SASOL GAS NETWORK CODE FOR THE TRANSMISSION SYSTEM
**Table of Contents**

Section A: **INTRODUCTION** ........................................................................................................... A-1

1 Network Code ............................................................................................................................... A-1
2 System Definition .......................................................................................................................... A-1
   2.1 Definitions ............................................................................................................................. A-1
   2.2 System Points .......................................................................................................................... A-2

Section B: **CAPACITY** .................................................................................................................. B-1

1 Introduction ...................................................................................................................................... B-1
   1.1 Purpose .................................................................................................................................... B-1
   1.2 Definitions ............................................................................................................................... B-1
   1.3 General Provisions ................................................................................................................... B-1
2 Capacity .......................................................................................................................................... B-2
   2.1 General ..................................................................................................................................... B-2
   2.2 Deemed Capacity Bookings ...................................................................................................... B-2
   2.3 Use It or Lose It ......................................................................................................................... B-3
3 Capacity Trading ............................................................................................................................ B-4
   3.1 Definitions ............................................................................................................................... B-4
   3.2 Basis of transfer ........................................................................................................................ B-4
   3.3 Transfer procedure ................................................................................................................... B-4
   3.4 Effect of transfer ....................................................................................................................... B-5
4 Transmission Charging .................................................................................................................... B-5
   4.1 Charges .................................................................................................................................... B-5
   4.2 Calculation of Usage Charges ................................................................................................. B-6
   4.3 Failure to Convey ..................................................................................................................... B-6
5 Capacity Register ............................................................................................................................ B-6
6 Maintenance ..................................................................................................................................... B-6
   6.1 Introduction .............................................................................................................................. B-7
   6.2 Definitions ............................................................................................................................... B-7
   6.3 Maintenance Programme ......................................................................................................... B-8

Section C: **NOMINATIONS** ............................................................................................................ C-1

1 Introduction ...................................................................................................................................... C-1
2 Definitions ........................................................................................................................................ C-1
3 Nominations .................................................................................................................................... C-2
   3.1 Planning Phase ......................................................................................................................... C-2
   3.2 Nomination timetable ............................................................................................................... C-2
   3.3 Procedures ............................................................................................................................... C-2
   3.4 Nomination conditions ............................................................................................................. C-4
4 Operating Schedules ...................................................................................................................... C-4
4.1 Initial Operating Schedule ................................................................. C-4
4.2 Final and Revised Operating Schedules .............................................. C-4

Section D: BALANCING .......................................................... D-1

D-1
1 Purpose
D-1
2 Definitions
D-1
3 Line Pack
D-1

3.1 System Management .................................................................. D-1
3.2 Transporter Obligation to Replenish Line Pack .......................... D-1
3.3 Shipper use of Line Pack .......................................................... D-2

Section E: ALLOCATIONS .................................................. E-1

E-1
1 Purpose
E-1
2 Definitions
E-1
3 Stock Changes and Settlement .................................................. E-1
4 Injection Quantities
E-2

4.1 Shipper Injection Quantity ....................................................... E-2
5 Offtake Quantities
E-3

5.1 Offtake Quantity .................................................................. E-3
6 Stock Change
E-5

6.1 Stock Change Calculation ..................................................... E-5
6.2 Stock Change Information ..................................................... E-5
7 Shrinkage
E-5

7.1 Definitions .................................................................. E-5
7.2 Balancing Gas Contracts (Shrinkage) ......................................... E-6
7.3 Calculation of Shrinkage Gas .................................................. E-6
7.4 Accounting for Shrinkage Gas ............................................... E-7
7.5 Method for Determining the UAG Shrinkage Factor ...................... E-7

Section F: ENTRY & EXIT REQUIREMENTS .................................. F-1

F-1
1 Purpose
F-1
2 Definitions
F-1
3 Measurement Provisions
F-1
4 System Entry Requirements
F-2

4.1 System Entry Agreement ........................................................ F-2
4.2 Amendment of System Entry Provisions .................................... F-3
4.3 System Entry Provisions ......................................................... F-3
4.4 Local Operating Procedures .................................................. F-4
5 Injection of Gas into the Transportation System ............................. F-5
5.1 Injecting Shippers and injected gas .......................................... F-5
Gas Network Code

ANNEX F

System Exit Requirements F-8
6.1 Offtake Connections F-8
6.2 Entitlements under the Act F-9
6.3 Offtake Requirements F-9

Withdrawal of Gas from the Transportation System F-10
7.1 Obligation to make gas available for withdrawal F-10
7.2 Responsibility for gas at a System Exit Point F-11
7.3 Compliance with Offtake Requirements F-11
7.4 Liability and claims against the Transporter for Offtake Off-Specification Gas F-11
7.5 Liability and claims against the Shipper(s) for Offtake Off-Specification Gas F-12
7.6 Additional conditions on liability F-13

System Exit Point Register F-14
8.1 Purpose F-14
8.2 Exit Point Registration Notice F-14
8.3 Notification F-15
8.4 Data F-16

Section G: EMERGENCIES G-1

1 Introduction G-1
2 Definitions G-1
3 Emergency Response G-2
3.1 Emergency Steps G-2
3.2 Connected System G-2
3.3 Emergency Preparedness G-3
3.4 Shipper Emergency Contacts G-3
3.5 Emergency Contacts at Large Customer Sites G-3
3.6 Occurrence of an Emergency G-4
3.7 Entry Point Control and Connected System Exit Point Control G-5
3.8 Exit Point Control G-5
3.9 Consequences of Emergency G-6
3.10 Costs G-6
3.11 Emergency Report G-6

Section H: METERING H-1

1 Introduction H-1
2 General H-1
2.1 Definitions H-1
Gas Network Code

2.2 Validation.............................................................................................................. H-2
2.3 Interpretation of Standards.................................................................................. H-2
3 Installation and Maintenance H-2
  3.1 Responsibilities.................................................................................................. H-2
4 Meter Reading H-3
  4.1 Responsibilities.................................................................................................. H-3
  4.2 Absence of Valid Reads..................................................................................... H-3
5 Metering Data H-3
  5.1 Meter Data Register ........................................................................................... H-3
6 Metered Quantities H-4
  6.1 Metered Injection Quantity................................................................................ H-4
  6.2 Metered Offtake Quantity.................................................................................. H-4
  6.3 Energy Conversion.............................................................................................. H-4

Section I: COMMUNICATIONS AND IT................................................................. I-1
1 Introduction I-1
2 General I-1
  2.1 Definitions......................................................................................................... I-1
  2.2 Communications............................................................................................... I-1
  2.3 Data Catalogue .................................................................................................. I-2
3 Scope and Interpretation I-2
  3.1 Application of further provisions of this Section............................................. I-2
  3.2 Interpretation .................................................................................................... I-2
  3.3 Communication Requirements Document...................................................... I-2
4 Shippers' Obligations I-3
  4.1 Security ............................................................................................................ I-3
5 Communications Rules I-3
  5.1 Form and effect of Communications............................................................... I-3
  5.2 Effective receipt of Communications............................................................... I-4
  5.3 Other obligations............................................................................................... I-5

Section J: GENERAL................................................................................................. J-1
1 Introduction J-1
2 Accession J-1
  2.1 Applicant Shipper ............................................................................................. J-1
  2.2 Admission of Shipper ....................................................................................... J-2
3 Credit J-2
  3.1 Introduction........................................................................................................ J-2
  3.2 Definitions.......................................................................................................... J-3
  3.3 Security for Transmission Charges Indebtedness.......................................... J-3
  3.4 Transmission Credit Limit and Transmission Charges Indebtedness............ J-4
  3.5 Security Enforcement and Top-up................................................................. J-5
Section K: DEFINED TERMS AND INTERPRETATION .........................................................K-1

1 Definitions.................................................................K-1

1.1 General Definitions..........................................................K-1

2 Interpretation.................................................................K-1

2.1 Defined terms .................................................................K-1

2.2 Times and dates ...............................................................K-1

2.3 Technical interpretation .....................................................K-2

2.4 Table of Defined Terms set out in the Code.................................K-4
Section A: INTRODUCTION

1 Network Code

1.1. This Code is issued by Sasol Gas Limited and governs the access arrangements between the transmission company and those parties seeking to use the Transmission System for the purposes of transporting gas from a source of supply to a Distribution System, reticulation system, storage company or eligible customer in accordance with the Gas Act 2001 (the Act).

1.2. Sasol Gas Limited (the Transporter) has been issued with licences to operate the Secunda via Witbank to Middelburg, the Secunda to Springs, the Secunda to Sasolburg (GNP), the Springs to Sasolburg, the Springs via Pretoria/Rosslyn to Babelegi, the Sasolburg to Langlaate, the Alrode via Westrand to Krugersdorp, the Krugersdorp via Luipaardsvlei to Tarlton, the Lenasia to Dreifontein and the Wadeville to Chloorkop Gas Transmission Facilities.

1.3. Parties acceding to this Code through the processes set out in Section J: GENERAL, for the purposes of receiving a transportation service shall be defined as Shippers.

1.4. The Transporter shall comply with the provisions, rules and processes of this Code and shall not discriminate as between Shippers or classes of Shipper regarding access, tariffs, or conditions of service except for objectively justifiable and identifiable reasons.

1.5. This Code sets out the guidelines for the use of the Transmission System in accordance with the Gas Regulations and describes how Shippers may have access to uncommitted Capacity on the Transmission System.

2 System Definition

2.1 Definitions

2.1.1 The Transportation System is the main pipeline system owned and operated by Sasol Gas Limited through which the conveyance of gas is authorised under Licence by the National Energy Regulator (NERSA).

2.1.2 The Transportation System:

   a) includes all gas pipelines, gas plant and gas equipment used for the purposes of the conveyance of gas;

   b) operates at more than 2 Bar; and

   c) does not include any facility used for the storage of gas.

2.1.3 The Transportation System comprises the Transmission System and the Distribution System.

2.1.4 The Transportation System includes System Points of different types as described in paragraph 2.2.
Gas Network Code

2.1.5 The Transmission System is those parts of the Transportation System at which the gas pipelines convey gas at a minimum pressure of 15 Bar, or such other minimum pressure as permitted by Regulation from time to time, and which pipelines are designated as such by the Transporter with the approval of NERSA, in respect of which a Shipper may apply for and hold, in accordance with Section B: at certain System Points.

2.1.6 Transmission System 1 is those parts of the Transmission System serving the Secunda-Gauteng-Sasolburg areas and currently supplied with Natural Gas.

2.1.7 Transmission System 2 is those parts of the Transmission System serving the Secunda-Witbank-Middelburg areas and currently supplied with Methane Rich Gas.

2.1.8 Transmission System 3 is those parts of the Transmission System serving the Secunda-KwaZulu-Natal areas and currently supplied with Methane Rich Gas.

2.1.9 The Distribution Systems are those parts of the Transportation System which do not comprise the Transmission System.

2.1.10 Distribution System 1 is those parts of the Distribution Systems serving the Secunda-Gauteng-Sasolburg areas and currently supplied with Natural Gas.

2.1.11 Distribution System 2 is those parts of the Distribution System serving the Secunda-Witbank-Middelburg areas and currently supplied with Methane Rich Gas.

2.1.12 Distribution System 3 is those parts of the Distribution Systems serving the Secunda-KwaZulu-Natal areas and currently supplied with Methane Rich Gas.

2.2 System Points

2.2.1 For the purposes of this Code:

a) Connected System Exit Point is a point at which gas which was injected at a Transmission System Entry Point can flow out of the Transmission System and into a Connected System and out of the Transportation System.

b) Distribution System Exit Point is a point at which gas can flow out of a Distribution System and/or out of the Transportation System;

c) Distribution System Entry Point is a point where gas can flow into a Distribution System without having entered the Transmission System;

d) Eligible Exit Point can be either a Transmission/Distribution Point, a Connected System Exit Point or a Transmission System Exit Point;

e) Shared Transmission System Exit Point is a Transmission System Exit Point in respect of which there are two or more Registered Shippers;

f) System Exit Point can be either a Connected System Exit Point or a Transmission System Exit Point;
g) **Transmission/Distribution Point** is a point at which gas can flow out of the Transmission System and into a Distribution System but not out of the Transportation System;

h) **Transmission System Entry Point** is a point in the Transportation System where gas can be injected into the Transmission System on behalf of Shippers holding Capacity;

i) **Transmission System Exit Point** is a point at which gas which was injected at a Transmission System Entry Point can flow out of the Transmission System and out of the Transportation System; and

j) **System Point** is any of the above points on the Transportation System.
Section B: CAPACITY

1 Introduction

1.1 Purpose

1.1.1 Shippers may apply for, and be registered as holding, Capacity at System Points on the Transmission System in accordance with this section which will entitle the Shipper to nominate gas for injection or withdrawal at the relevant System Point.

1.1.2 This section sets out the charges relating to the Capacity held and the penalties that arise where a Shipper is allocated gas at a System Point at which they do not hold Capacity.

1.2 Definitions

1.2.1 For the purposes of this Code:

a) Entry Capacity means Capacity at an Entry Point to the Transmission System required to inject gas into the Transportation System expressed as the maximum quantity of gas in Gigajoules that can be injected on a Gas Day;

b) Exit Capacity means Capacity at a Transmission/Distribution Point, Connected System Exit Point or Transmission Exit Point, as the case may be, required to withdraw gas from the Transmission System expressed as the maximum quantity of gas in Gigajoules that can be withdrawn on a Gas Day;

c) Reasonable and Prudent Operator means a person acting, in good faith with the intention to perform its contractual obligations and, in so doing and in the general conduct of its undertaking, exercising the degree of skill, diligence, prudence and foresight which would reasonably and ordinarily be expected to be exercised by a skilled and experienced operator complying with applicable laws engaged in the same type of undertaking and under the same or similar circumstances and conditions.

1.3 General Provisions

1.3.1 A duration of Capacity shall for the purpose of this Code mean:

a) a single annual period of twelve consecutive calendar Months (Annual) commencing at 00:00 on the first Day of the first calendar Month and ending at 23:59 on the last Day of the last calendar Month;

b) a number of whole multiples of consecutive twelve calendar Month periods (Multi-Annual) commencing at 00:00 on the first Day of a calendar Month and ending at 23:59 on the last Day of a calendar Month;

c) a single calendar Month (Monthly); or

d) a single Day (Daily).
1.3.2 For each Shipper, their Annual Shipment Quantity (ASQ) shall be the sum of the Capacity bookings at all Exit Points for all Days in the Gas Year that they hold relevant Capacity.

2 Capacity

2.1 General

2.1.1 A Shipper shall be required to reserve Exit Capacity in order to have the right to make Exit Nomination and withdraw Gas from the Transportation System at an Exit Point.

2.1.2 All Shippers shall be obliged to apply to the Transporter for long term entry and exit capacity at Entry and Exit Points by submitting an application, no later than 1 October each year, which shall specify the information required by the Transporter to process the long term entry and exit capacity request, which shall include:

a) the requested entry and exit capacity effective date which shall be the first Day of a calendar month provided however, that the requested entry and exit capacity effective date shall, where the request relates to a proposed Entry and Exit Point, be the first Day of the calendar month in which the anticipated Entry and Exit Point commencement date occurs or the first day of the next calendar month;

b) the duration for which the relevant Shipper wishes to book long term entry and exit capacity (which shall be annual or multi-annual) and in the case of multi-annual entry and exit capacity the number of whole multiples of twelve (12) Months for which the capacity is requested;

c) the Entry and Exit Points at which entry and exit capacity is requested;

d) the requested amount of entry and exit capacity (in GJ/d); and

e) the identity of the relevant Shipper requesting entry and exit capacity.

2.1.3 Booking requests should be submitted to the Transporter by respective Shippers at least 6 (six) months prior to the entry and exit capacity effective date

2.1.4 All capacity bookings will be deemed to be accepted unless declined by the Transporter within 30 days of receipt of the Shipper’s booking application. Subject to 2.1.5, the Transporter may only decline an application based on unavailability of uncommitted capacity or in case of technical, operational or economic infeasibility.

2.1.5 Where two or more applications for access to uncommitted capacity are received by the Transporter on the same date, priority must be allocated according to the most attractive application to the Transporter, taking into account the volume of capacity applied for and the duration of the booking.

2.2 Deemed Capacity Bookings

2.2.1 On Transmission System 1, where a Shipper’s aggregate Exit Capacity bookings at all the Eligible Exit Points on Transmission System 1 is less than the Entry Capacity Bookings at the Entry Point the Transporter shall deem an Entry Capacity booking such that the
aggregate Entry Capacity bookings shall be equal; to the aggregate Exit Capacity bookings.

2.2.2 On Transmission System 2, where a Shipper’s aggregate Exit Capacity bookings at all the Eligible Exit Points on Transmission System 2 is less than the Entry Capacity Bookings at the Entry Point the Transporter shall deem an Entry Capacity booking such that the aggregate Entry Capacity bookings shall be equal; to the aggregate Exit Capacity bookings.

2.2.3 On Transmission System 3 where gas enters the Transmission System from the Entry Points other than that at Secunda, and the aggregate of the Capacity bookings at all Eligible Exit Points downstream of the Entry Point is less than the Entry Point Capacity booking, the Transporter shall deem an Entry Capacity booking such that the aggregate Entry Capacity bookings shall be equal; to the aggregate Exit Capacity bookings.

2.2.4 On Transmission System 3, where a Shipper’s aggregate Exit Capacity bookings at all the Transmission Exit Points and Transmission/Distribution Exit Points on Transmission System 3 is less than the Connected System Exit Point Capacity Bookings at the Connected System Exit Point the Transporter shall deem an Connected System Exit Point Capacity booking such that the aggregate Connected System Exit Point Capacity bookings shall be equal to the aggregate Capacity bookings at the Transmission Exit Points and Transmission/Distribution Exit Points.

2.2.5 On Transmission System 3, where the Capacity bookings at the Connected System Exit Point on Transmission System 3 are less than the Capacity Bookings at the Entry Point in Secunda the Transporter shall deem a Capacity booking at the Entry Point such that the aggregate of the Entry Point Capacity bookings shall be equal to the aggregate Capacity bookings at the Connected System Exit Point Capacity Bookings.

