

The Caythorpe Gas Storage Limited (Caythorpe Gas Storage Facility) (Supplementary) Compulsory Purchase Order 2010

Statement of Case

Of Caythorpe Gas Storage Limited under Rule 7 of the Compulsory Purchase (Inquiries Procedure) Rules 2007

24 March 2011

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## **1 Introductions and Definitions**

1.1 Caythorpe Gas Storage Limited (the **Company**) is a gas transporter pursuant to **section 7** of the 1986 Act. On 5 October 2010 the Company made The Caythorpe Gas Storage Limited (Caythorpe Gas Storage Facility) (Supplementary) Compulsory Purchase Order 2010 (the **CPO**) (**CD 5.6**). The CPO was made under sections 12 and 13 of the 1965 Act, (**CD 1.2**) section 9 and paragraph 1 of Schedule 3 of the 1986 Act (**CD 1.3**) and the Acquisition of Land Act 1981 (**CD 1.1**) for the purposes of: storing natural gas; drilling, installing, using and maintaining boreholes and operational activity, including the installation of monitoring equipment; laying retaining operating and maintaining associated interconnecting underground pipelines, access roads, electricity cables and other service media and necessary equipment; and the construction of an above ground installation for the connection into the National Transmission System including associated landscaping.

1.2 Definitions used in this Statement shall have the following meanings:-

<b>1965 Act</b>	The Gas Act 1965 ( <b>CD 1.2</b> )
<b>1986 Act</b>	The Gas Act 1986 ( <b>CD 1.3</b> )
<b>1998 Act</b>	The Human Rights Act 1998 ( <b>CD 1.4</b> )
<b>2006 Order</b>	Caythorpe Gas Storage Limited (Caythorpe Gas Storage Facility) Compulsory Purchase Order 2006 ( <b>CD 5.1</b> )
<b>AGI</b>	Above ground installation
<b>CPO</b>	The Caythorpe Gas Storage Limited (Caythorpe Gas Storage Facility) (Supplementary) Compulsory Purchase Order 2010 ( <b>CD 5.6</b> )
<b>Convention</b>	The European Convention on Human Rights
<b>Inquiry Rules</b>	Compulsory Purchase (Inquiries Procedure) Rules 2007 ( <b>CD 1.8</b> )
<b>NTS</b>	National Transmission System
<b>Order Land</b>	The land comprised in the CPO
<b>PGF</b>	Caythorpe power generation facility
<b>Plot</b>	One of the plots comprised in the Order Land
<b>Scheme</b>	the storage of natural gas in natural porous strata and related works as more particularly described in <b>paragraph 6</b>

- 1.3 The references in parentheses (**CD XX**) are to Core Documents to be presented at the public inquiry. A list of these appears at **Appendix 3**. In the event that additional documents are added these will be notified to the Secretary of State and any remaining objectors.

## **2 Procedural Matters**

- 2.1 The CPO was advertised in the Bridlington Free Press on 7 and 14 October 2010 (**CD 5.9.2.1 and CD 5.9.2.2**). The Company has also complied with the service of notice provisions as required by s.12 of the 1981 Act (**CD 1.1**).
- 2.2 The CPO was submitted to the Secretary of State to request confirmation of the CPO on 15 October 2010.
- 2.3 The period for submission of any objections to the CPO expired on 29 October 2010. By that date 5 statutory objections to the CPO had been made to the Department of Energy and Climate Change (**DECC**). As at the date of this Statement of Case 1 objection has been removed and 4 remain. However as detailed in **Appendix 2** the Company anticipates that at least 3 of those remaining will be removed.
- 2.4 On 3 December 2010 DECC gave notice to the Company under Rule 3(3) of the Inquiry Rules (**CD 1.8**) that a public local inquiry will be held. The date for the inquiry has not yet been set although the Company is awaiting final confirmation from the Secretary of State that this will be between 24 and 26 May 2011 in Bridlington.
- 2.5 Pursuant to Rule 7 of the Inquiry Rules the Company is required to send to the Secretary of State and all remaining objectors the Statement of Case. By letter dated 10 March 2011 (**CD 9.4**) the Secretary of State extended the date for submission of the Company's Statement of Case to 24 March 2011. This document is the Company's Statement of Case. It builds on matters which were set out in the non-statutory Statement of Reasons provided in compliance with paragraphs 35 and 36 and Appendix R of ODPM Circular 06/2004 *Compulsory Purchase and the Criche Down Rules* (**CD 2.1**) when the CPO was made. It also addresses the objections which have been made and which remain extant as at the date of this Statement.

## **3 Background**

### The Caythorpe gas field

- 3.1 Caythorpe is a natural gas field located in the Rudston area of Yorkshire, west of Bridlington, comprising two subsurface reservoirs.
- 3.2 The two reservoir units are the Kirkham Abbey Formation at a depth of approximately 1700 metres and the Rotliegendes Formation at a depth of approximately 1800 metres below the surface of the land, both of which are now depleted. The total potential gas storage volume is estimated to be 289 million sm<sup>3</sup>.

Underground gas was first discovered at Caythorpe by exploratory drilling in 1987. Planning permission and DTI (now DECC) approval for gas production was given in 1992. Although two wells were drilled at this site referred to as Caythorpe 1 (C-1) and Caythorpe 2 (C-2), it was only the latter that was completed as a gas producer. An electricity generating facility was later developed at the site by Independent Energy Limited and subsequently operated by one of the Warwick Energy group of companies. This has subsequently been demolished.

#### The Caythorpe gas storage project

- 3.3 The Company is planning to convert the depleted field into a gas storage facility, which will import dry gas from the National Transmission System (**NTS**) during periods of low demand store it and then return the gas to the NTS during periods of high demand.
- 3.4 The Company originally promoted a gas storage facility at Caythorpe in November 2005 when a planning application was submitted. At that time the Company was owned as part of the Warwick Energy Group but the entire issued share capital in the Company was subsequently acquired by Centrica Storage Holdings Limited in September 2008. The Scheme will be located within the depleted Caythorpe gas field. The Scheme involves the re-injection of gas to within its original pressure into the depleted reservoirs and use as a gas storage facility and is described more fully at **section 6** below.

#### Existing consents

- 3.5 The Scheme benefits from the following existing consents:
- 3.5.1 Approval of revised Field Development Plan for gas storage in May 2008;
- 3.5.2 Planning permission granted on appeal in February 2008 for the:-  
*"extension and development of the existing Caythorpe power generation facility, the construction of a wellsite and drilling of up to 6 boreholes to access an unidentified gas-bearing geological structure, and the construction of a connection facility into the Transco National Transmission System together with associated inter-connecting pipelines"* (**CD 4.2**);
- 3.5.3 Hazardous substances consent granted on appeal in February 2008 for the  
*"storage of 217,077 tonnes of natural gas (methane) in the existing underground gas reservoir and in new flowline, process plant and network"* (**CD 4.3**); and
- 3.5.4 Storage Authorisation Order (**SAO**) granted in February 2008 for the  
*"storage of un-odorised natural gas in the Caythorpe Gas Field"* (**CD 4.4**).
- 3.6 The Company was also awarded a consent in August 2009 under **section 20** of the 1965 Act (**CD 4.5**) to enter the land within the SAO boundary to undertake seismic investigations. Further detail about this is set out below.

#### The 2006 Order

3.7 In addition to the consents referred to above the Secretary of State confirmed on 9 April 2008 a Compulsory Purchase Order promoted by the Company. This was the 2006 Order made pursuant to **Sections 12 and 13** of the 1965 Act and **Section 9** and Schedule 3 of the 1986 Act. The stated purposes were to permit:

3.7.1 the storage of natural gas in underground porous strata;

3.7.2 the extension and development of the existing Caythorpe power generating facility for compression of natural gas for storage in and extraction from the underground porous strata;

3.7.3 the construction of a remote well site and drilling of six bore holes;

3.7.4 the construction of a connection facility and associated access lane; and

3.7.5 the laying of pipelines and cables to facilitate the Gas Storage project.

