

**Dated**

**20072009**

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**STORAGE SERVICES CONTRACT**

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**The Rough Storage Facility**

**Centrica Storage Limited  
42-54 London Road  
Staines  
Middlesex  
TW18 4HF**

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1.3 Terms applied in relation to the Customer in this Agreement shall have the equivalent meanings when applied in this Agreement in relation to another Storage Customer.

## 2. Scope of Agreement and Storage Charges

2.1 During the Contract Period the Customer may use the Rough Storage Facility by injecting Gas into the facility, by having Gas-in-Storage within the facility and by withdrawing Gas from the facility in accordance with the provisions of this Agreement.

2.2 For the purposes of this Agreement, references to “**injection**” and “**withdrawal**” of Gas from the Rough Storage Facility shall be construed as follows:

(a) injection is the injection of Gas into the Rough Storage Facility, and withdrawal is the withdrawal of Gas from the Rough Storage Facility in each case pursuant to a Storage Service and subject to and in accordance with the provisions of this Agreement in relation to that Storage Service;

(b) an injection or withdrawal is made by the Customer where it is made pursuant to a Nomination made or deemed to be made by the Customer in respect of a Storage Service

and references to quantities of Gas “**injected**” and “**withdrawn**” shall be construed as meaning quantities of Gas injected and withdrawn pursuant to the terms of this Agreement, the relevant Storage Service and, as appropriate, other Principal Contracts.

2.3 For the purposes of this Agreement “**Storage Charges**” are charges payable by the Customer in respect of capacity in or use of the Rough Storage Facility.

2.4 Storage Charges comprise Capacity Charges, Injection Charges, Withdrawal Charges, Interruptible Charges, Overrun Charges and Physical Service Charges.

## 3. Gas-in-Storage

3.1(A) Subject to Clause 3.3, the Customer's “**Gas-in-Storage**” at the end of any Day during the Contract Period in respect of ~~the Rough~~each Storage ~~Facility~~Service is:

(a) the sum of:

(1) the Customer's Opening Storage Balance in accordance with Clause 3.4;

(2) the quantities of Gas injected by the Customer in to such Storage Service on Days in the Contract Period up to and including such Day;  
~~and~~

(3) the quantities of Gas subject to Gas Transfers made in favour of the Customer to such Storage Service with effect from Days in the Contract Period up to and including such Day; and

(4) any Gas transferred to such Storage Service pursuant to a Gas Account Transfer; less

(b) the sum of:

- (1) the quantities of Gas withdrawn by the Customer from such Storage Service on Days in the Contract Period up to and including such Day; and
- (2) the quantities of Gas subject to Gas Transfers made by the Customer from such Storage Service with effect from Days in the Contract Period up to and including such Day; and
- (3) any Gas transferred from such Storage Service pursuant to a Gas Account Transfer

and for the avoidance of doubt the Customer's Gas-in-Storage in respect of each Storage Service at the beginning of any Day shall be the Customer's Gas-in-Storage for such Storage Service at the end of the preceding Day as calculated in accordance with this Clause 3.1.

3.1(B)(a) Where a Customer has Gas-in-Storage at the end of the Storage Year 2008-2009, all such Gas-in-Storage shall in respect of Storage Year 2009-2010 (save where such Gas is the subject of a Gas Transfer or a Gas Account Transfer to an alternative Storage Service) be deemed to be held pursuant to the S-Store WD Service.

(b) Where a Customer has Gas-in-Storage at the end of any Storage Year (save in respect of the Storage Year 2008-2009, where such Gas shall be treated in accordance with Clause 3.1(B)(a)) such Gas-in-Storage shall, subject to Clauses 19 and 20, at the beginning of the first Day of the immediately following Storage Year be deemed to be the Customer's Gas-in-Storage and shall be held pursuant to the same Storage Service as such Gas-in-Storage was held immediately prior to the beginning of such first Day of the relevant Storage Year.

3.2-~~Where~~(A) Subject to Clauses 3.2(B), where the Customer has Gas-in-Storage in the Rough Storage Facility the Customer is entitled (subject to and in accordance with this Agreement) to have a quantity of Gas, equal to the amount of its Gas-in-Storage, delivered to the relevant Storage Connection Point by way of withdrawal, and (without prejudice to Clauses 6 and 21) has no other entitlement in respect of Gas-in-Storage.

3.2(B) In respect of a Withdrawal Nomination relating to any period within the Winter Period and made pursuant to the C-Store DA Service or the C-Store WD Service, where a Customer has (i) Gas-in-Storage in the C-Store DA Service or C-Store WD Service (as the case may be) and has Throughput Capacity, the Customer is entitled to have delivered (subject to and accordance with this Agreement) and CSL shall first satisfy the relevant Withdrawal Nomination by delivering, a volume of Gas at the NBP not exceeding such Customer's existing Throughput Capacity in respect of that Storage Service or (ii) Gas-in-Storage in the C-Store DA Service or C-Store WD Service (as the case may be) but has ceased to hold Throughput Capacity pursuant to the C-Store DA Service or the C-Store WD Service (as the case may be), the Customer is entitled to have delivered (subject to and accordance with this Agreement) a quantity of Gas, equal to the amount of its Gas-in-Storage in the C-Store DA Service or C-Store WD Service (as the case may be), to the relevant Storage Connection Point by way of withdrawal, and in each case (but without prejudice to Clauses 6 and 21) the Customer has no other entitlement in respect of Gas-in Storage.

3.2(C) Where Gas is delivered at the NBP pursuant to Clause 3.2(B)(i), the provisions of Schedule J shall apply.

- 3.3 Where the amount determined in respect of any Storage Service held by the Customer in accordance with Clause 3.1 is negative, the Customer's Gas-in-Storage in such Storage Service shall be zero and the provisions of Clause 15.1(b) shall apply.
- 3.4 The Customer's “**Opening Storage Balance**” in respect of the Rough Storage Facility shall be the amount of the Customer's gas-in-storage (if any) at 30 April 2004 or if later the date of this Agreement plus the quantities injected (if any) and less the quantities withdrawn on such Day as determined pursuant to and in accordance with section R of the Network Code (as such applied on such Day).
- 3.5(A) Title and risk to Gas injected by the Customer ~~to, or~~ in to the Rough Storage Facility shall be treated as passing from the Customer to CSL at the Storage Connection Point and at the same time at which title passes from NGG. Subject to Clause 3.5(B), title and risk to Gas withdrawn by the Customer from; the Rough Storage Facility shall be treated as passing from ~~the Customer to CSL or (as the case may be) from~~ CSL to the Customer at the Storage Connection Point and at the same time at which title passes ~~from Transeo or (as the case may be) to Transeo~~ to NGG.
- 3.5(B) Where CSL delivers Gas to the NBP pursuant to the C-Store DA Service or the C-Store WD Service (as the case may be) and in accordance with the terms of this Agreement, the amount of Gas-in-Storage in the relevant Storage Service to which the Customer has rights or entitlements shall be reduced by an amount equal to the volume of such Gas delivered at the NBP.
- 3.6 CSL shall have title to and risk in all Gas contained in the Rough Storage Facility.
- 3.7 CSL warrants to the Customer that it will have title to Gas to be withdrawn from the Rough Storage Facility at the Storage Connection Point and that all such Gas shall be free from lien, charge, encumbrance, or adverse claim (as to title or otherwise) including any claim for any tax, royalty or other charge arising on or before withdrawal thereof from the Rough Storage Facility.
- 3.8 The Customer warrants to CSL that it will have title to Gas to be injected into the Rough Storage Facility at the Storage Connection Point and that all such Gas shall be free from lien, charge, encumbrance, or adverse claim (as to title or otherwise) including any claim for any tax, royalty or other charge arising on or before injection thereof into the Rough Storage Facility.
- 3.9 CSL shall indemnify the Customer and hold it harmless against any loss, liability, damage, claim, action, proceeding, cost and expense suffered or incurred by or made or brought against the Customer in consequence of a breach of the warranty in Clause 3.7.
- 3.10 The Customer shall indemnify CSL and hold it harmless against any loss, liability, damage, claim, action, proceeding, cost and expense suffered or incurred by or made or brought against CSL in consequence of a breach of the warranty in Clause 3.8.

#### 4. **Registered, Available and Effective Capacity**

- 4.1 The Customer may hold capacity (“**Capacity**”) in the Rough Storage Facility.

~~4.2 Capacity comprises Deliverability, Space and Injectability.~~

4.2 Capacity comprises Deliverability, Space, Injectability and Throughput Capacity in respect of one or more Storage Service (save in the case of Throughput Capacity which shall only apply in respect of the C-Store DA Service or the C-Store WD Service). Capacity held in respect of one Storage Service (whether held by the Customer pursuant to a Bilateral Sale, Auction or a Capacity Assignment or treated as held by the Customer pursuant to a Capacity Transfer) may not be nominated for the purposes of injecting or withdrawing Gas pursuant to any other Storage Service provided that Space held in respect of one Storage Service may, subject to a Space Account Transfer being undertaken pursuant to Clause 7, be transferred between Storage Services. For the avoidance of doubt, Throughput Capacity shall only be held pursuant to the C-Store DA Service or the C-Store WD Service (as the case may be) and shall not be used for the purpose of withdrawing Gas pursuant to the S-Store DA Service or the S-Store WD Service.

4.3 For the purposes of this Agreement:

- (a) **“Deliverability”** is capacity (expressed as a rate of withdrawal in kWh/Day) which entitles the Customer to withdraw Gas from the Rough Storage Facility at that rate of withdrawal;
- (b) **“Space”** is capacity (expressed in kWh) which entitles the Customer to have Gas-in-Storage in the Rough Storage Facility;
- (c) **“Injectability”** is capacity (expressed as a rate of injection in kWh/Day) which entitles the Customer to inject Gas into the Rough Storage Facility at that rate of injection;

(d) **“Throughput Capacity”** is capacity (expressed in kWh) purchased pursuant to the C-Store DA Service or the C-Store WD Service (as the case may be) which entitles the Customer to have Gas withdrawn from the Rough Storage Facility during the Winter Period delivered at the NBP.

4.4 For the purposes of this Agreement:

- (a) the Customer's **“Registered”** Deliverability, Space ~~or~~, Injectability or Throughput Capacity in relation to ~~the Rough~~ Storage ~~Facility~~Service is the Deliverability, Space ~~or~~, Injectability or Throughput Capacity held by the Customer pursuant to an Auction or a Bilateral Sale or held by the Customer following a Capacity Assignment in accordance with Clause ~~22~~22, in each case in respect of that Storage Service;
- (b) the Customer's **“Available”** Deliverability, Space ~~and~~, Injectability and Throughput Capacity in relation to ~~the Rough~~ Storage ~~Facility~~Service is the Deliverability, Space ~~and~~, Injectability and Throughput Capacity which the Customer holds (pursuant to paragraph (a)) on a Gas Flow Day (or at a particular time within the Day) in respect of that ~~facility~~Storage Service and after taking account of any Capacity Transfer, determined in accordance with Clause 7.6; and, in the case of Throughput Capacity only, as reduced by the quantities of Gas made available to the Customer at the NBP pursuant to the Storage Service under which such Throughput Capacity is held (including

during the Winter Period any Interruptible Quantities nominated by a Firm-Interruptible WD Customer pursuant to the C-Store WD Service and delivered to the NBP), from the date on which the Customer was first Registered as holding Throughput Capacity for the relevant Storage Year until the relevant Gas Flow Day;

- (c) in respect of any Day (or at any particular time within the Day) the Customer's "Effective":
- (i) Deliverability in relation to ~~the Rougha~~ Storage ~~Facility~~ Service is its Available Deliverability multiplied by the Withdrawal Maintenance Factor applying in respect of such Day ~~and facility~~;
  - (ii) ~~(ii)~~ — Injctability in relation to ~~the Rougha~~ Storage ~~Facility~~ Service is its Available Injctability multiplied by the Daily Injection Adjustment Factor applying in respect of such Day multiplied by the Relevant Injection Factor applying in respect of such Day;
- (d) the "Relevant Injection Factor" shall be the Injection Maintenance Factor on an Injection Maintenance Day or the Cancellation Factor on a Cancellation Day.

4.5 CSL shall provide to the Customer:

- (a) as soon as reasonably practicable following the allocation of Capacity to the Customer in the Rough Storage Facility pursuant to an Auction or following a Bilateral Sale, a Registered Capacity Certificate for each Capacity allocated to the Customer in such facility by CSL (showing the details in accordance with Clause 4.6 in respect of the Capacity so allocated);
- (b) following a Capacity Assignment by not later than the Assignment Date, a Registered Capacity Certificate in respect of the Capacity subject to the Capacity Assignment ~~in the Assignment Facility~~, and such Registered Capacity Certificate:
  - (i) shall show the details in accordance with Clause 4.6 taking into account the Capacity Assignment;
  - (ii) shall, where the Customer had previously been provided with a Registered Capacity Certificate in respect of the Capacity ~~and Assignment Facility~~, be in substitution and replace the certificate previously provided by CSL.

4.6 A Registered Capacity Certificate shall identify:

- (a) the Customer's name;
- (b) a unique certificate number;
- (c) the type of Capacity, the Storage Service to which it relates, the amount of Capacity (expressed in respect of Deliverability and Injctability in kWh/Day

and in respect of Space and Throughput Capacity in kWh) and the Applicable Annual Rate;

- (d) the date from which the Customer is first registered as holding the Capacity (the “**Entitlement Start Date**”) and the date following which the Customer ceases to be registered as holding the Capacity (the “**Entitlement End Date**”) being those dates determined by reference, as appropriate, to an Auction, Bilateral Sale or Capacity Assignment.

## 5. Capacity Charges

5.1 The Customer shall pay Capacity Charges in respect of its Registered Capacity in the Rough Storage Facility.

5.2 For the purposes of this Agreement:

- (a) “**Capacity Charge**” means a Deliverability Charge, a Space Charge ~~or~~ an Injectability Charge or a Throughput Capacity Charge;
- (b) “**Deliverability Charge**” for a Storage Service is a charge (expressed in pence per kWh/Day per annum) in respect of, and determined by reference to the amount of, the Customer's Registered Deliverability in respect of that Storage Service;
- (c) “**Space Charge**” for a Storage Service is a charge (expressed in pence per kWh per annum) in respect of, and determined by reference to the amount of, the Customer's Registered Space in respect of that Storage Service;
- (d) “**Injectability Charge**” for a Storage Service is a charge (expressed in pence per kWh/Day per annum) in respect of, and determined by reference to the amount of, the Customer's Registered Injectability in respect of that Storage Service;
- (e) “**Throughput Capacity Charge**” for the C-Store DA Service or the C-Store WD Service is a charge (expressed in pence per kWh per annum) in respect of, and determined by reference to the amount of, the Customer’s Registered Throughput Capacity in respect of the relevant Storage Service.

5.3 The Capacity Charges payable by the Customer in respect of each Day (in the period from the Entitlement Start Date to the Entitlement End Date (inclusive)) and in respect of the Rough Storage Facility will be determined as the amount of the Customer's Registered Capacity shown on each Registered Capacity Certificate in respect of ~~the facility~~ a Storage Service multiplied by the Applicable Daily Rate.

5.4 The annual rate of Capacity Charges payable by the Customer in respect of Registered Capacity shown on a Registered Capacity Certificate shall be specified in that Registered Capacity Certificate (the “**Applicable Annual Rate**”) and the “**Applicable Daily Rate**” is the Applicable Annual Rate divided by 365.

5.5 Capacity Charges will be invoiced and are payable monthly in accordance with Clause 16.

- 5.6 Where the Customer holds Registered Capacity following a Bilateral Sale Clause 5.3 shall apply as if the reference therein to the Entitlement Start Date was a reference to the first Day of the then current Storage Year.
- 5.7 On any Day the “**Annual Average Deliverability Charge Rate**”, the “**Annual Average Space Charge Rate**” ~~and~~ the “**Annual Average Injectability Charge Rate**” and the “Annual Average Throughput Capacity Charge Rate” (the “**Annual Average Charge Rates**”) are respectively the average of the Applicable Annual Rates (weighted by the respective amounts of Registered Capacity) shown on those Registered Capacity Certificates relating to ~~the Rough~~ Storage ~~Facility~~Service and that Capacity provided to Storage Customers pursuant to the Auctions or following a Bilateral Sale as calculated on the first Day of the calendar month in which such Day falls; provided that in calculating an Annual Average Charge Rate no account shall be taken of any Registered Capacity Certificate where the first Day of the calendar month on which such calculation is being undertaken is earlier than the Entitlement Start Date or later than the Entitlement End Date on any such certificate.
- 5.8 CSL shall calculate and notify the Customer of the Annual Average Charge Rates on a monthly basis during the Contract Period.

## 6. Transfers

- 6.1 The Customer may at any time:
- (a) in respect of ~~the Rough~~ Storage ~~Facility~~Service transfer all or part of its Available Deliverability, Available Space ~~or~~ Available Injectability or Available Throughput Capacity to another Storage Customer or take a transfer of Deliverability, Space ~~or~~ Injectability or Throughput Capacity from another Storage Customer; ~~or~~
  - (b) make a Gas Transfer in respect of a quantity of Gas ~~in relation to~~ stored within the Rough Storage Facility;
  - (c) in respect of a Storage Service transfer all or part of its Available Space from that Storage Service to another Storage Service of which it is also a Customer (such transfer being a “Space Account Transfer”), provided however, that a Customer shall be obliged to undertake a Space Account Transfer where such Customer wishes to inject Gas pursuant to a Storage Service but has insufficient Space in respect of such Storage Service, provided further that such Space Account Transfer shall be required to occur prior to the injection of the relevant Gas; or
  - (d) in respect of a Storage Service transfer all or part of its Gas-in-Storage from that Storage Service to another Storage Service of which it is also a Customer (such a transfer being a “Gas Account Transfer”).

in each case subject to and in accordance with this Clause ~~6.6~~ and any such Capacity Transfer shall also need to comply with the provisions of Clause 4.2 such that Deliverability, Injectability and Throughput Capacity purchased pursuant to a Storage

Service cannot be transferred or utilised as part of any other of the Storage Services made available pursuant to this Agreement.

6.2 For the purposes of this Agreement:

- (a) a “**Deliverability Transfer**”, a “**Space Transfer**” ~~and~~, an “**Injectability Transfer**” and a “**Throughput Capacity Transfer**” in respect of a Storage Service are respectively a transfer of Deliverability, Space ~~and~~, Injectability and Throughput Capacity in accordance with Clause 6.1(a) in respect of that Storage Service and a “**Capacity Transfer**” in relation to a Storage Service is a Deliverability Transfer, Space Transfer ~~or~~, an Injectability Transfer or a Throughput Capacity Transfer or a Space Account Transfer in respect of that Storage Service and any such Capacity Transfer (other than a Space Account Transfer) shall also need to comply with the provisions of Clause 4.2 such that Deliverability, Injectability and Throughput Capacity purchased pursuant to a Storage Service cannot be transferred or utilised as part of any other of the Storage Services made available pursuant to this Agreement;
- (b) a “**Gas Transfer**” is an arrangement between the Customer and another Storage Customer for the purposes of Clause 7.9;
- (c) a “**Transfer**” is a Capacity Transfer, a Gas Transfer or a Gas Account Transfer.

6.3 The Customer may make:

- (a) a Capacity Transfer in respect of any Day or consecutive period of Days;
- (b) a Deliverability Transfer or an Injectability Transfer for a part of any Day commencing and ending on any hour within the Day.

6.4 In respect of a Transfer or proposed Transfer:

- (a) in the case of a Capacity Transfer, the “**Transferred Capacity**” is the Capacity which is (or is to be) transferred;
- (b) in the case of a Gas Transfer or a Gas Account Transfer, the “**Transferred Gas-in-Storage**” is the quantity subject to such Gas Transfer or such Gas Account Transfer;
- (c) in the case of a Capacity Transfer the “**Transfer Period**” is the Day or Days, or part of any Day in accordance with Clause 6.3 for which the Transferred Capacity is (or is to be) transferred;
- (d) in the case of a Gas Transfer or a Gas Account Transfer, the “**Transfer Date**” is the Day specified in the Customer's notice under Clause 7.1 in respect of which the Gas Transfer or the Gas Account Transfer is to take effect in accordance with Clause 7.9.

6.5 Without prejudice to Clause 15.1(b) the Transferred Gas-in-Storage from any Storage Service under a Gas Transfer or a Gas Account Transfer in respect of which the Customer is the transferor may not exceed:

- (a) the sum of:
  - (i) the Customer's Gas-in-Storage in the relevant Storage Service at the beginning of the Transfer Date;
  - (ii) the quantities of Gas nominated for injection by the Customer on the Transfer Date in to that Storage Service;
  - (iii) the quantities of Gas subject to Gas Transfers made in favour of the Customer for that Storage Service which have been approved by CSL and having effect on the Transfer Date;
  - (iv) and Gas transferred to such Storage Service pursuant to a Gas Account Transfer which has been approved by CSL and having effect on the Transfer Date; less
- (b) the sum of:
  - (i) the quantities of Gas nominated for withdrawal by the Customer on the Transfer Date from that Storage Service;
  - (ii) the quantities of Gas subject to Gas Transfers made by the Customer which have been approved by CSL and having effect on the Transfer Date from that Storage Service; and

~~in respect of the Rough Storage Facility.~~

- (iii) Gas Transferred from such Storage Service pursuant to a Gas Account Transfer which has been approved by CSL and having effect on the Transfer Date.

6.6 Without prejudice to Clause 15.1(c) the Transferred Capacity under a Capacity Transfer in respect of which the Customer is the transferor may not exceed the amount of the Customer's Available Capacity for the relevant Storage Service held in respect of any Day or any hour during the Transfer Period.

6.7 CSL will provide via the STORIT system a facility accessible to Storage Customers for the purposes of allowing Storage Customers to communicate to other Storage Customers their requirements as regards Transfers, provided that:

- (a) CSL accepts no responsibility for, and gives no warranty of any kind, as regards the accuracy of any communication posted by means of such facility and the Customer acknowledges that CSL will not be liable or otherwise responsible for the content of any communication made by any Storage Customer using such facility;
- (b) CSL shall have no liability to the Customer arising from the unavailability of such facility (provided that where such facility becomes permanently unavailable CSL shall as soon as reasonable practicable establish a replacement facility);

- (c) on not less than 30 days notice to the Customer, CSL may substitute such facility with an alternative facility for the purposes of Storage Customers making known their Transfer requirements;
- (d) CSL reserves the right to withdraw such facility if in its discretion it considers the continued provision of such facility to be contrary to any Legal Requirement.

## 7. Transfer Procedure and Effect

7.1 Where the Customer proposes to make a Transfer, both the Customer and the other Storage Customer must notify the proposed Transfer to CSL within 60 minutes of each other and specify:

- (a) the identity of the Customer and the other Storage Customer and which party is the transferor and the transferee;
- (b) whether the Transfer is a Deliverability Transfer, a Space Transfer, an Injectability Transfer, a Throughput Capacity Transfer or a Gas Transfer and the Storage Service of the transferee and the Storage Service of the transferor to which the Transfer relates;
- (c) the amount of the Transferred Capacity, or (as the case may be) Transferred Gas-in-Storage; and
- (d) in the case of a Capacity Transfer, the Transfer Period, or in the case of a Gas Transfer, the Transfer Date.

and following notification by the Customer of a proposed Transfer in the event that CSL is not in receipt of an identical notification from the other Storage Customer within 60 minutes of receipt of the Customer's notification CSL shall inform the Customer thereof as soon as reasonably practicable PROVIDED that in the case of a Space Account Transfer or a Gas Account Transfer, a single notification shall be given by the Customer and such notification shall specify:

- (a) the identity of the Customer undertaking the Space Account Transfer or the Gas Account Transfer (as the case may be);
- (b) the fact that the Transfer is a Space Account Transfer or a Gas Account Transfer (as the case may be);
- (c) the Storage Service from which the Transfer is being made and the Storage Service to which such Transfer is being made;
- (d) the amount of Space or Gas (as the case may be) which is the subject of the Transfer;
- (e) the Transfer Date; and
- (f) the Transfer Period.

7.2 The Customer may not notify CSL:

- (a) of a proposed Capacity Transfer under Clause 6.3(a) later than 04:00 hours on the Day preceding the commencement of the Transfer Period;
- (b) of a proposed Deliverability Transfer~~-or~~, Injectability Transfer, [Space Transfer or Throughput Capacity Transfer](#) under Clause 6.3(b) later than two (2) hours preceding the commencement of the Transfer Period;
- (c) of a proposed Gas [Transfer or a Gas Account](#) Transfer later than 04:00 hours on the Transfer Date.

