] Day after the date of the Late Payment Notice.</p>
16.	Right to suspend	<p>16.1 Without prejudice to any other rights of T&SCo under the Code, during any period in which a Breach Notice or Late Payment Notice has been issued and such breach of the Code or failure to pay is subsisting, or during any period while an Insolvency Default is subsisting, T&SCo shall be entitled to reject or refuse to accept all or any of the following by the relevant User:</p> <p>(a) delivery of carbon dioxide at the User's Delivery Point; or</p> <p>(b) an application for Registered Capacity or increased Registered Capacity at any Delivery Point under Section E (network use and capacity).</p> <p>16.2 A User shall remain liable to pay Capacity Charges and Network Charges during any period in which paragraph 16.2 applies.</p>
17.	Default Termination	<p>17.1 Upon the occurrence of a User Default, T&SCo may give notice ("Termination Notice") to the User to the effect that the User shall cease to be a User of or in relation to the T&S Network with effect from the date (which may be any date on or after the date on which the notice is given) specified in the notice.</p> <p>17.2 Where T&SCo gives a Termination Notice to a User, with effect from the date specified in the notice, the User will cease to be a User of the T&S Network and paragraph 19.2 shall apply.</p> <p>17.3 The giving of a Termination Notice and the application of paragraph 17.2 shall not affect the rights and obligations of T&SCo and the User under the Code or any Ancillary Agreement (including rights and obligations in respect of the User Default, and in respect of amounts including interest payable by either Party, and rights and obligations arising pursuant to any provision of the Code in respect of the User's ceasing to be a User) accrued up to the date referred to in paragraph 17.2, which shall continue to be enforceable notwithstanding that paragraph.</p>
18.	User discontinuation	<p>18.1 A User may by giving notice ("Discontinuance Notice") to T&SCo apply to cease to be a User of or in</p>

No	Subject	Terms
		<p style="text-align: center;">relation to the T&SCo Network:</p> <p>(a) where it no longer intends to hold Registered Capacity; or</p> <p>(b) while a Construction Longstop Default is subsisting in respect of a failure of T&SCo to complete the relevant T&SCo Works.</p> <p>18.2 A User may not cease to be a User under this paragraph 18 until such time as:</p> <p>(a) where paragraph 18.1(a) applies, the User's Registered Capacity has expired;</p> <p>(b) subject to paragraph 19.3(a), all amounts payable or (other than in respect of any recurrent charge becoming payable by reason only of the lapse of time after the date on which the last of the other requirements of this paragraph 18.2 is satisfied) which may become payable by the User to T&SCo pursuant to any provision of the Code or any Ancillary Agreement have been paid in full;</p> <p>(c) any requirements under any Ancillary Agreement in respect of termination have been complied with; and</p> <p>(d) any outstanding breach, being a breach capable of remedy and of which T&SCo has given notice to the User, by the User of any provision of the Code or any Ancillary Agreement shall have been remedied.</p> <p>18.3 Where a User has given notice under paragraph 18.1, the User and T&SCo shall remain bound by the Code and any Ancillary Agreement to which the User is party until the requirements of paragraph 18.2 are satisfied;</p> <p>18.4 Where a User has given notice under paragraph 18.1 after the satisfaction of the last of the requirements of paragraph 18.2 to be satisfied:</p> <p>(a) with effect from the 5th Business Day following such satisfaction, the User will cease to be a User;</p> <p>(b) without prejudice to paragraph 18.5, T&SCo will as soon as reasonably practicable (and where possible before such date) inform the User of the date on which it ceases to be a User under paragraph (a).</p> <p>18.5 Notwithstanding paragraph 18.3, T&SCo or (as the case may be) the User shall remain liable, subject to</p>

No	Subject	Terms
		<p>and in accordance with the Code, to the other and after the User Discontinuance Date:</p> <p>(a) for any amount which was or becomes payable under the Code or any Ancillary Agreement in respect of any period before the User Discontinuance Date; and</p> <p>(b) in respect of any outstanding breach of any provision of the Code or any Ancillary Agreement where such breach was not (for the purposes of paragraph 18.2(d)) capable of remedy or (notwithstanding that paragraph) was capable of remedy but was not remedied.</p>
19.	Discontinuing Users and termination	<p>19.1 A User may cease to be a User of or in relation to a T&S Network pursuant to paragraph 17 or 18 and for the purposes of the Code a "Discontinuing User" is a User who so ceases to be a User and the "User Discontinuance Date" is the date with effect from which (in accordance with paragraph 17 or 18) a Discontinuing User ceases to be a User.</p> <p>19.2 Upon a User's ceasing to be a User:</p> <p>(a) subject to any provision of the Code expressed to survive termination and to paragraph 17.3, the Code Agreement shall cease to bind the Discontinuing User and (as respects the Discontinuing User) the T&SCo;</p> <p>(b) each Ancillary Agreement to which a Discontinuing User is party shall, unless otherwise provided in such Ancillary Agreement, terminate as respects that User (but without prejudice to the continuance of that Agreement as respects any other User(s) party thereto) with effect from the User Discontinuance Date.</p> <p>19.3 A Discontinuing User's Registered Capacity shall not be reduced or cancelled (and the User will remain liable for payment of Capacity Charges in respect thereof but may elect to make prepayment thereof) other than:</p> <p>(a) Long term Registered Network Capacity after the date which is three years from the Discontinuance Date;</p> <p>(b) Registered Capacity from the Discontinuance Date, where a Discontinuance Notice has been issued under paragraph 18.1(b); or</p> <p>(c) by agreement with the T&SCo.</p> <p>19.4 A Discontinuing User will remain liable for payment of Network Charges for the period in which it is liable for</p>

No	Subject	Terms
		<p>Capacity Charges in accordance with paragraph 19.3.</p> <p>19.5 Following the User Discontinuance Date, each party shall bear responsibility for:</p> <p>(a) the safe decommissioning of the connection assets owned by that party; and</p> <p>(b) all decommissioning costs and liabilities (including any such liabilities arising under relevant legal requirements) associated with the decommissioning of such assets;</p> <p>based on the boundaries of ownership set out in the Connection Agreement between the T&SCo and the Discontinuing User.</p>
20.	Governing law	<p>20.1 The Code, the Code Agreement, every Accession Agreement and every Ancillary Agreement, and any dispute, controversy, proceedings or claim of whatever nature arising out of or in any way relating to the Code, the Code Agreement, any Accession Agreement or any Ancillary Agreement or their formation (including any non contractual disputes or claims), shall be governed by and construed in accordance with English law.</p>
21.	Jurisdiction	<p>21.1 Subject to the provisions providing for mediation and expert determination in Section B (Governance), all the Parties irrevocably agree that the courts of England shall have exclusive jurisdiction to hear, settle and/or determine any dispute, controversy or claim (including any non contractual dispute, controversy or claim) arising out of or in connection with the Code, the Code Agreement, any Accession Agreement or any Ancillary Agreement, including any question regarding its existence, validity, formation or termination. For these purposes, each Party irrevocably submits to the jurisdiction of the English courts.</p>
22.	Third party rights	<p>22.1 Unless expressly provided otherwise, no term of any Code Document is intended to be enforceable by third parties and the operation of the Contracts (Rights of Third Parties) Act 1999 is hereby excluded. Where an obligation is expressly stated to be enforceable by a third party, the consent of that third party will not be required to rescind or vary the relevant term.</p>
23.	Severance	<p>23.1 If any provision of this Code, the Code Agreement, any of the Accession Agreements or any of the Ancillary Agreements (the "Code Documents") is or becomes (whether or not pursuant to any judgment or otherwise) invalid, illegal or unenforceable in any respect under the law of any jurisdiction:</p> <p>(a) the validity, legality and enforceability under the</p>

No	Subject	Terms
		<p>law of that jurisdiction of any other provision; and</p> <p>(b) the validity, legality and enforceability under the law of any other jurisdiction of that or any other provision;</p> <p>shall not be affected or impaired in any way thereby.</p> <p>23.2 If any provision of any Code Document shall be held to be void or declared illegal, invalid or unenforceable for any reason whatsoever, such provision shall be divisible from the Code Document and shall be deemed to be deleted from the Code Document and the validity, legality and enforceability of the remaining provisions shall not be affected.</p>
24.	Entire agreement	<p>24.1 Each of the Code Documents represents the entire understanding, and constitute the whole agreement of the Parties in relation to their subject matter and supersede any previous agreement between the Parties with respect thereto and, to the fullest extent practicable under the relevant law, and without prejudice to the generality of the foregoing, exclude any warranty, condition or other undertaking implied at law or by custom.</p>
25.	Waiver	<p>25.1 A waiver of any term, provision or condition of, or consent granted under, any Code Document shall be effective only if given in writing and signed by the waiving or consenting party and then only in the instance and for the purpose for which it is given.</p> <p>25.2 No failure or delay on the part of any party in exercising any right, power or privilege under any Code Document shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or privilege preclude any other or further exercise thereof or the exercise of any other right, power or privilege.</p> <p>25.3 No breach of any provision of any Code Document shall be waived or discharged except with the express written consent of the parties.</p> <p>25.4 The rights and remedies herein provided are cumulative with and not exclusive of any rights or remedies provided by law.</p>
26.	Language	<p>26.1 Every communication or notice to be given by one Party to another under any Code Document shall be in the English language.</p>
27.	Assignment	<p>27.1 Neither Party shall assign its rights and obligations under this Code except in accordance with the</p>

No	Subject	Terms
		<p>provisions of clauses 27.2 and 27.3.</p> <p>27.2 – The User shall only be entitled to assign its rights and obligations under Code to a third party where:-</p> <p>(a) – the User assigns the ownership and operation of the User Facility to the third party;</p> <p>(b) – the User has obtained the prior written consent of T&SCo, which shall not be unreasonably withheld; and</p> <p>(c) – the third party becomes bound by the Code by entering into an Accession Agreement.</p> <p>27.3 – T&SCo shall only be entitled to assign its rights and obligations under this Code to a third party where:-</p> <p>(a) – T&SCo assigns the ownership and operation of the T&S Network to a third party holding a Licence; and</p> <p>(b) – the third party becomes bound by the Code by entering into an Accession Agreement.</p>

~~ANNEXURE A – MINIMUM DOCUMENTATION REQUIREMENTS~~

~~**Note:** It is expected that this Annexure will be populated with templates, naming protocols, transfer intervals and methods of acquisition for what are considered to be key datasets across the network, eg flow rates, nominations, compositional analysis etc.~~

~~**ANNEXURE B – INFORMATION PUBLICATION REQUIREMENTS**~~

~~**Note:** it is expected that this Annexure will contain minimum requirements for granularity and frequency of data release in relation to information to be published by T&SCos.~~

~~ANNEXURE C – RETAINED DATA~~

Note: ~~It is expected that this Annexure will list the categories of data and information, which is required to be retained for at least ten (10) years.~~

<u>No</u>	<u>Subject</u>	<u>Terms</u>
1.	<u>Information sharing</u>	<p>1.1 <u>Where any provision of the Code requires or entitles a T&SCo (or the T&SCos) to "publish" any information or document, the T&SCo will provide such information or document to each Party, any other person to whom the T&SCo may (pursuant to its Licence or any other Legal Requirement or any provision of the Code) be required to provide such information and (subject to any confidentiality restrictions under the Code) such other persons as the T&SCo shall think fit.</u></p>
2.	<u>Liability</u>	<p>2.1 <u>Save as expressly provided elsewhere in the Code, no Party shall have any liability to any other Party in the event that any data or information exchanged or provided pursuant to this Code is found to be inaccurate, in the absence of wilful misconduct by the Party providing such information or data.</u></p>
3.	<u>Information and confidentiality</u>	<p><u>T&SCo obligation</u></p> <p>3.1 <u>T&SCo shall ensure that Protected Information is not:</u></p> <p>(a) <u>disclosed to any person other than:</u></p> <p>(i) <u>an officer or employee of T&SCo who is required to have access to the information to carry out their duties; or</u></p> <p>(ii) <u>a professional adviser of or consultant to the T&SCo; or</u></p> <p>(iii) <u>operators appointed by the T&SCo to operate the T&S network.</u></p> <p>(b) <u>used by T&SCo for any purpose other than carrying its activities in relation to the T&S Network in accordance with the Code and the Licence.</u></p> <p><u>User obligation</u></p> <p>3.2 <u>Each User shall ensure that Protected Information is not:</u></p> <p>(a) <u>disclosed to any person other than:</u></p> <p>(i) <u>an officer or employee of the User who is required to have access to the information to carry out their duties; or</u></p>

<u>No</u>	<u>Subject</u>	<u>Terms</u>
		<p>(ii) <u>a professional adviser of or consultant to that User; or</u></p> <p>(b) <u>used by such User for any purpose other than one expressly contemplated by the Code or any Ancillary Agreement to which such User is party.</u></p> <p><u>Protected Information</u></p> <p>3.3 <u>In this section "Protected Information" means:</u></p> <p>(a) <u>for the purposes of the T&SCo's obligations under paragraph 3.1:</u></p> <p>(i) <u>any information relating to the affairs of a User which is obtained by T&SCo pursuant to or in the course of the negotiation, implementation or performance of the Code, the Code Agreement or any Ancillary Agreement to which that User is party;</u></p> <p>(ii) <u>the terms of any Ancillary Agreement;</u></p> <p>(b) <u>for the purposes of a User's obligations under paragraph 3.2:</u></p> <p>(i) <u>any information relating to the affairs of T&SCo or of another User which is obtained by the User pursuant to or in the course of the negotiation, implementation or performance of the Code, the Code Agreement or any Ancillary Agreement to which the User and (in relation to another User) that other User are party;</u></p> <p>(ii) <u>the terms of any Ancillary Agreement to which that User is party.</u></p> <p><u>Terms of permitted disclosure</u></p> <p>3.4 <u>Where Protected Information is disclosed by T&SCo as permitted under paragraph 3.1(a) or by a User as permitted under paragraph 3.2(a), the Disclosing Party shall (without prejudice to its obligations under paragraph 3.1 or 3.2) take all reasonable steps to secure that the person to whom the information is disclosed:</u></p> <p>(a) <u>is aware of the Disclosing Party's obligations under paragraph 3.1 or 3.2 in relation thereto; and</u></p> <p>(b) <u>does not use or disclose the information other than as is permitted for such Party in accordance</u></p>

<u>No</u>	<u>Subject</u>	<u>Terms</u>
		<p style="text-align: center;"><u>with paragraph 3.1 or 3.2.</u></p> <p style="text-align: center;"><u>Exceptions</u></p> <p><u>3.5</u> <u>For the purposes of this section, "Disclosing Party" and "Protected Party" shall be construed as follows:</u></p> <p style="margin-left: 40px;"><u>(a) for the purposes of T&SCo's obligations under paragraph 3.1, the Disclosing Party is T&SCo and the Protected Party is the User to whose affairs any Protected Information relates;</u></p> <p style="margin-left: 40px;"><u>(b) for the purposes of a User's obligations under paragraph 3.2, the Disclosing Party is such User and the Protected Party is the Party (either T&SCo or another User) to whose affairs any Protected Information relates.</u></p> <p><u>3.6</u> <u>Nothing in paragraph 3.1 or 3.2 shall apply:</u></p> <p style="margin-left: 40px;"><u>(a) to the disclosure or use by the Disclosing Party of Protected Information to which the Protected Party has consented in writing;</u></p> <p style="margin-left: 40px;"><u>(b) to any Protected Information which:</u></p> <p style="margin-left: 80px;"><u>(i) before it is obtained by the Disclosing Party is in the public domain; or</u></p> <p style="margin-left: 80px;"><u>(ii) after it is obtained by the Disclosing Party enters the public domain</u></p> <p style="margin-left: 80px;"><u>(iii) in either case otherwise than as a result of a breach by the Disclosing Party of its obligations under paragraph 3.1 or 3.2;</u></p> <p style="margin-left: 40px;"><u>(c) to the disclosure of any Protected Information to any person if and to the extent that the Disclosing Party is required to make such disclosure to such person:</u></p> <p style="margin-left: 80px;"><u>(i) in compliance with the duties of the Disclosing Party under the Act or any other requirement of a Competent Authority; or</u></p> <p style="margin-left: 80px;"><u>(ii) in compliance with the conditions of the Licence held by the Disclosing Party or any document referred to in such Licence with which the Disclosing Party is required by virtue of the Act or such licence to comply; or</u></p> <p style="margin-left: 80px;"><u>(iii) in compliance with any other Legal Requirement; or</u></p>

<u>No</u>	<u>Subject</u>	<u>Terms</u>
		<p>(iv) <u>in response to a requirement of any stock exchange or regulatory authority or the Panel on Take-overs and Mergers; or</u></p> <p>(v) <u>pursuant to any judicial or other arbitral process or tribunal having jurisdiction in relation to the Disclosing Party;</u></p> <p>(d) <u>to the disclosure of Protected Information to any lending or other financial institution proposing to provide or arrange the provision of finance to the Disclosing Party, where and to the extent that the disclosure of such information is reasonably required for the purposes of the provision or arrangement of such finance, and provided that the person to whom the information is disclosed undertakes in writing to and in terms reasonably satisfactory to the Protected Party to maintain the confidentiality of such information;</u></p> <p>(e) <u>to the disclosure of any Protected Information to the Regulator, where the Disclosing Party considers in good faith that the Protected Party may be in breach of a condition of the Licence, to the extent reasonably necessary to draw such possible breach to the attention of the Regulator;</u></p> <p>(f) <u>to the disclosure of any Protected Information to any person proposing to make a connection to the T&S Network, where and to the extent that the disclosure of such information is reasonably required for the purposes of supporting T&SCo's charges or requirement to allow such proposed connection to the T&S Network to be made and provided that the person to whom the information is to be disclosed is informed in writing of the confidentiality of such information and that prior to disclosure, such person has entered into a confidentiality agreement with T&SCo which prohibits use or disclosure of such Protected Information in terms no less onerous than those contained in this section.</u></p> <p><u>Survival</u></p> <p><u>3.7 The provisions of paragraphs 3.1 to 3.6 shall continue, for a period of three (3) years after the User Discontinuance Date, to bind a Discontinuing User and (as respects the Discontinuing User) T&SCo and each other User, notwithstanding that the Discontinuing User has ceased to be a User and irrespective of the reason for such cessation.</u></p> <p><u>Licence</u></p> <p><u>3.8 Nothing in the Code, the Code Agreement or any</u></p>

<u>No</u>	<u>Subject</u>	<u>Terms</u>
		<u>Ancillary Agreement shall be construed as requiring T&SCo to disclose or use any information in breach of any requirement of T&SCo's Licence.</u>
4.	<u>Specific disclosure requirements</u>	4.1 <u>Without prejudice to the generality of paragraph 3, the parties acknowledge that a User may be required to make disclosures of Protected Information, User-Specific Data and T&S Network Data to the LCCC pursuant to the User Requirements.</u>
5.	<u>Categories of Data</u>	<p><u>User-Specific Data</u></p> <p>5.1 <u>In this Section, "User-Specific Data" means all data:</u></p> <p>(a) <u>held by a T&SCo in relation to a specific User, including:</u></p> <ul style="list-style-type: none"> <u>(i) User's Registered Capacity;</u> <u>(ii) accepted and rejected Nominations;</u> <u>(iii) invoices;</u> <u>(iv) metered quantities;</u> <u>(v) outages affecting specific Users;</u> <u>(vi) information required to be provided by the User to a Support Contract counterparty (pursuant to its Support Contract) or any other body pursuant to legal requirements; and</u> <u>(vii) User's Measurement Equipment;</u> <u>(viii) User Type; and</u> <u>(ix) User contact details.</u> <p>(b) <u>held by a User about User networks including:</u></p> <ul style="list-style-type: none"> <u>(i) details of planned maintenance/outages in relation to User facilities;</u> <u>(ii) forecast flow data;</u> <u>(iii) actual flow data;</u> <u>(iv) nominations;</u> <u>(v) capacity bookings; and</u> <u>(vi) any information which is required to be provided by T&SCo to the Authority (pursuant to its licence), the North Sea Transition Authority (pursuant to its licence/permit) or any other body</u>

<u>No</u>	<u>Subject</u>	<u>Terms</u>
		<p style="text-align: right;"><u>pursuant to legal requirements.</u></p> <p><u>Measurement Data</u></p> <p>5.2 <u>In this section, "Measurement Data" means all data generated by Measurement Equipment installed pursuant to paragraph 5 of Section F which is not User-Specific Data.</u></p> <p><u>T&S Network Data</u></p> <p>5.3 <u>In this Section, "T&S Network Data" means all data related to the CCS Network which is not User Specific Data or Measurement Data.</u></p>
6.	<u>Access to Data</u>	<p><u>Data Transfer Procedures</u></p> <p>6.1 <u>Each T&SCo shall establish, document, implement and maintain written procedures to address exchange of and access to User-Specific Data and Measurement Data between the T&SCo and Users ("Data Transfer Procedures").</u></p> <p>6.2 <u>The Users and each T&SCo shall be required to comply with the Data Transfer Procedures.</u></p> <p>6.3 <u>The Data Transfer Procedures shall be established no later than 6 months prior to the Commercial Operations Date and shall, as a minimum cover the following in relation to different User-Specific Data and Measurement Data:</u></p> <ul style="list-style-type: none"> (a) <u>methods of data acquisition (e.g. SCADA, email accounts, web-based platforms etc);</u> (b) <u>template format for data provision and reporting;</u> (c) <u>minimum data transfer intervals;</u> (d) <u>level of granularity within datasets;</u> (e) <u>naming protocols for specific datasets;</u> (f) <u>means of transfer (e.g. email, telemetry etc)</u> <p><u>Minimum content requirements</u></p> <p>6.4 <u>The Data Transfer Procedures shall at all times comply with the requirements for format, naming, and minimum transfer intervals in relation to the User-Specific Data and the Measurement Data set out in Annexure I.</u></p> <p><u>Preparation of Data Annexures</u></p>