2.3 Use It or Lose It

2.3.1 The Transporter shall be entitled to utilise on a daily basis all or any part of the Capacity reserved by a Shipper to the extent that the Capacity is not utilised by such Shipper, provided however that nothing herein shall, or shall be deemed to, restrict or in any way affect the right of a Shipper to utilise Capacity it has reserved on the Day.

2.3.2 If a Shipper does not utilise all or any part of its Capacity for more than any period of twelve (12) consecutive Months, except in the case of Force Majeure (as defined in the Transportation Contract entered into between the Parties), the Transporter may, if it considers such non-utilisation to be prejudicial to the economic integrity of the Transportation System or any localised part thereof, or, if such non-utilisation affects system planning of the Transportation System or any localised part thereof, serve notice of not less than three (3) Months on such Shipper of its intent to cancel a Shipper’s Capacity Booking. Unless such Shipper is able to demonstrate to the Transporter’s reasonable satisfaction, having due regard to all circumstances, that such non-utilisation is justified then the unused Capacity shall be cancelled with effect from the expiry of the notice period.
3 Capacity Trading

3.1 Definitions

3.1.1 For the purposes of the Code:

a) Transferred Capacity is the Capacity which is (or is to be) transferred; and

b) Transfer Period is the Balancing Period(s) (in accordance with paragraph 3.2.3 for which the Transferred Capacity is (or is to be) transferred.

3.2 Basis of transfer

3.2.1 A Shipper (Transferor Shipper) may transfer all or part of its Capacity to another Shipper (Transferee Shipper) subject to and in accordance with this paragraph 3.

3.2.2 For the purposes of the Code a Capacity Transfer is a transfer, in relation to either Entry Capacity or Exit Capacity.

3.2.3 A Capacity Transfer may be for a Balancing Period or a number of Balancing Periods within the period for which the Transferor Shipper holds the Capacity which is the subject of the Capacity Transfer.

3.2.4 The Transporter shall reject a Capacity Transfer where the Transferred Capacity exceeds the Transferor Shipper’s Capacity for the Transfer Period.

3.3 Transfer procedure

3.3.1 Where a Shipper proposes to make a Capacity Transfer, each of the Transferor Shipper and the Transferee Shipper must notify the Transporter of the proposed Capacity Transfer specifying:

a) the identity of the Transferor Shipper and the Transferee Shipper;

b) the amount of the Transferred Capacity;

c) whether the Capacity Transfer is for Entry Capacity or Exit Capacity;

d) the relevant Transmission System Entry Point or Transmission System Exit Point; and

e) the Transfer Period.

3.3.2 A notification of a proposed Capacity Transfer may not be notified to the Transporter under paragraph 3.3.1 less than one (1) calendar Month before the first Balancing Period in the Transfer Period.

3.3.3 The Transporter may reject a Capacity Transfer:

a) in accordance with paragraph 3.2.4;

b) where either the Transferor Shipper or Transferee Shipper does not notify the Transporter in accordance with paragraph 3.3.1;
c) where the proposed Transfer Period exceeds the Capacity Duration of the Transferred Capacity;

d) where the Transferee Shipper is in breach of the provisions of paragraph Section J: 3;

e) if the Transferee Shipper has not submitted an Exit Point Registration Notice in accordance with paragraph 3.4.2; or

f) if the Shipper has breached the provisions of paragraph 3.3.2; or

3.3.4 Where the proposed Capacity Transfer has not been rejected by the Transporter pursuant to paragraph 3.3.3, the Transporter will notify the Transferor Shipper and the Transferee Shipper that the Capacity Transfer is effective within one (1) working Day.

3.4 Effect of transfer

3.4.1 Following notification by the Transporter of the effectiveness of the Capacity Transfer pursuant to paragraph 3.3.4, the Transferee Shipper will be treated during the Transfer Period as the holder of the Transferred Capacity.

3.4.2 The Transferee Shipper shall be required to, at the time the Transferee Shipper notifies the Transporter of the proposed Capacity Transfer in accordance with paragraph 3.3.1:

a) undertake any registration activities in respect of the Entry Point or Exit Point that is the subject of the Capacity Transfer in accordance with Section F: ; and

b) review its Credit Cover provisions under paragraph Section J: 3;

3.4.3 A Shipper will remain liable for the Transmission Charges in respect of all of the Capacity it holds.

4 Transmission Charging

4.1 Charges

4.1.1 For the purposes of the Code:

a) Transmission Charges are charges which apply in respect of the Transmission System and comprise Usage Charges or Ship or Pay Charges ;

b) a Usage Charge is a charge made in respect of the use of the Transmission System, determined by reference to the quantity of gas treated as withdrawn during a Balancing Period at an Eligible Exit Point, expressed in Rand;

4.1.2 The amount of the Transmission Charges shall be determined by reference to the Approved Transmission Tariff.

4.1.3 An Approved Transmission Tariff is the amount (or rate) of the Piped Gas Transmission Tariff not exceeding that approved by NERSA from time to time.
4.1.4 **Transmission Charges**, calculated in accordance with this paragraph, shall be invoiced and payable in accordance with the **Transportation Contract** in place between the parties.

4.2 **Calculation of Usage Charges**

4.2.1 The amount of any **Usage Charge** payable by a **Shipper** in respect of a **Balancing Period** shall be determined (in accordance with paragraph 4.2.2) by reference to the **Shipper’s Offtake Quantity** at each **Exit Point** for the **Balancing Period** and the **Approved Transmission Tariff**.

4.2.2 For the purposes of paragraph 4.2.1, in respect of a **Balancing Period** a **Shipper** shall pay the **Transporter** an amount equal to the relevant **Approved Transmission Tariff** multiplied by such **Shipper’s Offtake Quantity** at each **Exit Point** in the relevant **Transmission System**.

4.3 **Failure to Convey**

4.3.1 Subject to the provisions of the Code, the **Transporter** will convey quantities of gas through the **Transmission System** from the relevant **Transmission System Entry Point** to the relevant **Eligible Exit Point** in each **Balancing Period** in such amounts which accord with each relevant **Shipper’s Nominations** which has been accepted by the **Transporter** in accordance with Section C: 3.3.5.

4.3.2 Where the **Transporter** is unable to comply with paragraph 4.3.1 in respect of a **Balancing Period** it shall promptly notify all **Shippers** so affected.

5 **Capacity Register**

5.1.1 The **Transporter** shall maintain a record of the booked **Capacity** (the **Capacity Register**).

5.1.2 The **Capacity Register** shall record the following information in respect of each **Day**:

   a) **Entry Capacity** reserved by each **Shipper** at each **Entry Point**;

   b) **Exit Capacity** reserved by the **Shipper** in respect of each **Exit Point**;

5.1.3 The **Capacity Register** shall be updated by the **Transporter** to reflect a **Shipper’s Capacity** as a consequence of any:

   a) Change of **Shipper** implemented;

   b) new **Exit Point(s)**;

   c) new **Capacity** acquired by a **Shipper** upon completing any Siteworks at an existing **Exit Point**;

   d) **Entry Capacity** Transfer;

   e) **Exit Capacity** Transfer;
Gas Network Code

f) Isolation;
g) Deregistration Application; and/or
h) any other provisions of this Code.

5.1.4 Each Entry Capacity Booking will be assigned a unique identifier (the Entry Capacity Booking Reference) which will be communicated to the Shipper as soon as practicable thereafter.

5.1.5 Each Exit Capacity Booking will be assigned a unique identifier (the Exit Capacity Booking Reference) which will be communicated to the Shipper as soon as possible.

5.1.6 The Transporter shall assign a unique identifier reference number to each:
   a) Entry Point Transfer (the Entry Point Transfer Reference);
   b) Exit Capacity Transfer (the Exit Capacity Transfer Reference); and

5.1.7 The Capacity Register shall be updated by the Transporter to take account of any changes to the Capacity holdings of each Shipper.

5.1.8 Each Shipper shall be entitled to access information recorded in the Capacity Register in relation to its own Capacity holdings at the relevant Entry Point or Exit Points in respect of the period for which such Shipper is registered in respect of an Entry Point or (as the case may be) Exit Point.

5.1.9 The Transporter shall ensure that relevant information recorded in the System Exit Point Register regarding registration of Exit Points is also recorded in the Capacity Register.

5.1.10 Each Shipper shall be responsible for reviewing information in relation to such Shipper’s Capacity as recorded in the Capacity Register and shall notify to the Transporter any error or inaccurate recording of such Shipper’s Capacity in the Capacity Register.

6 Maintenance

6.1 Introduction
6.1.1 The Transporter shall be responsible for the carrying out of Maintenance on all parts of the Transmission System in accordance with this paragraph 5.

6.2 Definitions
6.2.1 For the purposes of this Code:
   a) Annual Maintenance Programme is a programme (or revised programme) of Maintenance determined and updated in accordance with paragraphs 6.3;
   b) Facilities are those plants and Facilities downstream of any System Exit Point at which gas withdrawn at that point of the Transportation System is used;
c) Maintenance is the inspection, Maintenance, Modification, replacement, reinstatement, repair and/or refurbishment of the Transportation System including all activities ancillary and/or related thereto;

d) Scheduled Maintenance is Maintenance carried out in accordance with an Annual Maintenance Programme or a Revised Annual Maintenance Programme; and

e) Unscheduled Maintenance is Maintenance other than Scheduled Maintenance.

6.3 Maintenance Programme

6.3.1 Not later than one (1) Month prior to the start of the Gas Year the Transporter will prepare and publish an Annual Maintenance Programme in respect of each Maintenance Year and in preparing an Annual Maintenance Programme the Transporter shall:

a) endeavour to secure that the estimated reduction in the availability of a Shipper’s Capacity due to Scheduled Maintenance on any Day in the Maintenance Year is minimised; and

b) take into account information provided by Shippers relating to the timing of Maintenance under their contracts with gas suppliers or Customers at Transmission System Exit Points and periods when Shippers would prefer Scheduled Maintenance to be avoided, as appropriate.

6.3.2 An Annual Maintenance Programme will identify:

a) each Day on which Scheduled Maintenance will be undertaken in the Maintenance Year;

b) the System Points in respect of which the injection of, conveyance through, and withdrawal of gas from, will be affected by the Scheduled Maintenance;

c) where the Transporter expects that the injection into, conveyance through, and withdrawal of gas from, the Transportation System will be able to take place in respect of the System Points referred to in paragraph (b) during Scheduled Maintenance but on a reduced level (by reason of the Maintenance), on an indicative basis, the quantities which the Transporter expects will be capable of injection into, conveyance through and withdraw from the Transportation System; and

d) such other information as may be reasonable for the Transporter to include.

6.3.3 The Transporter may give to Shippers a revision to the Annual Maintenance Programme (Revised Annual Maintenance Programme Notice) re-specifying the Days on which it proposes to carry out Scheduled Maintenance provided that such notice is given at least forty (40) Days prior to the Day specified in such notice, or such earlier date as the Transporter and Shippers may agree.
6.3.4 Where the Transporter gives a Revised Annual Maintenance Programme Notice, Maintenance carried out on any Day(s) specified in such notice shall be deemed to be carried out in accordance with the Annual Maintenance Programme prepared in accordance with paragraph 6.3 for the Maintenance Year in which such Day(s) fall.

6.3.5 To the extent that the Transporter cannot make Gas available for withdrawal or accept Gas tendered for injection at an Entry Point as a direct result of Maintenance, the Transporter will be relieved of its obligations to transport Gas including under this Code.

6.3.6 Where the Transporter carries out Scheduled Maintenance on any Day in accordance with the Annual Maintenance Programme published under paragraph 6.3 (or revised under paragraph 6.3.3) it shall not be required to pay any transmission charges pto Shippers in accordance with the Transportation Contract in place between the parties.

6.3.7 Nothing in this paragraph 5 shall prohibit the Transporter carrying out Unscheduled Maintenance on any Day, without prejudice to Shippers’ rights under the Code.
Section C: NOMINATIONS

1 Introduction

1.1.1 Shippers shall nominate quantities of gas for injection into, and withdrawal from, the Transmission System for each Balancing Period in accordance with this Section.

2 Definitions

2.1.1 For the purposes of the Code:

a) a Final Nomination is a Nomination submitted by a Shipper to the Transporter by 12.00pm on the Day preceding the Balancing Period for a quantity of gas to be withdrawn from the Transmission System at an Eligible Exit Point during the Balancing Period;

b) an Initial Nomination is any Nomination submitted by a Shipper to the Transporter during the Planning Phase in respect of a quantity of gas to be withdrawn from the Transmission System at an Eligible Exit Point during each Balancing Period covered by the Planning Phase;

c) a Nomination shall be either an Final Nomination, or a Renomination;

d) The Planning Phase is the period leading up to 12:00 hours on the Day preceding the Balancing Period during which Shippers provide good faith estimates of their intended injections or withdrawals to the Transporter.

e) a Renomination is a Nomination which revises and replaces (in respect of one or more Balancing Periods) a Final Nomination or an earlier Renomination; and

f) Gate Closure means 16:00 on the Day preceding the Gas Day.

2.1.2 References in the Code to a Nomination prevailing at any time before or during a Balancing Period are to:

a) where an Initial Nomination has been made, the Initial Nomination;

b) where a Final Nomination has been made, the Final Nomination; or

c) where one or more Renominations have been made, the latest Renomination, provided that such Initial Nomination, Final Nomination or Renomination has been made and accepted by the Transporter in accordance with this Section.

2.1.3 For the purposes of the Code, a Nomination is made by a Shipper where the Shipper has submitted a Nomination which has been accepted by the Transporter in accordance with this Section.

2.1.4 Each Shipper shall (subject to the provisions of this Section) use its reasonable endeavours to submit accurate Nominations in accordance with this Section for the
quantities of gas which it intends or anticipates withdrawing from an Eligible Exit Point, as the case may be, during a Balancing Period.

3 Nominations

3.1 Planning Phase

3.1.1 No later than twenty-five (25) Days before the start of each Gas Year, the Shipper shall notify the Transporter, its Initial Nomination, its good faith best estimates, for each Month of that Gas Year of the quantity of Gas which the Shipper intends to withdrawn at each Exit Point.

3.1.2 No later than twenty-five (25) Days before the start of every Month, the Shipper shall notify the Transporter its Revised Initial Nominations, its good faith best estimates, for each Day of the next three (3) Months of the quantity of Shipper Gas which the Shipper intends to withdrawn at each Exit Point.

3.1.3 No later than 09:00 hours on the Saturday immediately preceding each Week, the Shipper shall notify the Transporter its Revised Initial Nominations, its good faith best estimates, for each Day of that Week of the quantity of Shipper Gas which the Shipper intends to withdrawn at each Exit Point.

3.2 Nomination timetable

3.2.1 A Shipper may submit a Final Nomination in respect of each Balancing Period and, where a Shipper does so by not later than 12:00 hours on the Day preceding the Balancing Period, such Nomination shall be taken into account by the Transporter for the purposes of paragraph 4.1.

3.2.2 A Shipper shall be entitled to submit a Renomination in respect of a Balancing Period at any time:

a) after it has submitted a Final Nomination for the Balancing Period; and

b) at least 4 hours before the revised Renomination is intended to take effect.

3.2.3 A Final Nomination shall not be submitted earlier than seven (7) Days before the first Day of the Balancing Period to which the Final Nomination relates.

3.3 Procedures

3.3.1 A Shipper shall submit a separate Final Nomination in respect of each Eligible Exit Point at which it wishes to withdraw from, the Transmission System a quantity of gas during a Balancing Period.

3.3.2 Each Final Nomination shall specify:

a) the identity of the Shipper;

b) the relevant Eligible Exit Point;
c) in respect of each **Balancing Period** during the **Balancing Period**, the quantity of gas to be withdrawn at such **Eligible Exit Point**;

3.3.3 Without prejudice to paragraph 3.3.5, the **Transporter** shall notify the **Shipper** of receipt of such **Final Nomination** a soon as reasonably practicable.

3.3.4 The **Transporter** may reject a **Final Nomination** where:

a) such **Final Nomination** is submitted other than in accordance with paragraph 3.3.2;

b) in respect of any **Balancing Period** to which such **Final Nomination** relates, the condition in paragraph 3.4.1 is not complied with;

c) the **Shipper** is not the **Registered Shipper** or a **Sharing Registered Shipper** at the **Eligible Exit Point**; or

d) the **Shipper** holds insufficient **Capacity** at the relevant **Eligible Exit Point**

3.3.5 No **Renomination** shall be accepted where the implied hourly rate of withdrawal for the remainder of the **Day** exceeds the implied hourly rate of withdrawal for a whole **Day** derived from the **Capacity** holding of the **Shipper** at the relevant **Exit Point**.

3.3.6 Following submission of a **Final Nomination**, the **Transporter** shall notify the **Shipper** not later than one (1) hour following submission of such **Final Nomination** that it has:

a) rejected such **Final Nomination** together with the reasons for the rejection; or

b) accepted **Final Nomination**.

3.3.7 Following submission of a **Final Nomination** under paragraph 3.3.1 which has been accepted by the **Transporter** a **Shipper** may submit, in respect of any **Balancing Period** in relation to which such I **Final Nomination** first applied, a **Renomination** and in submitting a **Renomination** the **Shipper** shall specify the details set out in paragraph 3.3.2 and such **Renomination** shall, where accepted in accordance with the same acceptance procedure as specified for the **Final Nomination** under paragraph 3.3.6b), for the purposes of the Code take precedence in respect of the **Balancing Period**(s) to which the **Final Nomination** or earlier **Renomination** applied, subject to the **Shipper** having complied with paragraph 3.2.2b). In the event the **Transporter** rejects a **Renomination** for a **Balancing Period** for which there already applies a **Final Nomination** or previous **Renomination** which had been accepted, such **Final Nomination**, or, as the case may be, previous **Renomination**, for such **Balancing Period** shall continue to apply.

3.3.8 In the event that no **Nomination** is submitted in respect of an **Eligible Exit Point** at which the **Shipper** wishes to withdraw from the **Transmission System** a quantity of gas during a **Balancing Period**, the quantity of gas to be withdrawn at such **Eligible Exit Point** shall be treated as zero (0) GJ.
3.4 Nomination conditions

3.4.1 In aggregate, a Shipper’s Nominations shall, in respect of each Balancing Period to which
they relate, comply with the Balanced Nominations Requirement.

