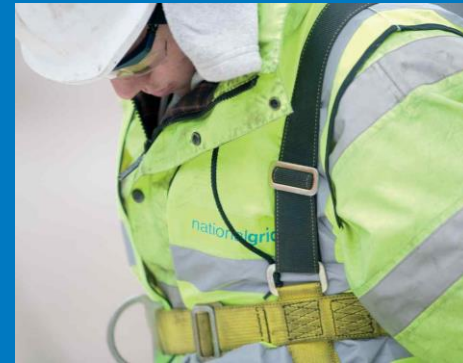


Charging Obligations and Relevant Objectives



NTS Charging Methodology Forum (NTSCMF)
25 November 2014

Charging Obligations

- Standard Special Conditions of NG's Licence
 - A4 - Charging General
 - A5 - Charging Methodology
- Keep charging methodology under review
- Use reasonable endeavours regarding methodology and charge changes:
 - Not to make changes more frequently than twice a year (on 1 April and 1 October)
 - In relation to exit capacity once a year on 1 October

Relevant Objectives

- Cost reflectivity
- Promote efficiency
- Avoid undue preference in the supply of transportation services
- Best promotes competition between gas suppliers and gas shippers
- Take account of developments in the transportation business
- Compliance with Regulation and decisions from the EC and ACER
- Follow any alternative arrangement determined by the Secretary of State
- On top of these, National Grid seeks;
 - Stable prices / income and simple charges