<u>No</u>	<u>Subject</u>	<u>Terms</u>
		<p><u>6.5</u> <u>No later than 12 months prior to the Commercial Operations Date, the T&SCo shall jointly develop and deliver to:</u></p> <ul style="list-style-type: none"> <u>(a) each User; and</u> <u>(b) the Authority,</u> <p><u>the proposed draft of Annexure I and Annexure J (together, the "Draft Data Annexures") for review and comment in accordance with paragraphs 6.6 to 6.8 below.</u></p> <p><u>6.6</u> <u>As soon as reasonably practicable and in any event within 20 Business Days of receipt of the Draft Data Annexures, each User shall notify the T&SCos of any comments on the Draft Data Annexures.</u></p> <p><u>6.7</u> <u>When providing comments to the T&SCos in accordance with paragraph 6.6, each User shall be required to provide the following:</u></p> <ul style="list-style-type: none"> <u>(a) information about the User (company, registered office, etc.) and about at least one reference person (name, telephone number, fax number, e-mail address, etc.) who can be contacted with respect to the User comments;</u> <u>(b) the reasons why the User believes the User comments should be incorporated; and</u> <u>(c) any documentation (analyses, reports, etc.) to support the request.</u> <p><u>6.8</u> <u>In preparing the final versions of Annexure I and Annexure J, the T&SCos shall:</u></p> <ul style="list-style-type: none"> <u>(a) give reasonable consideration to any comments provided by a User pursuant to paragraph 6.6; and</u> <u>(b) where the T&SCos do not take on board or incorporate any comments provided by a User pursuant to paragraph</u> <u>explanation to the User of the reasons for this decision.</u> <p><u>6.9</u> <u>For the avoidance of doubt, it shall be reasonable for the T&SCos to not incorporate comments made by a User in relation to the Draft Data Annexures into the final version where such comments, if incorporated, would affect the safe operation of the T&S Network.</u></p> <p><u>6.10</u> <u>Subject to paragraph 6.14, once all comments have been received and considered pursuant to the process</u></p>

<u>No</u>	<u>Subject</u>	<u>Terms</u>
		<p><u>set out in paragraph 6.8, the T&SCos shall deliver to:</u></p> <ul style="list-style-type: none"> <u>(a) each User; and</u> <u>(b) the Authority,</u> <p><u>the final version of Annexure I and Annexure J and shall proceed to develop the Data Transfer Procedures for the relevant T&S Network in accordance with paragraph 6.1.</u></p> <p><u>Revisions</u></p> <p><u>6.11 Once the final versions of Annexure I and Annexure J have been delivered pursuant to paragraph 6.10, the T&SCos may review and/or revise the contents of Annexure I or Annexure J:</u></p> <ul style="list-style-type: none"> <u>(a) when the T&SCos consider it is necessary to do so;</u> <u>(b) upon request by a User; or</u> <u>(c) in order to resolve a dispute under paragraph 6.14,</u> <p><u>provided that any such revision shall be subject to the procedure set out in paragraph 6.6 to 6.10, and subject always to paragraph 6.14.</u></p> <p><u>6.12 The T&SCos shall not be required to follow the procedure set out in paragraph 6.11 in relation to revisions to Annexure I and/or Annexure J where any such revision is:</u></p> <ul style="list-style-type: none"> <u>(a) of a routine nature; and</u> <u>(b) does not have a material impact on a User's cost base, or other operational processes.</u> <p><u>6.13 Any revisions or amendments to the Data Transfer Procedures will be implemented by T&SCo upon reasonable notice to enable each User to adjust its systems (if required).</u></p> <p><u>Disputes</u></p> <p><u>6.14 Where:</u></p> <ul style="list-style-type: none"> <u>(a) a User comment provided pursuant to paragraph 6.6 of this section I was not included by T&SCos in the final Annexure I or final Annexure J; and</u> <u>(b) a majority of Users considers that such comment should have been incorporated by the</u>

<u>No</u>	<u>Subject</u>	<u>Terms</u>
		<p><u>T&SCo; or</u></p> <p><u>(c) a majority of Users consider that a revision made by the T&SCo in accordance with paragraph 6.12 should not have been made, then such matter may be referred by a User to dispute resolution in accordance with the provisions of paragraph 8 of Section B (Governance).</u></p> <p><u>6.15 Where any matter is referred to dispute resolution under paragraph 6.14, the T&SCo shall not finalise the Data Transfer Procedures until such dispute has been resolved in accordance with the provisions of paragraph 8 of Section B (Governance).</u></p> <p><u>T&S Network Data</u></p> <p><u>6.16 Each T&SCo shall procure that amongst others, the following T&S Network Data is accessible to Users at all times via the T&S Network Portal, subject to operational availability, and in case of its unavailability the T&SCo shall endeavour to provide this information by other means available to the T&SCo:</u></p> <p><u>(a) existing connections and new connections applications;</u></p> <p><u>(b) Network Capacity available (in accordance with the requirements of paragraph 3.2 of Section E (network use and capacity));</u></p> <p><u>(c) annual Maintenance Programme;</u></p> <p><u>(d) information on Capacity Constraints (in accordance with the requirements of paragraph 12.1(a) of Section E (network use and capacity));</u></p> <p><u>(e) network expansion and development information;</u></p> <p><u>(f) process and timelines for capacity releases;</u></p> <p><u>(g) aggregate Registered Capacity of all Users;</u></p> <p><u>(h) daily aggregate physical flow (gross);</u></p> <p><u>(i) aggregate metered quantities of all Users per calendar month;</u></p> <p><u>(j) Charges;</u></p> <p><u>(k) certain historic data in respect of the above.</u></p> <p><u>6.17 The publication of T&S Network Data in accordance</u></p>

<u>No</u>	<u>Subject</u>	<u>Terms</u>
		<u>with paragraph 6.6 shall comply with the formatting and frequency requirements set out in Annexure J.</u>
<u>7.</u>	<u>Storage of Data</u>	<u>7.1 Each T&SCo shall keep records of all relevant data and information, including information as listed in Annexure K, for at least ten (10) years.</u>
<u>8.</u>	<u>Data ownership</u>	<p><u>8.1 Subject to paragraph 8.2(a), all data which is processed by a T&SCo shall belong for the purposes of the Code to the T&SCo which owns or operates the T&S Network (or part of the T&S Network) to which such data relates; and subject to paragraph 8.2(b), T&SCo may, but without prejudice to paragraph 3 or any other requirement of the Code, use and deal with such data as it thinks fit.</u></p> <p><u>8.2 Where pursuant to the Code a User provides or arranges for the provision of data to a T&SCo:</u></p> <p><u>(a) such data (as provided to T&SCo by the User) shall belong to the User; and</u></p> <p><u>(b) the User hereby grants to T&SCo (its successors, assigns, agents and contractors) a perpetual, non-exclusive, royalty-free licence (which shall survive the User Discontinuance Date) in respect of such data and all intellectual rights therein to use, copy, adapt and deal with such data for the purposes of performance and implementation of the Code and for other purposes contemplated by the Code, but not otherwise.</u></p>
<u>9.</u>	<u>Central Data Service</u>	<p><u>Procurement</u></p> <p><u>9.1 The T&SCos shall be required, acting jointly:</u></p> <p><u>(a) to procure an independent Central Data Service Provider ("CDS") under a contract ("CDS Contract").</u></p> <p><u>(b) to ensure that the CDS is appointed by the date which is 6 months prior to the earliest Commercial Operations Date.</u></p> <p><i><u>Note: the timing of this will need to be reviewed once the scheduled COD dates for each of the T&SCos have been confirmed.</u></i></p> <p><u>9.2 The scope of the CDS Contract shall include:</u></p> <p><u>(a) provision of a data processing and management service for the processing of raw data from the boundary flow meter;</u></p> <p><u>(b) delivery of a statement to T&SCos representing</u></p>

<u>No</u>	<u>Subject</u>	<u>Terms</u>
		<p><u>the quantity of actual mass of carbon dioxide delivered by each User into the T&S Network during a Billing Period ("Processed Flow Meter Data Statement")</u>; and</p> <p><u>(c) coverage across all T&S Networks.</u></p> <p><u>9.3 The terms of the CDS Contract must comply with the terms of reference set out in Annexure L ("CDS Terms of Reference").</u></p> <p><u>9.4 The T&SCos shall be required to:</u></p> <p><u>(a) jointly manage the CDS Contract;</u></p> <p><u>(b) bear the fees incurred under the CDS Contract equally between each T&SCo; and</u></p> <p><u>(c) ensure that a CDS is in place at all times.</u></p> <p><u>9.5 Where the CDS contract expires or is otherwise terminated in accordance with its terms, the T&SCos shall ensure that any replacement CDS is procured in accordance with paragraphs 9.2 and 9.3 above and so as to maintain continuous coverage in accordance with paragraph 9.4(c).</u></p> <p><u>CDS Data Disputes</u></p> <p><u>9.6 Where a Party wishes to dispute content of the Processed Flow Meter Data Statement ("CDS Data Dispute"), such dispute shall be referred to Expert Determination in accordance with paragraph 9 of Section B (<i>Governance</i>).</u></p>
<u>10.</u>	<u>Independent Verifier</u>	<p><u>Procurement</u></p> <p><u>10.1 Each T&SCo shall be required:</u></p> <p><u>(a) to procure an independent third party verifier (the "Independent Verifier") under a contract (the "Independent Verifier Appointment") to carry out the validation activities required by paragraphs 4.5 and 6.2 of Section F (<i>Network Design and Specification</i>) with the aim of providing a verification report that concludes with reasonable assurance that the Measurement Equipment at each Delivery Point in the applicable T&S Network complies with the Measurement Requirements; and</u></p> <p><u>(b) to ensure that the Independent Verifier is appointed by the date which is no later than 6 months prior to its Commercial Operations Date.</u></p>

<u>No</u>	<u>Subject</u>	<u>Terms</u>
		<p><u>10.2</u> <u>The terms of the Independent Verifier Appointment must comply with the terms of reference set out in Annexure M ("Independent Verifier Terms of Reference").</u></p> <p><u>10.3</u> <u>Each T&SCo shall be required to:</u></p> <p>(a) <u>manage the Independent Verifier Appointment;</u></p> <p>(b) <u>subject to paragraph 6.4 of Section F (<i>Network design and specification</i>) bear the fees incurred under the Independent Verifier Appointment; and</u></p> <p>(c) <u>ensure that an Independent Verifier is in place at all times.</u></p> <p><u>10.4</u> <u>Where the Independent Verifier Appointment expires or is otherwise terminated in accordance with its terms, the T&SCos shall ensure that any replacement independent verifier is procured in accordance with paragraph 10.1 above and so as to maintain continuous coverage in accordance with paragraph 10.4(c)</u></p>
<u>11.</u>	<u>T&S Network Portal</u>	<p><u>Procurement</u></p> <p><u>11.1</u> <u>Each T&SCo shall be required:</u></p> <p>(a) <u>to procure a T&S Network Portal provider (the "T&S Network Portal Provider") for its T&S Network under a contract (the "Network Portal Service Contract"); and</u></p> <p>(b) <u>to ensure that the T&S Network Portal Provider is appointed by the date which is no later than 6 months prior to its Commercial Operations Date.</u></p> <p><u>11.2</u> <u>The terms of the Network Portal Service Contract must comply with the terms of reference set out in Annexure N ("Network Portal Terms of Reference").</u></p> <p><u>11.3</u> <u>Each T&SCo shall be required to:</u></p> <p>(a) <u>manage the Network Portal Service Contract;</u></p> <p>(b) <u>bear the fees incurred under the Network Portal Service Contract; and</u></p> <p>(c) <u>ensure that a Network Portal is in place at all times.</u></p> <p><u>11.4</u> <u>Where the Network Portal Service Contract expires or is otherwise terminated in accordance with its terms, the T&SCos shall ensure that any replacement Network</u></p>

<u>No</u>	<u>Subject</u>	<u>Terms</u>
		<p><u>Portal Service Contract is procured in accordance with paragraph 11.1 above and so as to maintain continuous coverage in accordance with paragraph</u></p>
12.	<u>Revisions to Terms of Reference</u>	<p><u>Revisions to Terms of Reference</u></p> <p>12.1 <u>Where a Party (the "Proposing Party"), wishes to revise:</u></p> <p>(a) <u>the CDS Terms of Reference;</u></p> <p>(b) <u>the Independent Verifier Terms of Reference; or</u></p> <p>(c) <u>the Network Portal Terms of Reference</u></p> <p><u>any such revision shall be subject to the procedure set out in paragraph 12.2 to 12.9 below.</u></p> <p>12.2 <u>The Proposing Party shall develop and deliver to:</u></p> <p>(a) <u>each other Party;</u></p> <p>(b) <u>the LCCC; and</u></p> <p>(c) <u>the Authority;</u></p> <p><u>the proposed amendments to the applicable Terms of Reference ("ToR Proposal") for review and comment in accordance with paragraphs 12.3 to 12.5 below.</u></p> <p>12.3 <u>As soon as reasonably practicable and in any event within 20 Business Days of receipt of the ToR Proposal, each Party shall notify the Proposing Party of any comments on the ToR Proposal.</u></p> <p>12.4 <u>When providing comments to the Proposing Party in accordance with paragraph</u> <u>required to provide the following:</u></p> <p>(a) <u>information about the Party (company, registered office, etc.) and about at least one reference person (name, telephone number, fax number, e-mail address, etc.) who can be contacted with respect to that Party's comments;</u></p> <p>(b) <u>the reasons why that Party believes its comments should be incorporated; and</u></p> <p>(c) <u>any documentation (analyses, reports, etc.) to support the request.</u></p> <p>12.5 <u>The Proposing Party shall:</u></p>

<u>No</u>	<u>Subject</u>	<u>Terms</u>
		<p>(a) <u>give reasonable consideration to any comments provided by a Party pursuant to paragraph</u></p> <p>(b) <u>where the Proposing Party does not take on board or incorporate any comments provided by a Party pursuant to paragraph 12.3, provide an explanation to the Party of the reasons for this decision.</u></p> <p><u>12.6 Once all comments have been received and considered pursuant to the process set out in paragraphs 12.3 to 12.5, the Proposing Party shall deliver to:</u></p> <p>(a) <u>each other Party;</u></p> <p>(b) <u>the LCCC; and</u></p> <p>(c) <u>the Authority.</u></p> <p><u>the final draft of the revised Terms of Reference ("Revised Terms of Reference").</u></p> <p><u>12.7 Subject to paragraph 12.8, any Revised Terms of Reference, shall be implemented as a Self-Governance Modification Proposal via the Modification Procedure in Section B (Governance).</u></p> <p><u>Disputes</u></p> <p><u>12.8 Where:</u></p> <p>(a) <u>a Party comment provided pursuant to paragraph 12.3 of this section I was not included in the Revised Terms of Reference; and</u></p> <p>(b) <u>a majority of other Parties considers that such comment should have been incorporated by the Proposing Party.</u></p> <p><u>then such matter may be referred by the Party who made the original comment to dispute resolution in accordance with the provisions of paragraph 8 of Section B (Governance).</u></p> <p><u>12.9 Where any matter is referred to dispute resolution under paragraph 12.8, the Proposing Party shall not raise a Self-Governance Modification Proposal until such dispute has been resolved in accordance with the provisions of paragraph 8 of Section B (Governance).</u></p>

SECTION J: GENERAL

<u>No</u>	<u>Subject</u>	<u>Terms</u>
1.	<u>Notices and communications</u>	<p data-bbox="587 322 1375 443"><u>1.1</u> Except where the means by which a particular Communication is to be given is specified in the Code, such Communication shall be given by Conventional Notice.</p> <p data-bbox="587 479 1375 631"><u>1.2</u> References in this paragraph to "Conventional Notice" are to any Communication or other notice to be given by one Party to another under the Code or an Ancillary Agreement, other than one which is given by means of the T&S Network Portal or by telephone.</p> <p data-bbox="587 667 1375 855"><u>1.3</u> Any Conventional Notice shall be in writing and shall be addressed to the recipient Party at the recipient Party's address or e-mail address notified pursuant to paragraph 1.4 and marked for the attention of the representative identified in accordance with paragraph 1.4.</p> <p data-bbox="587 891 1375 1043"><u>1.4</u> The initial address, e-mail address and details of the representative for whose attention notices are to be marked shall be as specified in a Connection Agreement and any changes shall be communicated by each Party to the other Party before taking effect.</p> <p data-bbox="587 1079 1375 1200"><u>1.5</u> Any Conventional Notice given by delivery shall be given by letter delivered by hand, and any notice given by post shall be sent by first class prepaid post (airmail if overseas).</p> <p data-bbox="587 1236 1375 1706"><u>1.6</u> Any Conventional Notice shall be deemed to have been received:</p> <ul style="list-style-type: none"> <li data-bbox="695 1326 1362 1357">(a) <u>in case of delivery by hand, when delivered; or</u> <li data-bbox="695 1393 1375 1514">(b) <u>in the case of first class prepaid post, on the second Day following the Day of posting (or, if sent airmail overseas or from overseas, on the fifth Day following the Day of posting); or</u> <li data-bbox="695 1550 1375 1706">(c) <u>in the case of e-mail, subject to paragraph 1.8, shall be deemed to have been received one hour after being sent in the absence of any undeliverable return receipt received by the sender during that period.</u> <p data-bbox="587 1742 1375 1863"><u>1.7</u> A Party may specify different addresses and representatives pursuant to paragraph 1.3 for the purposes of Conventional Notices of different kinds or relating to different matters.</p> <p data-bbox="587 1899 1375 2011"><u>1.8</u> If the time at which any Conventional Notice sent by e-mail is deemed to have been received falls after 1700 hours on a day, the Conventional Notice shall be deemed to have been received at the start of the next</p>

<u>No</u>	<u>Subject</u>	<u>Terms</u>
		<p><u>Business Day.</u></p> <p><u>1.9</u> <u>Where a Conventional Notice is sent by e-mail, the Party giving the Conventional Notice shall (but without prejudice to paragraph 1.6(c)) if requested by the recipient Party, resend as soon as reasonably practicable the Conventional Notice by email.</u></p>
<u>2.</u>	<u>Alternative means of communication</u>	<p><u>2.1</u> <u>Where:</u></p> <p><u>(a) the Code specifies that any Communication or other notice is to be provided by a User to T&SCo, or by T&SCo to the User, by means of the T&S Network Portal; and</u></p> <p><u>(b) as a result of a technical fault or other circumstances the T&S Network Portal is not functioning or one of the parties is, through unforeseen circumstances unable to access the T&S Network Portal,</u></p> <p><u>then the party experiencing the difficulties specified in paragraph 2.1(b) shall make the relevant Communication or notice by means of telephone or e-mail (depending on which is most appropriate in the circumstances) using the other party's Alternative Operational Communication Contact Details.</u></p> <p><u>2.2</u> <u>T&SCo shall provide to Users, and each User shall provide to T&SCo, the Alternative Operational Communication Contact Details, which shall consist of:</u></p> <p><u>(a) an e-mail address; and</u></p> <p><u>(b) a telephone number,</u></p> <p><u>which will be closely monitored by the parties for the purposes of receiving any Communications or other notices made in accordance with paragraph 2.1.</u></p> <p><u>2.3</u> <u>Any changes to a party's Alternative Operational Communication Contact Details must be notified to the other party or parties as soon as is reasonably practicable.</u></p>
<u>3.</u>	<u>Liability between T&SCo and a User</u>	<p><u>3.1</u> <u>For the purposes of this paragraph 3, each of:</u></p> <p><u>(a) T&SCo; and</u></p> <p><u>(b) the User that is a counterparty to the T&SCo under a Connection Agreement,</u></p> <p><u>shall be a "Counterparty".</u></p> <p><u>Liability</u></p>