7.3 CSL may reject (but shall not be required to) a proposed Transfer:

- (a) in the event the requirements in Clauses 6.5 or 6.6 or the corresponding requirements in the other Storage Customer's Principal Contract are not satisfied;
- (b) in the event the requirements in Clauses 7.1 or 7.2 are not satisfied;
- (c) where the notifications under Clause 7.1 are not identical ([save in respect of a Space Account Transfer or a Gas Account Transfer](#));
- (d) in accordance with Clause ~~26~~[26](#).

and where CSL rejects a proposed Transfer it shall promptly inform the Customer (and provide the reasons therefor).

7.4 A Capacity Transfer will be effective if approved by CSL or if it is not rejected by CSL within 60 minutes after it was notified by the Customer or (if later [but not in the case of a Space Account Transfer](#)) the other Storage Customer under Clause 7.1 without prejudice to the provisions of Clauses 13, 14 and 15.

7.5 A Gas Transfer [and a Gas Account Transfer](#) will be effective, without prejudice to the provisions of Clauses 13 and 15:

- (a) where submitted on a Day preceding the Transfer Date, if approved by CSL or if it is not rejected by CSL by 07:00 hours on the Transfer Date;
- (b) where submitted on the Transfer Date, if approved by CSL or if it is not rejected by CSL within 60 minutes after it was notified by the Customer or (if later, [but not in the case of a Gas Account Transfer](#)) the other Storage Customer under Clause 7.1

and (without prejudice to the effectiveness thereof) where the Customer submits a proposed Gas Transfer by not later than 12:00 hours on the Day preceding the Transfer Date CSL will, where applicable, confirm not later than 18:00 hours on such Day the receipt of an identical notification from the other Storage Customer in accordance with Clause 7.1.

- 7.6 Except for the purposes of Clause 7.8, and subject to Clause 8, for the duration of the Transfer Period in respect of a Capacity Transfer in relation to which the Customer is:
- (a) the transferor, the Customer shall be treated as no longer holding the Transferred Capacity;
  - (b) the transferee, the Customer shall be treated as holding the Transferred Capacity.

provided that in the case of a Space Account Transfer the Customer shall be treated as continuing to hold the Transferred Capacity under the relevant Storage Service to which the transfer is made.

- 7.7 The Customer's Available Capacity in ~~the Rough~~ respect of a Storage Facility Service on a Day or in respect of any hour in that Day will be determined as its Registered Capacity for that Storage Service, adjusted in respect of any Capacity Transfer(s) (for ~~which that facility is the Transfer Facility~~ that Storage Service and the Transfer Period includes that Day or part of that Day):
- (a) by adding the Transferred Capacity where the Customer was the transferee; or
  - (b) by deducting the Transferred Capacity where the Customer was the transferor.

provided that in the case of a Space Account Transfer the Transferred Capacity shall be added to the Storage Service to which the transfer was made and deducted from the Storage Service from which the transfer was made.

- 7.8 The Customer will remain liable for Capacity Charges in respect of its Registered Capacity irrespective of any Capacity Transfer.

- 7.9 Where the Customer is party to a Gas Transfer or a Gas Account Transfer the Transferred Gas-in-Storage will be:
- (a) where the Customer is the transferee, added to; or
  - (b) where the Customer is the transferor, deducted from

the Customer's Gas-in-Storage for the relevant Storage Service at the beginning of the Transfer Date for the purposes of calculating the Customer's Gas-in-Storage ~~in the Transfer Facility~~ at the end of the Transfer Date in accordance with Clause 3.1.

For the avoidance of doubt, in the case of a Gas Account Transfer the transferor shall be the relevant Customer acting in its capacity as the holder of the Storage Service from which the Gas is transferred and the transferee shall be the same Customer acting in its capacity as the holder of the Storage Service to which the Gas is transferred and the Transferred Gas shall be added to the Storage Service to which the transfer was made and deducted from the Storage Service from which the transfer was made.

## 8. Transfers Effect of Termination

- 8.1 In respect of a Capacity Transfer in relation to which the Customer was the transferee, where during the Transfer Period the other Storage Customer who was the transferor ceases to be a Storage Customer (following the giving of a Termination Notice by CSL):
- (a) CSL will so notify the Customer as soon as reasonably practicable and in any event not more than 5 Business Days after the date on which it gave the other Storage Customer a Termination Notice;
  - (b) with effect from the later of the date falling 5 Business Days after the date on which CSL notifies the Customer hereunder or the date on which the other Storage Customer ceases to be a Storage Customer, the Capacity Transfer will lapse and the Customer will cease to be treated as holding the Transferred Capacity.
- 8.2 In respect of a Capacity Transfer in relation to which the Customer was the transferor, where during the Transfer Period the Storage Customer who was the transferee ceases to be a Storage Customer (following the giving of a Termination Notice by CSL):
- (a) CSL will notify the Customer as soon as reasonably practicable and in any event not more than 5 Business Days after the date on which it gave the other Storage Customer a Termination Notice;
  - (b) with effect from the date on which the other Storage Customer ceases to be a Storage Customer, the other Storage Customer will be treated as no longer holding the Transferred Capacity which Transferred Capacity shall be deemed to revert to (and be treated as held by) the Customer.
- 8.3(A) For the avoidance of doubt, the fact that the other Storage Customer with whom the Customer was party to a Gas Transfer ceases to be a Storage Customer shall not affect any Gas Transfer where made before the date the other Storage Customer ceased to be a Storage Customer.
- 8.3(B) For the avoidance of doubt, the fact that a Customer ceases to be a Customer in respect of the Storage Service from which the Gas Account Transfer was made shall not affect any Gas Account Transfer such Customer has made from such Storage Service where it was made before the date the Customer ceased to be a Customer of the relevant Storage Service.
- 8.4 Where a Storage Customer ceases to be a Storage Customer CSL may seek to dispose of Capacity equivalent to such Storage Customer's Registered Capacity by way of auction or by sale, such auction or sale to be conducted on the basis of arrangements:
- (a) which are insofar as is practicable, not prejudicial to the rights held by Storage Customers and acquired pursuant to an Auction in respect of equivalent Capacity; and
  - (b) approved by the ~~Director~~Authority.

## 9. Nominations

9.1 Where the Customer wishes to have quantities of Gas injected into or withdrawn from the Rough Storage Facility it shall be required to make nominations in accordance with this Clause 9.

9.2 Each Nomination submitted by the Customer must specify:

- (a) the Gas Flow Day;
- (b) the Customer's identity;
- (c) whether it is an Injection Nomination or a Withdrawal Nomination; and
- (d) in the case of:
  - (i) an Injection Nomination, the quantity of Gas nominated for injection into the Rough Storage Facility; or
  - (ii) a Withdrawal Nomination, the quantity of Gas nominated for withdrawal from the Rough Storage Facility; and
- (e) the Storage Service to which such Nomination relates.

9.3 The Customer will not be entitled to make a Withdrawal Nomination from a Storage Service in respect of a Day where the quantity nominated for withdrawal from ~~the Rough~~such Storage ~~Facility~~Service exceeds the sum of:

- (a) the Customer's Gas-in-Storage in the relevant Storage Service at the beginning of such Day; plus
- (b) the quantities of Gas subject to Gas Transfers in to the relevant Storage Service made in favour of the Customer which have been approved by CSL and in respect of which such Day is the Transfer Date; ~~less~~plus
- (c) the quantities of Gas subject to Gas ~~Transfers~~Account Transfers in to the relevant Storage Service which have been approved by CSL and in respect of which such Day is the Transfer Date; less
- (d) the quantities of Gas subject to Gas Transfers from such Storage Service made by the Customer which have been approved by CSL and in respect of which such Day is the Transfer Date and the quantities of Gas subject to Gas Account Transfers from the relevant Storage Service which have been approved by CSL and in respect of which such Day is the Transfer Date.

9.4 Without prejudice to any other provision of this Agreement, the Customer may submit Initial Nominations not earlier than forty-five (45) Days before the Gas Flow Day and not later than the Nomination Time (provided that where the Customer has not submitted an Initial Nomination for a Gas Flow Day by the Nomination Time the

Customer will be deemed to have submitted an Initial Nomination for such Day in respect of which the Nominated Quantity is zero).

9.5 CSL may reject (but shall not be required to) a Nomination:

- (a) where it does not comply with the requirements of Clause 9.2;
- (b) which is not in accordance with Clause 9.3;
- (c) where submitted other than in accordance with Clause 9.4;
- (d) in accordance with Clause 26

and where CSL rejects a Nomination it shall promptly inform the Customer (and provide the reasons therefor).

9.6 An Initial Nomination submitted to CSL which has not been rejected within 60 minutes after the Nomination Time shall be deemed to be approved without prejudice to the provisions of Clauses 13, 14 and 15.

9.7 At any time prior to the Nomination Time the Customer may amend, replace or withdraw an Initial Nomination.

9.8 Subject to Clause 9.9, a Nomination may be revised by a Renomination and a Renomination must be submitted in accordance with Clause 9.2 and each Renomination must in addition specify:

- (a) the previous Nomination in respect of which it is made;
- (b) the “**Renomination Effective Time**”, being the time in the Gas Flow Day, commencing on the hour, with effect from which the change in the gas flow rate (at the Storage Connection Point in respect of which the Renomination is made) is to occur.

9.9 ~~The~~ (A) Without prejudice to Clause 9.9(B), the Customer shall not be entitled to make a Renomination:

- (a) earlier than the Renomination Start Time, or later than 04:00 hours on the Gas Flow Day;
- (b) in respect of which the:
  - (i) Implied Injection Rate is less than zero;
  - (ii) Implied Withdrawal Rate is less than zero;
- (c) where the period between the time the Nomination was made and the Renomination Effective Time is less than the lead time notified in respect of the Rough Storage Facility pursuant to Clause 9.15.

9.9(B) The Customer shall not be permitted to make a Renomination in respect of the S-Store DA Service or the C-Store DA Service (as the case may be) other than in order to access the interruptible flow in accordance with Clause 14 (if any).

9.10 CSL may reject (but shall not be required to) a Renomination:

- (a) which does not comply with the requirements of Clause 9.2;
- (b) which does not comply with the requirements of Clauses ~~9.8~~9.8, 9.9, 9.9(A) or 9.9(B);
- (c) in accordance with Clause 26

and where CSL rejects a Renomination it shall promptly inform the Customer (and provide the reasons therefor) and the prevailing Nomination shall remain in place.

9.11 A Renomination submitted to CSL which has not been rejected in accordance with Clause 9.10 within 60 minutes after it was submitted shall be deemed to have been approved without prejudice to the provisions of Clauses 13, 14 and 15.

9.12 In respect of each Storage Service and a Withdrawal Nomination or a Renomination thereof:

- (a) the “**Effective Withdrawal Rate**” for a Day or any hour within that Day is the rate (in kWh/hour) determined as the Customer's Effective Deliverability for that Storage Service divided by 24;
- (b) the “**Implied Withdrawal Rate**” is the Prevailing Withdrawal Rate for that Storage Service adjusted (in the case of a Renomination) by adding (in the case of an increase in the Nominated Quantity) or deducting (in the case of a decrease in the Nominated Quantity) the Incremental Withdrawal Rate for that Storage Service;
- (c) at any time (including in the case of a Renomination, the Renomination Effective Time) the “**Prevailing Withdrawal Rate**” for that Storage Service is:
  - (i) where no earlier Renomination has been made, the rate (in kWh/hour) determined as the Nominated Quantity under the Customer's Initial Nomination for that Storage Service divided by 24;
  - (ii) in any other case, the Implied Withdrawal Rate for that Storage Service, determined in accordance with this Clause 9.12, prevailing immediately before such time;
- (d) in the case of a Renomination, the “**Incremental Withdrawal Rate**” for that Storage Service is the rate (in kWh/hour) determined as the amount of the increase or decrease in the Nominated Quantity under the Renomination divided by the Relevant Withdrawal Period;
- (e) in the case of a Renomination, the “**Relevant Withdrawal Period**” for that Storage Service is the period in hours calculated from the later of:

- (i) the Renomination Effective Time; or
- (ii) the start of the hour which next falls after the Renomination was made plus the Withdrawal Lead Time (for an increase or decrease, as appropriate)

until the end of the Gas Flow Day~~;~~

9.13 In respect of each Storage Service and an Injection Nomination or a Renomination thereof:

- (a) the “**Effective Injection Rate**” for a Day or any hour within that Day is the rate (in kWh/hour) determined as the Customer's Effective Injectability for that Storage Service divided by 24;
- (b) the “**Implied Injection Rate**” is the Prevailing Injection Rate for that Storage Service adjusted (in the case of a Renomination) by adding (in the case of an increase in the Nominated Quantity) or deducting (in the case of a decrease in the Nominated Quantity) the Incremental Injection Rate for that Storage Service;
- (c) at any time (including in the case of a Renomination, the Renomination Effective Time) the “**Prevailing Injection Rate**” for that Storage Service is:
  - (i) where no earlier such Renomination has been made, the rate (in kWh/hour) determined as the Nominated Quantity under the Customer's Initial Nomination for that Storage Service divided by 24;
  - (ii) in any other case, the Implied Injection Rate for that Storage Service, determined in accordance with this Clause 9.13, prevailing immediately before such time;
- (d) in the case of a Renomination, the “**Incremental Injection Rate**” for that Storage Service is the rate (in kWh/hour) determined as the amount of the increase or decrease in the Nominated Quantity under the Renomination divided by the Relevant Injection Period;
- (e) in the case of a Renomination, the “**Relevant Injection Period**” for that Storage Service is the period in hours calculated from the later of:
  - (i) the Renomination Effective Time; or
  - (ii) the start of the hour which next falls after the Renomination was made plus the Injection Lead Time (for an increase or decrease, as appropriate)

until the end of the Gas Flow Day~~;~~

- 9.14 In respect of the Rough Storage Facility the:
- (a) “**Withdrawal Lead Time**”, as at any time after the Nomination Time, is the period of notice required (by reference to the prevailing operational status of the facility at such time) before CSL can give effect to an increase or (as the case may be) a decrease in the rate of withdrawal of Gas from the facility on the Gas Flow Day;
  - (b) “**Injection Lead Time**”, as at any time after the Nomination Time, is the period of notice required (by reference to the prevailing operational status of the facility at such time) before CSL can give effect to an increase or (as the case may be) a decrease in the rate of injection of Gas into the facility on the Gas Flow Day.
- 9.15 With effect from the Nomination Time CSL will make available to the Customer the prevailing Withdrawal Lead Times and Injection Lead Times (in each case for an increase and for a decrease) for the Gas Flow Day in respect of the Rough Storage Facility which shall not be greater than:
- (a) except as provided for in paragraph (b), the lead times set out in Schedule E Part A;
  - (b) in respect of Withdrawal Lead Times for a Gas Flow Day in the period 1 November to 31 March in any Storage Year the lead times set out in Schedule E Part B.
- 9.16 In respect of the Rough Storage Facility CSL will (once during the Preceding Day after 16:00 and on not less than three occasions, which are no less than three hours apart, during the Gas Flow Day before 18:00) notify the Customer of the aggregate quantities of Gas nominated by Storage Customers for injection into and withdrawal from such facility.
- 9.17 Without prejudice to the other provisions of this Agreement, CSL will develop and maintain operating guidelines to be followed by CSL for the purposes of implementing the procedures relating to Transfers and Nominations as envisaged in Clauses 6 and 7 and this Clause 9 and CSL shall provide the Customer with a copy of such guidelines and may from time to time revise such guidelines in consultation with Storage Customers.
10. **Allocation**
- 10.1 Subject to Clauses 10.4, 10.7 and Schedule H (for as long as the provisions of such Schedule apply and, in any event, Schedule H shall not apply in respect of the S-Store DA Service or the C-Store DA Service), the quantity of Gas accounted for as injected or withdrawn on a Day to or from the Rough Storage Facility by the Customer will be the aggregate Nominated Quantity under its Nomination for all Storage Services prevailing at the end of the Day.
- 10.2 Where the Customer makes Injection Nominations in relation to the Rough Storage Facility for a Day on which other persons are withdrawing Gas from the same facility or the Customer makes Withdrawal Nominations in relation to the Rough Storage

Facility for a Day on which other persons are injecting Gas into the same facility the Customer shall pay Injection Charges and/or Withdrawal Charges (in accordance with Clauses 11.17 and 12.12) on the Nominated Quantity under its Injection Nomination (or (as the case may be) Withdrawal Nomination on the Day. Where a Customer both injects and withdraws Gas on the same Day whether or not pursuant to different Storage Services, the Customer shall be obliged to pay in full any and all Withdrawal Charges and Injection Charges in respect of such Gas withdrawn or injected and shall not be entitled to set off any withdrawal or injection.

- 10.3 Without prejudice to Clause 10.1, the physical flows of Gas at the Rough Storage Facility may differ from the quantities in respect of which Storage Customers made Nominations.
- 10.4 Where (pursuant to an election by CSL under Clauses 11.14, 11.16, 12.4, ~~12.7~~12.6 or ~~12.9~~12.8) this Clause 10.4 applies:
- (a) Clause 10.1 shall not apply in relation to the Forward flow (but for the avoidance of doubt Clause 10.1 shall apply in relation to the Reverse flow);
  - (b) CSL will give an Interruption Notice in accordance with Clause 14; and
  - (c) the quantity of Gas accounted for as injected or withdrawn in relation to the Forward flow will be determined in accordance with Clause 10.5.
- 10.5 For the purposes of Clause 10.4(c):
- (a) CSL will determine, for each Storage Customer and for each relevant Storage Service separately, the quantities in relation to the Forward flow which would (if Clause 10.1 were to apply) be the Firm Quantity, the Interruptible Quantity and the Injection Overrun Quantity or (as the case may be) the Withdrawal Overrun Quantity; and references in paragraph (b) but not (c) and in Clause 10.6(a) shall be to the notional quantities so determined;
  - (b) the Forward Quantity shall be allocated:
    - (i) first to Storage Customers pro rata to their respective Firm Quantities in respect of the same Storage Service, up to but not exceeding an amount equal to the aggregate Firm Quantities;
    - (ii) secondly, as to the balance (if any) of the Forward Quantity remaining after allocation pursuant to paragraph (i), to Storage Customers pro rata to their respective Interruptible Quantities in respect of the same Storage Service, up to but not exceeding an amount equal to the aggregate Interruptible Quantities;
    - (iii) lastly, as to the balance (if any) of the Forward Quantity remaining after allocation pursuant to paragraphs (i) and (ii), to Storage Customers pro rata to their respective Injection Overrun Quantities or (as the case may be) Withdrawal Overrun Quantities in respect of the same Storage Service, up to but not exceeding an amount equal to the aggregate of such Injection Overrun Quantities or (as the case may be) Withdrawal Overrun Quantities;
  - (c) for the purposes of Clauses 14.11 and 15.1(a), in relation to the Forward flow the Customer's Interruptible Quantity and Injection Overrun Quantity or (as the case may be) Withdrawal Overrun Quantity (if any) shall be the quantities

allocated to the Customer pursuant to paragraphs (b)(ii) and (b)(iii) respectively.

10.6 For the purposes of Clause 10.5:

- (a) in relation to the Forward flow a Storage Customer's "**Firm Quantity**" (in respect of each relevant Storage Service separately) is the amount which would be allocated pursuant to Clause 10.1 less the sum of the Interruptible Quantity and the Injection Overrun Quantity or (as the case may be) Withdrawal Overrun Quantity (if any);
- (b) the "**Forward Quantity**" (in respect of each relevant Storage Service separately) is the sum of (i) the aggregate quantity which physically flowed during the Gas Flow Day and (ii) the magnitude of the aggregate Nominated Quantities under all Storage Customers' Reverse Nominations.

10.7 In respect of any Day during a Gas Supply Emergency:

- (a) the quantity of Gas accounted for as withdrawn will be determined in accordance with this Clause 10.7 and:
  - (i) Clause 10.1 shall not apply in respect of quantities of Gas withdrawn by the Customer on such Day;
  - (ii) the Forward Quantity will be provisionally apportioned by CSL to Storage Customers (including Non-User Customers) pro rata to their respective amounts of Gas-in-Storage at the beginning of such Day;
  - (iii) in respect of the quantities provisionally apportioned under paragraph (ii), the quantity provisionally apportioned to a User-Customer will be allocated to such User-Customer and the aggregate quantity of the Forward Quantity provisionally apportioned to Non-User Customers shall be allocated to CSL in each case for the purposes of any Entry Allocation Statement to be submitted to ~~Fransco~~NGG (in respect of such Day);
  - (iv) each Non-User Customer shall be deemed to have made ~~a~~Gas ~~Transfer~~Transfers in favour of CSL ~~for~~pursuant to each relevant Storage Service for an aggregate quantity of Gas equivalent to that provisionally apportioned under paragraph (ii) (and such quantity shall for the purposes of Clause 3.1(b)(2) be deemed to be a quantity in respect of which such provision applies). The quantity of Gas transferred from each of the relevant Storage Services held by such Non-User Customers shall be determined on a pro rata basis according to the proportion that the Customer's Gas-in-Storage at the beginning of that day for that Storage Service bears to the aggregate Gas-in-Storage at the beginning of that day held by the Customer in respect of all Storage Services;
  - (v) as soon as reasonably practicable following cessation of the Gas Supply Emergency CSL shall pay to each Non-User Customer an amount calculated as that amount provisionally apportioned under paragraph (ii) to each such Non-User Customer multiplied by the price payable by ~~Fransco~~NGG to CSL as a result of CSL having delivered more Gas to the System than it offtook on such Day;

- (vi) the provisions of Clauses 14.10 and 15.1(a) shall not apply in relation to the Forward flow;
  - (b) where the Customer is a Non-User Customer, the Customer acknowledges CSL's obligations in respect of complying with ~~Transeo~~NGG's requests and instructions pursuant to a Storage Connection Agreement and authorises CSL to make available the Customer's Gas-in-Storage for the purposes of CSL complying with any such request or instruction;
  - (c) where such day is during the Winter Period, Gas nominated for withdrawal pursuant to the C-Store DA Service or the C-Store WD Service (as the case may be) shall only be delivered to the Storage Connection Point (and the volume of Gas-in-Storage of the Customer shall be reduced by an equivalent amount of Gas so delivered) and neither Party shall make any NBP Transfer and, where already made for such Day, paragraph 10 of Schedule J shall apply.
- 10.8 The Customer, if a User-Customer, hereby authorises and appoints CSL as its agent (and as User Agent for the purposes of the ~~Code~~UNC), and CSL agrees, to submit to ~~Transeo~~NGG on behalf of the Customer each Day an Entry Allocation Statement or Exit Allocation Statement (in respect of the Storage Connection Point of the Rough Storage Facility) in which the quantity specified as delivered to or offtaken from the System by the Customer is equal to the quantity to be allocated to the Customer (as withdrawn or injected by it) in respect of the Rough Storage Facility in accordance with this Agreement and CSL shall be deemed to have submitted an Entry Allocation Statement or (as the case may be) an Exit Allocation Statement where the quantity allocated to the Customer as injected into or (as the case may be) withdrawn from the Rough Storage Facility on a Day at the Storage Connection Point in accordance with this Agreement is equal to the quantity determined as delivered to or (as the case may be) offtaken from the System on such Day by the Customer at the relevant Storage Connection Point in accordance with the provisions of section R of the ~~Code~~UNC which apply where no such Entry Allocation Statement or Exit Allocation Statement is submitted in respect of a Day.
- 10.9 Where the Customer is a User-Customer CSL undertakes to ensure that Entry Allocation Statements and Exit Allocation Statements submitted in accordance with Clause 10.8 on behalf of the Customer and any other person entitled to receive an allocation of Gas for the purposes of the ~~Code~~UNC at the Storage Connection Point are accepted by ~~Transeo~~NGG pursuant to the relevant sections of the ~~Code~~UNC.
- 10.10 In the event that alternative allocation arrangements (to those provided for in Clause 10.8) become available, which would (i) enable Non-User Customers to receive an allocation of Gas in accordance with the terms of this Agreement at a Storage Connection Point, (ii) enable Non-Customer Users to receive an allocation of Gas for the purposes of the ~~Code~~UNC at a Storage Connection Point and (iii) facilitate the trading of Gas at a Storage Connection Point, then Clauses 10.11 to 10.13 shall apply (“**New Allocation Arrangements**”).
- 10.11 Without prejudice to the provisions of Clauses 10.8 and 10.9, nothing in this Agreement shall prevent or otherwise restrict CSL entering into New Allocation Arrangements with the Customer, any other Storage Customer, any Non-User Customer or any other customer with whom CSL has a storage agreement in respect of the Rough Storage Facility in respect of which the new Allocation Arrangements are to

apply at the Storage Connection Point; and where the Customer is a User-Customer and CSL and the Customer enter into New Allocation Arrangements such arrangements will be in substitution of the provisions of Clauses 10.8 and 10.9.

