

firmus energy

Eleventh Annual Development Plan

1st October 2015 – 30th September 2016

Contents:

- 1. Introduction**
- 2. Development of the Network**
 - a. Development Targets**
 - b. Connections to firmus energy's Network**
 - c. Network Construction**
 - d. Capital Programme**
- 3. Arrangements**
- 4. Volumes**
- 5. Network Development to 30th September 2019**
- 5. Conclusion**

1. Introduction

This Annual Development Plan (ADP) has been developed in accordance with Condition 3.2 of firmus energy's licence for the conveyance of gas in Northern Ireland.

The ADP sets out progress up to 30th September 2016 and complies with the conditions set out in the General Development Plan – Annex 3, Part 3.

This ADP also sets out firmus energy's network development plans for the next three years, until 30th September 2019.

2. Development of the Network

This plan outlines the development of the natural gas network in accordance with the General Development Plan Annex 3, Part 3.

All towns along the North West transmission pipeline including Ballymena, Ballymoney, Coleraine, Limavady, Londonderry, Portstewart and Bushmills have live gas.

In the South-North towns, including Antrim, Armagh, Banbridge, Ballyclare, Lurgan, Portadown, Craigavon, Newry, Warrenpoint, Bessbrook, Richhill, Moy, Charlemont, Benburb and Blackwatertown live gas is also available. The focus of our engineering activities continues to be gas mains laying that will support industrial and residential conversions to natural gas.

Over the GD14 Price Control period (2014-16) the natural gas network has been developed based on identified gas loads for Industrial & Commercial customers, new build housing developments and to facilitate the NIHE's Heating Replacement Programme. 2016 has also seen focus on residential infill sites.

In the coming years of the GD17 Price Control period the company's strategic focus is to increase owner occupied connections.

Firmus energy continues to work with a number of key stakeholders to target fuel poor households via our Home Comfort scheme funded via the Northern Ireland Sustainable Energy Programme (NISEP).

These stakeholders include:

- Bryson Energy;
- Department for Social Development;
- Energy Saving Trust;
- H+A Mechanical;
- National Energy Action;
- Northern Ireland Energy Agency; and
- Northern Ireland Housing Executive

2a. Development Target

Firmus energy has exceeded its development targets as set out in Annex 2 to Part 3 in the Licence for the Conveyance of Gas in Northern Ireland.

The number of premises that are readily connectable to firmus energy's gas network is 96,033. The licence target for 2015/16 is 59,431 readily connectable properties.

2b. Connections to firmus energy's network in gas year 2015/2016

| Connection Type | Network Connections |
|-----------------------|---------------------|
| | |
| Non-domestic | 119 |
| | |
| Domestic ¹ | 3,671 |
| | |
| Total | 3,790 |

2c. Network Construction (Cumulative)

To date over 1,120 km of distribution gas mains have been constructed in the Ten Towns.

| Town | Mains km |
|--------------|--------------|
| Antrim | 133 |
| Ballymena | 125 |
| Ballymoney | 20 |
| Coleraine | 123 |
| Derry | 232 |
| Limavady | 30 |
| Armagh | 95 |
| Banbridge | 39 |
| Craigavon | 218 |
| Newry | 106 |
| Total | 1,121 |

¹ The domestic connections total encompasses owner-occupied, Housing Association, Housing Executive and New Build connections

- **Derry**

The natural gas network extends from Coolkerragh AGI throughout the city as far as the Newbuildings area south of the city and Drumahoe to the east. There have been new infill schemes both in the owner occupier and NIHE areas.

This year has seen the completion of tight infill zones in an attempt to achieve the GD14 allowance of 6.93 metres per property passed (m/pp). This work was split across both the City side and Water side of Derry.

Over 10 new Infill Schemes were also completed in the areas of Fountain Hill, Chapel Road, Gelvin Gardens, Knockwellan Park, Good Shepherd Glen, Clondermott, Liscloon Drive and Ardnamoyle Park.

Housing Associations have seen an increase in new gas infrastructure being installed across their sites. The Housing Association sites now benefitting from natural gas include Ferndale, Fernabbey, Clooney Terrace, and Chamberlain Street.

Mains laid – 232km

- **Coleraine**

The natural gas network now extends from Macfin AGI via Loughan village, throughout the town as far as Portstewart to the north where several new build housing sites have availed of gas connections. The gas network also extends north east to Bushmills and south west to Macosquin.

This year has seen 8 Infill Schemes completed including a major infill project in Portstewart Town and areas of Coleraine such as Adelaide Avenue, Gordonville, Mount Street, Bersford Avenue, Kenvara Park and Drumtarsey Road.

Mains laid – 123 km

- **Limavady**

The gas network extends from Ballymully AGI throughout the town and to the Industrial and Commercial sites at Windyhill and Aghanloo located north of the town. Gas mains have been laid in new developments throughout Limavady.

New infill areas completed around Annadale Lane, Annadale Park and Massey Avenue.

Mains laid – 30 km

- **Ballymoney**

The natural gas network extends from Macfin AGI through the town centre with gas connections to industrial and commercial customers and schools. This year firmus energy has infilled the area around Henry Street and Edward Street.

Mains laid – 20 km

- **Ballymena**

The natural gas network serves an area stretching from the village of Broughshane, east of the town to Ahoghill in the west. This year firmus energy completed 3 new infill schemes around Brookvale and Fir Park in Broughshane and Knockeen Road, Ballymena.

