

Dear Mr David Wagstaff OBE  
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By email: [NetZeroTeessideProject@PlanningInspectorate.gov.uk](mailto:NetZeroTeessideProject@PlanningInspectorate.gov.uk)

Our ref: PM11/CW18/56335.1/MUNRO

Your ref:

24 March 2023

**Application by Net Zero Teesside Power Limited and Net Zero North Sea Storage Limited for an Order Granting Development Consent for the Net Zero Teesside Project  
Planning Inspectorate Ref: EN010103  
CATS North Sea Limited (Registration Identification Ref: 20029916)**

## 1 INTRODUCTION

1.1 We write on behalf of our client, CATS North Sea Limited (“**CNSL**”), in response to the request in your letter that an update is provided in respect of the protective provisions being negotiated between CNSL and the Applicant.

## 2 UPDATE ON PROTECTIVE PROVISION NEGOTIATIONS

2.1 Following the close of examination, CNSL and the Applicant have been engaged in negotiations with a view to reaching an agreed position on the terms of the protective provisions and any necessary commercial agreement.

2.2 As outlined in paragraph 3.1.7 of the Final Side Statement of Common Ground between the Applicant and CATS [REP13-013], at the close of the examination parties were seeking internal sign-off of a Side Agreement and protective provisions. CNSL required to obtain the approval the other parties that have an ownership interest in the CATS pipeline and associated infrastructure, being Kellas CATS Limited (company number 08021886), Eni UK Limited (company number 00862823) and Chrysaor Petroleum Company U.K. Limited (company number 00792712). The Side Agreement is not yet in a form that has been approved by all of the parties with an interest in the CATS pipeline.

2.3 Negotiations are continuing between CNSL and the Applicant. CNSL are optimistic that an agreed position can be reached in early course.

## 3 CNSL’S POSITION ON THE PROTECTIVE PROVISIONS IN THE FINAL DCO

3.1 The Applicant submitted a final draft DCO at Deadline 12 [REP12-003] that includes protective provisions for CNSL at Schedule 12, Part 6. CNSL’s position remains that if the DCO is granted in those terms, the protective provisions would not be sufficient to protect CNSL’s interest and could give rise to operational and safety concerns.

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- 3.2 In particular, the DCO would give the undertaker the power to acquire rights in land that are held by CNSL, or to extinguish rights of CNSL within the Order Limits. That includes rights over sections of the CATS pipeline. As detailed in section 2 of CNSL's Written Representation [REP2-081], CATS, including the CATS pipeline, is essential national infrastructure necessary for the operation at any one time of approximately 30 natural gas fields in the North Sea. Any incident which results in damage to the CATS pipeline or which would require the CATS pipeline to shut down would, amongst other things, have considerable impact upon the UK gas and electricity supplies to both the domestic and commercial markets.
- 3.3 CNSL need certainty that such rights will not be interfered with so that they can ensure they have the powers to operate and maintain the pipeline in the future. CNSL consider that the Applicant has not justified the need to have these powers over CNSL's interests.
- 3.4 CNSL submit that further protections should be included within the protective provisions to avoid those potential impacts occurring and to mitigate the impacts on CNSL that would result from the authorised development. The Appendix to this letter includes provisions that CNSL consider could be added to Schedule 12, Part 6 of the DCO to address these concerns, if the Secretary of State is minded to grant the DCO.

Yours faithfully



Patrick Munro  
Senior Associate

## Appendix 1

### Suggested amendments to the protective provisions

The following further defined term to be added to paragraph 59, Part 6, Schedule 12:

“restricted works” means any works required by the undertaker to cross apparatus or infrastructure directly associated with the CATS pipeline.

The following provisions to be added to the end of Part 6, Schedule 12:

#### **Restrictions on exercising powers**

**71.**—(1) The undertaker must not in the exercise of the powers conferred by this Order acquire, appropriate, extinguish, suspend or override any rights of CATS if the authorised development can reasonably and practicably be carried out without such acquisition, appropriation, extinguishment, suspension or override.

(2) The undertaker must in the exercise of the powers conferred by this Order at all times act so as to minimise, as far as reasonably practicable, any detrimental effects on CATS, including any disruption to access and supplies of utilities and other services that are required by them in order to carry out their operations.

**72.**—(1) The undertaker must not exercise the powers conferred by articles 22 (compulsory acquisition of land) and 23 (power to override easements and other rights) to acquire, appropriate, extinguish, suspend or override any rights of CATS relating to the CATS pipelines or access to the CATS pipelines except in relation to the restricted works and unknown rights.

**73.**—(1) In relation to the restricted works, prior to the carrying out of any restricted works (in accordance with any approval given under this Part), the parties shall use their reasonable endeavours to negotiate and enter into such deeds of consent (crossing consent) and (if necessary) variations to existing rights upon such terms and conditions as may be agreed between CATS and the undertaker acting reasonably and which must be no less favourable on the whole to CATS than the provisions of this Order, and it will be the responsibility of the undertaker to procure and / or secure the consent and entering into of such deeds and variations by all other third parties with an interest in the land at that time who are affected by such works.

**74.** In respect of plot 112 shown on the land plans, the undertaker must not exercise the powers conferred by this Order so as to acquire the freehold interest in an area which is larger than 36 metres by 72 metres.