10.12 In the event that at the date of this Agreement New Allocation Arrangements are in existence:

- (a) where the Customer and CSL have entered into New Allocation Arrangements on or prior to such date such arrangements will be used for the purposes of this Agreement and will be in substitution of the provisions of Clauses 10.8 and 10.9;
- (b) where (a) does not apply, where the Customer is a User-Customer the provisions of Clauses 10.8 and 10.9 shall apply and where the Customer is a Non-User Customer the provisions of Clause 10.13 shall apply.

10.13 Where the Customer is a Non-User Customer, until such time as the Customer enters into New Allocation Arrangements with CSL, the Customer may hold and transfer or assign Capacity and Gas-in-Storage, but shall not be entitled to inject Gas to or withdraw Gas from the Rough Storage Facility (and accordingly must arrange to transfer or assign such Capacity or Gas-in-Storage in order to derive any benefit therefrom).

[10.14 Where the Customer holds Throughput Capacity pursuant to C-Store DA Service or the C-Store WD Service, the Customer warrants to CSL and CSL warrants to the Customer that it is a User and a party to the UNC and that it shall maintain at all times during the Contract Period, access to and use of UK Link \(as that term is defined in Schedule J\) and shall make all Trade Nominations in accordance with the UNC necessary to enable Gas to be deemed to be withdrawn from the Rough Storage Facility in accordance with the terms of this Agreement and shall comply with the terms of Schedule J.](#)

## 11. Injection

11.1 The Customer may inject Gas into the Rough Storage Facility on any Day (including a Day on which Gas is being withdrawn from the facility) in accordance with this Agreement.

11.2 In relation to the Rough Storage Facility, in respect of each Gas Flow Day the “**Base Injection Adjustment Factor**” is the factor, set out in Schedule D, corresponding to the inventory (I) equivalent to the amount of Gas held by all Storage Customers in their Available Space [pursuant to all Storage Services](#) at the beginning of the Preceding Day and the “**Daily Injection Adjustment Factor**” is the factor notified by CSL in accordance with Clause 11.4.

11.3 Not later than 14 Days prior to the commencement of each calendar month during the Contract Period, CSL will notify the Customer of an estimate of the Daily Injection Adjustment Factor in respect of each Day in such calendar month.

11.4 Not later than 12:00 hours on the Preceding Day CSL shall notify the Customer of the Daily Injection Adjustment Factor applying in respect of the following Gas Flow Day provided that:

- (a) until the date specified in a notice given by CSL pursuant to Clause 11.5, the product of (i) the Daily Injection Adjustment Factor and (ii) the Auctioned

Injectability shall not be less than CSL's reasonable estimate of the amount of Gas which could be injected into the Rough Storage Facility on such Day;

- (b) in respect of any calendar month the aggregate of the Daily Injection Adjustment Factors notified by CSL in accordance with this Clause 11.4 shall not be less than the aggregate of the Base Injection Adjustment Factors in respect of each Day in such calendar month;
- (c) on any Injection Maintenance Day or Cancellation Day in respect of the Rough Storage Facility the Daily Injection Adjustment Factor will be equal to the Base Injection Adjustment Factor.

11.5 Where as a result of works undertaken by CSL the injectability capacity at the Rough Storage Facility is increased CSL may give notice to the Customer such that from the date specified in such notice (being not less than 30 Days from the giving of such notice) the requirement in Clause 11.4(a) shall cease to apply and CSL will submit with such notice revised Base Injection Adjustment Factors (being not less than the factors in Schedule D and consistent with the Daily Injection Adjustment Factors notified by CSL prior to the giving of the notice under this Clause 11.5 but only to the extent such factors reflected CSL's reasonable estimate of the amount of Gas which could be injected into the Rough Storage Facility on such Days) and the revised factors shall be incorporated into this Agreement in place of those factors in Schedule D from the date so specified.

11.6 In relation to the Rough Storage Facility:

- (a) an “**Injection Maintenance Day**” is a Day in a Storage Year on which the injection facilities of the Rough Storage Facility are completely or partially withdrawn from service for maintenance in accordance with this Clause 11;
- (b) the “**Injection Maintenance Factor**” is the factor (expressed as a number not greater than 1), corresponding to the extent to which the injection facilities of the Rough Storage Facility are (or are to be) withdrawn from service for maintenance (the factor “0” representing the complete withdrawal of the injection facilities for maintenance and provided that in respect of a Day which is not an Injection Maintenance Day the Injection Maintenance Factor shall always be deemed to be 1);
- (c) the Injection Maintenance Days (if any) and the Injection Maintenance Factor for such Days shall be specified in the CSL Maintenance Programme provided that CSL may revise (but without prejudice to (d)) by notice to the Customer:
  - (i) the Days which are Injection Maintenance Days and the Injection Maintenance Factor applying in respect of any such Day not later than 14 Days prior to the commencement of the relevant calendar month;
  - (ii) the Injection Maintenance Factor applying (in substitution of that advised under paragraph (i)) in respect of an Injection Maintenance Day by not later than 12:00 hours on the Preceding Day;
- (d) the number of Injection Maintenance Days (and the Injection Maintenance Factor applying on such Days) shall not exceed what is reasonably required for the purposes of maintenance, and in any event shall be such that in the case of the Rough Storage Facility, the Injection Maintenance Allowance shall not exceed a period equivalent to 25 Days in a Storage Year or 60 Days in any three consecutive Storage Years;

~~(e) in respect of the Rough Storage Facility the “Injection~~  
(e) in respect of the Rough Storage Facility the “Injection Maintenance Allowance” at any time in the Storage Year shall be determined in accordance with the following formula:

$$IMA = \sum_{d=1}^n (1 - imf_d)$$

where:

*IMA* is the Injection Maintenance Allowance; and

*n* is the number of Days which have been Injection Maintenance Days in such Storage Year up to and including the Day in respect of which the Injection Maintenance Allowance is to be determined;

and for each Injection Maintenance Day (d) in the Storage Year

*imf<sub>d</sub>* is the Injection Maintenance Factor applying on the Injection Maintenance Day (d).

11.7 CSL shall use its reasonable endeavours to:

- (a) secure that Days during the months of July and August in any Storage Year are not Injection Maintenance Days;
- (b) co-ordinate with ~~Transeo~~NGG in carrying out maintenance to injection facilities with ~~Transeo~~NGG's maintenance to those parts of its system affecting the ability to make available Gas at the Storage Connection Point.

11.8 Where it is known before 12:00 hours on the Preceding Day that (by reason of failure, repair or maintenance of such facilities, whether or not resulting from Force Majeure) the injection facilities at the Rough Storage Facility will not be in operation for any reason on one or more Days:

- (a) CSL shall notify the Customer that injection to that facility for that Day or Days is cancelled or partially cancelled, by notice (a “**Cancellation Notice**”) given not later than 12:00 hours on the Preceding Day and specifying such Day(s) (each a “**Cancellation Day**”) and the Cancellation Factor applying in respect of any such Day(s);
- (b) the “**Cancellation Factor**” is the factor (expressed as a number not greater than 1), corresponding to the extent to which the injection facilities of the Rough Storage Facility are (or are to be) out of operation (the factor “0” indicating that the injection facilities will not be in operation and provided that in respect of a Day which is not a Cancellation Day the Cancellation Factor shall always be deemed to be 1).

11.9 In respect of the Rough Storage Facility:

- (a) the cancellation allowance in a Storage Year is a period equivalent to 15 Days;
- (b) the “**Amount of Cancellation**” at any time in a Storage Year will be determined in accordance with the following formula:

$$CA = \sum_{d=1}^n (1 - cf_d)$$

where:

$CA$  is the Amount of Cancellation;

$n$  is the number of Days which have been Cancellation Days in such Storage Year up to and including the Day in respect of which the Amount of Cancellation is to be determined;

and for each Cancellation Day ( $d$ ) in the Storage Year:

$cf_d$  is the Cancellation Factor applying on the Cancellation Day ( $d$ ).

11.10 Where in a Storage Year in respect of the Rough Storage Facility CSL gives the Customer a Cancellation Notice and the Amount of Cancellation exceeds the limit in Clause 11.9(a**b**) CSL will pay the Customer an amount calculated in accordance with Clause 11.11.

11.11 The amount payable by CSL pursuant to Clause 11.10 will be determined as:

$$A * (1 - cf) * C/365$$

where:

$A$  is the Customer's aggregate Available Injectability in respect of all Storage Services;

$C$  is the Annual Average Injectability Charge Rate; and

$cf$  is the Cancellation Factor applying on the Cancellation Day.

11.12 Where CSL gives a Cancellation Notice in accordance with Clause 11.8 to the Customer in respect of an Injection Maintenance Day such Day will be a Cancellation Day and not an Injection Maintenance Day.

11.13 Where CSL wilfully or recklessly fails to operate (where otherwise capable of operation) the injection facilities of the Rough Storage Facility, the provisions of Clause 11.8 shall not apply and the Nomination Quantities under the Customer's Injection Nominations will not be affected (and for the avoidance of doubt Clause 10.1 shall apply).

11.14 Where on any Day (for which no Cancellation Notice was given and which is not an Injection Maintenance Day) the injection capability of the Rough Storage Facility is affected by an occurrence:

(a) other than resulting from Force Majeure, the Nomination Quantities under the Customer's Injection Nominations will not be affected (and for the avoidance of doubt Clause 10.1 shall apply);

(b) resulting from Force Majeure, CSL may elect that Clause 10.4 shall apply in respect of the Rough Storage Facility for that Day, in which case CSL will pay the Customer an amount calculated in accordance with Clause 11.15.

11.15 The amount payable by CSL pursuant to Clause 11.14(b) will be determined as:

$$(N - A) * C/365$$

where:

$C$  is the Annual Average Injectability Charge Rate;

- N is the amount determined pursuant to Clause 10.5 as the Firm Quantity ([aggregated for all Storage Services](#)) for the Customer for the Day;
- A is the quantity of Gas which is allocated (pursuant to Clause 10.5) as injected ([aggregated for all Storage Services](#)) by the Customer on the Day.

11.16 Where in respect of any Day:

- (a) [Ffranseo](#)[NGG](#) gives a [Ffranseo](#)[NGG](#) Interruption Notice in respect of the Storage Connection Point of any Rough Storage Facility CSL may take steps to curtail Gas flow rates at the relevant Storage Connection Point to such levels which in CSL's opinion (acting reasonably) shall ensure that the requirements of the [Ffranseo](#)[NGG](#) Interruption Notice are complied with;
- (b) Gas is not tendered by Storage Customers at the Storage Connection Point for injection to the Rough Storage Facility, or is tendered at a pressure less than the anticipated normal offtake pressure specified in the Storage Connection Agreement, or the quality of Gas so tendered is not in compliance with the Applicable Offtake Requirements and CSL (in accordance with Clause 27.1) rejects such Gas,

CSL may elect that Clause 10.4 shall apply in respect of the Rough Storage Facility for that Day (and CSL will not be liable to make any payment to the Customer by reason of such election) provided that where a [Ffranseo](#)[NGG](#) Interruption Notice has been given CSL will indemnify the Customer and hold it harmless against any charges payable by the Customer to [Ffranseo](#)[NGG](#) pursuant to the [Code](#)[UNC](#) in respect of the failure by the Customer to interrupt the offtake of Gas at the Storage Connection Point.

11.17 The Customer shall pay charges (“**Injection Charges**”) in respect of quantities injected into the Rough Storage Facility at the rate of 0.021 pence per kWh.

11.18 Injection Charges will be invoiced and are payable monthly in accordance with Clause 16.

## 12. **Withdrawals**

12.1 The Customer may withdraw Gas from the Rough Storage Facility on any Day (including a Day on which Gas is being injected into the facility) in accordance with this Agreement.

12.2 For the purposes of enabling the Customer to make nominations on [Ffranseo](#)[NGG](#), CSL will provide the Customer with the calorific value from time to time of Gas which may be withdrawn from the Rough Storage Facility.

12.3 In relation to the Rough Storage Facility:

- (a) a “**Withdrawal Maintenance Day**” is a Day in the period 1 May to 30 September in any Storage Year on which the withdrawal facilities of the Rough Storage Facility are completely or partially withdrawn from service for maintenance in accordance with this Clause 12;
- (b) the “**Withdrawal Maintenance Factor**” is the factor (expressed as a number not greater than 1), corresponding to the extent to which the withdrawal facilities of the Rough Storage Facility are (or are to be) withdrawn from service for maintenance (the factor “0” representing the complete withdrawal of

the withdrawal facilities for maintenance and provided that in respect of a Day which is not a Withdrawal Maintenance Day the Withdrawal Maintenance Factor shall always be deemed to be 1);

- (c) the Withdrawal Maintenance Days (if any) and the Withdrawal Maintenance Factor for such Days shall be specified in the CSL Maintenance Programme provided that CSL may revise (but without prejudice to (d)) by notice to the Customer:
  - (i) the Days which are Withdrawal Maintenance Days and the Withdrawal Maintenance Factor applying in respect of any such Day not later than 14 Days prior to the commencement of the relevant calendar month;
  - (ii) the Withdrawal Maintenance Factor applying (in substitution of that advised under paragraph (i)) in respect of a Withdrawal Maintenance Day by not later than 12:00 hours on the Preceding Day;
- (d) the number of Withdrawal Maintenance Days (and the Withdrawal Maintenance Factor applying on such Days) shall not exceed what is reasonably required for the purposes of maintenance, and in any event shall be such that in the case of the Rough Storage Facility, the Withdrawal Maintenance Allowance shall not exceed a period equivalent to 20 Days in a Storage Year or 50 Days in any three consecutive Storage Years;
- (e) in respect of the Rough Storage Facility the “**Withdrawal Maintenance Allowance**” at any time in a Storage Year shall be determined in accordance with the following formula:

$$WMA = \sum_{d=1}^n (1 - wmf_d)$$

where:

*WMA* is the Withdrawal Maintenance Allowance;

*n* is the number of Days which have been Withdrawal Maintenance Days in such Storage Year up to and including the Day in respect of which the Withdrawal Maintenance Allowance is to be determined;

and for each Withdrawal Maintenance Day (d) in the Storage Year;

*wmf<sub>d</sub>* is the Withdrawal Maintenance Factor applying on the Withdrawal Maintenance Day (d).

12.4 Where on any Day (other than a Withdrawal Maintenance Day) the withdrawal of Gas from the Rough Storage Facility is affected by any occurrence of Force Majeure affecting CSL, CSL may elect that Clause 10.4 shall apply in respect of the Rough Storage Facility for the Day, in which case CSL will pay the Customer an amount calculated in accordance with Clause 12.5.

12.5 The amount payable by CSL pursuant to Clause 12.4 will be determined as:

$$(N - A) * C/365$$

where:

*C* is the Annual Average Deliverability Charge Rate;

- N* is the amount determined pursuant to Clause 10.5 as the Firm Quantity ([aggregated for all Storage Services](#)) for the Customer for the Day;
- A* is the quantity of Gas which is allocated (pursuant to Clause 10.5) as withdrawn ([aggregated for all Storage Services](#)) by the Customer on the Day.

12.6 Subject to Clause 12.9, where:

- (i) on any Day (Day 1), other than a Withdrawal Maintenance Day, the withdrawal of Gas from the Rough Storage Facility is affected by any occurrence which is not Force Majeure affecting CSL; and
- (ii) the withdrawal of Gas from the Rough Storage Facility continues to be affected by such occurrence for a period of at least 2 Days after Day 1

CSL may elect that Clause 10.4 shall apply in respect of the Rough Storage Facility for any Day, after Day 3, for which withdrawal continues to be so affected, in which case CSL will pay the Customer an amount calculated in accordance with Clause 12.7.

12.7 The amount payable by CSL will be determined as:

$$C * (N - A) * 1/45$$

where

*N* and *A* are as defined in Clause 12.5

*C* is the Annual Average Deliverability Charge Rate;

provided that in respect of the Rough Storage Facility in any Storage Year CSL shall not be required to pay an amount where payment of such amount when aggregated with amounts previously payable under Clause 12.6 in respect of such facility would exceed the Customer's relevant Available Deliverability ([aggregated for all Storage Services](#) in respect of the relevant Day) multiplied by the relevant Annual Average Deliverability Charge Rate.

- 12.8 Where in respect of any Day the withdrawal of Gas from the Rough Storage Facility is affected as a result of the pressure in the System at the Storage Connection Point exceeding the maximum delivery pressure specified in the Storage Connection Agreement, or of any other transportation constraint affecting the withdrawal of Gas at the Storage Connection Point, CSL may elect that Clause 10.4 shall apply in respect of the Rough Storage Facility for that Day (and CSL will not be liable to make any payment to the Customer by reason of such election).
- 12.9 Where CSL wilfully or recklessly fails to operate (where otherwise capable of operation) the withdrawal facilities of the Rough Storage Facility, CSL may not (if it otherwise might) elect that Clause 10.4 shall apply.
- 12.10 CSL will use its reasonable endeavours to co-ordinate with ~~Transeo~~NGG in carrying out maintenance to withdrawal facilities with ~~Transeo~~NGG's maintenance of those parts of the System affecting the ability to offtake Gas at the Storage Connection Point.
- 12.11 The Customer shall pay charges (“**Withdrawal Charges**”) in respect of the quantities withdrawn from the Rough Storage Facility at the rate of 0.007 pence per kWh.

- 12.12 Withdrawal Charges will be invoiced and are payable monthly in accordance with Clause 16.
- 12.13 On any Day during a Gas Supply Emergency CSL may take steps to increase Gas flow rates at the Rough Storage Facility in order to comply with ~~Fransco~~ NGG's instructions pursuant to section ~~Q3.3.33.2.2~~ or Q3.3.2 of the ~~Code~~ UNC notwithstanding the Customer's Nominations in respect of such Day and Clause 10.7 shall apply.
- 12.14 Schedule H shall apply to the S-Store WD Service only, subject as provided in paragraph 7 thereof. Schedule H shall not apply in respect of the S-Store DA Service, the C-Store DA Service and the C-Store WD Service.

### 13. **Interruptible Space and Mandatory Withdrawals**

- 13.1 Where at the beginning of any Day ~~in respect of the Rough Storage Facility~~ the amount of the Customer's Gas-in-Storage in respect of any Storage Service exceeds the Customer's Available Space for such Storage Service, the Customer shall pay a charge in respect of such Day (“**Interruptible Space Charge**”) in respect of the amount of the excess at the rate (for the Day) notified under Clause 13.2.
- 13.2 For each Day in a week (Monday to Sunday), CSL will notify to the Customer, not later than 10:00 hours on the Friday of the preceding week, the rate (in pence/kWh), for the Rough Storage Facility, at which the Interruptible Space Charge is to be calculated, such rate to be no greater than the rate (for the month in which such Day falls) specified in Schedule F Part B.
- 13.3 Where the aggregate quantity of Gas held by all Storage Customers in the Rough Storage Facility exceeds 80% of the Auctioned Space in such facility CSL may give the Customer not less than 5 Days notice that the provisions of Clause 13.4 shall apply with effect from the Day specified in such notice.
- 13.4 Where this Clause 13.4 applies in respect of a Day, subject to Clauses 13.6 and 13.9, the Customer shall be deemed to have made ~~a~~ **Withdrawal** ~~Nomination~~ Nominations (and accordingly shall withdraw Gas) under each relevant Storage Service, for each of the 5 consecutive Days (Days 1 to 5) following such Day, for ~~a~~ **Nomination** an aggregate Nominated Quantity determined as 1/n times the amount of the Customer's Excess Gas-in-Storage. The Nominated Quantity for each Storage Service shall be determined on a pro rata basis according to the proportion that the Customer's Available Space for that Storage Service bears to the aggregate Available Space held by the Customer in respect of all Storage Services. All quantities of Gas withdrawn pursuant to a deemed Withdrawal Nomination under this Clause 13.4 shall be delivered to the Storage Connection Point.
- 13.5 For the purposes of Clause 13.4:
- (a) 'n' is 5 for Day 1, 4 for Day 2, 3 for Day 3, 2 for Day 4 and 1 for Day 5;
  - (b) the Customer's “**Excess Gas-in-Storage**” on any of Days 1 to 5 is the amount by which the Customer's Gas-in-Storage exceeds its aggregate Available Space for all Storage Services on that Day.

- 13.6 If the Customer makes a Withdrawal Nomination in respect of a Storage Service for any of Days 1 to 5 for a ~~Nomination~~Nominated Quantity greater than that required under Clause 13.4, the Customer's Withdrawal Nomination shall prevail over the relevant deemed Withdrawal Nomination under Clause 13.4.
- 13.7 The Customer may not make a Renomination in respect of a Storage Service pursuant to which the ~~Nomination~~Nominated Quantity for any of Days 1 to 5 would be less than the relevant quantity required under Clause 13.4.
- 13.8 The Withdrawal Nomination deemed made in respect of a Storage Service under Clause 13.4 shall be given effect irrespective of the Customer's Effective Deliverability in respect of that Storage Service, and the Customer shall be liable for any Interruptible Flow Charge and/or Overrun Charge which may be payable in consequence thereof (as well as for Withdrawal Charges).
- 13.9 Where the total deliverability in respect of the Rough Storage Facility is insufficient to give effect on any Day to the Withdrawal Nomination in respect of a Storage Service pursuant to Clause 13.4 as well as all other withdrawals from the Rough Storage Facility, the Customer's relevant Withdrawal Nomination shall be made only for such quantity for which the total deliverability is so sufficient; and further Withdrawal Nomination(s) in respect of that Storage Service shall be deemed to be made for the balance of the quantity required to be withdrawn by the Customer on the next Day(s) on which it is possible for the quantity to be withdrawn.
- 13.10 Interruptible Space Charges will be invoiced and are payable monthly in accordance with Clause 16.

#### 14. **Interruptible Deliverability and Injectability**

- 14.1 In this Agreement the following words and expressions shall have the following meanings:
- (a) **“Effective Flow Rate”**: Effective Injection Rate or (as the case may be) Effective Withdrawal Rate;
- (b) **“Firm-Interruptible WD Customer”**: in relation to the ~~Rough Storage Facility~~S-Store WD Service or the C-Store WD Service (as the case may be), a Storage Customer who has (at the relevant time) Available Injectability or (as the case may be) Deliverability in respect of that Storage Service;
- (c) **“Firm-Interruptible DA Customer”**: in relation to the S-Store DA Service or the C-Store DA Service (as the case may be), a Storage Customer who has (at the Nomination Time for the relevant Day) Available Injectability or (as the case may be) Deliverability in respect of that Storage Service;
- (d) **“Forward”**: (in relation to the Rough Storage Facility at any time on the Gas Flow Day) in the direction of injection where (under Nominations prevailing for such time) the aggregate quantities nominated for injection exceed those nominated for withdrawal, and in the direction of withdrawal where such

quantities so nominated for withdrawal exceed those nominated for injection; and “**Reverse**” means in the other direction;

- (~~d~~e) **Forward Interruptible Flow**”: at any time at the Rough Storage Facility, is determined as (i) the amount (if any) by which the Forward Physical Flow Rate exceeds (aa) the sum for all Firm-Interruptible WD Customers of the Forward Implied Flow Rates (or the Forward Effective Flow Rate, if less) plus (bb) the sum for all Firm-Interruptible DA Customers of the Forward DA Implied Flow Rates (or, if less, the lesser of Forward Effective Flow Rate or Forward Non-Firm NT Implied Flow Rate) plus (ii) the magnitude of the sum of the Reverse Implied Flow Rates for all Storage Customers;
- (~~e~~f) **“Forward Non-Firm WD Implied Flow Rate**”: in relation to the ~~Rough Storage Facility~~S-Store WD Service or the C-Store WD Service (as the case may be), for each Firm-Interruptible WD Customer, the amount by which, at any time, the Forward Implied Flow Rate for that Storage Service exceeds the Forward Effective Flow Rate for that Storage Service;
- (~~f~~g) **“Forward Non-Firm DA Implied Flow Rate”**: in relation to the S-Store DA Service or the C-Store DA Service (as the case may be), for each Firm-Interruptible DA Customer, the amount by which at any time the Forward Implied Flow Rate for that Storage Service exceeds the Forward Effective Flow Rate for that Storage Service;
- (~~g~~h) **“Forward Non-Firm NT Implied Flow Rate”**: in relation to the S-Store DA Service or the C-Store DA Service (as the case may be), for each Firm-Interruptible DA Customer, the amount by which at any time the Forward Implied Flow Rate for that Storage Service exceeds the Forward NT Implied Flow Rate for that Storage Service;
- (~~h~~i) **“Forward Physical Flow Rate**”: the maximum aggregate physical rate at which CSL determines Gas can be injected or withdrawn (whichever is the Forward flow) to or from the Rough Storage Facility (taking account, inter alia, of any circumstances by virtue of which the Gas Flow Day is an Injection Maintenance Day, Cancellation Day or Withdrawal Maintenance Day);
- (~~i~~j) **“Interruptible-only Customer**”: any Storage Customer who is not a Firm-Interruptible WD Customer ~~in relation to the Rough Storage Facility~~or a Firm-Interruptible DA Customer;
- (~~j~~k) **“Implied Flow Rate”**: Implied Injection Rate or (as the case may be) Implied Withdrawal Rate;
- (~~k~~l) **“NT Implied Flow Rate”**: NT Implied Injection Rate or (as the case may be) NT Implied Withdrawal Rate;
- (~~l~~m) **“NT Implied Withdrawal Rate”**: for a Day or any hour within that Day, is the rate (in kWh/hour) determined as the Nominated Quantity under the Customer’s Nomination prevailing at the Nomination Time for the S-Store DA Service or the C-Store DA Service (as the case may be) divided by 24.

