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27<sup>th</sup> February 2015

Dear Colleagues

### **LNG Storage Services for Storage Year 2015/16**

I am pleased to enclose details of our 2015 Annual Storage Invitation (ASI) covering National Grid LNG Storage's services for the Storage Year 2015/16.

#### **Overview of services for 2015/16**

Subject to final pre-emption rights of regulated transporters' storage requirements we intend to offer a full suite of LNG liquefaction, storage and tanker filling services from our Avonmouth facility for the final year of operation (2015/16).

Indicative quantities of available capacity are set out in Appendix 1 of the ASI document. At the end of winter 14/15 withdrawal season, when regulated customers' stocks and future requirements can more accurately be determined, we will publish an updated statement of available capacity on the 20th March 2015.

As you will be aware, at the start of this years' injection we withdrew injection rights as a result of unforeseen plant outages. This resulted in a credit being issued to customers and the subsequent offer of overruns and interruptible injection to help recover your intended stock positions. Going forward, and subject to a successful injection run during March and April, operational stock levels should enable us to maintain your firm injection rights during any routine operational plant issues.

In light of the aging nature of the plant, we maintain our advice that customers have contingency arrangements to ensure continuity of supply to your consumers.

#### **Auction Structure and Prices**

We invite applications for 2015/16 Avonmouth storage capacity by way of three, pay as bid auctions, and in view of the upcoming holiday period and feedback from customers, propose to hold and report on the auctions during week commencing 23<sup>rd</sup> March 2015.

##### **Stage 1:**

Release 50% of available capacity for a 'traditional' 12 month fixed storage duration.

##### **Stage 2:**

Release 25% of available capacity plus any unsold capacity for a 6 month fixed storage duration.

**Stage 3:**

Release 25% of available capacity plus any unsold capacity for a 6 month fixed storage duration.

I invite all interested parties to contact us to discuss any concerns with our proposed ASI structure and timetable or to help us better understand how we may support you and your business in our final year of operation.

Please contact either myself on 01926 653438 or Nicola Hill on 01634 273217 (Nicola.hill@nationalgrid.com).

Yours sincerely,



**David Mitchell**  
**UK LNG Customer Service & Business Strategy Manager**

Enc: 2015 Annual Storage Invitation

**Key timetable for 2015/16 ASI:**

**Friday 20<sup>th</sup> March:** Publication of **updated** available **capacity** for sale

**Monday 23<sup>rd</sup> March Stage 1 auction** closes 12:00 for 50% of available capacity (12 month fixed storage duration)

**Tuesday 24<sup>th</sup> March 10:00am** publication of **allocation and results** (inc rollover capacity)

**Wednesday 25<sup>th</sup> March Stage 2 auction** closes 12:00 for 25% of available capacity plus rollover capacity (6 month fixed storage duration)

**Thursday 26<sup>th</sup> March 10:00am** publication of **allocation and results** (inc rollover capacity)

**Friday 27<sup>th</sup> March Stage 3 auction** closes 12:00 hrs for 25% of available capacity plus rollover capacity (6 month fixed storage duration)

**Monday 30<sup>th</sup> March** 10:00 publication of **allocation and results**