

SECTION VVW - PROCEDURES: ICE FUTURES UK NBP NATURAL GAS DAILY FUTURES CONTRACT

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¹ Amended 23 September 2016

VVV.1 DETERMINATION OF THE EDSP

- (a) Subject to Rule VVV.1(b), the EDSP which is determined by the Directors in respect of a Contract shall be the settlement price for the Business Day immediately prior to the day on which the Delivery Day commences.
- (b) Notwithstanding Rule VVV.1(a), the Directors may, in their absolute discretion, determine in respect of a Contract, on any day prior to the Delivery Day, a price other than that specified in Rule VVV.1(a) as the EDSP.

VVV.2 CESSATION OF TRADING

- (a) Subject to Rule VVV.2(c), a Daily Contract or group of Daily Contracts, with the exception of the Balance of Month, shall cease trading at the close of business on the Business Day immediately prior to the commencement of the Delivery Day on which rights in respect of Natural Gas are to begin to be transferred under the relevant Daily Contract or group of Daily Contracts.
- (b) Subject to Rule VVV.2(c) a Balance of Month contract shall only be available for trading on one Business Day in a contract month (the Trade Day as described in the Balance of Month definition) and shall therefore cease trading at the close of business on the relevant Trade Day.
- (c) If at any time dealings on the Market in Natural Gas are suspended on any business day, whether by virtue of an order under the Banking Financial Dealings Act 1971 or as a result of a decision of the Exchange under the Regulations or for any other reason, the Exchange may amend the provisions of Rule VVV.2(a) to (b) above accordingly.

VVV.3 DELIVERY CONFIRMATIONS BY THE SELLER AND BUYER²

- (a)
 - (i) In respect of each Contract remaining open at 17:00 hours on D-1 and on which position maintenance is to be performed by 17:30 hours on D-1, the Seller shall, in accordance with this Rule VVV.3(a), nominate a Transferor (who may be the Seller itself) to make a Disposing Trade Nomination to transfer the rights in respect of Natural Gas under each such Contract.
 - (ii) The Seller shall deliver an ICE Futures UK NBP Natural Gas Daily Futures: Delivery Confirmation Form to the Clearing House not later than 17:30 hours on D-1. This Form shall be in such form as may from time to time be prescribed by the Clearing House and shall specify the identity of such Transferor, the total number of lots in respect of Natural Gas that such Transferor will transfer under such Contract and such other details as are required by the Exchange and/or the Clearing House from time to time in accordance with their respective rules and procedures.
- (b)
 - (i) In respect of each Contract remaining open at 17:00 hours on D-1 and on which position maintenance is to be performed by 17:30 hours on D-1, the Buyer shall, in accordance with this Rule VVV.3(b) nominate a Transferee (who may be the Buyer itself) to make an Acquiring Trade Nomination to take a transfer of rights in respect of Natural Gas under each such Contract.
 - (ii) The Buyer shall deliver an ICE Futures UK NBP Natural Gas Daily Futures: Delivery Confirmation Form to the Clearing House not later than 17:30 hours on D-1. This Form shall be in such form as may from time to time be prescribed by the Clearing House and shall specify the identity of such Transferee, the total number of lots in respect of Natural Gas that will be transferred to such Transferee under such Contract and such other details as are required by the Exchange and/or the Clearing House from time to time in accordance with their respective rules and procedures.

VVV.4 BLANKET TRANSFEROR FORM³

² Amended 23 September 2016, 14 November 2022

³ Amended 14 November 2022

VVV.4.1 In respect of each Contract the Seller shall procure that the Transferor nominated in respect of the Contract shall deliver a Blanket Transferor Form not later than 17:30 hours on the day prior to the first day to which it applies.

VVV.4.2 The Blanket Transferor Form shall be in such form as may from time to time be prescribed by the Clearing House and shall contain:

- (a) a confirmation that such Transferor will transfer under the Contract the number of lots nominated on the delivery day nominated by the Seller in the ICE Futures UK NBP Natural Gas Daily Futures: Delivery Confirmation Form;
- (b) a confirmation that such Transferor is entitled under the National Grid Rules to submit Trade Nominations and has access to UK Link (to include, without limit, Gemini);
- (c) an acknowledgement that such Transferor is able and prepared to transfer rights in respect of Natural Gas at the National Balancing Point; and
- (d) an acknowledgement that the Clearing House is permitted:
 - (i) in order to effect a transfer of rights in respect of Natural Gas as may be required or contemplated by the Regulations or the Administrative Procedures;
 - (ii) for the purposes of fulfilling its duties under any law or regulatory regime to which it is subject and to comply with the requests of any regulatory body, exchange or clearing house;
 - (iii) pursuant to the Clearing House Rules and practices of the Clearing House; or
 - (iv) as required by any judicial or arbitration proceedings to which it becomes party,

to disclose any information relating to the transfer of rights in respect of Natural Gas by the Transferor under the Contract and that such disclosure or use by the Clearing House of such information shall not constitute a breach by the Clearing House of any confidentiality obligations which it may be under.

VVV.5 BLANKET TRANSFEREE FORM⁴

VVV.5.1 In respect of each Contract the Buyer shall procure that the Transferee nominated in respect of the Contract shall deliver a Blanket Transferee Form not later than 17:30 hours on the day prior to the first day to which it applies.

VVV.5.2 The Blanket Transferee Form shall be in such form as may from time to time be prescribed by the Clearing House and shall contain:

- (a) a confirmation that such Transferee will take delivery under the Contract of the number of lots nominated on the delivery day nominated by the Buyer in the ICE Futures UK NBP Natural Gas Daily Futures: Delivery Confirmation Form;
- (b) a confirmation that such Transferee is entitled under the National Grid Rules to submit Trade Nominations and has access to UK Link (to include, without limit, Gemini);
- (c) an acknowledgement that such Transferee is able, prepared and authorised to take a transfer of rights in respect of Natural Gas at the National Balancing Point; and

⁴ Amended 14 November 2022

- (d) an acknowledgement that the Clearing House is permitted:
 - (i) in order to effect a transfer of rights in the Natural Gas as may be required or contemplated by the Regulations or the Administrative Procedures;
 - (ii) for the purposes of fulfilling its duties under the law or any regulatory regime to which it is subject and to comply with the requests of any regulatory body, exchange or clearing house;
 - (iii) pursuant to the Clearing House Rules and practices of the Clearing House; or
 - (iv) as required by any judicial or arbitration proceedings to which it becomes party,

to disclose any information relating to the transfer of rights in respect of Natural Gas by the Transferee under the Contract and that such disclosure or use by the Clearing House of such information shall not constitute a breach by the Clearing House of any confidentiality obligations which it may be under.

VVV.6 CLEARING HOUSE CONVERSION NOTIFICATION⁵

- (a) After receipt of the documents referred to in Rules VVV.3, VVV.4 and VVV.5, the Clearing House shall, at such time as may from time to time be prescribed in the Clearing House procedures which shall not be later than 18:00 hours on D-1, notify the Seller (and its Transferor) and the Buyer (and its Transferee) in writing of the number of lots in respect of Natural Gas specified in the Contract converted into an amount of kWh which shall be the quantity of rights in respect of Natural Gas to be transferred on the Delivery Day under such Contract.

Unless the Seller or the Buyer informs the Clearing House of any differences in the information so notified and that contained in the ICE Futures UK NBP Natural Gas Daily Futures: Conversion and Confirmation Report by 19:00 hours, the Seller (and its Transferor) or the Buyer (and its Transferee) shall be deemed to have accepted the delivery obligations.

- (b) Where a Seller or a Buyer:
 - (i) also has delivery obligations under one or more contracts other than an Exchange Contract where the Clearing House is the counterparty to such contract(s) and submission of Acquiring and/or Disposing Trade Nominations is required and
 - (ii) nominates the same Transferor or Transferee (as the case may be) for the Exchange Contract and one or more contracts other than an Exchange Contract,

the Clearing House shall, in addition to the notification in (a) above, notify the Seller (and its Transferor) and the Buyer (and its Transferee) of the aggregated total of kWhs in respect of the delivery obligations under the Exchange Contract and under any contract other than the Exchange Contract. Such notification shall be in a manner and by a time prescribed in the Clearing House procedures. The amount so notified shall be the quantity of rights in respect of Natural Gas to be transferred on the Delivery Day under an Exchange Contract and any contract other than an Exchange Contract and shall be the Trade Nomination Quantity specified in the Disposing or Acquiring Trade Nominations pursuant to Rule VVV.7(a)(v) or Rule VVV.7(b)(v).