(n) “NT Implied Injection Rate”: for a Day or any hour within that Day, is the rate (in kWh/hour) determined as the Nominated Quantity under the Customer’s Nomination prevailing at the Nomination Time for the S-Store DA Service or the C-Store DA Service (as the case may be) divided by 24.

~~(h) “Implied Flow Rate”~~: ~~Implied Injection Rate or (as the case may be) Implied Withdrawal Rate;~~

(o) “Secondary Forward Interruptible Flow”: the residual amount of the Forward Interruptible Flow available to Firm-Interruptible DA Customers, determined as the amount (if any) by which the Forward Interruptible Flow exceeds the sum for all Firm-Interruptible WD Customers of the Forward Non-Firm WD Implied Flow Rates;

~~(p)~~ “Residual Forward Interruptible Flow”: the residual amount of the Forward Interruptible Flow available to Interruptible-only Customers, determined as the amount (if any) by which the Forward Interruptible Flow exceeds (a) the sum for all Firm-Interruptible WD Customers of the Forward Non-Firm WD Implied Flow Rates plus (b) the sum for all Firm-Interruptible DA Customers of the Forward Non-Firm DA Implied Flow Rates.

14.2 CSL may at any time submit to the Customer a notice (“**Interruption Notice**”) in accordance with Clause 14.3, which shall be:

(a) where the sum for all Firm-Interruptible WD Customers of the Forward Non-Firm WD Implied Flow Rates is greater than the Forward Interruptible Flow, a “**Primary Interruption Notice**”;

(b) where paragraph (a) does not apply, and the sum for all Firm-Interruptible DA Customers of the Forward Non-Firm DA Implied Flow Rates is greater than the Secondary Forward Interruptible Flow, a “**Secondary Interruption Notice**”;

(c) where paragraphs (a) and/or (b) do not apply, and the sum for all Interruptible-only Customers of the Forward Implied Flow Rates is greater than the Residual Forward Interruptible Flow, a “~~Secondary Interruption Notice~~”. Tertiary Interruption Notice”;

(d) without prejudice to paragraphs (a) and (b) but in respect of the Winter Period only, where CSL determines that the Forward Non-Firm WD Implied Flow Rates for Firm-Interruptible WD Customers in respect of the C-Store WD Service only shall be curtailed, a “C-Store Interruption Notice”. In making such determination (i) CSL shall have regard to such factors as it considers appropriate, including the availability and cost of procuring NTS Entry Capacity in respect of the Storage Connection Point for the relevant Gas Flow Day and the cost of procuring Gas at the NBP and (ii) CSL shall not unduly discriminate between comparable Firm-Interruptible WD Customers in respect of the C-Store WD Service that have made Withdrawal Nominations for that Gas Flow Day.

14.3 An Interruption Notice shall specify:

(a) the Forward flow;

- (b) whether it is a Primary Interruption Notice ~~or~~, a Secondary [Interruption Notice](#), [a Tertiary Interruption Notice](#) or a C-Store Interruption Notice;
- (c) the time (the “**Interruption Effective Time**”), on the hour, with effect from which such Interruption Notice is to take effect;
- (d) in the case of a Primary Interruption Notice, an interruption factor determined in accordance with Clause 14.5;
- (e) in the case of a Secondary Interruption Notice, ~~an interruptible rate~~ or a [Tertiary Interruption Notice](#), [an interruption factor](#) determined in accordance with Clause ~~14.6.~~ [14.6\(A\)](#) or [Clause 14.6\(B\)](#) respectively;
- (f) [in the case of a C-Store Interruption Notice an interruption factor determined by CSL having regard to the matters set out in Clause 14.2\(d\).](#)

14.4 An Interruption Notice shall be submitted:

- (a) subject to paragraph (b), not later than 90 minutes; or
- (b) where the prevailing lead time for either injection or withdrawal (whether the Forward or the Reverse flow and whether for an increase or a decrease to the rate of injection or (as the case may be) withdrawal) at the Rough Storage Facility is less than 2 hours, not later than 30 minutes,

before the Interruption Effective Time.

14.5 The interruption factor in a Primary Interruption Notice will be determined so that the Forward Interruptible Flow is allocated to Firm-Interruptible [WD](#) Customers with the following conditions satisfied:

- (a) subject to paragraph (b), each Firm-Interruptible [WD](#) Customer is allocated an amount calculated as the interruption factor multiplied by the Forward Effective Flow Rate;
- (b) no Firm-Interruptible [WD](#) Customer is allocated an amount greater than its Forward Non-Firm [WD](#) Implied Flow Rate;
- (c) [the whole of the Forward Interruptible Flow is allocated to Firm-Interruptible \[WD\]\(#\) Customers.](#)

[14.6\(A\) The interruption factor in a Secondary Interruption Notice will be determined so that the Secondary Forward Interruptible Flow is allocated to Firm-Interruptible \[DA\]\(#\) Customers with the following conditions satisfied:](#)

- (a) [subject to paragraph \(b\), each Firm-Interruptible \[DA\]\(#\) Customer is allocated an amount calculated as the interruption factor multiplied by the Forward Effective Flow Rate;](#)

(b) no Firm-Interruptible DA Customer is allocated an amount greater than its Forward Non-Firm DA Implied Flow Rate;

(c) the whole of the Secondary Residual Forward Interruptible Flow is allocated to Firm-Interruptible DA Customers.

~~(e) the whole of the Forward Interruptible Flow is allocated to Firm-Interruptible Customers.~~

14.6(B) The interruption factor in a Tertiary Interruption Notice will be determined so that the Residual Forward Interruptible Flow is allocated to Interruptible-only Customers with the following conditions satisfied:

~~14.6 The interruptible rate in a Secondary Interruption Notice will be determined so that the Residual Forward Interruptible Flow is allocated to Interruptible-only Customers with the following conditions satisfied:~~

(a) subject to paragraph (b), each Interruptible-only Customer is allocated an amount calculated as the interruption factor multiplied by its Forward Implied Flow Rate

~~(a) subject to paragraph (b), each Interruptible-only Customer is allocated the interruptible rate;~~

(b) no Interruptible-only Customer is allocated an amount greater than its Forward Implied Flow Rate;

(c) the whole of the Residual Forward Interruptible Flow is allocated to Interruptible-only Customers.

14.7 For the purposes of this Agreement, subject to Clause 14.9, following an Interruption Notice:

(a) for each Storage Customer, the “**Interruptible Flow Rate**” for the Forward flow is:

(i) for a Firm-Interruptible WD Customer and for each Storage Service separately, in the case of a Primary Interruption Notice, the Forward Effective Flow Rate multiplied by  $(1 + F)$  where  $F$  is the interruption factor specified in the Interruption Notice;

(ii) for a Firm-Interruptible DA Customer and for the S-Store DA Service and the C-Store DA Service separately: (1) in the case of a Primary Interruption Notice, zero (0); (2) in the case of a Secondary Interruption Notice, the Forward Non-Firm NT Implied Flow Rate (or the Forward Effective Flow Rate, if less) multiplied by  $(1+F)$  where  $F$  is the interruption factor specified in the Interruption Notice;

(iii) for an Interruptible-only Customer:

(1) in the case of a Primary Interruption Notice or a Secondary Interruption Notice, zero (0);

- (2) in the case of a ~~Secondary~~Tertiary Interruption Notice, ~~the interruptible rate~~Forward Implied Flow Rate multiplied by F where F is the interruption factor specified in the Interruption Notice;

(iv) for a Firm-Interruptible WD Customer in respect of the C-Store WD Service in the case of a C-Store Interruption Notice, the Forward Effective Flow Rate multiplied by (1 + F) where F is the interruption factor specified in the Interruption Notice.

- (b) an “**Interrupted Customer**” is a Storage Customer for whom the Interruptible Flow Rate is less than the Forward Implied Flow Rate.

14.8 (A) Following the submission of an Interruption Notice (other than pursuant to Clause 14.4(b) but subject to Clause 14.8(B)), if the Customer is an Interrupted Customer it may (but is not required to) submit, not later than 60 minutes before the Interruption Effective Time, a Forward Renomination which if made will be such that:

- (a) (notwithstanding Clause 9.9(c)) the Renomination Effective Time is the Interruption Effective Time; and
- (b) the Nominated Quantity is reduced so that the Forward Implied Flow Rate is not less than the Interruptible Flow Rate

and (for the avoidance of doubt) references in Clauses 14.10 and 15.2 to Implied Flow Rates shall be determined on the basis of any such Renomination which is effective at the relevant time.

14.8(B) Following the submission of a C-Store Interruption Notice, if the Customer is an Interrupted Customer in respect of the C-Store WD Service:

(a) it may submit, not later than 60 minutes before the Interruption Effective Time, a Renomination in respect of the C-Store WD Service of such quantity as may be permitted pursuant to Clause 14.7(a)(iv);

(b) if it fails to do so then the quantity in excess of the permitted quantity pursuant to Clause 14.7(a)(iv) shall be excluded from the Customer’s Effective Flow Rate for the purpose of determining the Customer’s Forward Non-Firm WD Implied Flow Rate and, to the extent that all or part of such excess quantity is included in the Interruptible Flow Rate in respect of the C-Store WD Service for that Customer it shall be delivered to the Customer at the Storage Connection Point.

14.9 For the purposes of Clauses 14.10 and 15.2:

- (a) at any time at which CSL has not submitted an Interruption Notice, the Interruptible Flow Rate (for injection and withdrawal) for any Storage Customer and any Storage Service shall be the relevant Implied Flow Rate;

- (b) at any time at which CSL has submitted an Interruption Notice: ~~(i) — the Reverse Interruptible Flow Rate for any Storage Customer and any Storage Service shall be the Reverse Implied Flow Rate;~~ ~~(ii) — where the Interruption Notice was a Secondary Interruption Notice, for a Firm Interruptible Customer the Forward Interruptible Flow Rate shall be equal to the Forward~~ Implied Flow Rate.

14.10 Where in relation to any Nomination made by the Customer in respect of a Storage Service:

- (a) the Implied Flow Rate for that Storage Service is or becomes greater than the Effective Flow Rate for that Storage Service, the Customer shall pay to CSL a charge (“**Interruptible Flow Charge**”), in accordance with Clause 14.11; and
- (b) the Implied Flow Rate for that Storage Service is or becomes greater than the Interruptible Flow Rate for that Storage Service, the Customer shall pay to CSL an Overrun Charge, in accordance with Clause 15.1(a).

14.11 The Interruptible Flow Charge shall be calculated in respect of the Interruptible Quantity, at the rate for the Day notified under Clause 14.13.

14.12 For the purposes of Clause 14.11, subject to Clause 10.5(c), the “**Interruptible Quantity**” for a Day and a Storage Service shall be the sum, for each hour of the Gas Flow Day, of the quantity calculated as the amount by which (for such hour) the Interruptible Flow Rate exceeds the Effective Flow Rate, multiplied by the period of one hour.

14.13 For each Day, CSL will notify to the Customer, not later than 10:00 hours on the Preceding Day, the rate (in pence/kWh), for the Rough Storage Facility and for injection and withdrawal, at which the Interruptible Flow Charge is to be calculated, such rate to be no greater than the rate (for the month in which such Day falls) specified in Schedule F Part A.

14.14 Interruptible Flow Charges will be invoiced and are payable monthly in accordance with Clause 16.

14.15 Any quantity of Gas nominated for withdrawal by the Customer for a Day pursuant to the C-Store DA Service (a) at a rate (in kWh) in excess of the NT Implied Withdrawal Rate (or if less the Effective Withdrawal Rate) for that Day or (b) as a result of a Renomination for that Day as permitted by Clause 9.9(B) shall be delivered to the Customer at the Storage Connection Point.

## 15. **Overruns and Overrun Charges**

15.1 Where on any Day (“**Overrun Day**”):

- (a) an Injection Overrun Quantity or (as the case may be) a Withdrawal Overrun Quantity is calculable in accordance with Clause 15.2; or
- (b) in respect of ~~the Rough~~ each Storage ~~Facility~~ Service:

- (i) the sum of:
  - (1) the quantity of Gas withdrawn by the Customer on such Day;
  - (2) the Transferred Gas-in-Storage in respect of Gas Transfers for which the Customer was the transferor and in respect of which such Day was the Transfer Date; ~~less~~
  - (3) the quantity of Gas transferred pursuant to a Gas Account Transfer for which such Storage Service was a transferor and in respect of which such Day was the Transfer Date; less
- (ii) the sum of:
  - (1) the quantity of Gas injected by the Customer on such Day;
  - (2) the Transferred Gas-in-Storage in respect of Gas Transfers for which the Customer was the transferee and in respect of which such Day was the Transfer Date; ~~exceeds~~
  - (3) the quantity of Gas transferred pursuant to a Gas Account Transfer for which such Storage Service was a transferee and in respect of which such Day was the Transfer Date; exceeds
- (iii) the Customer's Gas-in-Storage in respect of such Storage Service at the beginning of such Day (any such excess being the “**Overrun Quantity**”);  
or
- (c) the Customer's Available Capacity in respect of a Storage Service becomes (as contemplated in Clause 15.5) negative

the Customer shall pay a charge (“**Overrun Charge**”) to CSL determined in accordance with Clause 15.3 or 15.6 or 15.7 (as appropriate).

15.2 For the purposes of Clause 15.3, subject to Clauses 10.5(c) and 15.6, the “**Injection Overrun Quantity**” or (as the case may be) “**Withdrawal Overrun Quantity**” on a Gas Flow Day shall be the sum, for each hour of such Day, of the quantity calculated as the amount by which (for such hour) the Implied Flow Rate (being the Implied Injection Rate or (as the case may be) Implied Withdrawal Rate) exceeds the Interruptible Flow Rate, multiplied by the period of one hour.

15.3 The Overrun Charge shall be calculated:

- (a) for the purposes of Clause 15.1(a), in respect of an Injection Overrun Quantity at a rate equal to the greater of:
  - (i) the Average Summer Gas Price less the System Marginal Sell Price for the Overrun Day; or
  - (ii) 0.2 pence per kWh;

- (b) for the purposes of Clause 15.1(a) in respect of a Withdrawal Overrun Quantity at a rate equal to the greater of:
    - (i) 150% of the System Marginal Buy Price for the Overrun Day plus in the case of the C-Store DA Service or the C-Store WD Service where Throughput Capacity is used, the System Entry Overrun Charge in respect of the Storage Connection Point for the relevant Day; or
    - (ii) 0.5 pence per kWh;
  - (c) for the purposes of Clauses 15.1(b), in respect of the Overrun Quantity, at a rate of 110% of the System Marginal Buy Price for the Overrun Day.
- 15.4 In the case in Clause 15.1(a), CSL may elect to reduce the Customer's Injection Nomination or Renomination in respect of a Storage Service (as the case may be) so as to reduce or eliminate the Injection Overrun Quantity but not to any greater extent. This will not prejudice any steps which may be necessary in cases where Clause 10.4 may apply.
- 15.5 In the case in Clause 15.1(b) CSL will purchase Gas to replace for the account of the Customer the Overrun Quantity which will be extinguished with effect from the Overrun Day (and accordingly the Customer's Gas-in-Storage in respect of each Storage Service at the end of such Day will not become negative).
- 15.6 The Customer's Available Capacity (other than Available Throughput Capacity) may become negative where:
- (a) the Customer is the transferor in respect of a Capacity Transfer under which the Transferred Capacity exceeds the Customer's Available Capacity; or
  - (b) the Customer is the transferee in respect of a Capacity Transfer, and:
    - (i) the Customer has pursuant to a further Capacity Transfer transferred the Capacity to another Storage Customer; and
    - (ii) the first Capacity Transfer lapses pursuant to Clause 8.1.
- 15.7 Where and for so long as the Customer's Available Injectability or Deliverability in respect of a Storage Service is negative, the Customer will be liable to pay an Overrun Charge determined in accordance with the relevant provisions of Clause 15.3 on the basis (irrespective of whether CSL has given an Interruption Notice) of an Injection Overrun Quantity or Withdrawal Overrun Quantity calculated as the sum of:
- (i) the magnitude of the sum, for each hour of the Gas Flow Day, of the negative Effective Injection Rate or Effective Withdrawal Rate for that Storage Service determined by reference to such negative Available Capacity, multiplied by the period of one hour; and
  - (ii) the amount (if any) determined to be the Injection Overrun Quantity (or as the case may be) the Withdrawal Overrun Quantity for that Storage Service in accordance with Clause 15.2 as if the Customer's Available Capacity were zero.

- 15.8 Where and for so long as the Customer's Available Space [for any Storage Service](#) is negative:
- (a) the Customer will be liable to pay an Overrun Charge calculated as the magnitude of the negative Available Space [for that Storage Service](#) multiplied by 10% of the Annual Average Space Charge Rate;
  - (b) for the purposes of ascertaining any Interruptible Space Charge pursuant to Clause 13, the Customer's Available Space [for that Storage Service](#) shall be deemed to be zero.
- 15.9 Overrun Charges will be invoiced and are payable monthly in accordance with Clause 16.

## **16. Invoicing and Payment**

- 16.1 The amounts payable by the Customer to CSL and by CSL to the Customer in accordance with this Agreement will be invoiced and payable in accordance with this Clause 16.
- 16.2 Each Invoice submitted by CSL will specify:
- (a) the identity of the Customer;
  - (b) the Invoice Period;
  - (c) in respect of each Invoice Item, the [relevant Storage Service and the Invoice Amount](#);
  - (d) a unique reference number; and
  - (e) the amount of Value Added Tax (if any) payable in respect of each Invoice Item and the further details required under regulation 14 of the regulations referred to in Clause 16.3

and shall be accompanied by all reasonably necessary supporting data and information.

- 16.3 An Invoice may show as an Invoice Amount an amount (a “**Self Bill Amount**”) payable by CSL to the Customer in respect of which regulation 13(3) of the Value Added Tax Regulations 1995 is to apply.
- 16.4 An Invoice may contain an adjustment by way of a credit (“**Invoice Credit**”) in respect of an Invoice Amount in another Invoice (and where an Invoice contains an Invoice Credit it will identify the amount of the Invoice Credit and the Invoice to which the Invoice Credit relates).
- 16.5 The Customer may elect by notice in writing to CSL to receive Invoices by post or by such electronic means as the Customer and CSL agree will be available for the

submission of Invoices and CSL will submit Invoices by post or (as the case may be) by such electronic means.

- 16.6 CSL will submit an Invoice in respect of each Invoice Period by the Invoice Submission Date (provided that no delay in submitting an Invoice will prejudice the liability of the Customer or CSL for the amounts in relation thereto).
- 16.7 The date on which CSL shall submit an Invoice (“**Invoice Submission Date**”) shall be the 7th Business Day of the month following the Invoice Period.
- 16.8 Notwithstanding Clause 16.6 and without prejudice to Clause 20.8(b), CSL may at any time after submitting a Termination Notice in accordance with Clause 20 submit an Invoice in respect of:
- (a) an Invoice Period, or part of an Invoice Period ending at or before the time at which CSL submits such Invoice; and
  - (b) Capacity Charges for Invoice Periods after the date referred to in Clause 20.6(a) in accordance with Clause 20.8(b)

and where CSL has submitted a Termination Notice to the Customer, all amounts payable by the Customer to CSL or by CSL to the Customer whether the Invoice in which such amounts are shown was submitted before or after the date of the Termination Notice shall be immediately payable notwithstanding Clause 16.10.

- 16.9 All amounts expressed as payable under this Agreement are exclusive of any applicable Value Added Tax and Value Added Tax shall be paid by the paying party where payable in respect of any such amount.
- 16.10 The “**Invoice Due Date**” in respect of an Invoice is the day ending at 24:00 hours on whichever was the later of:
- (a) the 12th Day after the Invoice was deemed to be received in accordance with Clause 30;
  - (b) the 20th Day after the last Day of the Invoice Period to which the Invoice relates.
- 16.11 CSL and the Customer shall each notify the other of the account name, number, name, address and sort code of the bank in the United Kingdom to which payments by the Customer to CSL or by CSL to the Customer are to be made within 5 Business Days of the date of this Agreement, and of any changes in such details not less than 30 Days before such change occurs.
- 16.12 Payments of amounts payable under this Agreement shall be in pounds sterling (and not in euro) in same day funds to the account of the payee at a bank in the United Kingdom notified to the payer under Clause 16.11 and the payer shall instruct the bank remitting payment of any amount payable under this Agreement to quote the number (under Clause 16.2(d)) of the relevant Invoice when remitting such payment.

16.13 Without prejudice to Clause 16.20, amounts payable under this Agreement shall be paid:

- (a) free and clear of any restriction, reservation or condition; and
- (b) except to the extent (if any) required by law, without deduction or withholding in respect of tax or on account of any amount due or to become due to the paying party, whether by set-off, counterclaim or otherwise; and
- (c) where payment is to be made by the Customer and any deduction or withholding is required to be made by the law of any country other than the United Kingdom:
  - (i) such that the deduction or withholding does not exceed the minimum required;
  - (ii) and the Customer shall pay CSL such additional amounts as will ensure that the net amount received by CSL will be equal to the amount which CSL would have received had no such deduction or withholding been made;
  - (iii) and the Customer shall pay the amount deducted or withheld to the relevant authority in accordance with the relevant requirement of the law, and provide to CSL a receipt issued by such authority (or where such a receipt is not available) a certificate in respect of such payment.

16.14 Without prejudice to Clause 16.24, where any amount payable under an Invoice is not paid on or before the Invoice Due Date, the paying party shall pay interest, before and after judgement, at the Applicable Interest Rate, on the unpaid amount from the Invoice Due Date until the Day on which the payment is made (and nothing in this Clause 16.14 shall be construed as permitting late payment of an Invoice Amount).

16.15 Interest payable under this Clause 16 shall:

- (a) accrue on a daily basis and on the basis of a 365 day year; and
- (b) be compounded to the extent and by virtue of being invoiced (not more frequently than each calendar month) in an Invoice.

16.16 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 the subject of repayment, under this Agreement, and shall be the base rate for the time being of Barclays Bank plc plus:

- (a) except as provided in (b), three (3) percentage points per annum;
- (b) for the purposes only of Clauses 16.22 and 16.25, one (1) percentage point per annum.

16.17 For the purposes of this Clause 16 an “**Invoice Query**” is any question or dispute as to the proper calculation of any amount shown as payable by the Customer or CSL under

an Invoice or as to whether any such amount was or is properly payable and references to the amount of an Invoice Query are to the amount by which the Customer considers the Invoice Amount to be incorrect.

