

Licence Area Extension and Additional Development Plan area:
Ulster Farm By-Products

Background:

In 2002, BGE (Northern Ireland) was awarded the licence to construct and operate two transmission pipelines in Northern Ireland. In October 2004, the 115 km NW pipeline, connecting the Scotland to Northern Ireland Pipeline, (SNIP), to Coolkeeragh Power Station, was completed.

The 156 km SN pipeline, connecting Gormanstown in Co. Meath to Ballyalbanagh in Co. Antrim was completed in October 2006. This pipeline forms a key component in the "All Island" energy market by linking the gas networks in Northern Ireland and the Republic of Ireland, thereby providing the opportunity for bi-directional security of supply.

On 24 March 2005 (date of grant), firmus energy was formally awarded supply and distribution licences for the development of the natural gas network across 10 Development Areas. The conveyance licence exclusively entitled firmus energy to convey gas from one place to another in the Exclusive Areas up to the twentieth anniversary from the date of grant.

firmus energy is currently reviewing the Areas within our licence and adjoining areas to consider which of these areas are potentially Additional Development Areas. We understand that for these Additional Development Areas would require an Additional Development Plan, prepared by firmus energy and approved by the Authority and, where necessary, an extension to our licence area.

firmus energy has identified Ulster Farm By-Products Glenconway Factory as the one of these areas which we would consider as an Additional Development Area. We feel that any additional areas should be treated as "bundled" and be regulated on the same basis as the 10 towns business model and that Ulster Farm By-Products area be treated as a network extension of Antrim.

The following items specified in the Gas (Applications for Licences and Extensions) Regulations would be treated in the same way as in our existing area:

- System security standards;
- Safety requirements;
- Exclusive authority; and
- Standard conditions – no modifications are requested

firmus energy asks that the following boundary ward is added to the towns development area, Crumlin. Crumlin (95AA06) is an electoral ward within the Exclusive Area within our licence. We also request the addition of an area in the electoral ward of Glenavy (95SS11), which is outside of our licence area and is deemed a proposed area of licence extension. The area of the extension requested for the construction of the pipeline infrastructure to convey gas to the Glenconway Factory of Ulster Farm By-Products Limited is:

- 1) The premises at Ulster Farm By-Products Limited, Glenconway Factory, 29 Ballyvannon Road, Glenavy, Crumlin, BT29 4QL
- 2) The land in, on or over which The Ulster Farm By-Products Pipeline is situated.
- 3) Any premises which are, at any given location, situated within a 50 metre radius of The Ulster Farm By-Products Pipeline.
- 4) The land in on or over which pipelines are situated for the purpose of conveying gas to premises specified in paragraph 3 above.

“The Ulster Farm By-Products Pipeline” means the distribution pipeline of the Licensee which pipeline follows the route from the Leap Bridge over the Glenavy River along the Lurgan Road to its junction with the Ballyvannon Road, continuing along the Ballyvannon Road to, and terminating at, the premises specified in paragraph 1 above.

We have submitted separately an Application for a Gas Conveyance Licence Extension along with the requisite payment.

The area is marked on the map ***Ulster Farm By-products map*** for reference.

Feeder mains

Following a detailed review of the industrial loads in the Antrim area, we have identified Ulster Farm By-Products as a large potential gas user in the area. Ulster Farm By-Products is located on the shores of Lough Neagh on the outskirts of Glenavy village (approximately 3 km). The location of Ulster Farm By-Products is very rural in nature.

Breakdown of capex allowance calculation, to supply Natural Gas to Ulster Farm By-Products in 2006 values is attached.

There will be 19,691 m of medium pressure network. These additional mains will pass 117 known existing properties. These additional properties passed will be updated within our regulatory property passed targets. These mains will also facilitate the future supply of natural gas to the existing properties along the line of the networks and also the possible future extension of natural gas into Crumlin and Glenavy.

NIHE properties

There are no known NIHE estates along the line of this pipeline to Ulster Farm By-Products area.

I&C properties

The anchor load is Ulster Farm By-Products who have expressed a desire to switch to Natural Gas at the earliest possible date.

There are two known SME sized customers along the line of this pipeline to the Ulster Farm By-Products area. These are assumed to connect in 2016/7.

Existing domestic properties

Once the network mains are constructed, 117 existing properties will be passed, firmus energy will endeavour to maximise connection of these mains and expect a connection take up of 10 properties phased over 2014-19.

New Build properties

There are no definite known New Build sites along the line of this pipeline to the Ulster Farm By-Products area.

Properties Passed:

Properties passed targets will be additional to Annex 2 to Part 3 – Towns Development Plan.

The following properties passed targets are forecast from 2013.

Yr.	Properties Passed
Year 1	117