

Annex 2
Storengy UK Limited
General Terms and Conditions

November 2019

Table of Contents

1.	Definitions and Interpretation	1
2.	Scope of Storage Services Contract	1
3.	Gas-in-Storage	1
4.	Available and Effective Capacity	4
5.	Nominations	4
6.	Capacity Charges	5
7.	Overruns	5
8.	Transfers	6
9.	Transfer Procedure and Effect	7
10.	Allocation	10
11.	Injection and Withdrawal	11
12.	Maintenance	11
13.	Interruptions	14
14.	Unbundled Capacity and UIOLI Capacity	15
15.	Flow Reversal	16
16.	Invoicing and Payment	17
17.	Liabilities	21
18.	Force Majeure	23
19.	Term and Termination	25
20.	Gas-in-Storage at the end of the Storage Services Contract	28
21.	Assignment	29
22.	Confidentiality	30
23.	Credit Terms	32

24. Gas Quality	32
25. Governing law and jurisdiction	33
26. Disputes	33
27. Notices and Communications	34
28. Change in Law and NGG-related Change	35
29. Variation	36
30. Pricing Calculations	36
31. Waiver	37
32. Language	38
33. Severance	38
34. Entire Agreement	38
35. Third Party Rights	38
36. Anti-corruption and bribery	38
Schedule A - Definitions and Interpretation	40
Schedule B – Nominations Procedure	56
Schedule C –UIOLI and Unbundled Capacity	59
Schedule D – Expert Determination	62
Schedule E – Communications	65
Appendix 1 - Type 1 Communications	71
Appendix 2 - Type 2 Communications	73
Appendix 3 - Type 3 Communications	74

1. Definitions and Interpretation

1.1 These GTCs set out the general terms and conditions applicable to the provision of Storage Services by SL to Customers.

1.2 In this Storage Services Contract the terms listed in paragraph 1 of Schedule A of these GTCs shall have the meanings set out therein and the rules of interpretation listed in paragraph 2 of Schedule A of these GTCs shall apply.

2. Scope of Storage Services Contract

2.1 During the Contract Period, the Customer may use the Storage Facility by injecting Gas into the Storage Facility, by having Gas-in-Storage within the Storage Facility and by withdrawing Gas from the Storage Facility, in accordance with the provisions set out in this Storage Services Contract.

2.2 For the purposes of this Storage Services Contract:

(a) references to injection and withdrawal of Gas from the Storage Facility shall be construed as follows:

(i) 'injection' is the injection of Gas into the Storage Facility;

(ii) 'withdrawal' is the withdrawal of Gas from the Storage Facility;

(iii) an injection or withdrawal is made by the Customer where it is made pursuant to a Nomination made or deemed to be made by the Customer; and

(b) references to quantities of Gas injected and withdrawn shall be construed as meaning quantities of Gas injected and withdrawn pursuant to the terms of this Storage Services Contract, any other agreement entered into between SL and the Customer in connection with this Storage Services Contract and, as appropriate, any other Principal Contract.

3. Gas-in-Storage

3.1 Subject to Clause 3.3, the Customer's **Gas-in-Storage** at the end of any Day during the Contract Period in respect of the Storage Facility is:

(a) the sum of:

(i) the Customer's Gas-in-Storage (if any) on the Entitlement Start Date;

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

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

(b) the sum of:

- (i) the quantities of Gas withdrawn by the Customer on Days in the Contract Period up to and including such Day; and
- (ii) the quantities of Gas subject to Gas Transfers made by the Customer with effect from Days in the Contract Period up to and including such Day,

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

- 3.2 Where the Customer has Gas-in-Storage in the Storage Facility the Customer is entitled (subject to and in accordance with this Storage Services Contract) to have a quantity of Gas, up to the amount of its Gas-in-Storage, delivered to the Storage Connection Point by way of withdrawal, and (without prejudice to Clauses 8 and 20) has no other entitlement in respect of Gas-in-Storage.
- 3.3 Where the amount determined in respect of the Customer in accordance with Clause 3.1 is negative, the Customer's Gas-in-Storage shall be zero (0) and the provisions of Clause 7.2 shall apply.
- 3.4 Without prejudice to the other provisions of these GTCs, SL will develop and maintain operating guidelines in respect of the procedures relating to Transfers and Nominations as envisaged in Clauses 8 and 9 and Schedule B (the **Operating Guidelines**). SL shall publish a copy of the Operating Guidelines on its website and may from time to time revise such guidelines and shall make available on its website any such revisions. The Customer may propose changes to the Operating Guidelines but SL shall not be obliged to implement any such proposal. The Operating Guidelines are provided by SL for information purposes only and are non-binding.
- 3.5 Title to and, without prejudice to Clauses 24.3 and 24.4, risk in Gas injected by the Customer into the Storage Facility shall be treated as passing from NGG to the Customer and at the same time from the Customer to SL at the System Exit Point.
- 3.6 Title to and, without prejudice to Clauses 24.6 and 24.7, risk in Gas withdrawn by the Customer from the Storage Facility shall be treated as passing from SL to the Customer and at the same time to from the Customer to NGG at the System Entry Point.
- 3.7 SL shall have title to and, without prejudice to Clauses 24.3 and 24.4, risk in all Gas contained in the Storage Facility.
- 3.8 SL warrants to the Customer that it will have title to all Gas withdrawn from the Storage Facility at the System Entry Point and that all such Gas shall be free from lien, charge, encumbrance, or adverse claim (as to title or otherwise) including any claim for any tax, royalty or other third party claim arising on or before withdrawal from the Storage Facility.
- 3.9 The Customer warrants to SL that it will have title to all Gas injected into the Storage Facility at the System Exit Point and that all such Gas shall be free from lien, charge, encumbrance, or adverse claim (as to title or otherwise) including any claim for any tax, royalty or other third party claim arising on or before injection into the Storage Facility.

- 3.10 SL shall indemnify the Customer and hold it harmless against any loss, liability, damage, claim, action, proceeding, cost and expense suffered or incurred by or made or brought against the Customer in consequence of a breach of the warranty in Clause 3.8.
- 3.11 The Customer shall indemnify SL and hold it harmless against any loss, liability, damage, claim, action, proceeding, cost and expense suffered or incurred by or made or brought against SL in consequence of a breach of the warranty in Clause 3.9.
- 3.12 The Customer shall be responsible for acquiring its required NTS Exit Capacity at the System Exit Point.
- 3.13
- (a) Notwithstanding the effect of a Capacity Transfer pursuant to Clause 9.2, SL shall be responsible for acquiring firm NTS Entry Capacity at the System Entry Point for the Customer corresponding to the Customer's Deliverability and SL shall transfer to the Customer firm NTS Entry Capacity at the System Entry Point corresponding to the Customer's Deliverability, unless otherwise notified in writing by the Customer that such NTS Entry Capacity is not required (in whole or in part):
 - (i) no later than ten (10) Days before the Entitlement Start Date, for each Day from the Entitlement Start Date and to and including the last Day of the calendar month in which such Entitlement Start Date falls;
 - (ii) no later than ten (10) Days before the first day of each subsequent calendar month, for each Day in such calendar month; and
 - (iii) no later than ten (10) Days before the calendar month in which the Entitlement End Date falls, for each Day in such calendar month up to the Entitlement End Date.
 - (b) Subject to Clause 3.16, once NTS Entry Capacity has been transferred from SL to the Customer pursuant to this Clause 3.13, such transfer cannot be reversed; provided that this Clause 3.13(b) shall not prohibit the Customer from transferring such NTS Entry Capacity (in whole or in part) to a Storage Customer to effect a Capacity Transfer.
 - (c) The Customer shall pay charges to SL in respect of its NTS Entry Capacity at the System Entry Point as set out in the Specific Terms, irrespective of any Capacity Transfer.
 - (d) If NGG's charges or charging mechanisms change in respect of NTS Entry Capacity following any decision(s) by Ofgem on UNC Modification 0678 or following any subsequent reviews of the charging and/or charging mechanisms, then the transfer of NTS Entry Capacity from SL to the Customer shall continue to apply in accordance with Clause 3.13(a), unless a revised process for transferring NTS Entry Capacity and a date for implementing such revised process are agreed in writing between SL and the Customer.
- 3.14 If the Customer elects to utilise Unbundled Capacity and/or UIOLI Capacity made available by SL then SL shall, no later than six (6) hours before the end of the relevant Gas Flow Day,

make available to the Customer any booked but not transferred NTS Entry Capacity at the System Entry Point for such purposes. The Customer shall pay charges to SL in respect of such NTS Entry Capacity at the System Entry Point as set out in the Specific Terms.

3.15 If SL has not correctly transferred NTS Entry Capacity to the Customer in accordance with Clauses 3.13 or 3.14, SL shall remain liable for any NGG Overrun Charges arising in respect of NTS Entry Capacity which has not been transferred to the Customer in accordance with Clauses 3.13 or 3.14. SL shall have no liability for any NGG Overrun Charges arising in respect of NTS Entry Capacity transferred to the Customer in accordance with Clauses 3.13 or 3.14.

3.16 If this Storage Services Contract terminates before the Entitlement End Date, the Customer shall, if requested by SL and at no cost to SL, transfer back to SL all remaining NTS Entry Capacity at the System Entry Point that SL transferred to the Customer.

4. Available and Effective Capacity

4.1 The Customer may hold Capacity in the Storage Facility.

4.2 In respect of any Day (or at any particular time within the Day) the Customer's:

(a) Effective Deliverability shall be determined in accordance with the following formula:

$$\text{Effective Deliverability} = \text{Available Deliverability} \times (DwAF) \times (wmf_d) \times (umwf_d)$$

(b) Effective Injectability shall be determined in accordance with the following formula:

$$\text{Effective Injectability} = \text{Available Injectability} \times (DiAF) \times (imf_d) \times (umif_d)$$

where:

DiAF is the Daily Injectability Adjustment Factor;

DwAF is the Daily Withdrawal Adjustment Factor;

imf_d is the Injection Maintenance Factor applying on the Injection Maintenance Day (d);

umif_d is the Injection Unplanned Maintenance Factor applying on the Unplanned Injection Maintenance Day (d);

umwf_d is the Withdrawal Unplanned Maintenance Factor applying on the Unplanned Withdrawal Maintenance Day (d); and

wmf_d is the Withdrawal Maintenance Factor applying on the Withdrawal Maintenance Day (d).

5. Nominations

5.1 Where the Customer wishes to have quantities of Gas injected into or withdrawn from the Storage Facility it shall be required to make nominations in accordance with the provisions of Schedule B.

5.2 With effect from the Nomination Time, SL will notify the Customer of the prevailing Withdrawal Lead Times and Injection Lead Times (in each case for an increase and for a decrease) for the Gas Flow Day, which shall not be greater than the lead times set out in the Specific Terms.

6. Capacity Charges

Notwithstanding the effect of a Capacity Transfer pursuant to Clause 9.2, in respect of each Day during the Contract Period, the Customer shall pay the Capacity Charges in respect of its Capacity in the Storage Facility. Capacity Charges will be invoiced and are payable monthly in accordance with Clause 16.

7. Overruns

7.1 Injection overruns

If on any Day the Customer has an Injection Overrun Quantity greater than zero (0), SL shall purchase the Injection Overrun Quantity from the Customer at a purchase price calculated in accordance with the following formula:

$$PDQP_{MAX}(D) = (0.8 \times SMSP - (Withdrawal Charge + Injection Charge)) \times DQP_{MAX}(D)$$

where:

PDQP_{MAX}(D) is the Injection Overrun Quantity purchase price in pence;

SMSP(D) is the System Marginal Sell Price in pence/kWh on such Day; and

DQP_{MAX}(D) is the Injection Overrun Quantity in kWh.

7.2 Withdrawal overruns

If on any Day the Customer has a Withdrawal Overrun Quantity greater than zero (0), SL shall sell to the Customer the Withdrawal Overrun Quantity from SL at a purchase price calculated in accordance with the following formula:

$$PDQS_{MAX}(D) = (1.25 \times SMBP + (Withdrawal Charge + Injection Charge)) \times DQS_{MAX}(D)$$

where:

PDQS_{MAX}(D) is the Withdrawal Overrun Quantity purchase price in pence;

SMBP(D) System Marginal Buy Price in pence/kWh on such Day; and

DQS_{MAX}(D) is the Withdrawal Overrun Quantity in kWh.

7.3 **Determination of Overruns**

In respect of any Day, SL shall calculate and notify the Customer in accordance with the notification procedure set out in Clause 27.1(b) of any Injection Overrun Quantity or Withdrawal Overrun Quantity on the immediately following Day.

7.4 **Overrun amounts**

All amounts due from the Customer to SL under this Clause 7 will be invoiced and are payable monthly in accordance with Clause 16. All amounts due from SL to the Customer under this Clause 7 will be payable in accordance with the applicable provisions of Clause 16.

8. Transfers

8.1 The Customer may:

- (a) in respect of any Day or consecutive period of Days, transfer all or part of its Available Deliverability, Available Space or Available Injectability to another Storage Customer or take a transfer of Deliverability, Space or Injectability from another Storage Customer; or
- (b) make a Gas Transfer in respect of a quantity of Gas in relation to the Storage Facility,

in each case subject to and in accordance with this Clause 8 and Clause 9.

8.2 Without prejudice to Clause 7, the Gas-in-Storage transferred under a Gas Transfer in respect of which the Customer is the transferor may not exceed:

- (a) the sum of:
 - (i) the Customer's Gas-in-Storage at the beginning of the Transfer Date;
 - (ii) the quantities of Gas nominated for injection by the Customer on the Transfer Date; and
 - (iii) the quantities of Gas subject to Gas Transfers made in favour of the Customer which have been approved by SL and which are effective on the Transfer Date; less
- (b) the sum of:
 - (i) the quantities of Gas nominated for withdrawal by the Customer on the Transfer Date; and
 - (ii) the quantities of Gas subject to Gas Transfers made by the Customer in favour of other Storage Customer(s) which have been approved by SL and effective on the Transfer Date.

8.3 Without prejudice to Clause 7, the Gas-in-Storage transferred under a Gas Transfer in respect of which the Customer is the transferee may not exceed:

- (a) the sum of:
 - (i) Available Space on the Transfer Date;
 - (ii) the quantities of Gas nominated for withdrawal by the Customer on the Transfer Date; and
 - (iii) the quantities of Gas subject to Gas Transfers made by the Customer in favour of other Storage Customer(s) which have been approved by SL and are in effect on the Transfer Date, less

- (b) the sum of:
 - (i) the Customer's Gas-in-Storage at the beginning of the Transfer Date;
 - (ii) the quantities of Gas nominated for injection by the Customer on the Transfer Date; and
 - (iii) the quantities of Gas subject to Gas Transfers made in favour of the Customer which have been approved by SL and effective on the Transfer Date.

8.4 Without prejudice to Clause 7, the Transferred Capacity under a Capacity Transfer in respect of which the Customer is the transferor may not exceed the amount of the Customer's Available Capacity held in respect of any Day or any hour during the Transfer Period.

8.5 If SL develops a facility which allows its Storage Customers to communicate to other Storage Customers their requirements as regards Transfers, it shall notify the Customer. SL accepts no responsibility for, and gives no warranty of any kind, as regards the ongoing availability of any such facility or the accuracy of any communication posted by means of such facility and the Customer acknowledges that SL will not be liable or otherwise responsible for the content of any communication made by any Storage Customer using such facility.

9. Transfer Procedure and Effect

9.1 Transfer Procedure

- (a) Where the Customer proposes to make a Transfer, both the Customer and the other Storage Customer must notify the proposed Transfer to SL within sixty (60) minutes of each other and specify:
 - (i) the identity of the Customer and the other Storage Customer and which party is the transferor and the transferee;
 - (ii) whether the Transfer is a Deliverability Transfer, a Space Transfer, an Injectability Transfer or a Gas Transfer;
 - (iii) the amount of the Transferred Capacity, or (as the case may be) the amount of Gas-in-Storage transferred; and

- (iv) in the case of a Capacity Transfer, the Transfer Period, or in the case of a Gas Transfer, the Transfer Date,

and following notification by the Customer of a proposed Transfer in the event that SL is not in receipt of an identical notification from the other Storage Customer within sixty (60) minutes of receipt of the Customer's notification SL shall notify the Customer thereof as soon as reasonably practicable.

- (b) The Customer must notify SL of a proposed Capacity Transfer or a Gas Transfer (as the case may be) under Clause 8 at least two (2) Business Days prior to the commencement of the Transfer Period.
- (c) SL may reject (but shall not be required to reject) a proposed Transfer:
 - (i) in the event the requirements in Clauses 8.2 or 8.3 (as the case may be) or the corresponding requirements in the other Storage Customer's Principal Contract are not satisfied;
 - (ii) in the event the requirements in Clauses 9.1(a) or (b) are not satisfied;
 - (iii) where the contents of the notifications provided to SL under Clause 9.1(a) are not identical; or
 - (iv) in accordance with Clauses 16.4(a)(i) or 23,

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

- (d) A Capacity Transfer or a Gas Transfer will only be effective if approved by SL and where SL approves a proposed Transfer it shall promptly notify the Customer.
- (e) Where SL does not approve a Capacity Transfer or a Gas Transfer within one hundred and twenty (120) minutes, such Transfer shall be deemed to be rejected without requirement for further notification by SL to the Customer.