Agreements to purchase the interests and/or rights in land

3.8 Most of the interests and rights included in the 2006 Order have been acquired by agreement, whilst in respect of others the Company has exercised General Vesting Declarations, as described below.

Implementation of the 2006 Order

3.9 On 20 August 2010 the Company executed two General Vesting Declarations (**CD 5.5.1**) to acquire compulsorily rights required to store gas beneath the surface of part of the land comprised in the 2006 Order. The interests vested in the Company on 14 October 2010 and registration of these rights has been completed.

3.10 On 15 February 2011 the Company executed two additional General Vesting Declarations to acquire interests in the sub surface of highways for the pipeline crossings. Whilst the 2006 Order contained a narrower working width for the pipelines than the Company proposed to work within, the Company has redesigned the working area for these small areas of highway crossing such that it no longer requires the full widths for the pipeline crossings as set out in plots 7, 8, 9 and 10. Having exercised the rights in the 2006 Order for the equivalent plots; on the vesting of those rights in the Company on 14 April 2011 the Company will make an application to the Secretary of State to remove plots 7, 8, 9 and 10 from the CPO.

3.11 Finally a General Vesting Declaration was made on 23 March 2011 to widen the lateral extent of the rights to store gas between the surface of the land comprised in the 2006 Order. It is anticipated that those rights will vest in the Company on 22 April 2011.

3.12 As a result, the Company has now acquired (or will on completion of vesting of interests acquired under the 2006 Order have acquired) all outstanding interests save for those included within this CPO. When the outstanding interests vest applications will also be made to register these rights at the Land Registry.

The need for a second CPO

3.13 The 2006 Order did not include all of the interests required. It was deficient in that:

- 3.13.1 Not all of the new rights that are required for the drilling and completion of the new boreholes and installation of monitoring equipment within the existing boreholes were authorised to be acquired. This was because those rights were not specifically listed within the schedules of the 2006 Order as being required from the relevant landowners. Whilst the drilling of boreholes was listed as a purpose of the acquisition, such acquisition can only be authorised if listed in a schedule of a compulsory purchase order;
  - 3.13.2 The description of the rights required for the pipeline needs to be more clearly defined as well as additional land needed for temporary working space; and
  - 3.13.3 The 2006 Order did not include rights to store gas beneath the B1253 Rudston Road. That land is in unknown ownership although adjoining landowners have a rebuttable presumption at common law of owning the subsoil up to the mid point of the highway.
- 3.14 As a result it was necessary to promote the CPO to enable the Scheme to be fully implemented. The Company's reasons for doing so were set out in the Statement of Reasons (**CD 5.8**) issued by the Company and served on all of those who received notice of making of the CPO.

#### **4 Description of the Order Land and the other land required for the Scheme**

- 4.1 The land which is comprised in the CPO (the **Order Land**) is located on the south eastern edge of the Yorkshire Wolds, in the parishes of Rudston, Boynton and Burton Agnes, and although varied in nature the surface is characterised by farmland, including mixed cereal crops and grazed meadow land.
- 4.2 In addition to this the Scheme also comprises the former PGF which has been demolished and removed (except for the wellheads of existing wells C-1 and C-2) and its associated underground pipeline which runs south west from the Caythorpe PGF for around 4.5 kilometres to an AGI at Woldgate where it connects into the regional transmission system. The pipeline is decommissioned but remains in the ground, whilst the AGI is currently being removed by its owner, Northern Gas Networks. There is still a live gas well at the PGF that penetrates the Caythorpe Gas Field which is referred to as C-2. It is planned to be used as a monitoring well as part of the Scheme although no final decision has been made.
- 4.3 Much of the surface of the land (above the gas storage reservoir and drilling area and the route of the pipelines) required for the Scheme is agricultural. It is used primarily for arable farming and grazing. There is also the Carr Plantation which is an area of mixed woodland in the grounds of Thorpe Hall. Thorpe Hall is at the western end of the gas storage area.
- 4.4 Most of the interests being acquired within the CPO are subsurface (plots 1-6 inclusive). As a result, the interests to be acquired beneath the surface are confined

to freeholders and any persons who have an interest in the freehold such as mortgagees.

- 4.5 The Company has secured by agreement the land required for the well site where drilling will commence from the surface downwards vertically. It was not therefore necessary to include this land in this CPO but its location is shown in Figure 1 **Appendix 1**. The drilling will deviate from the vertical outside the extent of this land, below surface level once it reaches a depth of at least 152.4 metres. This means that where drilling rights for the new wells are included in this CPO they will not be required at any depth shallower than 152.4 metres below the surface. In addition to the drilling rights for the new boreholes, this CPO also seeks to secure the rights for the two existing wells, C-1 and C-2, especially the latter which includes a right to install equipment to monitor the pressure of the gas contained within the two reservoirs. This CPO also includes a right to store gas beneath the public highway which was omitted from the 2006 Order. That storage will be at depths consistent with those depths referred to at paragraph 3.2.
- 4.6 Whilst rights were included within the CPO to lay pipelines to the south of the public highway known as Woldgate, agreement has been reached with those landowners. On 24 November 2010 an application was made to the Secretary of State to modify the CPO by the removal of Plots 12, 13, 14 and 15 (**CD 5.11**). As referred to at **paragraph 3.10** above the Company has also implemented part of the 2006 Order to vest the rights to lay pipelines beneath the highways known as the Woldgate and 2 highways to the south of the Woldgate.
- 4.7 The Company has been able to redesign the working area for these parcels of land so does not require the full width of the pipelines as contained in the CPO, relying instead on the narrower working widths in the 2006 Order. When the interests from the 2006 Order vest in the Company an application can be made to the Secretary of State to further modify the CPO and remove Plots 7, 8, 9 and 10. The only other interest then remaining in the CPO is the right to occupy some additional land (Plot 11) for working space connected with the pipeline works. As noted in Appendix 2 it is anticipated that as negotiations are at an advanced stage an agreement will be entered into shortly.

## **5 The Enabling Power**

- 5.1 The CPO has been promoted by the Company in order to provide a Gas Storage Facility. The 1965 Act contains the process for the authorisation of the storage by gas transporters of gas underground in natural porous strata. The Company is a gas transporter pursuant to **Section 7** of the 1986 Act. The licence was granted on 29 July 2005 under reference LIC/PGT/186 (**CD 4.6**).
- 5.2 Sections 12 and 13 of the 1965 Act provide that a gas transporter may be authorised by the exercise of its powers in Schedule 3 of the 1986 Act to purchase compulsorily:
- 5.2.1 an exclusive right to store gas in an underground gas storage;

- 5.2.2 any land which is the site of any well, borehole or shaft for the purpose of making use of the same for the development and use of the underground gas storage; or acquiring any existing well, borehole or shaft if it extends below the storage authorisation order to stop it up or prevent its use by others; and
  - 5.2.3 a right of way to access land within the storage area (such rights being implied by law to include rights to construct and maintain gates, stiles and bridges) and if such right includes a right with vehicles, the right to transport materials, plant and apparatus in the vehicle.
- 5.3 Section 9 of the 1986 Act also applies Schedule 3 of that Act which sets out the powers of the Secretary of State, after consultation with Ofgem, to authorise the compulsory purchase by a gas transporter of land as well as existing rights and new rights. That power includes the right to acquire new rights or land for the laying of pipelines.

