

Steve Smith
Managing Director, Markets
Office of Gas and Electricity Markets
9 Millbank
London
SW1P 3GE

Your ref
Our ref
Name Steve Rose
Phone 01793 892068
Fax 01793 892981
E-Mail stephen.rose@rwenpower.com

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Consultation on an application by Scottish Power Energy Management Limited on behalf of Holford Gas Storage Limited for an exemption under section 19A(6)(a) of the Gas Act 1986 from section 19B of the Gas Act 1986

Dear Steve,

RWE npower welcomes the opportunity to comment on the above consultation.

We support Ofgem's initial view that Holford Gas Storage's proposed facility at Byley should be granted an exemption from the Third Party Access requirements in section 19B of the Gas Act, as the other gas interests of the ultimate owner do not appear to give rise to any concerns over actual or potential foreclosure in the market for gas flexibility in the UK.

However, in cases such as Holford, where an exemption is being proposed based on the "use of the facility" (despite the fact that the published application letter accompanying the consultation suggests it was being sought on "de-minimus" grounds), we do not believe that the exemption should necessarily persist for the life of the facility if the conditions prevailing at the time the exemption is sought were to substantially change. For example, if the ultimate owner or contracted user of the facility were to become more dominant in the market flexibility, or if ownership of the facility were to change, it may be appropriate to reconsider the basis on which the exemption was granted. We therefore seek further clarity from Ofgem as to how such eventualities might be addressed for exemptions based on the "use of the facility".

Yours sincerely,

Steve Rose
Economic Regulation

[RWE npower](http://www.rwenpower.com)

Trigonos
Windmill Hill Business
Park
Whitehill Way
Swindon
Wiltshire SN5 6PB

T +44(0)1793/87 77 77
F +44(0)1793/89 25 25
I www.rwenpower.com

Registered office:
RWE Npower plc
Windmill Hill Business
Park
Whitehill Way
Swindon
Wiltshire SN5 6PB

Registered in England
and Wales no. 3892782