9.2 Effect of a Capacity Transfer

- (a) Subject to Clauses 3.13, 6, 9.2(c) and 9.4, for the duration of the Transfer Period in respect of a Capacity Transfer in relation to which the Customer is:
 - (i) the transferor, the Customer shall be treated as no longer holding the Transferred Capacity; and
 - (ii) the transferee, the Customer shall be treated as holding the Transferred Capacity.
- (b) The Customer's Available Capacity in the Storage Facility on a Day will be determined as its Capacity, adjusted in respect of any Capacity Transfer(s) (for which the Transfer Period includes that Day):
 - (i) by adding the Transferred Capacity where the Customer was the transferee; or

- (ii) by deducting the Transferred Capacity where the Customer was the transferor.
- (c) The Customer will remain liable for Capacity Charges in respect of its Capacity irrespective of any Capacity Transfer, unless otherwise agreed in writing by SL, the Customer and the person who is either the transferee or the transferor (as the case may be).

9.3 Effect of a Gas Transfer

Where the Customer is party to a Gas Transfer the amount of Gas-in-Storage transferred will be:

- (a) where the Customer is the transferee, added to; and
- (b) where the Customer is the transferor, deducted from,

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

9.4 Effect of Termination

- (a) In respect of a Capacity Transfer in relation to which the Customer was the transferee, where during the Transfer Period the other Storage Customer who was the transferor ceases to be a Storage Customer:
 - (i) SL will so notify the Customer as soon as reasonably practicable and in any event not more than five (5) Business Days after the date on which the Termination Notice was given; and
 - (ii) with effect from the later of the date falling five (5) Business Days after the date on which SL notifies the Customer hereunder or the date on which the other Storage Customer ceases to be a Storage Customer, the Capacity Transfer will lapse and the Customer will cease to be treated as holding the Transferred Capacity.
- (b) In respect of a Capacity Transfer in relation to which the Customer was the transferor, where during the Transfer Period the other Storage Customer who was the transferee ceases to be a Storage Customer:
 - (i) SL will notify the Customer as soon as reasonably practicable and in any event not more than five (5) Business Days after the date on which the Termination Notice was given; and
 - (ii) with effect from the date on which the other Storage Customer ceases to be a Storage Customer, the other Storage Customer will be treated as no longer holding the Transferred Capacity which Transferred Capacity shall be deemed to revert to (and be treated as held by) the Customer.
- (c) For the avoidance of doubt, the fact that the other Storage Customer with whom the Customer was party to a Gas Transfer ceases to be a Storage Customer shall

not affect any Gas Transfer made before the date the other Storage Customer ceased to be a Storage Customer.

- (d) Where a Storage Customer ceases to be a Storage Customer SL may seek to dispose of Capacity equivalent to that Storage Customer's Capacity in such manner as SL deems appropriate.

9.5 **Communications**

A Communication given by a Party to the other Party pursuant to this Clause 9 may be given by a Party to the other Party in accordance with the notification procedures set out in either Clause 27.1(b) or Clause 27.1(c).

10. **Allocation**

- 10.1 Subject to Clauses 12.2, 13.1, 13.2, 13.3, 13.4 and 18.8, the quantity of Gas accounted for as injected or withdrawn on a Day to or from the Storage Facility by the Customer will be the final scheduled Nominated Quantity under its Nomination (or Renomination) prevailing at the end of the Day.
- 10.2 Where the Customer makes Injection Nominations in relation to the Storage Facility or the Customer makes Withdrawal Nominations in relation to the Storage Facility the Customer shall pay Injection Charges and/or Withdrawal Charges (in accordance with Clause 11.2) on the Nominated Quantity under its Injection Nomination and/or Withdrawal Nomination (as the case may be) on the Day.
- 10.3 Without prejudice to Clause 10.1, the physical flows of Gas at the Storage Facility may differ from the quantities in respect of which the Customer made a Nomination.
- 10.4 The Customer, if a User-Customer, hereby authorises and appoints SL as its agent (and as User Agent for the purposes of the Code).
- 10.5 Where the Customer is a User-Customer, SL agrees to submit to NGG on behalf of the Customer each Day an Entry Allocation Statement or Exit Allocation Statement in which the quantity specified as delivered to or offtaken from the System by the Customer is equal to the quantity to be allocated to such Customer (as withdrawn or injected by it) in respect of the Storage Facility in accordance with this Storage Services Contract. SL shall be deemed to have submitted an Entry Allocation Statement or (as the case may be) an Exit Allocation Statement where the quantity allocated to the Customer as injected into or (as the case may be) withdrawn from the Storage Facility on a Day in accordance with this Storage Services Contract is equal to the quantity determined as delivered to or (as the case may be) offtaken from the System on such Day by such Customer at the System Exit Point in accordance with the provisions of section R of the Code which apply where no such Entry Allocation Statement or Exit Allocation Statement is submitted in respect of a Day.
- 10.6 Where the Customer is a User-Customer SL undertakes to ensure that Entry Allocation Statements and Exit Allocation Statements submitted in accordance with Clause 10.5 on behalf of the Customer and any other person entitled to receive an allocation of Gas for the purposes of the Code at the Storage Connection Point are accepted by NGG pursuant to the relevant sections of the Code.

- 10.7 SL may develop and establish in consultation with the Customer, other Storage Customers and Non-User Customers alternative allocation arrangements (to those provided for in Clause 10.5) so as to: (i) enable Non-User Customers to receive an allocation of Gas in accordance with the terms of these GTCs at the Storage Connection Point, (ii) enable Non-User Customers to receive an allocation of Gas for the purposes of the Code at the Storage Connection Point and (iii) facilitate the trading of Gas at the Storage Connection Point (**New Allocation Arrangements**).
- 10.8 Without prejudice to the provisions of Clauses 10.5 and 10.6, nothing in this Storage Services Contract shall prevent or otherwise restrict SL entering into New Allocation Arrangements with the Customer, any other Storage Customer, any Non-User Customer or any other customer with whom SL has a storage agreement in respect of the Storage Facility in respect of which the New Allocation Arrangements are to apply at the Storage Connection Point. Where the Customer is a User-Customer and SL and the Customer enter into New Allocation Arrangements such arrangements will be in substitution of the provisions of Clauses 10.5 and 10.6.
- 10.9 In the event that at the date of this Storage Services Contract, New Allocation Arrangements are in existence:
- (a) where the Customer and SL have entered into New Allocation Arrangements on or prior to such date, such arrangements will be used for the purposes of this Storage Services Contract and will be in substitution for the provisions of Clauses 10.5 and 10.6; or
 - (b) where Clause 10.9(a) does not apply, where the Customer is a User-Customer the provisions of Clauses 10.5 and 10.6 shall apply and where the Customer is a Non-User Customer the provisions of Clause 10.10 shall apply.
- 10.10 Where the Customer is a Non-User Customer, until such time as the Customer enters into New Allocation Arrangements with SL, the Customer may hold and transfer Capacity and Gas-in-Storage, but shall not be entitled to inject Gas to or withdraw Gas from the Storage Facility (and accordingly must arrange to transfer such Capacity or Gas-in-Storage in order to derive any benefit therefrom).

11. Injection and Withdrawal

- 11.1 The Customer may inject Gas into or withdraw Gas from (as the case may be) the Storage Facility on any Day (including a Day on which Gas is being withdrawn or injected (as the case may be) from the Storage Facility) in accordance with this Storage Services Contract.
- 11.2 The Customer shall pay Injection Charges in respect of Injection Nominations and Withdrawal Charges in respect of Withdrawal Nominations in accordance with the Specific Terms. Injection Charges and Withdrawal Charges will be invoiced and are payable monthly in accordance with Clause 16.

12. Maintenance

12.1 Planned Maintenance

- (a) The Injection Maintenance Days and Withdrawal Maintenance Days (if any) and corresponding Injection Maintenance Factor and Withdrawal Maintenance Factor for such Days shall be specified in the SL Maintenance Programme provided that SL may revise (but without prejudice to Clause 12.1(d)) by notice to the Customer:
- (i) the Days which are Injection Maintenance Days and Withdrawal Maintenance Days and the respective Injection Maintenance Factor and Withdrawal Maintenance Factor applying in respect of any such Day not later than fourteen (14) Days prior to the commencement of the relevant calendar month; and
 - (ii) the Injection Maintenance Factor and Withdrawal Maintenance Factor applying (in substitution of that advised under Clause 12.1(a)(i)) in respect of an Injection Maintenance Day or Withdrawal Maintenance Day (as the case may be) by not later than eighteen (18) hours prior to the commencement of the Gas Flow Day.
- (b) The sum of Injection Maintenance Days and Withdrawal Maintenance Days (and the Injection Maintenance Factors and Withdrawal Maintenance Factors applying on such Days) shall not exceed what is reasonably required for the purposes of maintenance.
- (c) In respect of the Storage Facility, the **Amount of Planned Maintenance** at any time in the Storage Year shall be determined in accordance with the following formula:

$$APM = \sum_{d=1}^n (1 - imf_d) + \sum_{d=1}^p (1 - wmf_d)$$

where:

APM is the Amount of Planned Maintenance;

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

p is the number of Days which have been Withdrawal Maintenance Days in such Storage Year up to and including the Day in respect of which the Amount of Planned Maintenance is to be determined;

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

imf_d is the Injection Maintenance Factor applying on the Injection Maintenance Day (d); and

wmf_d is the Withdrawal Maintenance Factor applying on the Withdrawal Maintenance Day (d).

- (d) SL shall use its reasonable endeavours to co-ordinate with NGG in carrying out maintenance to injection facilities with NGG's maintenance to those parts of its system affecting the ability to make available Gas at the Storage Connection Point.

12.2 Unplanned Maintenance

- (a) SL shall notify the Customer that injection to or withdrawal from (as appropriate) the Storage Facility for that Day or Days is to be cancelled or partially cancelled, by notice given not later than eighteen (18) hours prior to the commencement of the Gas Flow Day and specifying such Day(s) (each an **Unplanned Maintenance Day**) and the Unplanned Injection Maintenance Factor or Unplanned Withdrawal Maintenance Factor (as the case may be) applying in respect of any such Day(s) and for the avoidance of doubt if no notice is given by eighteen (18) hours prior to the commencement of the Gas Flow Day as aforesaid then the provisions of Clause 10.1 shall apply for that Gas Flow Day but this shall be without prejudice to the right to claim Force Majeure under Clause 18.
- (b) The sum of Unplanned Injection Maintenance Days and Unplanned Withdrawal Maintenance Days (and the Unplanned Injection Maintenance Factors and Unplanned Withdrawal Maintenance Factors applying on such Days) shall not exceed what is reasonably required for the purposes of unplanned maintenance.
- (c) In respect of the Storage Facility, the **Amount of Unplanned Maintenance** at any time in a Storage Year will be determined in accordance with the following formula:

$$AUM = \sum_{d=1}^n (1 - umif_d) + \sum_{d=1}^p (1 - umwf_d)$$

where:

AUM is the Amount of Unplanned Maintenance;

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

p is the number of Days which have been Unplanned Withdrawal Maintenance Days in such Storage Year up to and including the Day in respect of which the Amount of Unplanned Maintenance is to be determined;

and for each Unplanned Injection Maintenance Day (d) or Unplanned Withdrawal Maintenance Day (d) in the Storage Year:

umif_d is the Injection Unplanned Maintenance Factor applying on the Unplanned Injection Maintenance Day (d); and

umwf_d is the Withdrawal Unplanned Maintenance Factor applying on the Unplanned Withdrawal Maintenance Day (d).

12.3 If the Amount of Unplanned Maintenance and the Amount of Planned Maintenance exceed the limits as set out in the Specific Terms, SL shall pay compensation to the Customer in accordance with the Specific Terms.

13. Interruptions

13.1 Customer tender failures

Where, in respect of any Day, Gas is not tendered by the Customer at the System Exit Point for injection, or is tendered for injection at a pressure less than the anticipated normal offtake pressure specified in the Storage Connection Agreement, or the quality of Gas so tendered is not in compliance with the Applicable Offtake Requirements and SL (in accordance with Clause 24.1) rejects such Gas, SL may elect that Clause 18.8 shall apply, *mutatis mutandis*, in respect of the Storage Facility for that Day (and SL will not be liable to make any payment to the Customer by reason of such election) provided that where a NGG Interruption Notice has been given, SL will indemnify the Customer and hold it harmless against any charges payable by the Customer to NGG pursuant to the Code in respect of the failure by SL to interrupt the offtake of Gas at the System Exit Point.

13.2 System Constraints

Where in respect of any Day the withdrawal of Gas from the Storage Facility is affected as a result of the pressure in the System at the System Entry Point exceeding the maximum delivery pressure specified in the Storage Connection Agreement, or of any other transportation constraint affecting the withdrawal of Gas at the System Entry Point, SL may elect that Clause 18.8 shall apply, *mutatis mutandis*, in respect of the Storage Facility for that Day (and SL will not be liable to make any payment to the Customer by reason of such election).

13.3 Gas Supply Emergency

On any Day during a Gas Supply Emergency SL may take steps to increase Gas flow rates at the Storage Facility in order to comply with NGG's instructions pursuant to section Q3.3.3 of the Code notwithstanding the Customer's Nominations in respect of such Day and the following provisions shall apply in respect of such Day:

- (a) the quantity of Gas accounted for as withdrawn will be determined in accordance with this Clause 13.3 and:
 - (i) Clause 10.1 shall not apply in respect of quantities of Gas withdrawn by the Customer on such Day;
 - (ii) the Forward Quantity will be:
 - (1) provisionally apportioned by SL to Storage Customers (including Non-User Customers) pro rata to their respective amounts of Gas-in-Storage at the beginning of such Day;
 - (2) in respect of the quantities provisionally apportioned under paragraph (1), the quantity provisionally apportioned to a User-Customer will be allocated to such User Customer and the aggregate quantity of the Forward Quantity provisionally apportioned to Non-User Customers

shall be allocated to SL in each case for the purposes of any Entry Allocation Statement to be submitted to NGG (in respect of such Day);

- (3) each Non-User Customer shall be deemed to have made a gas transfer in favour of SL for a quantity of Gas equivalent to that provisionally apportioned under paragraph (1) (and such quantity shall for the purposes of Clause 3.1(b)(ii) be deemed to be a quantity in respect of which such provision applies);
 - (4) as soon as reasonably practicable following cessation of the Gas Supply Emergency, SL shall pay to each Non-User Customer an amount calculated as that amount provisionally apportioned under paragraph (1) to each such Non-User Customer multiplied by the price paid by NGG to SL as a result of SL having delivered more Gas to the System than it offtook on such Day; and
- (b) where the Customer is a Non-User Customer, the Customer acknowledges SL's obligations in respect of complying with NGG's requests and instructions pursuant to the Storage Connection Agreement and authorises SL to make available the Customer's Gas-in-Storage for the purposes of SL complying with any such request or instruction.

13.4 **NEC curtailment**

Where in respect of any Day the NEC instructs SL (either directly or indirectly) to curtail or reduce Gas flows at the Storage Facility, SL may take steps to curtail Gas flow rates at the Storage Connection Point to such levels which in SL's opinion (acting reasonably) shall ensure that the NEC's instruction is complied with; and SL may elect that the following provisions shall apply in respect of the Storage Facility for that Day (and SL will not be liable to make any payment to the Customer by reason of such election):

- (a) Clause 10.1 shall not apply in relation to the Forward flow of Gas (but, for the avoidance of doubt, Clause 10.1 shall apply in relation to the Reverse flow of Gas); and
- (b) the quantity of Gas accounted for as injected or withdrawn in relation to the Forward flow will be determined as follows:
 - (i) SL will determine, for each Storage Customer, the quantities in relation to the Forward flow of Gas which would (if Clause 10.1 were to apply) be the Delivered Quantity for Base, Unbundled Capacity, UIOLI and Flow Reversal; and
 - (ii) the Forward Quantity shall be allocated to Storage Customers pro rata to their respective Scheduled Quantities first in respect of Base (minus the Flow Reversal Scheduled Quantity if any), next (if any Forward Quantity remains unallocated) in respect of Unbundled Capacity, next (if any Forward Quantity remains unallocated) in respect of UIOLI.

14. **Unbundled Capacity and UIOLI Capacity**

- 14.1 Notwithstanding any other provision of this Storage Services Contract, SL shall notify the Customer not later than the Preceding Day of any UIOLI Capacity to be made available to the Customer by SL on a Day. Unbundled Capacity will be notified at SL's discretion up to and including within Day, in accordance with the provisions set out in paragraph 2 of Schedule C.
- 14.2 Where the Customer elects to utilise Unbundled Capacity and/or UIOLI Capacity made available by SL to the Customer, the provisions of Schedule C shall apply.
- 14.3 The Customer shall pay charges in respect of quantities injected into and withdrawn from the Storage Facility as follows:
- (a) for UIOLI Capacity: the charges shall be equal to the UIOLI quantity allocated to the Customer multiplied by the associated UIOLI Price; and
 - (b) for Unbundled Capacity: the charges shall be equal to the total capacity purchased by the Customer multiplied by the rate notified by SL to the Customer at the time of purchase,

and, for the avoidance of doubt, no Injection Charge or Withdrawal Charge shall be charged by SL to the Customer in respect of any Delivered Quantity in respect of Unbundled Capacity or UIOLI Capacity. All charges arising under this Clause 14.3 will be invoiced and are payable monthly in accordance with Clause 16.

15. Flow Reversal

- 15.1 Where the Customer changes its gas flows from withdrawal to injection, the Flow Reversal Checked Quantity for injection shall be equal to the sum, if positive, of:
- (a) Deemed Base Withdrawal Flow; plus
 - (b) the Received Quantity for injection; less
 - (c) the Received Quantity for withdrawal.
- 15.2 Where the Customer changes its gas flows from injection to withdrawal, the Flow Reversal Checked Quantity for withdrawal shall be equal to the sum, if positive of:
- (a) Deemed Base Injection Flow; plus
 - (b) the Received Quantity for withdrawal; less
 - (c) the Received Quantity for injection.
- 15.3 The maximum number of Flow Reversals that the Customer may make on any Day shall be as set out in the Specific Terms.
- 15.4 The hourly rate for Flow Reversal Checked Quantity for injection or withdrawal (as appropriate) shall not exceed the Adjusted Injectability rate (for injections) or the Adjusted Withdrawal rate (for withdrawals).

