

LNG Storage Service – 2006 Annual Storage Invitation

Stage One Results

National Grid LNG Storage has today announced the results of Stage One of its Annual Storage Invitation, held on 31st March 2006.

A total of 792 GWh (27 million therms) of space were sold.

The auction saw significant interest from shippers at the four facilities, Avonmouth, Dynevor, Glenmavis and Partington, with all four being significantly oversubscribed.

Average prices (net of the Transmission Benefit¹) at the four facilities were 4.07 p/kWh (119 p/therm), this compares to average prices last year (net of the Transmission Benefit) of 3.17 p/kWh (93 p/therm). There were 9 bidders in the auction of which 4 were successful.

The Stage Two auction will take place on Wednesday 5th April with identical quantities to that offered in Stage One. Applications for capacity must be received by 12.00hrs. The results for Stage Two will be announced at 10.00hrs on Thursday 6th April.

The results in detail are as follows:

¹ Transmission Benefit – Customers who book a constrained service at Avonmouth agree to withdraw some of their gas from storage on days of very high demand, if directed to do so by National Grid. This is known as constraining on. Customers also agree to maintain a minimum inventory of gas in store (for 2005/6 this will be a maximum of 34% of customers space). In exchange for booking a constrained service, the customer receives a 'Transmission Benefit'.

Table shown in therms:

All figures are in pence per therms	Avonmouth (34% Constrained)	Dynevor	Glenmavis	Partington
Space sold	7,898,513	1,680,224	3,949,555	13,478,304
Deliverability sold	2,472,831	713,470	1,724,838	3,529,761
Average bid price (net of constrained rebate)	125.7 (106.59)	142.8	141.7	117.5
Min Accepted Price (net of transmission benefit)	99.2 (80.1)	136.2	118.1	104.6
Reserve price (net of transmission benefit)	12.0 (0.0)	12.0	9.8	10.2

Prices shown in brackets for Avonmouth are net of the constrained rebate

Table shown in kWhs:

All figures are in pence per kWh	Avonmouth (34% Constrained)	Dynevor	Glenmavis	Partington
Space sold	231,482,500	49,242,500	115,750,000	395,010,000
Deliverability sold	72,471,508	20,909,724	50,550,000	103,447,048
Average bid price (net of constrained rebate)	4.2884 (3.6370)	4.8722	4.836	4.008
Min Accepted Price (net of transmission benefit)	3.3848 (2.7334)	4.6473	4.0297	3.5688
Reserve price (net of transmission benefit)	0.4094 (0.0)	0.4094	0.3334	0.3494

Prices shown in brackets for Avonmouth are net of the constrained rebate

Ends