

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

### **Stage One Results**

Transco LNG Storage has today (Friday 1<sup>st</sup> April) announced the results of Stage One of its Annual Storage Invitation, held on 31<sup>st</sup> March 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 451% oversubscribed. Average prices (net of the Transmission Benefit<sup>2</sup>) at the three facilities were 83.0 p/therm, this compares to average prices last year (net of the Transmission Benefit) of 25.3 p/therm. There were twelve bidders in the auction of which six were successful.

The Stage Two auction will take place on Tuesday 5<sup>th</sup> 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 Wednesday 6<sup>th</sup> April.

The results in detail 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 Deliverability – The quantity of gas that can be withdrawn on a gas day.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 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>	103.59 (94.78)	106.99	70.04
<b>Clearing price (net of transmission benefit)</b>	82.35 (73.55)	95.51	64.48
<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 therms</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>	3.5345 (3.2340)	3.6505	2.3897
<b>Clearing price (net of transmission benefit)</b>	2.8100 (2.5095)	3.2590	2.2002
<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*