- 15.5 The Flow Reversal Checked Quantity may also be reduced by SL to be compliant with paragraphs 1.2 or 1.3 of Schedule B.
- 15.6 The **Flow Reversal Scheduled Quantity** for withdrawal or injection (as the case may be) shall be equal to the Flow Reversal Nominated Quantity for withdrawal or injection (as appropriate), the hourly rate being not greater than the Effective Deliverability hourly rate or Effective Injectability hourly rate (for withdrawals and injections respectively).
- 15.7 For the avoidance of doubt, where the Customer makes Injection Nominations and/or Withdrawal Nominations which result in a Flow Reversal, the Customer shall pay Injection Charges and Withdrawal Charges (in accordance with Clause 11.2) on the Nominated Quantity under its Injection Nomination and Withdrawal Nomination (as the case may be) on the Day.

16. Invoicing and Payment

16.1 General

The amounts payable by the Customer to SL and by SL to the Customer in accordance with this Storage Services Contract will be invoiced and are payable in accordance with the applicable provisions of this Clause 16.

16.2 Invoices

- (a) Each Invoice submitted by SL will specify:
- (i) the identity of the Customer;
 - (ii) the Invoice Period;
 - (iii) in respect of each Invoice Item, the Invoice Amount;
 - (iv) a unique reference number; and
 - (v) the amount of Value Added Tax (if any) payable in respect of each Invoice Item and the further details required under regulation 14 of the regulations referred to in Clause 16.2(b),

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

- (b) An Invoice may show as an Invoice Amount an amount (a **Self Bill Amount**) payable by SL to the Customer in respect of which regulation 13(3) of the Value Added Tax Regulations 1995 is to apply.
- (c) An Invoice may contain an adjustment by way of a credit (**Invoice Credit**) in respect of an Invoice Amount in another Invoice (and where an Invoice contains an Invoice Credit it will identify the amount of the Invoice Credit and the Invoice to which the Invoice Credit relates).
- (d) An Invoice shall be submitted by SL to the Customer in accordance with the notification procedure set out in Clause 27.1(b) unless the Customer notifies SL in

writing that it wishes to receive Invoices by post or such other means as the Customer and SL agree in writing.

- (e) SL will endeavour to submit an Invoice in respect of each Invoice Period on or before the Invoice Submission Date (provided that no delay in submitting an Invoice will prejudice the liability of the Customer for the amounts in relation thereto).
- (f) Notwithstanding Clause 16.2(e) and without prejudice to Clause 19.6(b), SL may at any time after a Termination Notice has been submitted in accordance with Clause 19 submit an Invoice in respect of:
 - (i) an Invoice Period, or part of an Invoice Period ending at or before the time at which SL submits such Invoice; and
 - (ii) Capacity Charges for Invoice Periods after the date referred to in Clause 19.5(a) in accordance with Clause 19.6(b),

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

- (g) Except as provided in Clause 16.5(c), the whole amount shown as payable by the Customer on an Invoice shall be payable on the Invoice Due Date.
- (h) Where SL is required to make payment to the Customer under this Storage Services Contract:
 - (i) the Customer shall submit an invoice to SL in accordance with the notification procedure set out in Clause 27.1(b) unless SL notifies the Customer in writing that it wishes to receive such invoices by post or such other means as the Customer and SL agree in writing; and
 - (ii) the Customer shall specify a due date for payment by SL of such invoice no earlier than the twelfth (12th) Day after the invoice was deemed to be received in accordance with Clause 27.

16.3 **Payments**

- (a) All amounts expressed as payable under this Storage Services Contract are exclusive of any applicable Value Added Tax and Value Added Tax shall be paid by the paying party where payable in respect of any such amount.
- (b) SL and the Customer shall each notify the other of the account name, number, name, address and sort code of the receiving bank in the United Kingdom to which payments by the Customer to SL, or by SL to the Customer, are to be made: (i) as soon as possible following the date of this Storage Services Contract; and (ii) not less than thirty (30) Days prior to the date on which any changes to such details occur.

- (c) Payments of amounts payable under this Storage Services Contract shall be in Pounds Sterling in same day funds to the account of the payee at a receiving bank in the United Kingdom notified to the payer under Clause 16.3(b) and where the payment relates to an Invoice the Customer shall instruct the bank remitting payment of any amount payable under this Storage Services Contract to quote the number (under Clause 16.2(a)(iv)) of the relevant Invoice when remitting such payment.
- (d) Without prejudice to Clause 16.5(c), amounts payable under this Storage Services Contract shall be paid:
 - (i) free and clear of any restriction, reservation or condition;
 - (ii) except to the extent (if any) required by law, without deduction or withholding in respect of tax or on account of any amount due or to become due to the paying party, whether by set-off, counterclaim or otherwise; and
 - (iii) where payment is to be made by the Customer to SL and any deduction or withholding is required to be made by the law of any country other than the United Kingdom:
 - (1) such that the deduction or withholding does not exceed the minimum required;
 - (2) the Customer shall pay SL such additional amounts as will ensure that the net amount received by SL will be equal to the amount which SL would have received had no such deduction or withholding been made; and
 - (3) the Customer shall pay the amount deducted or withhold to the relevant authority in accordance with the relevant requirement of the law, and provide to SL a receipt issued by such authority (or where such a receipt is not available) a certificate in respect of such payment.

16.4 Late payment

- (a) Where and for so long as any amount payable under an Invoice is not paid on or before the Invoice Due Date, then, from the Invoice Due Date until the Day on which the payment is made, SL shall be entitled to:
 - (i) reject or refuse to accept a Nomination, Renomination or Transfer in relation to the Customer; and/or
 - (ii) give the Customer a Termination Notice (in accordance with Clause 19).
- (b) A Party may commence proceedings against the other Party for recovery of any amount not paid when due as a debt.
- (c) Without prejudice to Clause 16.5(f), where any amount is not paid when due, the paying party shall pay interest, before and after judgement, at the Applicable Interest Rate, on the unpaid amount from the due date until the Day on which the

payment is made (and nothing in this Clause 16.4 shall be construed as permitting late payment).

- (d) Interest payable under this Clause 16 shall:
 - (i) accrue on a daily basis and on the basis of a three hundred and sixty-five (365) day year or three hundred and sixty-six (366) in a leap year; and
 - (ii) be compounded to the extent and by virtue of being invoiced (not more frequently than each calendar month) in an invoice.

16.5 Invoice Queries

- (a) SL and the Customer will endeavour to resolve Invoice Queries by agreement (and reference in this Clause 16 to the resolution of an Invoice Query is a reference to the resolution thereof by agreement between SL and the Customer or to the outcome of any proceedings commenced by SL or the Customer in respect thereof).
- (b) Where the Customer wishes to raise an Invoice Query in respect of any amount shown as payable by the Customer under an Invoice, the Customer may by not later than three (3) Days before the Invoice Due Date notify SL of the Invoice Query, specifying:
 - (i) the unique reference number (under Clause 16.2(a)(iv)) of the Invoice;
 - (ii) the Invoice Item to which the Invoice Query relates;
 - (iii) an explanation of the basis on which the Invoice Query arises, and the amount of the Invoice Amount which is subject to the Invoice Query:
 - (1) identified by reference to the particular item of supporting data in respect of which the Invoice Query arises; and
 - (2) where the basis of the Invoice Query is that the value of any parameter by reference to which the Invoice is determined is incorrectly stated in the supporting data, the amount (estimated as accurately as reasonably practicable) by which such value is incorrectly stated; and
 - (iv) the amount of the Invoice Amount which is not subject to the Invoice Query determined on the basis that only so much of the Invoice Amount as identified in Clause 16.5(b)(iii) is subject to the Invoice Query.
- (c) Where the Customer raises an Invoice Query in accordance with the requirements of Clause 16.5(b) or SL raises an Invoice Query the amount subject to the Invoice Query shall not be payable on the Invoice Due Date, but without prejudice to Clause 16.5(d).
- (d) Where pursuant to Clause 16.5(c), any amount is not paid on the due date, the amount (if any) which is agreed or determined (following resolution of the Invoice Query) to be payable by the Party raising the Invoice Query shall be payable upon

such resolution and interest from the due date of the invoice shall be payable in accordance with Clauses 16.4(c) and 16.4(d) on such amount.

- (e) For the purposes of Clause 16.5(d), where it is agreed or determined that the question or dispute the subject of the Invoice Query pursuant to Clause 16.5(d) was a bona fide question or dispute, the Applicable Interest Rate shall be that under paragraph (b) of the definition of Applicable Interest Rate until the expiry of two (2) Business Days following the resolution of the Invoice Query.
- (f) Subject to Clause 16.5(h), nothing in this Clause 16 shall prevent a Party raising an Invoice Query, including in respect of any amount after payment has been made of such amount, or from paying any such amount at the same time as notifying an Invoice Query in respect thereof, provided that (without prejudice to the resolution of the Invoice Query) no constructive trust or other implied term as to the receipt or application by the payee of the amount paid shall arise.
- (g) Where, upon resolution of an Invoice Query or otherwise, it is agreed or determined that any amount or part of any amount paid should not have been paid, the payee shall repay the overpaid amount with interest at the Applicable Interest Rate from the date on which the payment was made to it or if later the Invoice Due Date until the date of such repayment.
- (h) In the absence of fraud, after the expiry of eighteen (18) months (or any other period agreed between SL and the Customer) after the Invoice Due Date in respect of an Invoice:
 - (i) no adjustment may be made to an Invoice Amount under that Invoice, other than:
 - (1) an adjustment of which SL has given notice to the Customer;
 - (2) an adjustment pursuant to an Invoice Query raised by the Customer in accordance with this Clause 16; or
 - (3) before the expiry of such period;
 - (ii) no Invoice Query may be raised in respect of the Invoice; and
 - (iii) the Invoice shall (subject to any adjustments already made and any permitted under Clause 16.5(h)(i)) be deemed final and conclusive as to the amounts payable thereunder.

17. Liabilities

17.1 The maximum aggregate liability of a Party to the other Party under this Storage Services Contract in respect of the non-performance or breach of this Storage Services Contract (including liabilities arising under an indemnity or pursuant to any of Clauses 3.15, 7, 12.3, 13.1, 13.3(a)(ii)(4), 17.7, 24.3 and 24.6) shall not exceed one million Pounds Sterling (£1,000,000) in respect of any one event or circumstance, subject to the following exclusions:

- (a) any obligation under this Storage Services Contract to pay Storage Charges to SL;

- (b) any liability arising in respect of the death or personal injury resulting from the negligence of such Party;
 - (c) any liability arising in respect of the fraud or fraudulent misrepresentation of such Party;
 - (d) any other liability which cannot be excluded or limited by law; or
 - (e) any liability arising from the Wilful Default of such Party.
- 17.2 Neither Party shall be liable to the other Party for any Consequential Losses.
- 17.3 The rights and remedies of the Parties set out in this Storage Services Contract in respect of the non-performance or breach by a Party of this Storage Services Contract or for any other claim of whatsoever nature arising out of or in relation to this Storage Services Contract 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). The provisions of this Clause 17.3 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 Storage Services Contract.
- 17.4 Nothing in this Clause 17 shall constitute a waiver by either Party of any right or remedy it may have (other than pursuant to this Storage Services Contract) in respect of a breach by the other Party of any Legal Requirement.
- 17.5 Each provision of this Clause 17 shall be construed as a separate and severable contract term, and shall survive termination of this Storage Services Contract. Additionally, the following provisions shall survive termination of this Storage Services Contract: Clauses 1 (*Definitions and Interpretation*), 16 (*Invoicing and Payment*), 19.5 and 19.6 (*Term and Termination*), 20 (*Gas-in-Storage at the end of the Storage Services Contract*), 22 (*Confidentiality*), 25 (*Governing law and jurisdiction*), 26 (*Disputes*), 27 (*Notices and Communications*), 31 (*Waiver*), 33 (*Severance*), 34 (*Entire Agreement*), and 35 (*Third Party Rights*).
- 17.6 Where any provision of this Storage Services Contract provides for any amount to be payable by a Party upon or in respect of that Party's breach of any provision of this Storage Services Contract both Parties agree and acknowledge that:
- (a) without prejudice to Clause 17.3, 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 amount provided to be payable represents a genuine pre-estimate of the loss of the Party to which such amount is payable and the breaching Party hereby waives any claim as to the validity of such amount on the ground that it is void as a penalty.
- 17.7 Except where Clauses 13.3 or 18 apply, where there are insufficient quantities of Gas stored in and available for withdrawal from the Storage Facility pursuant to a Withdrawal

Nomination, SL shall be in breach of its obligation to make Gas available for withdrawal by the Customer pursuant to this Storage Services Contract. For the avoidance of doubt, it is agreed that the cost to the Customer of acquiring Gas to replace Gas the Customer has been unable to withdraw as set out in this Clause 17.7 shall not be Consequential Losses.

17.8 Where SL pays damages to the Customer as a consequence of the breach specified in Clause 17.7, the Customer shall promptly make a Gas Transfer to SL in respect of a quantity of Gas equal to the quantity of Gas in respect of which SL failed to make available for withdrawal from the Storage Facility pursuant to the Customer's Withdrawal Nomination where: (i) the Customer shall be the transferor; (ii) SL shall be the transferee; and (iii) the Customer's Gas-in-Storage shall be reduced in accordance with Clause 3.1.

18. Force Majeure

18.1 For the purposes of this Storage Services Contract, subject to Clause 18.2, **Force Majeure** means any event or circumstance, or any combination of events and/or circumstances, the occurrence of which is beyond the reasonable control of, and could not have been avoided by steps which might reasonably be expected to have been taken by, a Party (the **Affected Party**) and which causes or results in the failure of the Affected Party to perform or its delay in performing any of its obligations owed to the other Party (the **Other Party**) under this Storage Services Contract, including:

- (a) war declared or undeclared, threat of war, act of public enemy, terrorist act, blockade, revolution, riot, insurrection, civil commotion, public demonstration, sabotage, act of vandalism;
- (b) act of God;
- (c) strike, lockout or other industrial disturbance;
- (d) explosion, fault or failure of plant, equipment or other installation which the Affected Party could not prevent or overcome by the exercise of the degree of skill, diligence, prudence and foresight which would reasonably and ordinarily be expected from a skilled and experienced operator engaged in the same kind of undertaking under the same or similar circumstances; or
- (e) governmental restraint or the coming into force of any Legal Requirement.

18.2 Inability (however caused) of a Party to pay any amount when due shall not be Force Majeure.

18.3 The act or omission of any agent or contractor of either Party shall not be Force Majeure unless such act or omission is caused by or results from events and/or circumstances which would be Force Majeure within the meaning of Clause 18.1 if such person were the Affected Party.

18.4 Subject to Clause 18.5, the Affected Party shall be relieved from liability (including any requirement to make payment of any sum or to take any other action but excluding any obligation to make payment under Clause 20) for any delay or failure in the performance of any obligation under this Storage Services Contract which is caused by or results from Force Majeure.

- 18.5 The Affected Party shall be relieved from liability under Clause 18.4 only for so long as and to the extent that the occurrence of Force Majeure and/or the effects of such occurrence could not be overcome by measures which the Affected Party might reasonably be expected to take with a view to resuming performance of its obligations.
- 18.6 Following any occurrence of Force Majeure the Affected Party shall:
- (a) as soon as reasonably practicable notify the Other Party of the occurrence and nature of the Force Majeure, the expected duration thereof (insofar as the same can reasonably be assessed) and the obligations of the Affected Party performance of which is affected thereby; and
 - (b) from time to time thereafter provide to the Other Party reasonable details of:
 - (i) developments in the matters notified under Clause 18.6(a); and
 - (ii) the steps being taken by the Affected Party to overcome the Force Majeure occurrence or its effects and to resume performance of its relevant obligations.
- 18.7 The Customer shall not be obliged to pay Capacity Charges in respect of any Day during which its ability to inject Gas into, withdraw Gas from or store Gas within the Storage Facility is affected by an occurrence of Force Majeure.
- 18.8 Where SL suffers an occurrence of Force Majeure the following provisions shall apply:
- (a) Clause 10.1 shall not apply in relation to the Forward flow of Gas (but for the avoidance of doubt Clause 10.1 shall apply in relation to the Reverse flow of Gas);
 - (b) SL will issue an Interruption Notice to the Customer that shall specify:
 - (i) the Forward flow;
 - (ii) the Interruption Effective Time;
 - (iii) the interruption factor;
 - (iv) the reason for interruption; and
 - (c) the quantity of Gas accounted for as injected or withdrawn in relation to the Forward flow will be determined as follows:
 - (i) SL will determine, for each Storage Customer, the quantities in relation to the Forward flow of Gas which would (if Clause 10.1 were to apply) be the Delivered Quantity for Base, Unbundled Capacity, UIOLI Capacity and Flow Reversal; and
 - (ii) the Forward Quantity shall be allocated to Storage Customers pro rata to their respective Scheduled Quantities first in respect of Base (minus the Flow Reversal Scheduled Quantity if any), next (if any Forward Quantity remains unallocated) in respect of Unbundled Capacity, next (if any Forward Quantity remains unallocated) in respect of UIOLI Capacity.