VVV.7 TRADE NOMINATIONS ENTRY

- (a) In respect of each Contract, the Seller shall procure that the Transferor nominated in respect of the Contract shall submit a Disposing Trade Nomination to National Grid, through UK Link or such other means as National Grid may direct from time to time, from 19:00 hours up to and including 19:30 hours on D-1. The Disposing Trade Nomination shall specify the following:
 - (i) the Delivery Day as the "gas flow day";

⁵ Amended 14 November 2022

- (ii) the Transferor as the "user";
 - (iii) that the Trade Nomination is a Disposing Trade Nomination;
 - (iv) the Clearing House as the user making the corresponding Trade Nomination;
 - (v) the Trade Nomination Quantity as the amount of kWh notified to the Seller and the Transferor pursuant to Rule VVV.6 (a) or (b) as the case may be; and
 - (vi) such other information as the Clearing House may direct from time to time.
- (b) In respect of each Contract, the Buyer shall procure that the Transferee nominated in respect of the Contract shall submit an Acquiring Trade Nomination to National Grid, through UK Link or such other means as National Grid may direct from time to time, from 19:00 hours up to and including 19:30 hours on D-1. The Acquiring Trade Nomination shall specify the following:
- (i) the Delivery Day as the "gas flow day";
 - (ii) the Transferee as the "user";
 - (iii) that the Trade Nomination is an Acquiring Trade Nomination;
 - (iv) the Clearing House as the user making the corresponding Trade Nomination;
 - (v) the Trade Nomination Quantity as the amount of kWh notified to the Buyer and the Transferee pursuant to Rule VVV.6 (a) or (b) as the case may be; and
 - (vi) such other information as the Clearing House may direct from time to time.
- (c) Where a Trade Nomination has been submitted in accordance with either Rule VVV.7 (a) or (b), as the case may be, and such Trade Nomination has not been accepted by National Grid by 20:30 hours on the day immediately prior to the Delivery Day, the Clearing House, or its agent, may direct the Seller, (or its Transferor), or the Buyer, (or its Transferee), who submitted the Trade Nomination to amend or withdraw such Trade Nomination on such terms as the Clearing House may consider appropriate until such Trade Nomination is accepted by National Grid.

VVV.8 NATIONAL GRID RULES OBLIGATIONS

- (a) In respect of each Contract, the Seller shall or shall procure that its Transferor shall comply with such requirements and obligations imposed by or under the National Grid Rules in all respects material to a Contract.
- (b) In respect of each Contract, the Buyer shall or shall procure that its Transferee shall comply with such requirements and obligations imposed by or under the National Grid Rules in all respects material to a Contract.
- (c) If a provision of the Rules, Administrative Procedures or the procedures of the Clearing House is inconsistent with a provision of the National Grid Rules the provision of the Rules, Administrative Procedures or the procedures of the Clearing House shall prevail.

VVV.9 PAYMENT

- (a) All sums payable pursuant to Rule UUU.8 shall be paid in such manner and at such times as the Clearing House may determine but in any event shall be paid at the latest on the Delivery Day, save that where the day on which such Delivery Day commences is not a Business Day such sums shall be paid no later than on the next Business Day following the day on which such Delivery Day commences.

- (b) Subject to Rules VVV.9(c) and (d), in respect of a Contract, not later than 18:00 hours on D+2 the Clearing House shall issue account documentation to the Buyer and the Seller specifying the amount due from the Buyer in respect of such Contract and any payment due from the Seller in respect of such Contract under Rule UUU.8. All payments due in respect of a Contract under Rule UUU.8 shall be made not later than two Business Days after the date of the account documentation issued to the Buyer or Seller under this Rule VVV.9(b).
- (c) Subject to Rule VVV.9(d), in respect of a Contract, on such day and by such time as may from time to time be prescribed in the Clearing House procedures, the Clearing House shall issue any account documentation to a party specifying the amount due from such party in respect of such Contract under Rule UUU.12. All payments due in respect of a Contract under Rule UUU.12 shall be made not later than two Business Days after the date of the account documentation issued to a party under this Rule VVV.9(c).
- (d) In the event of a variation of the terms of the National Grid Rules which affects the time or day on which National Grid notifies the Clearing House of either any "Daily Imbalance" as defined under the Network Code or any payments due to National Grid under the Network Code the Clearing House may specify such other time or day on which the Clearing House shall issue any account documentation or make any payment due in respect of a Contract under Rules VVV.9(b) and (c).

