

European LNG slump sees Italian FLNG import terminal acting as peak-shaver

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The OLT Offshore LNG Toscana, Italy's third import facility started-up a year ago, will launch a tender on October 6 to fuel peak-shaving services to supplement emergency pipeline natural gas supplies in the absence of significant Italian cargo purchases because of the state of the economy.

The first LNG unloading operation will be carried out by December 31, 2014, at the latest, for LNG volumes between 60,000 cubic metres and 100,000 cubic meters.

The Italian facility is jointly owned by Germany's E.ON Group, Italy's Iren and with a small stake held by Golar LNG of Norway.

It is positioned 22 kilometres offshore Tuscany between the cities of Livorno and Pisa and is able to transfer regasified LNG through a pipeline managed by the Italian network operator Snam Rete Gas.

The FLNG vessel is moored in 120 metres of water and connected to six moorings lines, two risers and various umbilical lines.

The "LNG Toscana" facility was formerly the "Golar Frost" LNG carrier.

"The peak shaving service is one of the emergency measures established by the Decree of the Ministry of the Economic Development within the 'Emergency Plan' to react to unfavourable events in the national gas system, which could happened during the winter period of the thermal year 2014-2015, and to guarantee the security of the Italian gas system.

"In case of emergency, this service would allow, starting from January 1, 2015, the insertion of gas into the network from previously unloaded LNG stored in tanks at the terminal," the company said.

The Toscana facility was Italy's third LNG import terminal. The onshore and long-established Panigaglia terminal near Genoa has been in operation since 1969. It is owned by Snam Rete Gas.

Italy's other import facility is the Porto Levante offshore gravity based structure, known as Adriatic LNG. It has been in operation since 2009 and its shareholders are Qatar Petroleum, ExxonMobil and Edison Gas.

OLT Offshore said the tender is open until November 5 and documents can be viewed and download from the company Web site (www.oltoffshore.it).