- 18.9 If an occurrence of Force Majeure prevents one of the Parties from carrying out its obligations for a period in excess of one hundred and fifty (150) consecutive calendar days (such period to be pro-rated accordingly where the Contract Period is less than a full Storage Year), the Parties shall meet within ten (10) Business Days after the end of such period, with a view to considering in good faith adjustments to their respective obligations under this Storage Services Contract, in order to mitigate the effects of this occurrence.
- 18.10 If the Parties cannot reach agreement on adjustments to be made to their respective obligations pursuant to Clause 18.9 within one hundred and twenty (120) calendar days of first meeting (such period to be pro-rated accordingly where the Contract Period is less than a full Storage Year), either of the Parties may terminate this Storage Services Contract by giving a Termination Notice in accordance with Clause 19.4.

19. Term and Termination

- 19.1 This Storage Services Contract commences on the date of execution and remains in force until the Entitlement End Date unless terminated earlier in accordance with the provisions of this Clause 19.
- 19.2 A Party will be in Default if any of the following events or circumstances have occurred:
- (a) where in relation to an amount or amounts (other than an amount which is the subject of an Invoice Query) equal to or greater than ten thousand Pounds Sterling (£10,000):
 - (i) such Party has not paid the amount in full by the fifth (5th) Business Day after the due date for payment;
 - (ii) on or after the fifth (5th) Business Day after the due date for payment the other Party has given notice requiring payment of such amount; and
 - (iii) the Party has not paid such amount in full by the fifth (5th) Business Day after the date of the notice under Clause 19.2(a)(ii); or
 - (b) where:
 - (i) such Party is in material breach of any material provision (other than a payment obligation) of this Storage Services Contract;
 - (ii) the breach is capable of remedy by such Party;
 - (iii) the other Party has given notice (making reference to this Clause 19) of such breach to the Party in material breach;
 - (iv) within fourteen (14) Days after notice under Clause 19.2(b)(iii), the Party in material breach does not either:
 - (1) remedy the breach in all material respects, where the breach is capable of remedy within such period of fourteen (14) Days; or
 - (2) where the breach is not so capable of remedy, provide to the other Party a programme (setting out the steps to be taken by the Party in

material breach and the timetable for taking such steps) for the remedy of the breach as soon as is reasonably practicable;

- (v) in the case in Clause 19.2(b)(iv)(2), the Party in material breach does not:
 - (1) remedy the breach in all material respects with all reasonable diligence and so far as reasonably practicable in accordance with the programme provided under that clause or a revised programme pursuant to Clause 19.2(b)(v)(2); and
 - (2) where notwithstanding the reasonable diligence of the Party in material breach it is not reasonably practicable for such Party to remedy the breach in accordance with that programme, provide to the other Party a revised such programme;
- (vi) the breach remains unremedied in any material respect after the expiry of seven (7) Days after a further notice by the other Party to the Party in material breach to the effect that the Party in material breach has not complied with Clause 19.2(b)(iv) or (v); or

(c) where:

- (i) such Party is in material breach of any relevant provision (other than a payment obligation) of this Storage Services Contract;
- (ii) the breach is not capable of remedy;
- (iii) the other Party has given notice (making reference to this Clause 19) of the breach to the Party in material breach;
- (iv) at any time within the period of twelve (12) months following the other Party's notice under Clause 19.2(c)(iii), there occurs a further material breach by the Party in material breach of the same provision of this Storage Services Contract; and
- (v) the other Party has given a notice of such further breach to the Party in material breach and a period of seven (7) Days has expired following such notice;

(d) where such Party suffers an Insolvency Event;

(e) where such Party breaches Clause 36.1 and Clause 36.2 applies; or

(f) in respect of the Customer, where Clause 23.2 applies or where the Customer is in breach of the Credit Agreement.

19.3 Upon the occurrence of a Default, and at any time after such occurrence at which the Default is continuing, the Non-Defaulting Party may give notice (a **Termination Notice**) to the Defaulting Party to the effect that this Storage Services Contract will be terminated with effect from the date (which, subject to Clause 19.5(b), may be any date on or after the date on which the notice is given) specified in the notice.

19.4 Where there is the occurrence of Force Majeure and a Party exercises its right to terminate this Storage Services Contract in accordance with Clause 18.10, such Party may give a Termination Notice to the other Party to the effect that this Storage Services Contract will be terminated with effect from the date (which, subject to Clause 19.5(b), may be any date on or after the date on which the notice is given) specified in the notice.

19.5 Where:

- (a) SL gives a Termination Notice to the Customer, with effect from the date specified in the notice; or
- (b) the Customer gives a Termination Notice to SL, with effect from the later of the date specified in the notice or the date on which the following requirements have been satisfied:
 - (i) all amounts payable or which may become payable by the Customer to SL pursuant to any provision of this Storage Services Contract have been paid in full;
 - (ii) the Customer is not party to a Capacity Transfer in relation to which the Transfer Period has yet to expire; and
 - (iii) the Customer has no Gas-in-Storage,

this Storage Services Contract will terminate and subject to Clauses 19.6 and 22.2 SL and the Customer shall cease to be bound by the terms of this Storage Services Contract.

19.6 The giving of a Termination Notice and the application of Clause 19.5:

- (a) shall not affect the rights and obligations of SL and the Customer under this Storage Services Contract (including rights and obligations in respect of the Default, and in respect of amounts including interest payable by the Customer or SL) accrued up to the date referred to in Clause 19.5(a) or as the case may be Clause 19.5(b), which shall continue to be enforceable notwithstanding that Clause; and
- (b) where given by SL shall not relieve the Customer from the liability to pay charges in respect of its NTS Entry Capacity and Capacity Charges that would otherwise have been payable in respect of the period from the date referred to in Clause 19.5(a) until the end of the Contract Period (such NTS Entry Capacity amounts to be determined pursuant to Clause 3.13 and such Capacity Charge amounts to be determined by reference to the Entitlement End Date in respect of the Capacity held by the Customer immediately prior to such date) which such charges in respect of its NTS Entry Capacity and Capacity Charges shall be immediately payable by the Customer. Provided that the provisions of this Clause 19.6(b) shall not apply in the event of Force Majeure, where the provisions of Clause 18 shall apply.

19.7 For the purposes of Clause 19.2(b)(i) and 19.2(c)(i) a breach is a **material breach** of a relevant provision where and only where:

- (a) in the case of a material provision, there is a Wilful Default; or

- (b) in the case of any provision, as a result of the breach the Non-Defaulting Party is in material breach of any material provision of this Storage Services Contract or any Legal Requirement or incurs any material liability or expense,

and shall not include the following breaches:

- (i) a breach by the Customer, other than a Wilful Default, where this Storage Services Contract specifically provides some other remedy for such breach and such other remedy may reasonably be considered to be adequate in the circumstances;
- (ii) a breach by SL, other than a Wilful Default, where this Storage Services Contract specifically provides some other remedy for such breach other than where such breach continues for a period of greater than ninety (90) consecutive Days; or
- (iii) a breach which results from a breach by the other Party of this Storage Services Contract.

20. Gas-in-Storage at the end of the Storage Services Contract

20.1 If, on the Entitlement End Date or the date that this Storage Services Contract terminates earlier in accordance with its terms, the Customer's Gas-in-Storage is greater than zero (0), the Customer shall cease to have the entitlement conferred pursuant to Clause 3.2 in respect of such Gas-in-Storage and, subject to Clauses 20.2 to 20.4, SL shall pay compensation equal to such Gas-in-Storage, expressed in kWh, multiplied by the following price, expressed in pence per kWh:

$$P_{GIS} = P_{REF} \times (50\% \times Q1 + 100\% \times Q2) / GIS_{END}$$

where:

P_{GIS} is the price to be paid for the Gas-in-Storage

Q1 = Maximum (0 ; GIS_{END} - Qmin);

Q2 = GIS_{END} – Q1;

Qmin = Maximum (0 ; GIS_{END-NWD} – DEL);

GIS_{END} is the Gas-in-Storage, expressed in kWh, on the Entitlement End Date or the date that this Storage Services Contract terminates in accordance with its terms (as the case may be);

DEL is the sum of the daily Effective Deliverabilities during the period equal to the Nominal Withdrawal Duration immediately preceding the Entitlement End Date or the date that this Storage Services Contract terminates in accordance with its terms (as the case may be), but excluding any Days during such period on which there is Unplanned Maintenance or an occurrence of Force Majeure;

GIS_{END-NWD} is the Gas-in-Storage, expressed in kWh, at the end of the Gas Flow Day occurring immediately before the period equal to the Nominal Withdrawal Duration immediately preceding the Entitlement End Date or the date that this Storage Services Contract terminates in accordance with its terms (as the case may be);

P_{REF} is defined in the Specific Terms;

Nominal Withdrawal Duration or **NWD** is defined in the Specific Terms;

and the Customer's Gas-in-Storage shall become zero (0) on the Day immediately following the Entitlement End Date or the date that this Storage Services Contract terminates earlier in accordance with its terms (as the case may be).

- 20.2 The Customer shall issue an invoice in respect of such compensation amounts to SL no later than the tenth (10th) day following the Entitlement End Date or the date that this Storage Services Contract terminates earlier in accordance with its terms (as the case may be). Where an invoice is issued by the Customer to SL in accordance with this Clause 20.2, then, subject to Clauses 20.3 and 20.4, SL shall pay the invoiced amount in accordance with the applicable provisions of Clause 16.
- 20.3 SL shall be entitled to set-off against the compensation amounts payable in accordance with Clause 20.2, all amounts for which the Customer is liable to SL under this Storage Services Contract (whether or not having become due for payment), including accrued interest thereon.
- 20.4 By way of exception to the provisions of this Clause 20, if the Parties sign a new storage services contract which comes into force on the same date as the date that this Storage Services Contract terminates or the day immediately following, and applies to the same Storage Facility, the Customer shall have the option not to be paid compensation as set above, but to have its entitlement to Gas-in-Storage treated as its opening balance in the new Storage Services Contract, up to the limit of the Capacity of the new Storage Services Contract. Compensation shall be paid by SL to the Customer as set out above for any Gas-in-Storage in excess of the Capacity of the new Storage Services Contract.

21. Assignment

- 21.1 Without prejudice to Clauses 8 and 9, the Customer shall not, without the prior written consent of SL, assign, transfer or otherwise dispose of its rights and obligations under this Storage Services Contract or any part thereof or any benefit or interest therein or thereunder.
- 21.2 Subject to Clause 21.3, SL may assign, transfer or otherwise dispose of all or part of its rights and obligations under this Storage Services Contract:
- (a) to an Affiliate, and the Customer hereby consents to such assignment, transfer or other disposal; or
 - (b) except where Clause 21.2(a) applies, to any person provided that SL obtains the prior written agreement of the Customer (which shall not be unreasonably withheld or delayed).

21.3 Where SL intends to assign, transfer or otherwise dispose of its rights and obligations under this Storage Services Contract pursuant to Clause 21.2 it shall be a condition precedent to such assignment and novation that the assignee shall enter into an agreement with the Customer and SL covenanting to be bound by the terms of this Storage Services Contract and releasing SL from all obligations under this Storage Services Contract which vest, mature or accrue after the time at which such assignment, transfer or other disposal is effective but (unless otherwise agreed by the Parties) SL shall remain liable for any obligations which have vested, matured or accrued up to such time.

22. Confidentiality

22.1 For the purposes of this Clause 22, **Disclosing Party** and **Protected Party** shall be construed as follows:

- (a) for the purposes of SL's obligations under Clause 22.2, the Disclosing Party is SL and the Protected Party is the Customer; and
- (b) for the purposes of the Customer's obligations under Clause 22.2, the Disclosing Party is the Customer and the Protected Party is SL.

22.2 Subject to the provisions of this Clause 22, the Parties shall:

- (a) keep confidential all Protected Information;
- (b) not use Protected Information for any purpose other than:
 - (i) in the case of SL, carrying on the SL Activities; and
 - (ii) in the case of the Customer, for any purpose other than expressly contemplated in this Storage Services Contract; and
- (c) shall not disclose Protected Information; and
- (d) during the term of this Storage Services Contract and for a period of three (3) years after the date on which it expires or terminates in accordance with its terms.

22.3 A Party may disclose Protected Information without the prior written consent of the other Party to any of the following persons to the extent that such persons have a need to know the Protected Information:

- (a) an officer, employee, director or professional adviser;
- (b) any Affiliate of a Party, provided that in the case of SL, SL may not disclose Protected Information to an Affiliate which is also the holder of a gas shipper's licence or gas supplier's licence (granted pursuant to the Act) or whose business is principally the acquisition or disposal of Gas except where that Affiliate is performing Commercial Dispatching Operations on behalf of SL;
- (c) any person if and to the extent that the Disclosing Party is required to make such disclosure to such person:

- (i) in compliance with the duties of the Disclosing Party under the Act or any other requirement of a Competent Authority;
 - (ii) in compliance with the conditions of any Licence held by the Disclosing Party or any document referred to in such Licence with which the Disclosing Party is required by virtue of the Act or such Licence to comply;
 - (iii) in compliance with any other Legal Requirement;
 - (iv) in response to a requirement of any stock exchange or regulatory authority or the Panel on Takeovers and Mergers; or
 - (v) pursuant to any provision of Clauses 25, 26 or Schedule D or pursuant to any judicial or other arbitral process or tribunal having jurisdiction in relation to the Disclosing Party;
- (d) the Authority, where the Disclosing Party considers in good faith that the Protected Party may be in breach of a condition of a Licence held by the Protected Party to the extent reasonably necessary to draw such possible breach to the attention of the Authority;
- (e) any lending or other financial institution proposing to provide or arrange the provision of finance to the Disclosing Party, where and to the extent that the disclosure of such information is reasonably required for the purposes of the provision or arrangement of such finance, and provided that the person to whom the information is disclosed undertakes in writing to and in terms reasonably satisfactory to the Protected Party to maintain the confidentiality of such information; or
- (f) a bona fide prospective assignee or transferee of a Party's rights and obligations under this Storage Services Contract (including where the assignment or transfer relates to a Transfer) where and to the extent that the disclosure of such information is reasonably required for the purposes of the assignment or transfer, and provided that the person to whom the information is disclosed undertakes in writing to and in terms reasonably satisfactory to the Protected Party to maintain the confidentiality of such information.

22.4 Where Protected Information is disclosed by a Party as permitted under any of Clauses 22.3(a) or (b), the Disclosing Party shall (without prejudice to its obligations under Clause 22.2) take all reasonable steps to secure that the person to whom the information is disclosed is aware of the Disclosing Party's obligations under this Clause 22 and does not use or disclose the information other than as is permitted of the Disclosing Party in accordance with this Clause 22.

22.5 A Party may disclose Protected Information without the prior written consent of the other Party to the extent that:

- (a) any Protected Information:
 - (i) before it is obtained by the Disclosing Party, is in the public domain;
 - (ii) after it is obtained by the Disclosing Party, enters the public domain; or

- (iii) in either case otherwise than as a result of a breach by the Disclosing Party of its obligations under Clause 22.2;
 - (b) the Disclosing Party is expressly permitted or required to disclose that information under the terms of any agreement or arrangement made with the Protected Party or to which the Protected Party is party (including the Code, the Network Code Framework Agreement and any Ancillary Agreement); or
 - (c) the Protected Information is contained in the GTCs.
- 22.6 The provisions of this Storage Services Contract are without prejudice to the requirements of the applicable data protection laws, including the UK Data Protection Act 2018 and (to the extent applicable) the General Data Protection Regulation 2016/679.

23. Credit Terms

- 23.1 SL will determine and assign to the Customer a Credit Limit and will revise such Credit Limit from time to time, in each case in accordance with the Credit Agreement.
- 23.2 Where and for so long as the Indebtedness of the Customer for the time being exceeds the Credit Limit, SL shall be entitled to:
- (a) reject or refuse to accept a Nomination, Renomination or Transfer in relation to the Customer; or
 - (b) give the Customer a Termination Notice (in accordance with Clause 19.3).
- 23.3 Where SL reasonably believes that following the submission of a Nomination the Indebtedness of the Customer will exceed the Credit Limit SL shall be entitled to reject such Nomination.
- 23.4 Where the Customer is required pursuant to the Credit Agreement to provide SL with security (in accordance with applicable provisions of the Credit Agreement) SL shall be entitled to reject or refuse to accept a Nomination or Transfer until such time as the Customer has made such security available to SL in accordance with any applicable requirements of the Credit Agreement.
- 23.5 It shall not be a condition to SL giving a Termination Notice under Clause 23.2 that SL shall have first made any call upon, or taken any steps to enforce and realise any security made available pursuant to the Credit Agreement.

24. Gas Quality

- 24.1 Gas tendered by the Customer for injection at the System Exit Point shall comply with the Injection Requirements provided that where Non-compliant Gas is tendered for injection SL may until such time as the Injection Requirements are complied with in respect of the Gas tendered for injection at such point, in its discretion, either:
- (a) accept such delivery or continue to accept such delivery; or
 - (b) refuse to accept delivery or continued delivery of such Gas,

provided that SL's rights hereunder shall not be prejudiced by its election to accept Non-compliant Gas (whether or not it is aware that the Gas is Non-compliant Gas). Where SL rejects Gas pursuant to this Clause 24.1 it shall promptly notify the Customer in accordance with the notification procedures set out in either Clause 27.1(b) or Clause 27.1(c) (and provide the reasons for such rejection).

