VERSION B – SERVICE PROVIDER IS STORAGE USER

OPERATING MARGINS

GAS CAPACITY AGREEMENT – STORAGE – GAS STORAGE FACILITY USER

BETWEEN

NATIONAL GAS TRANSMISSION PLC

AND

SERVICE PROVIDER

(Storage User)



National Gas Transmission plc

Warwick Technology Park

Gallows Hill

Warwick CV34 6DA

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THIS AGREEMENT is made the day of

BETWEEN:

(1) The person named as the "**Service Provider**" in Schedule 1 (the "**Service Provider**"); and

(2) **National Gas Transmission plc** a company registered in England with number 02006000 whose registered office is at National Grid House, Warwick Technology Park, Gallows Hill, Warwick CV34 6DA (the "**Customer**").

WHEREAS:

(A) The Service Provider holds injection, withdrawal and/or storage space rights at the Facility pursuant to a Gas Storage Agreement with the Facility Operator.

(B) The Customer wishes to engage the Service Provider to provide the Service for Operating Margins Purposes from the Facility and the Service Provider wishes to provide such services to the Customer in accordance with the terms and conditions set out in this Agreement.

(C) [[At the date of this Agreement the Service Provider is an Affiliate of the Facility Operator and is the only person holding Storage Capacity in the Facility.]][1]

IT IS HEREBY AGREED as follows:

1 DEFINITIONS AND INTERPRETATION

1.1 Except as is otherwise expressly provided herein or unless the context otherwise requires, the terms defined in this Clause shall have the following meanings and derivative expressions shall be construed accordingly:

[["**Acquiring Trade Nomination**" has the meaning in paragraph 5 of Section C of the Transportation Principal Document of the Network Code;]] [2]

"**Actual Utilisation Quantity**" means on a Day, the quantity of Natural Gas (in kWh) injected into or withdrawn from the Facility and allocated to the Customer at the Gas Delivery Point, unless deemed to be zero (0) in accordance with Clause 5.12;

"**Affected Party**" means:

(a) in relation to Force Majeure, as set out in the Network Code; and

(b) in all other contexts, as set out in Clause 17.1;

"**Affiliate**" means in relation to a company, a company which is affiliated to it and a company is deemed to be affiliated to another if the first company is controlled by, under common control with or controls the other; a company shall be deemed to have control of another if (directly or indirectly) it owns or controls a majority of the voting shares of, or is entitled (directly or indirectly) to appoint a majority of the directors of, the other company;

"**Additional SP Withdrawal Capacity**" has the meaning given in Clause 5.6(c);

"**Additional SP Withdrawal Capacity Charge**" means the charge calculated in accordance with Clause 11.7(b);

[1] Only to be included where the Service Provider and the Facility Operator are Affiliates.

[2] Delete definitions of Acquiring Trade Nomination, Disposing Trade Nomination, National Balancing Point and Trade Nomination where Service Provider and Facility Operator are Affiliates.

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"**Additional SP Withdrawal Capacity Charge Rate**" means the charge rate specified as such in Schedule 1;

"**Aggregate Liability Cap**" means the value of the Annual Service Fee multiplied by one decimal point five (1.5);

"**Agreement**" means this agreement and the Schedule(s) attached hereto;

"**Allocation Agent**" means the person specified as such in Schedule 1;

"**Annual Service Fee**" means the sum specified as such and set out in Schedule 1 and payable by the Customer in accordance with Clause 11.3;

"**Anti-Bribery Laws**" means any and all statutes, statutory instruments, bye-laws, orders, directives, treaties, decrees and laws (including any common law, judgment, demand, order or decision of any Competent Authority) which relate to anti-bribery and/or anti-corruption, including the Bribery Act 2010;

"**Anti-Slavery Laws**" means any and all statutes, statutory instruments, bye-laws, orders, directives, treaties, decrees and laws (including any common law, judgment, demand, order or decision of any Competent Authority) which relate to anti-slavery or servitude, anti-forced or compulsory labour and/or anti-human trafficking, including the Modern Slavery Act 2015;

"**Applicable Gas Entry Conditions**" means the Gas Entry Conditions applying in respect of the relevant Gas Delivery Point;

"**Associated Person**" has the meaning given to it in section 8 of the Bribery Act 2010;

"**Base Rate**" means on any Day, the sterling base lending rate of the Bank of England in London at 11:00 hours;

"**Business Day**" has the meaning given in paragraph 2.2.1(b) of Section C of the General Terms of the Network Code;

"**Charges**" has the meaning given in Clause 11.1;

"**Climate Change Levy**" means any tax, duty, levy, or impost imposed by reference to energy value and/or carbon content;

"**Communications**" has the meaning given in Clause 20;

"**Competent Authority**" means any court of competent jurisdiction and any local, national or supra national agency, authority, inspectorate, minister, ministry, official or public or statutory person (whether autonomous or not) of, or of the government of:

(a) the United Kingdom (including, for the avoidance of doubt, the Gas and Electricity Markets Authority); or

(b) (as and when, and to the extent that, the acts or decisions of any such person or body are binding in any part of the United Kingdom as a matter of the law of that part of the United Kingdom) the European Union;

"**Compliant Gas**" means Natural Gas which complies with the Applicable Gas Entry Conditions;

"**Daily Service Fee**" has the meaning given in Clause 11.3(b);

"**Day**" has the meaning given in the Network Code;

"**Default**" has the meaning given in Clause 14.1;

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"**Deposit Deed**" means a deposit deed substantially in the form set out in Schedule 7;

[["**Disposing Trade Nomination**" has the meaning in paragraph 5 of Section C of the Transportation Principal Document of the Network Code;]]

"**Dispute**" has the meaning given in Clause 25.1;

"**Due Date**" has the meaning given in Clause 12.1;

"**Early Termination Event**" means:

(a) the following events, in respect of which either Party may be the Affected Party;

(i) in relation to a Party:

(A) it becomes insolvent or unable to pay its debts within the meaning of section 123 of the Insolvency Act 1986 or admits that it is unable to pay its debts, or stops carrying on business; or

(B) it proposes or enters any scheme, restructuring plan, company voluntary arrangement, reconstruction and arrangement, composition or other arrangement for the benefit of its creditors or a class of creditors; or

(C) a trustee, supervisor, receiver, liquidator, administrator, monitor or similar officer or other encumbrancer of that Party is appointed over all or substantially all of its assets (including but not limited to the passing of a resolution in relation to such appointment or the filing of a notice of intention to appoint an administrator); or

(D) anyone takes any formal step towards the winding-up or dissolution of that Party, except on a winding-up petition which is withdrawn (i) within fourteen (14) days of its presentation and (ii) before it is advertised; or

(E) a Party (or its directors) takes any step towards that Party obtaining a moratorium or other protection from its creditors; or

(F) the holder of a floating charge over the assets of that Party has become entitled to crystallise such floating charge (including for the avoidance of doubt where such floating charge has automatically crystallised) over all or substantially all of that Party's assets; or

(G) a creditor or encumbrancer of that Party takes possession of, seize, or levy a distress or execution against all or substantially all of that Party's assets; or

(H) any person takes any of the steps identified in paragraphs 43(2), (3) or (4) of Schedule B1 to the Insolvency Act 1986; or

(I) any event occurs, or proceeding is taken, with respect to that Party in any jurisdiction to which it is subject that has an effect equivalent or similar to any of the foregoing events;

(ii) a Party fails to make payment and fails to remedy the same within ten (10) Business Days of receiving notice of such breach from the other Party;

(iii) a Party commits a material or persistent breach of any of its obligations under this Agreement, which:

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(A) is not capable of being cured; or

(B) is capable of being cured, but is not cured within the reasonable time period specified in the Notifying Party's notice given in accordance with Clause 17.1;

(iv) a Party breaches the provisions of Clause 28;

(v) a Party is affected by Force Majeure and is unable to perform its obligations under this Agreement for a period of thirty (30) consecutive Days;

(vi) a Party becomes unable to perform its obligations under this Agreement as a result of any applicable Legal Requirement rendering such performance illegal (otherwise than as a result of that Party's own acts or omissions); and

(b) the following events, in respect of which the Service Provider shall be the Affected Party, and the Customer shall be the Notifying Party:

(i) failure by the Service Provider to comply with any requirement in this Agreement as to the provision or maintenance in force of any Security Document;

(ii) failure by the Service Provider to comply, fully, and within the time required, with any of its obligations under Clauses 16.2 to 16.4(c);

(iii) there occurs any event of default on the part of the Service Provider's Security Provider under the terms of its Security Document;

(iv) any of the Early Termination Events is done to or suffered by or occurs in relation to its Security Provider;

(v) the Service Provider's Gas Storage Agreement is terminated for any reason; and

(vi) if, during the Winter Period, the Service Provider is unable to provide or will be unable to provide the Service for a period of thirty (30) consecutive Days and the Customer shall have the right to exercise such termination right upon becoming aware of such inability to provide the Service;

"**Entry Allocation Statement**" has the meaning given in paragraph 2.1.2 of Section E of the Transportation Principal Document of the Network Code;

"**Execution Date**" means the date on which this Agreement is entered into by both Parties;

"**Exit Allocation Statement**" has the meaning given in paragraph 3.2.2 of Section E of the Transportation Principal Document of the Network Code;

"**Expert**" has the meaning given in Clause 25.2;

"**Facility**" means the storage facility owned and operated by the Facility Operator as further described in Schedule 1;

"**Facility Gas-In-Storage**" means on a Day, the aggregate amount of Natural Gas stored in the Facility up to but not including that Day, for the purposes of determining the Maximum Facility Withdrawal Rate, as set out in Schedule 1 Part 4 with such volume taken from such Day's daily stock report as reported by the Facility Operator in accordance with the Storage Connection Agreement;

"**Facility Operator**" means the operator of the Facility, as identified in Schedule 1;

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"**Force Majeure**" has the meaning given in the Network Code;

"**Gas Delivery Point**" means the point or points at which the Facility is connected to the NTS, being identified as the "Storage Connection Point" in the Storage Connection Agreement;

"**Gas Entry Conditions**" has the meaning given in the Network Code;

"**Gas-in-Storage**" has the meaning given in Clause 4.1;

"**Gas Storage Agreement**" means the agreement between the Service Provider and the Facility Operator, pursuant to which the Service Provider is entitled to utilise the Facility for the injection, storage and delivery of Natural Gas, (as amended, supplemented, assigned or novated from time to time);

"**Hour**" means any period of sixty (60) minutes beginning on the hour bar, and "**Hourly**" shall be construed accordingly;

"**ICE**" means the InterContinental Exchange, owned and operated by InterContinental Exchange, Inc., which facilitates the electronic purchase and sale of energy commodities;

"**Initial Credit Amount**" has the meaning given in Clause 16.1(d);

"**Initial Q2 Price**" has the meaning given in Clause 16.1(e);

"**Injected Quantity**" means, in respect of a Day, the Actual Utilisation Quantity injected pursuant to an Injection Nomination submitted to the Service Provider in accordance with Clause 5;

"**Injection Charge**" means the charge payable by the Customer for the Service Provider injecting Natural Gas into the Facility on behalf of the Customer pursuant to an Injection Nomination, calculated in accordance with Clause 11.4;

"**Injection Charge Rate**" means the rate (in pence per kWh) set out in Schedule 1 Part 2;

"**Injection Nomination**" has the meaning given in Clause 5.1(a);

"**Injection Overrun Charge Rate**" means the rate (in pence per kWh) set out in Schedule 1 Part 3;

"**Injection Overrun Charge**" means the charge payable by the Customer for the Service Provider injecting Natural Gas into the Facility on behalf of the Customer at the Overrun Injection Rate, calculated in accordance with Clause 11.6(a);

"**Injection Response Time**" means the period specified as such in Schedule 1 (which for the avoidance of doubt includes the forty-five (45) minutes referred to in Clause 5.6);

"**Interrupted Withdrawal Quantity**" has the meaning given in Clause 6.2(i);

"**Interrupted Withdrawal Rate**" has the meaning given in Clause 6.2(g);

"**Interruption Effective Time**" has the meaning given in Clause 6.2(b);

"**Interruption Notice**" has the meaning given in Clause 6.2;

"**Interruption Period**" has the meaning given in Clause 6.2(d);

"**Invoice Period**" has the meaning given in Clause 11.8(a);

"**kWh**" has the meaning given in paragraph 3.2.1 of Section C of the General Terms of the Network Code;

"**Legal Requirement**" means:

(a) any legislation; and/or

(b) any licence, present or future directive, request, requirement, instruction, code of practice, direction or rule of any Competent Authority, and, in each case, as amended, modified, supplemented, extended or replaced from time to time; and/or

(c) the Network Code;

"**Letter of Credit**" means an unconditional irrevocable standby letter of credit substantially in the form set out in Schedule 5;

"**Liquidated Damages**" means, in respect of Day, an amount equal to:

(a) the aggregate Shortfall Quantity in respect of all Nominations accepted or deemed accepted on such Day; multiplied by

(b) fifty per cent (50%) of the SMBP at the end of such Day to which the aggregate Shortfall Quantity relates;

"**Maintenance Period**" means any Planned Maintenance Period or any other period during which the Facility is partially or completely withdrawn from service for unplanned or emergency maintenance;

"**Market Product**" shall mean an NBP futures contract traded on ICE for delivery of Natural Gas during a defined period of time (such as a Day or Month);

"**Maximum Customer Injection Rate"** means the Storage Injection Capacity divided by twenty-four (24);

"**Maximum Customer Withdrawal Rate"** means the Storage Withdrawal Capacity divided by twenty-four (24);

"**Maximum Facility Withdrawal Rate**" means the maximum physical withdrawal rate of the Facility on a Day (expressed in kWh/h) as determined in accordance with Clause 4.8 at any point in time by reference to the Facility Gas-in-Storage in accordance with the table set out in Schedule 1 Part 4;

"**Month**" means the period from the first Day of a calendar month until the last Day of the same calendar month, and "**Monthly**" shall be construed accordingly;

"**Monthly Service Fee**" has the meaning given in Clause 11.3(a);

"**Nameplate Facility Withdrawal Rate**" means, in the context of optimum operational conditions for the withdrawal of Gas, the maximum achievable rate of withdrawal of Gas from Facility specified in Schedule 1 Part 4;

[["**National Balancing Point**" or "**NBP**" means the notional delivery point at which Natural Gas may be the subject of Trade Nominations (as defined in the Network Code) in accordance with the terms of the Network Code;]]

"**Natural Gas**" has the meaning given to the term "gas" in paragraph 3.1.1 of Section C of the General Terms of the Network Code;

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"**Network Code**" means the network code prepared by the Customer pursuant to Standard Special Condition A11(3) of its gas transporter licence, as such code may be amended, varied, supplemented, modified, or replaced from time to time;

"**Nominated Injection Quantity**" has the meaning given in Clause 5.2(e);

"**Nominated Injection Rate**" has the meaning given in Clause 5.2(d);

"**Nominated Quantity**" means in respect of a Nomination Period, the Nominated Injection Quantity or the Nominated Withdrawal Quantity (as the context so requires);

"**Nominated Third Party**" has the meaning given in Clause 6.7;

"**Nominated Withdrawal Quantity**" has the meaning given in Clause 5.2(e);

"**Nominated Withdrawal Rate**" has the meaning given in Clause 5.2(d);

"**Nomination**" means an Injection Nomination or a Withdrawal Nomination (as the context so requires);

"**Nomination End Time**" has the meaning given in Clause 5.2(c);

"**Nomination Period**" means, in respect of a Nomination, the period from the Nomination Start Time to the Nomination End Time;

"**Nomination Start Time**" has the meaning given in Clause 5.2(c);

"**Non-Compliant Gas**" means Natural Gas which does not comply with the gas specification requirements in the Applicable Gas Entry Conditions;

"**Notifying Party**" has the meaning given in Clause 17.1;

"**NTS**" means the National Transmission System (as defined in the Network Code) operated by the Customer;

"**Operating Margins Purposes**" has the meaning given in paragraph 1.1.2 of Section K of the Transportation Principal Document of the Network Code;

"**Overrun Charges**" means the Injection Overrun Charge and the Withdrawal Overrun Charge;

"**Overrun Injection Rate**" means a rate of injection that exceeds the Maximum Customer Injection Rate;

"**Overrun Withdrawal Rate**" means a rate of withdrawal that exceeds the Maximum Customer Withdrawal Rate;

"**Parent Company Guarantee**" means a parent company guarantee substantially in the form set out in Schedule 6;

"**Party**" means either party to this Agreement and its successors and/or permitted assigns and "**Parties**" shall be construed accordingly;

"**Planned Maintenance Period**" means the period specified in Schedule 1 (as may be amended from time to time in accordance with Clause 7.3) during which the Facility is partially or completely withdrawn from service for planned maintenance;

"Prevailing Credit Amount" has the meaning given in Clause 16.1(h);

"**Reallocation Notice**" has the meaning given in Clause 6.10;

"**Reallocation Quantity**" has the meaning given in Clause 6.10;

"**Reconciliation Quantity**" has the meaning given in Clause 10.1(b)(iv);

"**Required Credit Rating**" has the meaning given in Clause 16.1(c);

"**Revised Credit Amount**" has the meaning given in Clause 16.1(f);

"**Revised Q2 Price**" has the meaning given in Clause 16.1(g);

"**Run-off Period**" means the period specified as such in Schedule 1;

"**Schedule**" means a schedule to this Agreement;

"**Security Document**" has the meaning given in Clause 16.1(b);