## **6 The Scheme underlying the 2006 Order and the CPO**

- 6.1 As is noted in **section 3.5** above the Scheme already benefits from a number of consents. The 2006 Order which was promoted prior to the Company's issued share capital being owned by Centrica Storage Holdings Limited does not include all of the interests that it is necessary to acquire for the purposes of implementing the Scheme. The Company requires the interests contained within this CPO to enable it to fully implement the Scheme.
- 6.2 The Company is planning to convert the depleted gas field into a gas storage facility, which will import dry gas from the National Transmission System (**NTS**) during periods of low demand, store it and return the gas to the NTS during periods of high demand. The storage facility is designed to be capable of being filled and emptied of gas within an approximate 60 day cycle, and will produce at a maximum rate of 300 million cubic feet per day (mmscf/d or 3.1 million therms per day).
- 6.3 A 20 inch welded stainless steel pipeline 1.2 km in length will connect the wellsite to the gas plant, where the gas will be compressed either for injection into the reservoir or delivery to the NTS via a 24 inch welded steel import/export pipeline 4.4 km in length, which will connect at the AGI. The 20 inch flowline will follow the route of the access road to the wellsite and will be laid with electricity and fibre optic cables, and a small bore methanol pipeline. The 24 inch import/export pipeline will replace the existing decommissioned 6 inch pipeline, which will be removed and will be laid with fibre optic telecommunication cables.
- 6.4 In May 2009, the Company was granted a Direction by the Secretary of State for Energy and Climate Change under section 20 of and schedule 6, paragraph 1 to the 1965 Act to carry out prospecting over land in the Caythorpe area, for the purpose of proving the Caythorpe field for underground gas storage. Following receipt of this Direction, 3D seismic data of the field was acquired in Q4 2009 to verify the size and extent of the reservoirs. The interpretation of this data resulted in the re-evaluation

of the extent of the land required for storage and extent of the area required for development well drilling.

- 6.5 It is considered that the original gas-in-place for both reservoirs was in the region of 289 million cubic metres (**Mcm**) although once the reservoirs have been recharged, the working volume will be less than this. The new well site will have up to six slots for drilling the new development wells. It is planned that this original Caythorpe-2 producing well will be converted to an observation well for monitoring field reservoir pressure, although a final decision on such use has not yet been made.
- 6.6 The Company (which was previously owned by Warwick Gas Stores Limited and planned the gas storage scheme) obtained all the major planning consents and licenses on behalf of the Company before it was acquired in 2008 by Centrica Storage Holdings Limited. Since then, the Company has developed the project from feasibility to preliminary engineering design. Whilst the Company announced in November 2010 that the project had been put on hold, enabling work has been carried out and the Company has commenced the Scheme on land acquired by agreement. Certain early civil works have been completed, including the construction of the access road to the wellsite and the bridge crossing of the Gypsey Race. East Riding of Yorkshire Council has confirmed by email dated 24 November 2010 that the planning permission referred to at **paragraph 3.5.2** has been implemented (**CD 4.9**). The Company expects that it will be possible to make a final investment decision towards the end of 2011, after a decision on the CPO has been made by the Secretary of State.
- 6.7 It is planned to deliver 1st gas in Q2 or Q3 2014, which means commissioning and recharging the reservoir in 2013. To meet this schedule, it is planned to commence the 12 month drilling programme in September 2012 following a 9-12 month lead time to procure materials and equipment.
- 6.8 The extent of the subsurface area required for both gas storage and drilling of new boreholes has now been more clearly defined following the interpretation of the 3D seismic survey data which was obtained in Q4 2009. The Company has also further refined the area required for gas storage following a review of the technical subsurface work carried out and resulting from the interpretation of the 3D seismic data. This has reduced the subsurface area required for the Scheme to less than that authorised for the compulsory acquisition of rights to store gas contained within the 2006 Order albeit the Gas Storage Authorisation Order boundary remains unchanged and that order is still in force (Figure 1) **Appendix 1**.

## **7 The interests and rights included in the CPO**

- 7.1 Whilst the 2006 Order listed the acquisition of rights to drill boreholes as a purpose, these were not scheduled against the relevant land ownerships in the 2006 Order and so cannot be exercised by the Company. The purpose of the CPO is to correct this and the other deficiencies in the 2006 Order referred to in **paragraph 3.13**

above. The confirmation of the CPO will allow the Company to fully implement the planning permission and storage authorisation order for the Scheme.

- 7.2 The CPO has, therefore, been made to acquire land for the following purposes:
- 7.2.1 storage of natural gas beneath the B1253 Rudston Road only in underground porous strata known as the Kirkham Abbey Formation and the Rotliegendes Group (Leman Formation) within and forming part of the area authorised by the Caythorpe Gas Field Storage Authorisation Order 2008;
  - 7.2.2 drilling installation use and maintenance of up to 6 new boreholes and 2 existing boreholes in connection with the development and operational activity of the underground gas storage facility including the installation of monitoring equipment into the existing Caythorpe 2 well;
  - 7.2.3 laying retaining operating and maintaining associated interconnecting underground pipelines, access roads, electricity cables other service media and necessary equipment in order to facilitate the proposed development of the Caythorpe Gas Storage Facility; and
  - 7.2.4 The construction of an Above Ground Installation for the connection into the National Transmission System including associated landscaping works.
- 7.3 As mentioned above, certain plots have now been withdrawn from the CPO and it is expected that others will be withdrawn shortly.
- 7.4 **Appendix 1 - Figure 1** shows land required for drilling as comprised in the CPO (coloured green). The storage rights in that area coloured green have already been secured by the exercise of powers in the 2006 Order – see **paragraph 3.9** above. The remainder of the land required for storage and drilling which has been secured by agreement is coloured pink. It also shows the land required for both storage and drilling beneath Rudston Road included within the CPO coloured yellow (see **paragraph 7.8** below). Finally the land shown coloured blue is the additional land included within a further general vesting declaration made under the 2006 Order to extend the area required for storage (see **paragraph 3.11** above).

Land required for drilling (Plots 1-6)

- 7.5 The area of land under which directional drilling is needed to fully access the stored gas is defined in accordance to the subsurface geology. Although the Caythorpe gas storage area is contained within Licence Block PL234, the land required for directional drilling is smaller than this (Figure 1). The wells will be drilled from the new Caythorpe wellsite, located approximately 1.1 km southwest of the proposed gas processing facility (formerly the power generating facility) where the wellheads of the two existing wells are also located.
- 7.6 The new wellsite contains space for the drilling of up to six new boreholes. Initially these will be drilled vertically down to at least 152.4m below the surface of the land. At depths below this, the wells will start to deviate from the vertical so that they can

be redirected to reach the required depth of the reservoirs. In order to optimise well productivity, the wells will have to be deviated or inclined by at least 45 degrees from vertical as they enter the reservoir. Figure 2 **Appendix 1** illustrates the three dimensional aspect of the form that some of the development wells may take. In detail, the wellpath trajectories will be designed and optimised to adhere to safe drilling practices.

- 7.7 In addition to the rights required for the directional drilling of the new boreholes, it is necessary to acquire the rights for the use and maintenance of these wells in connection with the development and operational activity of the underground gas storage facility. Operations associated with the facility will require the installation of equipment within the boreholes to allow testing and inspection, particularly of the two reservoirs. These rights will need to be extended to the existing boreholes, C-1 and particularly C-2, which includes the right to install equipment to monitor the pressure of the gas contained within the two reservoirs.
- 7.8 The land required for directional drilling is mainly owned by three landowners, namely Sir Ian MacDonald and a related Trust as shown pink in Figure 1, WD Sellers and Sons and MM Sellers Limited. Agreement has been reached with WD Sellers & Sons, James Morley and MM Sellers Limited already and interests have been acquired with these landowners to proceed with the drilling.

Land required to store gas beneath B1253 Rudston Road (Plot 6)

- 7.9 The 2006 Order did not include rights to store gas beneath the B1253 Rudston Road and is included in the CPO. It is in unknown ownership albeit East Riding of Yorkshire Council has an interest as highway authority in the surface and Sir Ian MacDonald as adjoining landowner has a rebuttable presumption of ownership up to the mid point along the length of highway adjoining his ownership. However these storage rights will only be at depths consistent with those in **paragraph 3.2**.

Land required for pipelines (Plots 7, 8, 9, 10, 12 & 13)

- 7.10 The schedule to the CPO sets out in detail the new rights required. In summary these include all rights required to lay, render operational and maintain the gas pipeline and cables based on stripping the topsoil and reinstating as near as reasonably practicable to that existing prior to entry; the removal of vegetation, temporary fencing and stockpiling of soils; removal and replacement of boundary fences and hedgerows, and installation of marker posts; to undertake soils and geotechnical surveys; to pass over the land with vehicles and machinery, and to use within a 28 metre working corridor; to periodically inspect the 6.71 metre easement corridor and prevent new construction within its limits; to carry out non-intrusive environmental surveys beyond the easement corridor; all rights of entry associated with these rights and a right of support. In addition to this some land is also required for working space during construction. These rights will all be exercised through agricultural land from the Gas Processing Facility to the Above Ground Installation.