- 24.2 SL shall be entitled to take any steps available to it to limit the rate at which Non-compliant Gas is injected into the Storage Facility or to secure that such Gas is not so injected.
- 24.3 Where Non-compliant Gas has been injected into the Storage Facility on a Day the Customer shall be liable to pay to SL an amount determined in accordance with Clause 24.4.
- 24.4 The amount payable by the Customer under Clause 24.3 shall be equal to that amount (calculated in accordance with the provisions of TPD Section J of the Code) which NGG is liable to pay to the Customer in consequence of the injection of Non-compliant Gas into the Storage Facility.
- 24.5 Gas tendered by SL for withdrawal at the System Entry Point shall comply with the Withdrawal Requirements provided that where Non-compliant Gas is tendered for withdrawal it is acknowledged by SL that NGG may (pursuant to the provisions of the Code) until such time as the Withdrawal Requirements are complied with in respect of the Gas tendered for withdrawal at such point, in its discretion, either:
- (a) refuse to accept delivery or continued delivery of such Gas; or
 - (b) (subject to any Legal Requirement) accept such delivery or accept such delivery as to part only of what is tendered for delivery,

provided that NGG's rights under the Code are not prejudiced by its acceptance of Non-compliant Gas.

- 24.6 Where Non-compliant Gas is withdrawn from the Storage Facility on a Day SL shall be liable to pay to the Customer an amount determined in accordance with Clause 24.7.
- 24.7 The amount payable by SL under Clause 24.6 shall be equal to that amount (calculated in accordance with the provisions of TPD Section I of the Code) which the Customer is liable to pay to NGG in consequence of the withdrawal of Non-compliant Gas from the Storage Facility.

25. Governing law and jurisdiction

- 25.1 This Storage Services Contract (and any Dispute, including any non-contractual disputes or claim) shall be governed by, and construed in all respects in accordance with, English law.
- 25.2 Subject to Clause 26, the courts of England and Wales shall have exclusive jurisdiction in respect of this Storage Services Contract.

26. Disputes

- 26.1 In the event of a Dispute a Party shall notify the other Party of the Dispute (**Dispute Notice**) together with reasonable details of such dispute or difference. The Parties will then endeavour to resolve all matters the subject of the Dispute as soon as practicable.
- 26.2 Subject to Clauses 28 and 30, any Dispute which the Parties cannot resolve amicably within a period of twenty (20) Business Days (or such other period as the Parties may mutually agree in writing) of receipt of a Dispute Notice by a Party, shall be resolved by three (3) arbitrators acting in accordance with the LCIA Arbitration Rules, which rules are deemed to be incorporated by reference into this Clause, and the following shall apply:
- (a) Each Party shall appoint one (1) arbitrator within twenty (20) Business Days of the filing of the arbitration, and the two (2) arbitrators so appointed shall select the presiding arbitrator within twenty (20) Business Days after the latter of the two (2) arbitrators has been appointed. If the presiding arbitrator is not chosen and nominated to the LCIA for appointment within twenty (20) Business Days of the date of confirmation by the LCIA of the latter of the appointed arbitrators to be confirmed, he shall be chosen by the LCIA.
 - (b) The seat, or legal place of arbitration shall be London.
 - (c) The proceedings shall be in the English language.
- 26.3 The resulting arbitral award shall be final and binding, and judgment upon such award may be entered in any court having jurisdiction thereof. A Dispute shall be deemed to have arisen when either Party notifies the other Party in writing to that effect.
- 26.4 Any monetary award issued by the arbitrator shall be payable in Pounds Sterling, at the discretion of the receiving Party, at the spot rate as established by the London edition of the Financial Times on the date of the award.
- 26.5 Where pursuant to Clauses 28 or 30 a matter is to be referred to Expert Determination then, subject to Clause 26.6, neither Party shall commence proceedings in any court or arbitral tribunal in respect of or otherwise in connection with such Dispute.
- 26.6 Nothing in this Clause 26 or Schedule D shall prevent either Party from seeking interim or interlocutory relief in any court or arbitral tribunal.
- 26.7 SL shall appoint one of its employees as being responsible for the administrative procedures in Schedule D and shall keep the Customer informed of such person's identity (and such person shall not represent SL in any Dispute under this Storage Services Contract).

27. Notices and Communications

- 27.1 For the purposes of this Storage Services Contract a Communication shall be given:
- (a) where referenced in Schedule E, in accordance with Schedule E;
 - (b) by email where this Clause 27.1(b) is expressly referred to in this Storage Services Contract or where SL and the Customer agree in writing that a Communication may be given by email;

- (c) by telephone where this Clause 27.1(c) is expressly referred to in this Storage Services Contract or where SL and the Customer agree in writing that a Communication may be given by telephone; and
 - (d) otherwise by delivery or by post or by facsimile.
- 27.2 Any Communication shall be in writing and shall be addressed to the recipient Party at the recipient Party's address or facsimile number or electronic address referred to in Clause 27.3, and marked for the attention of the representative (identified by name or title) referred to in that Clause or to such other address or facsimile number or electronic address and/or marked for such other attention as the recipient Party may from time to time specify by Communication given in accordance with this Clause 27 to the Party giving the notice.
- 27.3 The initial address and facsimile number and electronic address of SL and the Customer shall be set out in the Specific Terms.
- 27.4 Any Communication given by delivery shall be given by letter delivered by hand, and any Communication given by post shall be sent by first class prepaid post (airmail if overseas).
- 27.5 Any Communication shall be deemed to have been received
 - (a) in the case of delivery by hand, when delivered;
 - (b) in the case of first class prepaid post, on the second Day following the Day of posting or (if sent airmail overseas or from overseas) on the fifth Day following the Day of posting;
 - (c) in the case of facsimile, on acknowledgement by the recipient Party's facsimile receiving equipment; or
 - (d) in the case of delivery by email, on the following Business Day or such other time as SL and the Customer may agree.
- 27.6 Where a Communication is sent by facsimile:
 - (a) the Party giving the Communication shall (but without prejudice to Clause 27.5(c)) if requested by the recipient Party, resend as soon as reasonably practicable the Communication by facsimile; and
 - (b) in the case of a Communication issued pursuant to any of Clauses 18.6, 19, 21, 26 or Schedule D the Party giving the Communication will in any event, within two (2) Days following the sending of such facsimile, send to the recipient Party a copy of the Communication by first class prepaid post (airmail if overseas).
- 27.7 A Party may specify different addresses or facsimile numbers and representatives pursuant to Clause 27.2 for the purposes of Communications of different kinds or relating to different matters.

28. Change in Law and NGG-related Change

- 28.1 Where after the date of this Storage Services Contract there is a change in any Legal Requirement relating to the operation of the Storage Facility or to the Network Code as a result of which any provision of this Storage Services Contract is no longer consistent, or does not allow either Party to comply, with the applicable Legal Requirement, either Party may require this Storage Services Contract to be modified so as to be consistent, or enable compliance, with the Legal Requirement and shall notify the other Party of such requirement.
- 28.2 Where one Party notifies the other Party pursuant to Clause 28.1 and the Parties have not agreed on an appropriate amendment to this Storage Services Contract within forty-five (45) Business Days of such Communication (or such other period as the Parties may mutually agree in writing) either Party may refer the matter to Expert Determination.
- 28.3 If there is a Change in Law or NGG-related Change that fundamentally alters the commercial balance of this Storage Services Contract, either Party may notify the other of such change and the Parties shall meet and discuss in good faith appropriate amendments to this Storage Services Contract which are required to maintain the commercial balance thereof as of the date before the Change in Law or NGG-related Change took effect:
- (a) if the Parties fail to agree that the commercial balance of this Storage Services Contract has been altered; and/or
 - (b) if the Parties fail to agree amendments to maintain the commercial balance, within ninety (90) Business Days of the notification of such change, or such date as the Parties may mutually agree in writing, then a Party may elect within twenty (20) Business Days of the expiry of such ninety (90) Day period to:
 - (i) refer the matter(s) to Expert Determination; or
 - (ii) the Parties may, by mutual consent in writing, agree to terminate this Storage Services Contract by giving not less than twenty (20) Business Days prior written notice to the other.

29. Variation

- 29.1 The provisions of this Storage Services Contract shall only be varied by an agreement in writing signed by the Parties and specifically referring to this Storage Services Contract.
- 29.2 In accordance with Clause 3.4 and Schedule E of these GTCs, SL may, in its sole discretion, modify the Operating Guidelines and/or the Commercial IT System Manual as it sees fit. The Customer may propose changes to the Operating Guidelines and/or the Commercial IT System Manual but SL shall not be obliged to implement any such proposal.

30. Pricing Calculations

- 30.1 For the purposes hereof a **Relevant Index** is any published index, price quotation, or other indicator by reference to which, pursuant to any provision of this Storage Services Contract, any charge or other amount (including the annual rate of Capacity Charges) payable by the Customer to SL is to be determined or adjusted.
- 30.2 If (after the first publication thereof) there is any amendment to the published value (for any date or period) of any Relevant Index, any charge or amount which is determined by

reference thereto (and which has already been invoiced or paid) shall be re-determined to take account of such amendment, and an adjustment made and invoiced provide that no such re-determination and adjustment shall be made in respect of an amendment to any Relevant Index made more than twelve (12) months after the date of first publication of the amendment.

30.3 If, at any time:

- (a) a Relevant Index becomes unavailable or is discontinued (whether permanently or temporarily);
- (b) the basis on which a Relevant Index is calculated or compiled is changed so as materially to affect the suitability of the Relevant Index for the purposes of this Storage Services Contract; or
- (c) a Relevant Index is re-based, re-weighted or re-classified,

then an amendment, adjustment or replacement of the Relevant Index shall be made (in accordance with Clauses 30.4 and 30.5) so as to ensure that the amended, adjusted or replaced index produces as nearly as possible the same economic effect for each of the Parties as the Relevant Index would have done had the relevant event or circumstance occurred.

30.4 SL and the Customer jointly shall, in good faith, seek to agree upon such amendment, adjustment or replacement of the Relevant Index.

30.5 If SL and the Customer are unable to agree upon such amended, adjusted or replaced index within one month (or such other period as they may agree) after the occurrence of the relevant event or circumstance, the matter shall be referred to an Expert who shall (in accordance with Clause 26 and Schedule D) determine whether any of the events referred to in Clause 30.3 has occurred and what, if any, amendment, adjustment or replacement of the Relevant Index shall be made.

30.6 Unless the Parties otherwise agree, the value of the Relevant Index at the time at which it was last published before the occurrence of the relevant event or circumstance shall continue to be used provisionally in determining or adjusting the relevant charge or amount until such time as an amendment, adjustment or replacement of the Relevant Index is agreed or determined, whereupon the relevant charge or amount shall be re-determined (on the basis of the amended, adjusted or replacement index) and shall apply retrospectively, and appropriate payment adjustments shall be made, together with interest accrued thereon at the Applicable Interest Rate from the original Invoice Due Date.

31. Waiver

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

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

32. Language

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

33. Severance

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

34. Entire Agreement

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

34.2 Each Party acknowledges that in entering into this Storage Services Contract it does not rely on any representation, warranty or other understanding not expressly contained in this Storage Services Contract.

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

35. Third Party Rights

The Contracts (Rights of Third Parties) Act 1999 shall not apply to this Storage Services Contract and no rights or benefits expressly or impliedly conferred by it shall be enforceable under that Act against the Parties to it by any other Person.

36. Anti-corruption and bribery

36.1 Each Party shall (and shall procure that any Associated Person shall) in connection with this Storage Services Contract:

- (a) comply with the Relevant Requirements; and
- (b) undertake that it will not engage in any activity, practice or conduct which would constitute an offence under sections 1, 2 or 6 of the Bribery Act.

- 36.2 If a Party (or any Associated Person) commits a breach of Clause 36.1, then the Party who is not in breach may in its sole discretion give a Termination Notice (in accordance with Clause 19.3).
- 36.3 Regardless of any other provision in this Storage Services Contract, neither Party shall be obliged to do, or omit to do, any act which would, in its reasonable opinion, put it in breach of any of the Relevant Requirements.

Schedule A - Definitions and Interpretation

1 Definitions

In this Storage Services Contract:

Act means the Gas Act 1986, as amended by the Gas Act 1995 and as otherwise amended;

Adjusted Deliverability means the Available Deliverability of the Storage Facility multiplied by the Daily Withdrawal Adjustment Factor applying in respect of such Day;

Adjusted Injectability means the Available Injectability of the Storage Facility multiplied by the Daily Injection Adjustment Factor applying in respect of such Day;

Affected Party has the meaning given to such term in Clause 18.1;

Affiliate means, in relation to a Party, any company or legal entity that controls or is controlled by, or which is controlled by an entity which controls, such Party, where **control** means the ownership, directly or indirectly, of more than fifty per cent. of the voting rights in a company or other legal entity, the right to appoint the majority of the board of directors (or equivalent body) of a company or legal entity or the contractual right to exercise a controlling influence over a company or other legal entity;

Amount of Planned Maintenance has the meaning given to such term in Clause 12.1(c);

Amount of Unplanned Maintenance has the meaning given to such term in Clause 12.2(c);

Ancillary Agreement has the meaning given to such term in the Code;

Annual Transition means any adjustment to the duration of a Storage Year which accounts for the advent of a leap year in accordance with the requirements of any applicable law, regulation or commonly accepted custom or practice;

Applicable Interest Rate means the rate of interest, expressed as a percentage rate per annum, payable in respect of amounts overdue for payment, or the subject of repayment, under the this Storage Services Contract, and shall be the base rate for the time being of Barclays Bank plc plus:

- (a) except as provided in (b), three (3) percentage points per annum; and
- (b) for the purposes only of Clauses 16.5(d) and 16.5(g), one (1) percentage point per annum;

Applicable Offtake Requirements has the meaning given, insofar as such requirements relate to the quality of Gas, to such term in the Code;

Associated Person has the meaning given to such term in section 8 of the Bribery Act;

Authority means the Gas and Electricity Markets Authority, as established pursuant to Section 1 of the Utilities Act 2000;

Available Deliverability means the Deliverability which the Customer holds on a Day in the Storage Facility and after taking account of any Capacity Transfer determined in accordance with Clause 9.2(a);

Available Injectability means the Injectability which the Customer holds on a Day in the Storage Facility and after taking account of any Capacity Transfer determined in accordance with Clause 9.2(a);

Available Space means the Space which the Customer holds on a Day in the Storage Facility and after taking account of any Capacity Transfer determined in accordance with Clause 9.2(a);

Base means a reference to the Capacities;

Base Scheduled Quantity means the Nominated Quantity under the last prevailing Nomination (or Renomination) scheduled by SL in accordance with paragraph 3 of Schedule B (or paragraph 6 of Schedule B, as the case may be) in respect of the Customer's Base entitlements;

Bribery Act means the Bribery Act 2010;

Business Day has the meaning given to such term in the Code;

Capacity means Deliverability, Space and Injectability;

Capacity Charges means the charges set out in the Specific Terms which are payable by the Customer in respect of each Day commencing on the Entitlement Start Date and ending on the Entitlement End Date (inclusive);

Capacity Transfer means a Deliverability Transfer, Space Transfer or an Injectability Transfer;

Change in Law means:

- (a) the enactment, commencement, adoption, promulgation, making or imposition of any Legal Requirement or (irrespective of whether having legal force) International Standard;
or
- (b) the amendment, modification, re-enactment or repeal, or change in interpretation or in application, of any Legal Requirement or (irrespective of whether having legal force) International Standard,

which occurs after the date of this Storage Services Contract and was not (before such date) foreseeable with reasonable certainty by reason of a formal announcement or by the Government or other relevant Competent Authority;

Code means the Network Code and the UNC (as applicable) as defined in Section B1.4 of the General Terms of the UNC;

Commercial Dispatching Operations means activities which may (in SL's sole discretion) be performed on behalf of SL by an Affiliate of SL holding a gas shipper's licence granted pursuant to the Act and includes:

- (a) the handling of nominations;

- (b) Gas allocation;
- (c) NTS Entry Capacity allocation and NTS Exit Capacity allocation;
- (d) liaison with NGG;
- (e) liaison with the Customer;
- (f) commercial systems support; and
- (g) any other activities of a similar nature which SL may (in its sole discretion) require an Affiliate to undertake on its behalf;

Commercial IT System has the meaning given to such term in paragraph 2 of Schedule E;

Commercial IT System Manual has the meaning given to such term in paragraph 2 of Schedule E;

Communication means any notice or communication to be given by the Customer to SL or by SL to the Customer under this Storage Services Contract;

Contract Period means the period specified as such in the Specific Terms;

Competent Authority means the Authority, or any local, national or supra national agency, authority or department, inspectorate, minister, official, court, tribunal or public or statutory person (whether autonomous or not) of the United Kingdom (or the government thereof) or the European Communities which has jurisdiction over SL or the Customer or the subject matter of this Storage Services Contract;

Consequential Losses means the loss or deferment of profit or anticipated earnings or savings, loss of goodwill, loss of use, business interruption, increased cost of working and wasted effort or expenditure or any special, indirect or consequential damage together with all reasonable legal costs and expenses associated with the exclusion of any of the foregoing heads of loss;

Credit Agreement means the agreement between SL and the Customer substantially in the form set out in the Specific Terms;

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

Customer's Available Capacity has the meaning given to such term in Clause 9.2(b);

Day has the meaning given to such term in the Code;

Daily Injectability Adjustment Factor or **DiAf** means the factor, set out in the Specific Terms, corresponding to the Gas-in-Storage at the beginning of the Preceding Day;

Daily Transition means any adjustment to time under this Storage Services Contract which accounts for the transition of the clock forwards or backwards to account for daylight savings time in accordance with the requirements of any applicable law, regulation or commonly accepted custom or practice;

Daily Withdrawal Adjustment Factor or **DwAF** means the factor, set out in the Specific Terms, corresponding to the Gas in Storage at the beginning of the Preceding Day;

Deemed Base Injection Flow means the aggregate of the hourly gas flows in respect of Base Scheduled Quantities for injection from the beginning of the Gas Flow Day until the Renomination Effective Time;

