

LNG Storage Service – 2006 Annual Storage Invitation

Stage Two Results

National Grid LNG Storage has today announced the results of Stage Two of its Annual Storage Invitation, held on 5th April 2006.

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

This stage of the auction again saw significant interest from shippers at the four facilities, Avonmouth, Dynevor, Glenmavis and Partington, with bid volumes again significantly exceeding the capacity available for allocation.

Average prices (net of the Transmission Benefit¹) at the four facilities were 3.39 p/kWh (99 p/therm), this compares to average prices in stage one (net of the Transmission Benefit) of 4.07 p/kWh (119 p/therm). There were seven bidders in the auction all of which were successful in receiving an allocation of capacity.

The results in detail from stage two on the 2006/07 annual auction 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 Gas. This is known as constraining on. Customers also agree to maintain a minimum inventory of gas in store (for 2006/07 this will be a maximum of 34% of customers space). In exchange for booking a constrained service, the customer receives a 'Transmission Benefit' from National Grid Gas.

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)	127.2 (108.08)	114.4	111.2	87.1
Min Accepted Price (net of transmission benefit)	127.1 (108.05)	91.3	79.7	71.0
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)	4.3391 (3.6877)	3.9028	3.7959	2.9731
Min Accepted Price (net of transmission benefit)	4.3382 (3.6868)	3.1165	2.7181	2.4217
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