<u>No</u>	<u>Subject</u>	<u>Terms</u>
		<p><u>3.2</u> <u>Subject to the remainder of this paragraph 3 and any other express provision to the contrary, no Party shall be liable to its Counterparty for any claims, losses, damages costs, expenses or liabilities arising from any default, negligence or breach of duty (whether statutory or otherwise) or any breach of this Code or an Ancillary Agreement (or the Party's performance of its obligations under this Code or an Ancillary Agreement), except for any such claims, losses, damages, costs, expenses or liabilities in respect of:</u></p> <p><u>(a) physical damage to the property of the Counterparty; and/or</u></p> <p><u>(b) the liability (in law) of the Counterparty to any third party.</u></p> <p><u>3.3</u> <u>Where T&SCo elects to accept delivery of carbon dioxide which does not comply with the Entry Provisions for delivery into the T&S Network pursuant to paragraph 3.1(b) of Section F (Network design and specification), then it thereby takes responsibility for the impact of such carbon dioxide on the T&S Network.</u></p> <p><u>Note: this provision is without prejudice to any liability at law between the Parties where there is no such acceptance.</u></p> <p><u>3.4</u> <u>The amount or amounts for which a Party may be liable to a Counterparty pursuant to paragraph 3.2 in respect of any one event or circumstance shall not exceed:</u></p> <p><u>(a) in respect of the liability of the T&SCo to any one User or of any one User to T&SCo, £[20 million]; or</u></p> <p><u>(b) in respect of the liability in aggregate of T&SCo to more than one User, £[100 million].</u></p> <p><u>Exclusions and exceptions</u></p> <p><u>3.5</u> <u>No Party shall in any circumstances be liable in respect of any breach of this Code or an Ancillary Agreement (or the Party's performance of its obligations under this Code or any Ancillary Agreement) to any Counterparty for:</u></p> <p><u>(a) any loss of profit, loss of revenue, loss of use, loss of contract, loss of goodwill, or increased cost of working; or</u></p> <p><u>(b) any indirect or consequential loss, including any ETS Liabilities; or</u></p> <p><u>(c) except as provided in paragraphs 3.2(b) and 3.6,</u></p>

<u>No</u>	<u>Subject</u>	<u>Terms</u>
		<p><u>loss resulting from the liability of any Counterparty to any other person howsoever and whensoever arising.</u></p> <p><u>3.6 Nothing in this Code or any Ancillary Agreement excludes or limits the liability of any Party:</u></p> <p><u>(a) for death or personal injury resulting from the negligence of such Party; or</u></p> <p><u>(b) where such a limitation or exclusion would be contrary to applicable law.</u></p> <p><u>3.7 Paragraph 3.2 is without prejudice to any provision of the Code or any Ancillary Agreement which provides for a Party to make a payment to a Counterparty.</u></p> <p><u>3.8 Nothing in this Code or any Ancillary Agreement shall prevent any T&SCo or User from seeking injunctive relief, specific performance or other equitable relief.</u></p> <p><u>3.9 The rights and remedies of the Parties pursuant to the Code and any Ancillary Agreement exclude and are in place of any rights or remedies of any Party in tort (including negligence and nuisance) or misrepresentation in respect of the subject matter of the Code or such Ancillary Agreement and accordingly, but without prejudice to paragraphs 3.6, each Party (to the fullest extent permitted by law):</u></p> <p><u>(a) waives any rights or remedies; and</u></p> <p><u>(b) releases the Counterparty from any duties or liabilities arising in tort or misrepresentation in respect of the subject matter of the Code or such Ancillary Agreement.</u></p> <p><u>3.10 Without prejudice to paragraph 3.9, where any provision of the Code or any Ancillary Agreement provides for any amount to be payable by a Party upon or in respect of that Party's breach of any provision of the Code or any Ancillary Agreement, each Party agrees and acknowledges that the remedy conferred by such provision is exclusive of and is in substitution for any remedy in damages in respect of such breach or the event or circumstance giving rise thereto.</u></p> <p><u>3.11 Nothing in this paragraph 3 shall prevent any Party from or restrict it in enforcing any obligation owed to under or pursuant to the Code, the Code Agreement or any Ancillary Agreement.</u></p>
<u>4.</u>	<u>Liabilities between Users, between T&SCos and cross-network</u>	<u>4.1 Unless otherwise provided, nothing in the Code or any Ancillary Agreement creates contractual rights or liabilities:</u>

<u>No</u>	<u>Subject</u>	<u>Terms</u>
	<u>liabilities</u>	<p>(a) <u>between Users inter se;</u></p> <p>(b) <u>between T&Scos inter se; or</u></p> <p>(c) <u>between Users of a T&S Network and the T&SCo of another T&S Network.</u></p> <p>4.2 <u>Each</u></p> <p>(a) <u>T&SCo:</u></p> <p>(i) <u>waives any rights or remedies against any:</u></p> <p>(A) <u>other T&SCo; and</u></p> <p>(B) <u>User other than the User which is its Connection Agreement counterparty; and</u></p> <p>(ii) <u>releases:</u></p> <p>(A) <u>each other T&SCo; and</u></p> <p>(B) <u>each User other than the User which is its Connection Agreement counterparty; and</u></p> <p>(b) <u>User:</u></p> <p>(i) <u>waives any rights or remedies against any:</u></p> <p>(A) <u>other User; and</u></p> <p>(B) <u>T&SCo other than the T&SCo which is its Connection Agreement counterparty ; and</u></p> <p>(ii) <u>releases:</u></p> <p>(A) <u>each other User; and</u></p> <p>(B) <u>T&SCo other than the T&SCo which is its Connection Agreement counterparty.</u></p> <p><u>from of any duties or liabilities arising in tort (including negligence and nuisance) or misrepresentation in respect of the subject matter of the Code or any Ancillary Agreement.</u></p>
5.	<u>Warning notices</u>	<p>5.1 <u>Where:</u></p> <p>(a) <u>a User is in material or persistent breach of the Code; and</u></p>

<u>No</u>	<u>Subject</u>	<u>Terms</u>
		<p><u>(b) such breach is not a Payment Default or Insolvency Default,</u></p> <p><u>T&SCo may give warning notice of such material or persistent breach to the User (the "Warning Notice") which:</u></p> <p><u>(i) requires the User to desist from failing to comply with the Code; and</u></p> <p><u>(ii) includes details of how the User has materially or persistently failed to comply with the requirements of the Code.</u></p> <p><u>(c) the User shall be permitted a "grace period" of 14 Days to implement measures to assist the User in complying with the Code; and</u></p> <p><u>(d) for the avoidance of doubt, any non-compliance with the Code by the User during the grace period referred to in paragraph 5.1(c) shall not entitle T&SCo to serve another Warning Notice on the User.</u></p>
6.	<u>Default and remedy</u>	<p><u>6.1 Where:</u></p> <p><u>(a) having received three Warning Notices within the preceding 12 months, the material or persistent breach identified in such Warning Notices remains unremedied by the User; and</u></p> <p><u>(b) such breach is not a Payment Default or Insolvency Default, then</u></p> <p><u>T&SCo may give notice of such breach to the User ("Default Notice).</u></p> <p><u>6.2 Within fourteen (14) Days of such notice the User must:</u></p> <p><u>(a) where the breach is reasonably capable of remedy within such period of fourteen (14) Days, remedy the breach in all material respects;</u></p> <p><u>(b) where the breach is capable of remedy but not reasonably within fourteen (14) Days, provide to T&SCo a remediation plan setting out the steps to be taken by the User and the timetable for taking such steps for the remedy of the breach as soon as is reasonably practicable;</u></p> <p><u>(c) where the breach is not capable of remedy, provide a remediation plan setting out:</u></p> <p><u>(i) the steps to be taken by the User and the</u></p>

<u>No</u>	<u>Subject</u>	<u>Terms</u>
		<p><u>timetable for taking such steps to mitigate the impact of the breach so far as is reasonably practicable; and</u></p> <p><u>(ii) the steps to be taken to prevent the recurrence or re-occurrence of the relevant breach so far as is reasonably practicable.</u></p> <p><u>6.3 For the purposes of paragraphs 6.1 and 6.2 the following breaches are excluded:</u></p> <p><u>(a) a breach which results from a breach by T&SCo of the Code or an Ancillary Agreement; or</u></p> <p><u>(b) a breach other than a wilful breach of a provision of the Code where the Code specifically provides some other remedy for such breach and such other remedy may reasonably be considered to be adequate in the circumstances.</u></p>
<u>7.</u>	<u>General Default</u>	<p><u>7.1 A General Default occurs when a Default Notice has been issued and:</u></p> <p><u>(a) paragraph 6.2(a) applies and the breach remains unremedied in any material respect after the expiry of seven (7) Days after a further notice by T&SCo to the User to the effect that the User has not complied with paragraph 6.2(a); or</u></p> <p><u>(b) paragraph 6.2(b) applies and the User does not:</u></p> <p><u>(i) remedy the breach in all material respects with all reasonable diligence and so far as reasonably practicable in accordance with the remediation plan provided under 6.2(b) or a revised remediation plan pursuant to paragraph 7.1(b)(ii) below; or</u></p> <p><u>(ii) where notwithstanding the reasonable diligence of the User it is not reasonably practicable for the User to remedy the breach in accordance with that remediation plan, provide to T&SCo a revised remediation plan,</u></p> <p><u>and such failure remains unremedied in any material respect after the expiry of seven (7) Days after a further notice by T&SCo to the User to the effect that the User has not complied with this paragraph 7.1(b);</u></p> <p><u>(c) paragraph 6.2(c) applies and:</u></p>

No	Subject	Terms
		<p><u>(i) the User does not :</u></p> <p><u>(A) comply in all material respects with the remediation plan provided under 6.2(c) or a revised remediation plan pursuant to paragraph below; or</u></p> <p><u>(B) where notwithstanding the reasonable diligence of the User it is not reasonably practicable for the User to comply in all material respects with that remediation plan, provide to T&SCo a revised remediation plan,</u></p> <p><u>and such failure remains unremedied in any material respect after the expiry of seven (7) Days after a further notice by T&SCo to the User to the effect that the User has not complied with this paragraph 7.1(c); or</u></p> <p><u>(ii) at any time within the period of twelve (12) months following T&SCo's Default Notice, there occurs a further material breach by the User of the same provision of the Code; and T&SCo has given a notice of such further breach to the User and a period of seven (7) Days has expired following such notice.</u></p>
8.	<u>Insolvency Default</u>	<p>8.1 <u>An Insolvency Default occurs, save if and to the extent the provisions of section 233B of the Insolvency Act 1986 apply, when a User:</u></p> <p><u>(a) is unable to pay its debts (within the meaning of Section 123(1) or (2) of the Insolvency Act 1986, but subject to paragraph 8.2, or any voluntary arrangement is proposed in relation to it under Section 1 of that Act or it enters into any composition or scheme of arrangement (other than for the purpose of a bona fide solvent reconstruction or amalgamation); or</u></p> <p><u>(b) has a receiver (which expression shall include an administrative receiver within the meaning of Section 29 of the Insolvency Act 1986) of the whole or any material part of its assets or undertaking appointed; or</u></p> <p><u>(c) has an administration order under Section 8 of the Insolvency Act 1986 made in relation to it; or</u></p> <p><u>(d) passes any resolution for winding-up (other than</u></p>

<u>No</u>	<u>Subject</u>	<u>Terms</u>
		<p><u>for the purpose of a bona fide solvent reconstruction or amalgamation); or</u></p> <p><u>(e) becomes subject to an order by the High Court for winding-up; or</u></p> <p><u>(f) becomes subject to a bankruptcy order; or</u></p> <p><u>(g) becomes subject to an event made in a jurisdiction outside England and Wales, equivalent or analogous to any one or more of those events listed in paragraphs 8.1(a) to 8.1(f) above.</u></p> <p><u>8.2 For the purposes of paragraph 8.1(a), Section 123(1)(a) of the Insolvency Act 1986 shall have effect as if for '£750' there was substituted £10,000, and the User shall not be deemed to be unable to pay its debts for the purposes of that paragraph if any such demand as is mentioned in the said Section is being contested in good faith by the User with recourse to all appropriate measures and procedures.</u></p>
<u>9.</u>	<u>Payment Default</u>	<p><u>9.1 A Payment Default occurs where in relation to any amount (or amounts in aggregate) of not less than £10,000 which has become due for payment by the User under the Code:</u></p> <p><u>(a) the T&SCo has issued a notice of demand for payment of the outstanding amount (a "Late Payment Notice"); and</u></p> <p><u>(b) the User has not paid such amount in full by the 30th Day after the date of the Late Payment Notice.</u></p>
<u>10.</u>	<u>Right to suspend</u>	<p><u>10.1 Without prejudice to any other rights of T&SCo under the Code, during any period in which a Default Notice or Late Payment Notice has been issued and such breach of the Code or failure to pay is subsisting, or during any period while an Insolvency Default is subsisting, T&SCo shall be entitled to reject or refuse to accept all or any of the following by the relevant User:</u></p> <p><u>(a) delivery of carbon dioxide at the User's Delivery Point; or</u></p> <p><u>(b) an application for Registered Capacity or increased Registered Capacity at any Delivery Point under Section E (network use and capacity).</u></p> <p><u>10.2 A User shall remain liable to pay Capacity Charges and Network Charges during any period in which paragraph</u></p>

<u>No</u>	<u>Subject</u>	<u>Terms</u>
		<u>9.1 applies.</u>
<u>11.</u>	<u>Default Termination</u>	<p data-bbox="584 318 1383 517"><u>11.1</u> Upon the occurrence of a User Default, T&SCo may give notice ("Termination Notice") to the User to the effect that the User shall cease to be a User of or in relation to the T&S Network with effect from the date (which may be any date on or after the date on which the notice is given) specified in the notice.</p> <p data-bbox="584 539 1383 667"><u>11.2</u> Where T&SCo gives a Termination Notice to a User, with effect from the date specified in the notice, the User will cease to be a User of the T&S Network and paragraph 13.2 shall apply.</p> <p data-bbox="584 689 1383 1048"><u>11.3</u> The giving of a Termination Notice and the application of paragraph 11.2 shall not affect the rights and obligations of T&SCo and the User under the Code or any Ancillary Agreement (including rights and obligations in respect of the User Default, and in respect of amounts including interest payable by either Party, and rights and obligations arising pursuant to any provision of the Code in respect of the User's ceasing to be a User) accrued up to the date referred to in paragraph 11.2, which shall continue to be enforceable notwithstanding that paragraph.</p>
<u>12.</u>	<u>User discontinuation</u>	<p data-bbox="584 1077 1383 1173"><u>12.1</u> A User may by giving notice ("Discontinuance Notice") to T&SCo apply to cease to be a User of or in relation to the T&SCo Network:</p> <p data-bbox="679 1196 1383 1263">(a) <u>where it no longer intends to hold Registered Capacity;</u></p> <p data-bbox="679 1285 1383 1391">(b) <u>while a Construction Longstop Default affecting the User is subsisting in respect of a failure of T&SCo to complete the relevant T&SCo Works;</u></p> <p data-bbox="759 1413 1383 1518"><u>where a Capacity Constraint Default affecting the User is subsisting in respect of Capacity Constraint.</u></p> <p data-bbox="759 1541 1383 1646"><i>Note:</i> <u>the definition of "Capacity Constraint Default" is still being developed, but it is intended to reflect a prolonged outage.</u></p> <p data-bbox="584 1668 1383 1736"><u>12.2</u> A User may not cease to be a User under this paragraph 12 until such time as:</p> <p data-bbox="679 1758 1383 1825">(a) <u>where paragraph 12.1(a) applies, the User's Registered Capacity has expired;</u></p> <p data-bbox="679 1848 1383 2024">(b) <u>subject to paragraph 13.3(a), all amounts payable or (other than in respect of any recurrent charge becoming payable by reason only of the lapse of time after the date on which the last of the other requirements of this</u></p>

<u>No</u>	<u>Subject</u>	<u>Terms</u>
		<p><u>paragraph 12.2 is satisfied) which may become payable by the User to T&SCo pursuant to any provision of the Code or any Ancillary Agreement have been paid in full;</u></p> <p><u>(c) any requirements under any Ancillary Agreement in respect of termination have been complied with; and</u></p> <p><u>(d) any outstanding breach, being a breach capable of remedy and of which T&SCo has given notice to the User, by the User of any provision of the Code or any Ancillary Agreement shall have been remedied.</u></p> <p><u>12.3 Where a User has given notice under paragraph 12.1, the User and T&SCo shall remain bound by the Code and any Ancillary Agreement to which the User is party until the requirements of paragraph 12.2 are satisfied;</u></p> <p><u>12.4 Where a User has given notice under paragraph 12.1 after the satisfaction of the last of the requirements of paragraph 12.2 to be satisfied:</u></p> <p><u>(a) with effect from the 5th Business Day following such satisfaction, the User will cease to be a User;</u></p> <p><u>(b) without prejudice to paragraph 12.5, T&SCo will as soon as reasonably practicable (and where possible before such date) inform the User of the date on which it ceases to be a User under paragraph (a).</u></p> <p><u>12.5 Notwithstanding paragraph 12.3, T&SCo or (as the case may be) the User shall remain liable, subject to and in accordance with the Code, to the other and after the User Discontinuance Date:</u></p> <p><u>(a) for any amount which was or becomes payable under the Code or any Ancillary Agreement in respect of any period before the User Discontinuance Date; and</u></p> <p><u>(b) in respect of any outstanding breach of any provision of the Code or any Ancillary Agreement where such breach was not (for the purposes of paragraph 12.2(d)) capable of remedy or (notwithstanding that paragraph) was capable of remedy but was not remedied.</u></p>
<u>13.</u>	<u>Discontinuing Users and termination</u>	<p><u>13.1 A User may cease to be a User of or in relation to a T&S Network pursuant to paragraph 11 or 12 and for the purposes of the Code a "Discontinuing User" is a User who so ceases to be a User and the "User Discontinuance Date" is the date with effect from</u></p>

<u>No</u>	<u>Subject</u>	<u>Terms</u>
		<p><u>which (in accordance with paragraph 11 or 12) a Discontinuing User ceases to be a User.</u></p> <p><u>13.2 Upon a User's ceasing to be a User:</u></p> <p><u>(a) subject to any provision of the Code expressed to survive termination and to paragraph 11.3, the Code Agreement shall cease to bind the Discontinuing User and (as respects the Discontinuing User) the T&SCo;</u></p> <p><u>(b) each Ancillary Agreement to which a Discontinuing User is party shall, unless otherwise provided in such Ancillary Agreement, terminate as respects that User (but without prejudice to the continuance of that Agreement as respects any other User(s) party thereto) with effect from the User Discontinuance Date.</u></p> <p><u>13.3 A Discontinuing User's Registered Capacity shall not be reduced or cancelled (and the User will remain liable for payment of Capacity Charges in respect thereof but may elect to make prepayment thereof) other than:</u></p> <p><u>(a) Long-term Registered Network Capacity after the date which is three years from the Discontinuance Date;</u></p> <p><u>(b) Registered Capacity from the Discontinuance Date, where a Discontinuance Notice has been issued under paragraph 12.1(b) or 0; or</u></p> <p><u>(c) by agreement with the T&SCo.</u></p> <p><u>13.4 A Discontinuing User will remain liable for payment of Network Charges for the period in which it is liable for Capacity Charges in accordance with paragraph 13.3.</u></p> <p><u>13.5 Following the User Discontinuance Date, each party shall bear responsibility for:</u></p> <p><u>(a) the safe decommissioning of the connection assets owned by that party; and</u></p> <p><u>(b) all decommissioning costs and liabilities (including any such liabilities arising under relevant legal requirements) associated with the decommissioning of such assets,</u></p> <p><u>based on the boundaries of ownership set out in the Connection Agreement between the T&SCo and the Discontinuing User.</u></p>
<u>14.</u>	<u>Governing law</u>	<p><u>14.1 The Code, the Code Agreement, every Code Accession Agreement and every Ancillary Agreement, and any dispute, controversy, proceedings or claim of whatever</u></p>

No	Subject	Terms
		<p><u>nature arising out of or in any way relating to the Code, the Code Agreement, any Code Accession Agreement or any Ancillary Agreement or their formation (including any non-contractual disputes or claims), shall be governed by and construed in accordance with English law.</u></p>
15.	Jurisdiction	<p>15.1 <u>Subject to the provisions providing for mediation and expert determination in Section B (Governance), all the Parties irrevocably agree that the courts of England shall have exclusive jurisdiction to hear, settle and/or determine any dispute, controversy or claim (including any non-contractual dispute, controversy or claim) arising out of or in connection with the Code, the Code Agreement, any Code Accession Agreement or any Ancillary Agreement, including any question regarding its existence, validity, formation or termination. For these purposes, each Party irrevocably submits to the jurisdiction of the English courts.</u></p>
16.	Third party rights	<p>16.1 <u>Unless expressly provided otherwise (including under paragraph 7.4 of Section B), no term of any Code Document is intended to be enforceable by third parties and the operation of the Contracts (Rights of Third Parties) Act 1999 is hereby excluded. Where an obligation is expressly stated to be enforceable by a third party, the consent of that third party will not be required to rescind or vary the relevant term.</u></p>
17.	Severance	<p>17.1 <u>If any provision of this Code, the Code Agreement, any of the Code Accession Agreements or any of the Ancillary Agreements (the "Code Documents") is or becomes (whether or not pursuant to any judgment or otherwise) invalid, illegal or unenforceable in any respect under the law of any jurisdiction:</u></p> <p style="padding-left: 20px;">(a) <u>the validity, legality and enforceability under the law of that jurisdiction of any other provision; and</u></p> <p style="padding-left: 20px;">(b) <u>the validity, legality and enforceability under the law of any other jurisdiction of that or any other provision.</u></p> <p><u>shall not be affected or impaired in any way thereby.</u></p> <p>17.2 <u>If any provision of any Code Document shall be held to be void or declared illegal, invalid or unenforceable for any reason whatsoever, such provision shall be divisible from the Code Document and shall be deemed to be deleted from the Code Document and the validity, legality and enforceability of the remaining provisions shall not be affected.</u></p>
18.	Entire agreement	<p>18.1 <u>Each of the Code Documents represents the entire understanding, and constitute the whole agreement of</u></p>