- 16.18 CSL and the Customer will endeavour to resolve Invoice Queries by agreement (and reference in this Clause 16 to the resolution of a Invoice Query is a reference to the resolution thereof by agreement between CSL and the Customer or to the outcome of any proceedings commenced by CSL or the Customer in respect thereof).
- 16.19 Where the Customer wishes to raise an Invoice Query in respect of any amount shown as payable by the Customer under an Invoice, the Customer may by not later than the Day before the Invoice Due Date notify CSL of the Invoice Query; specifying:
- (a) the number of the Invoice;
  - (b) the Invoice Item to which the Invoice Query relates;
  - (c) an explanation of the basis on which the Invoice Query arises, and the amount of the Invoice Amount which is subject to the Invoice Query:
    - (i) identified by reference to the particular item of supporting data in respect of which the Invoice Query arises;
    - (ii) where the basis of the Invoice Query is that the value of any parameter by reference to which the Invoice is determined is incorrectly stated in the supporting data, the amount (estimated as accurately as reasonably practicable) by which such value is incorrectly stated;
  - (d) the amount of the Invoice Amount which is not subject to the Invoice Query determined on the basis that only so much of the Invoice Amount as identified in (c) is subject to the Invoice Query.
- 16.20 Where the Customer raises an Invoice Query in accordance with the requirements of Clause 16.19 (but not otherwise) the amount subject to the Invoice Query shall not be payable on the Invoice Due Date, but without prejudice to Clause 16.22.
- 16.21 Except as provided in Clause 16.20, but without prejudice to Clause 16.24 the whole amount shown as payable by the Customer shall be payable on the Invoice Due Date.
- 16.22 Where pursuant to Clause 16.20, any amount is not paid on the Invoice Due Date by the Customer, the amount (if any) which is agreed or determined (following resolution of the Invoice Query) to be payable by the Customer shall be payable upon such resolution and interest from the Invoice Due Date shall be payable in accordance with Clause 16.14 (but subject to Clause 16.25) on such amount.
- 16.23 For the purposes of Clause 16.22, where it is agreed or determined that the question or dispute the subject of the Invoice Query pursuant to Clause 16.20 was a bona fide question or dispute, the Applicable Interest Rate shall be that under Clause 16.16(b) until the expiry of two (2) Business Days following the resolution of the Invoice Query.

- 16.24 Subject to Clause 16.26, nothing in this Clause 16 shall prevent the Customer raising an Invoice Query other than pursuant to Clause 16.19, including in respect of any amount after payment has been made of such amount, or from paying any such amount at the same time as notifying an Invoice Query in respect thereof; provided that (without prejudice to the resolution of the Invoice Query) no constructive trust or other implied term as to the receipt or application by the payee of the amount paid shall arise.
- 16.25 Where, upon resolution of an Invoice Query or otherwise, it is agreed or determined that any amount or part of any amount paid should not have been paid, the payee shall repay the overpaid amount with interest at the Applicable Interest Rate from the date on which the payment was made to it or if later the Invoice Due Date until the date of such repayment.
- 16.26 In the absence of fraud, after the expiry of 18 months (or any other period agreed between CSL and the Customer) after the Invoice Due Date in respect of an Invoice:
- (a) no adjustment may be made to an Invoice Amount under that Invoice, other than:
    - (i) an adjustment of which CSL has given notice to the Customer;
    - (ii) an adjustment pursuant to an Invoice Query raised by the Customer in accordance with this Clause 16before the expiry of such period;
  - (b) no Invoice Query may be raised in respect of the Invoice;
  - (c) the Invoice shall (subject to any adjustments already made and any permitted under (a)) be deemed final and conclusive as to the amounts payable thereunder.

## 17. **Liabilities**

- 17.1 Subject to the further provisions of this Clause 17, each Party agrees and acknowledges that:
- (a) neither Party shall be liable to the other Party for loss arising from any breach of this Agreement, other than for loss directly resulting from such breach and which at the date of this Agreement was reasonably foreseeable as not unlikely to occur in the ordinary course of events from such breach in respect of:
    - (i) physical damage to the property of the other Party; and/or
    - (ii) the liability (in law) of the other Party to any other person for loss in respect of physical damage to the property of such person;
  - (b) neither Party shall in any circumstances be liable in respect of any breach of this Agreement to the other Party for:

- (i) any loss of profit, loss of revenue, loss of use, loss of contract, loss of goodwill, or increased cost of working; or
  - (ii) any indirect or consequential loss; or
  - (iii) except as provided in Clause 17.1(a)(ii) and 17.4, loss resulting from the liability of the other Party to any other person howsoever and whensoever arising.
- 17.2 The amount or amounts for which a Party may be liable to the other Party pursuant to Clause 17.1(a) in respect of any one event or circumstance constituting or resulting in that Party's breach of a provision of this Agreement shall not exceed £1,000,000.
- 17.3 Clause 17.1 is without prejudice to [paragraphs 7 and 8 of Schedule J](#) or any provision of this Agreement which provides for an indemnity, or which provides for a Party to make a payment to the other Party.
- 17.4 Nothing in this Agreement shall exclude or limit the liability of either Party for death or personal injury resulting from the negligence of such Party.
- 17.5 The rights and remedies of the Parties pursuant to this Agreement exclude and are in place of any rights or remedies of either Party in tort (including negligence and nuisance) in respect of the subject matter of this Agreement and accordingly, but without prejudice to Clauses 17.4 and 17.8, each Party (to the fullest extent permitted by law):
  - (a) waives any rights or remedies; and
  - (b) releases the other Party from any duties or liabilitiesarising in tort in respect of the subject matter of this Agreement.
- 17.6 Without prejudice to Clause 17.5, where any provision of this Agreement provides for any amount to be payable by a Party upon or in respect of that Party's breach of any provision of this Agreement, both Parties agree and acknowledge 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 circumstances giving rise thereto.
- 17.7 For the avoidance of doubt, nothing in this Clause 17 shall prevent either Party from or restrict it in enforcing any obligation (including suing for a debt) owed to it under or pursuant to this Agreement.
- 17.8 Nothing in this Clause 17 shall constitute a waiver by either Party of any right or remedy it may have (other than pursuant to this Agreement) in respect of a breach by the other Party of any Legal Requirement.
- 17.9 Each provision of this Clause 17 shall be construed as a separate and severable contract term, and shall survive termination of this Agreement.
- 17.10 Where any provision of this Agreement provides for any amount to be payable by a Party upon or in respect of that Party's breach of any provision of this Agreement, both

Parties agree and acknowledge that the amount provided to be payable represents no more than a genuine pre-estimate of the loss of the Party to which such amount is payable.

- 17.11 Where, by reason of there being insufficient quantities of Gas stored in and available for withdrawal from the Rough Storage Facility, Clause 12.7 applies and CSL elects pursuant thereto that Clause 10.4 shall apply, Clause 12.8 shall not apply but CSL shall be in breach of its obligation to make Gas available for withdrawal by the Customer pursuant to this Agreement and shall be liable in damages for such breach; Clauses 17.1(a) and 17.2 shall not apply to limit such damages, but Clause 17.1(b) shall apply in relation thereto.
- 17.12 The amount or amounts for which a Party may be liable to the other Party pursuant to any indemnity provided for in this Agreement in respect of any one event or circumstance giving rise to liability under such indemnity shall not exceed £1,000,000.

[17.13 Clause 17.1 and 17.2 shall not apply to limit the liability of a Party pursuant to paragraph 7 or 8 of Schedule J.](#)

## 18. **Force Majeure**

- 18.1 For the purposes of this Agreement, subject to Clause 18.2, “**Force Majeure**” means any event or circumstance, or any combination of events and/or circumstances, the occurrence of which is beyond the reasonable control of, and could not have been avoided by steps which might reasonably be expected to have been taken by, a Party (the “**Affected Party**”) and which causes or results in the failure of the Affected Party to perform or its delay in performing any of its obligations owed to the other Party (the “**Other Party**”) under this Agreement, including:
- (i) war declared or undeclared, threat of war, act of public enemy, terrorist act, blockade, revolution, riot, insurrection, civil commotion, public demonstration, sabotage, act of vandalism;
  - (ii) act of God;
  - (iii) strike, lockout or other industrial disturbance;
  - (iv) explosion, fault or failure of plant, equipment or other installation which the Affected Party could not prevent or overcome by the exercise of the degree of skill, diligence, prudence and foresight which would reasonably and ordinarily be expected from a skilled and experienced operator engaged in the same kind of undertaking under the same or similar circumstances;
  - (v) governmental restraint or the coming into force of any Legal Requirement.
- 18.2 Inability (however caused) of a Party to pay shall not be Force Majeure.
- 18.3 The act or omission of any agent or contractor of either Party shall not be Force Majeure unless such act or omission is caused by or results from events and/or circumstances which would be Force Majeure within the meaning of Clause 18.1 if such person were the Affected Party.

18.4 (A) Subject to Clause ~~18.5~~, 18.5 but without prejudice to Clause 18.4(B), the Affected Party shall be relieved from liability (including any requirement under this Agreement to make payment of any sum or to take any other action) for any delay or failure in the performance of any obligation under this Agreement which is caused by or results from Force Majeure.

18.4(B) Notwithstanding that CSL may be able to satisfy its obligations in respect of the C-Store DA Service or the C-Store WD Service by means of procuring Gas from a third party for delivery at the NBP, CSL shall be released from any and all of its obligations to deliver Gas at the NBP pursuant to the terms of the C-Store DA Service and/or the C-Store WD Service (as the case may be) (including any requirement under this Agreement to make payment of any sum or to take any other action) where it is unable to withdraw Gas from the Rough Storage Facility provided that the cause of its inability to withdraw Gas from the Rough Storage Facility is caused by an event or circumstance of the nature set out in Clause 18.1 and provided further that CSL shall only be so released for the duration of the event or circumstance referred to above.

18.5 The Affected Party shall be relieved from liability under Clause 18.4 only for so long as and to the extent that the occurrence of Force Majeure and/or the effects of such occurrence could not be overcome by measures which the Affected Party might reasonably be expected to take with a view to resuming performance of its obligations.

18.6 Following any occurrence of Force Majeure the Affected Party shall:

- (a) as soon as reasonably practicable notify the Other Party of the occurrence and nature of the Force Majeure, the expected duration thereof (insofar as the same can reasonably be assessed) and the obligations of the Affected Party performance of which is affected thereby; and
- (b) from time to time thereafter provide to the Other Party reasonable details of:
  - (i) developments in the matters notified under paragraph (a); and
  - (ii) the steps being taken by the Affected Party to overcome the Force Majeure occurrence or its effects and to resume performance of its relevant obligations.

## 19. Customer Discontinuance

19.1 The Customer may at any time by giving notice (“**Discontinuance Notice**”) to CSL apply to have this Agreement terminated.

19.2 This Agreement may not be terminated in accordance with this Clause 19 until such time as:

- (a) all amounts payable or which may become payable by the Customer to CSL pursuant to any provision of this Agreement have been paid in full;
- (b) the Customer has no Registered Capacity in respect of the Rough Storage Facility;

- (c) the Customer has no Available Capacity in respect of the Rough Storage Facility in respect of any future Day;
  - (d) the Customer is not party to a Capacity Transfer in relation to which the Transfer Period has yet to expire; and
  - (e) the Customer has no Gas-in-Storage.
- 19.3 Where the Customer has given notice under Clause 19.1 the Customer and CSL shall remain bound by this Agreement until the requirements of Clause 19.2 are satisfied.
- 19.4 Where the Customer has given notice under Clause 19.1, after the satisfaction of the last of the requirements of Clause 19.2 to be satisfied this Agreement shall be terminated with effect from the 5th Business Day following such satisfaction.
- 19.5 Notwithstanding Clause 19.4, CSL or (as the case may be) the Customer shall remain liable, subject to and in accordance with this Agreement, to the other, after the Discontinuance Date:
- (a) for any amount which was or becomes payable under this Agreement in respect of any period before the Discontinuance Date; and
  - (b) in respect of any outstanding breach of any provision of this Agreement where such breach was not capable of remedy or was capable of remedy but was not remedied.
20. **Termination**
- 20.1 For the purposes of this Clause there shall have occurred a “**Default**”:
- (a) in relation to the Customer if any of the events or circumstances in Clause 20.3(a), (b), (c), (d) or (e) have occurred;
  - (b) in relation to CSL if any of the events or circumstances in Clause 20.3(a), (c), (d) or (e) have occurred.
- 20.2 The “**Non-Defaulting Party**” and the “**Defaulting Party**” shall be in relation to a Default:
- (a) under Clause 20.1(a), respectively CSL and the Customer;
  - (b) under Clause 20.1(b), respectively the Customer and CSL.
- 20.3 The events or circumstances referred to in Clause 20.1 are:
- (a) where in relation to any amount (or amounts in aggregate) of not less than £10,000 which has become due for payment by a Party under this Agreement (excluding for the avoidance of doubt amounts the subject of an Invoice Query which by virtue of Clause 16 have not become due for payment):

- (i) the Party has not paid the amount in full by the 5th Business Day after the due date for payment; and
  - (ii) on or after the 5th Business Day after the due date for payment the other Party has given notice requiring payment of such amount; and
  - (iii) the Party has not paid such amount in full by the 5th Business Day after the date of the notice under paragraph (ii); or
- (b) in accordance with Clause 26 or where the Customer is in breach of the Credit Agreement; or
- (c) where:
- (i) a Party is in material breach, other than such a breach as is referred to in Clause 20.10 of any material provision (other than a payment obligation) of this Agreement; and
  - (ii) the breach is capable of remedy by such Party; and
  - (iii) the other Party has given notice (making reference to this Clause 20) of such breach to the Party in material breach; and
  - (iv) within 14 Days after notice under paragraph (iii), the Party in material breach does not either:
    - (1) remedy the breach in all material respects, where the breach is capable of remedy within such period of 14 Days; or
    - (2) where the breach is not so capable of remedy, provide to the other Party a programme (setting out the steps to be taken by the Party in material breach and the timetable for taking such steps) for the remedy of the breach as soon as is reasonably practicable; and
  - (v) in the case in paragraph (iv)(2), the Party in material breach does not:
    - (1) remedy the breach in all material respects with all reasonable diligence and so far as reasonably practicable in accordance with the programme provided under that paragraph or a revised programme pursuant to paragraph (2); and
    - (2) where notwithstanding the reasonable diligence of the Party in material breach it is not reasonably practicable for such Party to remedy the breach in accordance with that programme, provide to the other Party a revised such programme; and
  - (vi) the breach remains unremedied in any material respect after the expiry of 7 Days after a further notice by the other Party to the Party in material breach to the effect that the Party in material breach has not complied with paragraph (iv) or (v); or

- (d) where:
- (i) a Party is in material breach, other than such a breach as is referred to in Clause 20.10, of any relevant provision (other than a payment obligation) of this Agreement; and
  - (ii) the breach is not capable of remedy; and
  - (iii) the other Party has given notice (making reference to this Clause 20) of the breach to the Party in material breach; and
  - (iv) at any time within the period of 12 months following the other Party's notice under paragraph (iii), there occurs a further material breach by the Party in material breach of the same provision of this Agreement; and
  - (v) the other Party has given a notice of such further breach to the Party in material breach and a period of 7 Days has expired following such notice; or
- (e) where a Party:
- (i) is unable to pay its debts (within the meaning of Section 123(1) or (2) of the Insolvency Act 1986, but subject to Clause 20.4), 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
  - (ii) 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
  - (iii) has an administration order under Section 8 of the Insolvency Act 1986 made in relation to it; or
  - (iv) passes any resolution for winding-up (other than for the purpose of a bona fide solvent reconstruction or amalgamation); or
  - (v) becomes subject to an order by the High Court for winding-up.

20.4 For the purposes of Clause 20.3(e)(i), Section 123(1)(a) of the Insolvency Act 1986 shall have effect as if for “£750” there was substituted “£10,000”; and the Party 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 Party with recourse to all appropriate measures and procedures.

20.5 Upon the occurrence of a Default, and at any time after such occurrence at which the Default is continuing, the Non-Defaulting Party may give notice (a “**Termination**

**Notice**”) to the Defaulting Party to the effect that this Agreement will be terminated with effect from the date (which, subject to Clause 20.6(b)), may be any date on or after the date on which the notice is given specified in the notice.

20.6 Where:

- (a) CSL gives a Termination Notice to the Customer, with effect from the date specified in the notice;
- (b) the Customer gives a Termination Notice to CSL, with effect from the later of the date specified in the notice or the date on which all of the requirements in Clause 20.7 are satisfied

this Agreement will terminate and subject to Clauses 20.8 and 25.7 CSL and the Customer shall cease to be bound by the terms of this Agreement.

20.7 The requirements referred to in Clause 20.6(b) are the requirements set out in Clause 19.2(a), (d) and (e).

20.8 The giving of a Termination Notice and the application of Clause 20.6:

- (a) shall not affect the rights and obligations of CSL and the Customer under this Agreement (including rights and obligations in respect of the Default, and in respect of amounts including interest payable by the Customer or CSL) accrued up to the date referred to in Clause 20.6(a) or as the case may be Clause 20.6(b), which shall continue to be enforceable notwithstanding that Clause;
- (b) where given by CSL shall not relieve the Customer from the liability to pay Capacity Charges that would otherwise have been payable in respect of the period from the date referred to in Clause 20.6(a) until the end of the Contract Period (such amounts to be determined by reference to the Entitlement End Dates on all Registered Capacity Certificates held by the Customer at such date) which such Capacity Charges shall be immediately payable by the Customer provided that where CSL is able subsequently to dispose of Capacity equivalent to the Customer's Registered Capacity pursuant to Clause 8.4 the Customer's liability under this paragraph (b) shall be reduced accordingly.

20.9 Where a Party has given a Termination Notice it shall be entitled to inform such persons as it thinks fit that it has done so.

20.10 For the purposes of Clause 20.3(c)(i) and (d)(i) the following breaches are excluded:

- (a) a breach
  - (i) by the Customer other than a wilful breach of a provision of this Agreement where this Agreement specifically provides some other remedy for such breach and such other remedy may reasonably be considered to be adequate in the circumstances;
  - (ii) by CSL other than a wilful breach of a provision of this Agreement where this Agreement specifically provides some other remedy for

such breach other than where such breach continues for a period of greater than ninety (90) consecutive Days;

(b) a breach which results from a breach by the other Party of this Agreement.

20.11 For the purposes of Clause 20.3(c)(i) and (d)(i) a breach is a material breach of a relevant provision where and only where:

- (a) in the case of a material provision, the breach is wilful or reckless; or
- (b) in the case of any provision, as a result of the breach the Non-Defaulting Party is in material breach of any material provision of this Agreement or any Legal Requirement or incurs any material liability or expense.

## 21. Gas-in-Storage on Termination

21.1 Where CSL gives a Termination Notice and the Customer has Gas-in-Storage in the Rough Storage Facility:

- (a) the Customer shall cease to have the entitlement conferred pursuant to Clause 3.2 in respect of such Gas-in-Storage;
- (b) CSL will, within a reasonable time after the Discontinuance Date, seek to dispose of an amount of Gas-in-Storage equal to the Gas-in-Storage of the Customer, by way of a tender;
- (c) CSL shall be entitled to set-off against and deduct from the proceeds (if any) of the tender under paragraph (b) the amounts described in Clause 21.2, in the priority therein stated;
- (d) CSL will pay the balance if any of such proceeds to the Customer.

21.2 The amounts referred to in Clause 21.1(c) are:

- (a) first, all costs and expenses incurred by CSL in connection with the tender referred to in Clause 21.1(b);
- (b) secondly, all amounts for which the Customer is liable to CSL under this Agreement (whether or not having become due for payment), including accrued interest thereon.

## 22. Registered Capacity Assignment

22.1 ~~The~~Subject to Clause 4.2, the Customer may at any time in respect of ~~the Rough~~Storage Facility~~Service~~ dispose of all or part of its Registered Deliverability, Registered Space ~~or~~, Registered Injectability or Available Throughput Capacity to another Storage Customer or acquire Deliverability, Space ~~or~~, Injectability or Throughput Capacity from another Storage Customer in accordance with this Clause 22.

22.2 For the purposes of this Agreement a “**Deliverability Assignment**”, a “**Space Assignment**” ~~and~~, an “**Injectability Assignment**” and an “**Available Throughput Capacity Assignment**” in respect of a Storage Service are respectively the disposal of Registered Deliverability, Registered Space ~~and~~, Registered Injectability and Available Throughput Capacity in respect of the relevant Storage Service or the acquisition of Deliverability, Space ~~or~~, Injectability or Available Throughput Capacity in respect of the relevant Storage Service in accordance with Clause 22.1 and a “**Capacity Assignment**” in respect of a Storage Service is a Deliverability Assignment, a Space Assignment ~~or~~, an Injectability Assignment or an Available Throughput Capacity Assignment in respect of that Storage Service.

22.3 A Capacity Assignment shall be for the period from (and including) the Assignment Date until the Entitlement End Date in respect of the relevant Capacity (the “**Assignment Period**”).

22.4 In respect of a Capacity Assignment:

- (a) the “**Assigned Capacity**” is the amount of:
  - (i) the Registered Deliverability, Registered Space ~~or~~, Registered Injectability or Available Throughput Capacity which is (or is to be) disposed of by the Customer;
  - (ii) the Deliverability, Space ~~or~~, Injectability or Available Throughput Capacity which is (or is to be) acquired by the Customer;
- (b) the “**Assignment Date**” is the Day, being the first day of a calendar month, from which the Capacity Assignment is to take effect.

22.5 The Assigned Capacity under a Capacity Assignment in respect of which the Customer is the assignor may not exceed an amount equal to the Customer's Available Capacity held in respect of any Day or part of any Day during the Assignment Period.

## 23. **Registered Capacity Assignment Procedure and Effect**

23.1 If the Customer proposes to make a Capacity Assignment, the Customer must notify CSL of the proposed Capacity Assignment (and procure that the other Storage Customer so notifies CSL) specifying:

- (a) the identity of the Customer and the other Storage Customer and which party is the assignor and the assignee;
- (b) whether the Capacity Assignment is a Deliverability Assignment, a Space Assignment ~~or~~, an Injectability Assignment or an Available Throughput Capacity Assignment;
- (c) the amount of the Assigned Capacity;
- (d) the Assignment Period;

- (e) the Applicable Annual Rate shown on the assignor's relevant Registered Capacity Certificate;
- (f) the Assignment Date; and
- (g) the relevant Storage Service to which the assignment relates.

and where the Customer is the assignor it shall in addition specify the certificate number of the relevant Registered Capacity Certificate and may notify CSL for the purposes of Clause 23.7.

23.2 The Customer must notify CSL of a proposed Capacity Assignment (and procure that the other Storage Customer so notifies CSL) not later than one month prior to the proposed Assignment Date.

23.3 A proposed Capacity Assignment will be rejected by CSL:

- (a) where it is not in accordance with Clause 22.5;
- (b) where either the Customer or the other Storage Customer does not notify CSL of the Capacity Assignment in accordance with Clauses 23.1 or 23.2;
- (c) in the event any amounts payable by the Customer pursuant to any provision of this Agreement prior to the Assignment Date have not been paid in full;
- (d) where the sum of :
  - (i) the projected Indebtedness of the assignee on the Assignment Date;
  - (ii) an amount equivalent to the 51/365ths of the Applicable Annual Rate multiplied by the Assigned Capacity;
  - (iii) a reasonable amount for Injection Charges, Withdrawal Charges and Interruptible Charges based on projected activity of the assignee
 would exceed the Credit Limit of the assignee;
- (e) in accordance with Clause ~~26~~26.

and where a proposed Capacity Assignment is rejected CSL shall notify the Customer not later than 14 Days after it was notified by the Customer or (if later) the other Storage Customer under Clause 23.1 (and shall indicate the reasons for such rejection).

23.4 Where CSL notified the Customer that a proposed Capacity Assignment has been rejected CSL need take no further action in relation to the proposed Capacity Assignment.

23.5 With effect from the Assignment Date, in respect of a Capacity Assignment in relation to which the Customer is:

- (a) the assignor, the Customer shall be treated as no longer holding the Assigned Capacity and shall no longer be liable for Capacity Charges in relation to the Assigned Capacity;
  - (b) the assignee, the Customer shall be treated as holding the Assigned Capacity and shall be liable for Capacity Charges in relation to the Assigned Capacity.
- 23.6 Not later than the Assignment Date CSL shall provide to the Customer a revised Registered Capacity Certificate in accordance with Clause 4.5(b).
- 23.7 Where the Customer, as assignor, notifies CSL in accordance with Clause 23.1, the Customer may request that the Applicable Annual Rate on a Registered Capacity Certificate (relating to the Assigned Capacity) be reduced specifying the relevant Registered Capacity Certificate and the amount in respect of which the Customer wishes that the Applicable Annual Rate be so reduced.
- 23.8 Following a notification under Clause 23.7, the Customer will be required to pay CSL by not later than 5 Days prior to the proposed Assignment Date an amount calculated in accordance with the following formula:

$$AP = (A/1200) * AC * (1 - F^n)/(1 - F)$$

where:

- AP* is the amount payable by the Customer (expressed in pounds sterling);
- A* is the reduction in the Applicable Annual Rate requested by the Customer being the difference between the Applicable Annual Rate on the Customer's Registered Capacity Certificate and the Registered Capacity Certificate to be provided in accordance with Clause 23.9 (expressed in pence per kWh per annum or pence per kWh/Day per annum (as appropriate));
- AC* is the amount of the Assigned Capacity (expressed in kWh or kWh/Day (as appropriate));
- F* is the Reduction Factor as provided in the notification (the “Reduction Factor”);
- n* is the number of calendar months between the proposed Assignment Date and the Entitlement End Date shown on the relevant Registered Capacity Certificate

provided that CSL shall following the Customer's request pursuant to Clause 23.7 provide the Customer with a value for the Reduction Factor (which may differ from any estimated value thereof previously provided to the Customer pursuant to Clause 23.10) not later than 14 Days prior to the proposed Assignment Date such that for the purposes of this Clause 23.8 the amount *AP* reflects (by reference to the requested reduction in the Applicable Annual Rate) the reasonable cost to CSL of the reduction in amounts payable by the Customer to CSL over the remainder of the Contract Period.

