Options for Energy Buyers – Winter 2005 (and beyond...)

Centrica Storage 7 November 2005



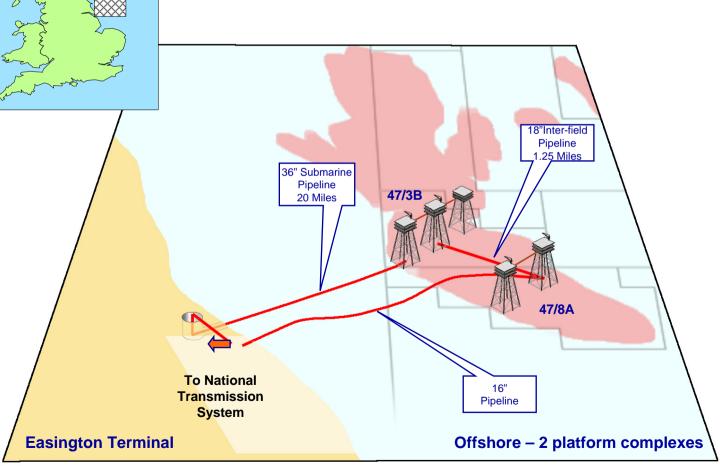
What is Centrica Storage?





Centrica Storage Facilities

- Offshore Rough: 20 miles off Yorkshire coast.
- Easington Terminal for Rough, and third party gas processing.
- Commercial team: office in west London



Introduction to Centrica Storage





Offshore – 2 platform complexes



Easington Terminal

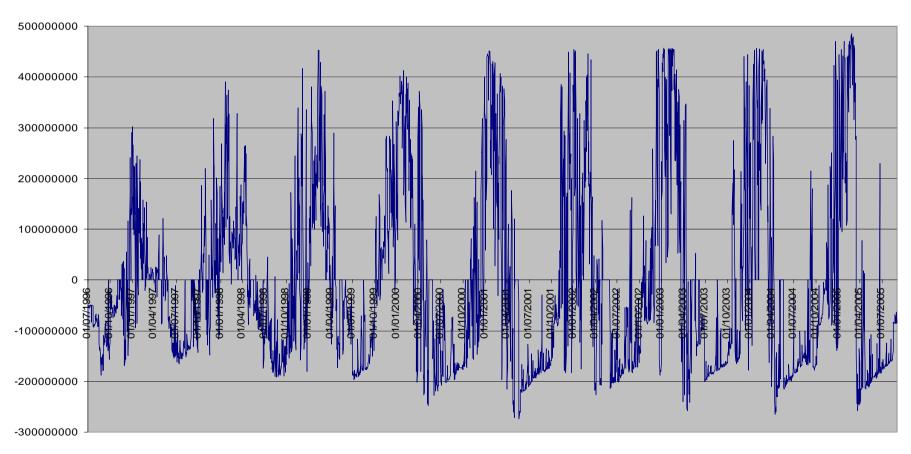
- Rough part-depleted gas field
- Represents over 70% of UK storage by volume
- Supplies 10% of UK demand on a typical 'cold' winter day
- 44> mcm/day deliverability, (25 to 0.5) mcm/day injectability
- Storage customer base currently utilities, traders and producers

Rough 2005 Performance Analysis

- Production
- Space
- Injection
- CSL Rough investment and enhancement programme
- Observations for Winter 2005
 - Rough is as full as the reservoir will allow
 - Therefore duration of storage increased (even without storage cycling – more on this later...)
 - Delivery rates at their highest