7.11 Part of the land includes the placing of pipelines beneath the highway. This is all in unregistered ownership. There is a rebuttable presumption at common law that the adjoining landowner owns the sub surface beneath the highway up to the mid point. Whilst agreement has been reached with some adjoining landowners to grant such interests that they have beneath the highway, they can only be classed as reputed owners as they have not been able to prove title. They are therefore included within the CPO as they are required to be scheduled. The inclusion of these plots was to ensure that any unknown ownership is covered. The Company would not implement the CPO against parties in so far as the necessary rights have been secured by agreement. As outlined in **paragraph 3.10**, the Company has exercised the 2006 Order for these elements. On completion of vesting of those rights contained in the 2006 Order in the Company an application will be made to the Secretary of State to remove Plots 7, 8, 9 and 10 from the CPO.

#### Other Interests (Plots 14 and 15)

7.12 The CPO included land acquisition for a construction compound and the Above Ground Installation. Following the exchange of agreements it is no longer necessary to rely upon the CPO for these Plots. On 24 November 2010 an application was made to modify the CPO and remove Plots 12, 13, 14 and 15 from the CPO. The objection from these landowners has also been removed.

## **8 Need for the Scheme**

8.1 The Caythorpe Gas Storage Project was the subject of a Public Inquiry in April and May 2007. The consideration of the need for the development was a key matter for that Inquiry. Following consideration of the Inspector's Report (**CD 5.3**) the project was approved in February 2008 by the Secretary of State for Communities and Local Government and the Secretary of State for Business, Enterprise and Regulatory Reform<sup>1</sup>, acting jointly (**CD 5.4**). In reaching their decision to approve the gas storage project at Caythorpe the Secretaries of State concluded that:

8.1.1 "...it is common ground that there is need to replace the declining energy resource; that Minerals Planning Statement 1 stresses the role of underground gas storage, and that a recent appeal decision has confirmed the national importance of security of gas supply.";

8.1.2 "... there will be a continuing and growing role for gas storage which, as well as helping to meet demand quantitatively, also provides security, flexibility and a short-term response...";

8.1.3 "...that a diverse portfolio of sites is to be preferred, that there is very limited scope for onshore depleted field storage...";

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<sup>1</sup> Now the Secretary of State for Energy and Climate Change.

- 8.1.4 "...there is a strong case of need, in the context of national policy, for provision of underground gas storage capacity, including onshore capacity and depleted field storage."; and
- 8.1.5 "...that limited opportunities exist for depleted field storage and given the evidence about the quality of the resource and lack of clear or preferable alternatives, this site's potential for gas storage should be realised."

## **9 Resource implications of the proposed Scheme**

- 9.1 The Company is an indirect wholly owned subsidiary of Centrica plc (**Centrica**). Centrica is a leading UK energy company with upstream gas production activities in the Irish and North Seas; a fleet of gas fired power stations; onshore and offshore wind farms; and which supplies gas and electrical power to a large part of the UK residential market under the "British Gas" brand. Centrica also operates in North America and has some interests in other parts of the world. Centrica has approximately 34,000 employees and reported a turnover of £22.4 billion and an operating profit of £2.39 billion for the year ending 31 December 2010.
- 9.2 Through its subsidiary, Centrica Storage Limited, Centrica owns and operates the UK's largest gas storage facility, the offshore Rough field in the North Sea and its associated reception terminal at Easington, East Yorkshire. The Rough storage facility has a capacity of approximately 3.5 billion cubic metres (bcm).
- 9.3 As production of gas from the North Sea declines and the UK becomes increasingly reliant on storage for security of supply, Centrica is investing in new gas storage facilities. In addition to the Caythorpe project, Centrica is proposing to develop two offshore gas storage projects – the Bains facility in the Irish Sea and the Baird facility in the southern North Sea. Including Caythorpe, these projects will bring an extra 2.45 bcm of storage capacity to the UK at a cost of approximately £1.8 billion; this will represent about 25% of the Government's 2020 storage capacity forecast<sup>2</sup>.
- 9.4 The Scheme is expected to be funded partly from Centrica and partly via a loan from the European Investment Bank. Funds have been allocated to the Scheme by the Bank but formal approval of the loan remains outstanding. In the absence of external support, Centrica will make funding available from group resources. The Company has authority to acquire the interests required in this CPO.

## **10 Human Rights Act**

- 10.1 The 1998 Act came into force on 2 October 2000 and must be considered when promoting the use of compulsory purchase.
- 10.2 The Convention is an international treaty signed under the auspices of the Council of Europe. Whilst the United Kingdom was instrumental in drafting the Convention it was never incorporated into United Kingdom law.

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<sup>2</sup> Statutory Security of Supply Report - November 2010 – Chart 4.8 GB Gas Storage Capacity

- 10.3 The 1998 Act still does not incorporate the Convention into United Kingdom law but what it does is to enable individuals to invoke Convention rights for certain purposes and for certain effects.
- 10.4 The main articles of the Convention which are of importance in circumstances where the Company is considering making a CPO are: Article 8 – the right to respect for private and family life and his/her home; Article 6 – entitlement to a fair and public hearing; and Article 1 of the First Protocol – the protection of property.
- 10.5 **Section 6** of the 1998 Act prohibits public authorities from acting in a way which is incompatible with the Convention. Various Convention rights may be engaged in the process of making and considering the compulsory purchase orders, including under Articles 6 and 8 and Article 1 of the First Protocol. The approach to be taken to give effect to rights under the Convention is also reflected in paragraph 17 of ODPM Circular 06/2004 (**CD 2.1**):-
- "A compulsory purchase order should only be made where there is a compelling case in the public interest. An acquiring authority should be sure that the purposes for which it is making a compulsory purchase order sufficiently justify interfering with the human rights of those with an interest in the land affected, having regard, in particular, to the provisions of Article 1 of the First Protocol to the European Convention on Human Rights and, in the case of a dwelling, Article 8 of the Convention."*
- 10.6 The European Court of Human Rights has recognised in the context of Article 1 of the First Protocol that "regard must be had to the fair balance that has to be struck between the competing interests of the individual and of the community as a whole", i.e. compulsory purchase must be proportionate. Both public and private interests are to be taken into account in the exercise of the Company's powers and duties as a gas transporter. Similarly, any interference with Article 8 rights must be "necessary in a democratic society" i.e. proportionate. In pursuing a compulsory purchase order, the Company has to carefully consider the balance to be struck between individual rights and the wider public interest having regard also the availability of compensation for compulsory purchase.
- 10.7 Article 8(1) provides that everyone has the right to respect for his/her property but Article 8(2) allows the State to restrict the rights to respect for the property to the extent necessary in a democratic society and for certain listed public interest purposes eg. public safety, economic well being, protection of health and protection of the rights of others.
- 10.8 In considering Article 8 in the context of a CPO it is necessary to consider the following questions:
- 10.8.1 does a right protected by this article apply?
- 10.8.2 has an interference with that right taken place or will take place as a result of the CPO being made?

10.9 Clearly Article 8 does apply because of the impact of the CPO and therefore it was necessary for the Company to consider the possible justifications for the interference (Article 8(2)) as follows:

10.9.1 is the interference in accordance with law? There is a clear legal basis for making the CPO under section 9 and Schedule 3 of the 1986 Act to deliver a gas storage scheme authorised by the Gas Act 1965.

10.9.2 does the interference pursue a legitimate aim? The CPO being necessary to implement the Scheme seeks overall redevelopment of the Order Land in accordance with planning permission.