23.9 Provided that CSL is in receipt of an amount calculated in accordance with Clause 23.8, CSL will provide to the assignee a Registered Capacity Certificate in respect of which the Applicable Annual Rate is equivalent to the Applicable Annual Rate on the Registered Capacity Certificate specified under Clause 23.7 less the amount of the reduction requested by the Customer.

23.10 Without prejudice to the requirement in Clause 23.8, CSL shall provide to the Customer (not later than 10 Days following receipt of the Customer's request) an estimated value for the Reduction Factor that would apply were the Customer to make a notification under Clause 23.7.

## 24. Assignment by CSL

24.1 CSL may assign all or part of its rights under this Agreement, subject to Clause 24.2:

- (a) to an Affiliate operating the Rough Storage Facility and having the necessary technical expertise and financial resources;
- (b) with the prior written agreement of the Customer (which may not be unreasonably withheld) to any person.

24.2 Where CSL assigns its rights under this Agreement to a person pursuant to Clause 24.1;

- (a) it shall be a condition precedent to such assignment that such person shall enter into an agreement with the Customer covenanting to be bound by this Agreement;
- (b) CSL shall be released from obligations under this Agreement arising after the time at which the assignment is effective, but shall remain liable for any obligations accruing up to such time.

## 25. Confidentiality

25.1 For the purposes of this Clause 25:

- (a) **“Protected Information”** means:
  - (i) for the purposes of CSL's obligations under Clause 25.2 any information relating to the affairs of the Customer which is obtained by CSL pursuant to or in the course of the negotiation, implementation or performance of this Agreement;
  - (ii) for the purposes of the Customer's obligations under Clause 25.3 any information relating to the affairs of CSL which is obtained by the Customer pursuant to or in the course of the implementation or performance of this Agreement;
- (b) **“CSL Activities”** means the carrying on of the storage business, the operation, administration, maintenance and development of the Rough Storage Facility and the implementation and performance of this Agreement;
- (c) **“Disclosing Party”** and **“Protected Party”** shall be construed as follows:
  - (i) for the purposes of CSL's obligations under Clause 25.2, the Disclosing Party is CSL and the Protected Party is the Customer;

- (ii) for the purposes of a Customer's obligations under Clause 25.3, the Disclosing Party is the Customer and the Protected Party is CSL.

25.2 CSL shall secure that Protected Information is not:

- (a) disclosed to any person other than an officer, employee, professional adviser (whose province it is to know the same) or to any 10% Affiliate of CSL which from time to time carries on gas supply, trading, storage procurement activities or asset operations (which includes all those businesses listed in Annex 5 to the Undertakings) other than as permitted in the Undertakings and in any such case in accordance with the requirements of Clause 25.4; or
- (b) used by CSL for any purpose other than carrying on the CSL Activities.

25.3 The Customer shall secure that Protected Information is not:

- (a) disclosed to any person other than an officer, employee, professional adviser (whose province it is to know the same) or any 10% Affiliate of the Customer in any such case in accordance with the requirements of Clause 25.4; or
- (b) used by the Customer for any purpose other than expressly contemplated in this Agreement.

25.4 Where Protected Information is disclosed by CSL as permitted under Clause 25.2(a) or by the Customer as permitted under Clause 25.3(a), the Disclosing Party shall (without prejudice to its obligations under Clause 25.2 or 25.3) take all reasonable steps to secure that the person to whom the information is disclosed is aware of the Disclosing Party's obligations under this Clause 25 and does not use or disclose the information other than as is permitted of the Disclosing Party in accordance with this Clause 25.

25.5 Nothing in Clauses 25.2 or 25.3 shall apply:

- (a) to the disclosure or use by the Disclosing Party of Protected Information to which the Protected Party has consented in writing;
- (b) to any Protected Information which:
  - (i) before it is obtained by the Disclosing Party is in the public domain; or
  - (ii) after it is obtained by the Disclosing Party enters the public domainin either case otherwise than as a result of a breach by the Disclosing Party of its obligations under Clauses 25.2 or 25.3;
- (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:
  - (i) in compliance with the duties of the Disclosing Party under the Act or any other requirement of a Competent Authority; or
  - (ii) in compliance with the conditions of any 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
  - (iii) in compliance with any other Legal Requirement; or
  - (iv) in response to a requirement of any stock exchange or regulatory authority or the Panel on Take-overs and Mergers; or

- (v) pursuant to any provision of Clause 28 or pursuant to any judicial or other arbitral process or tribunal having jurisdiction in relation to the Disclosing Party;
- (d) to any Protected Information to the extent that the Disclosing Party is expressly permitted or required to disclose that information under the terms of any agreement or arrangement made with the Protected Party or to which the Protected Party is party (including the ~~Code~~UNC, the Network Code Framework Agreement and any Ancillary Agreement);
- (e) 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;
- (f) to the disclosure of any Protected Information to the ~~Director~~Authority, where the Disclosing Party considers in good faith that the Protected Party may be in breach of a condition of a Licence held by the Protected Party to the extent reasonably necessary to draw such possible breach to the attention of the ~~Director~~Authority.

25.6 The provisions of this Agreement are without prejudice to the requirements of the Data Protection Act ~~1984~~1998.

25.7 The provisions of Clauses 25.1 to 25.5 (inclusive) shall continue, for a period of three (3) years after the Discontinuance Date, to bind the Customer and CSL.

## 26. **Credit Terms**

26.1 CSL will determine and assign to the Customer a Credit Limit and will revise such Credit Limit from time to time, in each case in accordance with the Credit Agreement.

26.2 Where:

- (a) the Customer's Indebtedness exceeds 70% of its Credit Limit and CSL has given notice to that effect to the Customer;
- (b) at any time following such notice the Customer's Indebtedness exceeds 85% of its Credit Limit and CSL has given notice to that effect to the Customer (which may be given at the same time as that under paragraph (a))

Clauses 26.3 and 26.4 shall apply.

26.3 Where and for so long as the Indebtedness of the Customer for the time being exceeds 85% of the Customer's Credit Limit, CSL shall be entitled to reject or refuse to accept any of the following from the Customer:

- (a) a Capacity Assignment under Clause 23 in respect of which the Customer is the assignee; or

- (b) a Nomination for a Storage Service in respect of which the quantity nominated:
    - (i) for withdrawal exceeds the Customer's Available Deliverability for that Storage Service;
    - (ii) for injection exceeds the Customer's Available Injectability for that Storage Service or would result in the Customer having Gas-in-Storage at the end of the Day in respect of which the Nomination was made in excess of its Available Space in respect of the relevant Storage Service.
- 26.4 Where and for so long as the Indebtedness of the Customer for the time being exceeds 100% of the Customer's Credit Limit, CSL shall be entitled to:
- (a) reject or refuse to accept a Nomination, Transfer or Capacity Assignment in relation to the Customer;
  - (b) give the Customer a Termination Notice (in accordance with Clause 20).
- 26.5 Where CSL reasonably believes that following the submission of a Nomination the Indebtedness of the Customer will exceed 100% of the Customer's Credit Limit CSL shall be entitled to reject such Nomination.
- 26.6 Where the Customer is required pursuant to the Credit Agreement to provide CSL with security (in accordance with applicable provisions of the Credit Agreement) CSL shall be entitled to reject or refuse to accept a Nomination, Transfer or Capacity Assignment until such time as the Customer has made such security available to CSL in accordance with any applicable requirements of the Credit Agreement.
- 26.7 It shall not be a condition to CSL giving a Termination Notice under Clause 26.4 that CSL shall have first made any call upon, or taken any steps to enforce and realise any security made available pursuant to the Credit Agreement.
- 27. Gas Quality**
- 27.1 Gas tendered by the Customer for injection at the Storage Connection Point of the Rough Storage Facility shall comply with the Injection Requirements provided that where Non-compliant Gas is tendered for injection CSL may until such time as the Injection Requirements are complied with in respect of the Gas tendered for injection at such point, in its discretion, either:
- (a) accept or continue to accept such Gas;
  - (b) refuse to accept or to continue to accept such Gas
- provided that CSL's rights hereunder shall not be prejudiced by its election to accept Non-compliant Gas (whether or not it is aware that the Gas is Non-compliant Gas).
- 27.2 CSL shall be entitled to take any steps available to it to limit the rate at which Non-compliant Gas is injected into the Rough Storage Facility or to secure that such Gas is not so injected.

- 27.3 Where Non-compliant Gas has been injected into the Rough Storage Facility on a Day the Customer shall be liable to pay to CSL an amount determined in accordance with Clause 27.4.
- 27.4 The amount payable by the Customer under Clause 27.3 shall be all those reasonable costs and expenses reasonably incurred by CSL in consequence of the injection of Non-compliant Gas, including (without limitation) costs and expenses incurred:
- (a) in cleaning or clearing any part of the Rough Storage Facility;
  - (b) in taking reasonable measures to secure that the Rough Storage Facility can be operated in accordance with any Legal Requirements notwithstanding the injection or continued injection of such Non-compliant Gas
- provided that the amount payable by the Customer to CSL shall be equal to that amount (calculated in accordance with the provisions of section J of the [CodeUNC](#)) which [FranseeNKG](#) is liable to pay to the Customer in consequence of the injection of Non-compliant Gas into the Rough Storage Facility.
- 27.5 Gas tendered by CSL for withdrawal at the Storage Connection Point of the Rough Storage Facility shall comply with the Withdrawal Requirements provided that where Non-compliant Gas is tendered for withdrawal it is acknowledged by CSL that [FranseeNKG](#) may (pursuant to the provisions of the [CodeUNC](#)) until such time as the Withdrawal Requirements are complied with in respect of the Gas tendered for withdrawal at such point, in its discretion, either:
- (a) accept or continue to accept such Gas;
  - (b) refuse to accept or to continue to accept such Gas
- and that [FranseeNKG](#)'s rights under the [CodeUNC](#) are not prejudiced by its acceptance of Non-compliant Gas.
- 27.6 Where Non-compliant Gas is withdrawn from the Rough Storage Facility on a Day CSL shall be liable to pay to the Customer an amount determined in accordance with Clause 27.7.
- 27.7 The amount payable by CSL under Clause 27.6 shall be equal to that amount (calculated in accordance with the provisions of section I of the [CodeUNC](#)) which the Customer is liable to pay to [FranseeNKG](#) in consequence of the withdrawal of Non-compliant Gas from the Rough Storage Facility.
- 27.8 In respect of the Rough Storage Facility the rate at which Gas will be injected into and withdrawn from such facility shall be in accordance with the provisions of the Storage Connection Agreement.

## 28. Disputes

- 28.1 For the purposes of this Clause 28 (and Schedule C):
- (a) a “**Dispute**” is any dispute or difference arising between CSL and the Customer in connection with this Agreement;

- (b) “**Expert Determination**” means the determination of an expert pursuant to the provisions of Schedule C.
- 28.2 Where pursuant to Clause 32 a matter is to be referred to Expert Determination or where the Parties have agreed that a Dispute is to be referred to or resolved by Expert Determination:
- (a) subject to Clause 32.3 the provisions of Schedule C shall apply;
- (b) subject to Clause 28.3 neither Party shall commence proceedings in any court in respect of or otherwise in connection with such Dispute.
- 28.3 Nothing in this Clause 28 (or Schedule C) shall prevent either Party from seeking interim or interlocutory relief in any court.
- 28.4 CSL shall appoint one of its employees as being responsible (“**Dispute Representative**”) for the administrative procedures in Schedule C and shall keep the Customer informed of such person's identity (and such person shall not represent CSL in any Dispute under this Agreement).

## ~~29. Transitional Provisions~~

### ~~29.1 The Customer shall not be permitted to:~~

- (a) ~~enter into a Transfer in respect of which the first Day of the Transfer Period or Transfer Date is a Gas Flow Day earlier than 1 May 2004; or~~
- (b) ~~make a Nomination in respect of a Gas Flow Day earlier than 1 May 2004; or~~
- (c) ~~inject or withdraw Gas from the Rough Storage Facility on any Day earlier than 1 May 2004.~~

~~29.2 Where the Customer holds Gas in Storage pursuant to this Agreement during the 2004/5 Storage Year CSL will waive any charges due under the 1999-2004 SSC in respect of corresponding quantities of gas in storage (as defined in the 1999-2004 SSC) held by the Customer during the Run Off Period.~~

~~29.3 Without prejudice to Clause 29.2, any sums due or payable at 1 May 2004 from the Customer to CSL or from CSL to the Customer under the 1999-2004 SSC will be treated for all purposes including Invoicing, Payment and Indebtedness as if they were payable or due under this Agreement.~~

## ~~29. [No longer used]~~

## 30. Notices and Communications

- 30.1 A “**Communication**” is any notice or communication to be given by the Customer to CSL or by CSL to the Customer under this Agreement.
- 30.2 For the purposes of this Agreement a Communication shall be given:
- (a) in accordance with Schedule G;



- (b) 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
- (c) in the case of facsimile, on acknowledgement by the recipient Party's facsimile receiving equipment; or
- (d) in the case of delivery by electronic means, on the following Business Day or such other time as CSL and the Customer may agree.

30.7 Where a Communication is sent by facsimile:

- (a) the Party giving the Communication shall (but without prejudice to Clause 30.6(c)) if requested by the recipient Party, resend as soon as reasonably practicable the Communication by facsimile; and
- (b) in the case of a Termination Notice, the Party giving the Communication will in any event, within 2 Days following the sending of such facsimile, send to the recipient Party a copy of the Communication by first class prepaid post (airmail if overseas).

30.8 A Party may specify different addresses or facsimile numbers and representatives pursuant to Clause 30.3 for the purposes of Communications of different kinds or relating to different matters.

### 31. Variations

The Customer and CSL agree that this Agreement may only be amended or varied with the general or specific consent of Ofgem in accordance with paragraph 2.4 of the Undertakings.

### 32. Pricing Calculations

32.1 In the event that:

- (a) (for the purposes of determining the Average Summer Gas Price) the IPE NBP forward settlement price becomes either temporarily or permanently unavailable or the basis or method for the calculation of such price becomes materially different from that existing at 1 May 2004;
- (b) pursuant to a modification to the ~~Code~~[UNC](#) the basis or method for the calculation of either or both of the System Marginal Buy Price and the System Marginal Sell Price is modified such that the basis or method for either such calculation becomes materially different from that existing at 1 May 2004

either Party may give notice to the other and the Parties together with all other Storage Customers will endeavour (in good faith) to agree upon an appropriate replacement index or basis or method of calculation (as the case may be) provided that where no agreement is reached within thirty (30) Days of either Party giving notice to the other, the matter shall be referred for Expert Determination for the purposes of determining an appropriate replacement index or basis or method of calculation (as the case may be)

provided that notwithstanding paragraph 2(b) of Schedule C the appointment of the Expert shall be immediately referred to the President who shall be requested to make an appointment as envisaged in paragraph 2(c) of Schedule C.

32.2 Where a matter is referred for Expert Determination as a result of the circumstances in Clause 32.1 the terms of reference of the Expert shall contain an instruction to the Expert that in determining an appropriate replacement index or basis or method of calculation the Expert shall seek to ensure that the application of the replacement index or basis or method of calculation in respect of the calculation of Overrun Charges is such that:

- (a) the Overrun Charges payable by the Customer are sufficiently onerous such that the Customer remains incentivised (in the manner provided for in this Agreement during the period prior to such Dispute arising) during the remainder of the Contract Period to avoid liability to pay such charges;
- (b) the Overrun Charges are not more onerous than is necessary to achieve the purpose in paragraph (a)

and where CSL and not less than 80% in number of Storage Customers existing at the date of the Expert's appointment notify the Expert that they are in agreement as to an appropriate replacement index or basis or method of calculation (as the case may be) the Expert shall be required to determine that such replacement index or basis or method of calculation (as the case may be) is appropriate other than where the Expert is of the reasonable belief that such replacement index or basis or method of calculation (as the case may be) does not meet the criteria in paragraphs (a) or (b).

32.3 In the event that pursuant to the terms of another Principal Contract in respect of a dispute between CSL and another Storage Customer in relation to a matter referred to in Clause 32.1 the appointment of an Expert has been referred to the President CSL and the Customer agree to be bound by such appointment in respect of any dispute under this Clause 32.

### 33. **Waiver**

33.1 No delay or omission by either Party in exercising any right, power, privilege or remedy under this Agreement shall operate to impair such right, power, privilege or remedy or be construed as a waiver thereof.

33.2 Any single or partial exercise of such right, power, privilege or remedy shall not preclude any other or future exercise thereof or the exercise of any other right, power, privilege or remedy.

### 34. **Language**

Every Communication to be given by one Party to the other shall be in the English language.

### 35. **Severance**

If any provision of this Agreement is or becomes invalid, unenforceable or illegal, or is declared invalid, unenforceable or illegal by any court of competent jurisdiction or by order of any Competent Authority, such invalidity, unenforceability or illegality shall not prejudice the remaining provisions of this Agreement which shall continue in full force and effect notwithstanding the same.

### 36. **Entire Agreement**

36.1 This Agreement contains the entire agreement between the Parties with respect to the subject matter thereof, and supersedes all previous agreements or understandings between the Parties with respect thereto, and any warranty, condition or other term implied by law or custom is (to the fullest extent permitted by law) expressly excluded therefrom.

36.2 Each Party acknowledges that in entering into this Agreement it does not rely on any representation, warranty or other understanding not expressly contained in this Agreement.

36.3 Nothing contained in a document referred to in this Agreement, beyond what is expressly contemplated in this Agreement as being contained in such document or is necessary for the purposes of giving effect to a term of this Agreement, shall modify or have any effect for the purposes of this Agreement or be construed as relevant to the interpretation of this Agreement.

### 37. **Jurisdiction**

37.1 Subject and without prejudice to the provisions of Clause 28 the Parties irrevocably agree that the courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with this Agreement and accordingly any suit or action or proceeding (collectively "proceedings") arising out of or in connection with this Agreement may be brought in such courts.

37.2 Each Party irrevocably waives any objection which it may have now or hereinafter to the laying of the venue of any proceedings in any such court as is referred to in Clause 37.1 and any claim that any such proceedings have been brought in an inconvenient forum and further irrevocably agrees that a judgement in any proceedings brought in the English courts shall be conclusive and binding upon such Party and may be enforced by the courts of any other jurisdiction.

37.3 Where the Customer is not a company incorporated under the Companies Act 1985 it shall provide to CSL an address in England and Wales for service of process on its behalf in any proceedings.

### 38. **Governing Law**

This Agreement shall be governed by, and construed in all respects in accordance with, English law.



## SCHEDULE A

### DEFINITIONS

~~“1999-2004 SSC”: is the contract for storage services in respect of the Rough Storage Facility in effect from 1 May 1999 until (and including) 30 April 2004;~~

“Act”: the Gas Act 1986, as amended by the Gas Act 1995 and as otherwise amended;

“Affected Party”: is defined in Clause 18.1;

“Affiliate”: in relation to either Party any holding company or subsidiary of such Party or any subsidiary of a holding company of such Party (in each case within the meaning of sections 736, 736A and 736B of the Companies Act 1985 (as substituted by section 144 of the Companies Act 1989) and an “Affiliate” of a specified percentage in relation to a body corporate is:

- (a) another body corporate which holds not less than the specified percentage of the voting rights of the first body corporate;
- (b) a subsidiary of the first body corporate or such a body corporate as is referred to in paragraph (a)

and for these purposes ‘voting rights’, ‘holding’ voting rights and ‘subsidiary’ are to be construed in accordance with section 736A of the Companies Act 1985;

~~“Aggregate Capacity Value”: is defined in Clause 23.12(d);~~

this “Agreement”: means this agreement (including the Schedules);

“Amount of Cancellation”: is defined in Clause 11.9(ab);

“Ancillary Agreement”: has the meaning given to such term in the [CodeUNC](#);

“Annual Average Charge Rates”: is defined in Clause 5.7;

“Annual Average Deliverability Charge Rate”: is defined in Clause 5.7;

“Annual Average Injectability Charge Rate”: is defined in Clause 5.7;

“Annual Average Space Charge Rate”: is defined in Clause 5.7;

“Annual Average Throughput Capacity Charge Rate”: is defined in Clause 5.7;

“Applicable Annual Rate”: is defined in Clause 5.4;

“Applicable Daily Rate”: is defined in Clause 5.4;

“Applicable Interest Rate”: is defined in Clause 16.16;

“**Applicable Offtake Requirements**”: has the meaning given, insofar as such requirements relate to the quality of Gas, to such term in the ~~Code~~[UNC](#);

“**Assigned Capacity**”: is defined in Clause 22.4(a);

“**Assignment Date**”: is defined in Clause 22.4(b);

“**Assignment Facility**”: is defined in Clause 22.4(c);

“**Assignment Period**”: is defined in Clause 22.3;

“**Auction**”: is an auction conducted by CSL of Capacity, Deliverability, Space or Injectability in [respect of the S-Store WD Service in](#) accordance with the Undertakings;

“**Auctioned Injectability**”: is 160 GWh/Day;

“**Auctioned Space**”: is in the Rough Storage Facility 30.3 TWh;

“**Authority**”: [the Gas and Electricity Markets Authority as established pursuant to Section 1 of the Utilities Act 2000](#);

“**Available**”: is defined in Clause 4.4(b);

“**Average Summer Gas Price**”: in respect of a Storage Year is the average price in pence/kWh of IPE NBP forward settlement prices for the months of July, August and September for the Storage Year as published by the IPE for each trading day in the months of January, February and March in the Preceding Storage Year and notified to the Customer by CSL by not later than the start of the Storage Year in respect of which such price is to apply;

“**Base Injection Adjustment Factor**”: is defined in Clause 11.2;

“**Bilateral Sale**”: means the direct sale by CSL to the Customer of Capacity, Deliverability, Space ~~or~~ Injectability [or Throughput Capacity in respect of the relevant Storage Service](#);

“**Business Day**”: a Day other than a Saturday or Sunday or a Day which begins at 06:00 hours on a bank holiday in England and Wales;

“**Cancellation Day**”: is defined in Clause 11.8(a);

“**Cancellation Factor**”: is defined in Clause 11.8(b);

“**Cancellation Notice**”: is defined in Clause 11.8(a);

“**Capacity**”: is defined in Clause 4.1;

“**Capacity Assignment**”: is defined in Clause 22.2;

“**Capacity Charge**”: is defined in Clause 5.2(a);

“**Capacity Transfer**”: is defined in Clause 6.2(a);

~~“Code”: the network code prepared by Transeo pursuant to its licence as a public gas transporter, as from time to time modified in accordance with such licence;~~

~~“Code Nomination”: is defined in paragraph 4.2 of Schedule G;~~

“Communication”: is defined in Clause 30.1;

“Competent Authority”: the ~~Director~~Authority, or any local, national or supra national agency, authority or department, inspectorate, minister, official, court, tribunal or public or statutory person (whether autonomous or not) of the United Kingdom (or the government thereof) or the European Communities which has jurisdiction over CSL or the Customer or the subject matter of this Agreement;

“Confirmation”: the document that identifies the Storage Service purchased by the Customer and that incorporates the terms of this Agreement;

“Contract Period”: is the period from 1 May 2004 until such time that this Agreement is terminated in accordance with Clauses 19, 20 or 31;

“Credit Agreement”: is the agreement between CSL and the Customer of even date herewith;

“Credit Limit”: has the meaning given to such term in the Credit Agreement;

“CSHL”: is Centrica Storage Holdings Limited, of which CSL is a 100% subsidiary

“CSL Activities”: is defined in Clause 25.1(b);

“CSL Maintenance Programme”: is the maintenance programme in respect of ~~the~~a Storage Year ~~2004/2005~~ to be sent by CSL to the Customer by not later than 14 April ~~2004 and in respect of subsequent Storage Years the maintenance programme to be sent by not later than such date~~ in the Preceding Storage Year;

“C-Store DA Service”: the C-Store Day Ahead Service and described in the Confirmation and governed by the terms and conditions of this Agreement;

“C-Store Interruption Notice”: is defined in Clause 14.2(d);

