

Matt Golding  
Business Development Manager (UK LNG)  
National Grid LNG Storage  
matt.golding@uk.ngrid.com  
Direct tel +44 (0)1926 655583

[www.nationalgrid.com](http://www.nationalgrid.com)

15<sup>th</sup> October 2010

Dear Colleague

### **ADDITIONAL STORAGE SPACE CAPACITY AT AVONMOUTH FOR 2010/11**

I am pleased to enclose details of a Special Storage Capacity Invitation which concerns the sale of up to 150 GWh of additional storage space capacity at our Avonmouth facility for the 2010/11 Storage Year.

#### **Capacity Available**

In May 2010 we provided an update on progress in respect of the ongoing strategic review of the LNG storage facilities. At that time, we stated that we would keep under review the opportunity to make available Special Storage Capacity at our Avonmouth facility for the current Storage Year.

Following the transfer of customer stock from our Glenmavis facility to Avonmouth, we have identified the opportunity to make available up to 150GWh of additional storage space capacity at our Avonmouth facility over the period 06:00hrs on 1 November 2010 to 05:59hrs on 1 May 2011.

Whilst no firm storage injectability or deliverability rights are associated with this storage space capacity, applicants who are successful in the tender may be able to secure such rights either through the prevailing LNG storage use-it-or-lose-it capacity arrangements or by procuring storage capacity from existing customers via the secondary market. In terms of assessing the likelihood of securing additional injectability rights, applicants may wish to note that we are currently forecasting that all storage space sold at the Avonmouth facility via the 2010 Annual Storage Invitation (ASI) will be full by the end of October.

In addition, any successful applicants who currently hold storage capacity at Avonmouth (as a consequence of participation in the 2010 ASI) will be able to utilise their existing storage injectability and deliverability rights.

#### **Storage Services for 2011/12**

In our covering letter to the 2010 ASI, we confirmed that we would, as a minimum, make available sufficient storage space capacity at our Avonmouth facility in Storage Year 2011/12 to allow customers to carry over any unused stock from the 2010/11 Storage Year (adjusted for boil-off). For the avoidance of doubt, when determining the minimum amount of storage space capacity for 2011/12, we will take account of any unused stock that has been injected

into storage to fill capacity purchased by customers pursuant to this Special Storage Capacity Invitation.

**Next steps**

This Special Storage Capacity Invitation will close at noon on Friday 22<sup>nd</sup> October (or any later date that is notified in accordance with the terms of the Special Storage Capacity Invitation).

If you have any questions in relation to this Special Storage Capacity Invitation then please do not hesitate to contact either myself on 01926 655583 or Heather Lockyer on 01926 653440 (heather.j.lockyer@uk.ngrid.com).

Yours sincerely

**Matt Golding**  
**Business Development Manager, UK LNG**

Enclosures: Special Storage Capacity Invitation