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Rt Hon Michael Fallon MP  
Minister of State for Business and Energy  
Department for Business, Innovation and Skills  
1 Victoria Street  
London  
SW1H 0ET

19 June 2014

Dear Minister

I am writing in support of the application for an Underground Gas Storage facility at Preesall, Lancashire currently being re-determined by the Department of Energy and Climate Change.

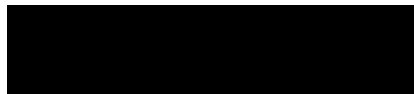
As an energy-intensive industry (EII), our Members are particularly exposed to volatile energy prices. CPI supports the need for additional gas storage capacity in the UK as part of a package of measures to help reduce the impact of high and volatile energy prices on its Member companies.

The UK economy is facing a major challenge as indigenous gas reserves are declining and we move towards a position of gas-import dependency. The UK is increasingly reliant on imported gas and increased gas storage is one of the limited protections against price volatility.

The proposed Preesall Underground Gas Storage Facility, being developed by Halite Energy Group, would be a major and welcome addition to existing UK gas storage capacity. It offers not only an additional 20% capacity but also, crucially, fast-cycle gas storage capacity, which would allow short-term price spikes, damaging to industrial users, to be reduced.

Announcements in the 2014 Budget are welcome in that they acknowledge the challenges faced by EIIs such as the Paper Industry. I urge you to support additional gas storage capacity in the UK, including the Preesall project where Ministers will shortly have the opportunity to determine whether a major strategic asset to UK industry is brought forward.

Yours sincerely



David Workman  
Director General

cc Giles Scott, Head of National Infrastructure Consents, DECC

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