

NATIONAL GRID

Storage and Peaking Surcharge

Under the terms of the Company's FT-1 service, the gas marketer was 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.

Such charge will be calculated at the time the FT1 customer transfers to firm sales service based on the customer's actual consumption as an FT1 transportation customer since the most recent April 1st, multiplied by the currently effective Firm Transportation Marketer Gas Charge(Section2, Schedule A, Item 2.2)