10.9.3 is the interference necessary in a democratic society? This requires a balanced judgement to be made between the public interest and the rights of individuals. The CPO is considered to be both necessary and proportionate in that the land to be acquired is the minimum to achieve the objectives of a Scheme that has been sanctioned by Government.

10.10 The second relevant article is Article 1 of the First Protocol, which provides that:

10.10.1 every natural or legal person is entitled to the peaceful enjoyment of his possessions

10.10.2 no one shall be deprived of those possessions except in the public interest and subject to the conditions provided for by law.

10.11 In designing the Scheme and with the work undertaken since the seismic survey in 2009 the Company has sought to minimise the land required. The majority of the Scheme is sub surface (and for storage at the depths consistent with those set out at **paragraph 3.2** above and drilling at least 152.4m below the surface) and so there will be very minimal impact on the continued operation of retained land at surface level. The balancing of the impact on landowners against the pressing national need for increased gas storage means that with compensation payable there is a justification to interfere with landowner's human rights.

10.12 The Company considered the effect of the above articles of the Human Rights Convention and decided that on balance it was in the public interest to make the CPO over and above the interest of the individuals affected. Interference with Convention rights is considered by the Company to be justified for the reasons set out in the Statement of Reasons and this Statement of Case.

10.13 All of those whose Article 1, Article 6 and Article 8 rights would be affected by the CPO have had an opportunity to object to it and to have their objection considered at an independent and public inquiry.

## **11 Planning Position for the Order Land**

11.1 Planning permission was granted on 6 February 2008 for the Scheme, following a public local inquiry held between 24 April and 11 May 2007 (appeal references APP/E2001/A/06/2024097 & APP/E2001/A/07/2037845) (**CD 4.2**). There is planning permission in place (subject to conditions) for the:

*"Development of the existing Caythorpe power generation facility as an underground natural gas storage facility, the construction of a well site and the drilling of 6 boreholes to access an identified underground gas-bearing geological structure, and the construction of a connection facility into the Transco National Transmission System together with associated inter-connecting pipelines."*

11.2 The Scheme was also the subject of a unilateral undertaking submitted by Caythorpe Gas Storage Ltd pursuant to **section 106** of the Town and Country Planning Act 1990 (**CD 4.8**) which provides for:

- (a) Traffic management, including lorry routes and times, warning signs, road safety measures and traffic control;
- (b) Compliance with the Control of Major Accidents Hazard Regulations (COMAH);
- (c) The setting up and running of a liaison committee, and related matters.

The Company is complying with these ongoing obligations.

11.3 All pre-commencement planning conditions have been discharged and by email dated 24 November 2010, the local planning authority confirmed that development has commenced in full accordance with the approved scheme and the imposed conditions for the purposes of s.56(4) of the Town and Country Planning Act 1990 (**CD 1.6**). The Company does not consider that there is any planning impediment to the implementation of the Scheme. It is considered by the Company that it is not necessary to consider the planning merits for the Scheme again as this has already been considered by the Secretary of State on the grant of planning permission for the Scheme.

## **12 Application of any Government Policy**

12.1 On 16 May 2006, the Secretary of State for Trade and Industry made a statement to the House of Commons on the interaction of existing Government policy and planning procedures with regard to the need for additional gas supply infrastructure (**CD 2.3**). The statement, in relation to storage capacity, said:

*"Storage infrastructure is substantially more important to us now than it was in the past when we had our own indigenous supplies. Our gas reserves in the North Sea reduced our need for gas storage, as compared to the needs of some of our European neighbours who lack indigenous supplies. To replace the capability of the southern North Sea gas fields and the Morecambe field in Morecambe Bay, which have traditionally provided increased gas supply to meet seasonal peaks in demand (e.g. in winter), we now need more storage than we have required in the past."*

Energy Statement of Need for Additional Gas Supply Infrastructure, Secretary of State for Trade and Industry, 16 May 2006.

12.2 A primary aim in the then Government's Energy White Paper 2007 (**CD 2.4**) was to maintain security of energy supplies by "promoting open, competitive energy

markets which provide fair access to energy supplies and foster investment and deliver secure supplies at competitive prices". It recognises the need for gas storage as a major contributor to gas supply security by "avoiding socially unacceptable levels of interruption to physical supply and excessive costs to the economy from unexpectedly high or volatile prices" and specifically states that it will "increase gas storage and import infrastructure by facilitating the construction of gas supply infrastructure both onshore and offshore, through reforms to the planning and licensing regime". Government responded to this commitment and created the Planning Act 2008 for stream-lining the system for decisions on applications to build nationally significant infrastructure in England and Wales, which includes gas storage projects with a capacity greater than 43 million cubic metres (Mcm). However this new regime does not apply to already consented schemes which have the consents listed in s.33 of the Planning Act 2008. The Scheme benefits from all relevant consents required.

- 12.3 Storage facilities have benefits beyond increasing the diversity of supply sources and increasing supply security. They also promote gas imports from Europe during summer, a time of low demand, thus increasing investment returns on import facilities, whilst potentially reducing gas prices and providing some protection against price shocks.
- 12.4 DECC's Energy Market's Outlook (December 2009) (**CD 2.5**) states that "*Storage is one means of managing seasonal demand fluctuations – gas tends to be put into storage in the summer months when gas is cheap and abundant and taken out in the winter months when the demand for gas is highest and prices higher. Storage is also one option for dealing with short-term demand fluctuations or supply disruptions*"
- 12.5 Under its base case scenario, there is an expectation that the UK will be storing about 12% of its expected annual demand by 2020/21 but of the additional capacity that is needed to meet this target, less than 20% is currently under construction. With lead times of 5+ years (post planning consent) to bring a storage project into commission, there is a significant risk that the Government's forecast will not be met. Gas delivered from Caythorpe will be able to meet about 3% of daily average winter gas demand in the UK and combined with its rapid cycling capability, it will be an important contributor in meeting the daily peaks in gas demand or short term supply failures.
- 12.6 In November 2009 the Government issued a series of consultation documents on National Policy for Energy Infrastructure. This included an overarching statement for all forms of energy and made reference to the need for Gas storage because "*as the North Sea supplies decline there is a significant need for this infrastructure to be provided.*"
- 12.7 In the recent decision on the Saltfleetby Gas Storage Project promoted by (**CD 2.6**) Wingas the Secretary of State in the decision letter dated 9 September 2010 also made reference to the following:

*"the Minister of State for Energy and Climate Change has published a Parliamentary Written Answer about natural gas - security" ("Official Report", 13 July 2010, cols. 652W-653W). This mentioned three consultancy reports for the Government on aspects of security of gas supply. It noted that there are significant risks to the security of gas supply into Great Britain; that, so far as feasible, these risks should be managed; that this reinforces the national need for additional gas supply infrastructure; and that there may also be a case for adjustment to the regulatory framework, to improve gas market operation. The answer confirmed that the Government will take this into account in completing the process for making the energy national policy statements under the Planning Act 2008. The Government has also (27 July 2010) laid before Parliament an "Annual Energy Statement", which (see "Action 12 ,) confirms that: "In the future, we need more gas storage capacity, more gas import capacity, and greater assurance that our market will deliver gas when it is needed." The Parliamentary Written Answer and Annual Energy Statement reaffirm and develop the conclusion as to need of the draft National Policy Statement for Energy (EN-1), and the draft National Policy Statement for Gas Supply Infrastructure and Gas and Oil Pipelines (EN-4), published in November 2009. The Secretary of State therefore considers that the Saltfleetby gas storage proposal has to be assessed against the background that, while Great Britain's gas storage capacity has increased by around 25% over the last decade, it will need to increase further in future years in order to maintain security of supply."*

12.8 When the Government re consulted in October 2010 on a revised National Policy Statements for Energy Infrastructure it was stated that "the UK needs a diverse mix of gas storage and supply infrastructure (including gas import pipelines) to respond effectively in the future to the large daily and seasonal changes in demand, and to provide endurance capacity during a cold winter" (**CD 3.1**).

12.9 Whilst the Secretary of State has already determined that there is a need for the Scheme, the Company considers that this need has been reinforced since the decision on the 2006 Order because of the statements set out above.