"**Security Provider**" has the meaning given in Clause 16.1(a);

"**Service**" means a service provided by the Service Provider to the Customer in accordance with this Agreement, comprising:

(a) making available Storage Capacity;

(b) injecting Natural Gas into the Facility in accordance with an Injection Nomination; and

(c) withdrawing Natural Gas from the Facility in accordance with a Withdrawal Nomination;

"**Service Availability Factor**" is, in respect of a Day, the factor determined in accordance with Clause 8 which represents the extent to which the withdrawal or injection component of the Service is available to the Customer, the factor being one (1) where the withdrawal or injection component of the Service is fully available to the Customer and zero (0) where the withdrawal or injection component of the Service is fully unavailable to the Customer;

"**Service End Date**" means 05:00 hours on the date specified as such in Schedule 1;

"**Service Start Date**" means 05:00 hours on the date specified as such in Schedule 1;

"**Service Test**" has the meaning given in Clause 9.1;

"**Service Year**" means the period commencing on (and including) the Service Start Date and ending on (and including):

(a) the Service End Date; or

(b) if earlier, the date of termination of this Agreement;

"**Shortfall Quantity**" means, except as specified in Clause 14.5, where pursuant to a Nomination, the Actual Utilisation Quantity is less than ninety-eight per cent (98%) of the Nominated Quantity in respect of any Hour in the relevant Nomination Period, the difference between ninety-eight per cent (98%) of the Nominated Quantity and the Actual Utilisation Quantity for such Hour;

"**Storage Capacity**" means Storage Space, Storage Withdrawal Capacity, and/or Storage Injection Capacity;

"**Storage Connection Agreement**" means the agreement set out in Schedule 1;

"**Storage Injection Capacity**" means the capacity (in kWh/Day) which entitles the Customer (provided it has sufficient unfilled Storage Space) to inject Natural Gas into the Facility, being

in respect of the Customer's initial or registered Storage Injection Capacity, the amount specified in Schedule 1;

"**Storage Space**" means the capacity (in kWh) which entitles the Customer to have Gas-in-Storage in the Facility, being in respect of the Customer's initial or registered Storage Space, the amount specified in Schedule 1;

"**Storage Withdrawal Capacity**" means the capacity (in kWh/Day) which entitles the Customer to withdraw Natural Gas from the Facility, being in respect of the Customer's initial or registered Storage Withdrawal Capacity, the amount specified in Schedule 1, as such amount may be increased in accordance with Clause 6;

"**Summer Period"** means the period commencing on the Service Start Date and ending at 05:00 hours on 1 October in the Service Year;

"**System Average Price**" or "**SAP**" has the meaning given in the Network Code;

"**System Marginal Buy Price**" or "**SMBP**" has the meaning given in the Network Code;

"**System Marginal Sell Price**" or "**SMSP**" has the meaning given in the Network Code;

"**Tax**" means any United Kingdom tax, duty, or impost (other than VAT) on Natural Gas or on the storage, processing, sale, transportation, or supply of Natural Gas, but excluding any Climate Change Levy;

"**Term**" means the period commencing on the Service Start Date and ending on either:

(a) the Day following the last Day of the Run-off Period; or

(b) if earlier, the date of termination of this Agreement;

"**Therm**" has the meaning given in Clause 1.3;

[["**Trade Nomination**" has the meaning in paragraph 5 of Section C of the Transportation Principal Document of the Network Code;]]

"**VAT**" has the meaning given in Clause 11.2;

"**Winter Period**" means the period commencing at 05:00 hours on 1 October in the Service Year and ending on the Service End Date;

"**Withdrawal Charge**" means the charge payable by the Customer for the Service Provider withdrawing Natural Gas from the Facility on behalf of the Customer pursuant to a Withdrawal Nomination, calculated in accordance with Clause 11.5;

"**Withdrawal Charge Rate**" means the rate (in pence per kWh) set out in Schedule 1 Part 2;

"**Withdrawal Nomination**" has the meaning given in Clause 5.1(b);

"**Withdrawal Overrun Charge**" means the charge payable by the Customer for the Service Provider withdrawing Natural Gas from the Facility on behalf of the Customer at the Overrun Withdrawal Rate, calculated in accordance with Clause 11.6(b);

"**Withdrawal Overrun Charge Rate**" means the rate (in pence per kWh) set out in Schedule 1 Part 3;

"**Withdrawn Quantity**" means, in respect of a Day, the Actual Utilisation Quantity withdrawn pursuant to a Withdrawal Nomination submitted to the Service Provider in accordance with Clause 5; and

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"**Withdrawal Response Time**" means the time period specified as such in Schedule 1 (which for the avoidance of doubt includes the forty-five (45) minutes referred to in Clause 5.6).

1.2 In this Agreement, unless otherwise specified:

(a) in the case of conflict between anything in the main body of this Agreement and anything in a Schedule or attachment hereto, the provisions of the main body of this Agreement shall prevail;

(b) in the computation of periods of time from a specified day (or Day) to a later specified day (or Day), **from** means "**from and including**" and **until** or **to** means "**to and including**";

(c) all dates and periods of time shall be determined by reference to the Gregorian calendar; and times of day are times of day in England;

(d) **include, including** and **in particular** shall be construed as being by way of illustration or emphasis only and shall not be construed as, nor shall they take effect as, limiting the generality of any preceding words;

(e) the index and headings are for ease of reference only and shall not be taken into account in construing this Agreement;

(f) references to this Agreement or any other documents shall be construed as references to this Agreement or that other document as amended, varied, novated, supplemented, or replaced from time to time;

(g) the expression **this Clause** shall, unless followed by reference to a specific provision, refer to the whole Clause (not merely the sub-Clause or other provision) in which the expression occurs;

(h) references to Clauses are to Clauses of this Agreement;

(i) references to **legislation** include any statute, bye-law, regulation, rule, subordinate or delegated legislation, order, or official directive (in each case having the force of law). Reference to any legislation is to such legislation as amended, modified, supplemented, extended, or replaced from time to time, to any legislation replacing it or made under it, and as it has effect from time to time in the United Kingdom, including as assimilated law within the meaning of the European Union (Withdrawal) Act 2018;

(j) references to a **person** (or to a word importing a person) shall be construed so as to include any individual, corporation, partnership, trust, unincorporated organisation or other legal entity, and that person's successors in title and assigns or transferees;

(k) reference to any gender includes the others; and words in the singular include the plural and vice versa;

(l) where a word or expression is defined, cognate words and expressions shall be construed accordingly; and

(m) all capitalised terms not otherwise defined in this Agreement shall have the meanings respectively specified in the Network Code.

1.3 **kWh and Therms**

Where:

(a) a Nomination is by reference to a quantity of Natural Gas in Therms, and the Network Code requires such nomination to be stated in kWh; or

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(b) any quantity or sum determined by the Customer as a number of kWh or in relation to kWh is to be employed under this Agreement for the calculation of a quantity of Natural Gas in Therms or sum of money in pence per Therm; or

(c) this Agreement otherwise requires a conversion of kWh to Therms or vice versa,

then such conversion shall be made on the basis of 1 Therm to 29.3071 kWh.

1.4 **Rounding**

(a) All intermediate calculations made for the purpose of ascertaining any sum payable by either Party under this Agreement shall be made to four decimal places without rounding. The final such sum shall be rounded to the second decimal place; and, in both cases, a figure of five, or greater than five in the final place of decimals shall cause a rounding up of the penultimate decimal.

(b) Any quantity expressed for the purposes of this Agreement or any Nomination to be made hereunder in kWh shall be rounded to the nearest kWh and an exact half shall be rounded upwards.

1.5 **Service Provider and Facility Operator**

If an obligation in this Agreement to be performed by the Service Provider would require the Service Provider to act as if it were the Facility Operator, then the Service Provider shall procure that the Facility Operator undertakes, performs, and complies with the relevant obligation.

1.6 [[**Third Party User**

In the event the Service Provider proposes to assign or transfer any Storage Capacity in the Facility during the Term to a third party, or the Service Provider is made aware the Facility Operator proposes to make available (or has made available) Storage Capacity in the Facility during the Term to a third party, the Service Provider will notify the Customer (together with details of such third party capacity that are not subject to any restrictions on disclosure).]][3]

1.7 **Allocation**

Any reference to allocation in Clause 6 is to be interpreted as a reference to allocation of relevant quantities of gas delivered to and/or offtaken from the NTS for the purposes of the settlement and energy balancing rules in the Network Code.

2 TERM

2.1 **Execution Date**

This Agreement shall come into force on the Execution Date and shall continue in full force and effect for the Term.

2.2 **Non-Exclusivity**

This Agreement shall be non-exclusive, and the Customer shall be entitled to procure similar or alternative services from third parties in respect of the Term.

3 SCOPE OF AGREEMENT

3.1 The Service Provider will provide the Service to the Customer during the Term in accordance with the terms and conditions of this Agreement.

[3] Only to be included where the Service Provider and the Facility Operator are Affiliates.

3.2 In providing the Service, the Service Provider shall not knowingly or recklessly pursue any course of conduct (either alone or with some other person) which is likely to prejudice:

(a) the safe and efficient operation, from day to day, by the Customer of the NTS; or

(b) the safe, economic and efficient balancing by the Customer of the NTS; or

(c) the due functioning of the arrangements provided for in its Network Code.

3.3 During the Term, the Customer may use the Facility by:

(a) injecting Natural Gas into the Facility;

(b) having Gas-in-Storage in the Facility; and

(c) withdrawing Natural Gas from the Facility

in accordance with the terms of this Agreement.

3.4 For the purposes of this Agreement, references to "**injection**" and "**withdrawal**" of Natural Gas from the Facility are to be construed as follows:

(a) injection is injection of Natural Gas into the Facility, and withdrawal is withdrawal of Natural Gas from the Facility in accordance with this Agreement; and

(b) injection or withdrawal is made by the Customer where it is made pursuant to a Nomination made by the Customer

and quantities of Natural Gas "**injected**" or "**withdrawn**" are to be construed as meaning quantities injected or withdrawn pursuant to the terms of this Agreement, and as appropriate, other Gas Storage Agreements.

3.5 In consideration of the Service Provider providing the Service to the Customer, the Customer will pay to the Service Provider:

(a) during the Service Year, the Charges; and

(b) during the Run-off Period, the Injection Charges, Withdrawal Charges, and the Overrun Charges only,

in accordance with this Agreement.

3.6 The Customer shall be responsible for procuring:

(a) NTS Entry Capacity for the entry to the NTS of Natural Gas withdrawn from the Facility pursuant to a Withdrawal Nomination; and

(b) NTS Exit Capacity for the offtake from the NTS of Natural Gas injected into the Facility pursuant to an Injection Nomination,

and the Customer shall make such Withdrawal Nominations and Injection Nominations in accordance with the requirements of the Network Code [[(provided the Customer shall not be required to procure System Capacity where Clause 6.5 applies in relation to the Nomination)]].[4]

[4] Delete words where Service Provider and Facility Operator are Affiliates.

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4 SERVICE

Gas-in-Storage

4.1 The Customer's "**Gas-in-Storage**" on any Day in the Term in relation to the Facility and the Service Provider, pursuant to this Agreement, is:

(a) the sum of:

(i) the Customer's Gas-in-Storage at the start of the Term (if any) (pursuant to a prior agreement with the Service Provider); and

(ii) the quantities of Natural Gas injected by the Customer, pursuant to this Agreement, on Days in the Term up to but not including that Day; less

(b) the quantities of Natural Gas withdrawn by the Customer, pursuant to this Agreement, on Days in the Term up to but not including that Day.

4.2 During the Term, the Service Provider shall, upon receiving a request (including by electronic means) from the Customer, as soon as reasonably practicable and in any case within one (1) Business Day of receiving such request, notify the Customer of the Gas-in-Storage which the Customer holds in the Facility at the time specified in the Customer's request.

4.3 If the Customer has Gas-in-Storage in the Facility, the Customer shall be entitled by submitting a Withdrawal Nomination (subject to and in accordance with this Agreement, including Clauses 7 and 13) to have a quantity of Natural Gas not exceeding its Gas-in-Storage delivered to the Gas Delivery Point by way of withdrawal. For the avoidance of doubt, a reduction in injection will constitute part of a valid response in accordance with Clause 5 to Withdrawal Nominations.

4.4 Subject to and in accordance with this Agreement, including Clauses 7 and 13, the Service Provider shall procure that it is at all times able to comply with its obligations to deliver Natural Gas to the Customer pursuant to this Clause 4.

4.5 The Customer shall be entitled (subject to and in accordance with this Agreement, including Clauses 7 and 13) to have a quantity of Natural Gas equal to its available Storage Space injected into the Facility (by submitting an Injection Nomination) and delivered to the Gas Delivery Point.

4.6 The Service Provider shall ensure that all quantities of Natural Gas injected into or withdrawn from the Facility are measured in accordance with the measurement procedure specified in the Storage Connection Agreement.

4.7 Title and risk of loss or damage to the Natural Gas shall pass at the Gas Delivery Point and shall be treated as passing:

(a) from the Customer to the Service Provider, for Natural Gas injected by the Customer into the Facility; and

(b) from the Service Provider to the Customer for Natural Gas withdrawn by the Customer from the Facility.

4.8 On any Day in the Service Year Natural Gas shall be capable of being withdrawn from the Facility at the Maximum Facility Withdrawal Rate unless the Facility Operator has, in respect of the relevant Day, made a contrary public notification on the website identified in Schedule 1, in which case the Maximum Facility Withdrawal Rate shall be deemed to be such publicly notified rate. For the avoidance of doubt,

(a) the Maximum Facility Withdrawal Rate may only be zero (0) during a Maintenance Period or an event of Force Majeure; and

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(b) the Parties acknowledge the Maximum Facility Withdrawal Rate may reduce as the volume of Facility Gas-In-Storage reduces, as set out in Schedule 1 Part 4.

Non-Compliant Gas

4.9 All Natural Gas withdrawn from the Facility or injected into the Facility pursuant to a Nomination shall be Compliant Gas. If either Party delivers (by way of injection in the case of the Customer, or by way of withdrawal in the case of the Service Provider) Non-Compliant Gas to the other Party, each Party shall use reasonable endeavours to notify the other Party as soon as reasonably practical after becoming aware of such Non-Compliant Gas. The Party receiving such Non-Compliant Gas, may, at its option:

(a) accept or continue to accept delivery of such Non-Compliant Gas (and the relevant Party's rights under Clauses 4.10 or 4.11 shall not be prejudiced by its election to accept delivery of Non-Compliant Gas (whether or not the Party is aware that such Natural Gas is Non-Compliant Gas)); or

(b) give written notice to the other Party requiring it to discontinue or procure the discontinuance of the delivery of such Non-Compliant Gas as soon as safely practicable. If, following such discontinuance:

(i) the delivering Party notifies the receiving Party that it is able to deliver Compliant Gas to satisfy the Nomination; and

(ii) the receiving Party gives written agreement to receive such Compliant Gas,

the delivering Party may resume delivery of Compliant Gas to satisfy such Nomination.

4.10 To the extent that Non-Compliant Gas is delivered:

(a) to the Customer pursuant to a Withdrawal Nomination, the Service Provider shall pay to the Customer all reasonable costs and expenses reasonably incurred by the Customer (in its capacity as a User in accordance with Section K1.3.1 of the Transportation Principal Document of the Network Code) in consequence of such delivery, including (without limitation) costs and expenses incurred:

(i) in cleaning or clearing any part of the NTS; and/or

(ii) in taking reasonable measures to secure that the NTS can be operated in accordance with applicable Legal Requirements notwithstanding the delivery or continued delivery of such Non-Compliant Gas,

as such costs and expenses are described in and recoverable by the Customer in accordance with Section I3.4 of the Transportation Principal Document of the Network Code, *provided that* if the Customer knowingly chooses to accept Non-Compliant Gas:

(A) such amount shall not exceed the amount of Liquidated Damages that would otherwise have been payable by the Service Provider under Clauses 14.1 and 14.2 had the Customer rejected the Non-Compliant Gas; and

(B) the Customer shall have no other claim (including for Liquidated Damages) against the Service Provider in respect of such Non-Compliant Gas; or

(b) to the Service Provider pursuant to an Injection Nomination, the Customer shall pay to the Service Provider all reasonable costs and expenses reasonably incurred by the Service Provider in consequence of such delivery, including (without limitation) costs and expenses incurred:

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(i) in cleaning or clearing any part of the Facility; and/or

(ii) in taking reasonable measures to secure that the Facility can be operated in accordance with applicable Legal Requirements notwithstanding the delivery or continued delivery of such Non-Compliant Gas,

as such costs and expenses are described in and payable by the Customer in accordance with Section J3.4 of the Transportation Principal Document of the Network Code, *provided that* if the Service Provider knowingly chooses to accept Non-Compliant Gas:

(A) such amount shall not exceed the amount that would otherwise have been payable by the Customer had the Service Provider rejected the Non-Compliant Gas; and

(B) the Service Provider shall have no other claim against the Customer in respect of such Non-Compliant Gas.

4.11 To the extent that the Service Provider fails to deliver Compliant Gas pursuant to Clause 4.9 and the Customer has not chosen to accept delivery of such Non-Compliant Gas, the Service Provider shall be taken to have failed to deliver Natural Gas to the Customer for the purposes of Clauses 5 and 14.

4.12 In the event of a Dispute between the Parties in relation to the delivery of Non-Compliant Gas, either Party may refer such Dispute to an Expert in accordance with Clause 25.