No	Subject	Terms
		<p><u>the Parties in relation to their subject matter and supersede any previous agreement between the Parties with respect thereto and, to the fullest extent practicable under the relevant law, and without prejudice to the generality of the foregoing, exclude any warranty, condition or other undertaking implied at law or by custom.</u></p>
19.	Waiver	<p>19.1 <u>A waiver of any term, provision or condition of, or consent granted under, any Code Document shall be effective only if given in writing and signed by the waiving or consenting party and then only in the instance and for the purpose for which it is given.</u></p> <p>19.2 <u>No failure or delay on the part of any party in exercising any right, power or privilege under any Code Document shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or privilege preclude any other or further exercise thereof or the exercise of any other right, power or privilege.</u></p> <p>19.3 <u>No breach of any provision of any Code Document shall be waived or discharged except with the express written consent of the parties.</u></p> <p>19.4 <u>The rights and remedies herein provided are cumulative with and not exclusive of any rights or remedies provided by law.</u></p>
20.	Language	<p>20.1 <u>Every communication or notice to be given by one Party to another under any Code Document shall be in the English language.</u></p>
21.	Assignment	<p>21.1 <u>Neither Party shall assign its rights and obligations under this Code except in accordance with the provisions of clauses 20.2 and 20.3.</u></p> <p>21.2 <u>The User shall only be entitled to assign its rights and obligations under Code to a third party where:</u></p> <p>(a) <u>the User assigns the ownership and operation of the User Facility to the third party;</u></p> <p>(b) <u>the User has obtained the prior written consent of T&SCo, which shall not be unreasonably withheld; and</u></p> <p>(c) <u>the third party becomes bound by the Code by entering into a Code Accession Agreement.</u></p> <p>21.3 <u>T&SCo shall only be entitled to assign its rights and obligations under this Code to a third party where:</u></p> <p>(a) <u>T&SCo assigns the ownership and operation of</u></p>

<u>No</u>	<u>Subject</u>	<u>Terms</u>
		<u>the T&S Network to a third party holding a Licence; and</u> <u>(b) the third party becomes bound by the Code by entering into a Code Accession Agreement.</u>

SECTION K: GLOSSARY

In this Code, the following words and expressions shall have the following meanings, unless the context otherwise requires:

Term	Meaning
Act	<u>means the [Energy Act].</u>
Adjustment Period	<u>has the meaning given in paragraph 7.1 of Section F (network design and specification).</u>
Accession Agreement	means an agreement in the form set out in Exhibit A pursuant to a which a User accedes to the Code Agreement. <i>Note: this will be a short form standard accession agreement.</i>
Act	<i>Note: this will refer to the legislation which provides for the grant of a licence to each T&SCo, authorising T&SCo to operate the T&S Network.</i>
Affected User	means a User likely to be affected by Programmed Maintenance or Reactive Maintenance.
Allowed Onshore Capacity Revenue	means has the rate-determined meaning given in accordance with paragraph 3.1(a) of Section H (Charges, invoicing and payment).
Allowed Onshore Revenue	<u>has the meaning given in paragraph 4.1(a) of Section H (Charges, invoicing and payment).</u>
Allowed Offshore Capacity Revenue	means has the rate-determined meaning given in accordance with paragraph 3.13.2(a) of Section H (Charges, invoicing and payment).
Allowed Offshore Revenue	<u>has the meaning given in paragraph 4.6(a) of Section H (Charges, invoicing and payment).</u>
Allowed Revenue	means the amount that T&SCo is entitled to recover in accordance with its Licence, as defined in the Licence.
Ancillary Agreements	means: <ul style="list-style-type: none"> • the Construction Agreement; and • the Connection Agreement. <p><i>Note: the range of Ancillary Agreements may be expanded to the extent that the process of developing the Code identifies the need for further agreements. However, the general intent is to minimise the number of separate documents/agreements required.</i></p>
Annual Forecast	<u>has the meaning given in paragraphs 5.8 and 5.9 of Section E (Network use and capacity).</u>
Annual Maintenance Meeting	has the meaning given in paragraph 10.4 10.5(b) of Section E (Network use and capacity).

Term	Meaning
Annual Network Capacity	means Network Capacity allocated by T&SCo on an annual basis for a particular Charging Year.
<u>Appeal</u>	<u>means an appeal made by an Appealing Party to the Modification Panel of a determination by the Modification Panel under paragraph [2.69] of Section B (Governance) in respect of a Self-Governance Modification Proposal;</u>
Annual-Nomination <u>Appealing Party</u>	has the meaning given in paragraph 5.8 of Section E (Network use and capacity). <u>Means in relation to an Appeal or an Authority Appeal, a User, T&SCo or Third Party Participant making such appeal.</u>
Applicable Interest Rate	has the meaning given in paragraph 12.5 of Section H (Charges, invoicing and payment).
Appointment Period	has the meaning given in paragraph 1.31 of Section B (Governance).
Authority	means the economic regulator appointed under section [x] of the Act.
<u>Authority Appeal</u>	<u>means an appeal to the Authority made by the Appealing Party under paragraph 3.59 of Section B (Governance).</u>
<u>Backstop Lead Time</u>	<u>means where the Authority Decision Date is later than the last Proposed Authority Decision Date, the proposed period of time (commencing on the Authority Decision Date) required to enable the Modification to be implemented.</u>
Billing Period	means a calendar month.
Breach Notice	has the meaning given in paragraph 12.1 of Section F (General).
Budget Forecast	means a budget forecast that meets the requirements of paragraph 1-201.18 1.18 of Section B (Governance)
Capacity Window <u>Application-Applicant</u>	has the meaning given in paragraph 3.3 of Section E (Network use and capacity).
Capacity Charges	means the Onshore Capacity Charge and/or the Offshore Capacity Charge.
Capacity Constraint	has the meaning given to that term in paragraph 11.1 of Section E (Network use and capacity).
<u>Capacity Constraint Default</u>	<u>Note: this definition is still being developed, but it is intended to reflect a prolonged outage.</u>
<u>Capacity Offer</u>	<u>has the meaning given in paragraph 8.2 of Section E (Network use and capacity).</u>
Carbon Dioxide Specifications	has the meaning given in paragraph 2.2 of Section F (Network design and specification).

Term	Meaning
CCS Network Code or Code	means this CCS Network Code, including all Uniform Provisions and Specific Provisions, as may be applicable.
<u>CCUS Cluster Sequencing Process</u>	means the programme(s) by that name implemented by the UK Government to select: <ul style="list-style-type: none"> (a) <u>prospective T&S Networks and prospective Users of those T&S Networks; and/or</u> (b) <u>prospective or existing Users for allocation of Network Capacity in existing or prospective T&S Networks.</u>
<u>CDS</u>	<u>has the meaning given in paragraph 9.1 of Section I (Data).</u>
<u>CDS Accession Agreement</u>	means an agreement in the form set out in Exhibit D pursuant to which a T&SCo accedes to the CDS Contract. <i><u>Note: this will be a short-form standard accession agreement</u></i>
<u>CDS Contract</u>	<u>has the meaning given in paragraph 9.1 of Section I (Data).</u>
<u>CDS Data Dispute</u>	<u>has the meaning given in paragraph 9.6 of Section I (Data).</u>
CCS Network Data <u>CDS Terms of Reference</u>	has the meaning given in paragraph 2.39.3 of Section I (General <u>Data</u>).
Charges	means each of the charges listed in paragraph 1.3 of Section H (<i>Charges, invoicing and payment</i>).
Charges Statement	means the statement to be published in accordance with paragraph 6 of Section H (<i>Charges, invoicing and payment</i>).
Charging Methodology	means the methodology for determining the Charges in accordance with Section H (<i>Charges, invoicing and payment</i>).
Charging Year	means the period from 1 April in any year until and including 31 March in the following year.
<u>Code Accession Agreement</u>	means an agreement in the form set out in Exhibit A pursuant to a which a User accedes to the Code Agreement. <i><u>Note: this will be a short-form standard accession agreement.</u></i>
Code Agreement	means the agreement which makes the Code binding on a T&SCo or a User (in the form set out as an exhibit to the <u>Code Accession Agreement</u>).
Code Document	has the meaning given in paragraph 23.1 <u>17.1</u> of Section I <u>J</u> (<i>General</i>).
Code Implementation Date	means the effective date of the Code Agreement (specified in the Code Agreement) when the CCS Network Code is given legal effect.
<u>Commercial Operations</u>	<u>has the meaning given in T&SCo's Licence.</u>

Term	Meaning
Date	
Communication	Note: to be developed – this will include different categories of communications under the Code, such as nominations, curtailment notices, etc.
Competent Authority	means the Authority, or any local, national or supra-national agency, authority, department, inspectorate, minister, official, court, tribunal or public or statutory person (whether autonomous or not) of the United Kingdom (or the government thereof) which has jurisdiction over the T&SCo or a User or the subject matter of the Code.
Confirmed Nominated Quantity	has the meaning given in paragraph 6.11 of Section E (Network use and capacity).
Connection Agreement	means an agreement between a T&SCo and a User in the form set out in Exhibit C. Note: in the interests of consistency it is expected that T&SCos and Users will enter into a Connection Agreement in a prescribed form, save that except for some provisions may need to differ based on the type of User specific details .
Connection Application	has the meaning given to that term in paragraph 6.1 of Section C (Connection).
Connection Offer	means a connection offer that complies with the requirements of paragraph 9.3 of Section C (Connection), in a written format determined by T&SCo.
Constrained Capacity Optimisation Principles	has the meaning given in paragraph 12.7 of Section E (Network use and capacity).
Constrained Registered Capacity	has the meaning given in paragraph 12.10 of Section E (Network use and capacity).
Constrained User	has the meaning given in paragraph 12.3(a) of Section E (Network use and capacity).
Construction Agreement	means an agreement between a T&SCo and a User in the form set out in Exhibit B. Note: in the interests of consistency it is expected that T&SCos and Users will enter into a Construction Agreement in a prescribed form, save that except for some provisions may need to differ based on the type of User specific details .
Construction Default Longstop	means a failure by T&SCo to complete the T&SCo Works or the User to complete the User Works by the applicable longstop date Longstop Date (as extended in accordance with the Construction Agreement) in accordance with paragraph 14 13 of the Construction Agreement.
Consultation	means the consultation process described in paragraph

Term	Meaning
	2.12 <u>3.34</u> and 2.14 <u>3.35</u> of Section B (governance <u>Governance</u>).
Conventional Notice	means a notice which complies with the general requirements of the notice provisions in the Code. <u>has the meaning given in paragraph 1.2 of Section J (General).</u>
Core Industrial Procedures	<p>means:</p> <ul style="list-style-type: none"> (a) Emergency Procedure; (b) Maintenance Procedure (Planned and Unplanned); (c) Operational Safety Procedure; <p>Note: It is expected that T&SCos will add to this list other industrial procedures which should be developed prior to the Code Implementation Date and be set out in the Code on Day 1 and which will apply to all Users equally</p>
Counterparty	has the meaning given in paragraph 10.13.1 of Section I <u>J</u> (<i>General</i>).
Credit Rating Agency	<p>means:</p> <ul style="list-style-type: none"> <u>(a)</u> • Fitch Ratings, <u>(b)</u> • Moody's Investment Service and Standard; and/or <u>(c)</u> • Poor's Rating Group and any of their subsidiaries.
Daily Curtailed Nomination	has the meaning given in paragraph 5.10 <u>6.13</u> of Section E (<i>Network use and capacity</i>).
Daily Nomination	<u>has the meaning given in paragraphs 6.2 and 6.4 of Section E (Network use and capacity).</u>
Daily Quantity	has the meaning given in paragraph 1.5 of Section H (<i>Charges, invoicing and payment</i>).
Day	means the period from 00:00 hours on one day until 11:59 on the following day.
Data Transfer Procedures	has the meaning given in paragraph 3.16.1 of Section I (General) <u>Data</u> .
Default Notice	<u>has the meaning given in paragraph 6.1 of Section J (General).</u>
Delivery Point	means the point of connection between a User Facility and the T&S Network at which point a User will deliver carbon dioxide into the T&S Network.
Delivery Point Size	means the size of the Delivery Point to which the User Facility is connected, as set out in the Connection Agreement, expressed

Term	Meaning
	in tCO₂/hour has the meaning given in paragraph 1.11 of Section H (<i>Charges, invoicing and payment</i>).
Deposit Deed	means an agreement that is Enforceable and in such form as provided to the User from time to time by T&SCo enabling the deposit of cash as security.
Depreciation	has the meaning given in the Licence.
<u>Deselected</u>	<p><u>means that an Eligible Applicant, having first been Selected, has been advised by the Secretary of State through the Selection Process that it is no longer eligible for:</u></p> <ul style="list-style-type: none"> <u>(a) award of an Emitter Revenue Support Contract;</u> <u>or</u> <u>(b) connection to a T&S Network; or</u> <u>(c) modification of its existing Delivery Point.</u>
Directive	means any present or future directive, request, requirement, instruction, code of practice, direction or rule of any Competent Authority (but only, if not having the force of law, if it is reasonable in all the circumstances for it to be treated as though it had legal force), and any modification, extension or replacement thereof.
Disclosing Party	has the meaning given in paragraph 7.53.5 of Section I (General <i>Data</i>).
Discontinuance Notice	has the meaning given in paragraph 18 <i>13.1</i> of Section I <i>J</i> (<i>General</i>).
Discontinuing User	has the meaning given in paragraph 19 <i>13.1</i> of Section I <i>J</i> (<i>General</i>).
Draft Statement of Expenses	has the meaning given in paragraph 1.23 of Section B (<i>Governance</i>).
<u>Eligible Applicant</u>	<u>has the meaning given to that term in paragraph 5.1 of Section C (<i>Connection</i>).</u>
Emergency	<p>means a situation where T&SCo in its judgment considers that action must be taken without delay to:</p> <ul style="list-style-type: none"> (a) avert or reduce danger to life or property; or (b) secure the safety of the T&S Network or a part of the T&S Network or the safe transportation of carbon dioxide by it or reducing the risk to it.
<u>Emitter Revenue Support Contract</u>	<u>means a revenue support contract granted to an emitter pursuant to Part 2 of the [Act] or a Contract for Difference granted to an emitter pursuant to Chapter 2 of Part 2 of the Energy Act 2013.</u>

Term	Meaning
Enforceable	means T&SCo (acting reasonably) is satisfied that the instrument of security or surety is legally enforceable and in this respect, where surety is provided by a company registered outside of England and Wales, the country of residence of such company must have a sovereign credit rating of a Qualifying Company (where such ratings conflict, the lower of the ratings will be used) and the User shall at its own expense provides such legal opinion as the T&SCo may reasonably require.
Entry Provisions	has the meaning given in paragraph 2.1 of Section F (<i>Network design and specification</i>).
ETS Liabilities	means any costs or liabilities of a Party relating to that Party's liabilities or obligations under the UK Emissions Trading Scheme established under the Greenhouse Gas Emissions Trading Scheme Order 2020.
Expenses Notification Dispute	has the meaning given in paragraph 1.24 of Section B (<i>Governance</i>)
Expert Determination	means the process for determination of a dispute by Experts in accordance with paragraph 9 of Section B (<i>Governance</i>).
Fast Self-Governance Procedure Track	<p>means that a proposal, if implemented:</p> <ul style="list-style-type: none"> (a) would meet the Self-Governance Criteria; and (b) is properly a housekeeping modification required as a result of some error or factual change, including but not limited to: <ul style="list-style-type: none"> (i) updating names or addresses listed in the uniform network code; (ii) correcting minor typographical errors; (iii) correcting formatting and consistency errors, such as paragraph numbering; or <p>updating out of date references to other documents or paragraphs.</p>
Final Confirmed Nominated Quantity	Has the meaning given in paragraph 6.22 of Section E (<i>Network use and capacity</i>).
Final Statement of Expenses	has the meaning given in paragraph 1.25 of Section B (<i>Governance</i>)
Fixed Implementation Date	means the proposed implementation date of a Modification, such date being included in accordance with paragraph 2.4(c) of Section B and, except where the Proposal is a Self Governance Modification Proposal, paragraph 2.31(f) of Section B.
Flow Charges	means the Onshore Flow Charge and/or the Offshore Flow

Term	Meaning
	Charge.
Flow Meter	Note: <i>this definition is to be developed on the basis of the <u>Measurement Requirements</u>.</i>
Flow Meter Error	means a <u>Measurement Equipment Error</u> relating to the <u>Flow Meter</u> .
Flow Meter Adjustment	means a <u>Measurement Adjustment</u> made in accordance with paragraph 7.1 or paragraph 7.2 of Section F (<u>Network design and specification</u>).
Flow Rate	means the total instantaneous flow rate, in the form of carbon dioxide, expressed in tCO ₂ /hour, that is being delivered at the <u>Delivery Point</u> .
Forecasting Pro-Forma	means the pro-forma document issued by T&SCo identifying the information to be provided by Users in accordance with paragraph 5.2 of Section H (<u>Charges, invoicing and payment</u>).
Forecast	has the meaning in paragraph 5.2 of Section E (<u>Network use and capacity</u>).
General Default	has the meaning given in paragraph 13.17.1 of Section I (<u>General</u>).
Handover Date	has the meaning given in T&SCo's Licence.
Hour	means a period of 60 minutes, with the first Hour of each Day starting at 00:00 hours.
Implementation Date	means the date upon which an <u>Industrial Procedure</u> is to be implemented.
Independent Verifier	has the meaning given in paragraph 10.1 of Section I (<u>Data</u>).
Independent Verifier Appointment	has the meaning given in paragraph 10.1 of Section I (<u>Data</u>).
Independent Verifier Terms of Reference	has the meaning given in paragraph 10.2 of Section I (<u>Data</u>).
Industrial Procedures	means: (a) has the Core meaning given in paragraph 3.1 of Section H (<u>Industrial Procedures</u>); and (b) the <u>Supplementary Industrial Procedures</u>.
Initial Offer	means an initial offer that complies with the requirements of paragraph 9.2 of Section C (<u>Connection</u>), in a written format determined by T&SCo.
Initial UsersUser	has the meaning given in paragraph 1.1(a) of Section C (<u>Connection</u>); means a <u>User</u> or prospective <u>User</u> who was

Term	Meaning
	<p>Selected through the Track-1 Cluster Sequencing Process and:</p> <p>(a) became a User on or before the Code Implementation Date; or</p> <p>(b) as at the Code Implementation Date, has not yet become a User, but is in the process of reaching financial investment decision and has already applied to connect to a T&S Network, and has not been Deselected.</p>
Insolvency Default	has the meaning given in paragraph 14.18.1 of Section F (<i>General</i>).
Interim Period	has the meaning given in the Energy Bill.
Invoice Amount	means the amount shown as payable by the User or T&SCo in respect of that item under the relevant Invoice Document.
Invoice Dispute	has the meaning given in paragraph 11.1 of Section H (<i>Charges, invoicing and payment</i>).
Invoice Document	means an invoice document submitted by T&SCo to a User pursuant to this Section H (<i>Charges, invoicing and payment</i>).
Invoice Due Date	has the meaning given in paragraph 10.2 of Section H (<i>Charges, invoicing and payment</i>).
Late Payment Notice	has the meaning given in paragraph 12.1 of Section H (<i>Charges, invoicing and payment</i>).
LCCC	means the Low Carbon Contracts Company or any successor or equivalent body.
Local Requirements	has the meaning given in paragraph 2.9 of Section F (<i>Network design and specification</i>).
Legal Requirement	means any Act of Parliament, regulation, licence or Directive of a Competent Authority.
Letter of Credit	means an unconditional irrevocable standby letter of credit in such form as reasonably provided to the User from time to time by T&SCo from such bank as T&SCo may approve, (provided that payment may be made at a United Kingdom branch of such issuing bank) with a long-term debt rating of not less than that of a Qualifying Company (where such ratings conflict, the lower of the ratings will be used).
Licence	means the licence granted to each T&SCo under section [x] of the Act.
Listed Expert	has the meaning given to that term in paragraph 9.2 of Section B (<i>Governance</i>).
Local Requirements	has the meaning given in paragraph 2.8 of Section F (<i>Network</i>

