



PETGAS TRADING (UK) LTD

Emma King
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30 May 2007

Dear Emma,

Open letter re 3rd Party Proposal: Storage Information at LNG Importation Facilities Modification Reference Number UNC 104

Petgas Trading (UK) Ltd ("Petgas") would like to submit the following in response to the above Open letter issued by you on the 18 May 2007.

We would make the following comments in connection with the points raised in your letter. These are in addition to our representation dated 26 November 2006 as part of the modification consultation process and our comments made to you on the 12 April following the IA.

To quote from the proposal, "This proposal seeks publication by 16:00 **D+1** of the aggregate physical LNG of LNG Importation **Facilities** as being the stock held at 5:50 on the **previous** day." This quite clearly means a delay of 34 hours and 1 minute before publication on the basis that on any gas day (D), the previous day is D-1 and the following day is D+1. Hence if we were today (D) taking the decision to publish the previous days (D-1) gas flows on D+1, we would be looking to publish these by 16:00 tomorrow. We apologise for not commenting on this previously but we do agree that the legal text is incorrect in that under Timing, it should say "By 16:00 hours on the following day".

Re aggregation of the released information, we continue to believe that, if the modification is approved, it should not be implemented until there are a number of LNG facilities operating. It is our view that this is clearly the intention of the proposal. As quoted above, the proposal only refers to Facilities not a Facility.

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Further, in your IA you state that (paragraph 3.34) "Ofgem believes that, in the future, there should be no circumstances under which the stock data relating to only a single facility would be made publicly available.

Our final comments relate to your arguments that the proposal is within the scope of the UNC. We do not understand your view that arrangements in relation to the gas in store (which may be introduced into the NTS) at LNG importation facilities constitute part of the transportation arrangements of the GB gas system. As per Standard Special Condition A3(1) the transportation arrangements at a terminal whereby shippers may have gas introduced into the NTS relate to the requirement that the terminal is connected to the NTS and that there is an approved Network Entry Agreement governing this connection. We do not believe that the agreement references storage within the terminal, which is unsurprising as the primary function of the terminal storage is to allow the efficient and economic unloading of LNG tankers.

Further we do not understand why reference has been made to the contract between NGG NTS and National Grid Grain for OM gas as part of the argument as to why LNG storage falls under the jurisdiction of the UNC. **NGG NTS** has chosen to strike this arrangement so that it can demonstrate (if required) that it is meeting *its* obligation to maintain the NTS within safe operating limits. It is up to NGG NTS as to how it goes about verifying that the contract can be exercised if and when required. We do not understand how this example can be developed to justify saying that information in relation to gas in store at LNG importation facilities therefore falls within the remit of the UNC.

We trust you find our comments useful and if you have any questions then do not hesitate to get in touch.

Yours sincerely



Saheera Ahmad
Commercial Executive

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