3.4.2 Where, subject to Section E: ALLOCATION or Section D: BALANCING, a Shipper has built
up a stock of gas in the pipeline or made use of the Transporter’s linepack and is
returning this gas the Transporter may at its discretion relax the requirement for a
Nomination to meet the Balanced Nominations Requirement subject to meeting its
responsibilities as a Reasonable and Prudent Operator with respect to the safe and
efficient operation of the Transmission System.

3.4.3 A Shipper may not withdraw a Nomination after it has been submitted and accepted by
the Transporter in accordance with paragraph 3.3.6b).

3.4.4 Where a Shipper has submitted a Nomination which has been accepted by the
Transporter and which the Shipper no longer wishes to have effect, the Shipper shall be
required to submit a Renomination which shall be accepted by the Transporter unless
any of the conditions specified in paragraph 3.3.4 or paragraph 3.3.5 apply to the
Renomination.

4 Operating Schedules

4.1 Initial Operating Schedule

4.1.1 The Transporter will not later than 15:00 hours on each Day notify a Shipper, in respect
of the next Balancing Period of the quantity of gas provisionally scheduled for
withdrawal by the Shipper from the Transmission System at each Eligible Exit Point
(Initial Operating Schedule).

4.2 Final and Revised Operating Schedules

4.2.1 The Transporter will in respect of each Balancing Period not later than sixty (60) minutes
following Gate Closure notify a Shipper of the quantity of gas scheduled for withdrawal
by the Shipper from the Transmission System at each Eligible Exit Point during the
Balancing Period (Final Operating Schedule).

4.2.2 For the purposes of the Code, in respect of a Balancing Period and each Shipper a
Scheduled Offtake Quantity is the quantity of gas to be withdrawn from the
Transmission System at an Eligible Exit Point by such Shipper, in each case in accordance
with the Final Operating Schedule.

4.2.3 Where the Transporter accepts Renominations in accordance with paragraph 3.2.2 it
shall notify a Shipper of the revised quantity of gas scheduled for withdrawal by the
Shipper from the Transmission System at each Eligible Exit Point during the Balancing
Period (Revised Operating Schedule).

4.2.4 For the purposes of this Code, Operating Schedule means an Initial Operating Schedule,
Final Operating Schedule and a Revised Operating Schedule.
4.2.5 **Shippers** acknowledge that the Transporter shall only be obliged to make gas available for withdrawal at a Eligible Exit Point at a uniform rate.

5 **Nomination Changes**

5.1 **Failure to notify**

5.1.1 Where in respect of a Balancing Period, following Gate Closure, a Shipper reasonably anticipates that the quantities of gas to be withdrawn from the Transmission System by the Shipper will be different from the relevant Scheduled Offtake Quantity for the Balancing Period by an amount greater than the Level of Change Factor multiplied by the relevant Scheduled Offtake Quantity (as the case may be), it shall notify the Transporter by telephone and in writing immediately, together with the reasons for the difference and such notice shall in addition set out the Shipper's estimate of the actual quantities of gas that it reasonably expects will be withdrawn from the Transmission System during the relevant Balancing Period.

5.1.2 At the date of this Code, the Level of Change Factor shall be zero point five (0.5).
Section D: BALANCING

1 Purpose

1.1. This section sets out the daily activities that the Transporter will carry out to ensure that it:

a) transports the Gas through the Transmission System;

b) delivers to the Shipper at the Exit Points the quantities of Shipper Gas Nominated for withdrawal at those Exit Points on that Day, such Shipper Gas complying with the Supply Specifications; and

c) uses reasonable endeavours to procure that the Shipper Gas to be delivered at the Exit Point is tendered for delivery at a uniform rate.

2 Definitions

2.1. Line Pack means that quantity of Gas which a Reasonable and Prudent Operator would at any one time maintain in the Transmission System to enable Gas to be transported from the Entry Points to the Exit Points.

3 Line Pack

3.1 System Management

3.1.1 The Transporter, acting as a Reasonable and Prudent Operator, shall determine the quantity of Line Pack required in the context of the applicable operational parameters of the Transmission System as well as the Transporter’s operating philosophy and procedures for the Transmission System.

3.1.2 Subject to paragraph 3.3, the Transporter shall utilise the Balancing Gas Contracts (Shrinkage) set up under Section E: 7.2 to manage the Line Pack in the Transmission System to maintain:

a) the technical and/or operational integrity of the Transmission System;

b) the performance and safe operation of the Transmission System; and

c) its ability to deliver its obligations in terms of this Code or its Licence.

3.2 Transporter Obligation to Replenish Line Pack

3.2.1 If a Shipper fails to replenish, within the time agreed with such Shipper, any portion of the Line Pack delivered to it in terms of paragraph 3.3, the Transporter shall immediately replace such portion of the Line Pack.

3.2.2 The Transporter shall utilise the Balancing Gas Contracts (Shrinkage) set up under Section E: 7.2 to manage the Line Pack and any costs incurred in utilising such contracts to correct the issue identified in paragraph 3.2.1 shall be Invoiced to the Shipper in accordance with the Transportation Contract in place between the parties.
3.3  **Shipper use of Line Pack**

3.3.1  The **Shipper** shall, subject to the conditions set out in paragraph 3.3.2, at the discretion of the **Transporter**, nominate gas for withdrawal at an **Eligible Exit Point** a quantity of Gas resulting in the withdrawal by the **Shipper** on such **Day** of a quantity of Gas in excess of the aggregate of Gas injected at the **Entry Point** on such **Day** and the **Shipper** Stock of Gas previously delivered into the **Transmission System** in terms of Section E: 6, causing the **Shipper** to take delivery of a portion of the **Line Pack**

3.3.2  The conditions referred to in paragraph 3.3.1 are:

   a)  the **Transporter** shall not be obliged to accept a **Nomination** by the **Shipper** in terms of paragraph 3.3.1 if such compliance would in the opinion of the **Transporter**, acting as a **Reasonable and Prudent Operator** impair:

      i)  the technical and/or operational integrity of the **Transmission System**;

      ii)  the performance and safe operation of the **Transmission System**; and

     iii)  the **Transporter**'s ability to deliver its obligations in terms of this Code or its Licence.

   b)  The quantity of gas nominated at the **Eligible Exit Point** may not exceed the **Capacity** held at that **Exit Point** by the **Shipper**;

   c)  the **Shipper** shall replenish the portion of the **Line Pack** delivered to it in terms of this paragraph 3.3.1 within the time agreed with the **Transporter**, having regard to the extent of such portion of the **Line Pack**, but in any event by no later than 96 (ninety six) hours after the delivery thereof to the **Shipper**.

3.3.3  At all times, requests to utilise the **Transporter Line Pack** in accordance with this paragraph 3.3 will be processed in the order they are received.
Section E: ALLOCATIONS

1 Purpose
1.1. This section of the Code is used to determine quantities used in the calculation of:
   a) Usage Charges;
   b) Stock Changes; and
   c) the quantities of gas injected into, and withdrawn from, the Transmission System will be determined in accordance with this Section.

1.2. Unless the context requires otherwise, references in the Code to quantities of gas injected into and withdrawn from the Transmission System are to the quantities treated in accordance with this Section E: ALLOCATION as being so injected or withdrawn.

2 Definitions
2.1. For the purposes of the Code, in respect of a Balancing Period:
   a) in relation to a Transmission System Entry Point, an Injecting Shipper means a Shipper treated as injecting gas into the Transmission System at the Transmission System Entry Point;
   b) in relation to a System Exit Point, an Offtaking Shipper means a Shipper treated as withdrawing gas from the Transportation System at the System Exit Point;
   c) the Metered Injection Quantity means, in respect of a Transmission System Entry Point, the quantity of gas determined in accordance with Section H: METERING as having been injected into the Transmission System at such Transmission System Entry Point;
   d) the Metered Offtake Quantity means, in respect of an Eligible Exit Point, the quantity of gas determined in accordance with Section H: METERING as having been withdrawn from the Transmission System or (as the case may be) the Transportation System at the Eligible Exit Point;
   e) the Shipper Injection Quantity means the quantity of gas treated as having been injected by a Shipper into the Transmission System at a Transmission System Entry Point; and
   f) the Shipper Offtake Quantity means the quantity of gas treated as having been withdrawn by a Shipper from the Transmission System at an Eligible Exit Point (which, in respect of a Transmission/Distribution Point, is such Shipper’s Transmission/Distribution Quantity).

3 Stock Changes and Settlement
3.1. For each Shipper, the Cumulative Stock Change in respect of a Month ‘m’ is the difference between the quantities of gas treated as injected into, and withdrawn from, the
Gas Network Code

Transmission System by the Shipper during that Month, determined (after having taken into account UAG Shrinkage Gas) in accordance with paragraph 7.

3.2. In respect of a Month 'm', the Transporter shall, for each Shipper, calculate the Shipper’s Cumulative Stock Change for such Month ‘m’ on the first (1st) Business Day of Month ‘m + 1’ (Final Settlement).

3.3. Settlement means Final Settlement or any calculations made in anticipation of carrying out the Final Settlement Run.

4 Injection Quantities

4.1 Shipper Injection Quantity

4.1.1 For each Shipper injecting gas into the Transmission System at a Transmission System Entry Point, the Shipper Injection Quantity for a Balancing Period shall be determined in accordance with this paragraph 4.

4.1.2 The Transporter shall first be required to attribute each Shipper’s Offtake Quantity at each Eligible Exit Point to a relevant Transmission System Entry Point in accordance with the following criteria:

a) in respect of a Shipper who has withdrawn gas in a Balancing Period at an Eligible Exit Point where it is the only Registered Shipper, the Shipper Offtake Quantity for such Shipper at such Eligible Exit Point in such Balancing Period shall be attributed in full to the Transmission System Entry Point; or

b) in respect of a Shipper who has withdrawn gas in a Balancing Period at an Eligible Exit Point where there is more than one Registered Shipper the Shipper Offtake Quantity for such Shipper at such Eligible Exit Point in such Balancing Period as specified in accordance with paragraph 5.1.6 or, in respect of a Transmission/Distribution Point, as determined in accordance with paragraphs 5.1.4 and 5.1.5, shall be attributed in full to the Transmission System Entry Point.

4.1.3 Having made the calculations in accordance with paragraph 4.1.2 for the purposes of assessing a Shipper’s Attributed Quantity at a Transmission System Entry Point the Transporter shall then assess whether, in respect of a Balancing Period, the Metered Injection Quantity at a Transmission System Entry Point multiplied by the UAG Shrinkage Factor is equal to, greater than, or less than, the aggregate of each Shipper Attributed Quantity for all Shippers at the relevant Transmission System Entry Point.

4.1.4 In the event the Metered Injection Quantity, in respect of a Balancing Period, at a Transmission System Entry Point multiplied by the UAG Shrinkage Factor is equal to the aggregate of the Shipper Attributed Quantities for all Shippers at the relevant Transmission System Entry Point, the Shipper Injection Quantity for a Shipper at such Transmission System Entry Point shall equal the Shipper Attributed Quantity divided by the UAG Shrinkage Factor.
4.1.5 In the event, in respect of a Balancing Period, the Metered Injection Quantity at a Transmission System Entry Point multiplied by the UAG Shrinkage Factor is greater than or less than the aggregate of the Shipper Attributed Quantities for all Shippers at the relevant Transmission System Entry Point, the Shipper Injection Quantity for a Shipper at such Transmission System Entry Point shall equal:

\[ Q_{All\ (Inj)} \times \frac{Q_{(Att)_{s}}}{\sum_{s} Q_{(Att)_{s}}} \]

\( Q_{All\ (Inj)} \) is the Metered Injection Quantity at the relevant Transmission System Entry Point;

\( Q_{(Att)_{s}} \) is the Shipper Attributed Quantity for Shipper, s, at the relevant Transmission System Entry Point; and

\( \sum_{s} Q_{(Att)_{s}} \) is the summation of the Shipper Attributed Quantities for all Shippers at the relevant Transmission System Entry Point.

5 Offtake Quantities

5.1 Offtake Quantity

5.1.1 For each Shipper withdrawing gas from the Transmission System:

a) at a Transmission System Exit Point, the Shipper Offtake Quantity; and

b) at a Transmission/Distribution Point, the Shipper Transmission/Distribution Quantity, for a Balancing Period shall be determined in accordance with this paragraph 5.

5.1.2 For the purposes of the Code and for a Balancing Period:

a) the Aggregate Shipper Transmission/Distribution Quantity is, in respect of a Shipper, the quantity of gas treated as withdrawn by that Shipper from the Transmission System at all Transmission/Distribution Points and flowing into the Distribution System(s) calculated in accordance with paragraph 5;

b) the Shipper Transmission/Distribution Quantity is, in respect of a Shipper, the quantity of gas treated as withdrawn from the Transmission System at a Transmission/Distribution Point(s) and flowing into a particular Distribution System calculated in accordance with either paragraph 5.1.4 or 5.1.5 as applicable; and

c) the Total Transmission/Distribution Quantity is the aggregate quantity of gas determined as withdrawn from the Transmission System at all Transmission/Distribution Points and flowing into a particular Distribution System.

5.1.3 In respect of a Transmission System Exit Point in respect of which a Shipper is the only Shipper withdrawing gas from the Transmission System at such point during a Balancing Period, the Shipper Offtake Quantity shall be, without prejudice to paragraph 6, the Metered Offtake Quantity.
5.1.4 In respect of a Transmission/Distribution Point(s) into a Distribution System where all the Distribution System Exit Points are registered in the name of a single Shipper, the Shipper Transmission/Distribution Quantity at that Transmission/Distribution Point(s) shall be the Total Transmission/Distribution Quantity for that Transmission/Distribution Point(s).

5.1.5 In respect of each Shipper withdrawing gas from the Transmission System at a Transmission/Distribution Point(s) and flowing gas into a portion of a Distribution System where the Distribution System Exit Points in such portion of the Distribution System are registered in the name of more than one (1) Shipper, the Shipper Transmission/Distribution Quantity for such Shipper in respect of such Transmission/Distribution Point for a Balancing Period shall be calculated as the Transmission/Distribution Quantity multiplied by that Shipper's share of end consumer consumption during that Balancing Period provided that where gas is injected into that portion of the Distribution System from a Distribution System Entry Point and at least one (1) Transmission/Distribution Point, the Distribution System Injection Quantity shall be accounted for.

5.1.6 In respect of each Shared Transmission System Exit Point, the Shipper Offtake Quantity for each Offtaking Shipper at the Shared Transmission System Exit Point for the Balancing Period shall be calculated as follows:

a) If \( Q_{(off),scheduled,\text{tot}} \) is greater than zero (0)

\[
M_{off} \times \frac{Q_{(off),scheduled,s}}{Q_{(off),scheduled,\text{tot}}}
\]

Where:

- \( M_{off} \) is the Metered Offtake Quantity at the Shared Transmission System Exit Point for such Balancing Period;
- \( Q_{(off),scheduled,s} \) is the Scheduled Offtake Quantity in respect of Offtaking Shipper, ‘s’, at the Shared Transmission System Exit Point for such Balancing Period; and
- \( Q_{(off),scheduled,\text{tot}} \) is the aggregate Scheduled Offtake Quantities for all Offtaking Shippers at the Shared Transmission System Exit Point for such Balancing Period.

b) If \( Q_{(off),scheduled,\text{tot}} \) is equal to zero (0)

\[
M_{off} \times \frac{Firm \ Capacity_s}{Firm \ Capacity_{\text{tot}}}
\]

Where:

- \( M_{off} \) is the Metered Offtake Quantity at the Shared Transmission System Exit Point for such Balancing Period;
- \( Firm \ Capacity_s \) is the Exit Capacity held by Offtaking Shipper, ‘s’, at the Shared Transmission System Exit Point for such Balancing Period; and
Gas Network Code

*Firm Capacity*$_{tot}$ is the aggregate of Exit Capacity held by all Offtaking Shippers at the Shared Transmission System Exit Point for such Balancing Period.

6  **Stock Change**

6.1  **Stock Change Calculation**

6.1.1  The Stock Change for each Shipper in respect of each of Transmission System 1, Transmission System 2 and Transmission System 3 shall be calculated for each Balancing Period as the difference between:

a)  the sum of the Shipper Injection Quantity for each Transmission System Entry Point at which the Shipper injected gas during the Balancing Period (Shipper Aggregate Injection Quantity) in respect of Transmission System, Transmission System 2 or Transmission System 3 (as the case may be); and

b)  the Shipper Aggregate Offtake Quantity which is the sum of:

i)  the Shipper Offtake Quantity for each Transmission System Exit Point at which the Shipper withdrew gas during the Balancing Period divided by the UAG Shrinkage Factor in respect of Transmission System 1, Transmission System 2 or Transmission System 3 (as the case may be);

plus

ii)  the Aggregate Shipper Transmission/Distribution Quantity divided by the UAG Shrinkage Factor in respect of Transmission System 1, Transmission System 2 or Transmission System 3 (as the case may be).

6.1.2  The Cumulative Stock Change for each Shipper in respect of each Day ‘d’ in a Month ‘m’ and each of Transmission System 1, Transmission System 2 and Transmission System 3 shall be determined for the purposes of Final Settlement as such Shipper’s Stock Change plus the Cumulative Stock Change calculated in the previous Month.

6.2  **Stock Change Information**

6.2.1  In respect of a Balancing Period, the Transporter shall, not later than eight (8) hours following the Balancing Period notify each Shipper of the Shipper’s Stock Change and whether such Stock Change is positive or negative.

7  **Shrinkage**

7.1  **Definitions**

7.1.1  For the purposes of this Code:

a)  Own Use Gas means Gas which is used by the Transporter for the operation of the Transportation System or any localised part thereof including at compressor stations and/or for pre-heating and venting purposes;
7.2 Balancing Gas Contracts (Shrinkage)

7.2.1 The Transporter shall enter into one or more contracts for the provision of Shrinkage Gas (each a Balancing Gas Contract (Shrinkage)) in accordance with the provisions of this paragraph 7 to provide for the delivery to the Transportation System of Gas in respect of Shrinkage Gas.

