

Bogdan Kowalewicz
Senior Manager
Gas Transmission Policy
Ofgem
9 Millbank
London
SW1P 3GE

Oslo, 18 May 2009

Dear Bogdan,

Proposed disposal of part of NTS for Carbon Capture and Storage – Ref 35/09

Port Meridian welcomes the opportunity to comment on Ofgem's document regarding disposal of part of the NTS. Our key comments regarding the document are outlined below.

Port Meridian is planning to develop a floating LNG regasification unit which would connect to the NTS via the Barrow terminal. Currently, it is expected that the initial average daily throughput will be approximately 120 GWh/d (400 mmscfd) starting from October 2013. It is anticipated that Port Meridian would eventually be capable of achieving an average throughput of 240 GWh/d (800 mmscfd) and a peak capacity of approximately 360 GWh/d (1200 mmscfd).

We are aware that there are additionally two projects under consideration to develop storage facilities which are also planning to connect to the NTS at the Barrow terminal; Gateway (Stag Energy) and Bains (Centrica). It is therefore likely that the total requirement for entry capacity at Barrow in the future could be well in excess of the current baseline level of 309.1 GWh/d.

The analysis contained within the document appears to take no account of these new projects at Barrow and only consider scenarios where the anticipated flows at the Barrow entry point are well below the current baseline level. We believe that further analysis is required to fully understand the effect of these potential new projects at Barrow on pipeline capability in the northern triangle of the NTS system before any decision is taken as to whether any of the northern NTS pipeline feeders could be considered available for disposal. We suspect, although are unable to confirm, that National Grid may not have factored in other potential projects entering gas into the NTS and urge Ofgem to consider more widely the impacts of the proposed disposal on future UK Gas Security of Supply

If you have any queries on this response, please do not hesitate to contact me.

Yours faithfully,
for Port Meridian Energy Limited

Ingeborg Egeland
Project Manager