“C-Store WD Service”: the C-Store Within Day Service and described in the Confirmation and governed by the terms and conditions of this Agreement;

“Daily Injection Adjustment Factor”: is defined in Clause 11.2;

“Day”: means the period from 06:00 hours on one day until 06:00 hours on the following day;

“Default”: is defined in Clause 20.1;

“Defaulting Party”: is defined in Clause 20.2;

“Deliverability”: is defined in Clause 4.3(a);

“Deliverability Assignment”: is defined in Clause 22.2;

“**Deliverability Charge**”: is defined in Clause 5.2(b);

“**Deliverability Transfer**”: is defined in Clause 6.2(a);

~~“**Deliverability Value**”: is defined in Clause 23.12(c);~~

“**Directive**”: 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;

~~“**Director**”: the Director General of Gas Supply, or other successor Competent Authority whose functions include those previously exercisable by the Director General of Gas Supply;~~

“**Disclosing Party**”: is defined in Clause 25.1(c);

“**Discontinuance Date**”: is the date with effect from which (in accordance with Clauses 19 and 20) this Agreement may be terminated;

“**Discontinuance Notice**”: is defined in Clause 19.1;

“**Dispute**”: is defined in Clause 28.1(a);

“**Dispute Representative**”: is defined in Clause 28.4;

“**Effective**”: is defined in Clause 4.4(c);

“**Effective Flow Rate**”: is defined in Clause 14.1(a);

“**Effective Injection Rate**”: is defined in Clause 9.13(a);

“**Effective Withdrawal Rate**”: is defined in Clause 9.12(a);

“**Entitlement End Date**”: is defined in Clause 4.6([ed](#));

“**Entitlement Start Date**”: is defined in Clause 4.6([ed](#));

“**Entry Allocation Statement**”: has the meaning given to such term in the [CodeUNC](#);

“**Excess Gas-in-Storage**”: is defined in Clause 13.5(b);

“**Exit Allocation Statement**”: has the meaning given to such term in the [CodeUNC](#);

“**Expert Determination**”: is defined in Clause 28.1(b);

“**Firm-Interruptible [DA Customer](#)**”: is defined in [Clause 14.1\(c\)](#)

“**[Firm-Interruptible WD Customer](#)**”: is defined in Clause 14.1(b);

“**Firm Quantity**”: is defined in Clause 10.6(a);

“**Force Majeure**”: is defined in Clause 18.1;

“**Forward**”: is defined in Clause 14.1([ed](#));

“**Forward Interruptible Flow**”: is defined in Clause 14.1([d](#));“~~**Forward Non-Firm Implied Flow Rate**~~”: is defined in Clause 14.1([e](#));

“**Forward Non-Firm DA Implied Flow Rate**”: is defined in Clause 14.1([g](#));

“**Forward Non-Firm NT Implied Flow Rate**”: is defined in Clause 14.1([h](#));

“**Forward Non-Firm WD Implied Flow Rate**”: is defined in Clause 14.1([f](#));

“**Forward Physical Flow Rate**”: is defined in Clause 14.1([fi](#));

“**Forward Quantity**”: is defined in Clause 10.6(b);

“**Gas**”: means hydrocarbons or a mixture of hydrocarbons and other gases consisting primarily of methane which at a temperature of 15 degrees celsius and at an absolute pressure of 1.01325 bar are or is predominantly in the gaseous state;

“**Gas Account Transfer**”: is defined in Clause 6.1([d](#));

“**Gas Flow Day**”: in relation to the application of any provision of this Agreement, the Day in relation to the injection or withdrawal of Gas or flows of Gas or other operations on which such provision is to apply;

“**Gas-in-Storage**”: is defined in Clause 3.1;

“**Gas Supply Emergency**”: has the meaning given to such term in the [CodeUNC](#);

“**Gas Transfer**”: is defined in Clause 6.2(b);

“**Implied Flow Rate**”: is defined in Clause 14.1([hk](#));

“**Implied Injection Rate**”: is defined in Clause 9.13(b);

“**Implied Withdrawal Rate**”: is defined in Clause 9.12(b);

“**Incremental Injection Rate**”: is defined in Clause 9.13(d);

“**Incremental Withdrawal Rate**”: is defined in Clause 9.12(d);

“**Indebtedness**”: has the meaning given to such term in the Credit Agreement;

“**Initial Nomination**”: is a Nomination in respect of a Day made by the Customer before the Nomination Time as may have been revised before the Nomination Time;

“**Injectability**”: is defined in Clause 4.3(c);

**“Injectability Assignment”**: is defined in Clause 22.2;

**“Injectability Charge”**: is defined in Clause 5.2(d);

**“Injectability Transfer”**: is defined in Clause 6.2(a);

~~**“Injectability Value”**: is defined in Clause 23.12(a);~~

**“Injection Charges”**: is defined in Clause 11.17;

**“Injection Lead Time”**: is defined in Clause 9.14(b);

**“Injection Maintenance Allowance”**: is defined in Clause 11.6(e);

**“Injection Maintenance Day”**: is defined in Clause 11.6(a);

**“Injection Maintenance Factor”**: is defined in Clause 11.6(b);

**“Injection Nomination”**: in respect of ~~the Rough~~ Storage ~~Facility~~Service is a nomination in respect of a quantity of gas to be injected into the Rough Storage Facility on a Day in relation to that Storage Service;

**“Injection Overrun Quantity”**: is defined in Clause 15.2;

**“Injection Requirements”**: are the requirements in a Storage Connection Agreement in relation to the pressure of Gas and the Applicable Offtake Requirements in relation to the quality of Gas to be injected into such facility;

**“Interrupted Customer”**: is defined in Clause 14.7(b);

**“Interruptible Charges”**: are Interruptible Flow Charges and Interruptible Space Charges;

**“Interruptible Flow Charge”**: is defined in Clause 14.10(a);

**“Interruptible Flow Rate”**: is defined in Clause 14.7(a);

**“Interruptible-only Customer”**: is defined in Clause 14.1(~~g~~);

**“Interruptible Quantity”**: is defined in Clause 14.12;

**“Interruptible Space Charge”**: is defined in Clause 13.1;

**“Interruption Effective Time”**: is defined in Clause 14.3(c);

**“Interruption Notice”**: is defined in Clause 14.2;

**“Invoice”**: an invoice submitted by CSL to the Customer in accordance with Clause 16;

**“Invoice Amount”**: in relation to an Invoice Item, the amount shown as payable by the Customer or CSL in respect of that item under the relevant Invoice;

“**Invoice Credit**”: is defined in Clause 16.4;

“**Invoice Due Date**”: is defined in Clause 16.10;

“**Invoice Item**”: is an item (in respect of charges of a particular kind) shown as payable by the Customer or by CSL in an Invoice (including where relevant a Self Bill Amount in accordance with Clause 16.3) including interest payable in accordance with Clause 16;

“**Invoice Period**”: is a calendar month;

“**Invoice Query**”: is defined in Clause 16.17;

“**Invoice Submission Date**”: is defined in Clause 16.7;

“**Invoicing**”: means the process by which an invoice is submitted by CSL to the Customer in accordance with Clause 16;

“**IPE**”: means the International Petroleum Exchange;

“**Legal Requirement**”: any Act of Parliament, regulation, licence or Directive of a Competent Authority;

“**Licence**”: a licence granted pursuant to the Act;

“**NBP**”: means the notional point at which Trade Nominations may be effected in accordance with the UNC;

“**NBP Transfer**”: is defined in paragraph 1 of Schedule J;

“**Network Code Framework Agreement**”: has the meaning given to such term in the ~~Code~~UNC;

“**New Allocation Arrangements**”: is defined in Clause 10.10;

“**NGG**”: National Grid Gas plc in its capacity as licensed gas transporter;

~~“**New System**”: is defined in paragraph 5.1 of Schedule G;~~

“**NGG Interruption Notice**”: means a notice given by NGG to CSL pursuant to section R3.2 of the UNC;

“**Nominated Quantity**”: is the quantity of gas nominated for injection or withdrawal from the Rough Storage Facility under the Customer's prevailing Nomination;

“**Nomination**”: is an Injection Nomination or a Withdrawal Nomination;

“**Nomination Time**”: ~~1502:3000~~ hours on the Preceding Day;

“**Non-compliant Gas**”: in respect of the Rough Storage Facility, Gas which does not comply with the Injection Requirements in relation to the quality of Gas tendered for injection or

(as the case may be) Gas which does not comply with the Withdrawal Requirements in relation to the quality of Gas tendered for withdrawal from such facility;

“**Non-Customer User**”: means a User under the ~~Code~~UNC who is not a Storage Customer;

“**Non-Defaulting Party**”: is defined in Clause 20.2;

“**Non-User Customer**”: means a Customer who is not a User under the ~~Code~~UNC;

“**NT Implied Flow Rate**”: is defined in Clause 14.1(l);

“**NT Implied Injection Rate**”: is defined in Clause 14.1(n);

“**NT Implied Withdrawal Rate**”: is defined in Clause 14.1(m);

“**NTS Entry Capacity**”: has the meaning given in the UNC;

“**Opening Storage Balance**”: is defined in Clause 3.4;

~~“**Operational Communications**”: is defined in paragraph 2.9(d) of Schedule G;~~

“**Other Party**”: is defined in Clause 18.1;

“**Overrun Charge**”: is defined in Clause 15.1;

“**Overrun Day**”: is defined in Clause 15.1;

“**Overrun Quantity**”: is defined in Clause 15.1;

“**Party**”: CSL or the Customer, and “**Parties**” shall be construed accordingly;

“**Payment**”: means the process by which payment is made by the Customer to CSL in accordance with Clause 16;

“**Physical Renomination**”: is defined in paragraph 1 of Schedule H;

“**Physical Service**”: is defined in paragraph 2(a) of Schedule H;

“**Physical Service Charges**”: is defined in paragraph 5 of Schedule H;

“**Preceding Day**”: the Day before the Gas Flow Day;

“**Preceding Storage Year**”: in relation to a Storage Year, the Storage Year ending at the start of such Storage Year;

“**President**”: means the President of the Law Society of England and Wales;

“**Prevailing Injection Rate**”: is defined in Clause 9.13(c);

“**Prevailing Withdrawal Rate**”: is defined in Clause 9.12(c);

**“Primary Interruption Notice”**: is defined in Clause 14.2(a);

**“Principal Contract”**: means the Storage Services Contract between CSL and any Storage Customer relating to the Rough Storage Facility;

**“Protected Information”**: is defined in Clause 25.1(a);

**“Protected Party”**: is defined in Clause 25.1(c);

~~**“Qualifying Capacity”**: is defined in Clause 23.11;~~

**“Reduction Factor”**: is the factor referred to in Clause 23.8;

**“Registered”**: is defined in Clause 4.4(a);

**“Registered Capacity Certificate”**: is a certificate substantially in the form set out in Schedule B;

~~**“Relevant Date”**: is defined in paragraph 5.2 of Schedule G;~~

**“Relevant Injection Factor”**: is defined in Clause 4.4(d);

**“Relevant Injection Period”**: is defined in Clause 9.13(e);

**“Relevant Withdrawal Period”**: is defined in Clause 9.12(e);

**“Renomination”**: is a Nomination which is made after the Nomination Time and revises an earlier Nomination (including an Initial Nomination, a deemed Nomination or a Renomination);

**“Renomination Effective Time”**: is defined in Clause 9.8(b);

**“Renomination Start Time”**: 18:00 hours on the Preceding Day;

**“Residual Forward Interruptible Flow”**: is defined in Clause 14.1(ip);

**“Reverse”**: is defined in Clause 14.1(ed);

**“Rough Storage Facility”** is the Rough gas storage facility, a partially depleted offshore gas field;

~~**“Rules”**: is defined in paragraph 5.1 of Schedule G;~~

**“S-Store DA Service”**: the S-Store Day Ahead Service and described in the Confirmation and governed by the terms and conditions of this Agreement;

~~**“Run-Off Period”**: is the period from 1 May 2004 until the Day on which the Customer's gas in storage held under a 1999-2004 SSC is zero;~~

**“S-Store WD Service”**: the S-Store Within Day Service and described in the Confirmation and governed by the terms and conditions of this Agreement;

**“Secondary Forward Interruptible Flow”**: is defined in Clause 14.1(h);

“**Secondary Interruption Notice**”: is defined in Clause 14.2(b);

“**Self Bill Amount**”: is defined in Clause 16.3;

“**Space**”: is defined in Clause 4.3(b);

“**Space Account Transfer**”: is defined in Clause 6.1(c);

“**Space Assignment**”: is defined in Clause 22.2;

“**Space Charge**”: is defined in Clause 5.2(c);

“**Space Transfer**”: is defined in Clause 6.2(a);

~~“**Space Value**”: is defined in Clause 23.12(b);~~

“**Storage Charges**”: is defined in Clause 2.3;

“**Storage Connection Agreement**”: in respect of the Rough Storage Facility the arrangement of that name between CSL and ~~Transeo~~NGG as referred to in section R of the ~~Code~~UNC;

“**Storage Connection Point**”: the point or points at which the Rough Storage Facility is connected to the System as the same is or are identified in the relevant Storage Connection Agreement;

“**Storage Customer**”: a person who at the relevant time is party to a Principal Contract;

“**Storage Service**”: means one of the services listed in Schedule I;

“**Storage Year**”: is the period from 1 May in any year to (and including) the following 30 April;

“**System**”: the pipeline system operated by ~~Transeo~~NGG;

“**System Entry Overrun Charge**”: has the meaning given to such term in the UNC;

“**System Marginal Buy Price**”: has the meaning given to such term in the ~~Code~~UNC;

“**System Marginal Sell Price**”: has the meaning given to such term in the ~~Code~~UNC;

“**Termination Notice**”: is defined in Clause 20.5;

~~“**Transeo**”: Transeo ple in its capacity as a public gas transporter;~~“**Tertiary Interruption Notice**”: is defined in Clause 14.2(c);

“**Throughput Capacity**”: is defined in Clause 4.3(d);

“**Throughput Capacity Charge**”: is defined in Clause 5.2(e);

~~“**Transeo Interruption Notice**”: means a notice given by Transeo to CSL pursuant to section R3.2 of the Code;~~“**Trade Nomination**”: has the meaning given to such term in the UNC;

“**Transfer**”: is defined in Clause 6.2(c);

“**Transfer Date**”: is defined in Clause 6.4(d);

“**Transfer Facility**”: is defined in Clause 6.4(e);

“**Transfer Period**”: is defined in Clause 6.4(c);

“**Transferred Capacity**”: is defined in Clause 6.4(a);

“**Transferred Gas-in-Storage**”: is defined in Clause 6.4(b);

“**Type 1**”, “**Type 2**” and “**Type 3**”: are defined in paragraph 2 of Schedule G;

“**UNC**”: the network code prepared by NGG pursuant to its licence as gas transporter as from time to time modified in accordance with such licence;

“**Undertakings**”: the undertakings given by Centrica plc and CSHL to the Secretary of State for Trade and Industry dated December 2003;

“**User Agent**”: has the meaning given to such term in the ~~Code~~UNC;

“**User-Customer**”: means a Customer who is a User under the ~~Code~~UNC;

“**Winter Period**”: means the period from 06:00 hours on 1 October to 06:00 hours on the following 31 March;

“**Withdrawal Charges**”: is defined in Clause ~~12.12~~12.11;

“**Withdrawal Lead Time**”: is defined in Clause 9.14(a);

“**Withdrawal Maintenance Allowance**”: is defined in Clause 12.3(e);

“**Withdrawal Maintenance Day**”: is defined in Clause 12.3(a);

“**Withdrawal Maintenance Factor**”: is defined in Clause 12.3(b);

“**Withdrawal Nomination**”: in respect of ~~the Rougha~~ Storage ~~Facility~~Service is a nomination in respect of a quantity of gas to be withdrawn from the Rough Storage Facility on a Day in relation to that Storage Service;

“**Withdrawal Overrun Quantity**”: is defined in Clause 15.2; and

“**Withdrawal Requirements**”: are the requirements in a Storage Connection Agreement in relation to the quality and pressure of Gas to be withdrawn from such facility.

## SCHEDULE B

### PRO-FORMA REGISTERED CAPACITY CERTIFICATE

1. CUSTOMER: [ ]
2. REGISTERED CAPACITY CERTIFICATE NO: [ ]
3. STORAGE SERVICE: [ ]
4. CAPACITY TYPE: [DELIVERABILITY] [SPACE] [INJECTABILITY]  
[THROUGHPUT CAPACITY]
- ~~4.5.~~ ENTITLEMENT START DATE: [ ]
- ~~5.6.~~ ENTITLEMENT END DATE: [ ]
- ~~6.7.~~ CAPACITY QUANTITY: [ ] [kWh/Day] [kWh]
- ~~7.8.~~ APPLICABLE ANNUAL RATE : [ ] [PENCE PER kWh/DAY PER ANNUM]  
[PENCE PER kWh PER ANNUM]

## SCHEDULE C

### EXPERT DETERMINATION

1. Where in accordance with Clause 28.2 a matter is to be referred to or resolved by Expert Determination the provisions of this Schedule C shall apply (without prejudice to Clause 32.3).
2. The procedure for the appointment of the Expert shall be as follows:
  - (a) the Party wishing the appointment to be made shall give notice to that effect to the other Party and with such notice shall give details of the Dispute which it is proposed shall be resolved by the Expert;
  - (b) the Parties shall meet and seek to agree upon a single expert to whom the Dispute shall be referred for determination;
  - (c) if, within fourteen (14) days from the service of the said notice, the Parties have failed to agree upon the Expert then the matter may forthwith be referred by either Party to the President who shall be requested to make the appointment of the Expert within thirty (30) days and, in so doing, may take such independent advice as the President thinks fit;
  - (d) upon the Expert being agreed or selected under the foregoing provisions of this Schedule C the Parties or either of them shall forthwith notify the Expert of the Expert's selection and shall request the Expert to confirm to both Parties within fourteen (14) days whether or not the Expert is willing and able to accept the appointment and whether or not there is any conflict as mentioned in paragraph 5;
  - (e) if the Expert shall be either unwilling or unable to accept such appointment or shall not have confirmed his willingness and ability to accept such appointment within the said period of fourteen (14) days, then (unless the Parties are able to agree upon the appointment of another expert) the matter shall be referred (by either Party) in manner aforesaid to the President who shall be requested to make an appointment or (as the case may be) a further appointment and the process shall be repeated until the Expert is found who accepts appointment;
  - (f) the Parties shall co-operate with each other to ensure that the terms of the contract of appointment of the Expert are agreed with the Expert as soon as possible and agree that, if there shall be any dispute between the Parties as to the amount of remuneration to be offered to the Expert or any other terms of the Expert's appointment, then such amount or terms shall be determined by the President whose decision shall be final and binding on them.
3. No person shall be appointed to act as the Expert unless such person shall be qualified by education, experience and training to determine the Dispute.
4. No person shall be appointed to act as the Expert who at the time of appointment is (or within three (3) years before such appointment has been) a director, office holder or an employee of or directly or indirectly retained as consultant to either Party or any Affiliate of either Party or is the holder of shares in a Party (unless it is a company quoted on a

recognised stock exchange and the Expert's shareholding is less than one (1) per cent of the issued share capital (of any class) in the Party).

5. Any person appointed as the Expert shall be entitled to act as the Expert notwithstanding that, at the time of the appointment or at any time before such person gives the Expert's determination under such appointment, he has or may have some interest or duty which materially conflicts or may materially conflict with the Expert's function under such appointment provided that such person shall (whether before or after accepting such appointment) immediately disclose any interest or duty of which such person is or becomes aware which conflicts or may conflict with such person's function under such appointment and the Parties shall after such disclosure have confirmed such person's appointment or continuing appointment.
6. If either Party objects:
  - (a) to an appointment of an Expert (which has already been made) within seven (7) days of becoming aware of a conflicting interest or duty which has not hitherto been disclosed; and/or
  - (b) to a proposed appointment of an Expert on grounds of a disclosed conflicting interest or duty within seven (7) days of that disclosure

because in either case it considers that there is a material risk of such interest or duty prejudicing the decision of the Expert or proposed Expert, then either Party may apply to the President who shall decide whether if such person were to continue as Expert or were to be appointed as Expert (as the case may be) such a material risk would exist and in so deciding the President shall consider any submissions either Party may wish to make and if the President shall so decide then the President shall (if necessary) appoint a replacement in accordance with the provisions of paragraph 2.

7. All information, data or documentation disclosed or delivered by a Party to the Expert in consequence or in connection with such person's appointment as Expert hereunder shall be treated as confidential and the Expert shall not disclose to any person or company any such information, data or documentation and all such information, data and documentation shall remain the property of the Party disclosing or delivering the same and all copies thereof shall be returned on completion of the Expert's work provided that the Expert may disclose any such information, data or documentation to employees of the Expert or Affiliates of the Expert if such employees or Affiliates have, prior to such disclosure, entered into specific obligations with the Expert to maintain the confidentiality of such information, data and documentation.
8. The terms of appointment of the Expert shall contain an obligation on the Expert to use reasonable endeavours to comply with the obligations in paragraph 7.
9. The terms of reference of the Expert shall contain (inter alia) provisions that:
  - (a) the Expert shall not later than fourteen (14) days after his appointment call the Parties to a meeting at which the Expert shall raise any matters requiring clarification (whether arising out of the Expert's contract of appointment or otherwise) and lay down the procedural rules to be applied; which rules shall be in accordance with the terms of this paragraph;
  - (b) the Parties shall be entitled to supply data and information and make submissions to the Expert;

- (c) the Expert shall make the decision required hereunder as soon as reasonably practicable after receipt of data, information and submissions supplied and made by the Parties not later than forty-five (45) days after the Expert's appointment and the Expert shall ignore data, information and submissions supplied and made after such forty-five (45) days unless the same are furnished in response to a specific request from the Expert;
  - (d) the Expert shall be entitled to obtain such independent professional and/or technical advice as the Expert may reasonably require and to obtain such necessary secretarial assistance as is reasonably necessary;
  - (e) any and all communications between, and submissions made by, either of the Parties and the Expert shall be made in writing and a copy thereof provided simultaneously to the other Party and no meeting between the Expert and the Parties or either of them shall take place unless both Parties have a reasonable opportunity to attend such meeting;
  - (f) the Expert shall give full written reasons for the Expert's determination and shall furnish the Parties a draft of the proposed determination, in respect of which both Parties shall be entitled to make representations to the Expert within twenty-one (21) days after receipt;
  - (g) where appropriate the instruction referred to in Clause 32.2.
10. If within a reasonable period (which shall not without the prior written consent of both Parties exceed one hundred (100) days) after the acceptance of appointment hereunder the Expert shall not have rendered the required determination, then at the request of either Party another Expert shall be appointed hereunder and on acceptance of such appointment the appointment of the previous Expert shall cease unless, prior to the date upon which the new Expert accepts his appointment, the Expert shall have rendered the required determination hereunder; in which case such determination shall be binding on the Parties and the instructions of the new Expert shall be withdrawn.
  11. The Expert shall be deemed not to be an arbitrator but shall render the required determination as an expert and the provisions of the Arbitration Act 1996 (as amended from time to time) and the law relating to arbitration shall not apply to the Expert or the Expert's determination or the procedure by which the Expert reaches his determination.
  12. The determination of the Expert shall be final and binding upon the Parties save in the event of fraud or mistake of law or material fact.
  13. Each Party shall bear the costs of providing all data, information and submissions given by it and the costs and expenses of all witnesses and persons retained by it but the costs and expenses of the Expert and any independent advisers to the Expert and any costs of the Expert's appointment if the Expert is appointed by the President shall be borne equally between the Parties.

**SCHEDULE D**

**BASE INJECTION ADJUSTMENT FACTOR**

<b>Base Injection Adjustment Factor</b>	<b>Inventory (I) at the Rough Storage Facility (Expressed as a percentage of the Auctioned Space in the Rough Storage Facility)</b>
1.187	$0 < I < 45$
1.175	$45 < I < 50$
1.162	$50 < I < 55$
1.150	$55 < I < 60$
1.137	$60 < I < 65$
1.112	$65 < I < 70$
1.075	$70 < I < 75$
1.050	$75 < I < 80$
1.040	$80 < I < 81$
1.030	$81 < I < 82$
1.020	$82 < I < 83$
1.010	$83 < I < 84$
1.0	$84 < I < 85$
0.925	$85 < I < 86$
0.850	$86 < I < 87$
0.775	$87 < I < 88$
0.700	$88 < I < 89$
0.625	$89 < I < 90$
0.552	$90 < I < 91$
0.479	$91 < I < 92$
0.407	$92 < I < 93$
0.335	$93 < I < 94$
0.262	$94 < I < 95$
0.233	$95 < I < 96$

<b>Base Injection Adjustment Factor</b>	<b>Inventory (I) at the Rough Storage Facility (Expressed as a percentage of the Auctioned Space in the Rough Storage Facility)</b>
0.205	$96 < I < 97$
0.178	$97 < I < 98$
0.150	$98 < I < 99$
0.125	$99 < I < 100$

100% of the Auctioned Space in the Rough Storage Facility equates to 30.3 TWh.

