

1100 Century Way Thorpe Park Business Park Colton Leeds LS15 8TU

NGN Ref: [same reference used on capacity study]

Customer Ref: [if available]

[Date] [Producer's organisation] [address] [address] [address]

Dear [name]

## SUBJECT TO CONTRACT

## Re: Connection Reservation to the NGN Pipeline System at [connection point location]

Thank you for your application to reserve a connection point for the [name of project] on the [name of the distribution network] main on our distribution network.

It has been confirmed that [organisation name] has complied with the process developed for reserving a connection point. The key element of the stages which have been successfully completed which entitled [name of organisation] to apply for the reservation of the connection point are list below:

- Successful Initial Capacity Enquiry identifying potential capacity
- Successful Full Capacity Study Report confirming potential capacity (if completed)
- Producer has commissioned and paid NGN to undertake detail design study on the connection pipe, connection to the network and validation of the Gas Entry Unit.
- The Producer has completed the reservation of a connection point application form and provided the information required to enable NGN to check the viability of the project, which included confirmation on current and planned activities related to:
- Planning Application Land lease / Purchase for the Bio methane plant o

Third Party Access rights

- Agreement of Wayleaves
- Status of funding / planned funding for the project

Due to the successful undertaking of the above, NGN has agreed to reserve a connection point on the aforementioned main to inject Bio methane into Northern Gas Distribution Network on the terms of this letter.

The connection point will be reserved for a period of nine months from the date of this letter. During this nine month period, [Producer] will have to provide satisfactory monthly progress updates to NGN Bio Methane Project Team. The monthly progress updates will need to demonstrate to NGN that the current project is progressing on target to inject Bio methane in to the distribution network.



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Failure to comply with this requirement or to demonstrate satisfactory progress being achieved on the project named above may result in NGN withdrawing this connection reservation.

Should the project not be ready to flow gas into the NGN system by the expiry of the nine month period referred to above then [Producer] can either:

- Notify NGN that it will no longer require any connection at the location; or
- Complete the Reservation Extension Request form. This will allow NGN to consider and if appropriate (but at its discretion) grant an extension to this reservation for a period of up to six months.

NGN shall consider such request in the context of its general statutory obligations as a licensed public gas transporter.

Full details of the connection point reservation process can be found on our website or alternatively you can contact the NGN Bio-methane team project manager for further advice and guidance.

For the avoidance of doubt this letter does not create any commitment on the part of NGN to refuse to consider other requests for connection at this location. This letter will reserve a connection point for your project at the aforementioned main on the terms of this letter and when considering similar requests from other potential project developers for connection at the same point within the next nine months, the probable flows for your project will be factored in to the models which are then used to consider any other requests for connection at that location.

The connection point will retain the status of 'reserved' until the Producer and NGN have finalised a Construction Agreement on NGN's terms. It is at this point that NGN will notify the Producer that the connection point has been secured and that no other connection will be capable of being accepted at that location.

Northern Gas Networks is committed to facilitating entry onto the network for [producer Name] for the bio-methane production from this project and address any queries or clarifications you have, subject to its overriding duties as a licensed gas transporter.

The terms of this letter are subject to Ofgem's prevailing rules and guidance which may change in the future. If another producer is able to execute a satisfactory construction agreement in relation to a similar project at the location before [name of Producer], NGN will be unable to refuse such a connection in accordance with regulatory practice and therefore NGN accepts no liability whatsoever with regards to any commitments given under the terms of this letter.

If you require further information regarding Northern Gas Networks 'Reservation of Connection Point' process' please contact the NGN Bio-methane team Project Manager. Yours sincerely,

[NGN Bio-Methane Project Manager]