

Our performance scorecard – We will...focus on the delivery of our outputs

| Safety  |  |   |
|---|--|---|
| Our Output  | Target   | Performance   |
| Comply with HSE legislation   | 100%   | 100%  |
| Meet requirements for Critical National Infrastructure  | As agreed by DECC/Ofgem  | Complied  |
| Reliability and Availability  |  |   |
| Our Output  | Target   | Performance   |
| <b>Meet constraint management targets</b><br><i>Review of scheme in 2021</i>                        | Net target of £25.6m p.a. for operational constraint costs and capacity release revenue.<br>Net target of £0m p.a. for entry and exit investment buybacks and subject to reasonable endeavours obligation to not pay more than 0.52 p/kWh for buybacks | £2.8m revenue   |
| <b>Deliver benchmark performance for maintenance outage days</b><br><i>Review of scheme in 2015</i> | 27.65 days for ILI runs<br>44.65 days for Valve Operations   | Called 25 days for ILI runs<br>Called 6 days for Valve Operations |
| <b>Minimise NG driven changes to maintenance planning</b><br><i>Review of scheme in 2015</i>        | No NG initiated changes made   | No NG initiated changes made                                      |
| <b>Deliver accurate 13:00 day ahead demand forecasting</b><br><i>Review of scheme in 2021</i>       | Forecast within 9.4mcm of outturn  | Average error rate of 8.69mcm                                     |

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| <p><b>Deliver accurate demand forecasting at the two to five days ahead stage</b><br/><i>Review of scheme in 2015</i></p>   | <p>Forecast within 16mcm of outturn</p>  | <p>Average error rate of 13.1mcm</p>   |
| <p><b>Meet our targets for the difference in the amount of gas held in our pipes on our network from the beginning to the end of the day.</b><br/><b>Meet our targets for minimising our impact when we have to enter the market to balance supply and demand</b><br/><i>Review of scheme in 2021</i></p> | <p>Linepack target = daily difference between opening and closing linepack within 2.8mcm<br/><br/>Price target = difference between maximum and minimum price within 1.5% of SAP</p> | <p>Average linepack change of 1.9mcm.<br/><br/>Average price spread of 0.7% of SAP achieved</p>                                      |
| <p><b>Meet target for Transmission Support Services and for Constrained Liquified Natural Gas &amp; Long Run contracting</b><br/><i>Review of scheme in 2018</i></p>  | <p>Target cost of £7.23m</p>   | <p>£0.0m cost</p>  |
| <p><b>Achieve our obligated times for delivering extra space (capacity) on the system</b></p>   | <p>Manage risk to lead times associated with planning requirements through utilisation of permits (allowance of 3800 permits for 2013/14 with value of £19m)</p>                     | <p>No permits utilised – scheme rolled over to 2014/15</p>   |
| <p><b>Deliver existing capacity obligations in accordance with UNC, Licence and Gas Act</b></p>   |  | <p>Complied</p>  |
| <p><b>Meet our targets for investing in our assets to ensure their health (NOMs targets)</b><br/><i>Meet targets by 2021</i></p>  | <p>Achieve RP1 – RP4 targets for each category specified in the licence</p>  | <p>Focused work on pipelines as they provide greatest hazard to the public. Forecasting to broadly meet overall targets by 2021.</p> |