### **13 Special Considerations for the Order Land**

13.1 None

### **14 Details of Views from Government Departments**

14.1 None

### **15 Related Orders**

15.1 Whilst the Company has not made any related orders the Scheme has already been subject to the 2006 Order and the SAO, as well as the other consents referred to in **paragraph 3.5** of this Statement.

### **16 The Company's response to the Objections submitted in respect of the CPO**

16.1 Set out in Appendix 2 is the Company's response to the extant objections submitted in respect of the CPO. A summary of the matters raised in each objection is set out

together with a response and a cross reference to the parties who have submitted that objection.

**17 Documents etc to be referred to in evidence at the Public Inquiry**

17.1 Set out at **Appendix 3** is a list of documents which the Company intends to rely upon in evidence to be presented at the public inquiry to be held in relation to the CPO.

**18 Inquiries Procedure Rules**

18.1 This statement is in discharge of the Company's obligations under the Compulsory Purchase (Inquiries Procedure) Rules 2007.

**19 Inspection of Documents**

19.1 Copies of the Order, Order Map, all statutory documents including this Statement of Case and the documents listed in **Appendix 3** will be shortly available for inspection on the Company's website [www.caythorpegasstorage.com/latest-news.php](http://www.caythorpegasstorage.com/latest-news.php). They can also be made available in hard copy format on request to Bond Pearce LLP whose details are set out in **Paragraph 19.2** below and upon payment of the Company's reasonable costs incurred in producing the same.

**20 Contacts for further information**

20.1 Any queries in relation to the CPO or any persons affected by the Scheme wishing to discuss compensation can be raised with the Company in respect of the Scheme via Paul Dacombe whose contact details are:

Paul Dacombe  
Caythorpe Licensing and Consents Manager,  
Centrica plc,  
Millstream,  
Maidenhead Road,  
Windsor,  
Berkshire,  
SL4 5GD,  
[paul.dacombe@centrica.com](mailto:paul.dacombe@centrica.com), tel: 01753 494212

20.2 For hard copies of documents please contact:

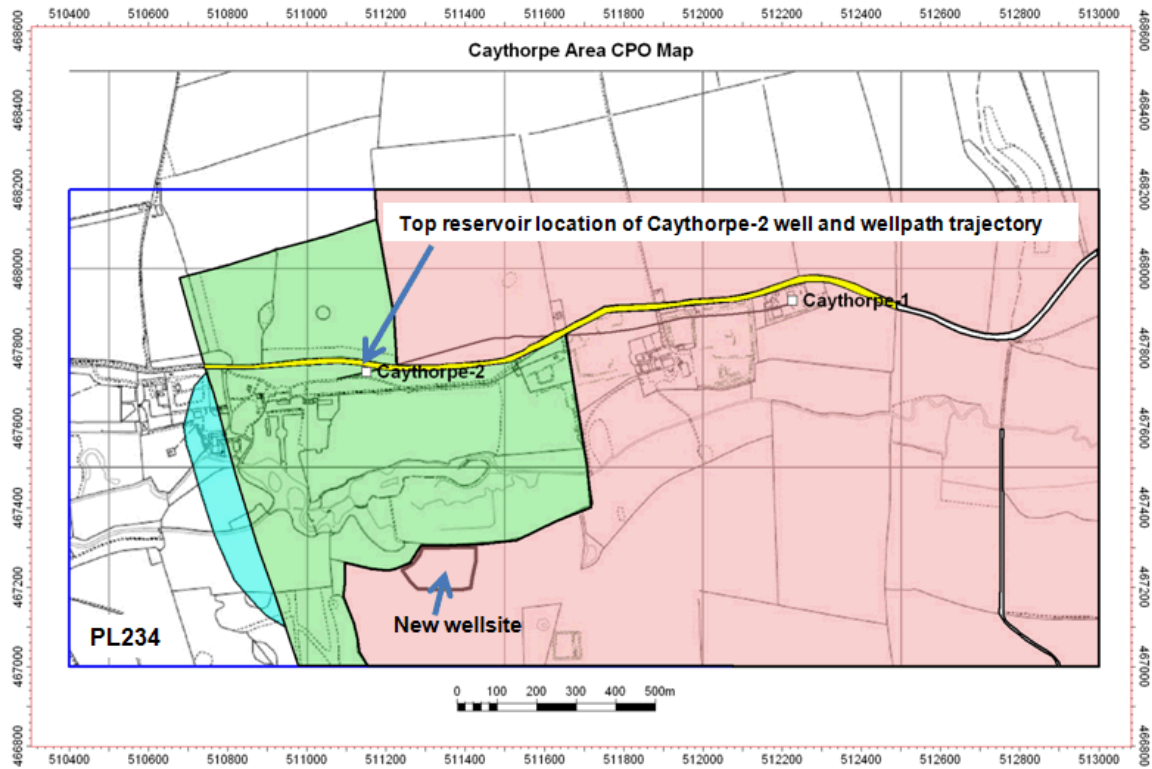
Bond Pearce LLP  
3 Temple Quay  
Temple Back East  
Bristol  
BS1 6DZ  
Attn: Tamzin Hicks Tel: 0845 415 6848 e: [tamzin.hicks@bondpearce.com](mailto:tamzin.hicks@bondpearce.com)

24 March 2011

# Appendix 1

## Figures

Figure 1 Extent of SAO Boundary (Edged Blue).







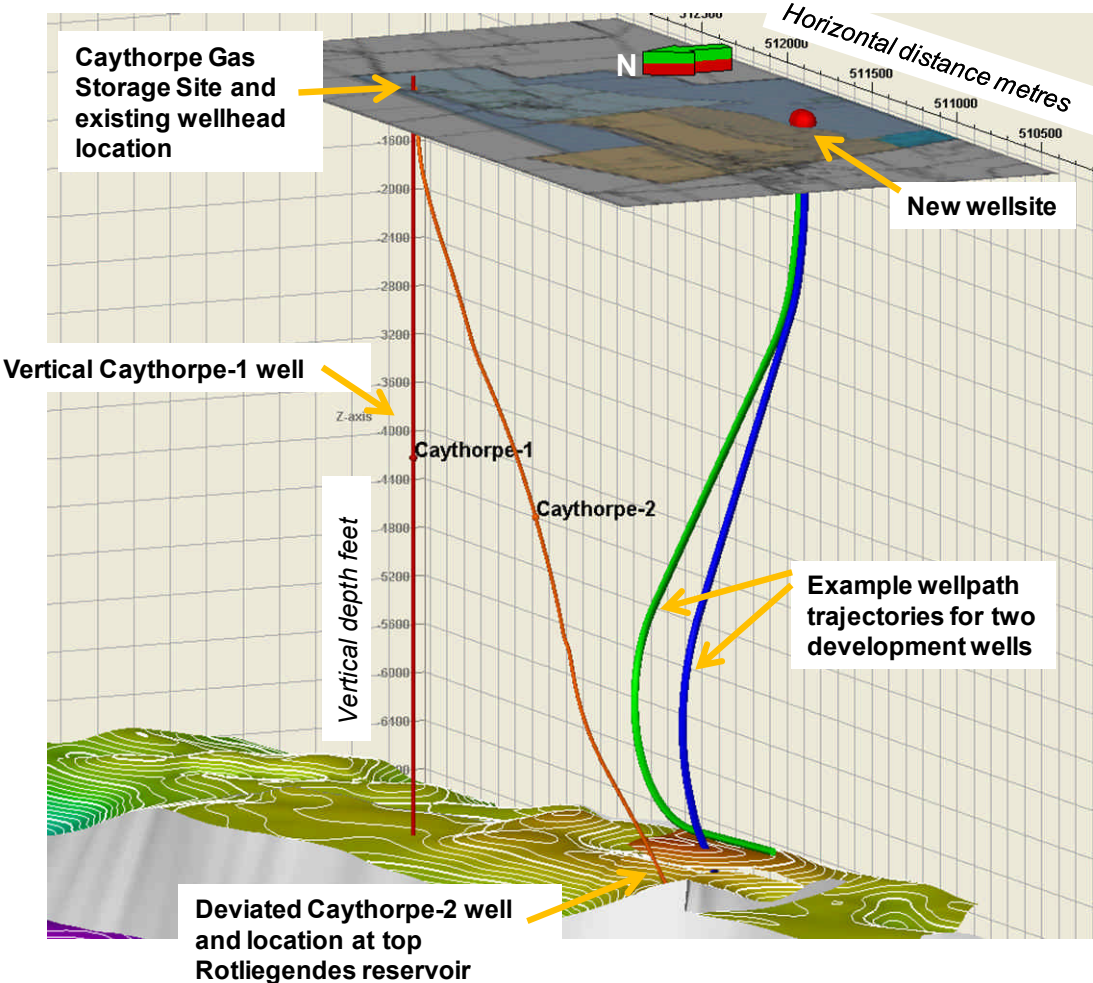
-  Area of land included in CPO for drilling rights (storage rights acquired under 2006 order)
-  Area of land vested for storage through 2006 order but not required for drilling
-  Area of land already acquired through existing agreements for storage, drilling and pipelines (where applicable)
-  Area of land included in CPO for storage and drilling

