

To Sonia Brown
Ofgem
9 Millbank
London
SW1P 3GE

Dear Sonia,

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

WINGAS Storage UK Ltd. is the owner and operator of the Saltfleetby gas field, it is planned to convert this gas field into an Underground Gas Storage Facility, with commercial operations planned to commence in 2008. As such we are particularly interested in this consultation.

Ofgem noted that “where there is split ownership of the facility itself (i.e. where company A has ownership rights over 50 per cent of the storage capacity in the facility and company B has ownership rights over the remaining 50 per cent), each company may apply for an exemption for the capacity of the facility over which it has ownership rights.”

It is our view that where the joint-owners of a storage facility wish to operate and market their share of capacity independantly that the owners should have the option to make separate applications for exemption from the obligation to offer full third party access.

We also believe it is likely that some parties will apply for a third party access exemption on the basis that use of the facility by other persons is not necessary for the operation of an economically efficient gas market whilst still intending to sell all or part of the capacity rights under some form of third party access.

Because of this we feel that strong consideration should be given to the proposed contractual arrangements that will govern the use of the storage facility.

Thomas Lehmann
Managing Director
WINGAS Storage UK Limited