5 NOMINATIONS

Customer submitting a Nomination

5.1 Where the Customer wishes to have a quantity of Natural Gas:

(a) injected into the Facility it shall submit a nomination (an "**Injection Nomination**"); or

(b) withdrawn from the Facility it shall submit a nomination (a "**Withdrawal Nomination**"),

in accordance with this Clause 5 and the provisions of this Agreement.

5.2 Each Nomination shall be submitted (in accordance with Clause 20) substantially in the form set out in Schedule 2 ("**Nomination Form**") and must specify:

(a) the Day to which the Nomination relates;

(b) whether it is an Injection Nomination or a Withdrawal Nomination;

(c) the Hour from which the Nomination shall take effect ("**Nomination Start Time**") and the Hour from which the Nomination shall cease to take effect ("**Nomination End Time**");

(d) the rate (in kWh per hour) of injection or withdrawal for each Hour of the Nomination Period to which it relates (the "**Nominated Injection Rate**" or "**Nominated Withdrawal Rate**", as applicable);

(e) the quantity of Natural Gas (in kWh) which the Customer wishes to have injected (the "**Nominated Injection Quantity**") or withdrawn (the "**Nominated Withdrawal Quantity**") over the Nomination Period, in a Day; and

(f) the date and time of the request.

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5.3 A Nomination may not specify a Nomination Start Time which (by reference to the first hour bar after the time the Nomination was made) is any earlier than the expiry of the Injection Response Time or (as the case may be) the Withdrawal Response Time following such hour bar or such other period of time as may be agreed by the Parties, provided if the Customer requests the Service Provider to give effect to the Nomination at an earlier time the Service Provider shall use its reasonable endeavours to do so.

5.4 The Customer shall not be entitled to:

(a) make a Nomination, either an Injection Nomination and/or Withdrawal Nomination (as the case may be) that is less than zero (0); or

(b) specify a Nominated Injection Quantity which, if the Injection Nomination were implemented by the Service Provider, would make the Customer's Gas-in-Storage exceed the Customer's Storage Space, pursuant to this Agreement; or

(c) specify a Nominated Withdrawal Quantity which, if the Withdrawal Nomination were implemented by the Service Provider, would make the Customer's Gas-in-Storage fall below zero (0).

5.5 The Customer may in its Nomination, in respect of any Hour on any given Day, request that the Service Provider permit, in the Service Year, a Nominated Injection Rate in excess of the Customer's Maximum Storage Injection Rate ("**Overrun Injection Rate**") and/or a Nominated Withdrawal Rate in excess of the Customer's Maximum Storage Withdrawal Rate ("**Overrun Withdrawal Rate**"), and in such case the Customer shall complete column 'B' and column 'C' of the Nomination Form.

Service Provider's response to a Nomination

5.6 If the Customer submits a Nomination, the Service Provider shall, as soon as reasonably practicable and in any case within forty-five (45) minutes, notify the Customer whether it accepts or rejects the Nomination and (where it accepts the Nomination) it shall notify the Customer for each Hour in the Nomination Period:

(a) of the quantity of Natural Gas the Service Provider intends to inject or (as the case may be) withdraw from the Facility during each Hour in the Nomination Period;

(b) of the proposed rate of injection or (as the case may be) rate of withdrawal for each Hour in the Nomination Period (including whether the Service Provider is prepared (in its sole discretion) to make Natural Gas available (in whole or in part) at any Overrun Injection Rate or Overrun Withdrawal Rate (as the case may be) requested);

(c) if, for the purposes of accepting the Nomination, the Service Provider requires additional withdrawal capacity ("**Additional SP Withdrawal Capacity**"), and if so, how much Additional SP Withdrawal Capacity is required; [[and

(d) if the Service Provider requires the rules in Clause 6.5 to apply or not in relation to the Nomination.]] [5]

5.7 For the purposes of:

(a) Clause 5.6(a), (b) and (c) and in accordance with Clause 20.2, the Service Provider shall notify the Customer of its acceptance of the Nomination by responding to the Customer's Nomination Form with the final column 'D' completed (in the form set out

[5] Delete words where Service Provider and Facility Operator are Affiliates.

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in Schedule 2), [[indicating whether the rules in Clause 6.5 are to apply or not]] [6] and by counter-signing and dating such form, and returning such form to the Customer;

(b) Clause 5.6(c) the Service Provider shall use reasonable endeavours to obtain Additional SP Withdrawal Capacity from the Facility Operator or other user of the Facility.

5.8 If the Service Provider has accepted the Nomination in accordance with Clause 5.7 the Service Provider shall:

(a) withdraw the Nominated Withdrawal Quantity or inject the Nominated Injection Quantity at the Gas Delivery Point on the Day to which the Nomination relates and accordingly ensure the Actual Utilisation Quantity in the Nomination Period is the quantity of Natural Gas notified by the Service Provider in accordance with Clause 5.6(a);

(b) ensure the rate at which Natural Gas is injected or withdrawn in each Hour is the rate notified by the Service Provider in accordance with Clause 5.6(b).

5.9 The Service Provider may only reject a Nomination if:

(a) it does not comply with the requirements in Clause 5.2;

(b) it is not in accordance with Clause 5.3 or 5.4;

(c) in the case of a Withdrawal Nomination, during the Nomination Period (and without taking the Nomination into account):

(i) Natural Gas is already being withdrawn from the Facility at the Maximum Facility Withdrawal Rate;

(ii) Natural Gas is already being withdrawn from the Facility by the Customer at the Maximum Customer Withdrawal Rate; or

(iii) the Service Provider can only accept the Nomination if it obtains Additional SP Withdrawal Capacity and the Service Provider has complied with the requirement in Clause 5.7(b) and has been unable to obtain Additional SP Withdrawal Capacity;

(d) in the case of an Injection Nomination, Natural Gas is already being injected into Facility by the Customer at the Maximum Customer Injection Rate; or

(e) it is submitted other than in accordance with Clause 20,

and if the Service Provider rejects a Nomination in accordance with this Clause 5.9, subject to the Service Provider giving notice to the Customer of such rejection (together with the reasons for the rejection) such Nomination shall have no effect for the purposes of this Agreement.

5.10 At any time and from time to time on a Day, the Customer is entitled to submit a new Nomination relating to (part or all of) the same Nomination Period as any previous Nomination. Any rejection of a Nomination by the Service Provider shall be without prejudice to the Service Provider's obligation to perform in respect of any other prevailing valid Nominations submitted on the Day.

If in respect of a Nomination, the Service Provider does not notify the Customer in accordance with Clauses 5.6 and 5.7, or 5.9, within forty-five (45) minutes from the time the Nomination was made, then the Nomination shall be deemed to have been accepted.

[6] Delete words where Service Provider and Facility Operator are Affiliates.

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Information, allocation, and charging

5.11 In respect of each Nomination Period, the Service Provider shall notify the Customer in writing of the Actual Utilisation Quantity (and where applicable any Shortfall Quantity) by no later than the start of the seventh (7th) Business Day following the Day in respect of which the Nomination was made.

5.12 The Customer authorises and appoints the Allocation Agent to submit on its behalf an Entry Allocation Statement or (as the case may be) Exit Allocation Statement in respect of a Day on which the Customer made a Nomination in respect of which the quantity specified as delivered to or offtaken from the NTS by the Customer at the Gas Delivery Point is equal to the sum of the Actual Utilisation Quantity for each Hour in respect of which the Customer made a Nomination on such Day.

5.13 If the Service Provider:

(a) injects Natural Gas into the Facility in accordance with an Injection Nomination, the Customer shall pay the Injection Charges in accordance with Clauses 11.1 and 11.4;

(b) withdraws Natural Gas from the Facility in accordance with a Withdrawal Nomination, the Customer shall pay the Withdrawal Charges in accordance with Clauses 11.1 and 11.5; and

(c) provides the Service to the Customer at an Overrun Injection Rate or (as the case may be) an Overrun Withdrawal Rate the Customer shall pay Overrun Charges in accordance with Clauses 11.1 and 11.6.

6 INTERRUPTION AND REALLOCATION

Interruption

6.1 Subject always to Clause 6.3(a), the Service Provider may interrupt any Withdrawal Nomination of the Customer on any Day and Hour in the Service Year where the Facility Operator has interrupted the Service Provider in accordance with the Gas Storage Agreement between the Facility Operator and the Service Provider, provided the Service Provider shall not be entitled to interrupt the Customer's Withdrawal Nomination in respect of the withdrawals for any Day in a Run-off Period.

6.2 The Service Provider may at any time submit to the Customer a notice ("**Interruption Notice**") in accordance with Clause 20 and substantially in the form set out in Schedule 3, and signed by the Service Provider, which shall specify:

(a) the Day to which the Interruption Notice relates;

(b) the time (the "**Interruption Effective Time**"), on the Hour, with effect from which such Interruption Notice is to take effect, which shall be no earlier than forty-five (45) minutes after the submission of the Interruption Notice, *provided that* the Service Provider shall issue an Interruption Notice as soon as reasonably practicable after becoming aware of the circumstance that results in the need to issue such Interruption Notice;

(c) the interruption number;

(d) the estimated duration of the interruption (the "**Interruption Period**");

(e) whether the interruption of the Customer's Withdrawal Nomination is in part or in full;

(f) the nominated Withdrawal Rate for the Interruption Period prevailing immediately before the Interruption Notice (in accordance with column 'A' of the Interruption Notice);

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(g) if the interruption is in part, the rate of withdrawal unavailable to the Customer for each Hour of the Interruption Period (the "**Interrupted Withdrawal Rate**") (in accordance with column 'B' of the Interruption Notice);

(h) the total end of day quantity to be interrupted by the Service Provider and not provided by the Service Provider to the Customer;

(i) the total end of day quantity to be provided by the Service Provider to the Customer as a result of the interruption (in accordance with column 'C' of the Interruption Notice) (the "**Interrupted Withdrawal Quantity**"); and

(j) the date and time of the request in the Interruption Notice.

6.3 In the event that the Service Provider does interrupt the Customer's withdrawal:

(a) the Service Provider undertakes to the Customer that the physical flow of Natural Gas out of the Facility during the Interruption Period shall not be less than the lower of:

(i) the total physical flow of Natural Gas from the Facility had the Service Provider acted upon the Customer's Withdrawal Nomination prevailing immediately before the Interruption Notice was given or any subsequent revised Withdrawal Nomination submitted after the Interruption Notice was given; and

(ii) the Maximum Facility Withdrawal Rate; and

(iii) the Customer's Withdrawal Nomination, neither in full nor in part, shall be reinstated but where the Service Provider is able to increase the rate of withdrawal at any time after an Interruption Notice has been served, the Service Provider shall notify the Customer of such higher rate of withdrawal that could be delivered, and the Customer, at its absolute discretion, may submit a revised Nomination; and

(b) on any Day in respect of which the Service Provider issued an Interruption Notice for the purposes of Clause 14 the Shortfall Quantity shall be calculated as the difference between ninety-eight percent (98%) of the Nominated Quantity and the sum of:

(i) the Actual Utilisation Quantity for the Day and

(ii) the quantity withdrawn from the Facility on the Day pursuant to nomination(s) made by other user of the Facility (if any) (and the Service Provider shall provide the Customer with reasonable evidence of any quantities).

(c) For the avoidance of doubt, the Withdrawal Nomination will first be responded to or deemed accepted by the Service Provider before an Interruption Notice is issued to the Customer.

[[***Reallocation – To Customer at National Balancing Point (NBP)***

6.4 Where the Customer has made a Nomination Clause 6.5 shall apply:

(a) in relation to such Nomination where the Service Provider requires that the Gas to be delivered to or offtaken from the NTS pursuant to such Nomination at the Gas Delivery Point (on the Day to which the Nominations relates) is allocated to such person (other than the Customer) as the Service Provider nominates;

(b) provided the Service Provider notifies the Customer of such requirement in accordance with Clause 5.7(a), and in which case Clause 6.5 shall apply in relation to all later Nominations for the relevant Day.

6.5 Where this Clause 6.5 applies in relation to a Nomination:

(a) no later than two (2) hours before the end of the Day to which the Nomination relates:

(i) in the case of a Withdrawal Nomination:

(A) the Customer shall submit an Acquiring Trade Nomination for the Nominated Quantity in respect of such Day and identify the Service Provider as the person making the corresponding Disposing Trade Nomination; and

(B) the Service Provider shall submit a Disposing Trade Nomination for the Nominated Quantity and identify the Customer as the person submitting the corresponding Acquiring Trade Nomination;

(ii) in the case of an Injection Nomination:

(A) the Customer shall submit a Disposing Trade Nomination for the Nominated Quantity in respect of such Day and identify the Service Provider as the person making the corresponding Acquiring Trade Nomination; and

(B) the Service Provider shall submit an Acquiring Trade Nomination for the Nominated Quantity and identify the Customer as the person submitting the corresponding Disposing Trade Nomination;

(b) where the Parties agree to make a revision to the Nominated Quantity (or following submission of Trade Nominations in accordance with paragraph (a)) the Parties shall submit such further Trade Nominations in respect of the relevant Day in accordance with the Network Code to give effect to such revision;

(c) if the submission of Trade Nominations or UK Link is affected by a Code Contingency, the Parties shall give effect to the Trade Nominations in such manner as provided for in the Contingency Procedures;

(d) where a Party submits a Trade Nomination prior to the Day to which it relates it will not withdraw the Trade Nomination without the agreement of the other Party.

6.6 Clause 6.5 is without prejudice to the requirement in Clause 5.8 that the Service Provider deliver to or offtake from the NTS at the Gas Delivery Point on the Day to which the Nomination relates a quantity of Gas equal to the Nominated Withdrawal Quantity or the Nominated Injection Quantity.]] [7]

Reallocation – To Third Party Shipper at Storage Connection Point

6.7 Where the Customer has made a Withdrawal Nomination, but the Service Provider has had or wishes to have all or part of the Natural Gas to be delivered pursuant to such Withdrawal Nomination allocated to it or another person nominated by the Service Provider (a "**Nominated Third Party**") rather than to the Customer at the Gas Delivery Point, the Service Provider shall give notice, substantially in the form set out in

6.8 SCHEDULE 4 (a "**Reallocation Notice**") to the Customer no later than five (5) Days before the Entry Close-out Date of the Day to which the Reallocation Notice relates, and such Reallocation Notice shall specify the identity of the Nominated Third Party (if applicable) and the quantity of Natural Gas (the "**Reallocation Quantity**"), not being greater than the Nominated Withdrawal

[7] Delete words where Service Provider and Facility Operator are Affiliates and amend cross references in remainder of Clause 6 and in relevant definitions.

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Quantity, that the Service Provider wishes to have allocated to it or the Nominated Third Party rather than to the Customer. Where the Service Provider submits a Reallocation Notice, then the provisions of this Agreement shall continue to apply to the Withdrawal Nomination, provided that:

(a) the Reallocation Quantity shall not be included in the calculation of the Charges payable by the Customer (if any) for the Month in which the Withdrawal Nomination is made, or, where the Customer has already paid any Charges in respect of such Reallocation Quantity, the Service Provider shall reimburse the Customer such Charges;

(b) the Customer's Nominated Withdrawal Quantity shall be reduced by the Reallocation Quantity (and the Customer's Withdrawal Nomination shall be deemed to have been amended accordingly);

(c) the Customer, the Service Provider, and the Nominated Third Party (as the case may be) shall take all reasonable steps to ensure that the Service Provider or the Nominated Third Party (as the case may be) is allocated with the Reallocation Quantity at the Gas Delivery Point; and

(d) where the Reallocation Notice is received later than three (3) hours before the end of the Day in respect of which the Withdrawal Nomination is made, the Service Provider shall reimburse the Customer any reasonable costs or expenses incurred by the Customer (as a result of the reallocation of Natural Gas pursuant to this Clause 6.6), which costs or expenses shall be calculated by reference to (and shall be deemed to be limited to):

(i) the sum of any Charges payable by the Customer; less

(ii) any amounts payable to the Customer,

in each case in its capacity as a person bringing Natural Gas onto the NTS (and not otherwise) pursuant to the Network Code and to the extent that such Charges and amounts payable result from the reallocation of the Reallocation Quantity.

6.9 The Service Provider may only submit a Reallocation Notice for a Day where the Service Provider or the Nominated Third Party holds Gas-in-Storage in the Facility in an amount equal to or greater than the Reallocation Quantity.

6.10 Where the Service Provider has given a Reallocation Notice to the Customer not later than three (3) hours before the end of the Day in respect of which the Nomination is made, the Service Provider may also request that the Customer transfer to the Service Provider or the Nominated Third Party NTS Entry Capacity that the Customer is registered (pursuant to the terms of the Network Code) as holding in relation to the Gas Delivery Point for the relevant Day; provided that the Service Provider may only request the Customer to transfer a quantity of NTS Entry Capacity that is no greater than the Reallocation Quantity. Where the Service Provider makes such a request and the Customer is registered as holding an amount of NTS Entry Capacity in relation to the Gas Delivery Point that is:

(a) equal to or greater than the quantity of NTS Entry Capacity that the Service Provider has requested be transferred, then the Customer shall transfer to the Service Provider or the Nominated Third Party (in accordance with the provisions of the Network Code) the quantity of NTS Entry Capacity requested; or

(b) less than the quantity of NTS Entry Capacity that the Service Provider has requested be transferred, then the Customer shall transfer to the Service Provider or the Nominated Third Party (in accordance with the provisions of the Network Code) the quantity of NTS Entry Capacity the Customer is registered as holding in relation to the Gas Delivery Point.