Figure 2



## Appendix 2

### Company's Response to Objections

SUMMARY OF OBJECTION	COMPANY'S RESPONSE
<b>East Riding of Yorkshire Council</b>	
<p>Holding objection pending satisfaction that rights sought are compatible with status as public highway and will not adversely affect the use of the roads or the Council's ability to manage and maintain them.</p>	<p>The Company is in ongoing dialogue with the Council. The rights being sought fall into three categories:</p> <ol style="list-style-type: none"> <li>1. Rights to store gas at a depth consistent with those referred to at <b>paragraph 3.2</b> and drill beneath Rudston Road – this is at a depth of at least 152.4m beneath the highway and will not affect the management or maintenance of the highway.</li> <li>2. Crossing of Woldgate – this will be subject to auger boring of the pipeline and in any event it is anticipated that notice will be served under the New Roads and Street Works Act.</li> <li>3. Crossings to the south of Woldgate – there will be surface works taking place here. These cannot be commenced until compliance with the new Roads and Street Works Act procedure has been completed.</li> </ol> <p>In any event the Company has made a General Vesting Declaration to acquire the necessary rights for the crossing of the Woldgate and the two crossings to the south of the Woldgate by way of partial implementation of the 2006 Order. As a result an application will be made, (once the interests have vested in the Company) to remove plots 7, 8, 9 and 10 from the CPO.</p>
<b>Burton Agnes Estate</b>	
<ol style="list-style-type: none"> <li>1. Terms have been agreed to conclude the relevant documentation but documentation not been completed through no fault of their clients.</li> <li>2. As part of those terms arrangements already exist to grant Caythorpe Storage rights in respect of Plot 14 which do not include the freehold interest in that land.</li> </ol>	<p>Following completion of an Agreement it has no longer been necessary for the interests to be included within the CPO. Accordingly, a request to modify the CPO has been made to remove Plots 12, 13, 14 and 15 from the same.</p>

<b>James William Morley</b>	
CPO will give rise to an unacceptable environmental and economic impact within the landscape and local rural economy.	Terms have been agreed for the acquisition of these rights by agreement. Draft documents are in circulation and it is anticipated that an agreement will be concluded imminently.
<b>W D Sellers Limited</b>	
<ol style="list-style-type: none"> <li>1. The CPO will give rise to an unacceptable environmental and economic impact within the landscape and local rural economy.</li> <li>2. The application of the CPO powers is disproportionate. Plot 7 [sic] is required as a compound and the CPO of the site is an unnecessary and excessive use of power when a licence or similar agreement could be made.</li> </ol>	Terms have been agreed for the acquisition of these rights by agreement. Draft documents are in circulation and it is anticipated that an agreement will be concluded imminently.
<b>Sir Ian MacDonald and Trustees</b>	
<ol style="list-style-type: none"> <li>1. The CPO map does not sufficiently identify the surface features of the owner's land in the vicinity of Thorpe Hall. They attach an extract of a 1:10000 OS map.</li> <li>2. CGSL has geological information in relation to the sub-surface below the owner's land having obtained the seismic information and borehole data pursuant to a Direction of the Secretary of State made on 6 August 2009. CGSL has refused to provide the data to the owners. A request under the Freedom of Information Act 2000 to disclose the information is being prepared. CGSL are deliberately withholding critical <u>information relating to the owner's land</u> which has been obtained by compulsory rights. The owners are entitled to have the</li> </ol>	<p>The appropriate scale of CPO map was used. The fact that it does not identify all of the land interests is irrelevant. All of the interests being acquired are beneath Thorpe Hall at least 152.4m below the surface.</p> <p>All of the storage rights have been acquired by the Company following the partial implementation of the 2006 Order, except for the narrow area underlying the Rudston Road which is the subject of the current CPO. Further detail in relation to that is given in <b>paragraph 3.9</b> of this Statement of Case.</p> <p>When the Company undertook a seismic survey in 2009 it was necessary to process the data and interpret it. The Company has offered to provide Sir Ian MacDonald with a workshop to explain the interpretation. It has also made available processed seismic data relating to his property within the CPO. No substantive response to the offer of a workshop has been received.</p>

data and the analysis as of right and in order to obtain technical advice as the risks to the owner's land of the proposed storage and natural gas. This demonstrates CGSL as not showing that it is "necessary" in order to exercise the powers and acquire the land rights in the particular locations as provided in the Order. It is possible for the data to be disclosed and the Secretary of State should now require CGSL to provide to the owners a copy of all of the data obtained as a result of the exercise for the powers from the surveys and boreholes and of the boundaries of the reservoirs and location and extent of the faults and of the analysis thereof. This would take more than six weeks to obtain technical advice in respect of the data.

3. It is considered to be the only onshore depleted gas field facility in the UK. The original gas reserves were held in a porous strata under the owner's land for millions of years at "maximum pressure". The statement of reasons does not address at all the risk of damage to the owner's land of the impact on the strata. Natural gas is a hazardous substance.

Caythorpe is not the only on shore depleted gas field gas storage facility in the UK. There is currently an onshore depleted gas field in operation as a gas storage facility Hatfield. Furthermore, both Saltfleetby and Hatfield West are depleted gas fields which have consents for storage, although they are not yet in operation. Humbly Grove is a partially depleted oil field rather than gas field and is currently the largest onshore depleted field store in operation in the UK. The plan with reference **CD 7.1** shows the location of these sites.

As noted at **paragraph 10.7** of this Statement of Case the Saltfleetby gas storage project was approved by the Secretary of State on 9 September 2010.

The most compelling evidence for the effectiveness of using Caythorpe as a gas storage facility is the fact that the field has been proven to be an effective gas trap on timescales of at least tens of millions of years. One of the key geological aspects of the field is the presence of a thick salt layer, at least 600 ft, in the region, which "blankets" the reservoirs and seals the gas. Salt is regarded as an ideal cap rock because it has an extremely low permeability to gas and water. It is able to absorb any deformation of the surrounding rocks and any fractures that start to develop are able to heal naturally. This is the reason why the faults that are present at reservoir depths do not continue into the rocks that make up the overlying strata. The salt layer that is present at Caythorpe is the same formation that forms the cap rock for the oil and gas reservoirs in the southern part of the North Sea. Re-injection of gas as part of the storage operations, will be carried out and limited to a maximum pressure no higher than the pressure at which the gas was originally found thereby ensuring that the effectiveness of the field trap will be maintained