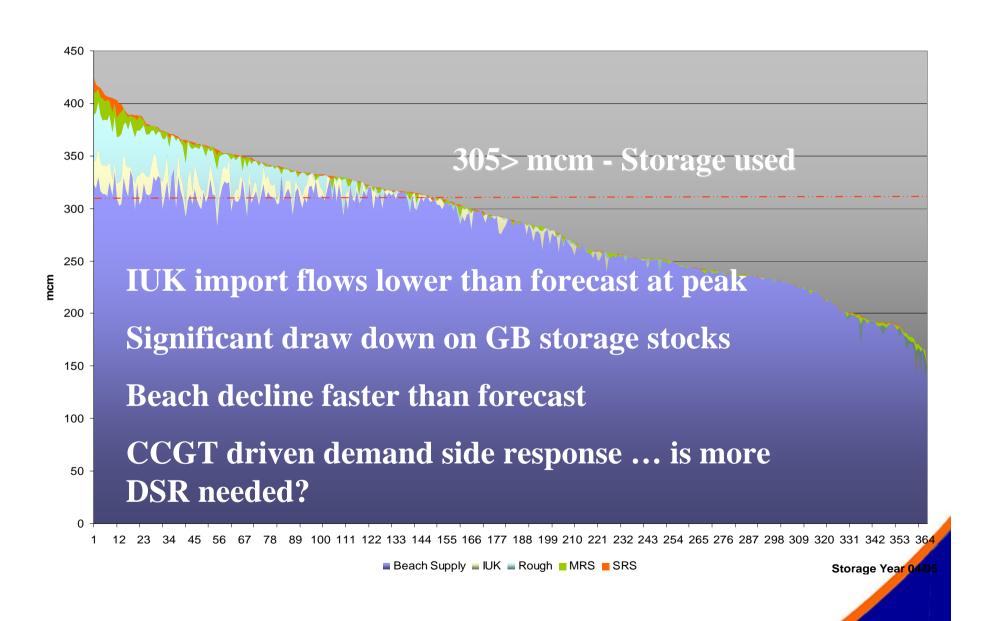
Increasing use of Rough Storage

Net Physical Rough Stock Movement



Source: Previously AT Link – now web enabled So how important is storage to balancing in Winter

Actual Load Duration Curve 04



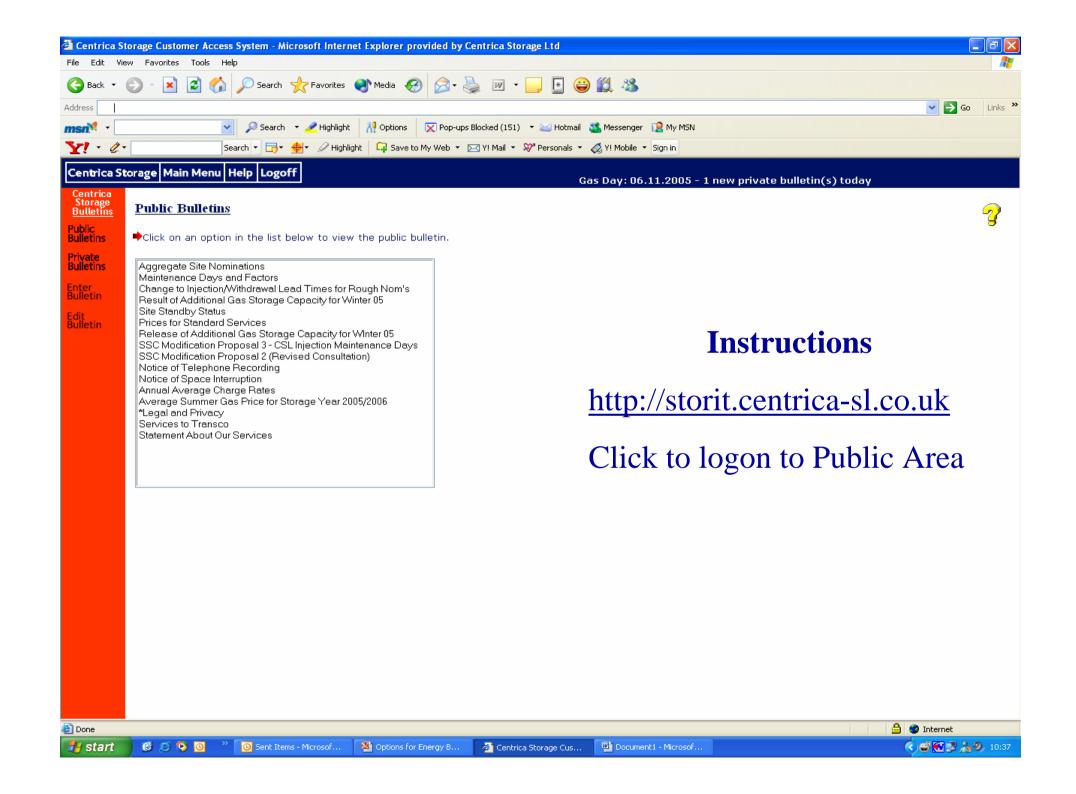
Operational Information – the within day debate