Deemed Base Withdrawal Flow means the aggregate of the hourly gas flows in respect of Base Scheduled Quantities for withdrawal from the beginning of the Gas Flow Day until the Renomination Effective Time;

Default has the meaning given to such term in Clause 19.2;

Defaulting Party means:

- (a) where the Customer is in Default, the Customer; and
- (b) where SL is in Default, SL;

Deliverability means the capacity set out in the Specific Terms, being the capacity (expressed as a rate of withdrawal in kWh/Day) which entitles the Customer to withdraw Gas from the Storage Facility at that rate of withdrawal;

Deliverability Transfer means a transfer of Deliverability in accordance with Clause 8.1(a);

Delivered Quantity means for injection or for withdrawal (as appropriate) for Base (for Unbundled Capacity, Flow Reversal or UIOLI Capacity, as appropriate), the quantity of Gas considered as injected into or withdrawn from the Storage Facility for a Day corresponding to the last Base Scheduled Quantity, Unbundled Capacity Scheduled Quantity, Flow Reversal Scheduled Quantity or UIOLI Scheduled Quantity (as the case may be) of that Day;

Directive means any present or future directive, request, requirement, instruction, code of practice, direction or rule of any Competent Authority (but only, if not having the force of law, if it is reasonable in all the circumstances for it to be treated as though it had legal force) and any modification, extension or replacement thereof;

Disclosing Party has the meaning given to such term in Clause 22.1;

Dispute means any dispute, claim, demand, cause of action, controversy or other matter in question arising out of or relating to this Storage Services Contract, including any question regarding its breach, existence, validity, interpretation, performance or termination of this Storage Services Contract and/or Clause 26 between SL and the Customer;

Dispute Notice has the meaning given to such term in Clause 26.1;

Effective Deliverability has the meaning given to such term in Clause 4.2(a);

Effective Injectability has the meaning given to such term in Clause 4.2(b);

Entitlement End Date means the date set out in the Specific Terms, being the date following which the Customer ceases to hold the Capacity;

Entitlement Start Date means the date set out in the Specific Terms, being the date from which the Customer first holds the Capacity;

Entry Allocation Statement has the meaning given to such term in the Code;

Exit Allocation Statement has the meaning given to such term in the Code;

Expert Determination means the determination of an expert pursuant to the provisions of Schedule D;

Firm has the meaning given to such term in TD Part IIC 5.1.3(a) of the Code;

Flow Reversal means when the Implied Flow Rate for a Customer changes from an Implied Injection Rate to an Implied Withdrawal Rate or from an Implied Withdrawal Rate to an Implied Injection Rate;

Flow Reversal Checked Quantity means the quantity of Gas calculated in accordance with Clause 15;

Flow Reversal Scheduled Quantity has the meaning given to such term in Clause 15.6;

Force Majeure has the meaning given to such term in Clause 18.1;

Forward means, in relation to the Storage Facility at any time on a Gas Flow Day, in the direction of injection where (under Nominations prevailing for such time) the aggregate quantities nominated for injection exceed those nominated for withdrawal, and in the direction of withdrawal where such quantities so nominated for withdrawal exceed those nominated for injection;

Forward Quantity means the sum of (i) the aggregate quantity which physically flowed during the Gas Flow Day and (ii) the magnitude of the aggregate Nominated Quantities under all Storage Customers' Reverse Nominations;

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

Gas Flow Day means in relation to the application of any provision of this Storage Services Contract, the Day in relation to the injection or withdrawal of Gas or flows of Gas or other operations on which such provision is to apply;

Gas-in-Storage has the meaning given to such term in Clause 3.1;

Gas Supply Emergency has the meaning given to such term in the Code;

Gas Transfer means an arrangement between the Customer and another Storage Customer for the purposes of Clause 9.3;

General Terms and Conditions or **GTCs** means the general terms and conditions applicable to the provision of Storage Services by SL to a Customer and set out in Annex 2 of this Storage Services Contract, including any schedule or appendix thereto;

Implied Flow Rate means the Implied Injection Rate or the Implied Withdrawal Rate (as the case may be);

Implied Injection Rate means the Prevailing Injection Rate adjusted (in the case of a Renomination) by adding (in the case of an increase in the Nominated Quantity) or deducting (in the case of a decrease in the Nominated Quantity) the Incremental Injection Rate;

Implied Withdrawal Rate means the Prevailing Withdrawal Rate adjusted (in the case of a Renomination) by adding (in the case of an increase in the Nominated Quantity) or deducting (in the case of a decrease in the Nominated Quantity) the Incremental Withdrawal Rate;

Incremental Injection Rate means the rate (in kWh/hour) determined as the amount of the increase or decrease in the Nominated Quantity under the Renomination divided by the Relevant Injection Period;

Incremental Withdrawal Rate means the rate (in kWh/hour) determined as the amount of the increase or decrease in the Nominated Quantity under the Renomination divided by the Relevant Withdrawal Period;

Indebtedness has the meaning given to such term in the Credit Agreement;

Initial Nomination means a Nomination in respect of a Day made by the Customer before the Nomination Time as may have been revised before the Nomination Time;

Injectability means the capacity set out in the Specific Terms, being the capacity (expressed as a rate of injection in kWh/Day) which entitles the Customer to inject Gas into the Storage Facility at that rate of injection;

injection has the meaning given to such term in Clause 2.2;

Injectability Transfer means a transfer of Injectability in accordance with Clause 8.1(a);

Injection Charges means the charges set out in the Specific Terms which are payable by the Customer in respect of quantities of Gas injected into the Storage Facility;

Injection Lead Time means, as at any time after the Nomination Time, the period of notice required (by reference to the prevailing operational status of the facility at such time) before SL can give effect to an increase or (as the case may be) a decrease in the rate of injection of Gas into the Storage Facility on the Gas Flow Day, as set out in the Specific Terms;

Injection Maintenance Day means a Day in a Storage Year on which the injection facilities of the Storage Facility are completely or partially withdrawn from service for maintenance in accordance with Clause 12.1;

Injection Maintenance Factor means the factor (expressed as a number not greater than one (1)), corresponding to the extent to which the injection facilities of the Storage Facility are available for service taking into account maintenance for any given Day (the factor "0" representing the complete removal of the injection facilities for maintenance and provided that in respect of a Day which is not an Injection Maintenance Day the Injection Maintenance Factor shall always be deemed to be one (1));

Injection Nomination means a nomination in respect of a quantity of Gas to be injected into the Storage Facility on a Day;

Injection Overrun Quantity means, for any Day, the Customer's Gas-in-Storage on such Day (taking into account any quantity of Gas injected, withdrawn or Transferred to or by the Customer on that Day) less the Customer's Available Space on such Day, provided that where the resulting value is negative, the Injection Overrun Quantity shall be deemed to be zero (0);

Injection Requirements means the requirements in the Storage Connection Agreement in relation to the pressure of Gas and the Applicable Offtake Requirements in relation to the quality of Gas to be injected into such facility;

Insolvency Event means in respect of a Party that it:

- (a) is unable to pay its debts (within the meaning of Section 123(1) or (2) of the Insolvency Act 1986), or any voluntary arrangement is proposed in relation to it under Section 1 of the Insolvency Act 1986 or it enters into any composition or scheme of arrangement (other than for the purpose of a bona fide solvent reconstruction or amalgamation);
- (b) has a receiver (which expression shall include an administrative receiver within the meaning of Section 29 of the Insolvency Act 1986) of the whole or any material part of its assets or undertaking appointed;
- (c) has an administration order under Section 8 of the Insolvency Act 1986 made in relation to it;
- (d) passes any resolution for winding-up (other than for the purpose of a bona fide solvent reconstruction or amalgamation); or
- (e) becomes subject to an order by the High Court for winding-up,

provided that, for the purposes of paragraph (a) of this definition, Section 123(1)(a) of the Insolvency Act 1986 shall have effect as if for "£750" there was substituted £10,000 and the Party shall not be deemed to be unable to pay its debts for the purposes of that paragraph if any such demand as is mentioned in the said Section is being contested in good faith by the Party with recourse to all appropriate measures and procedures;

Interruption Effective Time means the time, on the hour, with effect from which an Interruption Notice is to take effect;

Interruption Notice has the meaning given in Clause 18.8(b);

Invoice means an invoice submitted by SL to the Customer in accordance with Clause 16.2;

Invoice Amount means in relation to an Invoice Item, the amount shown as payable by the Customer or SL in respect of that item under the relevant Invoice;

Invoice Credit has the meaning given to such term in Clause 16.2(c);

Invoice Due Date means, in respect of an Invoice, the day ending at 24:00 hours on whichever was the later of:

- (a) the twelfth (12th) Day after the Invoice was deemed to be received in accordance with Clause 27;

(b) the twentieth (20th) Day after the last Day of the Invoice Period to which the Invoice relates;

Invoice Item means an item (in respect of charges of a particular kind) shown as payable by the Customer or by SL in an Invoice (including where relevant a Self Bill Amount in accordance with Clause 16.2(b)) including interest payable in accordance with Clause 16.4(d);

Invoice Period means a calendar month;

Invoice Query means any question or dispute as to the proper calculation of any amount shown as payable by the Customer or SL under an Invoice or as to whether any such amount was or is properly payable and references to the amount of an Invoice Query are to the amount by which the Customer considers the Invoice Amount to be incorrect;

Invoice Submission Date means the seventh (7th) Business Day of the month following the Invoice Period;

kWh means kilowatt hours;

Legal Requirement means any Act of Parliament, regulation, licence or Directive of a Competent Authority;

Licence means a licence granted pursuant to the Act;

NEC means the person from time to time who is the network emergency coordinator in accordance with the Gas Safety (Management) Regulations 1996;

Network Code means the individual network code prepared by each public gas transporter pursuant to Standard Special Condition A11(3) of the Transporter's licence treated as granted to that transporter, as from time to time modified pursuant to that licence;

Network Code Framework Agreement means the Shippers' Framework Agreement, NGG' Framework Agreement and the Transporters' Framework Agreement all as defined within the Code;

New Allocation Arrangements has the meaning given to such term in Clause 10.7;

NGG means National Grid Gas plc in its capacity as a public gas transporter (or any successor thereto);

NGG Interruption Notice means a notice given by NGG to SL pursuant to TPD Section R3.2 of the Code;

NGG Overrun Charges has the same meaning as the meaning given to the term "Overrun Charges" in the Code;

NGG-related Change means a modification of the Network Code, the Storage Connection Agreement or a change in the ownership or operation of the NGG;

Nominated Quantity means the quantity of Gas nominated for injection or withdrawal from the Storage Facility under the Customer's prevailing Nomination (or Renomination, as the case may be) and, for the avoidance of doubt, such quantity has been agreed or altered by SL;

Nomination means an Injection Nomination or a Withdrawal Nomination (as the case may be);

Nomination Time means seventeen (17) hours prior to the Gas Flow Day;

Non-compliant Gas means Gas which does not comply with the Injection Requirements in relation to the quality of Gas tendered for injection or (as the case may be) Gas which does not comply with the Withdrawal Requirements in relation to the quality of Gas tendered for withdrawal from the Storage facility;

Non-Defaulting Party means:

- (a) where the Customer is in Default, SL; and
- (b) where SL is in Default, the Customer;

Non-User Customer means a Customer who is not a User under the Code;

NTS Entry Capacity has the meaning to such term in the Code;

NTS Exit Capacity has the meaning given to such term in the Code;

Operating Guidelines has the meaning given to such term in Clause 3.4;

Other Party has the meaning given to such term in Clause 18.1;

Party means SL or the Customer, and the term **Parties** shall be construed accordingly;

Pounds Sterling or £ or pence means the lawful currency of the United Kingdom, provided that if a replacement legal currency is introduced in the United Kingdom, all monetary values expressed to be in "Pounds Sterling" or "£" or "pence" in this Storage Services Contract shall be modified in accordance with applicable law with effect from the date of such introduction;

Preceding Day means in relation to a Day, the Day ending immediately before the start of such Day;

President means the President of the Law Society of England and Wales;

Prevailing Injection Rate means:

- (a) where no earlier Renomination has been made, the rate (in kWh/hour) determined as the Nominated Quantity under the Customer's Initial Nomination divided by 24; and
- (b) in any other case, the Implied Injection Rate prevailing immediately before the time of such Renomination;

Prevailing Withdrawal Rate means:

- (a) where no earlier Renomination has been made, the rate (in kWh/hour) determined as the Nominated Quantity under the Customer's Initial Nomination divided by 24; and
- (b) in any other case, the Implied Withdrawal Rate prevailing immediately before the time of such Renomination;

Principal Contract means the storage services contract between SL and any Storage Customer (including, if the context permits, the Customer) relating to the Storage Facility;

Protected Information means:

- (a) for the purposes of SL's obligations under Clause 22.2 any information relating to the affairs of the Customer which is obtained by SL pursuant to or in the course of the negotiation, implementation or performance of this Storage Services Contract;
- (b) for the purposes of the Customer's obligations under Clause 22.2 any information relating to the affairs of SL which is obtained by the Customer pursuant to or in the course of the implementation or performance of this Storage Services Contract; and
- (c) the contents of this Storage Services Contract;

Protected Party has the meaning given to such term in Clause 22.1;

Received Quantity means the quantity of Gas for injection into or withdrawal from the Storage Facility specified in the last Nomination made by the Customer and not rejected by SL before the start of an hour;

Relevant Index has the meaning given to such term in Clause 30.1;

Relevant Injection Period means the period in hours calculated from the later of:

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

until the end of the Gas Flow Day;

Relevant Requirements means all applicable laws, statutes, regulations, and codes relating to anti-bribery and anti-corruption of mandatory application to SL or the Customer (as the case requires) including but not limited to the Bribery Act;

Relevant Withdrawal Period means the period in hours calculated from the later of:

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

until the end of the Gas Flow Day;

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

Renomination Effective Time means the time in the Gas Flow Day, commencing on the hour, with effect from which the change in the gas flow rate (at the Storage Connection Point) is to occur;

Renomination Start Time means sixteen (16) hours prior to the Gas Flow Day;

Reverse means, in relation to the Storage Facility at any time on a Gas Flow Day, in the direction of withdrawal where (under Nominations prevailing for such time) the aggregate quantities nominated for injection exceed those nominated for withdrawal, and in the direction of injection where such quantities so nominated for withdrawal exceed those nominated for injection;

Reverse Nomination means a Nomination in the opposite direction to the Forward calculated direction;

Self Bill Amount has the meaning given to such term in Clause 16.2(b);

SL Activities means the carrying on of the storage business, the operation, administration, maintenance and development of the Storage Facility and the negotiation, implementation and performance of this Storage Services Contract;

SL Maintenance Programme means the maintenance programme in respect of a Storage Year to be sent by SL to the Customer by not later than 14 April in the preceding Storage Year;

Space means the capacity set out in the Specific Terms, being the capacity (expressed in kWh) which entitles the Customer to have Gas-in-Storage in the Storage Facility;

Space Transfer means a transfer of Space in accordance with Clause 8.1(a);

Specific Terms means the specific terms that are particular to a Storage Services Contract between the Customer and SL and set out in Annex 1 of this Storage Services Contract, including any schedule thereto;

Storage Charges means the Capacity Charges, Injection Charges, Withdrawal Charges and any other charges specified in the Specific Terms that are payable by the Customer in respect of capacity in or use of the Storage Facility;

Storage Connection Agreement means the arrangement of that name between SL and NGG as referred to in Section R of the Code;

Storage Connection Point means the point or points at which the Storage Facility is connected to the System as the same is or are identified in the Storage Connection Agreement;

Storage Customer means a person who at the relevant time is party to a Principal Contract;

Storage Facility means the Stublach gas storage facility located at Holford, Cheshire, comprising underground salt cavities and gas compression, gas treatment plant and associated ancillary equipment;

Storage Services means the services provided by SL to Customers at the Storage Facility;

Storage Services Contract or **SSC** has the meaning given to such term in clause 2.1 of the signature document, as such agreement is amended, supplemented, novated or assigned from time to time;

Storage Year means the period from the commencement of the Day occurring on 1 May in any year until the commencement of the Day occurring on 1 May in the next following year;

System means the pipeline system operated by NGG;

System Entry Point means the System Point for the Storage Facility;

System Exit Point means the System Point for the Storage Facility;

System Marginal Buy Price has the meaning given to such term in the Code;

System Marginal Sell Price has the meaning given to such term in the Code;

System Point has the meaning given to such term in the Code;

Termination Notice has the meaning given to such term in Clause 19.3;

Transfer means a Capacity Transfer or a Gas Transfer;

Transfer Date means the Day specified in the Customer's Communication under Clause 9.1 in respect of which a Gas Transfer is to take effect in accordance with Clause 9.3;

Transfer Period means the Day or Days, or part of any Day, for which Transferred Capacity is (or is to be) transferred;

Transferred Capacity means the Capacity which is (or is to be) transferred pursuant to a Capacity Transfer;

UIOLI Capacity means the use it or lose it capacity, for withdrawal or injection (as the case may be) being on any Day:

- (a) the sum for all Storage Customers of their Effective Deliverability for withdrawals or Effective Injectability for injections (as the case may be); less
- (b) the sum for all Storage Customers of their Base Scheduled Quantity for withdrawal or injection (as the case may be);

UIOLI Nomination means a nomination for UIOLI Capacity made by the Customer in accordance with paragraph 1 of Schedule C;

UIOLI Nomination Time means fifteen (15) hours prior to the commencement of the Gas Flow Day;

UIOLI Price means the price specified by SL for UIOLI Capacity for the relevant Gas Flow Day;

UIOLI Received Quantity means the quantity of Gas for withdrawal or for injection (as the case may be) specified in the last UIOLI Nomination made by the Customer before the UIOLI Nomination Time;