<p>4. There is a breach of human rights.</p> <p>5. CGSL has not explained how the gas to be injected and pressurised will be stored only within the porous strata under and contained within the precise periphery of the area of the order so as to prevent unlawful trespass into an adjoining strata belonging to the owners.</p> <p>6. CGSL does not have the necessary finance for the project and has not provided as much information as possible about the resource implications. Further, the status of the project is uncertain – see in particular copy minutes of the meeting of the liaison committee on 14 September 2010.</p>	<p>All works to the Caythorpe Gas storage site will be subject to compliance with all statutory controls. The Company has secured a hazardous substances consent for the project.</p> <p>As part of the CPO CGSL considered Human Rights and considers it has appropriately discharged its obligations.</p> <p>The acquisition of the 3D seismic survey (as mentioned in <b>paragraph 6.4</b>) has enhanced and refined the geological interpretation of Caythorpe and provided the basis for planning the new development wells in detail. However, this only refined what was already known about the size, shape and location of the field based on the original 2D seismic surveys shot in the 1970s, 1980s and 1990s. The main part of the field is characterised by an uplifted domal structure which contains faults on all four sides – to the north, south, east and west. The faults to the east and especially to the west are two important geological features which limit the lateral extent of the field. Again the overlying salt rocks belonging to the Fordon and Roxby Formations, form a thick (&gt;600ft) “blanket cover” to the reservoir and associated faults and seal the gas accumulation. This geological scheme is entirely consistent with that known from the offshore producing gas fields of the Southern North Sea.</p> <p><b>Section 9</b> of this Statement of Case sets out the Company’s position on resource for the Scheme.</p>
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## Appendix 3

### Inquiry Documents List

CORE DOCUMENT NUMBER	NAME OF DOCUMENT
<b>1. Relevant Extracts of UK Acts of Parliament and Statutory Instruments</b>	
CD1.1	Acquisition of Land Act 1981
CD1.2	Gas Act 1965 Sections 12 and 13 section 20 of and schedule 6 paragraph 1
CD1.3	Gas Act 1986 Section 7, Section 9 and Schedule 3
CD1.4	Human Rights Act 1998 – Section 6
CD1.5	Planning Act 2008
CD1.6	Town and Country Planning Act 1990
CD1.7	Borehole Sites and Operations Regulations 1995
CD1.8	Compulsory Purchase (Inquiries Procedure) Rules 2007
CD1.9	Construction (Design and Management) Regulations 2007
CD 1.10	Planning (Control of Major Accident-Hazards) Regulations 1999
CD1.11	Offshore Installation and Wells (Design and Construction etc) Regulations 1996
<b>CD 2. Government Department Circulars/Documents</b>	
CD2.1	ODPM Circular 06/2004 Compulsory Purchase and the Crichel Down Rules

CORE DOCUMENT NUMBER	NAME OF DOCUMENT
CD2.2	Statutory Security of Supply Report - November 2010
CD2.3	Secretary of State for Trade and Industry Statement Energy Statement of need for additional gas supply infrastructure to the House of Commons dated 16 May 2006
CD2.4	Government's Energy White Paper 2007
CD2.5	Department for Energy and Climate Change Energy Market's Outlook December 2009
CD2.6	Secretary of State for energy and Climate Change Decision Letter dated 9 September 2010 in relation to the Saltfleetby Gas Storage project
CD2.7	DECC Annual Energy Statement July 2010
<b>CD 3. National Planning Policy</b>	
CD3.1	Planning for new energy Infrastructure - Consultation on revised draft National Policy Statements for Energy Infrastructure October 2010
CD3.2	The Government Response to Consultation on the Draft NPS for Energy Infrastructure October 2010
CD3.3	Revised Draft Overarching National Policy Statement for Energy (EN-1) October 2010
CD3.4	Gas Security of Supply – a Policy Statement from the DECC April 2010
CD3.5	GB Gas Security of Supply and Options for Improvement March 2010

CORE DOCUMENT NUMBER	NAME OF DOCUMENT
CD3.6	Security of Gas Supply: European Scenarios, Policy Drivers and Impact on GB June 2010
CD3.7	Revised Draft National Policy Statement for Gas Supply Infrastructure and Gas and Oil Pipelines (EN-4) October 2010
CD3.8	Statutory Security of Supply Report Nov 2010
<b>CD.4 Relevant Planning Related Applications, Permissions and Documentation</b>	
CD4.1	Not Used
CD4.2	Planning Permission Decision dated 6 February 2008 (references APP/E2001/A/06/2024097 and APP/E2001/A/07/2037845)
CD4.3	Hazardous Substances consent dated 6 February 2008
CD4.4	Storage Authorisation Order dated 6 February 2008 under Section 4 of the Gas Act 1965
CD4.5	Section 20 of the Gas Act 1965 Consent dated 6 August 2009
CD4.6	Gas Transporter Licence dated 29 July 2005 (reference LIC/PGT/186)
CD4.7	Not used
CD4.8	Unilateral Undertaking dated 11 May 2007
CD 4.9	Email dated 24 November 2010 from East Riding of Yorkshire Council confirming implementation of 2006 Planning Permission
<b>CD 5. Documents relating to the CPO</b>	

CORE DOCUMENT NUMBER	NAME OF DOCUMENT
CD5.1	The Caythorpe Gas Storage Limited (Caythorpe Gas Storage Facility) Compulsory Purchase Order 2006
CD5.2	2006 CPO map 1 of 2
	2006 CPO map 2 of 2
CD5.3	Inspector's Report in relation to the Caythorpe Gas Storage Limited (Caythorpe Gas Storage Facility) Compulsory Purchase Order 2006 (as well as planning appeal and Hazardous Substances Consent)
CD5.4	Secretary of State for Communities and Local Government and the Secretary of State for Business, Enterprise and Regulatory Reform decision dated February 2008
CD5.5	Implementation of 2006 CPO
CD5.5.1	General Vesting Declarations
	GVD 1
	GVD 2
	GVD 3 Not Used
	GVD 4
	GVD 5
CD5.5.2	Confirmation of Service of Notice stating the effect of the General Vesting Declarations dated 31 August 2010 (GVDs 1 and 2)

**CORE DOCUMENT NUMBER****NAME OF DOCUMENT**

	Confirmation of Service of Notice stating the effect of the General Vesting Declarations dated 21 March (GVDs 4 and 5)
CD5.6	The Caythorpe Gas Storage Limited (Caythorpe Gas Storage Facility) (Supplementary) Compulsory Purchase Order 2010
CD5.7	2010 CPO map
CD5.7.1	Final Form CPO Plan 1 of 2 Oct 2010
CD5.7.2	Final Form CPO Plan 2 of 2 Oct 2010
CD5.8	Statement of Reasons for 2010 CPO
CD5.9	CPO formalities for 2010 CPO
CD5.9.1	CPO report to Board, resolution and minute dated 30 September 2010
CD5.9.2	Notices of making CPO
CD5.9.2.1	Press notice dated 7 October 2010
CD5.9.2.2	Press notice dated 14 October 2010
CD5.9.2.3	Individual Notices (Table 1 & 2)
CD5.9.2.4	Unknown owner notices
	Plot 6
	Plot 7
	Plot 8
	Plot 9
	Plot 10

**CORE DOCUMENT NUMBER****NAME OF DOCUMENT**

CD5.9.2.5	Site notice
CD5.9.3	Relevant date letter
CD5.9.4	Letter from DECC dated 10 March 2011 regarding Statement of Case
CD5.9.5	Unused at present
CD5.9.6	General certificate in support of order submission dated 18 October 2010
CD5.9.7	Protected assets certificate dated 18 October 2010
CD5.10	Statement of Case
CD5.11	Request to Modify 2010 Order No.1 24.11.10
CD5.12	To follow Request to Modify 2010 Order No.2
CD5.13	Definition List

**CD 6. Objectors**

CD6.1	Letters of objection to CPO
CD6.1.1	Burton Agnes Estate (now withdrawn) – not supplied
CD6.1.2	East Riding of Yorkshire Council
CD6.1.3	Sir Ian MacDonald and Trustees
CD6.1.4	James William Morley

**CORE DOCUMENT NUMBER****NAME OF DOCUMENT**

CD6.1.5

W D Sellers &amp; Sons Limited

**CD 7. Additional Documents**

CD7.1

Plan showing location of gas storage projects  
2010

CD7.2

Gas storage in your Area – Your Questions  
Answered