

Sonia Brown
Director, Markets
Office of Gas and Electricity Markets
9 Millbank
London
SW1P 3GE

Your ref
Our ref OG050
Name Charles Ruffell
Phone 01793 89 39 83
Fax 01793 89 29 81
E-Mail charles.ruffell@rwenpower.com

30th November 2005

**Consultation on an application by INEOS Enterprises Limited for an exemption under section 19A(5) of the Gas Act 1986 from Section 19B of the Gas Act 1986
October 2005**

Dear Sonia

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

We support Ofgem's initial view that the Holford gas storage facilities owned by INEOS Enterprises Limited should be granted exemption from the Third Party Access requirements in section 19B of the Gas Act 1986. We agree that when judged against either definition of relevant market the use of the facility by other persons is not necessary for the operation of an economically efficient gas market.

However, the UK storage and the market for flexibility in general are going through a period of significant change. We would urge Ofgem to monitor the performance of this (and other) exempted facilities to provide reassurance to the market that there are no inefficiencies or distortions that have resulted as a consequence of the exemptions granted.

We hope these views are helpful and would be happy to discuss them further.

Yours sincerely

Charles Ruffell
Economic Regulation

RWE npower

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

T
+44(0)1793/8
9 39 83

F
+44(0)1793/8
9 29 81

I
www.rwenpower.com

Registered
office:
RWE npower plc