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6.11 Where a quantity of NTS Entry Capacity in relation to the Gas Delivery Point is transferred by the Customer to the Service Provider or the Nominated Third Party pursuant to Clause 6.10, the Service Provider shall pay to the Customer the Charges payable by the Customer in respect of the transferred NTS Entry Capacity.

7 MAINTENANCE

7.1 The Service Provider shall use reasonable endeavours to ensure to the extent possible that:

(a) the duration of any Maintenance Period in respect of the Facility is minimised;

(b) Maintenance Periods for the Facility are scheduled at the same time as any maintenance of the NTS planned by the Customer which would result in Natural Gas being unable to be delivered from or to such Facility; and

(c) the chosen mode of operation of the Facility prior to the Nomination by the Customer shall not compromise the Service Provider's ability to fulfil its obligations under this Agreement.

7.2 The Customer acknowledges that the Facility may be (in whole or in part) unavailable for provision of the Services to the Customer on Days when the Customer is carrying out maintenance to the NTS such that (as a result of such maintenance) Natural Gas cannot be delivered from the Facility.

7.3 A Planned Maintenance Period for the Facility may be amended by public notification by the Facility Operator on the website identified in Schedule 1, in which case the Planned Maintenance Period shall be deemed to be such publicly notified period.

8 SERVICE AVAILABILITY

8.1 General

(a) The Service Provider shall ensure that the Facility is available at all times during the Term for providing the Service, except:

(i) during any Maintenance Period;

(ii) during an event of Force Majeure, duly and properly notified pursuant to Clause 13.2; and

(iii) for reasons other than those set out in Clause 8.1(a)(i) and 8.1(a)(ii), duly and properly notified pursuant to Clause 8.1(b).

(b) If the Facility is (in whole or in part) unavailable to the Customer for withdrawal and/or injection during the Term for any reason, then (notwithstanding any other obligations or rights of the Service Provider or the Customer, and subject to any restrictions on disclosure pursuant to any Legal Requirements) the Service Provider shall notify the Customer as soon as reasonably practicable of such unavailability, the reasons therefor and the estimated period during which such unavailability will continue.

(c) The Service Provider shall notify the Customer as soon as reasonably practicable after becoming aware of any actual or suspected cyber security incident which affects, or may affect, the provision of the Service, the Customer's systems, data or information, or Communications between the Parties.

8.2 Service Availability Factor

(a) Subject to Clauses 8.2(b) and (c), in respect of any Day during the Term, the Service Availability Factor shall be the factor determined as:

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(i) for a Day in respect of which the Actual Utilisation Quantity is less than the Nominated Quantity, the factor which represents the extent to which the Nominated Quantity was made available to the Customer;

(ii) for a Day falling in a Maintenance Period, the factor which represents the extent to which the Nameplate Facility Withdrawal Rate is reduced to on such Day;

(iii) for a Day in respect of which either:

(A) the Service Provider has declared Force Majeure; or

(B) the injection or withdrawal component of the Service is not fully available to the Customer other than for the reasons in Clauses 8.2(a)(ii) and 8.2(a)(iii)(A),

the factor which represents the extent to which the Nameplate Facility Withdrawal Rate is reduced on such Day.

(b) For the purposes of Clause 8.2(a):

(i) the factor shall be less than one (1) in the circumstances in Clauses 8.2(a)(ii) and (iii) where there is reduction in the availability of the withdrawal component of the Service, notwithstanding there may be no reduction in the availability of the injection component of the Service on the same Day;

(ii) the factor shall only be less than one (1) for a Day by reason of the unavailability of the injection component of the Service due to the circumstances in Clauses 8.2(a)(ii) and (iii) provided the Customer submitted a valid Injection Nomination for such Day;

(iii) subject to Clause 8.2(b)(ii), where on a Day there is a reduction in both the withdrawal and injection component of the Service for the reasons referred to in 8.2(a), the factor for the Day shall be determined by reference to the extent to whichever of the withdrawal or injection component of the Service is least available to the Customer on the Day;

(iv) where on a Day more than one of the circumstances in Clause 8.2(a) apply, the factor for the Day shall reflect the aggregate extent to which the injection or withdrawal component of the Service was unavailable to the Customer.

(c) In relation to a Day in respect of which:

(i) none of the circumstances in Clause 8.1(a) apply; or

(ii) the Service Provider makes available gas for withdrawal in accordance with the requirements of Part 4 of Schedule 1; or

(iii) the injection or withdrawal component of the Service is not fully available to the Customer solely by reason of National Gas undertaking maintenance of the NTS on the Day; or

(iv) the injection component of the Service is not available, in the event the Customer has not served a valid Injection Nomination and provided none of the circumstances in Clause 8.2(a) apply in relation to the withdrawal component of the Service,

the Service Availability Factor for the Day shall be one (1).

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8.3 **Other unavailability to the Customer**

(a) On any Day or Hour during a Gas Supply Emergency the Service Provider may take steps to increase flow rates at the Facility in order to comply with the Customer's instructions pursuant to the Network Code notwithstanding the Customer's nomination on such Day.

(b) Where in respect of any Day or Hour the withdrawal of Natural Gas at the Gas Delivery Point is affected as a result of a pressure in the NTS at the Gas Delivery Point exceeding the maximum delivery pressure specified in the Storage Connection Agreement, or of any other transportation constraints affecting the withdrawals of Natural Gas, the Customer shall be interrupted in accordance with Clause 6.

9 SERVICE TEST

9.1 The Customer may test the Service Provider's ability to comply with a Nomination, including without limitation communications between the Parties ("**Service Test**") at any time during the Service Year, excluding during a Maintenance Period where such Service Test would require the physical injection of Natural Gas into the Facility, or withdrawal of Natural Gas from the Facility.

9.2 If a Service Test results in the Service Provider complying with a Nomination, the Customer shall pay the relevant Charges, provided that where the Service Test tests only the communications between the Parties, no Charges shall be due or payable.

10 RUN-OFF PERIOD

10.1 If at the end of the Service Year the Customer has Gas-in-Storage, pursuant to this Agreement with the Service Provider, in the Facility and:

(a) the Service Provider and the Customer have entered into a new agreement for the provision of storage services for the period immediately following the Service End Date, subject to any re-profiling tender in accordance with Section K of the Transportation Principal Document of the Network Code, the Parties agree that the Customer's Gas-in-Storage, pursuant to this Agreement, at the Service End Date shall be treated as the Customer's opening Gas-in-Storage (up to a maximum amount equal to the Customer's storage space capacity under the new agreement) with the Service Provider, for the purposes of the new agreement; or

(b) either:

(i) the Service Provider and the Customer have not entered into an agreement for the provision of storage services for the period immediately following the Service End Date; or

(ii) the Service Provider and the Customer have entered into a new agreement, as contemplated under Clause 10.1(a), and the Customer's Gas-in-Storage under this Agreement at the Service End Date is greater than the Customer's storage space capacity under the new agreement,

then:

(iii) during the Run-off Period and without prejudice to the Customer's rights to undertake any trade, transfer or re-profiling tender before the Run-off Period, the Customer may trade or transfer its Gas-in-Storage in accordance with Section K of the Transportation Principal Document of the Network Code; and

(iv) if at the end of the Run-off Period the Customer has any Gas-in-Storage under this Agreement, ("**Reconciliation Quantity**"), the Service Provider shall be deemed to purchase the Reconciliation Quantity from the Customer

(irrespective of whether the Reconciliation Quantity results from the Service Provider's failure to deliver Gas-in-Storage, an event of Force Majeure, a Maintenance Period or otherwise).

10.2 If the Service Provider is deemed to purchase the Reconciliation Quantity, pursuant to Clause 10.1(b)(iv), the Service Provider shall pay the Customer an amount equal to the quantity of the Reconciliation Quantity multiplied by:

(a) where the Reconciliation Quantity arises due to the Service Provider's failure to deliver Gas-in-Storage, the average of the System Marginal Buy Price for each Day in the Run-Off Period;

(b) where paragraph (a) does not apply, the average of the System Marginal Sell Price for each Day in the Run-Off Period.

10.3 The Customer shall have the right to invoice the Service Provider in respect of the Reconciliation Quantity and the provisions of Clause 11 shall apply.

10.4 For the avoidance of doubt, in respect of Clause 10.1(b)(ii), any quantities of Natural Gas withdrawn from the Facility shall incur the withdrawal charge specified in the new agreement.

11 CHARGES AND INVOICING

11.1 The Customer shall pay to the Service Provider:

(a) the Monthly Service Fee;

(b) Injection Charges;

(c) Withdrawal Charges;

(d) Overrun Charges; and

(e) Additional SP Withdrawal Capacity Charges,

(together "**Charges**") each calculated in accordance with this Agreement.

11.2 Amounts in respect of Charges stated in this Agreement are exclusive of applicable value added tax ("**VAT**"), other Taxes and the Climate Change Levy.

11.3 **Monthly Service Fee**

(a) The amount of the Annual Service Fee payable in respect of each Month (the "**Monthly Service Fee**") in the Service Year shall be the sum of all Daily Service Fees in such Month.

(b) The "**Daily Service Fee**" shall be calculated as

$$Daily\ Service\ Fee = SAF_D \times P_D$$

where:

SAF = the Service Availability Factor on a Day, as determined in accordance with Clause 8;

P =

(i) in the Summer Period, an amount equal to:

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(A) the Annual Service Fee divided by the number of Days in the Summer Period; multiplied by

(B) twenty per cent (20%);

(ii) in the Winter Period, an amount equal to:

(A) the Annual Service Fee divided by the number of Days in the Winter Period; multiplied by

(B) eighty per cent (80%); and

D = the relevant Day for calculation of the Daily Service Fee.

(c) The Monthly Service Fee shall not be payable in respect of the Run-off Period in accordance with Clause 3.5.

11.4 **Injection Charges**

In respect of each Injection Nomination, the amount payable by the Customer to the Service Provider shall be calculated by multiplying the Injected Quantity (in kWh) by the Injection Charge Rate (in pence per kWh).

11.5 **Withdrawal Charges**

In respect of each Withdrawal Nomination, the amount payable by the Customer to the Service Provider shall be calculated by multiplying the Withdrawn Quantity (in kWh) by the Withdrawal Charge Rate (in pence per kWh).

11.6 **Overrun Charges**

In respect of each Nomination that results in Gas being injected into the Facility at an Overrun Injection Rate or (as the case may be) withdrawn from the Facility at an Overrun Withdrawal Rate, the Customer shall pay the Service Provider, an amount calculated as:

(a) the quantity which was injected as a result of the Overrun Injection Rate (in kWh) multiplied by the Injection Overrun Charge Rate (in pence per kWh); and

(b) the quantity which was withdrawn as a result of the Overrun Withdrawal Rate (in kWh) multiplied by the Withdrawal Overrun Charge Rate (in pence per kWh)

and provided that the Customer shall not also be required to pay the Injection Charge or Withdrawal Charge in respect of any such overrun quantity.

11.7 **Additional SP Withdrawal Capacity Charges**

(a) For each Day in the Month in respect of which the Service Provider obtains Additional SP Withdrawal Capacity for the purposes of Clause 5.7(b) the Customer shall pay the Service Provider the Additional SP Withdrawal Capacity Charge.

(b) The Additional SP Withdrawal Capacity Charge shall:

(i) subject to paragraph (ii), be equal to the charges payable by the Service Provider to the Facility Operator or other user of the Facility for the Additional SP Withdrawal Capacity;

(ii) be calculated by reference to the Additional SP Withdrawal Capacity Charge Rate specified in Schedule 1.

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(c) The Service Provider shall not have any obligation to provide Additional SP Withdrawal Capacity if the rate payable by the Service Provider to the Facility Operator and any other relevant parties for the Additional SP Withdrawal Capacity would exceed the Additional SP Withdrawal Capacity Charge Rate specified in Schedule 1 unless the Customer agrees to cover the Service Provider's costs in full.

11.8 **Monthly Invoicing**

(a) The Service Provider shall, in respect of each Month of the Service Year (the "**Invoice Period**"), on or before the third (3rd) Business Day of the Month following the end of that Invoice Period, provide the Customer with appropriate supporting information in a form satisfactory to the Customer for the Customer's agreement (acting reasonably) of the Charges due to be paid in respect of the Invoice Period in advance of issuing a VAT invoice.

(b) Subject to Clause 12.6, following the Customer's agreement in respect of the Charges due and payable for the relevant Invoice Period, and in any event on or before the tenth (10th) Business Day of the Month following the end of the relevant Invoice Period, the Service Provider shall issue to the Customer a VAT invoice (with appropriate supporting information in a form satisfactory to the Customer, acting reasonably) specifying:

(i) the Month and purchase order number to which the invoice relates;

(ii) the Monthly Service Fee, and the Daily Service Fee and the Service Availability Factor for each Day in the Month;

(iii) the quantity of Natural Gas injected on any Day during the Month and the sum payable in respect of the Injection Charge;

(iv) the quantity of Natural gas withdrawn on any Day during the Month and the sum payable in respect of the Withdrawal Charge;

(v) the quantity of Natural Gas subject to an Overrun Charge on any Day during the Month and the sum payable in respect of the Overrun Charges;

(vi) the sum payable in respect of Additional SP Withdrawal Capacity Charges;

(vii) any applicable VAT and Taxes;

(viii) any sums payable by the Service Provider to the Customer in accordance with Clause 6.11; and

(ix) the total sum payable by the Customer in respect of the Invoice Period, being the aggregate of the sums calculated pursuant to Clause 11.8(b)(ii) to (vii) (each as agreed with the Customer in accordance with Clause 11.8(a)), less the sums calculated pursuant to Clause 11.8(b)(viii).

11.9 Each Party shall promptly provide the other with valid VAT invoices specifying any sums (other than those referred to in Clause 11.1) due or owing under this Agreement.

11.10 It is the intention of the Parties that the terms of this Agreement shall not constitute a supply of Natural Gas for the purpose of the Climate Change Levy. The VAT treatment of the supplies under this Agreement shall be determined according to the VAT laws of the jurisdiction where a taxable transaction for VAT purposes is deemed to take place. Each Party shall, to the extent permitted by law, provide the other with any additional valid VAT invoices as required for the purposes of this Agreement.

12 PAYMENT

12.1 The "**Due Date**" in respect of an invoice is:

(a) for invoices provided in accordance with and in compliance with Clause 11.8, the twenty-fifth (25th) day of the month following the end of the relevant Invoice Period; and

(b) subject to Clause 12.6(b), in respect of any other invoice (including invoices with a manifest error regarding the total amount due and the Charges agreed to be paid by the Customer in accordance with Clause 11.8(a)), the twenty-fifth (25th) day of the month that follows the month in which the Service Provider provides a revised invoice in respect of the relevant Invoice Period in accordance with and in compliance with Clause 11.8, and

where the Due Date is not a Business Day, the next following Business Day.

12.2 All payments shall be made in pounds sterling by direct bank transfer of funds for good value received on the Due Date to the account of the receiving Party specified by such Party.

12.3 Payments by the Customer to the Service Provider shall be made to the bank account set out in Schedule 1, or to such other account as may be notified (on not less than thirty (30) days' notice) by the Service Provider to the Customer.

12.4 Payments by the Service Provider to the Customer shall be made to the bank account number notified by the Customer to the Service Provider from time to time on not less than thirty (30) days' notice.

12.5 Notwithstanding any other provisions of this Clause 12, either Party shall be entitled to set off any amounts due by the other pursuant to this Agreement (irrespective of whether any such amounts have been invoiced or not) against any amounts due by it to the other pursuant to this Agreement.

12.6 **Payment Disputes**

(a) If a Party disagrees in good faith with any sum shown by any invoice or statement received as being payable by that Party, it shall pay the undisputed amount by the Due Date and shall promptly give notice of the amount in dispute and the reasons therefor to the other Party. The Parties shall seek to settle the disputed amount as soon as practicable and may refer such Dispute to an Expert in accordance with Clause 25.

(b) Upon determination or agreement of such Dispute, any amount underpaid or overpaid shall be paid within fifteen (15) Business Days of receipt of the Service Provider's invoice for such amount, together with interest accruing from day to day, after as well as before any judgement (at a rate equal to the Base Rate plus one per cent (1%)) from the Due Date up to the date of repayment of the underpaid or overpaid amount.

12.7 **Payment Default**

If a Party fails on the Due Date to make payment as required pursuant to Clauses 12.1 and 12.2, interest shall accrue from day to day, after as well as before any judgement, on the unpaid amount, from the Due Date until the date of payment, at a rate equal to the Base Rate plus one per cent (1%).

12.8 **Final Adjustments**

Any monies due and owing by either Party to the other shall be paid (including any monies incurred in the Run-off Period), any corrections or adjustments to payments previously made shall be determined, and any refunds due shall be made within sixty (60) days after:

(a) the Service End Date, if Clause 10.1(a) applies; or

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(b) either:

(i) the final date of the Run-off Period; or

(ii) if earlier, the date of termination of this Agreement.

13 FORCE MAJEURE

13.1 Extent of Relief

(a) If either Party is rendered unable to perform any of its obligations under this Agreement as a result of Force Majeure, such Party shall, subject to the provisions of Clause 7 and the following provisions of this Clause 13, be excused from liability (including any requirement under this Agreement to make payment of any sum except for any sum due and owing as at the time of Force Majeure) for such non-performance to the extent that, and for as long as, such Force Majeure persists.