7.2.2 The Transporter shall retain and make available Entry Capacity at an Entry Point (which Entry Point shall be specified in the Balancing Gas Contract (Shrinkage)) to facilitate Nominations, Renominations and deliveries of Shrinkage Gas to the Transportation System pursuant to the Balancing Gas Contract (Shrinkage). Entry Capacity which the Transporter makes available to facilitate Nominations, Renominations and deliveries of Shrinkage Gas shall not form part of a Shipper’s Entry Capacity but shall at all times be available only for the purpose of Nominations, Renominations and deliveries of Shrinkage Gas.

7.2.3 The Transporter shall use reasonable endeavours to avoid unnecessary costs associated with obtaining Shrinkage Gas and shall award each Balancing Gas Contract (Shrinkage) following a competitive tender or such other process as reasonably satisfies the Gas Act obligation to operate in an efficient and economic manner.

7.2.4 Following award of a Balancing Gas Contract (Shrinkage), the Transporter shall use reasonable endeavours to provide Shippers with the unit cost of Shrinkage Gas or the basis of calculation of the unit cost of such Shrinkage Gas to be purchased for the following Gas Year.

7.2.5 Before the start of each Gas Year, the Transporter shall provide Shippers with the Transporters good faith best estimate of the quantity and cost of Shrinkage Gas to be purchased for the following Gas Year.

7.3 Calculation of Shrinkage Gas

7.3.1 The Transporter shall determine the Shrinkage Gas required for the Day as the Transporter’s best estimate of Own Use Gas, Unaccounted For Gas and Line Pack Replenishment in respect of the Transmission System (Estimated Transmission System Shrinkage Gas).
7.3.2 The Transporter shall request delivery to the Transmission System of a quantity of Gas equal to the Estimated Transmission System Shrinkage Gas in accordance with the provisions of the applicable Balancing Gas Contract (Shrinkage).

7.3.3 Where Shrinkage Gas is provided by a Shipper, Nominations with respect to Shrinkage Gas in respect of a Day shall be made separately and independently from any other Nominations made by such Shipper in respect of a Day. Where the person providing Shrinkage Gas is not a Shipper, the Transporter shall for the purposes of the provision of Shrinkage Gas to the Transportation System in respect of a Day be entitled to make Nominations and receive Allocations in respect of Shrinkage Gas. The Transporter shall, where the Balancing Gas Contract (Shrinkage) so provides be entitled to submit Nominations in respect of Shrinkage Gas for and on behalf of the Shipper.

7.4 Accounting for Shrinkage Gas

7.4.1 The Transporter shall keep full and accurate records in respect of the quantity of Gas used each Month as Transmission System Shrinkage Gas.

7.4.2 The Transporter will appoint in accordance with paragraph 7.4 a person eligible for appointment as a company auditor to conduct a review after the end of the Gas Year of whether, in the opinion of such person, in respect of Shrinkage Costs, the Transporter has complied with the applicable provisions of the Code.

7.4.3 The entity appointed under paragraph 7.4.2 shall audit:

a) the quantities of Transmission System Shrinkage Gas; and

b) the cost to the Transporter of securing (but not the price of) the Balancing Gas Contracts (Shrinkage), recognising that such contracts will be awarded in accordance with paragraph 7.2.

7.4.4 A summary of the audit report shall be made available to Shippers.

7.5 Method for Determining the UAG Shrinkage Factor

7.5.1 On a Monthly basis the Transporter shall determine and publish a shrinkage factor (UAG Shrinkage Factor) as the ratio of the total amount of gas withdrawn from the Transmission System to the total amount of gas injected into the Transmission System over the Month and such UAG Shrinkage Factor shall apply in respect of each Balancing Period in that Month.

7.5.2 The Transporter shall, in determining the UAG Shrinkage Factor under paragraph 7.5.1, take into account the aggregate quantities of gas injected into, and withdrawn from, the Transportation System during the Month including the likely (or proven) inaccuracies of the BPMs together with a calculation of the Line Pack and Shippers’ aggregate Cumulative Stock Change.

7.5.3 The UAG Shrinkage Factor shall be, at the date of the Code 0.991.
Section F: ENTRY & EXIT REQUIREMENTS

1 Purpose

1.1. The provisions of this Section shall apply in respect of the injection of gas into the Transmission System at Transmission System Entry Points.

1.2. The provisions of this Section shall apply in respect of the withdrawal of gas from the Transportation System at Eligible Exit Points.

1.3. Shippers injecting gas into the Transmission System at a Transmission System Entry Point or withdrawing gas from the Transmission System at an Eligible Exit Point shall comply with the relevant requirements of this Section.

1.4. Nothing in the Code confers on any person any entitlement to have any pipeline, plant or other installation connected to the Transportation System for the purposes of injecting gas into the Transportation System or withdrawing gas from the Transportation System.

2 Definitions

2.1. For the purposes of the Code:

   a) An Upstream Facility is a single facility or system (comprising pipeline(s), plant and/or other installations) in South Africa, operated by one person or jointly operated by several persons (other than the Transporter), and connected to the Transmission System immediately upstream of a Transmission System Entry Point.

   b) An Upstream Facility Operator is the operator of an Upstream Facility.

   c) System Entry Provisions are terms and conditions set out in a System Entry Agreement or other provisions which specify requirements (for the purposes of this Code) in respect of the injection of gas into the Transmission System.

3 Measurement Provisions

3.1. The Measurement Provisions in respect of an Transmission System Entry Point or Eligible Exit Point are the procedures, methods and standards by which:

   a) gas injected or made available for injection into or withdrawn or made available for withdrawal from the Transmission System at that point will be measured, sampled and analysed;

   b) the Heating Value, volume, quantity, and characteristics of such gas will be determined; and

   c) in circumstances where such Transmission System Entry Point is connected to an Upstream Facility or Connected System, the Transporter and the Upstream Facility Operator or Connected System Operator will inform each other of the determinations made under paragraph 3.1b).
3.2. **Measurement Equipment** is the metering, sampling, analysis and other equipment required under the **Measurement Provisions** to be installed (whether at the **Upstream Facility** or on the **Transmission System**).

3.3. **Measurement Provisions** may include:

a) standards of accuracy and procedures for testing and calibration of **Measurement Equipment**;

b) terms by which Heating Value, quantity or any characteristics of gas injected or made available for injection or withdrawn or made available for withdrawal may be estimated in the case of failure or defect of any **Measurement Equipment**, non-compliance with any of the **Measurement Provisions**, or otherwise; and

c) terms upon which any difference or dispute between the **Upstream Facility Operator** and the **Transporter** as to the Heating Value, quantity or characteristics of gas injected or made available for injection will be resolved (which may include resolution by agreement between them).

3.4. Each **Shipper** acknowledges that the Heating Value, quantity and characteristics of gas injected or made available for injection into or withdrawn or made available for withdrawal from (by **Shippers** in aggregate) the **Transmission System** at any **System Point** and the compliance or non-compliance with the applicable **Gas Entry Conditions** or **Offtake Requirements** in respect thereof, will be established by the **Transporter** and/or the **Upstream Facility Operator** in accordance with the applicable **Measurement Provisions** and by means of the **Measurement Equipment**, and each **Shipper** agrees to be bound (for the purposes of the Code) by what is so established.

3.5. The quantity of Gas recorded at a System Point shall be the aggregate volume measured by the **Measurement Equipment** multiplied by the Heating Value at such System Point.

4 **System Entry Requirements**

4.1 **System Entry Agreement**

4.1.1 A **Shipper** may not inject gas into the **Transmission System** at any **Transmission System Entry Point** which is connected to an **Upstream Facility** unless there is in force an agreement (**System Entry Agreement**) between the **Transporter** and the **Upstream Facility Operator**, containing, without limitation, **System Entry Provisions** applicable in respect of that **Transmission System Entry Point**.

4.1.2 A **System Entry Agreement** may contain provisions other than **System Entry Provisions**.

4.1.3 The existence of a **System Entry Agreement** shall not relieve **Shippers** of any obligation under this Code, and the **Transporter** shall not be required (for itself or for the benefit of any **Shipper**) to secure in a **System Entry Agreement** any remedy against the **Upstream Facility Operator** nor to take steps to enforce any provision of a **System Entry Agreement**.
4.1.4 Subject to paragraph 4.1.5, the **Transporter** shall publish the **System Entry Provisions** and, subject to paragraph 4.4, **Local Operating Procedures** applicable at any **Transmission System Entry Point** which is connected to an **Upstream Facility**, but shall not be required to provide to any **Shipper** or **Applicant Shipper** any other details of a **System Entry Agreement**.

4.1.5 Paragraph 4.1.4 shall not apply to any particular provision of the **System Entry Provisions** applicable pursuant to paragraph 4.2.3 or **Local Operating Procedures**, where the disclosure of such provision would be materially prejudicial to the commercial interests of the **Upstream Facility Operator** or where the provision or procedure contains personal or confidential information relating to individuals or refers to any other agreement to which the **Upstream Facility Operator** is Party.

4.2 **Amendment of System Entry Provisions**

4.2.1 Subject to paragraph 4.3.3a), the **System Entry Provisions** in respect of any **Transmission System Entry Point** which is connected to an **Upstream Facility** may not be **Modified** other than by agreement between the **Transporter** and the relevant **Upstream Facility Operator**.

4.2.2 Subject to paragraph 4.2.3, the **Transporter** shall not agree to any **Modification** of the **System Entry Provisions** except with the consent in writing of all **Shippers** who at the date when such amendment is to take effect have **Available Capacity Rights** entitling them to inject gas at the relevant **Transmission System Entry Point** which is connected to an **Upstream Facility**.

4.2.3 Such **System Entry Provisions** may (in accordance with the provisions of the relevant **System Entry Agreement**) be amended without the consent of any **Shipper** insofar as may be required to enable:

a) the **Transporter**; or

b) the relevant **Upstream Facility Operator**, to comply with any Legal Requirement.

4.2.4 The **Transporter** shall notify all **Shippers** hold **Capacity** entitling them to inject gas at the relevant **Transmission System Entry Point** which is connected to an **Upstream Facility** of any **Modification** to the **System Entry Provisions** not later than the date upon which such **Modification** becomes effective.

4.3 **System Entry Provisions**

4.3.1 **System Entry Provisions** shall:

a) identify the **Upstream Facility** (by name, location or otherwise);

b) specify the **Transmission System Entry Point(s)**;

c) specify for the **Transmission System Entry Point**, the **Measurement Provisions** in accordance with paragraph 3 and the **Local Operating Procedures** in accordance with paragraph 4.4; and
Gas Network Code

d) identify (by description or diagram, or both) the point at which gas is injected into the Transmission System.

4.3.2 System Entry Provisions may specify (unless separately specified) Local Operating Procedures in accordance with paragraph 4.4.

4.3.3 System Entry Provisions shall, without limitation, include:

a) procedures by and standards to which the Upstream Facility is to be maintained, repaired and operated, but only insofar as such procedures and standards are material to the ability of the Transporter to safely, efficiently and economically operate the Transportation System or to comply with any Legal Requirement or Directive;

b) terms entitling the Transporter and the Upstream Facility Operator to have access to each other’s Facilities for the purposes of verification of compliance with the requirements of the System Entry Provisions, or requiring them to procure and facilitate a technical audit of such compliance;

c) terms according to which, and circumstances in which, it is permitted to deviate or depart from any other System Entry Provision;

d) any other terms or conditions which may be appropriate for the purposes of (but consistent with the terms of) this Code in respect of the injection of gas into the Transmission System or (in relation to such injection) the Upstream Facility;

e) procedures applicable to gas flows in the event of any Emergency circumstances affecting the Transporter or the Upstream Facility Operator (including System Stress in accordance with Section G: EMERGENCIES); and

f) the circumstances in which the Transporter shall be entitled to refuse to accept the injection of gas by Shippers into the Transmission System at the relevant Transmission System Entry Point including, without limitation, where the System Entry Provisions are not for the time being complied with or are incapable of being complied with (other than as a result of a failure by the Transporter to perform).

4.3.4 System Entry Provisions may differ as between different Transmission System Entry Points which are connected to Upstream Facilities.

4.4 Local Operating Procedures

4.4.1 The Local Operating Procedures in respect of a Transmission System Entry Point which is connected to an Upstream Facility are procedures for communication, the exchange of information and co-ordination between the Transporter and the Upstream Facility Operator in connection with the operation of the Upstream Facility and the part of the Transmission System at which it is connected, including as appropriate and without limitation:

a) safety procedures;
b) Maintenance and repair procedures;

c) Emergency procedures;

d) asset ownership and site boundaries;

e) nomenclature to be used (to identify plant);

f) diagrams to be exchanged and displayed on site;

g) names and phone numbers of key authorised personnel; and

h) rights of access to the **Upstream Facility** site for the **Transporter**.

4.4.2 Except with the prior written consent of the **Upstream Facility Operator**, the **Transporter** shall not and shall not be required to provide to any **Shipper** any information provided by the **Upstream Facility Operator** under the **Local Operating Procedures**.

4.4.3 The **Transporter** may rely on the information provided to it by the **Upstream Facility Operator** in operating and planning the operation of the **Transportation System** and for the purposes of ensuring the Safe and Reliable Operation of the **Transportation System**.

5 **Injection of Gas into the Transportation System**

5.1 Injecting Shippers and injected gas

5.1.1 The **Gas Entry Conditions** in respect of all **Transmission System Entry Points** are limits or other requirements as to the composition, pressure, temperature and other characteristics of gas injected into, or made available for injection into the **Transmission System** at the **Transmission System Entry Points**.

5.1.2 Subject to any applicable new or changed Legal Requirement (which shall result in an amendment of the **Gas Entry Conditions**), **Gas Entry Conditions** may include limits, prohibitions or requirements in respect of the properties which shall be in compliance with the common gas specifications for the **Transportation System** set out in Annex F1.

5.1.3 Subject to Section E: ALLOCATION and Section G: EMERGENCIES, where gas is injected by more than one **Shipper** into the **Transmission System** at a **Transmission System Entry Point** during a **Balancing Period** each such **Shipper** shall be deemed to have injected gas with the same characteristics as that injected, or made available for injection, at such **Transmission System Entry Point** by each other **Shipper**.

5.2 Compliance with Gas Entry Conditions

5.2.1 For the purposes of this paragraph 5:

a) **Injection Off-Specification Gas** is gas injected or made available for injection at a **Transmission System Entry Point**, in respect of which any of the relevant **Gas Entry Conditions** are not or were not complied with; and
b) *Injection Operating Procedure* is the *Code Subsidiary Document* developed and published by the *Transporter* in respect of its obligations to monitor, report and respond to any injection or anticipated injection of *Injection Off-Specification Gas* at each *Transmission System Entry Point*.

5.2.2 In accordance with this paragraph 5.2, each *Shipper* shall ensure that all gas made available by the *Shipper* for injection at a System *Entry Point* shall comply with the relevant *Gas Entry Conditions* or, where not complied with, is dealt with in accordance with the *Injection Operating Procedure*.

5.2.3 In accordance with this paragraph 5.2, the *Transporter* shall ensure that all gas made available by *Shipper* s for injection at a System *Entry Point* shall comply with the relevant *Gas Entry Conditions* or, where not complied with, is dealt with in accordance with the *Injection Operating Procedure*.

### 5.3 Liability and claims against the Transporter for Injection Off-Specification Gas

5.3.1 The *Transporter* shall not be liable to any *Shipper*, Customer or other *Party* for any loss or damage howsoever caused by the injection of *Injection Off-Specification Gas* except where the *Transporter* had failed to comply with the *Injection Operating Procedure*.

5.3.2 A *Shipper* who has incurred or suffered loss or damage pursuant to paragraph 5.3.1 may issue a claim for compensation (a *Shipper Compensation Notice*) to the *Transporter*.

5.3.3 All claims made by *Shipper* s for compensation for loss or damage with respect to the injection of *Injection Off-Specification Gas* into the *Transportation System* shall be resolved in accordance this paragraph 5.3.

5.3.4 Without prejudice to paragraph 5.3.6, the liability of the *Transporter* in respect of any claim for compensation shall not exceed R2000 000.00 (two million Rand) per incident per *Shipper*.

5.3.5 Neither Party shall, under any circumstances, be liable to the other for any indirect or consequential losses or loss of profit.

5.3.6 The *Transporter* shall not be liable for compensation in any circumstances for:

   a) any loss or deferment of profit or anticipated earnings or saving, loss of revenue, loss of use, loss of contract, loss of goodwill, or increased cost of working and wasted effort or expenditure; or

   b) any indirect or consequential loss.

5.3.7 The rights and remedies set out in this paragraph 5.3 are intended to be the exhaustive rights and remedies of the *Shipper* s with respect to the injection of *Injection Off-Specification Gas* into the *Transportation System* and, insofar as they relate to limitations of liability and nature of loss, shall apply to all liabilities and claims of any kind, whether as a result of a breach of any contractual obligation, representation or
warranty, negligence, nuisance, breach of statutory duty, strict liability or otherwise howsoever arising on the part of the Transporter.

5.3.8 In the event that the compensation due exceeds the amounts prescribed in paragraph 5.3.6, the excess amount of such compensation (the Excess Award) shall be borne and paid for by all Shippers in proportion to their share of the Scheduled Offtake Quantity.

5.3.9 The amount of Excess Award to be paid by Shipper ‘s’ pursuant to paragraph 5.3.8 shall be Invoiced by the Transporter and paid by the Shipper in accordance with the Transportation Contract in place between the parties.

5.3.10 The Transporter shall not be required to pay any Excess Award to the claimant Shipper(s) until it has received payment of such Excess Award from the relevant Shippers pursuant to paragraph 5.3.9.

5.4 Liability and claims against the Shipper(s) for Injection Off-Specification Gas

5.4.1 A Shipper shall not be liable to the Transporter, Customer or other Party for any loss or damage howsoever caused by the injection of Injection Off-Specification Gas except where the Shipper had failed to comply with the System Exit Point Register. For the avoidance of doubt, where a Shipper has informed the Transporter of the injection of Injection Off-Specification Gas before the Transporter has detected the Injection Off-Specification Gas and such Shipper has and continues to comply with the requirements of the System Exit Point Register for dealing with Injection Off-Specification Gas, then such Shipper shall be deemed to have complied with the System Exit Point Register.

5.4.2 Where the Transporter has incurred or suffered loss or damage pursuant to paragraph 5.4.1, it may issue a claim for compensation to the Shipper.

