

Additional Arrangements for Accessing Gas in Store for Glenmavis & Partington in 2010/11 Storage Year

A number of customers have asked how they can be confident of accessing gas-in-store this year when there is no liquefaction at Glenmavis and Partington. This note explains the processes to be applied by National Grid LNG Storage (NG LNGS) in respect of the 2010/11 Storage Year to address this concern.

1. Facilitation of Gas in Store Trades

In line with previous practice, NG LNGS will seek to facilitate gas in store trades by passing on the contact details of the registered customer to any party who might be expected to be interested in selling gas in store at the relevant facility (i.e. any customer who is short of storage space capacity). It should be noted that NG LNGS will simply facilitate contact between the parties and will in no way participate in subsequent trade that may be carried out between the parties (i.e. it will not act to clear the trade). These arrangements apply at Avonmouth, Glenmavis and Partington.

2. Exports post April 2010 – Counter-nomination Arrangements

Any customer who, as at 06:00 hrs on 1 May 2010, is long on storage space capacity at either Glenmavis or Partington LNG storage facilities (i.e. the customer's Registered Storage Space exceeds its gas in storage at that facility) is invited to register their position with NG LNGS. NG LNGS will then notify each registered customer in the event of any withdrawal nomination being submitted at the relevant facility. Each registered customer may then elect to nominate an amount of gas for injection into the relevant facility up to (but not exceeding) the quantity of gas nominated for withdrawal.

Where more than one registered customer elects to counter-nominate gas for injection into the facility and the aggregate quantity of such nominations exceeds the amount of gas nominated for withdrawal, NG LNGS will scale each customer's injection nomination in proportion to their Registered Storage Space.

To encourage all customers to achieve gas in store trades, all such gas nominated for injection will attract a Storage Injection Charge of 0.341 p/kWh.

3. Exports during April 2010

In the unlikely event of gas being exported from storage during April 2010 and such exports result in their being insufficient quantities of gas in storage at a facility to enable customers to fill the Storage Space Capacity they have purchased through the 2010 LNG storage auction process, then NG LNGS will consider refunding customers' capacity charges in respect of the amount of any unfilled capacity. To qualify for a refund customers will be expected to demonstrate that they have taken all reasonable steps to secure sufficient quantities of gas in store in the period up to 1 October 2010 (including, but not limited to, demonstrating that they have sought to take advantage of all opportunities to counter-nominate gas for injection into storage under the arrangements described in section 2 above).