

Gas Transporter Licence held by National Grid Gas Transmission plc

Special Condition 3D: NTS System Operator external incentives, costs and revenues

Part E(a): Quality of Day Ahead Demand Forecasting Incentive Revenue

Effective Date of Notice: 1 April 2013

The performance target for the Quality of Day Ahead Demand Forecasting System Operator Incentive Scheme is an overall forecast error of 8.5mcm. This is subject to an adjustment (capped at an additional 1mcm) derived from the change in aggregate injection capability of Short Cycle Storage Facilities connected to the NTS. This change is measured by comparing the aggregate injection capability in the current year to that in the previous year.

The Licence requires National Grid Gas Transmission to publish a list those Storage Facilities which will be utilised in this calculation. Accordingly, for the purposes of paragraph 3D.35 of Special Condition 3D, from the date of this notice the term "*Short-Cycle Storage Facility*" shall only include the following named Storage Facilities:

1. Aldbrough
2. Holehouse Farm
3. Holford Byley