5.4.3 All claims made by the Transporter for compensation for loss or damage with respect to the injection of Injection Off-Specification Gas into the Transportation System shall be resolved in accordance with this paragraph 5.4.

5.4.4 Without prejudice to paragraph 5.4.5, the liability of the Shipper(s) in respect of any compensation with respect to the injection of Injection Off-Specification Gas into the Transportation System shall not be subject to any monetary limit.

5.4.5 Subject to paragraph 5.4.6, the Shipper(s) shall not be liable for, compensation in any circumstances for:

a) any loss or deferment of profit or anticipated earnings or saving, loss of revenue, loss of use, loss of contract, loss of goodwill, or increased cost of working and wasted effort or expenditure; or

b) any indirect or consequential loss.

5.4.6 Without limitation, the Transporter shall be entitled to claim all costs and expenses it had reasonably incurred in consequence of the injection of the Injection Off-Specification Gas by the Shipper(s), including costs and expenses incurred in:
a) cleaning or clearing any part of the Transportation System affected by the injection of that Injection Off-Specification Gas;

b) rectifying any other physical damage caused to the Transportation System by the acceptance of Injection Off-Specification Gas;

c) replacing any gas vented or flared including Shipper Stock and Line Pack;

d) settling claims by other Shippers; and/or

e) taking reasonable measures to secure the Safe and Reliable Operation of the Transportation System notwithstanding the injection or continued injection of such Injection Off-Specification Gas.

5.4.7 The rights and remedies set out in paragraph 5.4 are intended to be the exhaustive rights and remedies of the Transporter with respect to the injection of Injection Off-Specification Gas into the Transportation System and, insofar as they relate to limitations of liability and nature of loss, shall apply to all liabilities and claims of any kind, whether as a result of a breach of any contractual obligation, representation or warranty, negligence, nuisance, breach of statutory duty, strict liability or otherwise howsoever arising on the part of the Shipper(s).

5.4.8 The amount of any claim by Transporter shall be Invoiced to the relevant Shipper(s) by the Transporter and paid by the Shipper(s) in accordance with the Transportation Contract in place between the parties.

5.5 Additional conditions on liability

5.5.1 Neither the Transporter nor a Shipper shall be liable for, any compensation for loss or damage pursuant to the provisions of this paragraph 5 which had already been settled or were subject to a claim pursuant to the provisions of paragraph 7.

6 System Exit Requirements

6.1 Offtake Connections

6.1.1 The Transporter shall develop, publish and comply with its obligations under a Code Subsidiary Document entitled Standard Operating Procedures for Gas Connection which shall prescribe the processes, timeframes, technical, regulatory and documentary requirements, and deliverables for the connection of a gas installation of a Customer at a System Exit Point.

6.1.2 A Shipper shall not be entitled to withdraw gas from the Transportation System at an Eligible Exit Point unless such Shipper holds Capacity issued pursuant to Section B: CAPACITY relating to such Eligible Exit Point.

6.1.3 A Shipper shall not be entitled to withdraw gas at an Eligible Exit Point unless such Shipper is registered in relation to such Exit Point in accordance with paragraph 8.2.1.
6.1.4 A Shipper wishing to withdraw gas at an Exit Point for the first time shall apply to the Transporter in relation to such Exit Point in accordance with the Standard Operating Procedures for Gas Connection and this paragraph. The Transporter may, following an assessment by the Transporter of such application by the Shipper, including as to whether sufficient Capacity exists in the Transmission System to meet the flow and pressure requirements requested by such Shipper in its application, confirm the application of the Shipper in relation to such Exit Point specifying inter alia the following:

a) the identity of the Shipper and the Shipper ID;

b) the Exit Point which such registration relates to;

c) where applicable, the name of the Customer and the address of the Relevant Customer’s Facility connected at such Exit Point;

d) the exact point of offtake from the Transportation System;

e) summary information of gas plant and equipment installed at such Exit Point;

f) the Minimum Required Offtake Pressure at such Exit Point (Minimum Required Offtake Pressure); and

g) the maximum instantaneous flow rate at which such Shipper is permitted to withdraw gas at such Exit Point (Maximum Instantaneous Rate of Offtake).

6.2 Entitlements under the Act

6.2.1 Nothing in this Code shall prevent the Transporter from exercising any entitlement or discharging any duty under the Act or pursuant to its Transporter’s Licence or any other legal requirement which may involve the disconnection of, or refusal to convey gas to, or to allow gas to be conveyed to, any premises.

6.2.2 Where under the Act or pursuant to the Transporter’s Licence, the Transporter is not required to connect or to maintain a connection, or has exercised or is entitled to exercise any right to disconnect, or is required to disconnect, any premises, or (having disconnected them) is not required to re-connect any premises, or is entitled to refuse to convey gas to or to allow gas to be conveyed to any premises, the Transporter shall not be in breach of its obligation to make gas available for withdrawal from the Transportation System at the relevant System Exit Point(s).

6.2.3 The Transporter shall inform the Registered Shipper (or each Sharing Registered Shipper) at a System Exit Point as soon as reasonably practicable after exercising an entitlement (as described in paragraph 6.2.2) to disconnect or refuse to convey gas or allow gas to be conveyed.

6.3 Offtake Requirements

6.3.1 For the purposes of this Code, and subject to paragraph 6.3.2, the Offtake Requirements in respect of a System Exit Point are the limits or other requirements as to composition,
gas network code

pressure, temperature and other characteristics of gas withdrawn from the transportation system at that system exit point.

6.3.2 Subject to any applicable new or changed legal requirement (which shall result in the amendment of the offtake requirements) the offtake requirements shall be in compliance with the common gas specification parameters set out in annex f1.

6.3.3 Offtake pressure is the nominal pressure of gas made available for withdrawal from the transmission system at a transmission system exit point or connected system exit point.

6.3.4 The transporter shall make gas available for withdrawal from the transmission system at an exit point and/or at a connected system exit point at a minimum pressure (transmission minimum pressure) (as measured at the relevant exit point, connected system exit point as the case may be) of not less than:

a) forty (40) bar off transmission system 1;
b) twenty eight (28) bar off transmission system 2; and
c) fifty (50) bar off transmission system 3.

6.3.5 Subject to paragraph 6.3.6, the transporter shall make gas available for withdrawal at a transmission system exit point or connected system exit point at the transmission minimum pressure; or

6.3.6 The transporter shall not be in breach of its obligation to make gas available for withdrawal from the transmission system exit point if such failure is due to any reason not attributable to the acts or omission of the transporter, including where the overall pressure in the transportation network falls below its normal operating pressure.

6.3.7 The transporter shall use reasonable endeavours to notify shippers as soon as reasonably practicable after the transporter becomes aware that the offtake pressure of gas available at the system exit point has decreased or will decrease below the transmission minimum pressure.

6.3.8 Nothing in this paragraph 6.3 shall be construed as requiring the transporter to make gas available for withdrawal at a transmission system exit point at any nominal pressure requested by the registered shipper (or sharing registered shipper).

6.3.9 The transporter shall only be required to make gas available for withdrawal at a transmission system exit point at a uniform rate.

7 Withdrawal of Gas from the Transportation System

7.1 Obligation to make gas available for withdrawal

7.1.1 Subject to the provisions of this code, the transporter shall make gas available for withdrawal by shippers from the transportation system at system exit points in accordance with the requirements of paragraph 6.3.
7.2 Responsibility for gas at a System Exit Point

7.2.1 All gas made available for withdrawal at a System Exit Point by the Transporter shall be allocated to Offtaking Shippers for the purpose of this Code.

7.3 Compliance with Offtake Requirements

7.3.1 For the purposes of this paragraph 7, Offtake Off-Specification Gas is gas made available for withdrawal from the Transportation System in respect of which any of the Offtake Requirements are not or were not complied with.

7.4 Liability and claims against the Transporter for Offtake Off-Specification Gas

7.4.1 The Transporter shall not be liable to any Shipper, Customer or other Party for any loss or damage howsoever caused by the delivery of Offtake Off-Specification Gas except where the Transporter had failed to comply with the System Exit Point Register.

7.4.2 A Shipper who has incurred or suffered loss or damage pursuant to paragraph 7.4.1 may issue a claim for compensation (a Shipper Compensation Notice) to the Transporter.

7.4.3 All claims made by Shippers for compensation for loss or damage arising from the delivery of Offtake Off-Specification Gas shall be resolved in accordance with this paragraph F-11.

7.4.4 Without prejudice to paragraph 7.4.5, the liability of the Transporter in respect of any claim for compensation with respect to loss or damage arising from the delivery of Offtake Off-Specification Gas shall not exceed R2000 000.00 (two million Rand) per incident per Shipper.

7.4.5 Subject to paragraph 7.4.6, the Transporter shall not be liable for, compensation in any circumstances for:

a) any loss or deferment of profit or anticipated earnings or savings, loss of revenue, loss of use, loss of contract, loss of goodwill, or increased cost of working and wasted effort or expenditure; or

b) any indirect or consequential loss.

7.4.6 A Shipper shall be entitled to claim against the Transporter all costs and expenses it had reasonably incurred (but subject to paragraph 7.4.4) as a result of the delivery of Offtake Off-Specification Gas by the Transporter for:

a) In clearing or cleaning any installation downstream of the Exit Points as may be necessary following the off-take of such Gas; and

b) In any measures taken by Shippers or by Shippers’ customers which are reasonably required to render such Gas fit for Shippers’ or Shippers’ customers' requirements.
Gas Network Code

7.4.7 For the purposes of paragraph 7.4.6:

a) Relevant Customer’s Facility means the plant and/or (as the case may be) gas pipeline or gas pipeline network or facility belonging to the Customer identified in the relevant System Exit Point Register as connected to the Transportation System;

b) Shipper’s Facility means the Shipper’s plant and/or (as the case may be) gas pipeline or gas pipeline network or facility connected to the Transmission System at the relevant Transmission System Exit Point; and

c) references to costs and expenses incurred by a Shipper include the costs and expenses incurred by the Relevant Customer.

7.4.8 The rights and remedies set out in paragraph F-117.4 are intended to be the exhaustive rights and remedies of the Shippers with respect to the delivery of Offtake Off-Specification Gas and, in so far as they relate to limitations of liability and nature of loss, shall apply to all liabilities and claims of any kind, whether as a result of a breach of any contractual obligation, representation or warranty, negligence, nuisance, breach of statutory duty, strict liability or otherwise howsoever arising on the part of the Transporter.

7.4.9 In the event that the compensation awarded in respect of a claim arising from the delivery of Offtake Off-Specification Gas exceeds the amounts prescribed in paragraph 7.4.4, the excess amount of such compensation (the Excess Award) shall be borne and paid for by all Shippers in proportion to their share of the Scheduled Offtake Quantity.

7.4.10 The amount of Excess Award to be paid by Shipper ‘s’ pursuant to paragraph 7.4.8 shall be Invoiced by the Transporter and paid by the Shipper in accordance with the Transportation Contract in place between the parties.

7.4.11 The Transporter shall not be required to pay any Excess Award to the claimant Shipper(s) until it has received payment of such Excess Award from the relevant Shippers pursuant to paragraph 7.4.9.

7.5 Liability and claims against the Shipper(s) for Offtake Off-Specification Gas

7.5.1 Subject to paragraph 7.4.9, a Shipper shall not be liable to the Transporter, Customer or other Party for any loss or damage howsoever caused by the delivery of Offtake Off-Specification Gas except where the Shipper had failed to comply with the System Exit Point Register.

7.5.2 Where the Transporter has incurred or suffered loss or damage in respect of which a Shipper is liable pursuant to paragraph 7.5.1, it may issue a claim for compensation.

7.5.3 All claims made by the Transporter for compensation for loss or damage arising from the delivery or presence of Offtake Off-Specification Gas at a System Exit Point shall be resolved in accordance with this paragraph 7.5.
Without prejudice to paragraph 7.5.5, the liability of the Shipper(s) in respect of any compensation with respect to loss or damage arising from the delivery of Offtake Off-Specification Gas at a System Exit Point shall not be subject to any monetary limit.

Subject to paragraph 7.5.6, The Shipper(s) shall not be liable for, compensation in any circumstances for:

a) any loss or deferment of profit or anticipated earnings or saving, loss of revenue, loss of use, loss of contract, loss of goodwill, or increased cost of working and wasted effort or expenditure; or

b) any indirect or consequential loss.

For the avoidance of doubt and without limitation, the Transporter shall be entitled to claim all costs and expenses it had reasonably incurred in consequence of the delivery or presence of Offtake Off-Specification Gas at a System Exit Point which had been caused by the Shipper(s), including costs and expenses incurred in:

a) cleaning or clearing any part of the Transportation System affected by the Offtake Off-Specification Gas;

b) rectifying any other physical damage caused to the Transportation System by the Offtake Off-Specification Gas; and/or

c) replacing any gas vented or flared including Shipper Stock and Line Pack;

d) settling claims by other Shippers; and/or

e) taking reasonable measures to secure the Safe and Reliable Operation of the Transportation System notwithstanding the withdrawal or continued withdrawal of such Offtake Off-Specification Gas.

The rights and remedies set out in paragraph 7.5 are intended to be the exhaustive rights and remedies of the Transporter with respect to the delivery or presence of Offtake Off-Specification Gas at a System Exit Point and, insofar as they relate to limitations of liability and nature of loss, shall apply to all liabilities and claims of any kind, whether as a result of a breach of any contractual obligation, representation or warranty, negligence, nuisance, breach of statutory duty, strict liability or otherwise howsoever arising on the part of the Shipper(s).

The amount of any claim made in favour of the Transporter shall be Invoiced to the relevant Shipper(s) by the Transporter and paid by the Shipper(s) in accordance with the Transportation Contract in place between the parties.

Additional conditions on liability

Neither the Transporter nor a Shipper shall be liable for, any compensation for loss or damage pursuant to the provisions of this paragraph 7 which had already been awarded or were subject to a claim pursuant to the provisions of paragraph 5.
8 System Exit Point Register

8.1 Purpose

8.1.1 The Transporter shall establish and maintain, or procure the Maintenance of, a register (System Exit Point Register) containing details of each System Exit Point in accordance with this Section.

8.1.2 In respect of each System Exit Point the System Exit Point Register will record the details to be submitted in respect of such point in an Exit Point Registration Notice.

8.1.3 For the purposes of the Code, a Registered Shipper:

a) in respect of a System Exit Point (other than in respect of which paragraph (b) applies), is the Shipper in whose name the System Exit Point; or

b) in respect of a Shared Transmission System Exit Point, is one of the two or more Shippers (each a Sharing Registered Shipper) in whose name the Shared Transmission System Exit Point, is, in each case, registered in the System Exit Point Register.

8.1.4 The gas withdrawn from the Transportation System at a System Exit Point will be attributed to the Registered Shipper or Sharing Registered Shippers; and the Registered Shipper or Sharing Registered Shipper accepts for the purposes of the Code responsibility for the withdrawal of the gas at the System Exit Point by itself or such other person (whether or not authorised by the Registered Shipper).

8.2 Exit Point Registration Notice

8.2.1 Without prejudice to paragraph 8.2.4, before a Shipper withdraws gas from the Transmission System at a Transmission System Exit Point (irrespective of whether or not such Shipper is the first Shipper to do so):

a) the Shipper shall submit to the Transporter a notice (Exit Point Registration Notice) in accordance with paragraph 8.2.2; and

b) the Transporter shall have notified the Shipper that it has accepted the Exit Point Registration Notice.

8.2.2 An Exit Point Registration Notice shall, without prejudice to paragraph 8.2.4, specify in respect of the relevant System Exit Point:

a) the Meter Identification Number for the Meter Installation;

b) the address at which the Meter Installation is located and the location of the Meter Installation at the address;

c) the identity of the Shipper (and the Shipper ID) submitting the notice and in the case of a notice submitted under paragraph 8.3.1b), the identity of the Registered Shipper, evidence that the Registered Shipper is agreeable to the transfer of the
8.2.3 The Transporter:

a) may reject an Exit Point Registration Notice which does not comply with the requirements of paragraph 8.2.2; and

b) shall notify the Shipper whether it has accepted or rejected the notice not later than three (3) Business Days following submission of the notice by the Shipper.

8.2.4 Where a Shipper submits an Exit Point Registration Notice for the purposes of paragraph 8.3.1c), the notice shall specify the identity of the Shipper, the Shipper ID, the Meter Identification Number and the details in respect of which those recorded in the System Exit Point Register are no longer accurate.

8.3 Notification

8.3.1 A Shipper shall be required to submit an Exit Point Registration Notice:

a) in accordance with paragraph 8.2.1;

b) where the Shipper submitting the notice wishes to replace the existing Registered Shipper as such (and the existing Registered Shipper is agreeable to the same);

c) where any of the details in an earlier submitted Exit Point Registration Notice (where previously submitted by the Shipper) are no longer accurate;

d) where, in respect of a Transmission System Exit Point, it wishes to become a Sharing Registered Shipper; and

e) where it is proposed that the withdrawal of gas at the System Exit Point be discontinued.

8.3.2 A Shipper shall submit an Exit Point Registration Notice to the Transporter:

a) in the case of paragraph a), not later than ten (10) Business Days before the first Day on which the Shipper proposes to withdraw gas at the System Exit Point;

b) in the case of paragraph b), not later than five (5) Business Days before the first Day on which the Shipper proposes to become the Registered Shipper in respect of the System Exit Point;
c) in the case of paragraph c), not later than five (5) Business Days before the first Day on which the Shipper wishes to change the details recorded on the System Exit Point Register;

d) in the case of paragraph d), not later than five (5) Business Days before the first Day on which the Shipper wishes to withdraw gas at the Shared Transmission System Exit Point; and

e) in the case of paragraph e), not later than five (5) Business Days before the Day from which the Shipper proposes that the withdrawal of gas at the System Exit Point be discontinued.

8.3.3 For notices submitted not in accordance with the timelines stated in paragraphs 8.3.2a) to 8.3.2e) and without prejudice to paragraph 8.2.3, the Transporter may exercise discretion of approval on a case by case basis.