## SCHEDULE E

### ROUGH STORAGE FACILITY INJECTION AND WITHDRAWAL LEAD TIMES

#### PART A

<b>Operational Status</b>	<b>Injection</b>	<b>Withdrawal</b>
Not on Standby	12 hours	12 hours
Dual Mode	2 hours	2 hours
Both streams Withdrawal	12 hours	3 hours
Both streams Injection	3 hours	12 hours

The Customer may by separate arrangement with CSL vary the operational status of the Rough Storage Facility and hence the Injection Lead Time and Withdrawal Lead Time on payment of a fee.

#### PART B

<b>Withdrawal</b>
3 hours

The lead times set out in the tables in this Schedule E Parts A and B apply in respect of both an increase or a decrease in the rate of injection or (as the case may be) rate of withdrawal from the Rough Storage Facility.

## SCHEDULE F

### INTERRUPTIBLE FLOW CHARGES AND INTERRUPTIBLE SPACE CHARGES

The maximum rates shown in the tables in this Schedule F Parts A and B apply in respect of the Contract Period.

#### PART A

#### INTERRUPTIBLE FLOW CHARGES

<b>Rough</b>	<b>Withdrawal</b>	<b>Injection</b>
<b>Month</b>	<b>Maximum Rate pence/kWh</b>	<b>Maximum Rate pence/kWh</b>
May	0.184	0.123
June	0.138	0.164
July	0.138	0.205
August	0.138	0.184
September	0.138	0.184
October	0.184	0.164
November	0.323	0.123
December	0.346	0.102
January	0.384	0.102
February	0.384	0.102
March	0.323	0.102
April	0.231	0.123

**PART B****INTERRUPTIBLE SPACE CHARGES**

<b>Space</b>	<b>Rough Space</b>
<b>Month</b>	<b>Maximum Rate pence/kWh</b>
May	0.00205
June	0.00130
July	0.00130
August	0.00205
September	0.00256
October	0.00256
November	0.00205
December	0.00154
January	0.00102
February	0.00051
March	0.00102
April	0.00154

## SCHEDULE G COMMUNICATIONS

### 1. Introduction and Interpretation

This Schedule sets out the procedures and rules for certain Communications between CSL and Customers.

### 2. Definitions

For the purposes of this Schedule G the following words shall have the following meanings unless the context requires otherwise:

**"Automatic Audit Trail"**: the facility forming part of the STORIT System which automatically records the sending or the receipt by CSL of a STORIT Communication and logs the date and time it is sent or received;

**"Contingency Event"**: an event or circumstance affecting the STORIT System, subject to paragraph 7.2, which affects the ability of CSL or the Customer to give or receive STORIT Communications;

**"STORIT Communications"**: Type 1 and Type 2 Communications;

**"STORIT Customers"**: Storage Customers (including the Customer) who have elected to use the STORIT System;

**"STORIT Manual"**: the document so entitled and issued by CSL, as revised from time to time;

**"STORIT System"**: the computer systems, software and communications connection as modified from time to time, operated by or on behalf of to support certain communications with Storage Customers, as more particularly described in the STORIT Manual;

**"Type 1 Communication"**: a CSL to Customer communication specified in Annex 1 to be given using the STORIT System in accordance with paragraph 3.1;

**"Type 2 Communication"**: a Customer to CSL communication specified in Annex 2 to be given using the STORIT System in accordance with paragraph 3.2;

**"Type 3 Communication"**: a CSL to Customer communication specified in Annex 3.

### 3. License to Use the STORIT System

3.1 CSL grants to the Customer a non-exclusive, non-transferable licence to use the STORIT System and the STORIT Manual solely for the purposes and subject to the terms of this Agreement.

3.2 It is the responsibility of the Customer, at its own expense, to ensure that there are provided at its premises and maintained and from time to time (as necessary) modified, upgraded or replaced, the computer hardware and other equipment, software and telecommunication facilities, and all other facilities and resources, necessary to enable the Customer to access and use the STORIT System.

3.3 CSL shall operate the STORIT System with all reasonable skill and care but does not warrant to the Customer that the operation of the STORIT System will be uninterrupted

or error free. The Customer acknowledges that the choice of equipment, software and communications connection it makes for accessing the STORIT System may affect the performance levels and ease of use of the STORIT System.

- 3.4 CSL will provide help, as set out in the STORIT Manual, to assist STORIT Customers in identifying the nature and cause of operational problems experienced in using the STORIT System.
- 3.5 The Customer shall be entitled to an initial training course on use of the STORIT System, as set out in the STORIT Manual. CSL may charge the Customer for any additional training at the rates set out in the STORIT Manual.
- 3.6 The STORIT System and the STORIT Manual and all copyright and other intellectual property rights of whatever nature therein are and shall at all times remain as between CSL and the Customer the property of CSL. The Customer shall not alter, remove or obscure any proprietary notices of CSL or a third party on any copy of the STORIT Manual.

#### **4. Types of Communication**

##### **4.1 Type 1 Communication**

A Type 1 Communication shall be deemed received by the Customer at the time the message is logged "as sent" by the Automatic Audit Trail, irrespective of whether or when accessed by the Customer.

A message transmitted as a Type 1 Communication will reside in the STORIT System and can be accessed by the Customer on-line for the period specified in the STORIT Manual, following which it will no longer be accessible. The Customer shall be responsible for accessing Type 1 Communications at such intervals as shall be appropriate and prudent.

##### **4.2 Type 2 Communication**

A Type 2 Communication shall be deemed received by CSL at the time and date the message is logged "as received" by the Automatic Audit Trail.

##### **4.3 Type 3 Communication**

A Type 3 Communication shall be transmitted to the Customer by CSL in accordance with Clause 30 of this Agreement using facsimile only.

#### **5. Audit Trail Records**

- 5.1 CSL shall ensure that electronic or computer records containing STORIT Communications are readily accessible and are capable of being reproduced in a human readable form and of being printed, if required.
- 5.2 Records made by the Automatic Audit Trail of the transmission or receipt of a STORIT Communication shall be prima facie evidence of the transmission or receipt of that STORIT Communication.

5.3 In the event of a dispute as to a STORIT Communication, CSL will, as soon as reasonably practicable after a request to do so, provide the Customer with a copy of what was recorded by the Automatic Audit Trail in respect of that Communication.

## **6. General Provisions concerning Communications and the STORIT System**

6.1 A STORIT Communication given in accordance with this Schedule G shall be treated as an effective and valid communication and CSL and the Customer each confirm that it intends and agrees that STORIT Communications shall have legal effect for the purposes of this Agreement.

6.2 Subject to paragraph 7, Type 1 and Type 2 Communications may only be given using the STORIT System. Type 3 Communications may only be given by facsimile.

6.3 CSL may give not less than 14 Days written notice to the Customer of changes to the types of Communications set out in Annexes 1, 2 and 3 to this Schedule G where those changes are required following changes to the STORIT System or to reflect revisions to operational procedures.

6.4 The STORIT System incorporates further information and facilities, (in addition to the facilities for making STORIT Communications), which the Customer shall be entitled to access and use in accordance with the STORIT Manual. In particular, the Customer may elect, in accordance with Clause 16.5 to receive its Invoices electronically via the STORIT System.

6.5 Without prejudice to any contractual obligation binding on CSL, CSL accepts no responsibility or liability for the accuracy or completeness of information available on the STORIT System or the failure of any facilities of the STORIT System to function as intended.

## **7. Operational Security**

7.1 The Customer and CSL undertake to implement and maintain all security procedures and measures required in the STORIT Manual to prevent unauthorised access to or use of the STORIT System and to ensure the protection of STORIT Communications against the risk of resulting alteration, delay, disruption or loss.

7.2 If the Customer becomes aware of any unauthorised access to or use of the STORIT System, it shall promptly notify CSL and take such other steps as may be required in the STORIT Manual.

7.3 If CSL becomes aware of any unauthorised access to or use of the STORIT System which adversely affect the Customer, it shall promptly notify the Customer and take such other steps as may be required under the STORIT Manual.

7.4 If through the STORIT System the Customer obtains or receives unauthorised access to information concerning another STORIT Customer, or receives a STORIT Communication sent to another STORIT Customer, the Customer shall promptly inform CSL, delete such information or communication and make no further use thereof.

- 7.5 The Customer shall not, and shall not attempt to, download, delete, modify or knowingly damage or access for any purpose any computer coding comprised in the STORIT System or installed on any equipment forming part of the STORIT System.
- 7.6 The Customer shall not access or use the STORIT System in any way which might significantly reduce or otherwise affect the performance of the STORIT System, including, without limitation, the setting up of any automatic repeat query process of an interval of less than 5 minutes.

## **8. Authorised Representatives and Account Representatives**

- 8.1 The Customer shall designate a person as having authority to control access and use of the STORIT System, on behalf of the Customer (the “**Authorised Representative**”). The Authorised Representative can appoint additional people who shall be entitled to access and use the STORIT System on behalf of the Customer (“**Account Representatives**”) up to the number set out in the STORIT Manual.
- 8.2 The Customer may only access and use the STORIT System by means of its Authorised Representative and Account Representatives.
- 8.3 A designation, and any withdrawal of the designation, of an Authorised Representative shall be made by the Customer by written notice to CSL specifying the name of the representative and the date with effect from which such designation or withdrawal is to take effect, being not less than 5 Business Days after the notification is given. Following notice of designation of an Authorised Representative, CSL shall issue a password to enable that Authorised Representative to access the STORIT System.
- 8.4 The Customer shall be responsible for the actions of its Authorised Representative and Account Representatives, and for the security of all access passwords held by those individuals, which access passwords shall not be assigned, transferred or made known to any third party.
- 8.5 The Customer shall ensure that its Authorised Representative and Account Representatives shall comply with this Agreement, including without limitation Clause 25, and the STORIT Manual as regards their access to and use of the STORIT System.
- 8.6 The Customer acknowledges that its Authorised Representative and/or Account Representatives may act as an authorised or account representative for more than one Storage Customer.
- 8.7 CSL shall only amend the access rights of the Customer's Authorised Representative to allow that Authorised Representative to access the STORIT System on behalf of the Customer and other named STORIT Customers following receipt of written notice from all the relevant STORIT Customers consenting to such access.
- 8.8 CSL shall be entitled to assume that any person using the access password of the Authorised Representative and/or any Account Representatives of the Customer, are fully authorised to access and use the STORIT System and any STORIT Communication transmitted by such persons shall be treated as having been given by the Customer.

## **9. Temporary Inhibition of Access**

- 9.1 If a Customer (including its Authorised Representative and any Account Representative) is not complying with any requirement of this Schedule G or the STORIT Manual in respect of access to or use of the STORIT System, CSL may take any reasonable steps to inhibit or disable access to the STORIT System by the Customer, its Authorised Representative and/or applicable Account Representative(s).
- 9.2 CSL will restore the Customer's access to the STORIT System upon the Customer demonstrating to CSL's reasonable satisfaction that the non-compliance will not recur.

## **10. Contingency Arrangements**

- 10.1 CSL and the Customer agree to adopt and implement the relevant contingency procedures set out in the STORIT Manual (the “**Contingency Procedures**”) if a Contingency Event occurs.
- 10.2 CSL may, by notice, suspend access to and use of the STORIT System, or a part thereof, at a time and for a period which will not result in significant inconvenience to the STORIT Customers in making STORIT Communications without initiating the Contingency Procedures. If at any time subsequently it becomes apparent to CSL that such suspension will continue for a period or at a time at which it will result in significant inconvenience to Storage Customers, the Contingency Procedures will be initiated.

## **11. Changes to the STORIT System**

- 11.1 CSL shall be entitled to modify the STORIT System and/or the STORIT Manual as it sees fit. The Customer may propose changes to the STORIT System and/or the STORIT Manual but CSL shall not be obligated to implement any such proposal.
- 11.2 If a change to the STORIT System will affect the way the Customer uses the STORIT System, then prior to implementation of that change CSL will notify the Customer giving not less than:
- (a) 2 months notice, where the change involves a change to any format or layout of Customer data in order to give the Customer an opportunity to consult with CSL; and
  - (b) 1 week, for any other change.

The notice periods set out in paragraph 11.2(a) and (b) shall not apply in respect of a change carried out in order to remedy a fault preventing the correct functioning of the STORIT System, which change shall be notified as soon as practicable to STORIT Customers. CSL shall not be obliged to notify the Customer of a change to the STORIT System except to the extent and in the circumstances set out in this paragraph 11.2.

## **12. Termination Provisions**

12.1 On termination of this Agreement the Customer shall:

- (a) return all copies of the STORIT Manual forthwith to CSL or supply a certificate to CSL signed by an authorised officer of the Customer confirming that all copies of the STORIT Manual have been destroyed;
- (b) ensure that its Authorised Representative and Account Representatives immediately discontinue access to and use of the STORIT System.

**ANNEX 1**  
**TYPE 1 COMMUNICATIONS**

<b>Clause</b>	<b>From</b>	<b>To</b>	<b>Communication</b>
5.8	CSL	Customer	Notification of Average Annual Charge Rates
6.7	CSL	Customer	Notice from a Storage Customer to Storage Customers regarding Transfer requirements
7.3	CSL	Customer	Rejection of Proposed Transfer
7.5	CSL	Customer	Confirmation of receipt of an identical notification of Gas Transfer from the other Storage Customer
9.5	CSL	Customer	Rejection of Injection or Withdrawal Nomination
9.10	CSL	Customer	Rejection of Renomination
9.15	CSL	Customer	Notification of Lead Times
9.16	CSL	Customer	Notification of aggregate quantities nominated
11.3	CSL	Customer	Notification of an estimate of Daily Injection Adjustment Factor
11.4	CSL	Customer	Notification of Daily Injection Adjustment Factor
11.6(c)	CSL	Customer	Revision of Injection Maintenance Days and Factor
12.2	CSL	Customer	Provision of calorific value
12.3(c)	CSL	Customer	Revision of Withdrawal Maintenance Day and Factor
13.2	CSL	Customer	Notification of rate for Interruptible Space Charge
14.13	CSL	Customer	Notification of rate for Interruptible Flow Charge

**ANNEX 2**  
**TYPE 2 COMMUNICATIONS**

<b>Clause</b>	<b>From</b>	<b>To</b>	<b>Communication</b>
6.7	Customer	CSL	Submission of notice to Storage Customers regarding Transfer requirements
7.1	Customer	CSL	Proposed Transfer: (a) Deliverability Transfers; (b) Injectability Transfers; (c) Gas Transfers; (d) <a href="#">Space Transfers and Space Account Transfers</a> ; (e) <del>(d)</del> <a href="#">Space Throughput Capacity</a> Transfers.
9.1	Customer	CSL	Submission of Injection or Withdrawal Nomination
9.7	Customer	CSL	Amendment of Initial Nomination
9.8	Customer	CSL	Submission of Renomination

**ANNEX 3**  
**TYPE 3 COMMUNICATIONS**

<b>Clause</b>	<b>From</b>	<b>To</b>	<b>Communication</b>
11.8(a)	CSL	Customer	Cancellation Notice
13.3	CSL	Customer	Notification that Clause 13.4 shall apply
14.2	CSL	Customer	Interruption Notice

## SCHEDULE H

### PHYSICAL SERVICE

[This Schedule H shall not apply in respect of the S-Store DA Service, the C-Store DA Service and the C-Store WD Service.](#)

1. Where:
  - (a) in respect of a Withdrawal Nomination the Customer makes a Renomination (for an increase in the Nominated Quantity) and specifies that the Renomination is made for Physical Service;
  - (b) the Renomination Effective Time for such Renomination is the earliest time the Customer may specify pursuant to Clause 9then such Renomination shall be a “**Physical Renomination**” and the remaining paragraphs of this Schedule H shall apply.
2. In respect of a Physical Renomination:
  - (a) CSL will use reasonable endeavours to take steps to ensure that as soon as is reasonably practicable the rate at which Gas is physically withdrawn from the Rough Storage Facility is increased in a manner consistent with the Incremental Withdrawal Rate under the Physical Renomination (“**Physical Service**”);
  - (b) CSL shall not be required to continue to take the steps referred to in paragraph (a) with effect from the earlier of:
    - (i) the Renomination Effective Time for the next following Renomination in respect of the Rough Storage Facility; or
    - (ii) the end of the Day;
  - (c) where, notwithstanding paragraph (a), CSL is of the opinion that there may be a delay in increasing the rate at which Gas is physically withdrawn or that it is unable to increase the rate at which Gas is physically withdrawn consistent with the Incremental Withdrawal Rate, CSL shall promptly notify the Customer.
3. In respect of a Day for which the Customer makes a Physical Renomination CSL may elect that Clause 10.1 shall not apply in relation to the Forward flow (but for the avoidance of doubt Clause 10.1 shall apply in relation to the Reverse flow) and the quantity of Gas accounted for as withdrawn from the Rough Storage Facility in relation to the Forward flow will be determined in accordance with paragraph 4, provided that where CSL also elects in respect of such Day that Clause 10.4 should apply, then for the purposes of the application of Clause 10.6(a), the amount which would be allocated pursuant to Clause 10.1 shall be deemed to be the quantity of Gas accounted for as withdrawn in accordance with paragraph 4.
4. For the purposes of paragraph 3 the quantity of Gas accounted for as withdrawn from the relevant Rough Storage Facility by the Customer on the relevant Day shall be the sum of:
  - (a) the sum, for all Physical Renominations made by the Customer on such Day, of the amounts consistent with the additional quantity of Gas withdrawn as a result

of CSL fulfilling its obligations in relation to each Physical Renomination in accordance with paragraph 2; plus

- (b) the Nominated Quantity under the Customer's Withdrawal Nomination in respect of the relevant Rough Storage Facility prevailing at the end of such Day; less
  - (c) the sum, for all Physical Renominations made by the Customer on such Day, of the quantities calculated in respect of each such Physical Renomination as the Incremental Withdrawal Rate multiplied by the period in hours between the Renomination Effective Time in respect of the Physical Renomination and the earlier of the Renomination Effective Time for the next following Renomination (if any) or the end of such Day.
- 5. In addition to the payment of other Storage Charges in accordance with this Agreement the Customer shall pay charges (“**Physical Service Charges**”) at the rate of:
  - (a) £200 for each Physical Renomination made by the Customer; and
  - (b) in respect of any Day on which the Customer makes one or more Physical Renominations in relation to the Rough Storage Facility, £220.
- 6. Physical Service Charges will be invoiced and are payable monthly in accordance with Clause 16.
- 7. CSL may (by notice to the Customer) require that with effect from the date specified in such notice (being not less than 3 months after such notice is given) the Customer shall no longer be entitled to make Physical Renominations and provisions of this Schedule H shall cease to apply.

**SCHEDULE I**

**STORAGE SERVICES**

<u>S-STORE DA SERVICE</u>
<u>S-STORE WD SERVICE</u>
<u>C-STORE DA SERVICE</u>
<u>C-STORE WD SERVICE</u>

## SCHEDULE J

### NBP TRANSFERS

1. For the purposes of this Schedule J, the following terms shall have the meanings ascribed to them:

“Accurate Trade Nomination”: shall mean in respect of a Day and the Relevant Quantity, a Trade Nomination made by a Party which complies with the Code Credit Limits before 0400 hours on the Day (being in the case of CSL a Disposing Trade Nomination and in the case of the Customer an Acquiring Trade Nomination) for the Relevant Quantity identifying the other Party as the person making the corresponding Trade Nomination;

“Amended Quantity”: shall mean the quantity (including zero) specified in a notice given by CSL to the Customer pursuant to paragraph 10;

“Default Quantity”: shall mean:

(a) subject to paragraph (b), the Relevant Quantity;

(b) where CSL has given notice pursuant to paragraph 10:

(i) if the Parties have each made Accurate Trade Nominations which are matched on UK Link immediately prior to the giving of such notice, the Default Quantity shall be the Relevant Quantity provided that if, following such notice, the Customer revises its Withdrawal Nomination to equal the Amended Quantity (or, pursuant to Clause 10.5 CSL determines that the allocated quantity shall equal the Amended Quantity) then the Default Quantity shall be an amount equal to the Relevant Quantity less the Amended Quantity; or

(ii) if there is no such matched Accurate Trade Nomination, then the Default Quantity shall be the Amended Quantity.

“NBP Force Majeure”: shall mean any event or circumstance beyond the reasonable control of a Party that totally prevents a Trade Nomination from being submitted by such Party to NGG or from being received and taken into account by NGG in determining such Party’s Daily Imbalance;

“NBP Transfer”: shall mean in respect of the Relevant Quantity, where:

(a) in respect of any Day, the parties make corresponding Trade Nominations in respect of the Relevant Quantity subject to and in accordance with Section C of the UNC, and

(b) neither Trade Nomination is amended or withdrawn thereafter,

the deduction by NGG of the Relevant Quantity in determining for that Day the Daily Imbalance of CSL and the addition by NGG of the Relevant Quantity in determining for the same Day the Daily Imbalance of the Customer;

“Relevant Quantity”: shall mean for any Day the quantity of Gas specified in the Withdrawal Nomination in respect of the C-Store DA Service or the C-Store WD Service (as the case may be) for that Day (as such Withdrawal Nomination may have been varied by any Renomination made in accordance with the provisions of Clause 9).

2. The terms “Acquiring Trade Nomination”, “Code Contingency”, “Code Credit Limits”, “Contingency Procedures”, “Daily Imbalance”, “Disposing Trade Nomination” and “UK Link” shall have the meanings given in the UNC.

3. In respect of any Day during the Winter Period for which an NBP Transfer is required to be made pursuant to Clause 3.2(B) of this Agreement, CSL shall make a Disposing Trade Nomination and the Customer shall make an Acquiring Trade Nomination in each case by 12:00 hours on such Day in each case for the Relevant Quantity. If, in respect of the C-Store WD Service only, the Customer makes a Renomination which is not rejected by CSL in accordance with the provisions of Clause 9, the Parties shall make revised Accurate Trade Nominations within sixty (60) minutes of such Renomination. All Trade Nominations shall be made for a nil consideration.

4. If, on any Day for which an NBP Transfer is required to be made, UK Link is affected by a Code Contingency and which affects a Party, such Party shall submit its Trade Nomination by the means and in the manner provided for in the Contingency Procedures.

5. Where in respect of a Day and a Withdrawal Nomination, the Trade Nominations submitted by the Parties are considered not to be effective and are rejected by NGG in accordance with Section C.5 of the UNC:

(a) a breach by the Customer shall be deemed to have occurred if the last Accurate Trade Nomination notified to NGG in respect of the Withdrawal Nomination was made by CSL, and

(b) a breach by CSL shall be deemed to have occurred if the last Accurate Trade Nomination notified to NGG was made by the Customer.

6. Subject to paragraph 10 or in the case of a Renomination permitted under paragraph 3, where NGG has accepted an Accurate Trade Nomination, neither Party shall, unless otherwise agreed by the Parties, amend or withdraw such Accurate Trade Nomination.

7. Save and except in the case of an event of NBP Force Majeure, if for any Day CSL is in breach of paragraphs 3, 4, 5, 6 or 10, CSL shall pay to the Customer the sum, where positive of (SMBP-CP)\*DQ, where:

SMBP is the System Marginal Buy Price for that Day,

CP is zero and

DQ is the Default Quantity for that Day.

8. Save and except in the case of an event of NBP Force Majeure, if for any Day the Customer is in breach of paragraphs 3, 4, 5, 6 or 10, the Customer shall pay to CSL the sum, where positive of (SMSP-CP)\*DQ, where:

SMSP is the System Marginal Sell Price for that Day,  
CP is zero and  
DQ is the Default Quantity for that Day.

9. Trade Nominations shall be made in KWh

10. Each Party shall amend its respective Trade Nomination for a Day to zero (or such other amount as is derived from the application of the relevant factor set out in the relevant Notice or, if no factor is provided, the amount set out in any other such notice issued in relation to any of the events set out below within sixty (60) minutes of notice being given by CSL to the Customer in the event of:

- (a) CSL being released from its obligations pursuant to Clause 18.4(B);
- (b) a Gas Supply Emergency;
- (c) an Interruption Notice being given pursuant to Clause 14.2; and
- (d) CSL giving notice to the Customer electing that Clause 10.4 shall apply.

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