UIOLI Renomination means a UIOLI Nomination changed by the Customer in accordance with paragraph 1.4 of Schedule C;

UIOLI Scheduled Quantity means the quantity communicated to the Customer by SL in accordance with paragraph 1.3 of Schedule C as may be revised in accordance with paragraph 1.4 of Schedule C or scaled back in accordance with paragraph 1.5 of Schedule C;

UIOLI Schedule Time means fourteen (14) hours prior to the commencement of the Gas Flow Day;

Unbundled Capacity means any additional Firm injection or withdrawal Capacity at the Storage Facility notified by SL to the Customer in accordance with paragraph 2 of Schedule C ;

Uniform Network Code or **UNC** means the Uniform Network Code prepared by the relevant public gas transporters pursuant to Standard Special Condition A11(6) of the transporter's licence (granted pursuant to the Gas Act 1986 (as amended));

Unplanned Injection Maintenance Day means a Day, which is not an Injection Maintenance Day, where it is known at least eighteen (18) hours prior to the commencement of the Gas Flow Day that (by reason of failure, repair or maintenance of such facilities, not resulting from Force Majeure) the injection facilities of the Storage Facility will be reduced on one (1) or more Days;

Unplanned Injection Maintenance Factor means the factor (expressed as a number not greater than one (1)), corresponding to the extent to which the injection capabilities of the Storage Facility will be reduced (the factor '0' indicating that the injection facilities will not be in operation and provided that in respect of a Day which is not an Unplanned Maintenance Day the Injection Unplanned Maintenance Factor shall always be deemed to be one (1));

Unplanned Maintenance Day has the meaning given to such term in Clause 12.2(a);

Unplanned Withdrawal Maintenance Day means a Day, which is not a Withdrawal Maintenance Day, where it is known at least eighteen (18) hours prior to the commencement of the Gas Flow Day that (by reason of failure, repair or maintenance of such facilities, not resulting from Force Majeure) the withdrawal facilities of the Storage Facility will be reduced on one (1) or more Days;

Unplanned Withdrawal Maintenance Factor means the factor (expressed as a number not greater than one (1)), corresponding to the extent to which the withdrawal facilities of the Storage Facility are to be removed from service for maintenance (the factor "0" representing the complete removal of the withdrawal facilities for maintenance and provided that in respect of a Day which is not an Unplanned Maintenance Day the Withdrawal Unplanned Maintenance Factor shall always be deemed to be one (1));

User Agent has the meaning given to such term in the Code;

User-Customer means a Customer who is a User under the Code;

Wilful Default means a deliberate and conscious, or reckless, breach by any director, employee (of the rank of senior manager or above), agent or contractor of a Party of any obligation of such Party under this Storage Services Contract; provided the expression shall not however include any error of judgement or mistake made in good faith in the exercise of any function or authority of such Party under this Storage Services Contract;

withdrawal has the meaning given to such term in Clause 2.2;

Withdrawal Charges means the charges set out in the Specific Terms which are payable by the Customer in respect of quantities of Gas withdrawn from the Storage Facility;

Withdrawal Lead Time means, as at any time after the Nomination Time, the period of notice required (by reference to the prevailing operational status of the Storage Facility at such time) before SL can give effect to an increase or (as the case may be) a decrease in the rate of withdrawal of Gas from the Storage Facility on the Gas Flow Day, as set out in the Specific Terms;

Withdrawal Maintenance Day means a Day in a Storage Year on which the withdrawal facilities of the Storage Facility are completely or partially withdrawn from service for maintenance in accordance with Clause 12.1;

Withdrawal Maintenance Factor means the factor (expressed as a number not greater than one (1)), corresponding to the extent to which the withdrawal facilities of the Storage Facility are available for service taking into account maintenance for any given Day (the factor “0” representing the complete removal of the withdrawal facilities for maintenance and provided that in respect of a Day which is not a Withdrawal Maintenance Day the Withdrawal Maintenance Factor shall always be deemed to be one (1));

Withdrawal Nomination means a nomination in respect of a quantity of Gas to be withdrawn from the Storage Facility on a Day;

Withdrawal Overrun Quantity means, for any Day, the Customer’s Gas-in-Storage on such Day (taking into account any quantity of Gas injected, withdrawn or Transferred to or by the Customer on that Day), provided that where the resulting value is positive, the Withdrawal Overrun Quantity shall be deemed to be zero (0); and

Withdrawal Requirements means the requirements in the Storage Connection Agreement in relation to the quality and pressure of Gas to be withdrawn from the Storage Facility.

2 Interpretation

2.1 In this Storage Services Contract, except to the extent that the context requires otherwise:

- (a) a reference to a particular Article, Clause, Schedule, Annex or Appendix shall be reference to that Article, Clause, Schedule, Annex or Appendix in this Storage Services Contract;
- (b) a table of contents and headings are inserted for convenience only and shall be ignored in construing this Storage Services Contract;
- (c) any reference to any law or regulation in this Storage Services Contract shall be construed, at the particular time, as including a reference to any modification, extension or re-enactment thereof then in force and to all instruments, orders or regulations then in force and made under or deriving validity from such law or regulation;
- (d) a reference to any other agreement shall mean and include such other agreement as amended, supplemented, novated or assigned from time to time;
- (e) a reference to any other manual or guidelines shall mean and include such other manual or guidelines as amended or supplemented from time to time;
- (f) words in the singular may be interpreted as including the plural;
- (g) a derivative term of any defined term or interpreted term shall be construed in accordance with the relevant definition or interpretation;
- (h) a reference to a calendar day (such as 1 May) or to a day of a week (such as Sunday) is to the Day which begins on that day;

- (i) a reference to a calendar month is to the period on and from the commencement of the first Day of a month until the commencement of the first Day of the following month;
- (j) a reference to a time of day shall be to the time of day determined in accordance with the Code;
- (k) in computing any period of time under this Storage Services Contract the Day of the act, event or default from which such period begins to run shall be included;
- (l) any payment falling due on a non-Business Day shall be deemed to be due and payable on the immediately following Business Day;
- (m) calculations to determine an amount payable under this Storage Services Contract for any period shall be made to at least five (5) decimal places, without rounding, and the final expression of any such calculation shall be rounded to the fourth decimal place. When rounding, if the number in the fifth decimal place is four (4) or less then the number in the fourth decimal place shall remain the same, and if the number in the fifth decimal place is five (5) or more then the number in the fourth decimal place shall be rounded up to the next number;
- (n) in computing any Storage Charges or other data used in a calculation in this Storage Services Contract, the conversion factor that will apply where a value expressed in therms is to be converted into kWh is 29.3071;
- (o) the words **include** and **including** are to be construed without limitation;
- (p) a reference to any **Party** includes its successors in title and permitted transferees;
- (q) a reference to a **person** includes any person, firm, company, corporation, government, state or agency of a state, or any association, foundation, trust or partnership (whether or not having separate legal personality) or two or more of the foregoing and words denoting natural persons include any other persons; and
- (r) a reference to **writing** includes typing, printing, lithography, photography and other modes of representing or reproducing words in a visible form and expressions referring to writing are to be construed accordingly.

2.2 Deliveries of Gas on a Daily basis in accordance with this Storage Services Contract will be adjusted as follows to take account of a Daily Transition:

- (a) if as a consequence of a Daily Transition a Day has twenty-three (23) hours then any defined volume or value of Gas which applies in respect of that Day will be reduced by $1/24$ to give $23/24$ of the defined volume or value of Gas which otherwise would have applied in respect of that Day; and
- (b) if as a consequence of a Daily Transition a Day has twenty-five (25) hours then any defined volume or value of Gas which applies in respect of that Day will be increased by $1/25$ to give $25/24$ of the defined volume or value of Gas which otherwise would have applied in respect of that Day.

- 2.3 Deliveries of Gas on an annual basis in accordance with this Storage Services Contract will be adjusted as follows to take account of an Annual Transition: if, as a consequence of an Annual Transition, a Storage Year has three hundred and sixty-six (366) Days then any defined volume or value of Gas which applies in respect of that Storage Year will be increased by $\frac{1}{365}$ to give $\frac{366}{365}$ of the defined volume or value of Gas which otherwise would have applied in respect of that Storage Year.
- 2.4 Where any term of this Storage Services Contract is calculated on the basis of 365 or 366 days in a year or on the basis of a Storage Year then where:
- (a) this Storage Services Contract has a duration of less than one year, the relevant term of this Storage Services Contract will be pro-rated accordingly; or
 - (b) the Entitlement End Date occurs part way through a Storage Year, the relevant term of this Storage Services Contract will be pro-rated accordingly in respect of such partial year.
- 2.5 Terms applied in relation to the Customer in this Storage Services Contract shall have the equivalent meanings when applied in this Storage Services Contract in relation to another Storage Customer.

Schedule B – Nominations Procedure

1 Nomination Requirements

1.1 Each Nomination submitted by the Customer must specify:

- (a) the Gas Flow Day;
 - (i) the Customer's identity;
 - (ii) whether it is an Injection Nomination or a Withdrawal Nomination; and
 - (iii) in the case of:
 - (1) an Injection Nomination, the quantity of Gas nominated for injection into the Storage Facility; or
 - (2) a Withdrawal Nomination, the quantity of Gas nominated for withdrawal from the Storage Facility.

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

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

1.3 The Customer will not be entitled to make an Injection Nomination in respect of a Day where the quantity nominated for injection in to the Storage Facility exceeds the sum of:

- (a) its Available Space at the beginning of such Day; less
- (b) the Customer's Gas-in-Storage at the beginning of such Day; less
- (c) the quantities of Gas subject to Gas Transfers made in favour of the Customer which have been approved by SL and in respect of which such Day is the Transfer Date; plus
- (d) the quantities of Gas subject to Gas Transfers made by the Customer which have been approved by SL and in respect of which such Day is the Transfer Date.

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

have submitted an Initial Nomination for such Day in respect of which the Nominated Quantity is zero (0)).

2 SL Nomination rejection and alteration rights

2.1 SL may reject a Nomination (but shall not be required to do so):

- (a) where it does not comply with the requirements of paragraph 1.1;
- (b) which is submitted other than in accordance with paragraph 1.4; or
- (c) in accordance with Clauses 16.4(a)(i) or 23,

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

2.2 SL may alter a Nomination (but shall not be required to do so):

- (a) which is not in accordance with paragraph 1.2;
- (b) which is not in accordance with paragraph 2.1;
- (c) where the Received Quantity exceeds the Customer's Effective Deliverability or Effective Injectability;
- (d) in accordance with Clauses 16.4(a)(i) or 23; or
- (e) in accordance with paragraph 1 of Schedule C,

such that the Nomination is then compliant with the relevant provisions of this Storage Services Contract and where SL elects to alter a Nomination to comply with these requirements it shall promptly notify the Customer (and provide the reasons therefor).

3 Scheduling of Nominations

3.1 A Nomination will be effective if scheduled by SL and where SL schedules a Nomination it shall promptly notify the Customer. Where SL does not schedule a Nomination by the end of the next full hour, it shall be deemed to be rejected without requirement for further action by SL to the Customer.

3.2 At any time prior to the Nomination Time the Customer may amend an Initial Nomination.

4 Renominations

4.1 Subject to paragraph 4.3, a Nomination may be revised by a Renomination.

4.2 A Renomination must:

- (a) comply with and be submitted in accordance with paragraphs 1.1 to 1.3;
- (b) specify the Renomination Effective Time.

4.3 The Customer shall not be entitled to make a Renomination for the Gas Flow Day:

- (a) earlier than the Renomination Start Time, or later than two (2) hours before the end of the Gas Flow Day;
- (b) if the Renomination implies more Flow Reversal in the Day than the Customer is entitled to under this Storage Services Contract;
- (c) where the period between the time the Nomination was made and the Renomination Effective Time is less than the lead time notified in respect of the Storage Facility pursuant to Clause 5.2;
- (d) where the Implied Rate exceeds the Customer's Effective Deliverability or Effective Injectability taking account the remaining hours of the Day; or
- (e) where the implied Gas-in-Storage for the end of such Day, or any Day after such Day, when taking into account the quantities of Gas subject to Gas Transfers approved by SL and quantity nominated of Nominations accepted by SL:
 - (i) exceeds the Customer's Available Space, or
 - (ii) is less than zero (0).

5 SL Renomination rejection and alteration rights

5.1 SL may reject a Renomination (but shall not be required to do so) which does not comply with the requirements of paragraphs 4.2 or 4.3 or in accordance with Clauses 16.4(a)(i) or 23 and where SL rejects a Renomination it shall promptly notify the Customer (and provide the reasons therefor) and the prevailing Nomination shall remain in place.

5.2 SL may alter a Renomination (but shall not be required to do so):

- (a) which is not in accordance with one or more of paragraphs 4.3(b) to (e) (inclusive)
- (b) in accordance with Clauses 16.4(a)(i) or 23; or
- (c) in accordance with paragraph 1 of Schedule C,

such that the Renomination is then compliant with the relevant provisions of this Storage Services Contract and where SL alters a Renomination, it shall promptly notify the Customer (and provide the reasons therefor), and such altered Renomination shall become the prevailing Nomination.

6 Scheduling of Renominations

A Renomination will be effective if scheduled by SL and where SL schedules a Renomination it shall promptly notify the Customer. Where SL does not schedule a Renomination by the end of the next full hour, it shall be deemed to be rejected without requirement for further action by SL to the Customer.

Schedule C –UIOLI and Unbundled Capacity

1 UIOLI

1.1 UIOLI Capacity availability

SL shall notify the Customer before the Renomination Start Time:

- (a) the UIOLI Capacity for withdrawal or injection available at this time. The UIOLI Capacity available for withdrawal or injection (as the case may be) shall be equal to:
 - (i) the sum for all Storage Customers of their Effective Deliverability for withdrawals or Effective Injectability for injections; less
 - (ii) the sum for all Storage Customers of their Base Scheduled Quantity for withdrawal or injection (as appropriate); and
- (b) the UIOLI Price.

1.2 UIOLI Nomination

- (a) Where the Customer wishes to have quantities of Gas withdrawn from or injected into the Storage Facility using UIOLI Capacity, it shall be required to make a UIOLI Nomination specifying the UIOLI quantity for withdrawal or for injection.
- (b) The UIOLI Nomination shall be rejected if:
 - (i) the UIOLI quantity nominated by the Customer is negative; or
 - (ii) the UIOLI quantities nominated by the Customer for withdrawal and for injection are both positive,and where SL rejects a UIOLI Nomination it shall promptly notify the Customer (and provide the reasons therefor).
- (c) The UIOLI Nomination may be altered by SL to be compliant with paragraphs 1.2 or 1.3 of Schedule B.

1.3 UIOLI Scheduled Quantity

No later than the UIOLI Schedule Time, SL shall notify the Customer of its UIOLI Scheduled Quantity which results from the allocation to all Storage Customers of the UIOLI Capacity available at such time. If more than one Storage Customer has nominated UIOLI Capacity, the available UIOLI Capacity shall be prorated in accordance with each Storage Customer's UIOLI Received Quantity.

1.4 UIOLI limits for Renomination

- (a) The Customer shall be able to change its UIOLI Scheduled Quantity by making a new UIOLI Nomination, for any hour (H) after the UIOLI Schedule Time on the Preceding Day, and before two (2) hours prior to the end of the Gas Flow Day.

- (b) If the Customer changes its UIOLI Scheduled Quantity as set out in this paragraph 1.4, then the UIOLI Received Quantity for withdrawal or for injection shall be the quantity of Gas for withdrawal or for injection (as appropriate) of the last UIOLI Nomination made by the Customer before the hour (H), to take effect on the hour (H).
- (c) Following a UIOLI Renomination by the Customer, the UIOLI Scheduled Quantity shall be equal to the new UIOLI Received Quantity taking into account the following limits:
 - (i) lesser limit: the available published UIOLI quantity in the opposite direction of flow.; or
 - (ii) upper limit: the available published UIOLI quantity in the same direction of flow.
- (d) The UIOLI Price associated with such changed UIOLI Scheduled Quantity shall remain unchanged for the Customer for that Day.

1.5 UIOLI scale back due to other Storage Customers

If, after the Renomination Start Time and as a consequence of the nominations or renominations of other Storage Customers, the availability of UIOLI Capacity for withdrawal or for injection is reduced, SL will scale back the UIOLI Scheduled Quantities for all Storage Customers until the sum of all the UIOLI Scheduled Quantities is equal to the total UIOLI Capacity available at the Storage Facility. In such circumstances, the UIOLI Capacity shall continue to be allocated in accordance with paragraph 1.3 of this Schedule C, with priority being given to the Storage Customer nominating the highest UIOLI Offer Price. Any reduction in UIOLI Scheduled Quantities shall be notified by SL to the Storage Customer.

2 UNBUNDLED CAPACITIES

2.1 Unbundled Capacity availability

- (a) For any Gas Flow Day, in accordance with the Storage Facility availability, SL shall notify the Customer no later than two (2) hours before the Nomination Time of:
 - (i) the Unbundled Capacity that is available for injection and withdrawal on the Gas Flow Day; and
 - (ii) the price of the Unbundled Capacity in pence/therm.
- (b) SL, may, following the initial notification, update the price and quantity of Unbundled Capacity available up to the end of the Gas Flow Day.
- (c) The Customer shall notify SL of the quantity of the Unbundled Capacity (if any) that it wishes to purchase. The price of such Unbundled Capacity shall be the last price notified by SL to the Customer pursuant to paragraphs 2.1(a)(ii) or 2.1(b) (as the case may be) prior to the Customer's notification pursuant to this sub-paragraph.