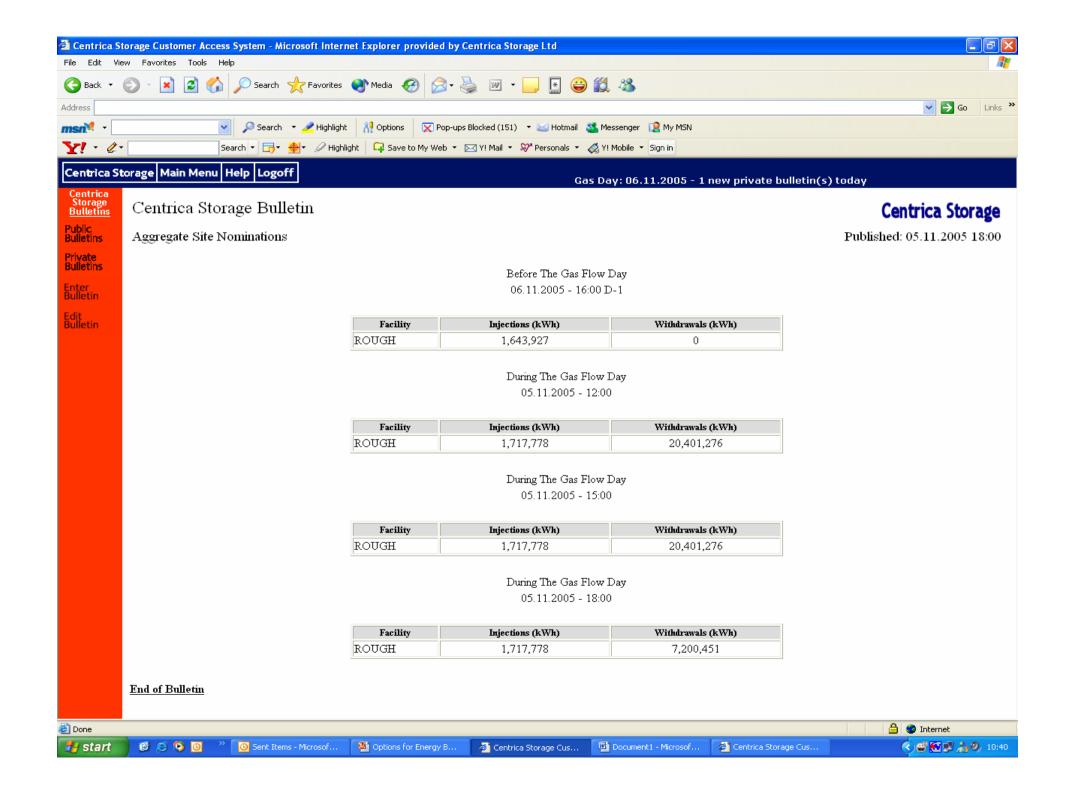
- Shipper v's Energy Buyer knowledge within day?
- > Release of web enabled 'timely' information to the market
- > Is real time information the answer....?

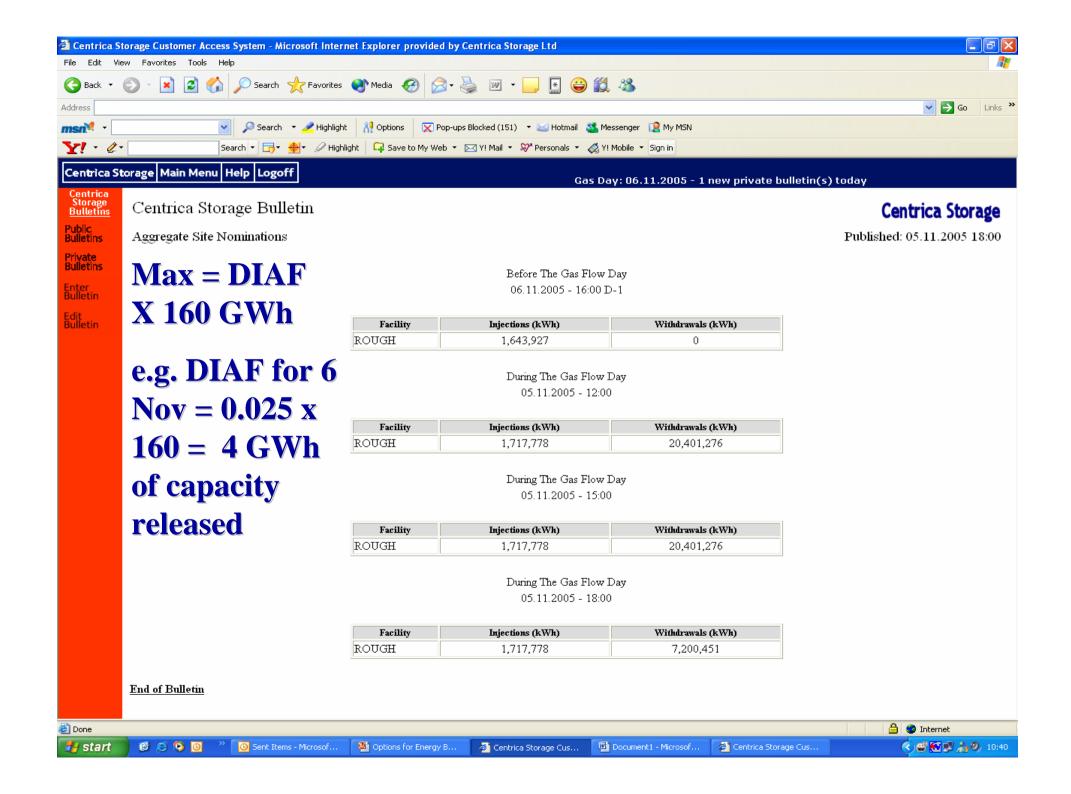
"The information is out there....."