(b) To the extent to which Force Majeure affecting the Service Provider results in a full or partial reduction in the level of the Service which the Service Provider can make available to the Customer, then the Service Availability Factor for such Day affected by Force Majeure shall be reduced and determined in accordance with Clause 8.

13.2 Notification of Force Majeure

A Party shall not be entitled to Force Majeure relief, unless:

(a) it shall have notified the other as soon as practicable after becoming aware of such Force Majeure; and

(b) it shall have continued to seek to perform its obligations under this Agreement which are not affected by the Force Majeure event (in which event it shall be entitled to such relief with effect from the commencement of such Force Majeure).

14 DEFAULT

14.1 To the extent the Actual Utilisation Quantity delivered by the Service Provider is less than ninety-eight per cent (98%) of the Nomination in respect of any Hour in a Nomination Period, or if the circumstances in Clause 14.5 apply, in circumstances where such failure is not excused by Force Majeure or where Clause 7 does not apply, such failure shall be a Default.

14.2 To the extent that on any Day, the Service Provider is in Default, Liquidated Damages shall apply and such Liquidated Damages shall be the Customer's sole remedy under this Agreement in respect of such Default.

14.3 The Customer shall be entitled to raise an invoice in respect of Liquidated Damages in accordance with Clause 11.9.

14.4 For the purposes of calculating the Shortfall Quantity on the basis of the Nominated Quantity, the Nominated Quantity in respect of a Nomination Period shall only be adjusted in accordance with Clause 5.10.

14.5 Where the Service Provider agrees to inject or withdraw Natural Gas at an injection rate in excess of the Maximum Customer Injection Rate or a withdrawal rate in excess of the Maximum Customer Withdrawal Rate (as the case may be) and fails to inject or withdraw Natural Gas at such excess rate, the Shortfall Quantity shall be determined on an Hourly basis and shall be calculated for the Nomination Period, as the sum of for each Hour within such Nomination Period, the difference between the aggregate rate agreed to by the Service Provider, and the actual rate at which Natural Gas was injected or withdrawn.

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14.6 For the avoidance of doubt, the payment of Liquidated Damages in respect of the Shortfall Quantity arising in connection with a Nomination for the withdrawal of gas from the Facility shall not operate to reduce the Customer's Gas-in-Storage by the Shortfall Quantity.

15 LIABILITY

15.1 The maximum aggregate liability of a Party to the other Party under or in connection with this Agreement shall not exceed the Aggregate Liability Cap, subject to the following exclusions:

(a) any obligation under this Agreement to pay the Charges;

(b) any provision of this Agreement which expressly provides for an indemnity;

(c) any liability which cannot be excluded or limited by law;

(d) any of the Service Provider's liabilities and obligations to the Customer under the Network Code;

(e) (in respect of the Customer only) any amounts claimed pursuant to a claim by the Customer against the Service Provider for the purchase of Customer's Gas-in-Storage contemplated under Clause 10.1(b)(iv), deemed purchase of the Reconciliation Quantity, in accordance with Clause 10.2 or the loss or destruction of Customer's Gas-in-Storage; and

(f) any obligation under this Agreement to pay Liquidated Damages.

15.2 In no circumstances shall a Party be liable to the other Party under this Agreement in respect of any breach of, or as a result of any act or omission in the course of, or in connection with the performance of this Agreement, for or in respect of:

(a) any consequential, indirect, exemplary, special or incidental loss or damage; or

(b) any direct or indirect loss or deferment of revenue or profit, loss of use, contract, or goodwill.

15.3 Without prejudice to the other provisions of this Clause 15, the rights and remedies of the Parties set out in this Agreement in respect of the non-performance or breach by a Party of this Agreement or for any other claim of whatsoever nature arising out of or in relation to this Agreement shall be the exclusive remedies of the Parties and shall exclude and are in place of any other rights or remedies of either Party howsoever arising (whether at law, in equity or in consequence of any statutory duty, strict or tortious liability or otherwise).

15.4 The provisions of Clause 15.3 shall be without prejudice to the rights of a Party to seek injunctive or declaratory relief in respect of that Party's rights and interests and/or the covenants and obligations of the other Party in accordance with this Agreement.

15.5 Where any provision of this Agreement provides for any amount to be payable by a Party upon or in respect of that Party's non-performance or breach of any provision of this Agreement both Parties agree and acknowledge that:

(a) without prejudice to Clause 15.3, the remedy conferred by such provision is exclusive of and is in substitution for any remedy in damages in respect of such breach or the event or circumstances giving rise thereto; and

(b) the amounts provided to be payable (including any Liquidated Damages) by the non-performing Party or Party in breach are reasonable and proportionate to protect the legitimate operational and financial interests of other Party.

15.6 Except as otherwise provided in this Agreement, the Customer will not be liable to the Service Provider for any costs, charges, fees or expenses that the Service Provider may be liable to pay to the Facility Operator, any other user of the Facility or any other person as a result of providing the Service.

16 CREDIT SECURITY

16.1 Definitions

For the purposes of this Agreement, in relation to the Service Provider:

(a) "**Security Provider**" means a person which, in accordance with the provisions of this Agreement provides or is to provide a Letter of Credit or Parent Company Guarantee in respect of the Service Provider's obligations under this Agreement;

(b) "**Security Document**" means a Letter of Credit or a Parent Company Guarantee;

(c) "Required Credit Rating" means:

(i) in the case of the Service Provider or any Security Provider which is not a bank or other financial institution, a long-term unsecured debt rating no worse than BBB- (as determined by Standard and Poor's rating agency) or Baa3 (as determined by Moody's rating agency), with stable outlook; or

(ii) in relation to a Security Provider which is a bank or other financial institution, a long-term unsecured debt rating no worse than A- (as determined by Standard and Poor's rating agency) or A3 (as determined by Moody's rating agency), with stable outlook; and

(d) "**Initial Credit Amount**" means an amount calculated as follows:

Storage Space (in kWh) x (Initial Q2 Price (p/kWh)) /100) x125%

where:

(e) "**Initial Q2 Price**" means the settlement price, converted to p/kWh, for the NBP Future monthly contract for delivery in the second quarter of the year in which the Service End Date occurs as quoted by Argus European Natural Gas on the first Business Day in the April preceding the Service Start Date, or if unavailable, such other published gas market index as the Customer specifies;

(f) "**Revised Credit Amount**" means an amount calculated as follows:

Storage Space (in kWh) x (Revised Q2 Price (p/kWh)) /100) x 125%

where:

(g) "**Revised Q2 Price**" means, in respect of any period of ten (10) consecutive Business Days during the Service Year, the average settlement price, converted to p/kWh, for the NBP Future monthly contract for delivery in the second quarter of the year in which the Service End Date occurs as quoted by Argus European Natural Gas, or if unavailable, such other published gas market index as the Customer specifies;

(h) "**Prevailing Credit Amount**" means the Initial Credit Amount or (where applicable) the Revised Credit Amount.

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16.2 **Requirement for Service Provider to provide credit cover**

(a) For as long as the Service Provider holds the Required Credit Rating it shall not be required to provide the Customer with any credit cover.

(b) Subject to Clauses 16.2(c), where:

(i) the Service Provider does not hold at the date of this Agreement, or ceases to hold, the Required Credit Rating the Service Provider shall, within ten (10) Business Days of such date, provide the Customer with a Security Document issued by a Security Provider with a Required Credit Rating, or provide a Deposit Deed, in an amount not less than the Prevailing Credit Amount;

(ii) the Service Provider's Security Provider ceases to have the Required Credit Rating the Service Provider shall, within ten (10) Business Days of such date, provide the Customer with a replacement Security Document issued by a Security Provider with a Required Credit Rating in an amount not less than the Prevailing Credit Amount;

(iii) the Customer demands or applies any credit cover in or towards payment of any amount due and unpaid by the Service Provider under this Agreement, the Service Provider shall ensure that the credit cover is renewed or restored as soon as practicable, and in any event within ten (10) Business Days of the Customer's demand or application for payment under the Security Document or Deposit Deed, so that the aggregate amount of the credit cover available to the Customer is not less than the Prevailing Credit Amount.

(c) The Service Provider shall be entitled, by giving not less than ten (10) Business Days' notice to the Customer, to the return of the credit cover (but subject to any demand on or application of such credit cover before the expiry of such ten (10) Business Day period) on or at any time after the later of:

(i) the end of the Term; or

(ii) the date on which the Customer no longer holds the Gas-in-Storage as determined on the last day of the Term.

16.3 **Revised Credit Amount**

(a) In the event the Revised Q2 Price is equal to or greater than 200% of the Initial Q2 Price, the Service Provider shall (unless the Customer agrees otherwise) within ten (10) Business Days of the Customer's notification of the application of this Clause 16.3(a), provide the Customer with a Security Document or Deposit Deed in an amount not less than the Revised Credit Amount based on such Revised Q2 Price.

(b) In the event the Revised Q2 Price is equal to or greater than 300% of the Initial Q2 Price, the Service Provider shall (unless the Customer agrees otherwise) within ten (10) Business Days of the Customer's notification of the application of this Clause 16.3(b), provide the Customer with a Security Document or Deposit Deed in an amount not less than the Revised Credit Amount based on such Revised Q2 Price.

(c) Where the Service Provider is required to increase the credit cover in accordance with Clause 16.3(a) or 16.3(b), the Service Provider must provide either:

(i) a new Security Document for the Revised Credit Amount; and/or

(ii) a new additional Security Document for an amount which in aggregate with any existing Security Document amount is equal to the Revised Credit Amount; or

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(iii) an amendment to the Initial Security Document for the Revised Credit Amount.

16.4 **Forms and terms of credit cover**

(a) For the purposes of Clause 16.2, the Service Provider may provide credit cover in the form of:

(i) a Letter of Credit in accordance with Clause 16.4(b);

(ii) a Parent Company Guarantee which is valid for a period of not less than thirteen (13) months from the Service Start Date and is issued by a parent company which meets the Required Credit Rating; or

(iii) a Deposit Deed;

(b) A Letter of Credit shall be:

(i) an unconditional irrevocable standby letter of credit, in the form substantially set out in Schedule 5, in pounds sterling, issued by a United Kingdom clearing bank or other bank or financial institution which meets the Required Credit Rating, available for payment at a London branch of the issuing bank;

(ii) payable to the Customer on demand by the Customer, without notice to the Service Provider:

(A) upon the Customer certifying that the Service Provider has failed to pay any amount payable under this Agreement when due; or

(B) upon the Service Provider suffering an Early Termination Event;

(iii) valid until all outstanding amounts due under this Agreement have been paid and in any event shall be valid for a period of not less than thirteen (13) months from the Service Start Date.

(c) Where the Service Provider has provided and is required to maintain a Letter of Credit if the Service Provider fails to satisfy the requirement under Clause 16.4(b)(iii), the Customer may immediately, without notice to the Service Provider, issue a notice of demand for payment of the entire outstanding amount of the Letter of Credit and the proceeds of such demand shall be paid to the Customer in accordance with Clause 16.5.

16.5 **Payment under credit cover**

Where any amount is to be paid to the Customer in accordance with the provisions of this Clause 16, the amount shall be paid by the Security Provider in cash, and the amount so paid shall be the absolute property of the Customer and neither the Security Provider nor the Service Provider shall have any beneficial or other interest in such amount.

16.6 **Monthly Service Fee**

If the Service Provider is in breach of its obligations under this Clause 16, then, from the day falling fourteen (14) Days after the Day on which the breach arose and provided that the breach has not been remedied, the Customer shall have no obligation to pay the Monthly Service Fee to the Service Provider in respect of the period thereafter and until such time as the breach is remedied.

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17 TERMINATION

17.1 If an Early Termination Event occurs in relation to either Party (the "**Affected Party**") the other Party (the "**Notifying Party**") may, upon written notice to the Affected Party, to be given no later than thirty (30) days after the discovery by the Notifying Party of the occurrence of an Early Termination Event, elect to terminate this Agreement:

(a) on expiry of the reasonable cure period notified by the Notifying Party in its notice to the Affected Party, provided that the Early Termination Event is capable of being cured; or

(b) with immediate effect or on such date as notified by the Notifying Party in its notice to the Affected Party.

17.2 The Affected Party will pay the Notifying Party's reasonable costs, expenses, and legal fees directly arising from an early termination of this Agreement pursuant to Clause 17.1. For the avoidance of doubt, where the Customer is the Notifying Party, such reasonable costs, expenses and legal fees shall include those relating to running a new tender to replace the Service.

17.3 Except in the circumstances set out in Clause 17.4, the Service Provider shall retain all Gas-in-Storage at the time of the early termination of this Agreement pursuant to Clause 17.1 and shall pay the Customer for such Gas-in-Storage:

(a) if the Affected Party is the Service Provider, at a rate equal to the price quoted by ICE on the date of the Early Termination Event for the Highest Price Contract; or

(b) if the Affected Party is the Customer, at a rate equal to the SMSP on the date of the Early Termination Event;

where:

"**Highest Price Contract**" means the greater of (i) SMBP; and (ii) the Market Product with the highest settlement price in the period between the date of the Early Termination Event and the Service End Date.

17.4 If the Agreement is terminated as a result of the event in paragraph (a)(vi) of the definition of 'Early Termination Event', the Service Provider shall retain all Gas-in-Storage at the time of the early termination of this Agreement pursuant to Clause 17.1 and shall pay the Customer for such Gas-in-Storage at a rate equal to the SAP quoted by ICE on the date of the Early Termination Event.

17.5 Termination of this Agreement shall be without prejudice to the rights and liabilities of the Parties accrued prior to such termination provided that neither Party shall have any claim for damages or other compensation or for any other remedy which may be available but for the provision of this Clause 17:

(a) in respect of such termination; or

(b) in relation to the remainder of the Term.

17.6 The provisions of Clauses 1 (Definitions and Interpretation), 10.1(b)(iv) and 10.2 (Run-off Period), 11 (Charges and Invoicing), 12 (Payment), 15 (Liability), 16.2(c) (Requirement for Service Provider to provide credit cover), 17 (Termination), 19 (Assignment, Succession, Etc.), 20 (Communications), 21 (Confidentiality), 22 (Representation, Variation and Waiver), 25 (Expert), 26 (Third Party Rights), 27 (Governing Law) and 30 (Counterparts) shall survive termination of this Agreement.

18 WARRANTIES AND UNDERTAKINGS

18.1 Each Party warrants to the other that:

(a) subject to Clause 18.2, it has obtained and will maintain at all times during the Term all licences, authorisations, permits, consents and other approvals necessary to enter into this Agreement and to enable it to fulfil its obligations under this Agreement;

(b) it has negotiated, entered into and executed this Agreement as principal (and not as agent or in any other capacity, fiduciary or otherwise); and

(c) it is and will remain a party to the Network Code for the duration of the Term.

18.2 Where the Service Provider does not hold a gas shipper licence, the Service Provider warrants that it shall use the shipping services of the licensed gas shipper whose Shipper Short Code is specified in Schedule 1 for the purpose of fulfilling its obligations under this Agreement. The Service Provider warrants that such licensed gas shipper has and will continue to hold throughout the Term a licence permitting it to ship gas on the NTS, and will ship Natural Gas on the NTS on behalf of the Service Provider for the purposes of the Service Provider's performance of this Agreement.

18.3 The Service Provider acknowledges that the Customer requires the services provided under this Agreement (and in particular the withdrawal service) to comply with the Gas Safety (Management) Regulations 1996, and that the Customer requires a physical flow of Natural Gas from the Facility at least equal to its Nominated Withdrawal Quantity. Accordingly, the Service Provider warrants to the Customer, subject to Clauses 7, 13 and 14, that it shall ensure that:

(a) the physical flow of Natural Gas from the Facility to the NTS on any Day in respect of which the Customer has submitted a Withdrawal Nomination is not less than the Nominated Withdrawal Quantity plus the Reallocation Quantity (if any) plus the quantity of Natural Gas nominated for withdrawal by other users of the Facility less the quantity of Natural Gas nominated for injection by the Customer and other users of the Facility; and

(b) the Service Provider shall not knowingly or deliberately do anything that would put the Customer in breach of the Gas Safety (Management) Regulations 1996 and shall fully co-operate with the Customer insofar as such co-operation is required to ensure that the Customer complies with its obligations under the Gas Safety (Management) Regulations 1996. The Service Provider acknowledges and agrees that the provision of the Service is in accordance with its obligation pursuant to Regulation 6(6) of the Gas Safety (Management) Regulations 1996.

18.4 The Service Provider warrants to the Customer that, at the Gas Delivery Point, Natural Gas to be withdrawn shall be free from lien, charge, encumbrance or adverse claim (as to title or otherwise) including any claim for any Tax, royalty or other charge arising on or before withdrawal. The Service Provider shall indemnify the Customer and hold it harmless against any loss, liability, damage, claim, action, proceeding, cost, and expense suffered or incurred by or made or brought against the Customer in consequence of a breach of this warranty.

18.5 The Customer warrants to the Service Provider that, at the Gas Delivery Point, Natural Gas to be injected shall be free from lien, charge, encumbrance or adverse claim (as to title or otherwise) including any claim for any Tax, royalty or other charge arising on or before injection. The Customer shall indemnify the Service Provider and hold it harmless against any loss, liability, damage, claim, action, proceeding, cost, and expense suffered or incurred by or made or brought against the Service Provider in consequence of a breach of this warranty.

