

Email response from Wingas Storage

Dear Andrew

Following from the Substitution Meeting held on 4 December, please find attached the view of Wingas Storage UK Ltd on the ranking of the various options put forward by National Grid.

We believe that our Saltfleetby project to convert the existing field to storage usefully exemplifies the importance of the risk mitigation element of National Grid's three assessment criteria for their suggested options.

We have already spent a considerable sum on the project, in making the SAO application and in the purchase of certain long lead plant items. We are likely to have to face a Public Inquiry before we are able to obtain the SAO and will have to continue our spend until the outcome of this process is known - which may be as late as 2010. You will, we feel sure, understand why we believe we should not be obliged to incur even further cost, - in the form of making a commitment to entry capacity - while uncertainty exists about achieving a positive outcome. This view is supported by Review Group 221.

In the circumstances of a serious project with the evident commitment to it of our owners, it seems to us to be unreasonable (and contrary to the spirit of the Government's explicit encouragement of storage projects) if currently unused Theddlethorpe capacity was transferred away such that we would have to start a new process to trigger incremental capacity at a later date.

We should make it clear that we appreciate National Grid have a duty to operate the transmission network efficiently for the benefit of, ultimately, consumers but feel that this duty should be seen and addressed in a broader context, anticipating projects that are coming forward but at a pace dictated by the SAO/Planning process, rather than the wishes of the developers.

Regards

Fraser

(See attached file: Substitution criteria table.pdf)

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