Term	Meaning
	design and specification).
Long-term Network Capacity	means Network Capacity allocated by T&SCo for a period exceeding one year.
Maintenance Programme	the programme of planned maintenance of the T&S Network, containing in relation to the relevant Planning Period the information specified in paragraph 10.2 of Section E (<i>Network use and capacity</i>).
Materially	has the meaning given in paragraph 6.26 of Section E (Network use and capacity) .
Maximum Eligible Ramp Capacity Rate	means the maximum Network Capacity unconstrained Ramp Rate that is technically achievable by the User could apply for Facility, as specified set out in its the User's Connection Agreement.
Measurement Adjustment	means any action or adjustment which is required to correct any Measurement Equipment Error.
Measurement Data	has the meaning given to in 2.25.2 of Section I (<i>General Data</i>).
Measurement Equipment	has the meaning given in paragraph 4.1 of Section F (<i>Network design and specification</i>).
Measurement Equipment Error	means where the Measurement Equipment (or any part of it) is or has been: <ul style="list-style-type: none"> (a) registering erroneously; or (b) not functioning in accordance with the Measurement Requirements or otherwise in accordance with Section F. (Network design and specification).
Measurement Requirements	has the meaning given in paragraph 2.5 of Section F (<i>Network design and specification</i>).
Member	means any individual for the time being appointed to the Modification Panel.
Minimum Eligible Ramp Capacity Rate	means the minimum Network Capacity unconstrained Ramp Rate that is technically achievable by the User could apply for Facility, as specified set out in its the User's Connection Agreement.
Minimum Turndown Rate	means the User's Flow Rate, in tCO₂/hour (as set out in the User's Connection Agreement), when the User is operating the User Facility at its lowest operational level, to represent the lowest amount of network capacity that the User can make use of when its Registered Capacity is constrained in accordance with Section E of the Code.
Modification	means any modification of the CCS Network Code made

Term	Meaning
	pursuant to the Modification Rules.
Modification Panel	means the panel comprised in accordance with paragraph 1.2 of Section B (<i>Governance</i>) which is to perform the functions described in paragraph 1 of Section B (<i>Governance</i>).
Modification Procedures	means the provisions relating to Modifications and Modification Proposals set out in paragraphs 1 and 2 to 7 of Section B (governance Governance) and, as the context may require, any of those provisions.
Modification Proposal	means a proposal for a Modification which meets the requirements of the Code.
Modification Report	means a draft, final or amended final report prepared in accordance with paragraphs 2-123.40 to 2-173.43 of Section B (<i>Governance</i>).
Modification Rules	means the rules set out in paragraphs 1 and 2 to 7 of Section B (<i>Governance</i>).
{ Monthly Nomination } Forecast	{ has the meaning given in paragraph 5.9 paragraphs 5.12 and 5.13 of Section E (<i>Network use and capacity</i>). }
Most Restricted Communal Element	has the meaning given by reference to the following concepts: <ul style="list-style-type: none"> <li data-bbox="699 1077 1385 1261">(a) "Most Restricted", which means the part of the T&S Network (or part of the T&S Network) through which the lowest mass of carbon dioxide can instantaneously flow, determined by the lower of any physical or regulatory limits; and <li data-bbox="699 1301 1385 1451">(b) "Communal Element", which refers to any part of the T&S Network (or part of the T&S Network) that all Users' carbon dioxide must flow through, excluding any contingent infrastructure.
Network Capacity	has the meaning given in paragraph 1.3 of Section E (<i>Network use and capacity</i>).
Network Charges	means the Onshore Network Charge and/or the Offshore Network Charge.
Network Expansion Works	means works for the expansion, reinforcement or extension of a T&S Network, including <ul style="list-style-type: none"> <li data-bbox="699 1771 1385 1832">(a) works in relation to existing parts of a T&S Network; and <li data-bbox="699 1865 1385 1926">(b) works required to connect a User or a prospective User to the T&S Network, (including taking any part of a T&S Network out of service, whether on a provisional or permanent basis) to enable such

Term	Meaning
	works to be carried out.
Network Portal Service Contract Network Portal Terms of Reference	has the meaning given in paragraph 11.1 of Section I (Data). has the meaning given in paragraph 11.2 of Section I (Data).
Nominated Quantity	has the meaning given in paragraph 5.3 6.4(d) of Section E (<i>Network use and capacity</i>).
Nomination	means a nomination by a User in respect of a quantity of carbon dioxide to be delivered to the T&S Network on a Day.
Nomination Close Time	means [x]. Note: this will be developed as part of the further development of the nominations process. has the meaning given in paragraph 6.2 of Section E (Network use and capacity).
Nominations Non-conformity Notice	has the meaning given in paragraph 6.24 of Section E (Network use and capacity).
Non-Delivery Notice	Has the meaning given in paragraph 25(a) of Section E (Network use and capacity).
Obligated Network Capacity	has the meaning given in paragraph 1.5 of Section E (<i>Network use and capacity</i>).
Offshore Capacity Charge	has the meaning given in paragraph 1.6(a)(ii) of Section H (<i>Charges, invoicing and payment</i>).
Offshore Capacity Charge Rate	means the rate determined in accordance with paragraph 3.2 of Section H (<i>Charges, invoicing and payment</i>).
Offshore Flow Charge	has the meaning given in paragraph 1.4(a)(ii) of Section H (<i>Charges, invoicing and payment</i>).
Offshore Flow Charge Rate	means the rate determined in accordance with paragraph 2.2 of Section H (<i>Charges, invoicing and payment</i>).
Offshore Mutualised Network Charge Rate	means the rate determined in accordance with paragraph 4.7 of Section H (<i>Charges, invoicing and payment</i>).
Offshore Network Charge	has the meaning given in paragraph 1.10(a)(ii) of Section H (<i>Charges, invoicing and payment</i>).
Offshore Network Charge Cap	has the meaning given in paragraph 4.8 of Section H (Charges, invoicing and payment).
Offshore Network Charge Rate	means the rate determined in accordance with paragraph 4.5 of Section H (<i>Charges, invoicing and payment</i>).
Offshore Pipeline Infrastructure	means that part of the T&S Network which is offshore, including the pipelines and related infrastructure from the pig trap at the Onshore Transportation System to the pig trap at the inlet to

Term	Meaning
	the Storage Complex, but excluding the Storage Complex and including the Terminal.
Offshore Proportionate Network Charge Rate	means the rate determined in accordance with paragraph 4.6 of Section H (<i>Charges, invoicing and payment</i>).
Offshore Transportation and Storage System	means the Offshore Pipeline Infrastructure and any Storage Complex.
Offshore User	means a User with a Delivery Point which connects to the T&S Network at the Offshore Transportation and Storage System.
Onshore Capacity Charge	has the meaning given in paragraph 1.6(a)(i) of Section H (<i>Charges, invoicing and payment</i>).
Onshore Capacity Charge Rate	means the rate determined in accordance with paragraph 3.1 of Section H (<i>Charges, invoicing and payment</i>).
Onshore Flow Charge	has the meaning given in paragraph 1.4(a)(i) of Section H (<i>Charges, invoicing and payment</i>).
Onshore Flow Charge Rate	means the rate determined in accordance with paragraph 2.1 of Section H (<i>Charges, invoicing and payment</i>).
Onshore Mutualised Network Charge Rate	means the rate determined in accordance with paragraph 4.3 of Section H (<i>Charges, invoicing and payment</i>).
Onshore Network Charge	has the meaning given in paragraph 1.10(a)(i) of Section H (<i>Charges, invoicing and payment</i>).
Onshore Network Charges Cap	has the meaning given in paragraph 4.4 of Section H (<i>charges, invoicing and payment</i>).
Onshore Network Charge Rate	means the rate determined in accordance with paragraph 4.1 of Section H (<i>Charges, invoicing and payment</i>).
Onshore Proportionate Network Charge Rate	means the rate determined in accordance with paragraph 4.2 of Section H (<i>Charges, invoicing and payment</i>).
Onshore Transportation System	means that part of the T&S Network which is located onshore, including the pipelines and related infrastructure from the emitter(s) boundary fence to the pipeline entry pig trap at the entry to the Terminal, but excluding any part of the T&S Network which constitutes the Offshore Transportation and Storage System.
Onshore User	means a User with a Delivery Point which connects to the T&S Network at the Onshore Transportation System, including any User with an emergency shutdown valve upstream of any high pressure compression or pumping inlet header at the Terminal .
Panel Chairperson	means the chairperson of the Modification Panel, appointed under paragraph 1.3 of Section B (<i>Governance</i>).
Panel Majority	has the meaning given in paragraph 1.17 1.47 of Section B

Term	Meaning
	(Governance).
Payment Default	has the meaning given in paragraph 159.1 of Section I (General).
Persistently	has the meaning given in paragraph 6.26 of Section E (Network use and capacity).
Planning Period	means a period of five (5) Charging Years commencing on 1 April.
Preference Notice	has the meaning given in paragraph 9.9 of Section B (Governance).
Preference Number	has the meaning given in paragraph 9.9 of Section B (Governance).
Processed Flow Meter Data Statement	has the meaning given in paragraph 9.2 of Section I (Data).
Programmed Maintenance	means maintenance performed in accordance with the prevailing Maintenance Programme.
Proposer	means the person that submitted a Modification Proposal.
Proposed Authority Decision Date	means the proposed date by which the Authority shall give notice to the Secretary in accordance with paragraph 2.46(b) of its determination to implement the Modification, such date being included in accordance with paragraph 2.4(c)(ii) and, except where the Proposal is a Self Governance Modification Proposal, paragraph 2.42(g)(ii).
Proposed Industrial Procedure	has the meaning given in paragraph 5.1 of Section G (Industrial procedures).
Proposing Party	has the meaning given in paragraph 12.1 of Section I (Data).
Pro-rata Reduction	has the meaning given in paragraph 12.4 of Section E (Network use and capacity).
Prospective T&SCo	means a T&SCo who: <ul style="list-style-type: none"> (a) has been selected through the CCUS Cluster Sequencing Process (or another Selection Process) to build and operate a new T&S Network; and (b) will become a party to the Code upon being awarded a Licence and acceding to the Code Agreement.
Protected Information	has the meaning given in paragraph 7.33 of Section I (General>Data).
Qualifying Company	means:

Term	Meaning
	<p>(a) ●—in the case of a company registered in England and Wales a public or private company within the meaning of section 1(3) of the Companies Act 1985 with a long-term debt rating of [at least A] provided by a Credit Rating Agency (where such ratings conflict, the lower of the ratings will be used); or</p> <p>(b) ●—in the case of an entity registered outside of England and Wales, such equivalent entity to (i) above that is acceptable to the TransporterT&SCo, acting reasonably.</p>
Ramp Rate	means the rate (expressed in tCO₂/hour per minute) at which the User is able to increase or decrease its Flow Rate.
Reactive Maintenance	means any maintenance which is not Programmed Maintenance but which T&SCo considers, acting as a Reasonable and Prudent Operator, needs to be scheduled before the next update to the Maintenance Programme to avoid an Emergency or Capacity Constraints of greater magnitude than the Capacity Constraints caused by the carrying out of the maintenance itself.
Reasonable and Prudent Operator	means a person seeking, in good faith, to perform its contractual obligations and, in so doing and in the general conduct of its undertaking, exercising that degree of skill, diligence, prudence and foresight which would reasonably and ordinarily be expected from a skilled and experienced operator complying with all applicable Legal Requirements engaged in the same type of undertaking in similar circumstances and conditions.
Reduced Capacity	has the meaning given in paragraph 12.4 and 12.7 of Section E (Network use and capacity).
Registered Capacity	has the meaning given in paragraph 1.6 of Section E (<i>Network use and capacity</i>).
Registered Long-term Network Capacity	means Long-term Network Capacity that is registered as held by a User.
Regulatory Requirements	means various laws, regulations, permits and licences relating to the operation of the T&S Network, as well as orders and directions issued by relevant regulators under these instruments, including (but not limited to) the storage permit held by T& See SCo .
Relevant Objectives	has the meaning given in the Licence.
Renominated Constrained Quantity	has the meaning given in paragraph 12.11(c) of Section E (Network use and capacity).
Renomination	Has the meaning given in paragraph 6.14 of Section E (Network use and capacity).

Term	Meaning
Required Security	has the meaning given in paragraph 7.2 of Section H (<i>Charges, invoicing and payment</i>).
Resource Plan	means a plan satisfying the requirements of paragraph 1.19 1.18 of Section B (<i>Governance</i>)
Resource Plan and Budget Forecast	has the meaning given in paragraph 1.18 of Section B (<i>Governance</i>)
Re-use Meter	means any additional Flow Meter required to measure the flow of carbon dioxide being delivered to a User at the User's Re-use Delivery Point.
Re-use Purpose	means the use of carbon dioxide by the User at the User Facility for the re-pressurisation of an LP compressor during a plant start up sequence.
Re-use Service	has the meaning given in paragraph 8.1 of Section F (<i>Network design and specification</i>).
Re-use Service Infrastructure	means the infrastructure and equipment required to allow the Re-use Service to be offered to the User, including any additional pipework, valves, compressors and Re-use Meters.
Re-use Service Infrastructure Works	means all the work required for the provision of the Re-use Service, including the installation of the Re-use Service Infrastructure, but not including any Works (as that term is defined in the Construction Agreement) that are required to connect the User Facility to the T&S Network.
Revised Terms of Reference	has the meaning given in paragraph 12.6 of Section I (<i>Data</i>).
Rolling Quarterly Forecast	has the meaning given in paragraphs 5.10 and 5.11 of Section E (<i>Network use and capacity</i>).
Secretary	means the individual appointed under paragraph 1.15 of Section B (<i>Governance</i>).
Secretary Expenditure	means the costs and expenditure incurred by the Secretary in the carrying out of the various tasks and duties assigned to it in section B (<i>Governance</i>).
Secretary Expenses Claim	has the meaning given in paragraph 1.22 of section B (<i>Governance</i>).
Secretary of State	means the Secretary of State for Business, Energy and Industrial Strategy Security and Net Zero .
Security Default Notice	has the meaning given in paragraph 7.3 of Section H (<i>Charges, invoicing and payment</i>).
Selected	means that where a User or a prospective User has applied, through the Selection Process, for the potential: (a) award of an Emitter Revenue Support Contract;

Term	Meaning
	<p style="text-align: center;"><u>or</u></p> <p>(b) <u>connection to a T&S Network; or</u></p> <p>(c) <u>modification of its existing Delivery Point,</u></p> <p><u>that prospective User has been notified by the Secretary of State that it has been selected for the final stage of the process, subject only to any final requirements specified as part of the Selection Process, and the word "Selection" shall be construed accordingly.</u></p>
<u>Selection Process</u>	<u>Note: this definitions remains under review and development.</u>
Self-Governance Criteria	<p>means a proposal that, if implemented:</p> <ul style="list-style-type: none"> (a) is unlikely to have a material effect on: <ul style="list-style-type: none"> (i) competition in the transportation or storage of carbon dioxide conveyed through pipes or any commercial activities connected with the transportation or storage of carbon dioxide conveyed through pipes; and (ii) the operation of one or more pipe-line system(s); and (iii) matters relating to sustainable development, safety or security of supply, or the management of market or network emergencies; and (iv) the Code governance procedures or the Code Modification procedures; and (b) is unlikely to discriminate between different classes of parties to the Code.
Self-Governance Determination Date	<p>means the date on which the Modification Panel makes a determination whether to implement or not to implement a Self-Governance Modification Proposal.</p>
Self-Governance Modification Proposal	<p>means a Modification Proposal which:</p> <ul style="list-style-type: none"> (a) the Modification Panel has determined satisfies the Self-Governance Criteria and in respect of which the Secretary has submitted to the Authority a Self-Governance Statement (which has not been rejected by the Authority by the Self-Governance Modification Proposal Determination Date); or (b) the Authority has determined satisfies the Self-Governance Criteria under paragraph 2.24 of Section B (<i>Governance</i>).

Term	Meaning
<u>Self-Governance Modification Proposal Determination Date</u>	<u>means the proposed date on which the Modification Panel is to make a determination whether to implement or not to implement a Self-Governance Modification Proposal.</u>
Self-Governance Statement	means a statement complying with the requirements of the Code which identifies the proposed Self-Governance Determination Date.
<u>Significant Code Review</u>	<u>has the meaning given in the Standard Conditions in Part II of the Licence.</u>
<u>Significant Code Review Modification Proposal</u>	means a Modification Proposal made by: <ul style="list-style-type: none"> (a) <u>the Authority in respect of a Significant Code Review; or</u> (b) <u>a T&SCo pursuant to a direction of the Authority which is made further to a Significant Code Review.</u>
<u>Significant Code Review Phase</u>	<u>Note:</u> <u>definition to be developed by reference to the Licence condition dealing with the CCS Network Code.</u>
<u>Significant Code Review Suspended Modification Proposal</u>	<u>means, unless paragraph 2.12 of Section B (Governance) applies a Modification Proposal in respect of which the application of the Modification Procedures is suspended pursuant to paragraph 2.15 of Section B (Governance) until the end of the Significant Code Review Phase.</u>
<u>SoS Modification Proposal</u>	<u>has the meaning given in paragraph 7.1 of Section B (Governance).</u>
Specific Provisions	means the provisions of the Code which only apply to a particular T&S Network, or part of a T&S Network, as set out in the Annexures.
Standard Licence Conditions	means the standard licence conditions of the Licence.
Statement of Expenses	means the statement produced by the Secretary pursuant to paragraph 1.17 of Section B (Governance).
Storage Complex	has the meaning given to it in regulations in respect of the storage of carbon dioxide under the Energy Act 2008.
Supplementary Industrial Procedures Supported User	means any procedures other than Core Industrial Procedures developed in accordance with this section which address: <ul style="list-style-type: none"> (a) establishment of the T&S network; (b) routine operations; (c) emergencies; (d) safety of operations;

Term	Meaning
	<p>(e) — asset integrity; or</p> <p>(f) — environment and operational efficiency of the T&S Network as a whole,</p> <p>and which apply to all Users. User who has been awarded an Emitter Revenue Support Contract.</p>
Surplus Available Capacity	has the meaning given in paragraph 12.5 of Section E (Network use and capacity).
T&SCo	means the holder of a Licence, who operates a T&S Network.
T&S Network	means a pipeline system for the transportation and storage of carbon dioxide, which may include the Onshore Transportation System and the Offshore Transportation and Storage System.
T&S Network Data	has the meaning given in paragraph 5.3 of Section I (Data).
T&S Network Portal	<p>means a web portal established and maintained by T&SCo to publish and provide access to up to date information relating to matters such as (but not limited to) Network Capacity, Capacity Constraints and Maintenance Programmes.</p> <p>Note: it is assumed that T&SCos will have the ability to maintain a portal which will facilitate various processes with Users such as capacity allocation forecasts, nominations and notifications of constraints.</p>
T&S Network Portal Provider	has the meaning given in paragraph 11.1 of Section I (Data).
T&SCo Representative	means a representative of a T&SCo or T&SCos appointed to the Modification Panel.
Terminal	means the onshore terminal facility and all ancillaries between the pig trap at the Onshore Transportation System and the pipeline pig trap at the Onshore Pipeline Infrastructure, which is deemed to form part of the Offshore Transportation and Storage System and not form part of the Onshore Transportation System.
Termination Notice	has the meaning given in paragraph 17.1 11.1 of Section I (General).
Third Party Participant	has the meaning given in paragraph 2.1 of Section B (Governance).
ToR Proposal	has the meaning given in paragraph 12.2 of Section I (Data).
Track-1 Cluster Sequencing Process	means the CCUS Cluster Sequencing Process comprising Phase 1, launched on 7 May 2021 and Phase 2, launched on 8 November 2021.
Uniform Provisions	means all the provisions of the Code, other than the Specific Provisions, which apply to each T&S Network or part of a T&S

Term	Meaning
	Network, unless otherwise specified.
Urgent Modification	means a Modification made pursuant to an Urgent Modification Proposal.
Urgent Modification Proposal	means a Modification Proposal in respect of which it is to be submitted to the Authority that the agrees or determines should be treated as an Urgent Modification is required as a matter of urgency as described in Licence Condition [x] Proposal .
User	means a person other than a T&SCo who is for the time being bound by the Code.
User Default	means a: <ul style="list-style-type: none"> (a) •General Default; (b) •Payment Default. (c) •Insolvency Default; or (d) •Construction Longstop Default.
User Discontinuance Date	means the date determined under paragraph 19.1 of Section I (<i>General</i>).
User Facility	means a single facility or several facilities (where such facilities share a single Delivery Point) operated by a User connected to the T&S Network at a Delivery Point.
User Representative	means a representative of a User or Users appointed to the Modification Panel.
User Requirements	has the meaning given in paragraph 2.8 of Section F (Network design and specification). means the requirements that arise from legal or contractual obligations of the User including requirements under support contracts.
User-Specific Data	has the meaning given to in 2.15.1 of Section I (General Data).
User Type	means: [x] Note: to include list of types of users eg dispatchable power, industrial, hydrogen etc.
User's Meter Readings	has the meaning given in paragraph 8.1(a) of Section H (Charges, invoicing and payment).
Variable Opex	means that part of the Opex (as that term is defined in the Licence) which varies with each tonne of CO ₂ delivered into the T&S Network.
Voting Member	means a T&SCo Representative or User Representative appointed as a Voting Member, and the Authority, where the Authority elects to exercise a casting vote under paragraph 1.46 of Section B.