8.3.4 Following submission of an Exit Point Registration Notice which is not rejected by the Transporter, the Transporter shall:

   a) amend the System Exit Point Register to reflect the details set out in the Exit Point Registration Notice;

   b) notify the Shipper submitting the notice that the System Exit Point Register has been amended; and

   c) in the case of paragraphs b) to e), notify, where applicable, the existing Registered Shipper or (as the case may be) existing Sharing Registered Shippers that the System Exit Point Register has been amended.

8.3.5 Where a Shipper submits an Exit Point Registration Notice which is rejected by the Transporter, the Shipper may, without prejudice to the Transporter’s rights under paragraph 8.2.3a), resubmit such notice.

8.4 Data

8.4.1 The Transporter shall keep all data to be held, or shall procure that all data shall be held, on the System Exit Point Register in accordance with this Section for a period of ten (10) years.
### ANNEX F

Gas Quality Specification for **Transmission System 1**:

<table>
<thead>
<tr>
<th>Component/Element</th>
<th>Units</th>
<th>Min</th>
<th>Max</th>
</tr>
</thead>
<tbody>
<tr>
<td>Heating Value</td>
<td>MJ/nm³</td>
<td>38.1</td>
<td>43.5</td>
</tr>
<tr>
<td>WOBBE</td>
<td>MJ/nm³</td>
<td>50.9</td>
<td>55.10</td>
</tr>
<tr>
<td>Relative Density</td>
<td></td>
<td>0.55</td>
<td>0.70</td>
</tr>
<tr>
<td>Hydrocarbon Dewpoint Temperature @ 6.25 barg</td>
<td>°C</td>
<td></td>
<td>-6.8</td>
</tr>
<tr>
<td>Water Content</td>
<td>lb/million SCF</td>
<td>0</td>
<td>7</td>
</tr>
<tr>
<td>N₂</td>
<td>mol%</td>
<td></td>
<td>3</td>
</tr>
<tr>
<td>CO₂</td>
<td>mol%</td>
<td></td>
<td>2</td>
</tr>
<tr>
<td>Total Inerts (N₂, Ar, CO, CO₂, He)</td>
<td>mol%</td>
<td></td>
<td>5</td>
</tr>
<tr>
<td>H₂S</td>
<td>ppm</td>
<td></td>
<td>4</td>
</tr>
<tr>
<td>Total Sulphur</td>
<td>ppm</td>
<td></td>
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</tr>
<tr>
<td>O₂</td>
<td>mol%</td>
<td></td>
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<tr>
<td>Spotleak</td>
<td>mg/nm³</td>
<td>10</td>
<td>25</td>
</tr>
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Gas Quality Specification for **Transmission System 2 and 3**:

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<tr>
<th>Component/Element</th>
<th>Units</th>
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<tr>
<td>WOBBE</td>
<td>MJ/nm³</td>
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<tr>
<td>Relative Density</td>
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<tr>
<td>CH₄</td>
<td>Vol%</td>
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<td>94</td>
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<tr>
<td>CO</td>
<td>Vol%</td>
<td></td>
<td>4</td>
</tr>
<tr>
<td>H₂</td>
<td>Vol%</td>
<td></td>
<td>3</td>
</tr>
<tr>
<td>N₂+Ar</td>
<td>Vol%</td>
<td></td>
<td>16</td>
</tr>
<tr>
<td>C₂H₄+C₂H₆</td>
<td>Vol%</td>
<td></td>
<td>2</td>
</tr>
</tbody>
</table>
## Gas Network Code

<table>
<thead>
<tr>
<th></th>
<th>Sulphur</th>
<th>Spotleak</th>
</tr>
</thead>
<tbody>
<tr>
<td>mg/nm³</td>
<td>4</td>
<td>10</td>
</tr>
<tr>
<td>mg/nm³</td>
<td>9</td>
<td>25</td>
</tr>
</tbody>
</table>
**Section G: EMERGENCIES**

1  **Introduction**

1.1. This section sets out the processes whereby an **Emergency** may be identified and the steps that the **Transporter** and **Shippers** may need to undertake to contain that **Emergency**.

1.2. An **Emergency** may include:

a) the safe conveyance of Gas by the **Transportation System** or any localised part thereof being significantly at risk;

b) Gas conveyed by the **Transportation System** being at such a pressure or of such a quality as to constitute, when withdrawn from the **Transportation System** or any localised part thereof, a danger to life, property or the environment;

c) an escape or suspected escape of Gas;

d) the **Transporter**’s ability to maintain safe pressures within the **Transportation System** or any localised part thereof being affected or threatened by an interruption or disruption to the **Transportation System** or a **Connected System**;

e) events or circumstances in a **Connected System** (either upstream or downstream of the **Transportation System**);

f) an insufficiency of deliveries of Gas to the **Transportation System** (including from any **Connected System**); and/or

g) any actual or potential failure of or damage to the **Transportation System** or any localised part thereof.

2  **Definitions**

2.1. **Emergency** means any event or circumstance or combination of events or circumstances which have occurred or may occur and which in the opinion of the **Transporter** adversely affects, or may adversely affect, the safety or operational integrity of the **Transportation System** or any localised part thereof or which results or may result in the safety of life, property or the environment being at risk, a Network **Emergency** and, where the context requires, a reference to an **Emergency** includes the event or circumstance which gives rise to such **Emergency**.

2.2. The existence of an **Emergency** shall be determined by the **Transporter**, irrespective of the cause of the **Emergency** and of whether the **Transporter** or any other person may have caused or contributed to the **Emergency**.

2.3. An **Emergency** shall continue until such time as the **Transporter** determines that the circumstances referred to in paragraph 1.2 no longer apply, that no further **Emergency Steps** are required and that normal operation of the **Transportation System** and full implementation of this Code may be resumed.
2.4. The Transporter shall take such steps as it considers necessary to restore Gas transportation and normal operation of the Transportation System as soon as reasonably practicable after an Emergency.

2.5. The Transporter has developed a Gas Emergency Plan in conjunction with other Transporters in the Republic of South Africa. In the event of any conflict between the Gas Emergency Plan and the provisions of this Code the provisions of the Gas Emergency Plan shall prevail.

3 Emergency Response

3.1 Emergency Steps

3.1.1 The Transporter, to the extent that it considers necessary, may take steps and may require Shippers to take steps to avert and/or reduce the likelihood of, or likely scale of, an Emergency or to overcome or contain an Emergency and/or to avert or reduce the hazard presented by an Emergency and/or to restore Gas supply and normal operation of the Transportation System (including through the possible sale or purchase of Gas) in the course of and/or following the taking of any such steps (Emergency Steps). Emergency Steps may include action to be taken or not to be taken as the case may be by the Transporter or a Shipper (as instructed by the Transporter).

3.1.2 The Transporter and each Shipper acknowledge that in an Emergency their respective interests shall be subordinated to the need to take Emergency Steps in accordance with this Section.

3.1.3 In view of the importance of co-ordination of Emergency Steps, a Shipper shall only take Emergency Steps in accordance with this Section and in accordance with an instruction given by the Transporter.

3.1.4 No Emergency Steps taken, by the Transporter or any Shipper in compliance with any requirements of this Section shall be a breach of any provision of this Code. In particular the Transporter shall not be in breach of its obligation to accept Gas tendered for delivery to the Transportation System at an Entry Point or to make Gas available for withdrawal from the Transportation System to the extent that, as a result of any Emergency Steps taken, Gas tendered for delivery is not accepted or Gas is not made available for withdrawal.

3.1.5 Nothing in this Section shall relieve a Shipper from any of its financial obligations arising under this Code.

3.2 Connected System

3.2.1 The Transporter may subject always to the Gas Emergency Plan agree with each Connected System Operator the Emergency procedures to be taken with respect to Connected Systems, setting out the steps to be taken in the event of an Emergency by the Connected System Operator.
3.3 **Emergency Preparedness**

3.3.1 In the event of an *Emergency* and in addition to the measures referenced in this Section, the *Transporter* shall implement, to the extent relevant, its *Transmission System Emergency* procedures and/or *Distribution System Emergency* procedures, and/or *Joint Operational Procedure* for the control of *Emergencys* in the Gas *Emergency Plan*.

3.4 **Shipper Emergency Contacts**

3.4.1 Each *Shipper* shall provide to the *Transporter* contact details at which the *Shipper* or its Authorised Representative shall be contactable twenty four (24) hours a *Day* in the event of an *Emergency*. The contact details to be provided shall be a single telephone number (and a back-up single landline telephone number), a single mobile telephone number (and a single back-up mobile telephone number), a single facsimile number (and a single back-up facsimile number), a single email address (and a single back-up email address) and the job title(s) of relevant personnel.

3.4.2 The details required under this paragraph 3.4 shall be kept up to date and for these purposes a *Shipper* shall notify the *Transporter* of any change in such details promptly and, in any event, not later than five (5) *Business Days* in advance of effecting such change.

3.4.3 If a *Shipper* does not provide the required details or maintain such details up to date, or if the Authorised Representative cannot be contacted at any time at the contact details provided by the *Shipper* in accordance with paragraph 3.4.1, then, without prejudice to any other rights which the *Transporter* has under this Code, the *Transporter* may (notwithstanding that an *Emergency* does not then exist) suspend (in whole or in part) the *Shipper*'s rights under this Code by notice to the *Shipper* in accordance with Section I: Section I: COMMUNICATIONS AND IT until such time as the *Transporter* confirms that the *Shipper* has complied with its obligations under this paragraph 3.4. In such circumstances, the *Transporter* shall not be liable to any such *Shipper* for any costs, losses or expenses incurred in connection with any such suspension of rights and the *Shipper* shall indemnify the *Transporter* in respect of any such costs, losses or expenses incurred in respect of any such suspension of rights and the *Shipper* shall indemnify the *Transporter* in respect of any actions, costs or claims arising as a result thereof.

3.5 **Emergency Contacts at Large Customer Sites**

3.5.1 Each *Shipper* shall provide to the *Transporter*, in respect of any *Transmission System Exit Point* serving a single End Consumer with annual consumption in excess of two million five hundred thousand (2 500 000) GJ of gas or a Retriculator with annual consumption in excess of two million five hundred thousand (2 500 000) GJ of gas (a *Large Customer Site*) at which the *Shipper* is the *Registered Shipper*, contact details in a form specified by the *Transporter*, where such information is not provided to the *Transporter* pursuant to an End User Agreement. Each *Shipper* shall advise the *Transporter* of any changes in their contact details.

3.5.2 The details required under this paragraph 3.5 shall be provided by a *Shipper* at the time at which the *Shipper* becomes the *Registered Shipper* at the *Large Customer Site* and...
shall at all times be maintained up to date. For these purposes, a **Shipper** shall require the End User to notify the **Shipper** of any change in details in advance of any such change and the **Shipper** shall notify the **Transporter** of any change in such details promptly and, in any event, not later than five (5) **Business Days** in advance of effecting such change.

3.5.3 If a **Shipper** does not in accordance with paragraph 3.5.1 and/or paragraph 3.5.2 provide the required contact details or maintain such details up to date or if the End User's Authorised Representative at or in respect of an **Exit Point** cannot be contacted at any time at the contact details provided by the **Shipper** in accordance with paragraph 3.5.1, or provided pursuant to any applicable End User Agreement then, without prejudice to any other rights which the **Transporter** has under this Code, the **Transporter** may (notwithstanding that an **Emergency** does not then exist) suspend (in whole or in part) the **Shipper**'s rights under this Code in respect of the relevant **Exit Point** by notice to the **Shipper** in accordance with Section I: COMMUNICATIONS AND IT until such time as the **Transporter** confirms that the **Shipper** has complied with its obligations under this paragraph 3.5. In such circumstances, the **Transporter** shall not be liable to any such **Shipper** for any costs, losses or expenses incurred in connection with any such suspension of rights in respect of the relevant **Exit Point** and the **Shipper** shall indemnify the **Transporter** in respect of any such costs, losses or expenses incurred in respect of any such suspension of rights and the **Shipper** shall indemnify the **Transporter** in respect of any actions, costs or claims arising as a result thereof.

3.6 **Occurrence of an Emergency**

3.6.1 Where an **Emergency** arises, the **Transporter** shall inform all **Shippers** of the commencement and (so far as practicable) the nature, extent and expected duration of the **Emergency** by such means as is reasonably available to the **Transporter** at the time. The **Transporter** shall (so far as practicable) thereafter keep the **Shippers** informed of any material changes and developments in respect of the **Emergency** and shall notify the **Shippers** as soon as reasonably practicable of the time at which the **Transporter** considers the **Emergency** has ceased.

3.6.2 During an **Emergency** each **Shipper** shall:

a) comply with the **Emergency Steps** as instructed by the **Transporter** and co-operate with the **Transporter** to the extent possible so as to enable the **Transporter** to take **Emergency Steps**;

b) procure compliance by the End User or Third **Party Shipper** with any such **Emergency Steps** instructed by the **Transporter** to the **Shipper** save to the extent that there is any conflict between such **Emergency Steps** and the obligation of the End User to the **Transporter** pursuant to this Code or any applicable End User Agreements;

c) notify the **Transporter** of all actions taken by the **Shipper** and the End User to comply with the **Emergency Steps**; and
Gas Network Code

d) comply with directions issued by the Transporter to bring an Emergency to an end or to prevent an Emergency (as the case may be).

3.6.3 In addition to the right of the Transporter to require a Shipper to take Emergency Steps pursuant to this Section and the Shipper’s obligations pursuant to paragraph 3.6.2, the Transporter shall at all times during an Emergency retain the absolute right to impose upon any Shipper by way of notice to such Shipper any obligation and/or responsibility that it considers may be reasonable or necessary to resolve and/or to mitigate the impact of such Emergency and each Shipper shall comply with any such obligation and/or responsibility upon receipt of such notice from the Transporter.

3.6.4 The provisions of this section 3.6 are subject to and without prejudice to the Gas Emergency Plan.

3.7 Entry Point Control and Connected System Exit Point Control

3.7.1 Without prejudice to the obligations set out in paragraph 3.6.2, where Emergency Steps include increasing or decreasing the delivery and/or rate of flow of Gas to or from an Entry Point and/or a Connected System Exit Point the Transporter may issue appropriate instructions in respect of such increase or decrease to the Shippers utilising such Entry Point or Connected System Exit Point, who in turn will exercise their Nomination rights under their respective agreements with their Gas suppliers or under their agreements with those parties with whom they have contracted to deliver Gas at the Connected System Exit Point as necessary and/or as requested by the Transporter to the extent practical but at all times using all reasonable endeavours.

3.8 Exit Point Control

3.8.1 Where Emergency Steps include the reduction or discontinuance of withdrawal of Gas at any Exit Point(s) on the Transportation System (or any localised part thereof), the Transporter shall, where practicable, first seek voluntary reductions of withdrawal by Shippers and if the Transporter cannot achieve the requisite reduction of withdrawal voluntarily in a timely manner, the Transporter may require a Shipper or Shippers to reduce demand for Gas on the Transportation System (or any localised part thereof) (so far as the Transporter considers practicable and necessary). The Transporter shall subject to the provisions of the Gas Emergency Plan identify those Exit Points or classes of Exit Point in respect of which it requires a reduction in withdrawal.

3.8.2 In so reducing demand at Large Customer Sites in accordance with paragraph 3.8.1 the Transporter will give due consideration, upon notice from a Shipper and in a timely fashion and where practicable so as to enable End Users to discontinue withdrawal in such a manner as to protect so far as possible essential or major capital items of plant, or to allow the End User to change to alternative fuels (where practicable).

3.8.3 Where, pursuant to an Emergency, the Transporter instructs a Shipper to give any notification or communication to an End User or supplier, the Shipper shall comply with such instruction and procure that the End User or supplier complies with such instruction save to the extent that there is any conflict between a notification or communication to
the End User or supplier which the Shipper issues on the instruction of the Transporter and the obligation of the End User or supplier to the Transporter pursuant to this Code or any applicable End User Agreement.

3.8.4 Without prejudice to the Transporter’s ability to take any Emergency Steps and any other rights which the Transporter may have under this Code, the Transporter may disconnect any Exit Point at which a Registered Shipper and/or the End User do not comply with any instruction given under this Section.

3.8.5 The order in which, following an Emergency, withdrawal of Gas at Exit Points is restored shall (so far as is practicable) be the inverse of that under paragraph 3.8.1.

3.8.6 The Transporter shall not unduly discriminate between Exit Points in reducing demand on the Transportation System.

3.9 Consequences of Emergency

3.9.1 In the event of an Emergency, the Transporter may suspend any of the provisions of this Code (save for the financial obligations of a Shipper under this Code) with respect to any Shipper.

3.9.2 The Transporter and each Shipper acknowledge that during an Emergency it may be necessary for each of them to divert resources from other activities which may potentially result in a temporary impairment of their respective abilities subsequently to perform their respective obligations (other than any financial obligations) pursuant to this Code and acknowledge that any such impairment resulting from such diversion of resources shall not constitute a breach of this Code, but may constitute Force Majeure pursuant to the Transportation Contract entered into between the Parties.

3.10 Costs

3.10.1 The Transporter shall not be liable for any costs incurred by a Shipper which arise out of an Emergency or as a result of taking any Emergency Steps or any other steps imposed by the Transporter in accordance with paragraph 3.6.3

3.10.2 Each Shipper shall be liable for its own costs incurred in respect of an Emergency save, however, that if the withdrawal of Gas by a Shipper (First Shipper) is reduced pursuant to paragraph 3.8 with the effect that the First Shipper’s Gas is withdrawn by another Shipper (Benefiting Shipper), the Benefiting Shipper shall pay the Weighted average Cost of Gas as displayed on the previous Month’s customer’s Invoices for that quantity of the First Shipper’s Gas withdrawn by such Benefiting Shipper to the Transporter on behalf of the First Shipper and the Transporter shall pay such sums so received to the First Shipper.

3.11 Emergency Report

3.11.1 The Transporter shall, following each Emergency prepare a report (Emergency Report) in respect of such Emergency and shall provide a copy of such Emergency Report to NERSA detailing:
a) the cause of the **Emergency**; and

b) where relevant, the remedial actions that needed to be taken to address the **Emergency**.
Section H: METERING

1 Introduction

1.1. This Section contains provisions:

a) relating to the metering of gas injected into the Transmission System at a Transmission System Entry Point;

b) relating to the metering of gas at a Transmission/Distribution Point;

c) relating to the metering of the withdrawal of gas from the Transportation System at System Exit Points;

d) in respect of the ownership, installation and Maintenance of Meter Installations; and

e) relating to the use of and ownership of Metering Data.

