

[Press release: Provisional decision to remove Rough gas storage undertakings](#)

In June this year the facility's operator, Centrica Storage Limited (CSL), [announced](#) that it intended to close the plant due to its age, physical deterioration and the associated safety risks, plus the high cost of refurbishing the facility to make it workable.

The facility's owners, Centrica plc (Centrica) and CSL, requested that the Competition and Markets Authority (CMA) remove historic undertakings – designed to ensure competition in the sector – as part of the closure process.

These included the legal, financial and physical separation of CSL from Centrica, restrictions on Centrica's access to capacity and ensuring non-discriminatory access to capacity for Rough's customers.

Following a review, the CMA has provisionally decided to release CSL and Centrica from these undertakings. The companies will also need agreement from the Oil and Gas Authority to cease their storage operations.

Martin Cave, CMA chair, said:

CMA panel members made this provisional decision based on the age and degradation of the gas wells and other facilities at Rough, which mean that the assets are no longer capable of safe operation for gas storage without substantial refurbishment.

We also considered present and anticipated market conditions which meant that the level of investment required to meet the legal obligation to operate safely was not economically viable. This has led to our provisional finding that the undertakings are no longer required.

Further details, including the CMA's provisional decision to remove the undertakings, can be found on the [case page](#).

Notes for editors

1. The CMA is the UK's primary competition and consumer authority. It is an independent non-ministerial government department with responsibility for carrying out investigations into mergers, markets and the regulated industries and enforcing competition and consumer law. For CMA updates, follow us on Twitter [@CMAgovuk](#), [Facebook](#), [Flickr](#) and [LinkedIn](#).
2. The Rough undertakings were first given by Centrica Storage Ltd and

Centrica plc following Centrica plc's acquisition in 2002 of the Rough gas storage facility and have been subsequently amended following Competition Commission reviews in 2006 and 2011, and a further review by the CMA in 2016.

3. The Rough undertakings were accepted by the Secretary of State under section 88 of the Fair Trading Act 1973. By virtue of paragraph 16 of Schedule 24 to the Enterprise Act 2002, and The Enterprise Act 2002 (Enforcement Undertakings and Orders) Order 2004 (SI 2004/2181), the CMA has the ability to supersede, vary or release certain undertakings accepted under the Fair Trading Act 1973; this includes the Rough undertakings. This power is exercisable in the same circumstances, and on the same terms and conditions as applied to the Secretary of State under the Fair Trading Act 1973; namely that by reason of any change of circumstances the undertakings are no longer appropriate and need to be varied, superseded or released.
4. The group of CMA panel members acting as decision-makers in the review are [Martin Cave](#) (Chair), [Anne Fletcher](#), [Jayne Scott](#) and [Jon Stern](#).
5. Media enquiries to the CMA should be directed to press@cma.gsi.gov.uk or 020 3738 6798.