



Star Energy Group plc  
6<sup>th</sup> Floor  
5 Lower Belgrave Street  
London SW1W 0NR

Telephone: +44 020 7730 6663  
Facsimile: +44 020 7730 7774

Sonia Brown  
Ofgem  
9 Millbank  
London  
SW1P 3GE

3rd November 2005

Dear Sonia,

**Consultation on the proposed treatment under section 19A of the Gas Act 1986 of gas storage facilities with split ownership.**

With reference to the above-mentioned consultation process, Ofgem has invited interested parties to give their views on:

- Whether, as part of Ofgem's assessment of applications for exemption under the "de-minimis" test set out under section 19A (6a) of the Gas Act 1986, contractual arrangements would need to be considered, where the same facility is split between two independent parties;
- Whether joint owners of the facility should apply for one exemption for the facility, or for separate and independent exemptions for their respective shares of the same facility;

Star Energy believes that:

- Contractual arrangements should be considered where the same facility is split between two or more independent parties. If it can be demonstrated to the regulatory authorities that because of the operation of contractual arrangements the facilities can be considered as separate, this is an important consideration in determining what the relevant facility is for a TPA exemption.
- We believe that joint owners should be able to apply for separate and independent exemptions for the respective shares of the same facility. However, we also believe that this should be at the option of the owners - who may choose, for example, to apply for a single joint exemption.

Please feel free to give me a call if you would like to discuss these issues in greater detail.

Yours sincerely

Adrian Fernando  
Business Development Director.