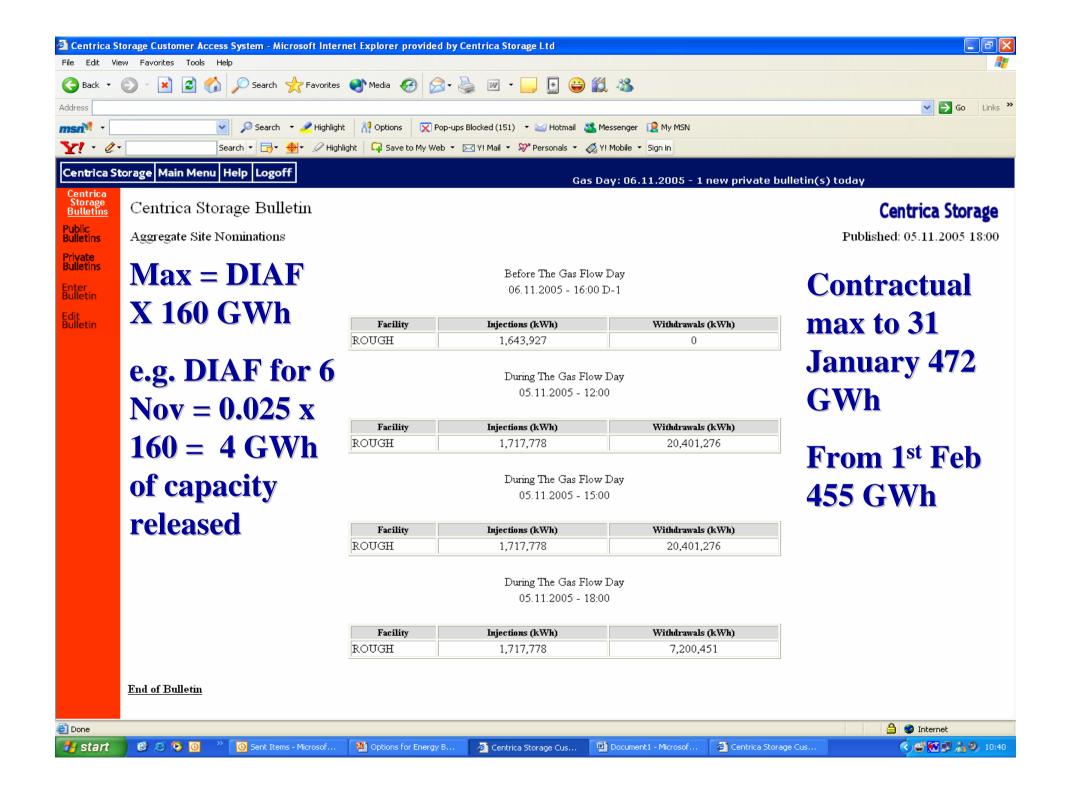


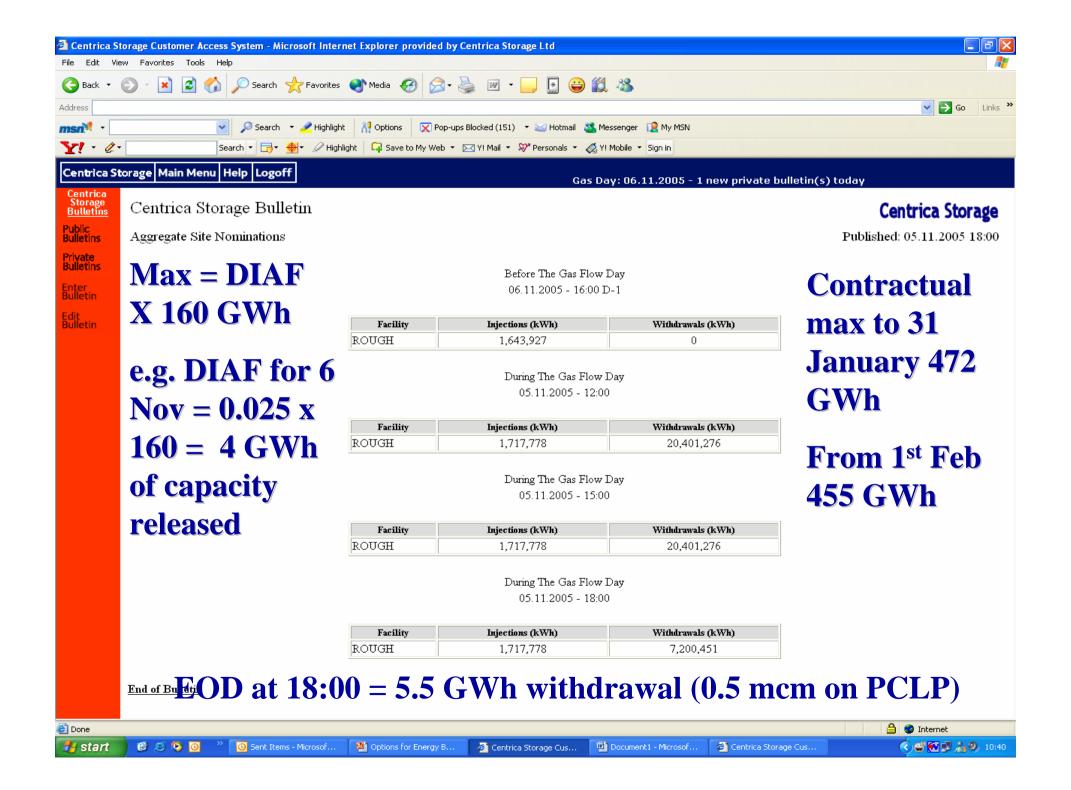
- > OPTIONS FOR ENERGY BUYERS (1) USE STORAGE INFO
- > Aggregate Site Nominations within day
- Physical stock movements for every day this winter after the gas day for each storage type
- Other storage sites...
- Information public section on STORIT ad hoc bulletins