Term	Meaning
WACC	has the meaning given in the Licence.
Weekly Nomination Warning Notice	{has the meaning given to that term in paragraph 5.9 5.1 of Section E (<i>Network use and capacity</i>).}
Weekly Forecast	has the meaning given in paragraphs 5.14 and 5.15 of Section E (<i>Network use and capacity</i>).
Workgroup	means a group constituted of T&SCos and Users, and Third Party Participants which is convened for the general purposes of consideration and discussion of matters relating to the Code or a Modification Proposal in accordance with its Terms of Reference.
Workgroup Assessment	means an assessment of a Modification Proposal by a Workgroup in accordance with paragraph 2.9 3.16 to 2.10 3.19 of Section B (<i>Governance</i>).
Workgroup Report	means the report of a Workgroup in relation to a Modification Proposal referred to it by the Modification Panel prepared pursuant to paragraph 2.10 3.17 of Section B (<i>Governance</i>).

EXHIBIT A: CODE ACCESSION AGREEMENT

The Code Agreement will be signed by the Original T&SCo and the Initial Users, to give legal effect to the Code from the Code Implementation Date. Any User or T&SCo that is required to become a Party to the CCS Network Code after the Code Agreement is signed (i.e. after the Code Implementation Date) will become Parties to the Code Agreement by signing an Accession Agreement.

No	Subject	Terms
1.	Parties	<p>1.1 The parties to the Code Accession Agreement shall be:</p> <p>(a) a T&SCo that is already a party to the Code Agreement; and</p> <p>(b) a New T&SCo or a New User (as those terms are defined in the Code Agreement).</p>
2.	Recitals	<p>2.1 The Code Agreement dated [<i>date to be inserted</i>], attached to this Agreement as an exhibit, gives legal effect to the CCS Network Code and makes the Parties legally bound by it.</p> <p>2.2 The [New User/New T&SCo] wishes to be admitted as a Party under the Code Agreement.</p>
3.	Interpretation	<p>3.1 Capitalised terms used in this Code Accession Agreement shall have the meaning given to them in the Code Agreement and the CCS Network Code.</p> <p>3.2 Paragraphs [2014 to 2620] of Section I (General) of the CCS Network Code apply to this Agreement as if they were set out in this Agreement.</p>
4.	Admission as a Party	<p>4.1 T&SCo admits the [New User/New T&SCo] as a Party under the Code Agreement.</p> <p>4.2 The [New User/New T&SCo] accepts its admission as a Party and undertakes to perform and to be bound by the Code Agreement as a Party from the date of this Agreement.</p> <p>4.3 This Agreement and the Code Agreement shall be read and construed as one document and references (in or pursuant to the Code Agreement) to the Code Agreement should be read and construed as references to the Code Agreement and this Agreement.</p> <p>4.4 [The Carbon Dioxide Specifications and Measurement Requirements that apply to the New T&SCo's T&S Network, and that will become new annexures to the CCS Network Code upon the New T&SCo becoming a Party to the CCS Network Code, are set out in the Schedule to this Agreement.]</p> <p>Note: paragraph 4.4 provides for a mechanism for the T&S Network-specific Carbon Dioxide Specifications and Measurement Requirements to be included in the</p>

No	Subject	Terms
		<i>Code.</i>

[Schedule]

[New T&S Co's Carbon Dioxide Specifications and Measurement Requirements]

EXHIBIT TO [CODE](#) ACCESSION AGREEMENT

CODE AGREEMENT

It is intended that the T&SCos and Users who first achieve a Financial Investment Decision will sign a Code Agreement to give legal effect to the CCS Network Code from the Code Implementation Date. Subsequent parties – new Users and new T&SCos – will become bound by the Code Agreement by signing ~~an~~ [a Code](#) Accession Agreement.

No	Subject	Terms
1.	Parties	1.1 The parties to the Code Agreement shall be: <ul style="list-style-type: none"> (a) T&SCo (referred to as the "Original T&SCo"); and <p style="margin-left: 40px;"><i>Note: depending on timing and process, it may be that more than one T&SCo signs the Code Agreement on the Code Implementation Date.</i></p> (b) the Initial Users.
2.	Recitals	2.1 The Original T&SCo holds a Licence. 2.2 The Original T&SCo, with input from industry, prepared a document as the CCS Network Code which the Original T&SCo and all other T&SCos are required to do so pursuant to their Licence. 2.3 The Original T&SCo is entering into this Code Agreement for the purpose of giving effect to and binding itself to the CCS Network Code. 2.4 The Initial Users are the first Users to connect to a T&S Network and are entering into this Code Agreement for the purposes of binding themselves to the CCS Network Code.
3.	Interpretation	3.1 Capitalised terms used in the Code Agreement shall have the meaning given to them in the CCS Network Code and: <ul style="list-style-type: none"> (a) "Accession Requirements" means: <ul style="list-style-type: none"> (i) for New Users, the requirements to be complied with by a New User pursuant to the CCS Network Code before the New User may accede to this Agreement; and (ii) for New T&SCos, the requirement that the New T&SCo holds a Licence; (b) "CCS Network Code" means the CCS Network Code prepared by the Original T&SCo pursuant to its Licences, as modified; (c) "Code Implementation Date" means <i>[date to be inserted]</i>.

No	Subject	Terms
		<p>(d) "Effective Date" means:</p> <p>(iii) with respect to each of the Original T&SCo and Initial Users, the Code Implementation Date;</p> <p>(iv) with respect to any New User or New T&SCo who is admitted as an additional Party to this Agreement after the date of this Agreement, the date of the relevant Code Accession Agreement;</p> <p>(e) "New T&SCo" means a T&SCo who is admitted as an additional Party to this Agreement after the date of this Agreement;</p> <p>(f) "New User" means a User who is admitted as an additional Party to this Agreement after the date of this Agreement;</p> <p>(g) "Party" means:</p> <p>(i) the Original T&SCo;</p> <p>(ii) the Initial Users;</p> <p>(iii) each New T&SCo; and</p> <p>(iv) each New User.</p> <p>3.2 Paragraphs [2014 to 2620] of Section I (<i>General</i>) of the CCS Network Code apply to this Agreement as if they were set out in this Agreement.</p>
4.	CCS Network Code	<p>4.1 The CCS Network Code is hereby given effect and made binding upon each Party with effect from the Effective Date.</p> <p>4.2 With effect from the Effective Date each Party undertakes to each other Party to comply with and to perform its obligations in accordance with and subject to the CCS Network Code.</p>
5.	New T&SCo	<p>5.1 Where a New T&SCo has complied with all the relevant Accession Requirements, the New T&SCo shall become a Party to this Agreement by signing ana Code Accession Agreement;</p> <p>5.2 Each Party that has already been admitted as a Party to the Code Agreement:</p> <p>(a) authorises a T&SCo (that is already a Party) nominated by the Authority to sign ana Code Accession Agreement with a New T&SCo being admitted as a Party; and</p>

No	Subject	Terms
		<p>(b) [agrees that upon a New T&SCo signing anaCode Accession Agreement, the Carbon Dioxide Specifications and Measurement Requirements that apply to that New T&SCo's T&S Network shall be added as new annexures to the CCS Network Code];</p> <p>5.3 A copy of each Code Accession Agreement shall be provided to the Authority within 28 days after the Code Accession Agreement is made.</p>
6.	New Users	<p>6.1 Where a New User is connecting to a T&S Network, the New User:</p> <p>(a) shall satisfy the T&SCo that owns and operates that T&S Network, or part of a T&S Network, that the New User is connecting to, that it has complied with all the relevant Accession Requirements; and</p> <p>(b) provided that T&SCo is already a Party, shall enter into anaCode Accession Agreement with that T&SCo.</p> <p>6.2 Each Party that has already been admitted as a Party to the Code Agreement authorises the T&SCo referred to in paragraph 6.1 to sign anaCode Accession Agreement with a New User being admitted as a Party.</p>
7.	Ceasing to be Party to this Agreement	<p>7.1 A Party that is a User will cease to be a Party where it is a Discontinuing User.</p> <p>7.2 A Party that is a T&SCo will cease to be a Party where it no longer holds a Licence.</p>

EXHIBIT B: CONSTRUCTION AGREEMENT

No	Subject	Terms
1.	Parties	<p>1.1 The parties to the Construction Agreement shall be:</p> <p>(a) "T&SCo" (being the identified party to the Agreement which, in relation to each T&S Network or part of a T&S Network, shall be the entity that is the holder of a Licence authorising it to operate that T&S Network or part of a T&S Network); and</p> <p>(b) "User" (being the identified party to the Agreement which is the person other than T&SCo who is bound by the provisions of the CCS Network Code and delivers carbon dioxide into the T&S Network at a Delivery Point).</p>
2.	Scope	<p>2.1 The Construction Agreement relates to the:</p> <p><u>(a)</u> carrying out of work required to be performed by T&SCo ("T&SCo Works") and the User ("User Works") to connect the User Facility to the T&S Network ("the Works"); <u>and</u></p> <p><u>(b)</u> <u>commissioning of the Works.</u></p> <p><i>Note: Thethe scope of the works will be specifically described in Schedules 1 and 2 on an agreement by agreement basis. However</i></p> <p><i>Note: for initial users, the User will be responsible for all works within the boundary of the User's Facility and the T&SCo will be responsible for all works to connect the T&S Network to the User's Facility at the boundary of the User's Facility. commissioning of the connection will be conditional upon commissioning of the T&S Network itself. For this reason, Schedule 7, dealing with the interdependencies between the two, will apply to users who enter into a Construction Agreement with T&SCo before the T&S Network achieves commercial operation. Schedule 7 may also be relevant in other instances where works to connect a User are tied to substantial expansion of an existing T&S Network.</i></p>
<u>3.</u>	<u>T&SCo Works</u>	<p><u>3.1</u> <u>The T&SCo Works, to be carried out by T&SCo, are those works required to connect the User Facility to the T&S Network, up to the boundary of the User Facility, as more particularly described in Schedule 1.</u></p> <p><u>3.2</u> <u>T&SCo shall be responsible for all costs associated with carrying out the T&SCo Works.</u></p>
<u>4.</u>	<u>User Works</u>	<p><u>4.1</u> <u>The User Works, to be carried out by the User, are those works required to connect the User Facility to the T&S Network, within boundary of the User Facility, as</u></p>

No	Subject	Terms
		<p>more particularly described in Schedule 2.</p> <p>4.2 The User shall be responsible for all costs associated with carrying out the User Works.</p>
5. 3.	Carrying out of Works	<p>5.1 3.1 T&SCo shall, acting as a Reasonable and Prudent Operator and subject to the terms and conditions of this Agreement, carry out the T&SCo Works in accordance with the Construction Programme.</p> <p>5.2 3.2 The User shall, acting as a Reasonable and Prudent Operator and subject to the terms and conditions of this Agreement, carry out the User Works in accordance with the Construction Programme.</p> <p>5.3 3.3 The User shall, in carrying out the User Works, comply with the User Work Obligations and any reasonable directions issued by T&SCo.</p> <p>5.4 Note: In addition to setting out the agreed design details, which will be included in the schedules, there may be some standard safety/technical obligations (the User Work Obligations) included as schedules the Construction Agreement. T&SCo shall, in carrying out the T&SCo Works, comply with any operational and health and safety requirements relating to the User Facility, which have been communicated by the User to T&SCo, and any reasonable directions issued by the User.</p>
6. 4.	Design of the Works	<p>6.1 4.1 Without prejudice to the User's obligation to ensure that the Works comply with the requirements of this Construction Agreement, the User shall provide T&SCo with the opportunity to regularly review the User's designs for the User Works and comment where it considers that such design may prevent the User Works from complying with the requirements of this Agreement or the Code.</p>
7. 5.	Consents for the Works	<p>7.1 5.1 Following the effective date of the Construction Agreement T&SCo shall use its best endeavours to obtain in relation to the T&SCo Works, and the User shall use its best endeavours to obtain in relation to the User Works, all outstanding Consents. Each party shall give advice and assistance to the other to the extent reasonably required by the other in the furtherance of these obligations.</p> <p>Note: It <i>is expected that all substantive consents will be in place prior to commencement of the Construction Agreement.</i></p> <p>7.2 5.2 Each party shall provide copies of any relevant correspondence and keep the other party regularly updated in writing or by such other means as the parties may agree as to the progress made from time</p>

No	Subject	Terms
		to time in the obtaining of relevant Consents.
8. 6.	Liaison	<p>8.1 6.1—The parties shall continuously liaise throughout the Construction Programme and <u>the</u> Commissioning Programme and each <u>party</u> shall provide to the other all information relating to:</p> <p>(a) in the case of the User, the User Works; and</p> <p>(b) in the case of T&SCo, the T&SCo Works,</p> <p>as is reasonably necessary to assist the other in performance of that other’s part of the Works, and shall use all reasonable endeavours to coordinate and integrate their respective part of the Works.</p> <p>8.2 6.2—There shall be on-site meetings between representatives of the parties at intervals to be agreed between the parties.</p> <p>8.3 6.3—Each party shall deliver to the other party a written report of progress during each calendar quarter within 7 days<u>Days</u> of the end of that quarter.</p> <p><i>Note: A broader forum of T&SCo and Users involved in the commissioning of the T&S Network may be required.</i></p>
9. 7.	Shared access	<p>9.1 7.1—During the Construction Programme and the Commissioning Programme, the User shall provide T&SCo with access to the site of the User Works, and T&SCo shall provide the User access to the site of the T&SCo Works (and each case that access rights shall be extended to that party’ employees, agents, suppliers and contractors) but not so as to disrupt or delay the construction and completion of the other’s Works on the said sites or the operation of the other’s plant and apparatus located thereon.</p> <p>9.2 7.2—Any access under paragraph 7.1<u>9.1</u> shall be exercised only:</p> <p>(a) where it is reasonably necessary for the purposes of carrying out of the Works;</p> <p>(b) with the prior approval of the other party (which should not be unreasonably withheld);</p> <p>(c) in accordance with any reasonable requirements (including safety procedures) of the owner of the site relating to such access.</p>
10. 8.	Construction Programme	<p>10.1 8.1—An agreed Construction Programme for the Works is included as a schedule to the Construction Agreement and amended in specified circumstances under the<u>set out in Schedule 3, subject to any changes to that</u> Construction <u>Programme in accordance with</u></p>

No	Subject	Terms
		this Agreement.
11.9.	Commissioning Programme	<p>11.1 9.1 Not later than [x] months prior to the Commissioning Programme Commencement Date, T&SCo shall provide the User with a draft An agreed Commissioning Programme for the Commissioning of the Works.</p> <p>9.2 The User shall, as quickly as practicable and in any event within [x] months of receipt thereof, determine whether or not to approve the proposed Commissioning Programme (which approval shall not be unreasonably withheld or delayed) and shall within such [x] month period either notify T&SCo of its approval or, in the event that the User reasonably withholds its approval, notify T&SCo of is set out in Schedule 5, subject to any changes or variations to the proposed that Commissioning Programme recommended by the User. If the T&SCo does not accept such changes or variations submitted by the User any dispute shall be addressed in accordance with Section B (<i>governance</i>) of the CCS Network Code.</p> <p><i>Note: Alternative arrangements may apply for Users involved in the commissioning of the T&S Network</i> this Agreement.</p>
12.10.	Commissioning	<p>12.1 10.1 Each party shall give written notice to the other declaring its readiness to commence the Commissioning Programme.</p> <p>12.2 10.2 The Commissioning Programme shall commence forthwith once both parties have given written notice to the other under paragraph 10.1 12.1.</p> <p>12.3 The Works shall be deemed to have been Commissioned on the date that T&SCo certifies in writing to that effect.</p>
13.11.	Delays	<p>13.1 11.1 If either party shall have reason to believe that it is being delayed or will be delayed in carrying out that party's Works for any reason (whether it is one entitling it to an adjustment to that date under paragraph 11.2 13.2 of this Construction Agreement or not) it shall forthwith notify the other party in writing of the circumstances giving rise to the delay and of the extent of the actual and/or anticipated delay.</p> <p>13.2 11.2 If prior to the Completion Date a party (in this paragraph 11.2 13.2 "the Affected Party") shall be delayed in carrying out any of the Affected Party's Works (including their commissioning) by reason of:</p>

No	Subject	Terms
		<p>(a) any act, default or omission on the part of the other Party (in this Clauseparagraph the “Defaulting Party”) or the Defaulting Party’s employees, agents, contractors or sub-contractors; or</p> <p>(b) an event of a Force Majeure Event,</p> <p>the Affected Party shall be entitled to have such later date or any dates fixed as in the Construction Programme and/or the Commissioning Programme Commencement Date and/or(including the Completion Date and/or the Commissioning Commencement Date) and the Longstop Date (as the case may be) amended as may be fair and reasonable in the circumstances provided that it shall have notified the other Party in writing of such event within 28 daysDays of it becoming aware of the occurrence giving rise to the delay together with an estimate of the proposed delay which it will cause the Affected Party.</p> <p>Note: Under Construction Agreements with some initial Users, an extension to the T&SCo Works programme (which includes the broader T&S Network) may need to be administered consistently across all initial Construction Agreements.</p>
14.12.	Consequences of T&SCo delays	<p>Delayed commencement of commissioning</p> <p>14.1 12.1—In the event that the actual date of commencement of the Commissioning Programme is later than the Commissioning Programme Commencement Date the T&SCo (if and to the extent that it is responsible for delayed commissioning beyond the Commissioning Programme Commencement Date,) shall be liable to pay the User Liquidated Damages for each day that the actual date of commencement of the Commissioning Programme is later than the Commissioning Programme Commencement Date.</p> <p>14.2 12.2—Such Liquidated Damages shall cease to be payable in respect of any period after the date of actual commencement of the Commissioning Programme.</p> <p>Delayed completion of commissioning</p> <p>14.3 12.3—In the event that the actual date on which the T&SCo Works are Commissioned in accordance with the Commissioning Programme is later than the Completion Date the T&SCo (if and to the extent that it is responsible for delayed completion beyond the Completion Date) shall be liable to pay the User Liquidated Damages for each day that the actual date on which the T&SCo Works are Commissioned is later</p>

No	Subject	Terms
		<p>than the Completion Date.</p> <p>14.4 12.4 Such Liquidated Damages shall cease to be payable in respect of any period after completion of the T&SCo Works.</p> <p><i>Note: it is expected that User Liquidated Damages will be set at £0 for Users for the first regulatory period. The level of User Liquidated Damages for subsequent regulatory periods will be determined by the CCS Network Code Modification Panel.</i></p>
15.13.	Consequences of User delays	<p>Delayed commencement of commissioning</p> <p>15.1 13.1 In the event that the actual date of commencement of the Commissioning Programme is later than the Commissioning Programme Commencement Date the User (if and to the extent that it is responsible for delayed commissioning beyond the Commissioning Programme Commencement Date,) shall be liable to pay the T&SCo Liquidated Damages for each day that the actual date of commencement of the Commissioning Programme is later than the Commissioning Programme Commencement Date.</p> <p>15.2 13.2 Such Liquidated Damages shall cease to be payable in respect of any period after the date of actual commencement of the Commissioning Programme.</p> <p>Delayed completion of commissioning</p> <p>15.3 13.3 In the event that the actual date on which the User Works are Commissioned is later than the Completion Date the User (if and to the extent that it is responsible for delayed completion beyond the Completion Date) shall be liable to pay the T&SCo Liquidated Damages for each day that the actual date on which the User Works are Commissioned is later than the Completion Date.</p> <p>15.4 13.4 Such Liquidated Damages shall cease to be payable in respect of any period after completion of the User Works.</p> <p><i>Note: it is expected that T&SCo Liquidated Damages will be set at £0 for T&SCo for the first regulatory period. The level of T&SCo Liquidated Damages for subsequent regulatory periods will be determined by the CCS Network Code Modification Panel.</i></p>
14.	Programme	14.1 If either party's Works are delayed, the Construction Programme shall be amended accordingly.