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| <p><b>Increase the number of suppliers of operating margins</b><br/><i>Reviewed annually</i></p>  | <p>Incur Operating Margins costs efficiently and report annually on the steps taken to promote competition</p> | <p>Brought in six new tenders for operating margins</p>         |
| <p><b>Maintain our security of supply obligations in Scotland (Network Flexibility)</b><br/><i>End of period</i></p>  | <p>Delivery of network flexibility projects</p>  | <p>Assessing the requirements</p>                               |
| <p><b>Deliver pipeline solution to enable replacement of a Liquefied Natural Gas storage facility at Avonmouth</b><br/><i>Deliver asset solution 2018</i></p> | <p>Deliver pipeline solution by 2018</p>   | <p>Solution under review</p>                                    |
| <p><b>Replace Feeder 9 (a pipeline that runs across the Humber Estuary)</b><br/><i>Reopener window</i></p>  |  | <p>On Target</p>  |
| <p align="center"><b>Environment</b></p>  |  |   |
| <p><b>Our Output</b></p>  | <p><b>Target</b></p>   | <p><b>Performance</b></p>                                       |
| <p><b>Meet our targets for the amount and the cost of the gas we use to run the network</b><br/><i>Scheme reviewed in 2021</i></p>                            | <p>Incur costs of £113.7m</p>  | <p>Shinkage volume of 4,277GWh<br/>Incurred cost of £101.2m</p> |

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| <p><b>Meet greenhouse gas emissions targets</b><br/><i>Scheme reviewed in 2016</i></p>  | <p>2,917 tonnes</p> | <p>3,332 tonnes</p>   |
| <p><b>Report on our greenhouse gas emissions</b><br/><i>Annual Review through RRP</i></p>   |                     | <p>Published in our annual report</p>                                   |
| <p><b>Install new electric drive compressors at Peterborough and Huntingdon to ensure compliance with the Integrated Pollution Prevention and Control (IPPC) Legislation</b><br/><i>Deliver asset solution in 2019/20</i></p> |                     | <p>On track to deliver asset solution in specified timescales</p>       |
| <p><b>Install new compressor units at Aylesbury to ensure compliance with the Industrial Emissions Directive (IED)</b><br/><i>Deliver asset solution in 2019/20</i></p>   |                     | <p>On track to deliver alternative solution in specified timescales</p> |
| <p><b>Develop an integrated and cost effective plan to ensure the remainder of our compressor units are compliant with IPPC and IED</b><br/><i>Submit to Ofgem in May 2015 re-opener window</i></p>                           |                     | <p>On track to deliver plan in May 2015</p>                             |

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| Customer Satisfaction   |   |   |
|---|---|---|
| Our Output  | Target  | Performance   |
| <p><b>Meet agreed customer and stakeholder satisfaction targets</b></p> <p><i>Annual</i><br/>Customer Satisfaction survey – an average score from twice yearly survey of our customer base. Score counts for 90% of overall incentive. We use an external research company to carry out phone and written surveys twice a year with our customer base, i.e. the generation and demand organisations that pay to use our electricity network</p> | <p>Target score of 6.9 for customer element and 5 for stakeholder element</p>   | <p>Achieved a score of 7.2 for the customer element and 7.8 for stakeholder element</p> |
| <p><b>Achieve stakeholder engagement discretionary reward</b></p> <p>Stakeholder Engagement Incentive Scheme – a submitted paper followed by panel assessment about how we engaged with our stakeholders in 13/14 and what business change that led to.</p>   |   | <p>Achieved a score of 5.75</p>   |
| Customer Connections  |   |   |
| Our Output  | Target  | Performance   |
| <p><b>Deliver extra capacity to specified timescales</b></p> <p><i>Ofgem review through RRP</i></p>   | <p>Deliver incremental capacity to obligated lead times of 42 months from allocation for entry and 36 months from October following allocation for exit</p> | <p>All timescales met</p>   |

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| <p><b>Meet timescales for connection applications as specified in UNC Modification 373</b></p> <p><i>Ofgem review quarterly</i></p> | <p>Acknowledge receipt of application in 2 business days and confirm that it is a competent connection application within 5 business days. Issue an Initial Connection Offer within 2 months, a Full Connection offer within 9 months and a Feasibility Study Report within 3 months of the acknowledgment of a Competent Connection Offer.</p> | <p>All timescales met</p> |
| <p><b>Comply with reasonable requests for a customer connection to the NTS</b></p>  |   | <p>Complied</p>           |