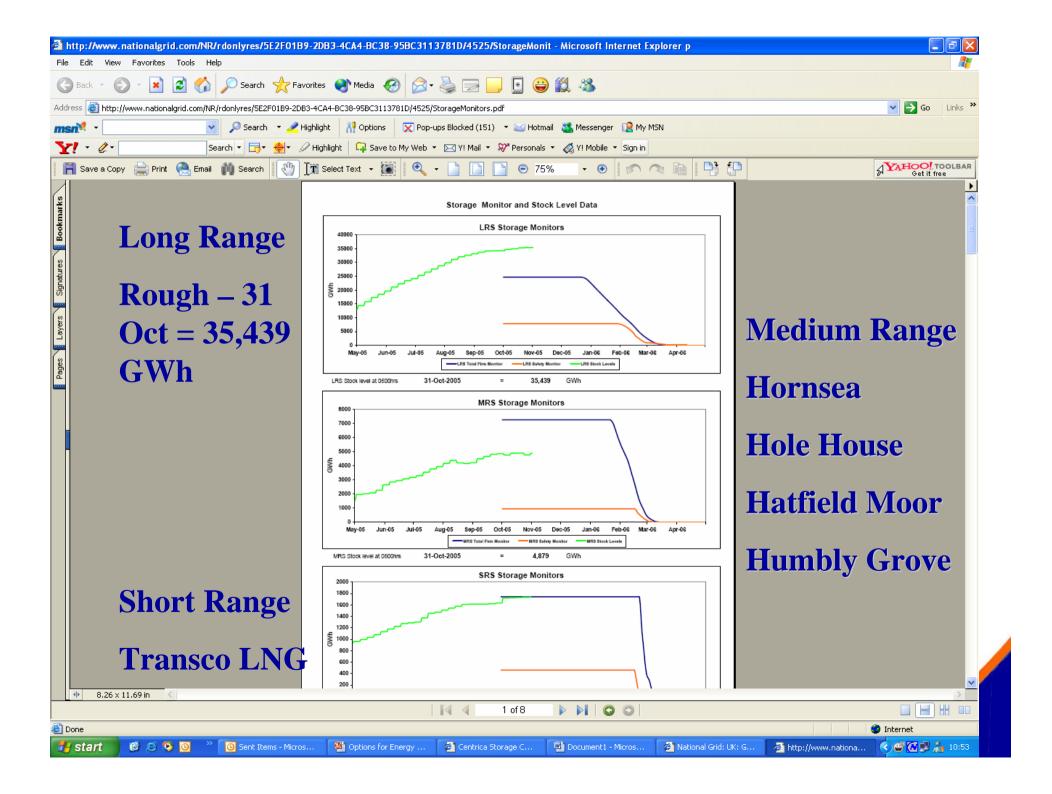








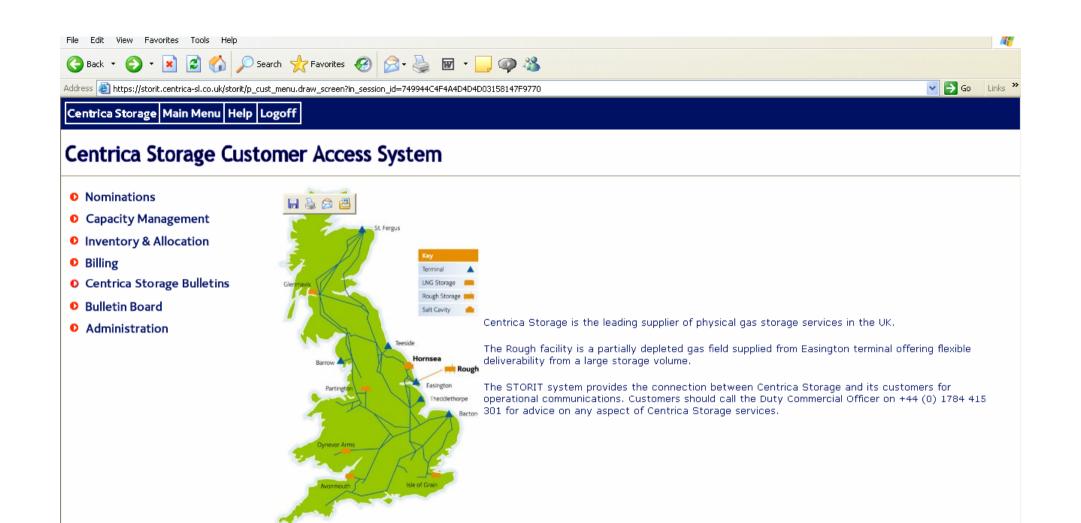




System Information

- Add these sites to your 'favourites'
 - http://www.nationalgrid.com/uk/Gas/Data/ (Information on the system)
 - <u>http://www.nationalgrid.com/uk/Gas/Data/misc</u> (Storage Monitors)
 - > <u>www.centrica-sl.co.uk</u> (back ground info)
 - > http://storit.centrica-sl.co.uk (storage information)

Any company signing our contract (SSC) and Credit Agreement get full access to STORIT (no obligations attached)



Applies the SSC in a user friendly way!

OPTIONS FOR WINTER 2005 (2) – USE ROUGH

- > Agree credit and your company can access Rough storage services
- > SECONDARY capacity available
 - > CSL WILL facilitate secondary trading of capacity
 - > There are always sellers!
- > INTERRUPTIBLE capacity offers
 - > CSL WILL release all available capacity to the market
 - CSL WILL make space zero price from January 2006 to enable storage cycling

OPTIONS FOR FUTURE WINTERS

- > FIRM capacity offers for future years
 - Choice of fixed or indexed prices, single or multi year
 - Or access to short term interruptible capacity
 - > Third Party Capacity (i.e. Non Centrica)

Technical Capacity = 455 m/SBUs

- > 2006/7 373.1 m/SBU (75%> sold out)
- > 2007/8 377.7 m/SBU (20%> sold out)

Centrica Storage Limited

WHY SHOULDN'T LARGE GAS USERS BUY STORAGE CAPACITY ..?

QUESTIONS...?

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