No	Subject	Terms
16.15.	Longstop date	<p>16.1 15.1 In the event that T&SCo or the User shall have failed, in circumstances not entitling it to the fixing of a new date <u>Longstop Date</u> pursuant to paragraph 11.2 <u>13.2</u>, to complete the T&S Works or User Works (as applicable) by the Longstop Date, then such failure shall constitute a Construction Longstop Default and Section 11 <u>1</u> (<i>general</i>) shall apply.</p>
17.16.	<p>Approval for connection to become operational Requirements in preparation for commissioning</p>	<p>Note: the Construction Agreement will provide for a timetable of actions for the parties in the lead up</p> <p>17.1 <u>Not later than three (3) months prior</u> to the start of the expected Commissioning Programme <u>Commencement Date or by such other time as may be agreed between the parties, including the exchange of</u> the exchange of parties shall provide to each other:</p> <p>(a) <u>any technical drawings, and other details relating to each other's Works;</u></p> <p>(b) contact information and other matters provided for under the T&S Code. <u>details of key personnel to be involved in the carrying out of the Commissioning Programme; and</u></p> <p>(c) <u>in the case of the User, all information that the User is required to provide to T&SCo pursuant to the Code and the Industrial Procedures in order for the User to be able to commence delivery of carbon dioxide at the Delivery Point.</u></p>
18.17.	Becoming operational	<p>18.1 <u>Once:</u></p> <p>(a) <u>T&SCo has certified that the Works have been Commissioned pursuant to paragraph 12.3; and</u></p> <p>17.1 T&SCo shall complete the connection at the Connection Site during the course of and in accordance with the Commissioning Programme and thereafter upon compliance by the User with the provisions of paragraph 16 and provided the T&SCo Works shall be Commissioned the User has complied with the requirements of paragraph 17.1(c),</p> <p>T&SCo shall forthwith notify the User in writing that the connection shall <u>at the Delivery Point has</u> become operational.</p>
19.	T&S Network Commissioning	<p>19.1 <u>Schedule 7 has effect under this Construction Agreement.</u></p> <p><u>Drafting instruction: Schedule 7 applies where this Construction Agreement is being entered into prior to System Acceptance of the T&S Network, where System Acceptance means when the Authority has confirmed,</u></p>

No	Subject	Terms
		<p><u>in accordance with T&SCo's Licence, that T&SCo has completed T&S Network commissioning as required in order to be able to commence commercial operation of the T&S Network. Where Schedule 7 is not applicable, then this paragraph 19 should be deleted.</u></p>
20.	<u>Works relating to Re-use Service</u>	<p>20.1 <u>Schedule 8 has effect under this Construction Agreement.</u></p> <p><u>Drafting instruction:</u> <u>Schedule 8 applies where this Construction Agreement also covers any Works relating to the Re-use Service which may be provided to some Users under Section F, and where details, such as the payment by the User for any part of the T&SCo Works relating to the Re-use Service, need to be set out in the Construction Agreement. Where Schedule 8 is not applicable, then this paragraph 20 should be deleted.</u></p>
21. 18.	Termination Events	<p>21.1 18.1 <u>This Construction Agreement the associated Connection Agreement and the Code Agreement (in respect of the User) shall be co-terminus.</u></p>
22.	<u>General provisions</u>	<p>22.1 <u>Paragraphs [14 to 20] of Section J (General) of the CCS Network Code apply to this Construction Agreement as if they were set out in this Construction Agreement.</u></p> <p><u>Note:</u> <u>this refers to the general boilerplate provisions in Section J of the CCS Network Code.</u></p>
23.	<u>Assignment</u>	<p>23.1 <u>Neither party shall assign its rights and obligations under this Agreement except in accordance with the provisions of clauses 23.2 and 23.3.</u></p> <p>23.2 <u>The User shall only be entitled to assign its rights and obligations under this Agreement to a third party where:</u></p> <p>(a) <u>the User also assigns the ownership and operation of the User Facility to the third party;</u></p> <p>(b) <u>the User has obtained the prior written consent of T&SCo, which shall not be unreasonably withheld; and</u></p> <p>(c) <u>the third party becomes bound by the Code and this Agreement.</u></p> <p>23.3 <u>T&SCo shall only be entitled to assign its rights and obligations under this Agreement to a third party where:</u></p> <p>(a) <u>T&SCo also assigns the ownership and operation of that part of the T&S Network that includes the Delivery Point to a third party holding a Licence;</u></p>

No	Subject	Terms
		<p style="text-align: center;">and</p> <p>(b) the third party becomes bound by the Code and this Agreement.</p>
<p>24.19.</p>	<p>Definitions</p>	<p>24.1 19.1 Capitalised terms used in the Construction Agreement have the meaning given to them in the Code and:</p> <p>(a) "Commissioning Programme Commencement Date" means the date specified in the Construction Programme for the commencement of the Commissioning Programme as specified in the Commissioning Programme in Schedule 5 or any substituted date fixed under the terms of this Construction Agreement.</p> <p>Commissioned, in relation to the Works, means that all works and activities required to be carried out in accordance with the Commissioning Programme have been carried out.</p> <p>(b) "Completion Date" means [] or such other the date as may be agreed in for completion of the Works as specified in the Construction Programme in Schedule 3 or any substituted date fixed under the terms of this Construction Agreement for completion of the T&S Works/User Works.</p> <p>(c) "Consents" means:</p> <p>(a) (i) all such planning and other statutory consents; and</p> <p>(b) (ii) all wayleaves, easements, rights over or interests in land or any other consent; or</p> <p>(c) (iii) permission of any kind as shall be necessary for the construction of the Works and for commencement and carrying on of any activity proposed to be undertaken at or from such Works when completed.</p> <p>(d) "Construction Longstop Default" has the meaning given in paragraph 15.16</p> <p>(e) "Commissioning Programme" means the sequence of operations/tests necessary to connect the User Facility and Works to the T&S Network, as set out in Schedule 5 for the purpose of making the User Works Delivery Point operable with the T&S Network.</p> <p>(f) "Construction Programme" means the agreed programme for the Works to be carried out by or on behalf of T&SCo and the User as set out in Schedule 3 to the Construction Agreement or as amended from</p>

No	Subject	Terms
		<p>time to time in accordance with the express terms of the Construction Agreement.</p> <p>(g) "Force Majeure" Event means [definition to be developed].</p> <p><u>(d) any event or combination of events or circumstance (other than the lack, nonreceipt or unavailability of financial resources or funds) which is beyond the control of a party acting and having acted as a Reasonable and Prudent Operator, and which prevents that party from or causes hindrance, delay or impediment to that party in fulfilling all or any of its obligations under the Agreement; For the avoidance of doubt unforeseen adverse weather</u></p> <p><u>(e) any failure by the party to perform its obligations hereunder to the extent that such failure was caused by any change in the law or cancellation of any consent, approval or licence rendering it unlawful for a party to comply with its obligations hereunder after the date of Acceptance unless such change or cancellation would not have occurred except for any act or omission of the party concerned in relation to such law, consent, approval or licence unless itself caused by the Force Majeure Event.</u></p> <p>(h) "Liquidated Damages" means the sums specified in or calculated pursuant to Schedule 5 to this Construction Agreement.</p> <p>(i) "Longstop Date" means [Note: To be stated in the Construction Agreement] <u>Longstop Date means [to be agreed on a case by case basis].</u></p> <p>(j) "Reasonable and Prudent Operator" means a person acting, in good faith, to perform its contractual obligations and, in so doing and in the general conduct of its undertaking, exercising that degree of skill, diligence, prudence and foresight which would reasonably and ordinarily be expected from a skilled and experienced operator engaged in the same type of undertaking under the same or similar circumstances.</p> <p>(k) "Note: where Schedule 7 applies, the Longstop Date relating to the Works will be linked to the Longstop Dates relating to the User Facility and the T&S Network" means a pipeline system for the transportation and storage of carbon dioxide, which may include onshore and offshore components.</p> <p>(l) "T&SCo Works" means those Works specified in the Construction Agreement for which T&SCo is</p>

No	Subject	Terms
		responsible. (m) "User Works" means those Works specified in the Construction Agreement for which the User is responsible.

Schedule 1 – T&SCo Works

Note: details of the T&SCo Works, including design specifications to be included.

Schedule 2 – User Works

Note: *details of the User Works, including design specifications to be included.*

Schedule 3 – Construction Programme

~~Note: agreed~~ **Key dates of Construction Programme**

Completion Date: *[agreed date to be inserted]*

Note: *other dates and details to be inserted.*

Schedule 4 – User Works Obligations

Note: any general technical/operational/safety requirements that will apply to all User Works to be inserted.

Schedule 5 – [Commissioning Programme](#)

[Key dates of Commissioning Programme](#)

[Commissioning Programme Commencement Date:](#) *[agreed date to be inserted]*

[Note:](#) *other dates and details to be inserted.*

Schedule 6 – Liquidated Damages

1.	User Liquidated Damages	£[x]
2.	T&SCo Liquidated Damages	£[x]

Drafting instruction: *in relation to any Construction Agreement entered into in the First Regulatory Period under T&SCo's Licence, the User Liquidated Damages and T&SCo Liquidated Damages shall be set at £0.*

Schedule 7 – T&S Network Commissioning

Drafting instruction: *this schedule is only to be included where applicable – see paragraph 19.*

Part 1: Scope of this Schedule 7

1. This Schedule 7 applies where this Construction Agreement has been entered into prior to System Acceptance of the T&S Network, where System Acceptance means when the Authority has confirmed, in accordance with T&SCo's Licence, that T&SCo has completed T&S Network commissioning as required in order to be able to commence commercial operation of the T&S Network.
2. Notwithstanding any other provisions of this Construction Agreement, the provisions set out in Part 2 of this Schedule 7 shall apply.
3. The provisions set out in Part 2 of this Schedule 7 govern the interaction between:
 - (a) the construction and commissioning of the User Facility and the User Works as required to enable the construction and commissioning of the T&S Network and the T&SCo work (including, where applicable, the supply of carbon dioxide for the commissioning of the T&S Network); and
 - (b) the construction and commissioning of the T&S Network in accordance with T&SCo's Licence and the T&SCo Works.

Part 2: T&S Network Commissioning

1. Definitions

In this Schedule 7, the following definitions apply:

Emitter Revenue Support Contract means a revenue support contract granted to an emitter pursuant to Part 2 of the [Energy Bill] or a Contract for Difference granted to an emitter pursuant to Chapter 2 of Part 2 of the Energy Act 2013.

Supported User means a User who has been awarded an Emitter Revenue Support Contract.

T&S Network Commissioning Plan means the programme established by T&SCo pursuant to its Licence, for the commissioning of the T&S Network.

T&S Network Longstop Date means the longstop date under the T&SCo's Licence.

T&SCo Delay means any delay in the construction or commissioning of the T&S Network and/or the T&SCo Works.

User Delay means any delay in the construction or commissioning of the User Facility and/or the User Works.

User Facility Longstop Date means:

- (a) in the case of a Supported User, the longstop date under the User's Emitter Revenue Support Agreement (where applicable), or
- (b) in the case of a User which is not a Supported User, [to be agreed on a case by case basis].

2. Specific provisions relating to T&S Network Commissioning

The following specific provisions will be included within this Schedule in relation to T&S Network Commissioning:

(a) T&S Network Commissioning Plan

- Provision for the preparation and delivery of the T&S Network Commissioning Plan.
- [Details of the activities and responsibilities of T&SCo and the User under the T&S Network Commissioning Plan].

(b) Notification of delay

- Provision for notification to T&SCo of User Delay and notification to User of T&SCo Delay.
- [Details of the process for rescheduling the activities and responsibilities of T&SCo and User under the T&S Network Commissioning Plan].

(c) Liquidated damages

- Provision for liquidated damages to be set at zero in accordance with Schedule 6 in response to User Delay and T&SCo Delay.
- Provision for T&SCo and the User to each be responsible for its own costs of rescheduling of activities and responsibilities under the T&S Network Commissioning Plan.

(d) Longstop date

- Provision for Longstop Date under this Construction Agreement to be set by reference to the T&SCo Network Longstop Date (as extended under T&SCo's Licence) and the User Facility Longstop Date (as extended under the User's Emitter Revenue Support Contract, where applicable).
- [Details of the process for rescheduling the activities and responsibilities of T&SCo and User under the T&S Network Commissioning Plan following extension of the T&S Network Longstop Date and /or the User Facility Longstop Date.]

Drafting instruction: T&SCo and Users to complete details of the:

- activities and responsibilities of T&SCo and the User under the T&S Network Commissioning Plan; and
- process for rescheduling the activities and responsibilities of T&SCo and User under the T&S Network Commissioning Plan

Schedule 8 – Works relating to Re-use Service

Drafting instruction: *this schedule is only to be included where applicable. If the User is required to pay for any T&SCo Works to the extent they relate to the Re-use Service, then this should be set out here.*

EXHIBIT C: CONNECTION AGREEMENT

~~It is intended that a T&SCo will enter into a Connection Agreement with each User in relation to the connection of the User Facility at the Delivery Point and the rights to deliver carbon dioxide at the Delivery Point.~~

~~In order to maintain the greatest extent of uniformity, it is intended that matters addressed in the Connection Agreement should be minimised and limited to those matters which relate specifically to the T&SCo and the User which could not be addressed in the main body of the Code.~~

~~It is contemplated that a separate Construction Agreement will govern the arrangements relating to the construction of the works required to connect the User Facility to the T&S Network.~~

~~Separate contractual arrangements may be required in the future for Users who deliver carbon dioxide to the Storage Complex by ship, depending on what arrangements are made for that carbon dioxide to be delivered to the Storage Complex.~~

No	Subject	Terms
1.	Parties	<p>1.1 The parties to the Connection Agreement shall be:</p> <p>(a) "T&SCo" (being the identified party to the Agreement which, in relation to each T&S Network or part of a T&S Network, shall be the entity that is the holder of a Licence authorising it to operate that T&S Network or part of a T&S Network); and</p> <p>(b) "User" (being the identified party to the Agreement which is the person other than T&SCo who is bound by the provisions of the CCS Network Code and delivers carbon dioxide into the T&S Network at a Delivery Point).</p> <p>Note: in the future it may become necessary to distinguish between different types of Users.</p>
2.	Recitals	<p>2.1 T&SCo and the User are parties to the Code Agreement (being an agreement by which the CCS Network Code is made contractually binding between the parties to the CCS Network Code Parties).</p> <p>2.2 This Connection Agreement is entered into pursuant to the CCS Network Code and shall be read as being governed by it.</p>
3.	Scope	<p>3.1 The Connection Agreement relates to the connection of the User Facility to the T&S Network at the Delivery Point and the User's rights to deliver carbon dioxide at the Delivery Point.</p> <p>3.2 Details of the T&S Network, the User Facility, the Delivery Point, Delivery Point Size and whether the User is an Onshore User or an Offshore User are set out in Schedule 1 sets out key User-specific details, which define the User's rights under the Code and this Connection Agreement.</p> <p>3.3 Except as expressly provided otherwise in this</p>

No	Subject	Terms
		<p>Agreement, each party will perform its duties under this Agreement in accordance with the standard of a Reasonable and Prudent Operator.</p> <p><u>3.4</u> If there are any changes to the User contact details, Minimum Turndown Rate, the Minimum Ramp Rate and the Maximum Ramp Rate specified in Schedule 1, the User shall inform T&SCo as soon as is reasonably practicable.</p>
4.	Commencement and Term	<p>4.1 The Connection Agreement commences on the Commencement Date specified in Schedule 1, which is the date when Commissioning has been completed in accordance with the Construction Agreement.</p> <p>4.2 This Connection Agreement shall continue to be in force until it is terminated in accordance with the Provisions of Section F (General) of the CCS Network Code.</p>
5.	Entry Provisions	<p>5.1 The Entry Provisions that apply to the User are specified in Schedule 2.</p> <p>5.2 The User recognises and acknowledges that the Entry Provisions are designed to protect the T&S Network and to ensure that T&SCo can safely transport and store carbon dioxide within the T&S Network in compliance with its Legal Requirements.</p>
6.	Installation of Measurement Equipment	<p>6.1 In accordance with the requirements of the Code, Measurement Equipment has been installed at the Delivery Point to measure and monitor the quantity and quality of the carbon dioxide being delivered by the User at the Delivery Point.</p> <p>6.2 The details and schematics of the Measurement Equipment that has been installed by the User, as specified and approved by T&SCo, in accordance with the requirements of the Code (including the Entry Provisions) are set out in Schedule 3.</p> <p>6.3 — Where Schedule 3 specifies that the User is responsible for the operation and maintenance of the Measurement Equipment, the User shall do so in accordance with all requirements of the Code (including but not limited to Section F (Network design and specifications)).</p>
7.	Provision of Security	<p>7.1 The User shall provide the Required Security:</p> <p>(a) in accordance with Section H of the Code, for an amount calculated by T&SCo in accordance with Section H of the Code; and</p> <p>(b) in accordance with Section E of the Code, for an amount calculated by T&SCo in accordance with</p>

No	Subject	Terms
		<p style="text-align: center;">Section E of the Code.</p> <p>Note: user specific requirements for security that may be required in accordance with Section E or Section H could be included.</p> <p>Drafting instruction: the level of financial security under Section E has been set at zero.</p> <p>7.2 <u>The amount of the Required Security to be provided by the User as the Commencement Date is set out in Schedule 1, as calculated in accordance with the Code, but this shall be revised from time to time in accordance with the Code.</u></p>
8.	Capacity Allocation	<p>8.1 The User shall acquire Registered Capacity to use the T&S Network in accordance with Section E of the CCS Network Code.</p> <p>8.2 The Registered Capacity that the User acquires to deliver carbon dioxideholds as at the Delivery Point may not:</p> <p>(a) be less than the Minimum Eligible Capacity; or</p> <p>(b) exceed the Maximum Eligible Capacitydate of entering into this Connection Agreement is set out in Schedule 1.</p>
9.	Charges	9.1 The User shall pay all Charges in accordance with the CCS Network Code.
10.	Variations	<p>10.1 T&S Co and the User shall effect any amendment required to be made to this Connection Agreement as a result of a modification to the CCS Network Code or the T&S Licence, or as a result of an order or direction made in accordance with the Regulatory Requirements.</p> <p>10.2 The User authorises and instructs T&S CoS Co to make any such amendment on its behalf and undertakes not to withdraw, qualify or revoke such authority or instruction at any time.</p>
11.	Re-use Service	<p>11.1 <u>This paragraph 11 applies where T&S Co has agreed to provide the Re-use Service to the User in accordance with section F of the Code.</u></p> <p>11.2 <u>Details of the Re-use Service that T&S Co has agreed to provide to the User are set out in Schedule 4.</u></p>
12. ±	General provisions ± ±	<p>12.1 11.1 Paragraphs [2014 to 2620] of Section 11 (General) of the CCS Network Code apply to this Connection Agreement as if they were set out in this Connection Agreement.</p> <p>Note: this refers to the general boilerplate provisions</p>

No	Subject	Terms
		<i>in Section 11 of the CCS Network Code.</i>
<u>13.1</u>	Assignment 2 -	<p><u>13.1</u> 12.1—Neither party shall assign its rights and obligations under this Connection Agreement except in accordance with the provisions of clauses 12.2<u>13.2</u> and 12.3<u>13.3</u>.</p> <p><u>13.2</u> 12.2—The User shall only be entitled to assign its rights and obligations under this Agreement to a third party where:</p> <ul style="list-style-type: none"> (a) the User also assigns the ownership and operation of the User Facility to the third party; (b) the User has obtained the prior written consent of T&S Co<u>Co</u>, which shall not be unreasonably withheld; and (c) the third party becomes bound by the Code and this Agreement. <p><u>13.3</u> 12.3—T&S Co<u>Co</u> shall only be entitled to assign its rights and obligations under this Agreement to a third party where:</p> <ul style="list-style-type: none"> (a) T&S Co<u>Co</u> also assigns the ownership and operation of that part of the T&S Network that includes the Delivery Point to a third party holding a Licence; and (b) the third party becomes bound by the Code and this Agreement.
<u>14.1</u>	Definitions 3 -	<p><u>14.1</u> 13.1—Capitalised terms used in the Connection Agreement have the meaning given to them in CCS Network Code and: Carbon Dioxide Specifications means the Carbon Dioxide Specifications which are stated to apply to the User's Delivery Point in Schedule 2. Delivery Point means the point of connection between a User's Facility and the T&S Network at which point a User will deliver carbon dioxide into the T&S Network, as described in Schedule 1. Entry Provisions means the terms and conditions which specify the requirements in respect of the delivery of carbon dioxide to the T&S Network at the Delivery Point including the Carbon Dioxide Specifications, Measurement Requirements and Local Requirements. Flow Rate means [the total instantaneous flow rate, in the form of carbon dioxide, expressed in tCO₂/hour] that is being delivered at the Delivery Point]. Local Requirements means the</p>

No	Subject	Terms
		<p>technical requirements that apply to a User's Delivery Point or equipment, as specified in Schedule 2.</p> <p>Measurement Requirements means those procedures, methods and standards in place in respect of the measurement and determination of the quantity and delivery characteristics of carbon dioxide delivered or tendered for delivery at the Delivery Point which are stated to apply to the User's Delivery Point in Schedule 2.</p> <p>Maximum Eligible Capacity means the maximum Flow Rate on a tCO₂/hour basis, as set out in Schedule 1.</p> <p>Minimum Eligible Capacity means the minimum Flow Rate on a tCO₂/hour basis, as set out in Schedule 1.</p> <p>Reasonable and Prudent Operator means a person acting, in good faith, to perform its contractual obligations and, in so doing and in the general conduct of its undertaking, exercising that degree of skill, diligence, prudence and foresight which would reasonably and ordinarily be expected from a skilled and experienced operator engaged in the same type of undertaking under the same or similar circumstances.</p> <p>User Facility means the User's facility which is connected at the Delivery Point, as, <u>where relevant, are</u> more particularly detailed <u>described</u> in Schedule 1.</p> <p>(k) T&S Network means the T&S Network specified in Schedule 1 <u>Schedules to this Connection Agreement</u>.</p>

