

Rt. Hon Matthew Hancock MP
Minister of State for Business and Enterprise
Department for Business, Innovation and Skills
1 Victoria Street
London
SW1H 0ET

2nd September 2014

Dear Minister

Preesall Saltfield Underground Gas Storage by Halite Energy Group Ltd

The Murphy Group is contacting you to express our support for the gas storage planning application in Preesall in Lancashire. This application is currently being re-determined by the Secretary of State in DECC.

J. Murphy and Sons Limited was established in 1945 in the United Kingdom and Ireland to clear bomb sites left by the Blitz. We are grounded by the structured management of one of the industry's largest permanent work forces that is 3900+ strong. This enables Murphy to deliver multiple construction projects to the highest standards and with a highly envied industry safety record within the industry from working on many UK critical Civil Engineering Construction projects such as The Crossrail Tunneling scheme.

We have reviewed Halite's plans and see an opportunity for us to assist them in building their £600m facility; we have extensive experience in such large scale gas infrastructure projects.

The future role of and importance of gas supply flexibility for the UK energy market has never been as crucial as it is at the present time. The increasing tensions between Russia and the EU has led to the EU Energy Commissioner Guenther Oettinger saying he may propose governments increase the volumes of natural gas they are obliged to keep in storage.

The UK currently has just 14 days of gas stored, compared to France having 87 days, Germany 69 days and Italy 59 days.

We understand Preesall would increase the UK's energy storage capacity by 20 percent. In addition Preesall's fast cycle design and capabilities make it ideal for providing fast response gas particularly suited to provide the flexibility needed to supply the intermittent gas needs of combined cycle gas turbines (CCGT's or "peaking power plants") to support electricity demand at short notice when the wind does not blow.

These inevitable supply troughs in offshore wind, combined with the inflexibility of nuclear supply will mean an ongoing need for natural gas infrastructure such as Preesall to provide essential capacity for electricity generation.

Yours sincerely



Tom Lohan
Regional Director
J. Murphy and Sons Limited

