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7 June 2016

Dear Sirs

**APPLICATION BY KEUPER GAS STORAGE LIMITED FOR AN ORDER GRANTING  
DEVELOPMENT CONSENT FOR THE KEUPER GAS STORAGE PROJECT  
APPLICATION REFERENCE EN030002**

We act for Holford Gas Storage Limited (HGSL).

In accordance with the timetable set out in the Rule 8 Letter, we have set out below a written summary of the oral submissions made on behalf of HGSL at the issue specific hearings on the local environmental impacts of the Proposed Development and the draft DCO.

HGSL and the Applicant are currently in discussions relating to an agreement to ensure that HGSL's assets and apparatus are protected. In the event that such discussions do not progress satisfactorily, we confirm that HGSL will wish to make oral representations at the third issue specific hearing on the local impact of the project and the development consent order (DCO).

**Written summary of oral submissions of HGSL on 25 and 26 May 2016**

Claire Brodrick of Pinsent Masons LLP made the following oral submissions on behalf of HGSL at the issue specific hearings.

Mrs Brodrick requested that the Sub-surface Safety Assessment Report (Examination Library Reference APP-192) and the Preliminary Study of Gas Cavity Design Capacity Report (Examination Library Reference APP-193) should be certified documents pursuant to Article 35. These documents set out the control measures that will be used to ensure that the Proposed Development does not adversely affect the integrity of the HGSL's salt caverns. The Applicant agreed to refer to these documents in Article 35.

In response to a question from the Inspector, Mrs Brodrick confirmed that there had been no progress since the first issue specific hearing relating to an agreement between HGSL and the

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Applicant. Mrs Brodrick referred to the Applicant's Deadline 3 submission which stated that the Applicant's position was that protective provisions were unnecessary and inappropriate.

Mrs Brodrick confirmed that there is currently no contractual relationship between HGSL and the Applicant. The existing leases are between HGSL and Inovyn Enterprises Limited. Inovyn Enterprises Limited is a separate legal entity from the Applicant. Mrs Brodrick explained that the powers in the draft DCO enable the Applicant to carry out works to, and in close proximity to, HGSL's apparatus without complying with the protective measures set out in the leases. It is for this reason, as well as amplifying the lease protections where necessary, that HGSL considers that protective provisions are required.

Mrs Brodrick referred to HGSL's written representation which sets out HGSL's concerns and asked the Applicant to consider certain measures that could potentially eliminate or mitigate risks. Mrs Brodrick added that HGSL had not carried out an assessment of all of the potential risks of the Proposed Development and it was not HGSL's role to do so at this stage. In particular, Mrs Brodrick referred to HGSL's concerns relating to the proximity of the solution mining compound and the gas marshalling compound to HGSL's wellhead H406.

Mrs Brodrick stated that KGSL had not considered the relocation of this apparatus in its Deadline 3 response and no evidence had been provided as to why this was the preferred location for the apparatus or whether there was a technical or financial reason as to why it could not be moved to outside of the harm zone for wellhead H406.

Mrs Brodrick referred to KGSL's comments on HGSL's written representation that it is "*confident that the proposed underground gas storage facility would be constructed and operated without impact to the duties of HGSL under the COMAH Regulations*". However, the Applicant had provided no evidence to support this assertion.

In response to a question from the Inspector, Mrs Brodrick confirmed that HGSL had provided a copy of its written representation to the local HSE officer that deals with HGSL's COMAH report. However, this is a separate department within the HSE to the department that deals with a Hazardous Substances Consent.

Mrs Brodrick stated that even if the HSE had considered the proximity of the Proposed Development to the HGSL Project to be tolerable in the context of a Hazardous Substances Consent, consideration should still be given as to whether this a suitable location for the apparatus taking into account HGSL's concerns.

Mrs Brodrick added that it will be too late if the HSE raises concerns relating to the layout and proximity of the Proposed Development to the HGSL Project when it is reviewing the Applicant's COMAH report or the revised HGSL COMAH Report.

Mrs Brodrick referred to paragraph 4.11.4 of NPS EN-1 which requires the Applicant to provide sufficient information to enable the HSE to "*assess whether the inherent features of the design are sufficient to prevent, control and mitigate major accidents*". Mrs Brodrick reiterated the point made in HGSL's written representation that the HSE should confirm it has assessed the layout of the Proposed Development and that it meets the safety objectives set out in paragraph 4.11 of NPS EN-1. Confirmation ought to be sought direct from the HSE of their position, not just under the Hazardous Substances regime but under COMAH too.

HGSL will give further consideration to the comments made by the Applicant at the hearing in relation to the assessment undertaken to date and the reasons for the location of the solution mining compound and the gas marshalling compound.

It is understood that the Applicant is going to reconsider whether certain powers in the DCO should apply to the Order land or the Order limits. Mrs Brodrick reiterated the point that protective provisions are required to protect HGSL's assets in the event that powers are to remain over the entire Order limits.



We should be grateful if you would acknowledge receipt of this letter.

Yours faithfully

*Pinsent Masons LLP*

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