18.6 The Service Provider acknowledges and agrees that nothing in this Agreement shall prevent the Customer from complying with any Legal Requirement and in such regard the Customer

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shall be able to take any action that it considers to be necessary to comply with any Legal Requirement.

18.7 The Customer warrants to the Service Provider that it is entering into this Agreement for Operating Margins Purposes and in accordance with the requirements of its gas transporter license.

19 ASSIGNMENT, SUCCESSION, ETC.

19.1 No Assignment

Except as expressly provided under Clause 19.2, neither Party shall be entitled, at any time, to assign any or all of its rights under this Agreement and/or transfer any or all of its obligations under this Agreement to a third party without the prior written consent of the other Party (such consent not to be unreasonably withheld or delayed).

19.2 Right of Assignment

No consent shall be required pursuant to Clause 19.1 in the case of an assignment by a Party to an Affiliate provided that:

(a) the Affiliate is technically capable of performing the Party's obligations under this Agreement; and

(b) the assigning Party shall not be relieved of any obligations that such Affiliate fails to perform.

19.3 Successors and Assigns

This Agreement shall be binding upon and enure for the benefit of the Parties' respective successors and permitted assigns.

19.4 No Agency

Except as expressly provided in this Agreement, this Agreement does not constitute either Party as the associate, agent, partner or legal representative of the other for any purposes whatsoever, and neither Party shall have any express or implied right or authority to assume or to create any obligation or liability on behalf of or in the name of the other Party.

20 COMMUNICATIONS

20.1 Addresses for Communications

All Nominations, notices, consents, communications, and invoices to be made or given under this Agreement ("**Communications**") shall be in writing and delivered:

(a) in the case of the Service Provider, to the address specified in Schedule 1;

(b) in the case of the Customer (other than invoices) to the address specified in Schedule 1; and

(c) in the case of the Customer (for invoices only) to: box.GSOsettlements@nationalgas.com

Email addresses (to be sent to all): operatingmargins@nationalgas.com

or to such other address, email address notified by a Party to the other from time to time in accordance with this Clause 20.

20.2 **Method of Communications**

Communications shall only be given by prepaid post or delivered by hand or sent by electronic means provided that:

(a) Communications under Clauses 5 (subject to Clause 20.2(b)) shall always be sent by electronic means;

(b) Nominations or notices served in accordance with Clauses 5.6, 5.7, 5.9, 5.10 or 6.1 to 6.3 shall initially be communicated by telephone and confirmed by electronic means;

(c) invoices (including, for the avoidance of doubt, credit notes) under Clause 11 shall always be sent by electronic means; and

(d) termination notices under Clause 17 must always be given by electronic means, and confirmed by prepaid post or delivered by hand.

20.3 **Time for Receipt**

Communications shall be deemed to have been received:

(a) in the case of deliveries by hand:

(i) except as stated in Clause 20.3(a)(ii) below, on the day of delivery if such day is a Business Day, or otherwise on the next succeeding Business Day;

(ii) if the Communication is a Nomination or other notice pursuant to any of the provisions in Clauses 4 to 7, at the time of receipt;

(b) in the case of prepaid post, on the day after they were posted, if such day is a Business Day, or otherwise the next succeeding Business Day; and

(c) in the case of transmission by electronic means, receipt shall be deemed to occur at the time that the electronic Communication was sent, as evidenced by the time stamp on the Communication indicating the time of sending.

21 CONFIDENTIALITY

21.1 **No Disclosure**

Subject to Clause 21.2, neither Party shall disclose the terms of this Agreement or any information relating thereto to any third party save, with the prior written consent of the other, and shall keep the same strictly confidential.

21.2 **Exceptions**

The obligations in Clause 21.1 shall not apply:

(a) to the extent such disclosure is required by any Legal Requirement or in connection with any judicial, arbitration or administrative proceeding or the rules of any recognised stock or securities exchange or any provision of the Network Code;

(b) to disclosures made to Affiliates, employees, agents, contractors or advisers of a Party who have been required by the relevant Party to keep such terms and/or information confidential;

(c) to the extent such terms and/or information is already in the public domain (or otherwise already known to the person receiving such information), otherwise than through a breach of this Agreement;

(d) to any governmental agency, or regulatory or administrative agency having jurisdiction over the disclosing Party;

(e) to a bona fide intended assignee or transferee of a Party's rights and obligations hereunder provided that such assignee or transferee has undertaken to keep such terms and/or information confidential;

(f) to a bank or financial institution for the purpose of financing such Party's business provided that such bank or financial institution has undertaken to keep such terms and/or information confidential;

(g) to the Facility Operator to the extent that such disclosure is reasonably necessary to give effect to any provisions of this Agreement; and

(h) to any Expert appointed in accordance with Clause 25.

22 REPRESENTATION, VARIATION AND WAIVER

22.1 Representation

(a) For the purposes of this Clause 22.1, "**Representation**" means a draft agreement, undertaking, representation, warranty, promise, assurance or arrangement of any nature whatsoever, whether or not in writing, relating to this Agreement, made or given by either Party or any other person at any time prior to the Execution Date.

(b) Except to the extent repeated in this Agreement, the terms of this Agreement supersede and extinguish any Representation.

(c) Each Party acknowledges that in entering into this Agreement it is not relying and will not rely upon any Representation which is not set out in this Agreement.

(d) Neither Party shall have any right of action against the other Party arising out of or in connection with any Representation (except in the case of fraud) except to the extent repeated in this Agreement.

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

22.2 Variation

No variation to this Agreement shall be valid unless it is in writing and signed by an authorised representative of each Party.

22.3 Waiver

(a) If a Party breaches a term of this Agreement, the rights of the other Party arising from that breach cannot be waived except:

(i) with the express written consent of the other Party; and

(ii) to the extent set out in that consent.

(b) No waiver or consent by either Party (express or implied) of any one or more Defaults by the other shall operate or be construed as a waiver of, or consent to, any other Defaults, whether of a like or different nature.

(c) Failure by a Party to complain of any act of the other or to declare such other in Default in respect of this Agreement, regardless of how long that failure continues, shall not constitute a waiver by such Party of its rights with respect to such Default.

22.4 **Severability**

If any of the provisions of this Agreement is found by a court or authority of competent jurisdiction to be invalid, illegal or unenforceable, such provision shall be deemed to be modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the provision shall be deemed to be deleted from this Agreement, and the remaining provisions shall continue in full force and effect. The Parties shall in such event meet to negotiate in good faith and seek to agree upon a valid and enforceable provision to replace the provision so deleted.

23 CHANGES TO LEGAL REQUIREMENTS, PUBLICATIONS, ETC.

23.1 If any changes shall be made to the applicable Legal Requirements which would affect the implementation of the provisions of this Agreement, the Parties shall agree such amendments to this Agreement as may be necessary or appropriate to take account of such changes, so that this Agreement may continue in force, achieving substantially the same commercial effect.

23.2 In the event that any of the publications or prices referred to in this Agreement cease to be published, or the information contained in any such publication is provided in a different form, the Parties shall agree any amendments to this Agreement which may be necessary or appropriate, including the use of alternative publications, prices or information, so that this Agreement may continue in force, achieving substantially the same commercial effect.

23.3 If the Parties are unable to agree on any amendments which need to be made to this Agreement pursuant to Clause 23.1 or Clause 23.2, either Party may refer the matter to an Expert for determination in accordance with Clause 25.

24 PARTIES TO CO-OPERATE, ETC.

24.1 Each Party shall co-operate with the other in the performance of this Agreement, including in relation to the making and implementing of Nominations.

24.2 The Parties shall agree such further rules and procedures for the implementation of the provisions of this Agreement as may be necessary or appropriate for the efficient performance of this Agreement, including in relation to the making and implementation of Nominations.

25 EXPERT

25.1 Where pursuant to this Agreement any matter is to be referred to an Expert, or the Parties agree that any matter shall be referred to an Expert (any such matter a "**Dispute**") the provisions of this Clause 25 shall have effect.

25.2 To start a determination, one Party must write to the other, identifying the issue and proposing an expert. As soon as reasonably practicable following such notice, the Parties must try to jointly appoint a single expert to determine the Dispute (the "**Expert**") who shall be an independent person of suitable experience and skill agreed upon by both Parties or in lieu of such agreement:

(a) in respect of Disputes referred to an Expert in accordance with Clause 12, selected by the President for the time being of the Institute of Chartered Accountants in England (or its successor body); and

(b) in respect of all other Disputes, selected by the President for the time being of the Energy Institute (or its successor body).

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25.3 The Expert must act as an expert and not as an arbitrator. The Arbitration Act 1996 and the law of arbitration shall not apply to the Expert, to the determination procedure, or to the Expert's decision.

25.4 The Parties will meet with the Expert to agree the timetable and to determine the form of submissions to be made, the form of the hearing of the Dispute and the remuneration of the Expert.

25.5 Each Party shall bear its own costs including without limitation the costs of providing documentation, information, data, submissions, and expenses of all witnesses and other persons retained by such Party.

25.6 The Expert's fees and expenses shall be payable by the Parties in equal amounts, unless the Parties agree that the Expert may make a direction that such fees and expenses should be borne on some other basis.

25.7 The Expert's determination must take place in London, in English, and must be delivered within three (3) Months of the Expert's appointment. The Expert's final determination shall be final and binding on the Parties except in the case of manifest error by the Expert or fraud.

25.8 The Parties and the Expert shall keep confidential the fact that the Expert determination is taking place, all documents and information relating thereto and its outcome.

26 THIRD PARTY RIGHTS

The Parties do not intend that any terms of this Agreement, nor any rights or benefits expressly or impliedly conferred by it, be enforceable by virtue of the Contracts (Rights of Third Parties) Act 1999 by any person who is not a party to this Agreement; and the Parties may rescind or vary this Agreement, in whole or in part, without the consent of any such person.

27 GOVERNING LAW

27.1 This Agreement and any dispute, controversy, proceedings or claims of whatever nature arising out of or in any way relating to this Agreement or its formation (including any non-contractual disputes or claims) shall be governed by and construed in accordance with the laws of England, and each Party submits to the exclusive jurisdiction of the English courts except where any such Dispute has previously been referred to an Expert and finally determined in accordance with Clause 25.

27.2 Without prejudice to any other mode of service allowed under any relevant law, where the Service Provider is a company registered outside of the United Kingdom, the Service Provider:

(a) irrevocably appoints the Agent identified in Schedule 1, as its Agent for service of process in relation to any proceedings before the English courts in connection with this Agreement; and

(b) agrees that failure by its Agent to notify the Service Provider of the process will not invalidate the proceedings concerned.

27.3 If any person appointed as an agent for service of process is unable for any reason to act as agent for service of process, the Service Provider shall (a) immediately notify the Customer and (b) immediately (and in any event within thirty (30) Business Days of such event taking place) appoint another person in England to accept service of process on its behalf in England.

28 COMPLIANCE

28.1 Each Party warrants and undertakes that it (and any Associated Person) has in the negotiations of this Agreement and shall in connection with its performance continue to:

(a) comply with all applicable Anti-Bribery Laws and Anti-Slavery Laws;

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(b) not engage in any activity, practice or conduct which would constitute an offence under sections 1, 2 or 6 of the Bribery Act 2010 or under the Modern Slavery Act 2015 if such activity, practice or conduct had been carried out in the UK;

(c) comply with all applicable laws relating to economic or trade sanctions, fraud and the prevention of the facilitation of tax evasion; and

(d) notify the other Party as soon as reasonably practicable upon becoming aware of any actual or suspected breach of this Clause 28.

28.2 Each Party will, in connection with this Agreement, maintain in place throughout the Term appropriate policies and procedures to ensure compliance with any applicable laws referred to in Clause 28.1.

28.3 To the extent permitted by law, the Service Provider will provide the Customer (at the Customer's cost) with such reasonable assistance and information as the Customer may require from time to time:

(a) in respect of any actual or suspected breach notified in accordance with Clause 28.1(d);

(b) to enable the Customer to conduct any audit or investigation into the Service Provider's performance of this Agreement and its compliance with any applicable laws referred to in Clause 28.1 (such reasonable assistance to include access to any data, documents or individuals involved in the performance of this Agreement and any relevant property, site or location during business hours and on reasonable notice); and

(c) to assist any Competent Authority in conducting any investigation into compliance with any applicable laws referred to in Clause 28.1.

29 DATA PROTECTION

29.1 Each Party shall comply with its obligations under all applicable data protection legislation in connection with any personal data it processes for the purposes of or in connection with this Agreement.

29.2 In respect of any such personal data, each Party acknowledges and agrees that it acts as an independent controller in its own right and is independently responsible for determining the purposes and means of its processing and for ensuring that such processing complies with applicable data protection legislation.

29.3 If the nature or extent of the personal data processed or shared between the Parties changes materially, the Parties shall consider and discuss in good faith whether any additional data protection arrangements are reasonably required.

29.4 For the purposes of this Clause 29, "personal data", "controller" and "processing" have the meanings given to them in applicable data protection legislation.

30 COUNTERPARTS

30.1 This Agreement may be executed in any number of counterparts and by the Parties on separate counterparts. Each counterpart shall constitute an original of this Agreement, but together the counterparts shall constitute one document.

30.2 A counterpart may be executed by electronic signature and may be delivered by electronic means, and any counterpart so executed or delivered shall be as effective as an original. Where any document, including any Security Document, is intended to be executed as a deed, its electronic execution and delivery shall be subject to compliance with all applicable requirements as to execution, witnessing and delivery of deeds.

31 COSTS

Except as expressly provided in this Agreement, each Party shall pay its own costs incurred in connection with the negotiation, preparation, and execution of this Agreement and any documents referred to in it.

IN WITNESS whereof the duly authorised representatives of the Parties have executed this Agreement the day and first year before written.

SIGNED for and on behalf of **National Gas Transmission plc**	**SIGNED** for and on behalf of **[Service Provider]**
Signed:	Signed: .....
Name:	Name: .....
Position:	Position: .....

SCHEDULE 1

PART 1: SERVICE PROVIDER DETAILS

Service Provider	[ ], a company incorporated under the laws of [England and Wales] with company number [ ] whose registered office is at [ ]
Service Provider contact details for operational notices	Marked for the attention of: [ ] Address: [ ] Telephone number: [ ] Email: [ ]
Service Provider contact details for other Communications	Marked for the attention of: [ ] Address: [ ] Telephone number: [ ] Email: [ ]
Customer contact details for operational notices	Marked for the attention of: [ ] Address: [ ] Telephone number: [ ]
Agent (for the purposes of Clause 27.2)	Name: [ ] Address: [ ] Telephone number: [ ] **[Drafting note: Insert N/A where no agent is required.]**
Facility Operator	[ ], registered under company number [ ] and whose registered office is at [ ]
Facility	[ ]
Service Provider's Gas Storage Agreement	Gas Storage Agreement dated [#] between the Service Provider and the Facility Operator in relation to the Facility.
Type of Credit Security Provided	[Service Provider holds Required Credit Rating at date of Agreement / Letter of Credit / Parent Company Guarantee / Deposit Deed] [Delete as required]
Shipper Short Code	[ ]
Storage Connection Agreement	Storage Connection Agreement in relation to the Facility between the Customer and the Facility Operator dated [x]

PART 2: SERVICE PARAMETERS

Service Start Date	05:00 hours on 1 May [XXXX]
Service End Date	05:00 hours on 1 May [XXXX]
Storage Space	[ ] kWh
Storage Injection Capacity	[ ] kWh/Day
Storage Withdrawal Capacity	[ ] kWh/Day
Injection Response Time	[ ] minutes before the hour bar prior to the Nomination Start Time at which the Injection Nomination or revised Injection Nomination is to take effect
Withdrawal Response Time	[ ] minutes before the hour bar prior to the Nomination Start Time at which the Withdrawal Nomination or revised Withdrawal Nomination is to take effect
Allocation Agent	[ ]
Run-off Period	A period of seven (7) Days commencing on the Day following the Service End Date
Planned Maintenance Period(s)	[ ] to [ ]
Website for Clauses 4.8 / 7.3	[ ]

PART 3: SERVICE CHARGES

Annual Service Fee	£ [ ]
Injection Charge Rate	[ ] pence/kWh
Withdrawal Charge Rate	[ ] pence/kWh
Injection Overrun Charge Rate	[ ] pence/kWh
Withdrawal Overrun Charge Rate	[ ] pence/kWh
Additional SP Withdrawal Capacity Charge Rate	[ ] pence/kWh
Payment Details	[Bank Name] [Bank Address]

	[Bank Sort Code / SWIFT] [Bank Account Number / IBAN] [Service Provider]

PART 4: CAPABILITY TABLE

This table is to be used to determine the Maximum Facility Withdrawal Rate at any given time by reference to the prevailing Facility Gas-in-Storage.

Nameplate Facility Withdrawal Rate	**[ ] (kWh/hour)**
Facility Gas-In-Storage (GWh)	**Maximum Facility Withdrawal Rate (kWh/hour)**
[●]	**[●]**
[●]	**[●]**

SCHEDULE 2

OPERATING MARGINS – NATIONAL GAS TRANSMISSION PLC

FORM OF NOMINATION

OPERATING MARGINS NOMINATION

Facility:
To:
Telephone:
Send To:

Date and Time of Request: dd / mm / yyyy hh:mm

Type of Nomination: Injection / Withdrawal (Delete as appropriate)

Gas Day: dd / mm / yyyy

Nomination Number: (for sequential control purposes)

This is an Operating Margins Withdrawal Nomination under which the Service Provider is obliged to use reasonable endeavours to give effect to a Nomination as soon as possible but in any event within the contracted response time.