2 General

2.1 Definitions

2.1.1 For the purposes of this Code:

a) a Balancing Period Meter or BPM is either a BPRM or a BPCM;

b) a Balancing Period Read Meter or BPRM is a meter which enables the Transporter to obtain readings remotely of the quantity of gas flowing through such meter in respect of each Balancing Period via the Automated Meter Reading system;

c) Balancing Period Capable Meter or BPCM is a meter at which:

i) Metering Data is recorded in the Meter Installation for each Balancing Period; and

ii) Metering Data is available to the Transporter via a Manual Download;

d) the Metering Specification is the Code Subsidiary Document of that name to be prepared by the Transporter;

e) Metering Data comprises Meter Readings and additional information downloadable from the meter;

f) a Meter Installation is a meter and associated equipment including associated pipework, filters, valves, seals, regulators, housings, mountings and telemetry equipment;

g) the Meter Owner is the person who owns the Meter Installation as specified in the Metering Specification;

h) a Meter Reading is the compensated volume recorded by the meter;
i) **Valid Meter Reading** is a **Meter Reading** which has been subject to **Validation** and not rejected in accordance with paragraph 2.2; and

j) **Validation Rules** are the rules and procedures as set out in the **Metering Specification**.

### 2.2 Validation

2.2.1 **Meter Readings** will be subject to **Validation**.

2.2.2 **Validation** means the testing of the validity of a **Meter Reading** in accordance with the **Validation Rules**.

### 2.3 Interpretation of Standards

2.3.1 The **Transporter** shall be responsible for the interpretation of standards, guidelines and specifications used in the design, installation, operation and **Maintenance** of the **Meter Installation**.

### 3 Installation and Maintenance

#### 3.1 Responsibilities

3.1.1 The **Transporter** shall secure or, where relevant, procure that an **Upstream Facility Operator** secures, (in accordance with the **Metering Specification**) at:

a) each **Transmission System Entry Point**; and

b) each **Transmission/Distribution Point**.

that there is installed, operated and maintained in proper working order and to the standards set out in the **Metering Specification**, a BPRM **Meter Installation** for the purposes of registering the quantity of gas injected into the **Transmission System** at a **Transmission System Entry Point** or withdrawn from the **Transmission System** and flowing into the **Distribution System** at a **Transmission/Distribution Point**.

3.1.2 The **Transporter** shall secure that (in accordance with the **Metering Specification**) at each **Transmission System Exit Point** there is installed, operated and maintained in proper working order and to the standards set out in the **Metering Specification** a **Meter Installation** for the purposes of registering the quantity of gas withdrawn at such **Transmission System Exit Point**.

3.1.3 In complying with its obligations under paragraphs 3.1.1 and 3.1.2 the **Transporter** and **Shippers** will secure that the **Meter Installation** installed is of the type and standard and complies with the specification as to accuracy as set out in the **Metering Specification**.

3.1.4 In respect of a **Meter Installation** it shall be the responsibility of the person identified in paragraphs 3.1.1 or 3.1.2:

a) to secure the proper **Maintenance** and repair of the **Meter Installation**;
b) to secure that the Meter Installation is housed in a suitable housing at the relevant System Point; and

c) that to the extent necessary, there exists and is maintained a supply of electricity to the Meter Installation and that there exists adequate drainage at the relevant System Point.

4 Meter Reading

4.1 Responsibilities

4.1.1 The requirements for obtaining Meter Readings from BPM Meter Installations are set out in this paragraph 4.

4.1.2 The Transporter will be responsible for obtaining Meter Readings in respect of a Meter Installation located at a Transmission System Entry Point, a Transmission/Distribution Point, and a Transmission System Exit Point.

4.1.3 The Transporter will calculate the Metered Injection Quantity and Metered Offtake Quantity in accordance with paragraph 6.

4.1.4 For each Meter Installation referred to in paragraph 4.1.2 the Transporter shall submit any Valid Reads to the Registered Shipper on the next Business Day following the Day on which they are obtained.

4.2 Absence of Valid Reads

4.2.1 In the absence of Valid Meter Reading(s) from a Metering Installation in respect of a Balancing Period, the Transporter may determine the quantity of Gas flowing through such Metering Installation, an Estimated Meter Reading by either:

a) using appropriate Gas engineering technology; or

b) estimating based on quantities flowed in previous Balancing Periods; or

c) by using alternative Meter Readings provided by the Customer or Shipper.

5 Metering Data

5.1 Meter Data Register

5.1.1 The Transporter shall establish and maintain a register (Meter Data Register) of all Metering Data.

5.1.2 The Transporter shall store all data to be held on the Meter Data Register in normally accessible form for sixteen (16) Months from the date to which it relates and shall archive such data for a further period of eighty-four (84) Months thereafter.
6 Metered Quantities

6.1 Metered Injection Quantity

6.1.1 For the purposes of the Code, and in particular Section E: ALLOCATION, and in respect of a Balancing Period, the Metered Injection Quantity in respect of a Transmission System Entry Point shall be:

a) where the Transporter is in possession of a Valid Meter Reading for the Transmission System Entry Point for the Balancing Period, the quantity determined by reference to the Valid Meter Reading; and

b) where the Transporter is not in possession of a Valid Meter Reading for the Transmission System Entry Point for the Balancing Period, the Estimated Meter Reading.

6.2 Metered Offtake Quantity

6.2.1 For the purposes of the Code, and in particular Section E: ALLOCATION, and in respect of a Balancing Period, the Metered Offtake Quantity in respect of a System Exit Point shall be:

a) where the Transporter is in possession of a Valid Meter Reading for the System Exit Point for the Balancing Period, the quantity determined by reference to the Valid Meter Reading; and

b) where the Transporter is not in possession of a Valid Meter Reading for the System Exit Point for the Balancing Period, the Estimated Meter Reading.

6.2.2 For the purposes of the Code, and in particular Section E: ALLOCATION, and in respect of a Balancing Period, the Metered Offtake Quantity in respect of a Transmission/Distribution Point shall be:

a) where the Transporter is in possession of a Valid Meter Reading for the Transmission/Distribution Point for the Balancing Period, the quantity determined by reference to the Valid Meter Reading; and

b) where the Transporter is not in possession of a Valid Meter Reading for the Transmission/Distribution Point for the Balancing Period, the Estimated Meter Reading.

6.3 Energy Conversion

6.3.1 Where for the purposes of the Code (and in particular in respect of Section E: ALLOCATION and Section J: GENERAL) the Transporter is required to calculate the quantity of gas withdrawn at a System Exit Point in a Balancing Period in GJ by reference to a Valid Meter Reading expressed in nm\(^3\), the Transporter shall undertake the conversion (from nm\(^3\) to GJ) by multiplying the aggregate volume measured by the Measurement Equipment multiplied by the Heating Value.
6.3.2 The Heating Value (expressed in GJ/nm³) to be used for the energy conversion calculation in paragraph 6.3.1 shall be the Transmission System Wide Heating Value calculated by the Transporter in the manner prescribed in paragraph 6.3.3.

6.3.3 The calculation of the Transmission System Wide Heating Value for Transmission System 1, Transmission System 2 and Transmission System 3 shall be calculated as the Monthly arithmetic average of the Heating Values determined at the Entry Point to the relevant Transmission System.
Section I: COMMUNICATIONS AND IT

1 **Introduction**

1.1 This Section outlines the arrangements for communications under the Code.

2 **General**

2.1 **Definitions**

2.1.1 For the purposes of this Section:

   a) **Code Communication** means any communication (including any notification, application, request, approval, acceptance, rejection, report or other data submission or data transfer) to be sent and received under the Code, and includes (where the context admits) the data flow and content comprised in such communication;

   b) **Communications Medium** means a particular method of transmitting **Code Communications**, including facsimile, e-mail, telephone or other electronic communications system;

   c) a **Data Catalogue** is a document (or combination of documents) of that title, as established or adopted and from time to time **Modified** in accordance with the Code, containing a catalogue of certain **Code Communications**, specifying for each such **Code Communication**:

      i) the definition of the data items comprised in the **Code Communication**;

      ii) the format of the **Code Communication**;

      iii) in certain cases, the **Communications Medium** or alternative **Communications Medium** by which such **Code Communication** may be sent;

      iv) any other requirements as to the form of the **Code Communication**.

2.1.2 **Data Catalogues** are **Code Subsidiary Documents**.

2.2 **Communications**

2.2.1 Subject to any other specific provision of the Code, and subject to paragraph 2.2.2, the arrangements and requirements (including terms as to when the sending or receipt of a **Code Communication** is effective) which apply in relation to the various kinds of **Code Communications** are to be made in accordance with the termination / default and invoicing provisions of the Gas Supply Agreement in place between the parties.

2.2.2 A **Code Communication** may only be made by being posted on the **Transporter**’s Website where the Code expressly so provides.
2.3 Data Catalogue

2.3.1 Any Code Communication which is specified in a Data Catalogue shall be sent and received in the form and format and using the Communications Medium (where specified) and otherwise in accordance with the requirements set out in that Data Catalogue (or where the Data Catalogue provides options, in accordance with one of the options).

3 Scope and Interpretation

3.1 Application of further provisions of this Section

3.1.1 The further provisions of this Section apply in relation to Code Communications to be made between the Transporter and Shippers.

3.1.2 This Section shall also apply in relation to each Shipper’s Shipper Agents, and each Shipper shall be responsible for ensuring that its Shipper Agents send and receive Code Communications in accordance with and otherwise comply with the requirements of this Section; and accordingly, where the context admits, a reference in this Section to a Shipper includes its Shipper Agents.

3.2 Interpretation

3.2.1 For the purposes of this Section:

a) a Communication Requirements Document is a document or documents of that title, as established or adopted and from time to time Modified in accordance with the Code, containing detailed requirements for sending and receiving Code Communications between Shippers and the Transporter using one or more than one Communications Medium(s);

b) Time Standard means any time standard specified (in relation to a Communications Medium) in the relevant Communication Requirements Document.

3.3 Communication Requirements Document

3.3.1 Each Communication Requirements Document sets out, in relation to the Transporter and each Communications Medium to which it relates:

a) a description and specification of the Communications Medium;

b) requirements (if any) as to the system(s) which are required by a Shipper in order to send and receive Code Communications using that Communications Medium;

c) any security requirements (as further described in paragraph 4.1) applying in respect of the use of the Communications Medium by a Shipper;

d) any further terms applying to the use of such Communications Medium by a Shipper; and
Gas Network Code

e) the basis on which (as further described in paragraph 5.2) it will be determined whether and when Code Communications sent using such Communications Medium are deemed to have been received;

3.3.2 A Communication Requirements Document may specify any of the foregoing by reference to another Code Subsidiary Document.

3.3.3 Communication Requirements Documents are Code Subsidiary Documents.

4 Shippers’ Obligations

4.1 Security

4.1.1 A Communication Requirements Document may specify, in relation to any particular Code Communication or in relation to the use of the relevant Communications Medium, requirements as to security of the Code Communication and/or Communications Medium, including by reference to any one or more of:

a) passwords and security keys;

b) firewalls at relevant gateways from and to which Code Communications will be sent and at which Code Communications may be received;

c) other encryption methods as may be specified in the Communication Requirements Document.

4.1.2 Each Shipper shall, but without prejudice to paragraph 5.1.3, take all reasonable steps to prevent unauthorised access to a Code Communication or Communications Medium and shall exercise care in the use of passwords and security keys in particular, to prevent unauthorised use of them.

4.1.3 If a Shipper becomes aware of a breach of security in relation to a Code Communication or Communications Medium, it shall promptly take such steps as may be required under the Communication Requirements Document in relation thereto, including notifying the Transporter.

5 Communications Rules

5.1 Form and effect of Communications

5.1.1 Shippers shall send Code Communications using the applicable Communications Medium and in the format and in accordance with all other applicable requirements set out in the applicable Communication Requirements Document.

5.1.2 For the purposes of the Code a Code Communication made by a Communications Medium and otherwise in accordance with the requirements specified in or pursuant to this Section shall be a valid and effective Code Communication; and the Shippers hereby confirm that they intend such Code Communications to have legal effect for the purposes of the Code.
5.1.3 It shall be assumed that any person where paragraph 4.1 applies, using the relevant identification, password, security key or authorisation or otherwise appearing to comply with the applicable security measures, for the purposes of sending or receiving any Code Communication, is authorised to send and receive Code Communications in the name of and on behalf of the Shipper; and any Code Communication so sent or received shall be considered to have been sent or received by that Shipper.

5.1.4 A Shipper may not send and shall not be entitled to receive a Code Communication by a means other than one required or permitted under this Section, and must otherwise comply with the applicable requirements of this Section in order to send Code Communications; and it is acknowledged that:

a) where a Shipper does not comply with such requirements:

i) the Shipper may be unable to send Code Communications;

ii) a Code Communication sent to the Shipper in accordance with the requirements of paragraph 5.2.2 shall be properly sent and treated as received, notwithstanding that the Shipper may be unable to receive or access that Code Communication;

b) where the Shipper attempts to send a Code Communication other than in accordance with such requirements, the Communication shall be treated as not having been sent and shall be of no effect.

5.2 Effective receipt of Communications

5.2.1 The Communication Requirements Document will specify, for the relevant Communications Medium, and for all or particular Code Communications, the basis on which and time with effect from which a Code Communication is treated as received for the purposes of the Code.

5.2.2 It is agreed and acknowledged that (subject to paragraph 5.1.4a(ii)):

a) Code Communications will be treated for the purposes of the Code as received (and as effective) by reference to and in accordance with the relevant arrangements and requirements specified in the Communication Requirements Document, and will not be treated as received other than in accordance with such arrangements and requirements; and

b) where and to the extent that the Communication Requirements Document so specifies (and provides for arrangements and requirements which include a Time Standard for this purpose), the time with effect from which a Code Communications will be treated for the purposes of the Code as received will be the time determined in accordance with such arrangements and requirements and the Time Standard therein.
5.3 Other obligations

5.3.1 Each Shipper shall use reasonable endeavours to ensure that its use of any Communications Medium does not disrupt the use by other Shippers of that or other Communications Mediums.

5.3.2 Shippers shall not send Code Communications containing content which is illegal, immoral, pornographic, inciteful, defamatory or contrary in any way to applicable laws, practises and regulations.

5.3.3 Any Notice that shall be in writing shall be addressed to the recipient Shipper at the recipient Shipper's address or facsimile number referred to in paragraph 5.3.4, and marked for the attention of the representative (identified by name or title) referred to in that paragraph, or to such other address or facsimile number and/or marked for such other attention as the recipient Shipper may from time to time specify by Notice in accordance with this paragraph 5.3 to the Shipper giving the notice.

5.3.4 The initial address or facsimile number of a Shipper, and representative for whose attention Notices are to be marked, shall be as specified by a Shipper pursuant to paragraph Section J: 2.1 or by the Transporter pursuant to paragraph Section J: 2.2.

5.3.5 For the purposes of enabling Code Communications to be given (where required or permitted to be so given) by telephone:

a) the Transporter shall provide to each Shipper and each Shipper shall provide to the Transporter not more than four (4) telephone numbers (or such other number as they may agree) and details (by name or title) of the representative to whom the Party giving such a communication should speak;

b) each Party shall use reasonable endeavours to ensure that a Party seeking to give such communication will at any time be able to contact a representative (of the first Party) by means of one of such telephone numbers; and

c) the Transporter and each Shipper shall, if either of them shall so request, establish such further procedures as may be reasonable and appropriate for the purposes of ensuring:

i) that a Code Communication being given by telephone may be identified by the recipient as such; and/or

ii) that such communications may be given securely, without delay and effectively.

5.3.6 Where a Party seeking to give a Code Communication by telephone is unable to contact a representative of the receiving Party, such Party must give the communication by facsimile and the communication will not be deemed to have been given except where a successful transmission receipt has been retained.

5.3.7 Unless otherwise agreed between the relevant Parties a telephone notice may not be given as a message recorded on a telephone answering device.
Gas Network Code

5.3.8 Where a **Code Communication** is given by telephone:

a) the **Transporter** will promptly after the telephone communication is completed make and keep a record in which the time and content of the telephone notice is logged, but may do so by recording the telephone communication where it has notified the **Shipper** (on the occasion or on a standing basis) of its intention to do so; and

b) the **Code Communication** shall be treated as given at the time at which the telephone communication is completed.

5.3.9 A **Party** may specify different telephone numbers and representatives pursuant to paragraph 5.3.5 for the purposes of receiving by telephone **Code Communications** of different kinds or relating to different matters.
Section J: GENERAL

1 Introduction

1.1. The Code and Framework Agreement operate as a binding contract between the Transporter and each Shipper. For the avoidance of doubt, each such contract comprising the Code and Framework Agreement between the Transporter and a Shipper shall constitute a distinct and separate contract (each such contract a Transportation Contract). Save for the Transporter and the Shipper who are parties to a specific Transportation Contract, no other person or entity (including a Shipper who is a Party to another Transportation Contract) shall have any right under the Contracts (Rights of Third Parties) Act 1999 (GB) to enforce any term of such Transportation Contract, regardless of whether such person or entity has been identified by name, as a member of a class or as answering a particular description. Nothing in this paragraph shall affect the rights of any permitted assignee or transferee.

1.2. In this Section, Party means in the context of a Transportation Contract, the Transporter or the Shipper who is Party to such Transportation Contract.

2 Accession

2.1 Applicant Shipper

2.1.1 In order to become a Shipper, a Shipper (the Applicant Shipper) must satisfy each of the following requirements:

a) the Applicant Shipper shall have applied to the Transporter, in such form as the Transporter may from time to time prescribe, giving the following details:

i) the name of the Applicant Shipper;

ii) the legal nature of the Applicant Shipper, and where the Applicant Shipper is not a company incorporated under the Companies Act, No. 71 of 2008, such further information concerning the constitution of the Applicant Shipper as the Transporter may reasonably require; and

iii) the postal address, telephone and facsimile numbers and email address of the Applicant Shipper and the individual for whose attention notice is to be marked, for the purposes of notice under paragraph 8;

b) the Applicant Shipper shall be:

i) the holder of a Trader’s Licence; or

ii) an Eligible Customer.

c) the Applicant Shipper shall have secured compliance with those requirements of Section I: COMMUNICATIONS AND IT which are required to be complied with before a Shipper is able to send and receive Code Communications;
Gas Network Code

2.2 Admission of Shipper

2.2.1 The Applicant Shipper will become a Shipper with effect from the Day which is the Transporter countersigns the Framework Agreement provided by the Applicant Shipper at paragraph 2.1.1g) (Shipper Accession Date).

