

NATIONAL GRID

Storage and Peaking Surcharge

Section 6, Schedule C, Item 5.0 of the Company's tariff (RIPUC NG Gas No. 101) provides that FT-1 customers who transfer to firm sales service will be subject to a Storage and Peaking charge for recovery of Storage and Peaking costs. Under the terms of the Company's FT-1 service, the gas marketer is responsible for obtaining and providing sufficient storage and peaking resources to meet a customer's winter peak period requirements. When the customer migrates to firm sales service, the Company is now required to have sufficient resources available. Application of the Storage and Peaking charge recovers the fixed costs associated with having such resources available. The charge does not include any commodity.

The surcharge is calculated at the time the FT-1 customer transfers to firm sales service based on the customer's actual consumption as an FT-1 transportation customer since the most recent April 1st, multiplied by the currently effective FT-2 Firm Transportation Marketer Gas Charge (Section 2, Schedule A, Item 2.2).