	NATIONAL GAS INSTRUCTION			SERVICE PROVIDER ACCEPTANCE
	A = (B + C)	B	C	D
Hour Commencing	Nominated OM Quantity (kWh/h)	Available Injection / Withdrawal Rate (kWh/h)	Requested Excess Injection / Withdrawal Rate (kWh/h)	Accepted Nomination kWh
05:00				
06:00				
07:00				
08:00				
09:00				
10:00				
11:00				
12:00				
13:00				
14:00				
15:00				
16:00				
17:00				
18:00				
19:00				
20:00				
21:00				
22:00				
23:00				
00:00				
01:00				
01:00 GMT if required				
02:00				
03:00				
04:00				
End of Day Volume (kWh)	-	-	-	-

Nomination Quantity kWh: Accepted Nomination Quantity kWh:

Note: If the Service Provider requires to make an Interruption, this shall be notified through the Operating Margins Interruption Notice.

Signed (on behalf of NGT):
Date and Time:

SERVICE PROVIDER CONFIRMATION - Please confirm receipt of instruction by return

Time Nomination acknowledged by Service Provider:

Please provide confirmation of any Additional SP Withdrawal Capacity required to fulfill Nomination (only applicable where Service Provider is NOT Facility Operator):

Signed:
Date and Time:

From: National Gas Transmission Gas Operations GNCC

Tel: 0870 191 0636

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SCHEDULE 3

OPERATING MARGINS – NATIONAL GAS TRANSMISSION PLC

FORM OF INTERRUPTION NOTICE

OPERATING MARGINS INTERRUPTION NOTICE

Facility:
From: **[Service Provider]**
Tel:
E-mail

To: **National Gas Transmission Gas Operations GNCC**
Tel:

Date and Time of Request dd / mm / yyyy hh:mm

Type of Interruption Injection / Withdrawal* (Delete as appropriate)

Gas Day dd / mm / yyyy

Interruption Number (for sequential control purposes)

	A = (B + C)	B	C
Hour Commencing	**Prevailing Accepted Nomination kWh**	Interruption Notice kWh	**Revised Accepted Nomination kWh**
05:00			
06:00			
07:00			
08:00			
09:00			
10:00			
11:00			
12:00			
13:00			
14:00			
15:00			
16:00			
17:00			
18:00			
19:00			
20:00			
21:00			
22:00			
23:00			
00:00			
01:00			
01:00 GMT if required			
02:00			
03:00			
04:00			
End of Day Volume (kWh)	-	-	-
Quantity kWh			

Signed (on behalf of Service Provider): _____
Date and Time: _____

National Gas Transmission GNCC - Confirmation of receipt of interruption notice

Time Interruption acknowledged by National Gas Transmission Gas Operations GNCC:
Signed: _____
Date and Time: _____

SCHEDULE 4

OPERATING MARGINS – NATIONAL GAS TRANSMISSION PLC

FORM OF REALLOCATION NOTICE

OPERATING MARGINS REALLOCATION NOTICE

Facility:
From: [Service Provider]
Tel:
E-mail

To: National Gas Transmission Gas Operations GNCC
Tel:

Date and Time of Request	dd / mm / yyyy hh:mm
Nominated Third Party	
Gas Day	dd / mm / yyyy
Reallocation Number	(for sequential control purposes)
Reallocation Quantity kWh	

Signed (on behalf of Service Provider): _____
Date and Time: _____

National Gas Transmission GNCC - Confirmation of receipt of reallocation notice

Time Reallocation acknowledged by National Gas Transmission Gas Operations GNCC:
Signed: _____
Date and Time: _____

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SCHEDULE 5

FORM OF LETTER OF CREDIT

National Gas Transmission plc
Warwick Technology Park
Gallows Hill
Warwick
CV34 6DA

Dear Sirs,

Unconditional, irrevocable standby letter of credit No. [#]

Beneficiary: National Gas Transmission plc (number 02006000)

1. We [Bank], of [address] understand that [#] (the "**Service Provider**") has entered into a Gas Capacity Agreement (Storage) (# facility) ("**OM Agreement**") with you dated [# date].

2. We understand that you and the Service Provider have agreed that the Service Provider will provide security to you in respect of all payments which may become due under the OM Agreement. Accordingly, we issue this unconditional irrevocable standby letter of credit in your favour for a maximum aggregate amount of [£#].

3. Following presentation to us on or before the end of [# date][8] ("**Expiry Date**") at our offices, the address of which is specified above, of a Notice of Drawing (in the form set out in Annex 1), we shall on demand by you, without further notice to the Service Provider, upon you certifying that the Service Provider has failed to pay any amount payable under the OM Agreement when due or in accordance with clause 16 of the OM Agreement, pay to you the lesser of the amount specified in the Notice of Drawing and then our maximum aggregate liability under paragraph two hereof.

4. Partial drawings are permitted.

5. The presentation of a Notice of Drawing shall be conclusive evidence that the Service Provider is in default of its obligations under the OM Agreement and that the amount claimed is due to you.

6. This standby letter of credit shall become effective on the date hereof. Any Notice of Drawing must be received in writing at this office in conformity with the terms of the standby letter of credit before close of business on the Expiry Date, and after Expiry Date the standby letter of credit shall become null and void whether returned to us for cancellation or not. Any Notice of Drawing received after the close of business of the Expiry Date shall be ineffective provided that we shall not be released from our obligations on the Expiry Date if the Notice of Drawing has been presented on or before that date.

7. This unconditional irrevocable standby letter of credit shall be governed by and construed in accordance with the laws of England and is subject to the Uniform Customs and Practice of Documentary Credits (2007 Revision, International Chamber of Commerce, Paris, France, Publication Number 600) ("**UCP**"), insofar as the same are applicable and not inconsistent with the terms of this unconditional irrevocable standby letter of credit.

8. The courts of England shall have jurisdiction to settle any dispute which may arise in relation to this unconditional irrevocable standby letter of credit.

Yours faithfully
For and on behalf of [# Bank]

[8] The end date is intended to be 31 May, as extended for any run-off period.

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Authorised Signature(s)

Annex 1

Notice of Drawing

To: [Bank]

[# date]

Dear Sirs,

Re: Gas Capacity Agreement (Storage) (# Facility)
Dated [#]
Letter of Credit No. [#] ("THE SECURITY")

We refer to the above Security in our favour. We hereby demand immediate payment thereunder in the amount of [#].

We require payment to be made by telegraphic transfer to:

Institution Name:

Address:

Sort Code:

Account Name: National Gas Transmission plc

Account No.:

Yours faithfully,

For and on behalf of
National Gas Transmission plc

Duly authorised officer

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SCHEDULE 6

FORM OF PARENT COMPANY GUARANTEE

DATED 20

[GUARANTOR](1)

in favour of

NATIONAL GAS TRANSMISSION PLC (2)

GUARANTEE

THIS GUARANTEE is made the day……of 20

by [……..…….] a company [registered in [ ] (No. ……..)] and having its registered office at […… ……..…] (herein called the "**Guarantor**") in favour of National Gas Transmission plc a company registered in England (No. 02006000) having its registered office at National Grid House, Warwick Technology Park, Gallows Hill, Warwick CV34 6DA herein called "**National Gas Transmission**".

WHEREAS

(A) This Guarantee is supplemental to a Gas Capacity Agreement – Storage dated [ ] (the "**Agreement**") between (1) National Gas Transmission and (2) [……..], a company registered in [ ] (No. …….) and having its registered office at [……..] (the "**Service Provider**"), whereby the Service Provider agrees and undertakes to provide certain operating margins services to National Gas Transmission in order for National Gas Transmission to comply with its regulatory requirements, namely Special Condition 5.6 of its gas transporter licence and TPD Section K of the Network Code (as such term is defined in the Agreement).

(B) National Gas Transmission has entered or agreed to enter into the Agreement subject to the Guarantor guaranteeing performance by the Service Provider of its payment obligations pursuant to the Agreement.

NOW THIS DEED WITNESSETH and the Guarantor hereby agrees as follows:

1 This Guarantee is effective from [*enter date*] (or such later date as may be notified in writing by National Gas Transmission to the Guarantor prior to [*enter date*] (the "**Effective Date**")).

2 In this Guarantee "**Guaranteed Liabilities**" means all monies up to a maximum of £[*insert numerical figure*] ([*insert figure in words*]) (the "**Cap**"), which are now, or in the future become due or owing by the Service Provider to National Gas Transmission howsoever arising under or in connection with the Agreement.

3 The Guarantor irrevocably and unconditionally guarantees to National Gas Transmission the punctual payment by the Service Provider of the Guaranteed Liabilities and that whenever the Service Provider does not pay any Guaranteed Liabilities the Guarantor shall immediately pay such Guaranteed Liabilities on written demand as if it were the principal debtor and in the currency in which the same falls due for payment.

4 The Guarantor agrees to pay interest on each amount demanded under this Guarantee and on any interest compounded under this clause 4 from the date of demand until payment (as well after as before judgment) at a rate of 2 per cent per annum above the Base Rate (as defined in the Agreement) accruing on a daily basis. Such interest shall be calculated and compounded monthly if not paid on demand but without prejudice to National Gas Transmission's right to require payment of such interest.

5 The Guarantor agrees to pay legal and other costs and expenses (on a full and unqualified indemnity basis) incurred by National Gas Transmission whether before or after the date of demand on the Guarantor: (i) in enforcing or reasonably endeavouring to enforce the payment of any money due under this Guarantee or otherwise in relation to this Guarantee; and (ii) in resisting or reasonably endeavouring to resist any claims or defences made against National Gas Transmission in connection with the liabilities or alleged liabilities of the Service Provider guaranteed hereunder or any money or benefits received by or any preference or alleged preference given to National Gas Transmission from or by the Service Provider.

6 The obligations of the Guarantor under this Guarantee are undertaken by it as a primary obligor and not merely as a surety.

7 As a separate and independent primary obligation, without prejudice to clause 3, the Guarantor unconditionally and irrevocably agrees that it shall remain liable in respect of the

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Guaranteed Liabilities even if any of the Guaranteed Liabilities is not or ceases to be valid or enforceable against the Service Provider for whatever reason, whether or not known to National Gas Transmission, as if the same were fully valid and enforceable. The Guarantor unconditionally and irrevocably agrees to keep National Gas Transmission fully indemnified on demand against all damages, losses, costs, and expenses arising from any failure of the Service Provider to perform or discharge payment of any of the Guaranteed Liabilities.

8 The liability of the Guarantor to make payment to National Gas Transmission shall not be impaired or discharged by reason of any of the following (whether or not the Guarantor has notice thereof):

(a) any amendment, variation or waiver (however fundamental) of any provision of the Agreement;

(b) any indulgence or forbearance shown by National Gas Transmission towards the Service Provider or the Guarantor whether as to payment or time for payment or any arrangement entered into or composition accepted by National Gas Transmission modifying (by operation of law or otherwise) the rights and remedies of National Gas Transmission pursuant to the Agreement with regard to payment or time for payment;

(c) any action lawfully taken by any party to the Agreement to determine the Agreement as respects the Service Provider or any other party thereto, or as a result of which the Service Provider ceases to be a party to the Agreement;

(d) any change in the relationship between the Guarantor and the Service Provider;

(e) any disability, legal limitation, incapacity or change in the status or constitution of the Service Provider, the Guarantor or National Gas Transmission;

(f) the bankruptcy, liquidation, dissolution or insolvency of the Service Provider or any receivership, administration, moratorium, composition of creditors or other analogous event affecting the Service Provider or any of its property;

(g) any failure or delay by National Gas Transmission to assert any of its rights under this Guarantee;

(h) any composition discharge release or other variation of liability entered into with or granted to the Service Provider;

(i) the invalidity or unenforceability of the obligations of the Service Provider pursuant to the Agreement; or

(j) any other act or omission of National Gas Transmission or any other circumstance which but for this provision might discharge the Guarantor.

9 This Guarantee shall:

(a) be in addition to any present or future Collateral Instrument, right or remedy held by or available to National Gas Transmission; and

(b) not be in any way prejudiced or affected by:

(i) the existence of any Collateral Instrument, rights or remedies; or

(ii) any Collateral Instrument becoming wholly or in part void, voidable or unenforceable on any ground; or

(iii) National Gas Transmission dealing with, exchanging, varying or failing to perfect or enforce any Collateral Instrument; or

(iv) National Gas Transmission giving time for payment or indulgence or compounding with any person liable for the Guaranteed Liabilities.

10 National Gas Transmission shall not be obliged to make any claim or demand on the Service Provider or to resort to any Collateral Instrument or other means of payment now or in future held by or available to it before enforcing this Guarantee.

11 No action taken or omitted by National Gas Transmission in connection with any Collateral Instrument or other payment or any variation, amendment, supplement, novation or replacement of any Collateral Instrument shall discharge, reduce, prejudice, or affect the Guaranteed Liabilities or liability of the Guarantor under this Guarantee.

12 National Gas Transmission shall not be obliged to apply any money or other property received or recovered in consequence of any enforcement or realisation of any Collateral Instrument or other payment in reduction of the Guaranteed Liabilities.

13 For the purposes of this Guarantee "**Collateral Instruments**" means notes, bills of exchange, certificates of deposit and other negotiable and non-negotiable instruments, guarantees, indemnities and other assurances against financial loss, and any other documents or instruments which contain or evidence an obligation (with or without security) to pay, discharge or be responsible directly or indirectly for, any indebtedness or liabilities of the Service Provider, and includes any document or instrument creating or evidencing an encumbrance, however defined and includes, without limitation, letters of credit, deposit agreements and escrow agreements.

14 This Guarantee shall continue in full force and effect until all sums whatsoever payable by the Service Provider pursuant to the Agreement have been finally paid in full and all obligations of the Service Provider pursuant to the Agreement have been performed in full.

15 The Guarantor shall exercise only in accordance with any of National Gas Transmission's instructions:

(a) its rights of subrogation, contribution, and indemnity in connection with any payment by the Guarantor pursuant to this Guarantee;

(b) its right to take the benefit of, share in or enforce any security or other guarantee or indemnity for the Service Provider obligations held by National Gas Transmission; and

(c) its right to prove or claim in the bankruptcy, liquidation, dissolution or insolvency of the Service Provider or any receivership, administration, moratorium, composition of creditors or other analogous event affecting the Service Provider or any of its property.

Any amount recovered as a result of the exercise of such rights shall be paid to National Gas Transmission on demand.

16 The Guarantor hereby represents and warrants to National Gas Transmission that:

(a) the Guarantor is duly incorporated and is a validly existing company under the laws of its place of incorporation, has the capacity to sue or be sued in its own name and has power to carry on its business as now being conducted and to own its property and other assets;

(b) the Guarantor has full power and authority to execute, deliver, and perform its obligations under this Guarantee and no limitation on the powers will be exceeded as a result of the Guarantor entering into this Guarantee;

(c) the execution, delivery, and performance by the Guarantor of this Guarantee and the performance of its obligations under this Guarantee have been duly authorised by all necessary corporate action and do not contravene or conflict with:

(i) the Guarantor's memorandum and articles of association or other equivalent constitutional documents; or

(ii) any existing law, statute, rule or regulation or any judgment, decree or permit to which the Guarantor is a party or which is binding upon it or any of its assets; or

(iii) the terms of any agreement or other document to which the Guarantor is a party or which is binding upon it or any of its assets; and

(d) this Guarantee is the legal, valid, and binding obligation of the Guarantor and is enforceable against the Guarantor in accordance with its terms.

17 The Guarantor acknowledges that National Gas Transmission has accepted this Guarantee in full reliance on the representations and warranties set out in clause 16.

18 All payments by the Guarantor under this Guarantee shall be made in full, without set-off or counterclaim and, subject to clause 19, free and clear of any deductions or withholdings in immediately available, freely transferable, cleared funds for value on the date specified in National Gas Transmission's demand to the account notified to the Guarantor by National Gas Transmission.

19 If at any time the Guarantor is required by law to make any deduction or withholding in respect of any taxes, duties or other charges or withholdings from any payment due under this Guarantee, the sum due from the Guarantor in respect of such payment shall be increased to the extent necessary to ensure that, after the making of such deduction or withholding, National Gas Transmission receives on the due date and retains (free of any liability in respect of such deduction or withholding) a net sum equal to the sum which it would have received had no such deduction or withholding been required to be made. For the avoidance of doubt, the Cap will not apply to any such amount withheld under this clause 19.

20 The Guarantor may not assign or transfer any of its rights or obligations under this Guarantee. National Gas Transmission may only assign its rights under this Guarantee to a person in favour of whom an assignment has been made pursuant to the Agreement.

21 National Gas Transmission may disclose to a prospective assignee or transferee or to any other person proposing to enter into any agreement with National Gas Transmission in relation to the Agreement such information about the Guarantor as National Gas Transmission thinks fit.

22 National Gas Transmission's rights under this Guarantee are cumulative and not exclusive of any rights provided by law and may be exercised from time to time and as often as National Gas Transmission deems expedient.

23 If any provisions of this Guarantee become invalid, illegal or unenforceable in any respect under any law, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired.

24 No failure or delay by National Gas Transmission in exercising any right or remedy shall operate as a waiver, nor shall any single or partial exercise or waiver of any right or remedy preclude its further exercise or the exercise of any other right or remedy.

