

## **LNG Storage Service – 2005 Annual Storage Invitation**

### **Stage Two Results**

Transco LNG Storage has today (Wednesday 6<sup>th</sup> April) announced the results of Stage Two of its Annual Storage Invitation, held on 5<sup>th</sup> April 2005.

A total of 28.0 million therms of space and 7.3 million therms of deliverability<sup>1</sup> were sold.

The auction saw significant interest from shippers at the three facilities, Avonmouth, Dynevor and Partington, with these being 607% oversubscribed. Due to the outage to replace its liquefaction plant, no shipper services were made available at Glenmavis in the 2005 Annual Storage Invitation.

Average prices (net of the Transmission Benefit<sup>2</sup>) at the three facilities were 102.95 p/therm, this compares to average prices in stage one (net of the Transmission Benefit) of 83.0 p/therm. There were eleven bidders in the auction of which four were successful.

A longer-term auction for storage years 2006/7 & 2007/8 will take place on Thursday 21<sup>st</sup> April. A total of 6 million therms of space and 1.1 million therms of deliverability will be made available. Applications for capacity must be received by 12.00hrs, with the results being notified at 10.00 hrs on Tuesday 26<sup>th</sup> April.

The results in detail from Stage Two on the 2005/6 annual auction are as follows:

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<sup>1</sup> Deliverability – The quantity of gas that can be withdrawn on a gas day.

<sup>2</sup> 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 Transco. 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 17% of customers space). In exchange for booking a constrained service, the customer receives a 'Transmission Benefit'.

**Table shown in therms:**

<b>All figures are in pence per therms</b>	<b>Avonmouth (17% Constrained)</b>	<b>Dynevor</b>	<b>Partington</b>
<b>Space sold</b>	10,357,558	2,884,966	14,755,810
<b>Deliverability sold</b>	2,665,000	839,525	3,749,451
<b>Average bid price (net of constrained rebate)</b>	112.28 (103.48)	105.29	102.13
<b>Clearing price (net of transmission benefit)</b>	108.99 (100.19)	101.27	101.27
<b>Reserve price (net of transmission benefit)</b>	12.0 (3.2)	12.0	10.2

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

**Table shown in kWhs:**

<b>All figures are in pence per kWh</b>	<b>Avonmouth (17% Constrained)</b>	<b>Dynevor</b>	<b>Partington</b>
<b>Space sold</b>	303,550,000	84,550,000	432,450,000
<b>Deliverability sold</b>	78,103,415	24,604,050	109,885,545
<b>Average bid price (net of constrained rebate)</b>	3.8313 (3.5308)	3.5926	3.4848
<b>Clearing price (net of transmission benefit)</b>	3.7190 (3.4185)	3.4556	3.4556
<b>Reserve price (net of transmission benefit)</b>	0.4094 (0.1089)	0.4094	0.3494

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