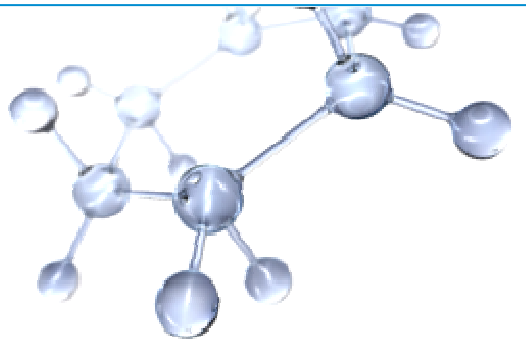
ExxonMobil
Gas & Power Marketing

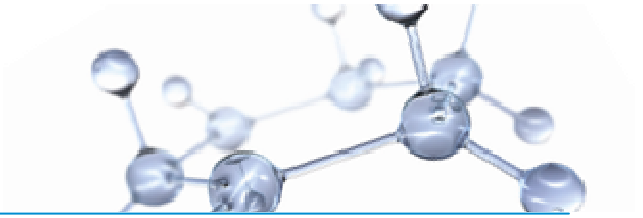
European TSO Benchmarking



Information for ECRG

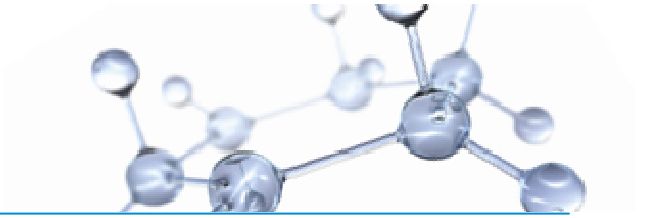
January 26, 2010

Background



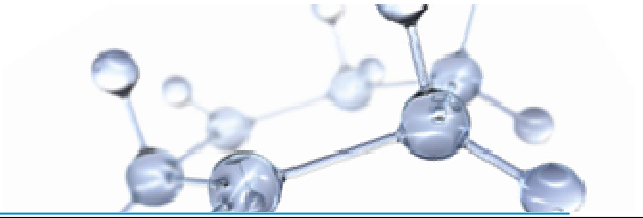
- Ongoing discussion in ECRG regarding:
  - Daily and Monthly Pricing Multipliers relative to Annual Pricing
  - Interruptible Capacity Pricing Discount and Quantity
- Appropriate to benchmark against other European TSO's
- Analysis looks at approach in Netherlands (GTS), France (GRT Gaz) and Germany (GUD)

Price Multipliers Summary



- Tariff differentiation is present in several European gas transmission systems. The following differentiation is further discussed for GTS in Netherlands, GUD in Germany and GRT Gaz in France:
  - Booking period differentiation (LT vs. ST)
  - Seasonal variation
- All 3 systems include Booking period tariff differentiation. Two of the systems include seasonal differentiation.
- Tariffs are lower for long term booking than for short term booking
  - Incentives for long term capacity bookings gives predictability on capacity utilisation and tariff income for the TSO
- Tariffs are highest during the winter months
  - Incentives for seasonal variations reduces summer/winter swing and increases overall capacity utilisation of the transmission network and revenue certainty

Price Multiplier Details

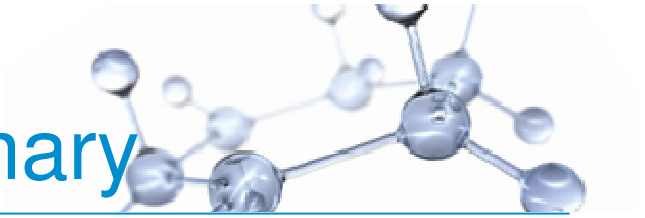


- GTS Netherlands
  - Monthly factors with differentiation between winter, summer and shoulder months
    - Monthly unit costs for summer months are cheaper than unit costs assuming annual capacity
  - Sum of the monthly factors can never exceed 1
  - The tariff for daily contracts is 1/15 times the monthly factor multiplied by the annual tariff
- GUD Germany
  - Monthly factors with five tariff levels
  - Daily tariff is 15% of the applicable monthly tariff
  - Discount given on half yearly and quarterly capacity compared to monthly
  - Following cap exists
    - Capacity order less than 1 year shall not exceed annual capacity charge
    - Capacity order less than 1 month shall not exceed monthly capacity charge
- GRT Gaz France
  - No seasonal variation
  - Monthly term is 1/8 of corresponding annual term
  - Daily term is 1/20 of corresponding monthly term

Monthly factors	UK	GTS	GUD	GRT Gaz
January	0.085	0.30	0.35	0.125
February	0.077	0.30	0.35	0.125
March	0.085	0.15	0.30	0.125
April	0.082	0.15	0.15	0.125
May	0.085	0.075	0.10	0.125
June	0.082	0.075	0.10	0.125
July	0.085	0.075	0.10	0.125
August	0.085	0.075	0.10	0.125
September	0.082	0.075	0.10	0.125
October	0.085	0.15	0.20	0.125
November	0.082	0.15	0.20	0.125
December	0.085	0.30	0.30	0.125

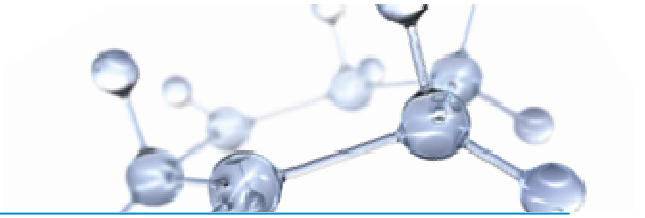
Daily factors	UK	GTS	GUD	GRT Gaz
January	0.0027	0.020	0.053	0.006
February	0.0027	0.020	0.053	0.006
March	0.0027	0.010	0.045	0.006
April	0.0027	0.010	0.023	0.006
May	0.0027	0.005	0.015	0.006
June	0.0027	0.005	0.015	0.006
July	0.0027	0.005	0.015	0.006
August	0.0027	0.005	0.015	0.006
September	0.0027	0.005	0.015	0.006
October	0.0027	0.010	0.030	0.006
November	0.0027	0.010	0.030	0.006
December	0.0027	0.020	0.045	0.006

Interruptible Capacity Summary



TSO	Interruptible Capacity Discount to Firm	Interruptible Quantity
GTS	Two Tranches – 15%-25% discount dependent on probability of interruption	Interruptible Quantity not offered until Firm sold out; limited on probability of interruption
GRT Gaz	Two products 50%-70% (Interruptible and UIOLI)	Interruptible Quantity not offered until Firm sold out; limited by technical capacity
GUD	Three Classes (A-C) 10%-40% dependent on total technical capacity sold	Class A Capacity can be purchased even if Firm available

Considerations for ECRG



- Price multipliers common across Europe – potentially appropriate measure to further reduce TO Commodity Charges in UK
- UIOLI effective mechanism to prevent capacity hoarding
- Ability to purchase interruptible capacity at a discount before firm has sold out will reduce impact of removing discounts on firm products
- Desirable to adjust regime to ensure that desired impact of increasing capacity revenue is achieved
- Potentially solved by removing/reducing price discounts and restricting availability of interruptible capacity to take into account unsold firm