25 A person who is not a party to this Guarantee (including any employee, officer, agent, representative or sub-contractor of any party) shall not have the right to enforce any term of this Guarantee which expressly or by implication confers a benefit on that person without the

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express prior agreement in writing of the Guarantor and National Gas Transmission, which agreement must refer to this clause 25.

26 This Guarantee shall secure the ultimate balance of the Guaranteed Liabilities from time to time and shall be a continuing security and shall not be affected by any performance, payment, settlement or other matter pursuant to or in respect of the Agreement or this Guarantee and shall (subject to clause 27) remain in effect until the date on which National Gas Transmission is satisfied that the Guaranteed Liabilities have been discharged in full (such date, the "**Termination Date**").

27 Notwithstanding clause 26 above and any release, discharge, termination or settlement between National Gas Transmission and the Guarantor the liability of the Guarantor under this Guarantee shall continue in full force and effect following the Termination Date and/or such release discharge, termination or settlement in relation to:

(a) the Guaranteed Liabilities which shall have become due at the Termination Date; and

(b) the Guaranteed Liabilities (including for the avoidance of doubt and without limitation contingent and unascertained liabilities) which may become due, owing or incurred by the Service Provider to National Gas Transmission pursuant to any transaction, dealing, commitment or other engagement entered into or effected either (i) prior to the Termination Date or (ii) on or after the Termination Date pursuant to any commitment, expressed or implied, assumed or undertaken by the Service Provider to National Gas Transmission prior to the Termination Date;

(c) the Guaranteed Liabilities if any monies paid to National Gas Transmission in reduction of the indebtedness of the Service Provider pursuant to the Agreement has to be repaid by National Gas Transmission by virtue of any provision or enactment relating to bankruptcy, liquidation, administration, dissolution, insolvency or other analogous event for the time being in force or on any other ground. If that happens the liability of the Guarantor under this Guarantee shall be computed as if such monies had never been paid to National Gas Transmission at all; and

(d) the Guaranteed Liabilities if any security, disposition or payment to National Gas Transmission from the Guarantor is liable to be void, set aside or ordered to be refunded pursuant to any enactment or law relating to bankruptcy, liquidation, administration, dissolution, insolvency or other analogous event or for any other reason whatsoever. If that happens, National Gas Transmission shall be entitled to recover from the Guarantor to the full extent of this Guarantee as if the release, discharge, or settlement had not occurred and such payment had not been made.

28 National Gas Transmission shall be entitled to retain this Guarantee after as well as before the payment or discharge of all the Guaranteed Liabilities for such period as it may determine.

29 Any statement of account of the Service Provider, signed as correct by an officer of National Gas Transmission, showing the amount of the Guaranteed Liabilities shall, in the absence of manifest error, be binding and conclusive on and against the Guarantor.

30 All notices or other communications under or in connection with this Guarantee shall be given in writing. Any such notice shall be deemed to be given when delivered or, if sent by post, two (2) days after posting if sent by first class post (or seven (7) days if sent by second class post or five (5) days if sent from outside the United Kingdom), provided that a notice given in accordance with the above but not received on a "business day" or received after "business hours" shall be deemed to have been received at 9am on the following "business day". For the purposes of this clause 30 a "business day" is a day which is not a Saturday, Sunday or public holiday in London and "business hours" means 9am to 5pm on a business day.

31 [Subject to clause 39,] the address and email address for all notices under or in connection with this Guarantee are as follows, unless the other party has been notified otherwise at least five days before the notice is received:

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(a) in the case of the Guarantor:

Address: [ ]

Email address: [ ]

For the attention of: [ ]

(b) in the case of National Gas Transmission:

Address: National Gas Transmission plc,

Warwick Technology Park,

Gallows Hill,

Warwick

CV34 6DA

Email address: [ ]

For the attention of: [ ]

32 Service of legal proceedings in the manner described in clause 30 shall be deemed to constitute good service.

33 Unless the contrary intention appears, a reference in this Guarantee to National Gas Transmission or Guarantor or the Service Provider or a person includes its successors in title, permitted assigns and permitted transferees.

34 This Guarantee is governed by and shall be construed in accordance with English law.

35 Subject to clauses 37 and 38, the courts of England have exclusive jurisdiction to settle any disputes arising out of or connected with this Guarantee (including a dispute regarding the existence validity or termination of this Guarantee or the consequences of its nullity) (a "**Dispute**").

36 Subject to clauses 37 and 38, the parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes between them and accordingly that they will not argue to the contrary.

37 This clause 37 is for the benefit of National Gas Transmission only. As a result and notwithstanding clauses 35 and 36 it does not prevent National Gas Transmission from:

(a) taking proceedings relating to a Dispute in any other courts (and the Guarantor waives any objection to proceedings in such courts on the grounds of venue or on the grounds that proceedings have been brought in an inappropriate forum); or

(b) referring a Dispute to be finally settled by arbitration under the Rules of Arbitration and Conciliation of the International Chamber of Commerce by two or more arbitrators appointed pursuant to such Rules.

38 To the extent allowed by law, National Gas Transmission may take concurrent proceedings in any number of jurisdictions.

39 [The Guarantor authorises and appoints [name] of [legal representatives or related company in England and Wales] (or such other person being a firm of solicitors in England as they may from time to time substitute by notice to National Gas Transmission) to accept service of all

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legal process arising out of or connected with this Guarantee. Service on such person (or substitute) shall be deemed to be service on the Guarantor. Except upon a substitution, the Guarantor shall not revoke any such authority or appointment and shall at all times maintain an agent for service of process in England. If any agent ceases for any reason to be an agent, the Guarantor shall forthwith appoint another agent and advise National Gas Transmission accordingly.]

40 [The Guarantor waives any right of state immunity which it may have in respect of any proceedings or action (which shall include any attachment or arrest prior to judgement and any enforcement proceedings including execution) commenced by the Beneficiary against the Guarantor under or in connection with this Deed.]

IN WITNESS whereof the Guarantor has caused this Guarantee to be executed as its deed but not delivered until the day and year first before written.

[The Common Seal of [.....] was

hereunto affixed in the presence of:

[.....] Director

[.....] Director/Company Secretary]

or

[Executed as a Deed by

[ ] acting

by:

[.....] Director

[.....] Director/Company Secretary]

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SCHEDULE 7

DEPOSIT DEED

BETWEEN

National Gas Transmission Plc

and

[ ]

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THIS DEPOSIT DEED is made on the day of 20[ ]

BETWEEN:

1. **National Gas Transmission Plc** a company registered in England and Wales (No 02006000) having its registered office at National Grid House Warwick Technology Park Gallows Hill Warwick CV34 6DA ("National Gas Transmission").

2. [ ] a company registered in England and Wales (No.) having its registered office at [ ][9] ("the Service Provider").

RECITALS

A. This Deed is supplemental to the Gas Capacity Agreement – Storage (as modified, varied or amended from time to time) to which National Gas Transmission and the Service Provider are parties, dated [ ][10] (the "**GCA**").

B. The Service Provider has or will pay the sum of [ ][11] pounds sterling (£[][12]) to National Gas Transmission on or before the Effective Date.

IT IS HEREBY AGREED AS FOLLOWS:

1.1 In this Deed:

(a) "**Deposit**" shall mean the amount(s) from time to time paid by the Service Provider to National Gas Transmission under this Deed (including the sum mentioned in Recital B and any sums retained by National Gas Transmission as an addition to the Deposit pursuant to Clause 4.3) less any amounts from time to time appropriated pursuant to Clause 3;

(b) "**Effective Date**" shall mean the date of signature of this Deed;

(c) "**GCA Indebtedness**" shall mean all indebtedness, moneys, obligations and liabilities of the Service Provider to National Gas Transmission in respect of the GCA, whether present or future, actual or contingent, from time to time, irrespective of whether such indebtedness, moneys, obligations and liabilities arose prior to, on, or subsequent to the date hereof and/or prior to, on, or subsequent to the Effective Date; and

1.2 References to Clauses are to the clauses of this Deed, unless otherwise stated.

1.3 This Deed is effective from and including the Effective Date.

2.1 Neither the Deposit nor any part of it shall constitute a debt owed by National Gas Transmission to the Service Provider and the Service Provider shall not deal with the Deposit or any part thereof (whether by way of assignment charge or otherwise) or be entitled to require repayment of the Deposit until any of the events set out in Clause 2.2 below have occurred.

2.2 The events referred to in Clause 2.1 above are:-

(a) the Service Provider has no present or future, actual or contingent liability to National Gas Transmission in respect of GCA Indebtedness or otherwise (it being acknowledged that the termination of the GCA shall not prejudice National Gas Transmission's rights under this Deed);

[9] Complete
[10] Insert date of GCA
[11] Insert amount in words
[12] Insert amount

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(b) the Service Provider provides any other security, acceptable to National Gas Transmission, in respect of the Service Provider's GCA Indebtedness; or

(c) any request from the Service Provider for a release of the Deposit in accordance with the provisions of the GCA and satisfaction of the conditions for such release.

2.3 For the avoidance of doubt the parties agree that the amount of the Deposit may be changed from time to time in accordance with the provisions of the GCA, with the consent of National Gas Transmission.

3.1 The Service Provider hereby authorises National Gas Transmission at any time and from time to time at its sole discretion (and without prejudice to any other rights or remedies available to it) to apply all or any part of the Deposit for its own account in order to discharge at any time and from time to time the sums specified below:

(a) the aggregate amount of GCA Indebtedness for which the Service Provider is at any time liable and which has become due for payment;

(b) the amount of any loss or damage suffered by National Gas Transmission as the result of any breach of any obligation on the part of the Service Provider under this Deed including the amount of any legal or other costs incurred by National Gas Transmission as a result of non-payment of amounts payable or other sums or expenses on a full indemnity basis;

(c) the amount of any tax (including, but not limited to, value added tax) that National Gas Transmission is liable to pay in consequence of the receipt of any part of the Deposit.

3.2 National Gas Transmission shall notify the Service Provider of any appropriation pursuant to clause 3.1 in writing within 14 days of making such appropriation.

3.3 The Service Provider shall immediately, following such notification referred to in Clause 3.2 above, make a further deposit into the account of an amount equivalent to the amount appropriated pursuant to clause 3.1.

4.1 Subject to Clause 4.3 National Gas Transmission shall pay to the Service Provider interest (subject to deduction of tax as required by law) on the amount of the Deposit at 6 monthly intervals in arrears calculated from the date of payment as set out in Clause 4.2 below.

4.2 Interest payable in accordance with Clause 4.1 above shall accrue from day to day on the amount of the Deposit at the end of that day at a rate equal to the Base Rate (as defined in the GCA) at the end of that day.

4.3 If at any time any amount is due and payable by the Service Provider to National Gas Transmission under the GCA, National Gas Transmission may, instead of paying any interest due to the Service Provider under Clause 4.2, retain so much of that interest as is equivalent to the amount outstanding as an addition to the Deposit and/or apply that amount in whole or partial discharge of the amount outstanding, and shall pay the balance of such interest (if any) to the Service Provider.

5. National Gas Transmission will if so required in writing by the Service Provider advise the Service Provider of the then amount of the Deposit as soon as reasonably practicable after receipt of such request.

6. Nothing in this Deed shall require National Gas Transmission to satisfy any liability of the Service Provider out of the Deposit and unless and until National Gas Transmission exercises its right to apply the Deposit against any such liability neither the existence of the Deposit nor the availability of National Gas Transmission's rights under this Deed shall have the effect of discharging any liability of the Service Provider or of preventing National Gas Transmission from enforcing any such liability (or any other security which it may hold for any such liability) in any manner it thinks fit.

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7. The existence of the Deposit shall not:

(a) prejudice National Gas Transmission's ability to proceed against the Service Provider for any failure to satisfy any GCA Indebtedness or any other breach of any other obligation under the GCA;

(b) entitle the Service Provider to withhold any monies or fail to satisfy any GCA Indebtedness or any other indebtedness; or

(c) be regarded as an advance or deemed payment of any GCA Indebtedness or any other indebtedness.

8. No failure or delay by National Gas Transmission in exercising any power, right or remedy under this Deed or at law shall operate as a waiver of it nor shall any single or partial exercise or waiver of any such power, right or remedy preclude its further exercise or the exercise of any other power, right or remedy.

9.1 This Deed shall:

(a) be in addition to any present or future Collateral Instrument, right or remedy held by or available to National Gas Transmission; and

(b) not be in any way prejudiced or affected by:

(i) the existence of any Collateral Instrument, rights or remedies; or

(ii) any Collateral Instrument becoming wholly or in part void, voidable or unenforceable on any ground; or

(iii) National Gas Transmission dealing with, exchanging, varying or failing to perfect or enforce any Collateral Instrument; or

(iv) National Gas Transmission giving time for payment or indulgence or compounding with any person liable under a Collateral Instrument.

9.2 National Gas Transmission shall not be obliged to make any claim or demand on the Service Provider or to resort to any Collateral Instrument or other means of payment now or in future held by or available to it before enforcing this Deed.

9.3 No action taken or omitted by National Gas Transmission in connection with any Collateral Instrument or the GCA or other payment or any variation, modification, amendment, supplement, novation or replacement of any Collateral Instrument or the GCA shall discharge, reduce, prejudice or affect the liabilities or liability of the Service Provider under this Deed.

9.4 For the purposes of this Clause "Collateral Instruments" means notes, bills of exchange, certificates of deposit and other negotiable and non-negotiable instruments, guarantees, letters of credit, deposit agreements, indemnities and other assurances against financial loss, and any other documents or instruments which contain or evidence an obligation (with or without security) to pay, discharge or be responsible directly or indirectly for, any indebtedness or liabilities of the Service Provider, and includes any document or instrument creating or evidencing an encumbrance, however defined and includes, without limitation, escrow agreements.

10. The Service Provider may not assign or transfer any of its rights or obligations under this Deed. National Gas Transmission may only assign its rights under this Deed to a person in favour of whom an assignment has been made in respect of the benefit of the GCA Indebtedness.

11. National Gas Transmission's rights under this Deed are cumulative and not exclusive of any rights provided by law and may be exercised from time to time and as often as National Gas Transmission deems expedient.

12. A person who is not a party to this Deed (including any employee, officer, agent, representative or sub-contractor of any party) shall not have the right to enforce any term of this Deed which expressly or by implication confers a benefit on that person without the express prior agreement in writing of the Service Provider and National Gas Transmission, which agreement must refer to this Clause.

13. Each of the provisions of this Deed is severable and distinct from the others. If at any time one or more of such provisions is or becomes invalid illegal or unenforceable the validity legality or unenforceability of the remaining provisions of this Deed shall not in any way be affected or impaired.

14. Any notices to be served under this Deed shall be served in accordance with any relevant clauses within the GCA.

15.1 This Deed and any non-contractual obligations arising from or in connection with it shall be governed by and construed in accordance with English Law.

15.2 Subject to Clauses 15.4 and 15.5, the courts of England have exclusive jurisdiction to settle any disputes arising out of or connected with this Deed (including a dispute regarding the existence validity or termination of this Deed or the consequences of its nullity) (a **"Dispute**").

15.3 Subject to Clauses 15.4 and 15.5, the parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes between them and accordingly that they will not argue to the contrary.

15.4 This Clause 15 is for the benefit of National Gas Transmission only. As a result and notwithstanding Clauses 15.2 and 15.3 it does not prevent National Gas Transmission from:

15.4.1 taking proceedings relating to a Dispute in any other courts (and the Service Provider waives any objection to proceedings in such courts on the grounds of venue or on the grounds that proceedings have been brought in an inappropriate forum); or

15.4.2 referring a Dispute to be finally settled by arbitration under the Rules of Arbitration and Conciliation of the International Chamber of Commerce by two or more arbitrators appointed pursuant to such Rules.

15.5 To the extent allowed by law, National Gas Transmission may take concurrent proceedings in any number of jurisdictions.

15.6 [The Service Provider authorises and appoints ***[name]*** of ***[legal representatives or related company in England and Wales]*** (or such other person in England as it may from time to time substitute by notice to National Gas Transmission) to accept service of all legal process arising out of or connected with this Deed. Service on such person (or substitute) shall be deemed to be service on the Service Provider. Except upon a substitution, the Service Provider shall not revoke any such authority or appointment and shall at all times maintain an agent for service of process in England. If any agent ceases for any reason to be an agent, the Service Provider shall forthwith appoint another agent and advise National Gas Transmission accordingly.][13]

15.7 [The Service Provider waives any right of state immunity which it may have in respect of any proceedings or action (which shall include any attachment or arrest prior to judgment and any enforcement proceedings including execution) commenced by National Gas Transmission against the Service Provider under or in connection with this Deed.][14]

IN WITNESS the parties hereto have duly executed this Deed the day and year first before written

[13] This clause 15.6 is only necessary if the Service Provider is a foreign company. The process agent should be an independent law firm.
[14] This clause 15.7 is only necessary if the Service Provider is a governmental authority (whether foreign or in England and Wales).

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Executed as a Deed by affixing the common seal of

NATIONAL GAS TRANSMISSION PLC

in the presence of:

……

Member of Board Sealing Committee

Executed as a deed by	……..
[NAME OF EXECUTING COMPANY]	[SIGNATURE OF DIRECTOR]
acting by [NAME OF DIRECTOR],	Director
a director, in the presence of:	
.....	
[SIGNATURE OF WITNESS]	
[NAME OF WITNESS [IN BLOCK CAPITALS]]	
[ADDRESS OF WITNESS]	
[OCCUPATION OF WITNESS]	