2.2 Unbundled Capacity usage

- (a) Unbundled Capacity purchased by the Customer shall be additional Firm injection or withdrawal capacities at the Storage Connection Point.
- (b) Any Unbundled Capacity purchased by a Customer shall be added to the Customer's Base entitlements.
- (c) The provisions of Schedule B shall apply to all Nominations or Renominations in respect of Unbundled Capacity that has been purchased by the Customer (including any restrictions contained therein and any right of SL to reject or alter the Customer's Nomination or Renomination).

Schedule D – Expert Determination

- 1 Where in accordance with Clause 28.2 and/or 28.3 and/or 30.5 a matter is to be referred to or resolved by Expert Determination the provisions of this Schedule D shall apply.
- 2 The procedure for the appointment of the Expert shall be as follows:
 - (a) the Party wishing the appointment to be made shall give notice to that effect to the other Party and with such Communication shall give details of the Dispute which it is proposed shall be resolved by the Expert;
 - (b) the Parties shall meet and seek to agree upon a single expert to whom the Dispute shall be referred for determination;
 - (c) if, within ten (10) Business Days from the service of the said Communication, the Parties have failed to agree upon the Expert then the matter may forthwith be referred by either Party to the President who shall be requested to make the appointment of the Expert within thirty (20) Business Days and, in so doing, may take such independent advice as the President thinks fit;
 - (d) upon the Expert being agreed or selected under the foregoing provisions of this Schedule D the Parties or either of them shall forthwith notify the Expert of the Expert's selection and shall request the Expert to confirm to both Parties within ten (10) Business Days whether or not the Expert is willing and able to accept the appointment and whether or not there is any conflict as mentioned in paragraph 5;
 - (e) if the Expert shall be either unwilling or unable to accept such appointment or shall not have confirmed his willingness and ability to accept such appointment within the said period of ten (10) Business Days, then (unless the Parties are able to agree upon the appointment of another expert) the matter shall be referred (by either Party) in manner aforesaid to the President who shall be requested to make an appointment or (as the case may be) a further appointment and the process shall be repeated until an Expert is found who accepts appointment;
 - (f) the Parties shall co-operate with each other to ensure that the terms of the contract of appointment of the Expert are agreed with the Expert as soon as possible and agree that, if there is any dispute between the Parties as to the amount of remuneration to be offered to the Expert or any other terms of the Expert's appointment, then such amount or terms shall be determined by the President whose decision shall be final and binding on them.
- 3 No person shall be appointed to act as the Expert unless such person shall be qualified by education, experience and training to determine the Dispute.
- 4 No person shall be appointed to act as the Expert who at the time of appointment is (or within three (3) years before such appointment has been) a director, office holder or an employee of or directly or indirectly retained as consultant to either Party or any Affiliate of either Party or is the holder of shares in a Party (unless it is a company quoted on a recognised stock exchange and the Expert's shareholding is less than one per cent of the issued share capital (of any class) in the Party).

5 Any person appointed as the Expert shall be entitled to act as the Expert notwithstanding that, at the time of the appointment or at any time before such person gives the Expert's determination under such appointment, he has or may have some interest or duty which materially conflicts or may materially conflict with the Expert's function under such appointment provided that such person shall (whether before or after accepting such appointment) immediately disclose any interest or duty of which such person is or becomes aware which conflicts or may conflict with such person's function under such appointment and the Parties shall after such disclosure have confirmed such person's appointment or continuing appointment.

6 If either Party objects:

- (a) to an appointment of an Expert (which has already been made) within five (5) Business Days of becoming aware of a conflicting interest or duty which has not hitherto been disclosed; and/or
- (b) to a proposed appointment of an Expert on grounds of a disclosed conflicting interest or duty within five (5) Business Days of that disclosure

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

7 All information, data or documentation disclosed or delivered by a Party to the Expert in consequence or in connection with such person's appointment as Expert hereunder shall be treated as confidential and the Expert shall not disclose to any person or company any such information, data or documentation and all such information, data and documentation shall remain the property of the Party disclosing or delivering the same and all copies thereof shall be returned on completion of the Expert's work provided that the Expert may disclose any such information, data or documentation to employees of the Expert or Affiliates of the Expert if such employees or Affiliates have, prior to such disclosure, entered into specific obligations with the Expert to maintain the confidentiality of such information, data and documentation.

8 The terms of appointment of the Expert shall contain an obligation on the Expert to use reasonable endeavours to comply with the obligations in paragraph 7.

9 The terms of reference of the Expert shall contain (inter alia) provisions that:

- (a) the Expert shall not later than ten (10) Business Days after his appointment call the Parties to a meeting at which the Expert shall raise any matters requiring clarification (whether arising out of the Expert's contract of appointment or otherwise) and lay down the procedural rules to be applied, which rules shall be in accordance with the terms of this paragraph;
- (b) the Parties shall be entitled to supply data and information and make submissions to the Expert;

- (c) the Expert shall make the decision required hereunder as soon as reasonably practicable after receipt of data, information and submissions supplied and made by the Parties not later than thirty (30) Business Days after the Expert's appointment and the Expert shall ignore data, information and submissions supplied and made after such thirty (30) Business Days unless the same are furnished in response to a specific request from the Expert;
 - (d) the Expert shall be entitled to obtain such independent professional and/or technical advice as the Expert may reasonably require and to obtain such necessary secretarial assistance as is reasonably necessary;
 - (e) any and all communications between, and submissions made by, either of the Parties and the Expert shall be made in writing and a copy thereof provided simultaneously to the other Party and no meeting between the Expert and the Parties or either of them shall take place unless both Parties have a reasonable opportunity to attend such meeting; and
 - (f) the Expert shall give full written reasons for the Expert's determination and shall furnish the Parties a draft of the proposed determination, in respect of which both Parties shall be entitled to make representations to the Expert within fifteen (15) Business Days after receipt.
- 10 If within a reasonable period (which shall not without the prior written consent of both Parties exceed seventy-five (75) Business Days) after the acceptance of appointment hereunder the Expert shall not have rendered the required determination, then at the request of either Party another Expert shall be appointed hereunder and on acceptance of such appointment the appointment of the previous Expert shall cease unless, prior to the date upon which the new Expert accepts his appointment, the Expert shall have rendered the required determination hereunder, in which case such determination shall be binding on the Parties and the instructions of the new Expert shall be withdrawn.
- 11 The Expert shall be deemed not to be an arbitrator but shall render the required determination as an expert and the provisions of the Arbitration Act 1996 (as amended from time to time) and the law relating to arbitration shall not apply to the Expert or the Expert's determination or the procedure by which the Expert reaches his determination.
- 12 The determination of the Expert shall be final and binding upon the Parties save in the event of fraud or manifest error.
- 13 Each Party shall bear the costs of providing all data, information and submissions given by it and the costs and expenses of all witnesses and persons retained by it but the costs and expenses of the Expert and any independent advisers to the Expert and any costs of the Expert's appointment if the Expert is appointed by the President shall be borne equally between the Parties.

Schedule E – Communications

1 Introduction and Interpretation

- 1.1 This Schedule sets out the procedures and rules for certain Communications between SL and the Customer. Customers are deemed to have accepted to use the Commercial IT System.

2 Definitions

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

Account Representative is defined in paragraph 8.1;

Authorised Representative is defined in paragraph 8.1;

Automatic Audit Trail means the facility forming part of the Commercial IT System which automatically records the sending or the receipt by SL of a Commercial IT System Communication and logs the date and time it is sent or received;

Contingency Event means an event or circumstance affecting the Commercial IT System, subject to paragraph 7.2, which affects the ability of SL or the Customer to give or receive Commercial IT System Communications;

Contingency Procedures is defined in paragraph 10.1;

Commercial IT System means the computer systems, software and communications connection as modified from time to time, operated by or on behalf of SL to support certain communications with Storage Customers, as more particularly described in the Commercial IT System Manual;

Commercial IT System Communications means Type 1 and Type 2 Communications;

Commercial IT System Manual means the document so entitled and issued by SL;

Type 1 Communication means a SL to Customer communication specified in Appendix 1 to be given using the Commercial IT System in accordance with paragraph 4.1;

Type 2 Communication means a Customer to SL communication specified in Appendix 2 to be given using the Commercial IT System in accordance with paragraph 4.2; and

Type 3 Communication means a SL to Customer communication specified in Appendix 3.

3 License to Use the Commercial IT System

- 3.1 SL grants to the Customer a non-exclusive, non-transferable licence to use the Commercial IT System and the Commercial IT System Manual solely for the purposes and subject to the terms of this Storage Services Contract and the terms of use accessible at [Terms of Use](#) and any documents or policies referred to therein.

- 3.2 The Customer shall, at its own expense, ensure that there are provided at its premises and maintained and from time to time (as necessary) modified, upgraded or replaced, the computer hardware and other equipment, software and telecommunication facilities, and all other facilities and resources, necessary to enable the Customer to access and use the Commercial IT System.
- 3.3 SL shall operate the Commercial IT System with reasonable skill and care but does not warrant to the Customer that the operation of the Commercial IT System will be uninterrupted or error free. The Customer acknowledges that the choice of equipment, software and communications connection it makes for accessing the Commercial IT System may affect the performance levels and ease of use of the Commercial IT System.
- 3.4 SL will provide help, as set out in the Commercial IT System Manual, to assist Customers in identifying the nature and cause of operational problems experienced in using the Commercial IT System.
- 3.5 The Customer shall be entitled to an initial training course on use of the Commercial IT System, as set out in the Commercial IT System Manual. SL may charge the Customer for any additional training at the rates set out in the Commercial IT System Manual.
- 3.6 The Commercial IT System and the Commercial IT System Manual and all copyright and other intellectual property rights of whatever nature therein are and shall at all times remain as between SL and the Customer the property of SL. The Customer shall not alter, remove or obscure any proprietary notices of SL or a third party on any copy of the Commercial IT System Manual.

4 Types Of Communication

4.1 Type 1 Communication

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

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

4.2 Type 2 Communication

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

4.3 Type 3 Communication

A Type 3 Communication shall be transmitted to the Customer by SL in accordance with Clause 27 of these GTCs using facsimile only.

5 Audit Trail Records

- 5.1 SL shall ensure that electronic or computer records containing Commercial IT System Communications are readily accessible and are capable of being reproduced in a human readable form and of being printed, if required.
- 5.2 Records made by the Automatic Audit Trail of the transmission or receipt of a Commercial IT System Communication shall be prima facie evidence of the transmission or receipt of that Commercial IT System Communication.
- 5.3 In the event of a dispute as to a Commercial IT System Communication, SL will, as soon as reasonably practicable after a request to do so, provide the Customer with a copy of what was recorded by the Automatic Audit Trail in respect of that Communication.

6 General Provisions concerning Communications and the Commercial IT System

- 6.1 A Commercial IT System Communication given in accordance with this Schedule E shall be treated as an effective and valid communication and SL and the Customer each confirm that it intends and agrees that Commercial IT System Communications shall have legal effect for the purposes of this Storage Services Contract.
- 6.2 Subject to paragraph 7, Type 1 and Type 2 Communications may only be given using the Commercial IT System. Type 3 Communications may only be given by facsimile.
- 6.3 SL may give not less than fourteen (14) Days written notice to the Customer of changes to the types of Communications set out in Annexes 1, 2 and 3 to this Schedule E where those changes are required following changes to the Commercial IT System or to reflect revisions to operational procedures.
- 6.4 The Commercial IT System incorporates further information and facilities, (in addition to the facilities for making Commercial IT System Communications), which the Customer shall be entitled to access and use in accordance with the Commercial IT System Manual.
- 6.5 Without prejudice to any contractual obligation binding on SL, SL accepts no responsibility or liability for the accuracy or completeness of information available on the Commercial IT System or the failure of any facilities of the Commercial IT System to function as intended.

7 Operational Security

- 7.1 The Customer and SL shall each implement and maintain all security procedures and measures required in the Commercial IT System Manual to prevent unauthorised access to or use of the Commercial IT System and to ensure the protection of Commercial IT System Communications against the risk of resulting alteration, delay, disruption or loss.
- 7.2 If the Customer becomes aware of any unauthorised access to or use of the Commercial IT System, it shall promptly notify SL and take such other steps as may be required in the Commercial IT System Manual.
- 7.3 If SL becomes aware of any unauthorised access to or use of the Commercial IT System which adversely affect the Customer, it shall promptly notify the Customer and take such other steps as may be required under the Commercial IT System Manual.
- 7.4 If through the Commercial IT System the Customer obtains or receives unauthorised access to information concerning another Commercial IT System Customer, or receives a

Commercial IT System Communication sent to another Commercial IT System Customer, the Customer shall promptly notify SL, delete such information or communication and make no further use thereof.

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

8 Authorised Representatives and Account Representatives

- 8.1 The Customer shall designate a person as having authority to control access and use of the Commercial IT System, on behalf of the Customer (the **Authorised Representative**). The Authorised Representative can appoint additional people who shall be entitled to access and use the Commercial IT System on behalf of the Customer (**Account Representatives**) up to the number set out in the Commercial IT System Manual.
- 8.2 The Customer may only access and use the Commercial IT System by means of its Authorised Representative and Account Representatives.
- 8.3 A designation, and any withdrawal of the designation, of an Authorised Representative shall be made by the Customer by written notice to SL specifying the name of the representative and the date with effect from which such designation or withdrawal is to take effect, being not less than five (5) Business Days after the notification is given.
- 8.4 Following notice of designation of an Authorised Representative, SL shall issue a password to enable that Authorised Representative to access the Commercial IT System.
- 8.5 The Customer shall be responsible for the actions of its Authorised Representative and Account Representatives, and for the security of all access passwords held by those individuals, which access passwords shall not be assigned, transferred or made known to any third party.
- 8.6 The Customer shall ensure that its Authorised Representative and Account Representatives shall comply with this Storage Services Contract, including without limitation Clause 22, and the Commercial IT System Manual as regards their access to and use of the Commercial IT System.
- 8.7 The Customer acknowledges that its Authorised Representative and/or Account Representatives may act as an authorised or account representative for more than one Storage Customer.
- 8.8 SL shall only amend the access rights of the Customer's Authorised Representative to allow that Authorised Representative to access the Commercial IT System on behalf of the Customer and other named Customers following receipt of written notice from all the relevant Customers consenting to such access.

- 8.9 SL shall be entitled to assume that any person using the access password of the Authorised Representative and/or any Account Representatives of the Customer, are fully authorised to access and use the Commercial IT System and any Commercial IT System Communication transmitted by such persons shall be treated as having been given by the Customer.

9 Temporary Inhibition of Access

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

10 Contingency Arrangements

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

11 Changes to the Commercial IT System

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

The notice periods set out in paragraphs 11.2(a) and (b) shall not apply in respect of a change carried out in order to remedy a fault preventing the correct functioning of the Commercial IT System, which change shall be notified as soon as practicable to Customers. SL shall not be obliged to notify the Customer of a

change to the Commercial IT System except to the extent and in the circumstances set out in this paragraph 11.2.

12 Termination Provisions

12.1 On termination of this Storage Services Contract the Customer shall:

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

Appendix 1 - Type 1 Communications

Clause	From	To	Communication
5.2	SL	Customer	Prevailing Withdrawal Lead Times and Injection Lead Times
12.1(a)	SL	Customer	Revision of Injection Maintenance Days and Injection Maintenance Factor
12.1(a)	SL	Customer	Revision of Withdrawal Maintenance Day and Withdrawal Maintenance Factor
12.2(a)	SL	Customer	Unplanned Injection Maintenance Days and Unplanned Injection Maintenance Factor
12.2(a)	SL	Customer	Unplanned Withdrawal Maintenance Day and Unplanned Withdrawal Maintenance Factor
14.1	SL	Customer	Unbundled Capacity and / or UIOLI Capacity on a Day
para 2, Schedule B	SL	Customer	Rejection or alteration of a Nomination
para 3, Schedule B	SL	SL	Scheduling of a Nomination
para 5, Schedule B	SL	Customer	Rejection or alteration of a Renomination
para 6, Schedule B	SL	SL	Scheduling of a Renomination
para 1.1 of Schedule C	SL	Customer	UIOLI Capacity and UIOLI Price
para 1.2(b) of Schedule C	SL	Customer	Rejection or alteration of a UIOLI Nomination
para 1.3 of Schedule C	SL	Customer	UIOLI Scheduled Quantity
para 1.5 of Schedule C	SL	Customer	Scale back of UIOLI Scheduled Quantities
para 2.1(a) of Schedule C	SL	Customer	Unbundled Capacities and Unbundled Capacity price

Clause	From	To	Communication
Para 2.1(b) of Schedule C	SL	Customer	Alteration of Unbundled Capacity and Unbundled Capacity price

Appendix 2 - Type 2 Communications

Clause	From	To	Communication
para 1.1 of Schedule B	Customer	SL	Submission of Injection Nomination or Withdrawal Nomination
para 1.4 of Schedule B	Customer	SL	Submission of Initial Nomination
para 3.2 of Schedule B	Customer	SL	Amendment of Initial Nomination
para 4 of Schedule B	Customer	SL	Submission of Renomination
para 1.2(a) and 1.4(a) of Schedule C	Customer	SL	UIOLI Renomination
Para 2.1(c) of Schedule C	Customer	SL	Quantity of Unbundled Capacity to be purchased

Appendix 3 - Type 3 Communications

Clause	From	To	Communication
13.1	SL	Customer	SL election to issue an Interruption Notice in respect of a Customer tender failure
13.2	SL	Customer	SL election to issue an Interruption Notice in respect of a System constraint
13.4	SL	Customer	Election that an NEC curtailment will be treated as an interruption and determination of Forward flow quantities
18.8	SL	Customer	Interruption Notice