Mains laid – 125 km

- **Craigavon**

The distribution network in Craigavon is providing natural gas from Ballymagaraghan AGI, near Magheralin to Maghaberry, Moira, Lurgan, central Craigavon and Portadown.

Once again firmus energy completed a busy infill programme in the Craigavon area including Moira, Maghaberry. This programme made gas available to the areas of Grantham Park, Thomas Street, Hillside Crescent, Birchhill Park, Cafolla Gardens, Highfield Manor, Rectory Park, Princess Way and Abercorn Park and many other streets.

Mains laid – 218 km

- **Armagh**

The network extends from Derryhale AGI, situated west of Portadown. This pressure reduction station supplies Armagh City in addition to providing a secondary supply for Craigavon.

This year has seen the completion of new network build extensions in Moy, Richhill and Charlemont. Blackwatertown and Benburb are planned for completion in Dec 2016. Firmus energy has laid c.20km in this area this year.

Mains laid – 95 km

- **Banbridge**

The natural gas network extends from Kernan AGI through the town centre to the NIHE areas of Primrose Gardens, Edenderry, Hillhead estate, Forthill and Cline Road NIHE. The network has been extended along Main Street, making gas available to a number of commercial customers.

This year infill mains and new build development has grown in the Banbridge area. Taking gas to Maryville Walk, Ashley Street, Prospect Terrace, Hutly Road, Iveagh Drive, Burnview Terrace, Dromore Street, Seapatrick Avenue and Moorefield.

Mains laid – 39 km

- **Newry**

The natural gas network extends from Tullyhappy AGI through the city centre. The network extends to Warrenpoint where low pressure mains have been laid to supply the commercial area in the town centre and medium pressure mains installed to connect residential areas and industrial customers.

This year has seen major infrastructure laid throughout Warrenpoint town centre and surrounding suburbs. Gas is now available in Mary Street, Summerhill and Charlotte Street.

Mains laid – 106 km

- **Antrim**

The natural gas network extends from Moyadam AGI throughout Antrim town and south to the Aldergrove area. The network has been extended from Doagh and into Ballyclare to supply residential properties.

This year has seen 13 new infill areas completed in Antrim, Doagh and Ballyclare. Areas now availing of natural gas include Renown Court, Thistlewood Gardens, Masserene Street, Aspenburn, Oakburn, Meadowside, Margaret Avenue, Ravenburn Court, Station Road and Muckamore Garden Village.

Mains laid – 133 km

2d. Capital Programme

Firmus energy's capital build programme has delivered natural gas to Antrim, Armagh, Ballyclare, Ballymena, Ballymoney, Banbridge, Coleraine, Craigavon, Londonderry, Limavady, Newry, Portstewart, Warrenpoint, Bushmills, Bessbrook, Richhill, Moy, and Charlemont,

The build programme has been targeted so that the "spine" main network is able to service Industrial & Commercial customers, Northern Ireland Housing Executive estates and New Build developments and existing residential properties readily connectable to the network.

The capital expenditure programme for the year to 30th September 2016 is outlined below:

| Town | Capex- £million |
|--------------|------------------------|
| Antrim | 0.3 |
| Armagh | 1.5 |
| Ballymena | 0.8 |
| Ballymoney | 0.1 |
| Banbridge | 0.2 |
| Coleraine | 1.0 |
| Craigavon | 1.4 |
| Derry | 1.4 |
| Limavady | 0.1 |
| Newry | 0.5 |
| Total | £7.2m |

3. Arrangements

At the end of gas year 2015/2016, four gas suppliers have acceded to the firmus energy Network Code, enabling them to supply via firmus energy's distribution network.

4. Volumes

In the gas year 2015/2016 the following volumes were transported through the distribution system. These volumes are gross of shrinkage.

| Supplier | Therms (millions) |
|-----------------------|--------------------------|
| firmus energy Supply | 50.33 |
| Airtricity Gas Supply | 6.93 |
| Flogas Natural Gas | 2.88 |
| Go Power | 0.66 |
| Total | 60.81 |

5. Network Development to 30th September 2019

Firmus energy will continue to extend the natural gas network in line with its Development Plan. Firmus energy will engage with stakeholders including Gas Safe, the Energy Saving Trust, Carbon Trust, Bryson Energy, H&A Mechanical, the Northern Ireland Energy Agency and the Northern Ireland Housing Executive to promote the installation of high efficiency natural gas systems to homes and businesses where it is economically viable to do so. In addition, firmus energy is continuing to extend mains to areas of existing housing of various sizes and densities, following the strategy detailed in our GD17 business plan submission to the Utility Regulator.

6. Conclusion

The 2015/2016 gas year has proven to be a challenging but successful start to firmus energy's new focus on infill mains laying for residential areas and owner occupied properties.

Our service excellence continues to be underpinned by low levels of customer complaints, no recorded network complaints from the Consumer Council in 2015/2016.

We have Distribution Codes of Practice in place, covering Marketing, Complaints Handling and Consumer Information. In addition, we have signed up to the Consumer Council's Financial Remedy Framework – a testament to the focus our business places on delivering against its customer commitments.

Firmus energy's plans to accelerate its capital build programme, together with its exemplary customer service record and the environmental benefits of natural gas as a clean and efficient and affordable fuel source, will help ensure that gas volumes in the Ten Towns Development Areas are optimised.