Schedule 1 – Details relating to the User's Connection Agreement

User	[insert company details]
User contact details	[insert details, for purposes of notice provisions (paragraph 1.4 of Section J) under the Code]
T&S Network	[description to be inserted]
User Facility	[description to be inserted]
Delivery Point	[description to be inserted, as well as a schematic showing the location of the Delivery Point and the demarcation of the User Facility and the T&S Network]
Delivery Point Size	[the size of the Delivery Point] to be inserted, expressed in tCO ₂ /hour]
Type of User by reference to the location of the Delivery Point	[Onshore User/Offshore User]
Commencement Date	[date to be inserted]
Required Security under Section E	[£ to be inserted] Drafting instruction: the level of financial security under Section E has been set at zero.
Required Security under Section H	[£ to be inserted]
Registered Capacity as at the date of the Connection Agreement	[to be inserted – note that this will also be recorded in the T&S Network Portal]
Maximum Capacity Eligible Minimum Turndown Rate	[to be inserted] Note: further consideration is being given to whether the Minimum Turndown Rate could vary depending on, for example, the season.
Minimum Capacity Rate Eligible Ramp	[to be inserted]
Maximum Ramp Rate	[to be inserted]

Schedule 2 – Entry Provisions

Carbon Dioxide Specifications	<i>[which Carbon Dioxide Specifications set out in the Code apply to the User to be confirmed here]</i>
Measurement Requirements	<i>[which Measurement Requirements set out in the Code apply to the User to be confirmed here]</i>
Local Requirements	<i>[it is intended that here will be set out any additional technical requirements that may apply to the User' Delivery Point <u>- e.g. any changes to the Carbon Dioxide Specification that may be agreed in accordance with the provisions of the Code</u>]</i>

Schedule 3 – Measurement Equipment

Details of the Measurement Equipment at the Delivery Point, including schematic with location of the Measurement Equipment	<i>[details to be inserted and schematic showing location to be attached to this schedule]</i>
Party responsible for the operation and maintenance of the Measurement Equipment	<i>[to specify which party is responsible for the Measurement Equipment, in accordance with the Code]</i>

Schedule 4 – Re-use Service

<u>Re-use Delivery Point</u>	<u>[description to be inserted, as well as a schematic showing the location of the Re-use Delivery Point]</u>
<u>Re-use Delivery Point Size</u>	<u>[to be inserted, expressed in tCO₂/hour]</u>
<u>Re-use Meter</u>	<u>[details of meter requirements to be inserted]</u>
<u>Re-use Service Charge Rate</u>	<u>[to be inserted – in £[x]/tCO₂]</u> <u>Note:</u> <u>the approach to charging for any operating costs associated with the Re-use Service is being further considered, but the rate is expected to be cost reflective and calculated on a basis applied to all Users in a consistent manner.</u>
<u>Access right to inspect equipment/infrastructure associated with Re-use Service</u>	<u>[details of User's access rights to be inserted, where there is equipment/infrastructure on a site owned or controlled by T&SCo]</u>

EXHIBIT D: CDS ACCESSION AGREEMENT

The CDS Contract will be signed by the Original T&SCo(s) to appoint the CDS. Any T&SCo that is required to become a Party to the CDS Contract after the CDS Contract is signed will become a Party to the CDS Contract by signing a CDS Accession Agreement.

<u>No</u>	<u>Subject</u>	<u>Terms</u>
<u>1.</u>	<u>Parties</u>	<p><u>1.1 The parties to the CDS Accession Agreement shall be:</u></p> <p><u>(a) a T&SCo that is already a party to the CDS Contract;</u></p> <p><u>(b) the CDS; and</u></p> <p><u>(c) [a New T&SCo (as this term is defined in the CDS Contract)].</u></p> <p><i><u>Note: the details of the CDS Accession Agreement are subject to the terms of the CDS Contract itself, and will be further developed once the CDS Contract is developed.</u></i></p>
<u>2.</u>	<u>Recitals</u>	<p><u>2.1 The CDS Contract dated [date to be inserted], attached to this Agreement as an exhibit, appoints the CDS.</u></p> <p><u>2.2 The [New T&SCo] wishes to become a Party to the CDS Contract.</u></p>
<u>3.</u>	<u>Interpretation</u>	<p><u>3.1 Capitalised terms used in this CDS Accession Agreement shall have the meaning given to them in the CDS Contract and the CCS Network Code.</u></p>
<u>4.</u>	<u>Admission as a Party</u>	<p><u>4.1 T&SCo(s) and the CDS admit the [New T&SCo] as a Party under the CDS Contract.</u></p> <p><u>4.2 The [New T&SCo] accepts its admission as a Party and undertakes to perform and to be bound by the CDS Contract as a Party from the date of this Agreement.</u></p> <p><u>4.3 This Agreement and the CDS Contract shall be read and construed as one document and references (in or pursuant to the CDS Contract) to the CDS Contract should be read and construed as references to the CDS Contract and this Agreement.</u></p>

ANNEXURE A: CARBON DIOXIDE SPECIFICATIONS - GENERAL

The carbon dioxide specifications shall as a minimum:

- (a) recognise that >95mol% CO₂ is the industry standard;
- (b) recognise that the combined non-condensable content of <4mol% is the industry standard with hydrogen and CO being minority contributors;
- (c) set the H₂O specification such that, and with sufficient margin, an aqueous phase is never present during any operational scenario, including transient operations;
- (d) ensure that impacts of all impurities in the CO₂-stream at all operational conditions are considered, when determining the maximum value of the saturation pressure. The MAOP shall be above the saturation pressure for that stream within the operating envelope;
- (e) consider the impact of lighter impurity components on refrigerated storage where the CO₂ stream itself is being used as the refrigerant;
- (f) take into consideration the impact of lighter components on the potential for running ductile fracture of pipelines carrying a CO₂ stream in dense phase;
- (g) ensure that the impact of the level of H₂ on hydrogen-enhanced crack propagation behaviour is considered, and that sufficient margin to crack growth exists;
- (h) in the event of a release of CO₂-stream, ensure that the local hazard associated by any single impurity component, is always lower, and with sufficient margin, than the hazard associated with the CO₂ itself;
- (i) note that in dense phase the concentration of an impurity in the released CO₂-stream can be different from that in the original fluid, which can result in a more corrosive mixture remaining in the pipeline;
- (j) where an impurity may be liquid or solid on release to the environment, the hazard associated with this release shall be considered;
- (k) where an impurity may accumulate anywhere in the CCS/CCU chain, the hazard associated with this accumulation shall be considered;
- (l) consider the corrosion risk of induced aqueous phases in the specification for hygroscopic components that may be present as liquids in a gaseous CO₂ stream, such as glycols, amines, and methanol;
- (m) consider this corrosion risk in the specification for polar light components that may impact the corrosivity of an aqueous phase induced by a hygroscopic impurity;
- (n) assume that the products of possible chemical reactions, either between different impurities in a CO₂ stream or chemical reactions between impurities and the CO₂, are present in the CO₂ stream, and consider their impact(s);
- (o) keep to a practical minimum the presence of liquids that may accumulate in a gaseous CO₂ stream;
- (p) keep to a practical minimum the presence of solids in a CO₂ stream; and
- (q) consider the impact of solid particles within the CO₂ stream on equipment such as compressors, and on the injection reservoir itself (if appropriate).]

ANNEXURE B: CARBON DIOXIDE SPECIFICATIONS — EGG (NORTHERN ENDURANCE PARTNERSHIP)

1. CORE SPECIFICATION

Component	Limit	Units	Notes
CO ₂	≥96	mol %	
N ₂	≤4	mol %	* Combined total ≤ 4.0 mol%
H ₂	≤0.75	mol %	
Ar	≤4	mol %	
CO	0.2	mol %	
CH ₄			
Methane	n/a	mol %	
Ethane	n/a	mol %	
Propane & Other Aliphatic Hydrocarbons (Heavy hydrocarbons (C ₃ +) shall not shift the dew point below that	n/a	mol %	
H ₂ O	≤50	ppm mol	
O ₂	≤10	ppm mol	
NO _x (NO, NO ₂)	≤10	ppm mol	
Sox (SO, SO ₂ , SO ₃)	≤20	ppm mol	
H ₂ S	≤5	ppm mol	
COS & CS ₂	n/a	ppm mol	
NH ₃	≤10	ppm mol	See footnote 1
BTEX	n/a	ppm mol	
Methanol	500	ppm mol	* Combined total 500 ppm mol
Ethanol	500		* Combined total 500 ppm mol
Solid Particulates (Max size of	≤ 1	mg/Nm ³	

particulate: 1 µm) (Ash, dust, Na, K, Mg, Cr, Ni, Cd, Hg, Tl, Pb, As & Se)			
Toxic Metal (Max size of particulate: 1 µm)	n/a	mg/Nm ³	
VOCs (Formaldehyde, acetaldehyde, dimethyl sulfide, ethanol)	n/a	mg/Nm ³	
Acid Forming Compounds (Cl ₂ , HF, HCl, HCN)	n/a	mg/Nm ³	
Amines (Max size of liquid droplet: 1 µm) (All, including MEA, MDEA, DEA, AMP, piperazine etc)	n/a	ppb mol	
Glycols (All, including TEG, MEG, DEG, propylene glycol etc)	NIL	ppm mol	
Nitrosamines and Nitramines (NDMA, NMEA, NDEA, NDELA, NPIP, NMor	n/a	µg/Nm ³	See footnote 2
Napthalene	n/a	ppb mol	
Dioxins and Furans (PCDD, PCDF)	n/a	Ng/ Nm ³	
Solexol (polyethylene glycol dimethyl ether)	n/a	ppm mol	

ADDITIONAL REQUIREMENTS

In addition to the requirements set out in Paragraph 1 above, the following requirements must also be met:

- 1.1 Max droplet size <= 2µm (tbc)

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Annexure B: ~~carbon dioxide specifications (ECC)~~ [Carbon Dioxide Specifications – Northern Endurance Partnership](#)

1.2 [All other components at detectable levels]

[Note: *specific limits to be confirmed by* ~~ECC~~ [Northern Endurance Partnership](#)]

ANNEXURE C — CARBON DIOXIDE SPECIFICATIONS — LBA(HYNET)

Component	Limit	Units	Notes
CO ₂	≥95.0	mol %	
N ₂	4.0	mol %	* Combined total ≤ 4.0 mol%
H ₂	0.75	mol %	
Ar	4.0	mol %	
CO	0.2	mol %	
Methane	4.0	mol %	
Ethane	4.0	mol %	
CH ₄	n/a	n/a	
Propane & Other Aliphatic Hydrocarbons (Heavy hydrocarbons (C ₃ +) shall not shift the dew point below that	0.15 in total	mol %	
H ₂ O	50	ppm mol	
O ₂	10	ppm mol	
NO _x (NO, NO ₂)	10	ppm mol	
So _x (SO, SO ₂ , SO ₃)	10	ppm mol	
H ₂ S	5	ppm mol	
COS & CS ₂	5 in total	ppm mol	
NH ₃	10	ppm mol	See footnote 1
BTEX	15 in total	ppm mol	
Methanol	350	ppm mol	
Solid Particulates (Max size of particulate: 1 μm) (Ash, dust, Na, K, Mg, Cr, Ni, Cd, Hg, Tl, Pb, As & Se)	1 in total	mg/Nm ³	
Toxic Metal (Max size of	0.15	mg/Nm ³	

particulate: 1 µm)			
VOCs (Formaldehyde, acetaldehyde, dimethyl sulfide, ethanol)	48 in total	mg/Nm ³	
Acid Forming Compounds (Cl ₂ , HF, HCl, HCN)	150 in total	mg/Nm ³	
Amines (Max size of liquid droplet: 1 µm) (All, including MEA, MDEA, DEA, AMP, piperazine etc)	100 in total	ppb mol	
Glycols (All, including TEG, MEG, DEG, propylene glycol etc)	NIL		
Nitrosamines and Nitramines (NDMA, NMEA, NDEA, NDELA, NPIP, NMor	3 in total	µg/Nm ³	
Napthalene	100	ppb mol	
Dioxins and Furans (PCDD, PCDF)	0.02 in total	Ng/ Nm ³	
Selexol (polyethylene glycol dimethyl ether)	NIL	ppm mol	

Footnotes:

1. NH₃ has potential for significant solid particle generation in the T&S network. Quantification will be undertaken to determine extent of NH₃ conversion to Ammonium Carbamate. Any future change would be subject to the Project Change Request process..

ANNEXURE D—: MEASUREMENT REQUIREMENTS (~~ECC~~NORTHERN ENDURANCE PARTNERSHIP)

Note: *This section will be populated with detailed measurement requirements relating to ~~ECC~~Northern Endurance Partnership*

ANNEXURE E—: MEASUREMENT REQUIREMENTS (~~LBA~~HYNET)

Note: *This section will be populated with detailed measurement requirements relating to LBAHyNet.*

ANNEXURE F: EMERGENCY PROCEDURE TERMS OF REFERENCE

1. PURPOSE

The purpose of an operational procedure for emergencies is to provide a means of deploying people, physical resources and information systems in a methodical manner to control an emergency.

2. INITIAL RESPONSE TO AN EMERGENCY

During abnormal operating conditions, the decisions and actions taken during the early stages are critical to maintaining control of the transportation system. This section clearly defines responsibilities.

3. EMERGENCY CLASSIFICATION

This section clearly defines define the level of the emergency to identify the level of response required.

4. OPERATIONAL ROLES

This section clearly defines the key accountabilities and command structure of the operational roles for managing emergencies must be clearly identified and documented.

5. EMERGENCY LOG

This section clearly defines how the Emergency logs should be defined and maintained by the various parties involved. For example, Strategic Response Team, Emergency Controller, Engineering Operations Controller etc.

6. EMERGENCY MANAGEMENT PROCESSES

This section clearly defines several aspects: Resource management, Network management, Notifications to Users, Isolation of affected Users, Network isolation User communications, External communications (including interaction with emergency and welfare services) , Network recovery – recommissioning of Network and reinstatement of Users.

ANNEXURE G: COMMISSIONING PROCEDURE TERMS OF REFERENCE

1. PURPOSE

The purpose of the commissioning procedure is to provide a systematic approach to bring the T&S Network into service to deliver the desired function.

2. ROLES AND RESPONSIBILITIES

This section clearly defines the key accountabilities of the operational roles for managing the commissioning of plant, pipelines or facilities.

3. METHODOLOGY

The procedure(s) needs to provide detailed methodology to commission all items of plant, pipelines and facilities within the T&S Network in order for it to become operational, to include but not limited to:

- (a) Onshore pipelines
- (b) Offshore Pipelines
- (c) Compression equipment
- (d) Metering facilities
- (e) Operational Plant
- (f) Onshore terminals
- (g) Storage facilities

The procedure itself will detail the process to be followed to bring each of the components of the T&S Network into operation and the order in which they are to be brought into service. This section will include :

- (h) Commissioning requirements, not limited to:
 - (i) Testing (test certification)
 - (ii) Statutory Notifications
 - (iii) Operational settings (data sheet)
 - (iv) Isolation requirements (LOTO)
 - (v) Commissioning materials and equipment
 - (vi) Key responsibilities and resources
 - (vii) Communication plan
 - (viii) Certifications complete as required
 - (ix) Risk Management
- (i) Commissioning process, as required but not limited to:
 - (i) Cleaning processes

CCS Network Code – Heads of Terms
Annexure G: Commissioning Procedure Terms of Reference

- (ii) [Dry Commissioning – electrical connection, component testing](#)

 - (A) [Commissioning auxiliary systems](#)
 - (B) [testing](#)
 - (C) [Commissioning checklist](#)

- (j) [Wet commissioning](#)

 - (i) [Introduction of fluids](#)
 - (ii) [Performance verification](#)
 - (iii) [Operational readiness](#)

ANNEXURE H: ISOLATION PROCEDURE TERMS OF REFERENCE

1. PURPOSE

The Isolation Procedure will detail the requirements for the safe isolation of systems allowing safe maintenance, modification, or decommissioning. Safe Isolation is a key component of the system of work that allows tasks to be completed safely and without harm to people, unplanned loss of containment, environmental damage or damage to plant or equipment.

2. ROLES AND RESPONSIBILITIES

This section clearly defines the key accountabilities of the operational roles for managing, authorising and communicating the application and removal of isolations.

3. METHODOLOGY

Complex isolations may include, but are not limited to, work requiring isolation of single energy sources, multiple sources of energy requiring isolation, isolations required by multiple disciplines or organisations and isolations required for confined space entry. Consideration must be given to all energy sources, not just pressurised systems when assessing the complexity of isolations required to safely execute the work. Complex isolations should document the sequence of events to isolate the systems involved and outline how to prove zero energy within the isolated system and document how the system will be reinstated on completion of the work.

The procedure will detail the following stages as a minimum:

- (a) Identification of all affected plant
- (b) Isolation process(es)
- (c) Securing the Isolation(s) (LOTO)
- (d) Discharging \ de-energising the system(s)
- (e) Testing of the isolated system(s) and proving zero energy
- (f) Testing and reinstatement of system(s)

ANNEXURE I: MINIMUM DOCUMENTATION REQUIREMENTS

Note: it is expected that this Annexure will be populated with templates, naming protocols, transfer intervals and methods of acquisition for what are considered to be key datasets across the network, eg flow rates, nominations, compositional analysis etc.

ANNEXURE J: INFORMATION PUBLICATION REQUIREMENTS

Note: it is expected that this Annexure will contain minimum requirements for granularity and frequency of data release in relation to information to be published by T&SCos.

ANNEXURE K: RETAINED DATA

Note: it is expected that this Annexure will list the categories of data and information, which is required to be retained for at least ten (10) years.

ANNEXURE L: CDS TERMS OF REFERENCE

Note: *it is intended that this Annexure will be developed and will cover the key terms to be included within the CDS Contract, including but not limited to:*

- key scope and responsibilities, including provision of the Processed Flow Meter Data Statement in accordance with the Billing Periods under the CCS Network Code;
- general standard of performance;
- duties of care to Users and the LCCC and requirements for the provision of collateral warranties in favour of such parties (including agreement to allow additional Users to accede to such collateral warranties and provision of the Processed Flow Meter Data Statement direct to the LCCC);
- process for variations to scope as new Users and T&SCos join the T&S Network;
- limitations of liability;
- insurance;
- provision of access to relevant metering data by CDS and access to relevant CDS data by Users/LCCC/T&SCo;
- agreed data protocols for fixed decimalisation and rounding, including any necessary read across/alignment and compliance with the Data Transfer Procedures under the CCS Network Code;
- agreements around reflecting the outcome of any CDS Data Dispute in the CDS Management system;
- any licensing or usage requirements for relevant software; and
- the same permissions and access rights to CDS data for the LCCC as is available to each individual User;
- anything else required by the User Requirements; and
- [others to be confirmed].

ANNEXURE M: INDEPENDENT VERIFIER TERMS OF REFERENCE

Note: *it is intended that this Annexure will be developed and will cover the key terms to be included within the Independent Verifier Appointment, including but not limited to:*

- key scope and responsibilities, including provision of the annual verification report under paragraph 4.5 of Section F of the CCS Network Code;
- general standard of performance;
- duties of care to Users and the LCCC and requirements for the provision of collateral warranties in favour of such parties (including agreement to allow additional Users to accede to such collateral warranties);
- process for variations to scope as new Users and T&SCos join the T&S Network;
- limitations of liability;
- insurance;
- the same permissions and access rights to information/reports prepared by the Independent Verifier for the LCCC as is available to each individual User;
- anything else required by the User Requirements; and
- [others to be confirmed].

ANNEXURE N: NETWORK PORTAL TERMS OF REFERENCE

Note: it is intended that this Annexure will be developed and will cover the key terms to be included within the T&S Network Portal arrangement, including but not limited to:

- functionalities required to support the following operational functions under the Code:
 - the recording of the Registered Capacity of Users;
 - the making of Forecasts and Nominations by Users, and communications by T&SCo in response to such Forecasts and Nominations;
 - Capacity Constraint management;
 - the issuing of Invoice Documents and Processed Flow Meter Data Statements; and
 - publication of T&S Network Data; and
- the Forecasts and Nominations function of the T&S Network Portal shall, at a minimum, provide for Users to be able input the information required under Section E of the Code, but may also include the following [information fields]:
 - the User's Registered Capacity ;
 - any Capacity Constraints affecting the User's Registered Capacity;
 - input functions for Forecasts and Nominations;
 - automatic caps to prevent Forecasts and Nominations above the User's Registered Capacity;
 - absent nominations notification process for day ahead – either notification or requirement to fill in for submission to continue;
 - blocked out entries for hours passed;
 - confirmation notifications of hourly nomination acceptance by T&SCo – simple as colour highlighted or specific notifications;
 - minimum nomination;
- the same permissions and access rights to User-Specific Data and T&S Network Data for the LCCC as is available to each individual User;
- appropriate API for automatic download/transmission of relevant data to LCCC;
- anything else required by the User Requirements;
- [others to be confirmed].

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