2.2.2 Upon satisfaction of the last of the requirements under paragraph 2.1.1, the Transporter will:

   a) notify the Applicant Shipper of the Transporter's notice details for the purposes of Section I: 5.3.4;

   b) provide the Approved Transmission tariff as published by NERSA to the Applicant Shipper;

   c) and publish:

       i) the Shipper Accession Date for such Applicant Shipper; and

       ii) the name of the Applicant Shipper and its notice details provided under paragraph 2.1.1a)iii).

2.2.3 Prior to the Shipper Accession Date, notwithstanding that a Shipper is a Party to a Transportation Contract, such Shipper shall have no rights under such Transportation Contract or the provisions of this Code to apply or hold any Capacity Rights or to have gas conveyed on behalf of such Shipper and the Transporter shall have no obligations or liabilities to such Shipper in relation to the same and, in particular, the Transporter shall be under no obligation to grant any Capacity Rights to or to convey any gas on behalf of such Relevant Gas Shipper.

3 Credit

3.1 Introduction

3.1.1 The Transporter may mitigate the risk of non-payment by a Shipper of its Transmission Charges by requiring such Shipper to provide security as specified in paragraph 3.3.
3.2 Definitions

3.2.1 For the purposes of this Code the following definitions shall have the following meanings:

a) **Average Monthly Transmission Charges Indebtedness** is a Shipper’s Average Monthly Transmission Charges Indebtedness as determined by the Transporter from time to time with reference to historical information and the prevailing Transmission Charges specified in Section B: CAPACITY.

3.2.2 For the purposes of this paragraph, a Shipper’s liability for Transmission Charges in respect of a Balancing Period shall be deemed as accruing on the Day following the Day on which the Balancing Period falls.

a) **Transmission Charges Indebtedness** is:

i) the aggregate amount for which a Shipper is at any time liable to the Transporter pursuant to the Code, determined on the basis of amounts accrued and irrespective of whether such amounts have been Invoiced under the Transportation Contract in place between the parties or (where Invoiced) have become due for payment; less

ii) any amount which has been paid to the Transporter by the Shipper by way of prepayment, on the basis that the Transporter may apply such amount without the Shipper’s consent in or towards payment of amounts referred to in paragraph 3.2.1a)i) and which has not yet been so applied.

b) **Transmission Credit Limit** is, in respect of a Shipper;

i) an amount equal to the aggregate value of all security provided by the Shipper pursuant to paragraph 3.3 to secure payment of its Transmission Charges Indebtedness; less

ii) the value of any security which may have been realised or applied by the Transporter in settlement of any outstanding Transmission Charges Indebtedness pursuant to paragraph 3.5.

3.3 Security for Transmission Charges Indebtedness

3.3.1 The Transporter may mitigate the risk of non-payment by a Shipper of its Transmission Charges Indebtedness by requiring such Shipper to provide security in such amount equal to two point five (2.5) times its Average Monthly Transmission Charges Indebtedness and in the form of:

a) cash deposits;

b) An irrevocable and unconditional guarantee by a Third Party (a Guarantor) in respect of which the Transporter acting reasonably, is satisfied that the Guarantor will be able to meet its obligations in terms of the guarantee for as long as the relevant guarantee is in force (the Long-term Creditworthiness) having regard to:
Gas Network Code

i) the Average Monthly Transmission Charges Indebtedness;

ii) the annual audited financial statements of such Guarantor; and

iii) such other matters as may from time to time be reasonably relevant to the determination of the Long-term Creditworthiness of such Guarantor and which are not included in the aforesaid financial statements, provided that any such guarantee shall only cease to constitute a Shipper Security following the expiry of ten (10) Business Days' notice by the Transporter to the Shipper that the Transporter has ceased to be so satisfied with such Long-term Creditworthiness;

c) an irrevocable stand-by letter of credit issued and confirmed by a Triple A Rated Bank;

d) an irrevocable stand-by letter of credit issued and confirmed by a multi-lateral institution satisfactory to the Transporter in its sole discretion; or

e) any combination of the above.

3.3.2 If a Shipper provides security in the form of a cash deposit for its Transmission Charges Indebtedness, the Transporter shall not be required to pay interest on such deposit.

3.3.3 The initial amount of security required from a Shipper to secure payment of its Transportation Credit Code Indebtedness shall be:

a) notified by the Transporter to the Shipper prior to the Shipper Accession Date; and

b) deposited with the Transporter or otherwise provided by the Shipper prior to the Shipper Accession Date.

3.3.4 The Transporter may review a Shipper’s Average Monthly Transmission Charges Indebtedness as frequently as the Transporter wishes or at the written request of the Shipper.

3.3.5 If, as a result of a review by the Transporter made pursuant to paragraph 3.3.4, a Shipper’s Average Monthly Transmission Charges Indebtedness is determined to have increased by more than ten percent (10%), the Transporter shall so notify and require the Shipper to provide within ten (10) Business Days additional security to reflect such increase.

3.4 Transmission Credit Limit and Transmission Charges Indebtedness

3.4.1 Where a Shipper has submitted an Invoice Dispute in accordance with the Transportation Contract in place between the parties in respect of any Invoice, the Transporter will review and give due consideration to such Invoice Dispute before taking the steps set out in 3.4.2.

3.4.2 Where and for so long as the Transmission Charges Indebtedness of a Shipper for the time being reaches or exceeds the Shipper’s Transmission Credit Limit, the Transporter shall be entitled to reject or refuse to accept Nominations under Section C: NOMINATIONS, other than a Renomination until such time as the Shipper’s Transmission
Charges Indebtedness is reduced to less than fifty percent (50%) of its Transmission Credit Limit.

3.5 Security Enforcement and Top-up

3.5.1 The Transporter shall, on the Business Day following a default in payment by a Shipper of its Transmission Charges Indebtedness by the relevant Invoice Due Date, notify the Shipper that payment was not received. If the amount owing remains unpaid by the Shipper five (5) Business Days after the date of such notice, the Transporter may realise or apply any security provided by the Shipper under paragraph 3.3 in settlement of the outstanding Transmission Charges Indebtedness to which the notice relates, including any late payment interest calculated in accordance with paragraph 3.3.

3.5.2 Following any realisation or application of a Shipper’s security under paragraph 3.5.1, the Transporter shall notify the Shipper of the amount of security realised or applied, and the Shipper shall replace such security with new or additional security of equal value and in a form described in paragraph 3.3.1 within five (5) Business Days of such notice.

3.5.3 For the avoidance of doubt and for the purposes of paragraph 3.4, a Shipper’s Transmission Credit Limit shall be reduced in accordance with any security realised or applied by the Transporter pursuant to paragraph 3.5.1 and reinstated in accordance with any replacement security provided by the Shipper pursuant to paragraph 3.5.2.

4 Modifications

5.1. The Transporter, and / or any Shipper may propose modifications to the Network Code.

5.2. A Consultation in relation to the proposed modifications will be undertaken between the Transporter and all Shippers.

5.3. The Transporter shall publish the results of the Consultation and its conclusions setting out the changes it proposes to make to the Code, if any.

5.4. The implementation of changes to the Code will be at the discretion of the Transporter.
Gas Network Code

Section K: DEFINED TERMS AND INTERPRETATION

1 Definitions

1.1 General Definitions

1.1.1 In the Code and in any Code Subsidiary Document, unless the context otherwise requires and subject to any express provisions to the contrary, the words and expressions set out in this Section shall bear the respective meanings therein set out.

1.1.2 A Code Subsidiary Document is a document published by the Transporter setting out procedures to be complied with in, and other matters relating to, the implementation of the Code.

2 Interpretation

2.1 Defined terms

2.1.1 Unless the context otherwise requires, words and expressions defined in or for the purposes of the Act and not otherwise defined in this Code shall, when used in this Code, have the meanings ascribed thereto under the Act.

2.1.2 In this Code, unless the context otherwise requires:

a) a reference to a particular Section is to a Section of this Code;

b) a reference in a particular Section to a particular paragraph is to a paragraph of that Section;

c) words in the singular may be interpreted as including the plural;

d) the word 'including' is to be construed without limitation; and

e) a derivative term of any defined or interpreted term shall be construed in accordance with the relevant definition or interpretation.

2.1.3 A reference in this Code to any Legal Requirement or Directive shall be construed at any particular time, as including a reference to any modification, extension or re-enactment (before or after the date of this Code) of that Legal Requirement or Directive in force at that time.

2.1.4 A reference to the Act includes where the context permits a reference to relevant Regulations made under the Act.

2.2 Times and dates

2.2.1 For the purposes of the Code:

a) Balancing Period: means a period of one (1) Day commencing on 00:00:00 hours on one Day until 00:00:00 hours on the following Day;
Gas Network Code

b) **Business Day** : means a Day, other than a Day which begins at 00:00:00 hours on a Saturday, Sunday or public holiday, on which commercial banks in the Republic of South Africa are open for the normal transaction of banking business;

c) **Day** : means the period from 00:00:00 hours on one Day until 00:00:00 hours on the following Day;

d) **Gas Day** means a Day on which gas is nominated to flow;

e) **Gas Year** : means the period commencing 1 July in any year until 30 June of the following year;

f) **Maintenance Year** : means the period commencing 1 July in any year until 30 June of the following year;

g) **Month** : means the period from 00:00:00 hours on the first Day of a calendar Month until 00:00:00 hours on the first Day of the following calendar Month and references to a particular calendar Month (such as January) shall be construed accordingly; and

h) in relation to any Gas Year or Maintenance Year, the Preceding Gas Year or Preceding Maintenance Year is the Gas Year or Maintenance Year ending immediately before the commencement of such Gas Year or Maintenance Year.

2.2.2 References to times of a Day in this Code are to South Africa Standard Time.

2.2.3 Where under any provision of this Code the Transporter or a Shipper is required to provide any information by a certain date or time, the relevant provision shall be taken to include a requirement that such information shall be provided not earlier than is reasonable before such date or time.

2.2.4 Where any provision of this Code requires the Transporter to publish any information or document, the Transporter will make available such information or each document to each Shipper, any other person to whom the Transporter may (under the Transporter’s Licence or any provision of the Code) be required to provide such information or document and such other persons as the Transporter sees fit.

2.2.5 A reference to the date of this Code is to the date on which this Code first has effect.

2.3 Technical interpretation

2.3.1 The following terms have the following meanings in the Code:

a) Atmospheric Pressure means 101.325 kPa;

b) Bar means the bar as defined in ISO 80000-4:2006;

c) Btu or British Thermal Unit means the amount of heat equal to one thousand and fifty-five decimal zero six (1,055.06) Joules;

d) °C means degree Celsius as defined in ISO 80000-5:2007;
e) °F means degree Fahrenheit as defined in ISO 80000-5:2007;

f) Cubic Metre or m³ means when applied to gas, that amount of gas which at a
temperature of 15°C and an absolute pressure of 1.01325 Bar and being free of water
vapour occupies one (1) cubic metre;

g) GJ means one billion (1,000,000,000) joules, as defined in ISO/IEC 80000-1

h) Inch of Mercury means the pressure exerted by a column of Mercury one (1) inch
high at 32°F and under standard gravitational force (acceleration of thirty-two
decimal one seven four (32.174) feet per second per second) equal to zero decimal
four nine one one five four (0.491154) pounds of force per square inch;

i) Joule means the joule as defined in ISO 80000-4:2006;

j) kPa means 1 kilopascal and is equal to 1,000 Pascals;

k) mmBtu means one million (1,000,000) Btu;

l) mmscf means one million (1,000,000) scf;

m) Pascal means the pascal as defined in ISO 80000-5:2007;

n) ppm means parts per million;

o) Relative Density means the mass of volume of dry gas divided by the mass (expressed
in the same units) of an equal volume of dry standard air as defined in ISO 6976:1995
both such gases being at a temperature of 15°C and an absolute pressure of 1.01325
Bar; and Relative Density (REAL) shall for the avoidance of doubt be REAL as defined
in ISO 6976:1995;

p) scf or Standard Cubic Feet : when applied to gas, shall mean that quantity of gas
which at 60°F in dry condition and at Atmospheric Pressure and the gas being
saturated by water vapour at the same temperature and pressure, occupies a volume
of one (1) cubic foot;

q) Heating Value means the means the quantity of heat, expressed in Gigajoules per Cubic
Metre, equal to the quantity of heat, expressed in Gigajoules, produced by the
complete combustion in air at a constant pressure of one (1) Cubic Metre of Gas at a
temperature of fifteen degrees Celsius (15°C) and under an absolute atmospheric
pressure equivalent to that of one hundred and one point three two five (101.325)
Kilopascals with the air at the same temperature and pressure as the Gas, after cooling
the products of the combustion to the initial temperature and pressure of the Gas and
air and after condensation of the water formed by combustion.; and

r) Wobbe Index: when applied to gas, is the Heating Value divided by the square root of
the Relative Density.
## Table of Defined Terms set out in the Code

<table>
<thead>
<tr>
<th>Defined Term</th>
<th>First Defined</th>
</tr>
</thead>
<tbody>
<tr>
<td>Act</td>
<td>1.1</td>
</tr>
<tr>
<td>Aggregate Shipper Transmission/Distribution Quantity</td>
<td>Section E: 5.1.2a)</td>
</tr>
<tr>
<td>Annual Maintenance Programme</td>
<td>Section B: 6.2.1a)</td>
</tr>
<tr>
<td>Applicant Shipper</td>
<td>Section J: 2.1.1</td>
</tr>
<tr>
<td>Approved Transmission Tariff</td>
<td>Section B: 4.1.3</td>
</tr>
<tr>
<td>Average Monthly Transmission Charges Indebtedness</td>
<td>Section J: 3.2.1a)</td>
</tr>
<tr>
<td>Balancing Gas Contract (Shrinkage)</td>
<td>Section E: 7.2.1</td>
</tr>
<tr>
<td>Balancing Period</td>
<td>Section K: 2.2.1a)</td>
</tr>
<tr>
<td>Balancing Period Capable Meter</td>
<td>Section H: 2.1.1c)</td>
</tr>
<tr>
<td>Balancing Period Meter</td>
<td>Section H: 2.1.1a)</td>
</tr>
<tr>
<td>Balancing Period Read Meter</td>
<td>Section H: 2.1.1b)</td>
</tr>
<tr>
<td>Benefiting Shipper</td>
<td>Section G: 3.10.2</td>
</tr>
<tr>
<td><strong>Business Day</strong></td>
<td>2.2.1b)</td>
</tr>
<tr>
<td>Capacity Register</td>
<td>Section B: 5.1.1</td>
</tr>
<tr>
<td>Code Communication</td>
<td>Section I: 2.1.1a)</td>
</tr>
<tr>
<td>Code Subsidiary Document</td>
<td>1.1.2</td>
</tr>
<tr>
<td>Communication Requirements Document</td>
<td>Section I: 3.2.1a)</td>
</tr>
<tr>
<td>Communications Medium</td>
<td>Section I: 2.1.1b)</td>
</tr>
<tr>
<td>Connected System Exit Point</td>
<td>Section A: 2.2.1a)</td>
</tr>
<tr>
<td>Cumulative Stock Change</td>
<td>3.1</td>
</tr>
<tr>
<td>Data Catalogue</td>
<td>Section I: 2.1.1c)</td>
</tr>
<tr>
<td>Day</td>
<td>2.2.1c)</td>
</tr>
<tr>
<td>Distribution System</td>
<td>Section A: 2.1.9</td>
</tr>
<tr>
<td>Distribution System 1</td>
<td>Section A: 2.1.10</td>
</tr>
<tr>
<td>Term</td>
<td>Section</td>
</tr>
<tr>
<td>-------------------------------------------</td>
<td>---------</td>
</tr>
<tr>
<td>Distribution System 2</td>
<td>A: 2.1.11</td>
</tr>
<tr>
<td>Distribution System 3</td>
<td>A: 2.1.12</td>
</tr>
<tr>
<td>Distribution System Entry Point</td>
<td>A: 2.2.1c)</td>
</tr>
<tr>
<td>Distribution System Exit Point</td>
<td>A: 2.2.1b)</td>
</tr>
<tr>
<td>Eligible Exit Point</td>
<td>A: 2.2.1d)</td>
</tr>
<tr>
<td>Emergency</td>
<td>2.1</td>
</tr>
<tr>
<td>Emergency Report</td>
<td>G: 3.11.1</td>
</tr>
<tr>
<td>Emergency Steps</td>
<td>G: 3.1.1</td>
</tr>
<tr>
<td>Entry Capacity</td>
<td>B: 1.2.1a)</td>
</tr>
<tr>
<td>Entry Capacity Booking Reference</td>
<td>B: 5.1.4</td>
</tr>
<tr>
<td>Entry Point Transfer Reference</td>
<td>B: 5.1.6a)</td>
</tr>
<tr>
<td>Estimated Meter Reading</td>
<td>H: 4.2.1</td>
</tr>
<tr>
<td>Estimated Transmission System Shrinkage Gas</td>
<td>E: 7.3.1</td>
</tr>
<tr>
<td>Excess Award</td>
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<td><strong>Injecting Shipper</strong></td>
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<td><strong>Injection Operating Procedure</strong></td>
<td>5.2.1b)</td>
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<td><strong>System Exit Point Register</strong></td>
<td>Section F: 8.1.1</td>
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<td><strong>Large Customer Site</strong></td>
<td>Section G: 3.5.1</td>
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<td><strong>Line Pack</strong></td>
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<td><strong>Local Operating Procedure</strong></td>
<td>Section F: 4.4.1</td>
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<td><strong>Long-term Creditworthiness</strong></td>
<td>Section J: 3.3.1b)</td>
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<td>Own Use Gas</td>
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<td>Stock Change</td>
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<td>F: 4.3.1</td>
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