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**firmus energy (Distribution) Ltd**

**Twelfth Annual Development Plan**

**1st October 2016 – 30th September 2017**

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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 2017 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 two years, until 30th September 2019.

1. **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.

2017 was the first year of the GD17 Price Control period. The company’s strategic focus for the GD17 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:

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* 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 110,527. The licence target for 2016/17 is 62,174 readily connectable properties.

**2b. Connections to firmus energy’s network in gas year 2016/2017**

|  |  |
| --- | --- |
| Connection Type | Network Connections |
|  |  |
| Non-domestic | 132 |
|  |  |
| Domestic[[1]](#footnote-1) | 4,938 |
|  |  |
| Total | 5,070 |

**2c. Network Construction (Cumulative)**

To date over 1,260 km of distribution gas mains have been constructed in the Ten Towns.

|  |  |  |  |
| --- | --- | --- | --- |
| **Town** | **Total Mains (km) Oct 2016** | **Mains laid (km) Oct 16 - Oct 17** | **Total Mains Oct (km) 2017** |
| Antrim | 133 | 12.6 | 145.6 |
| Armagh | 95 | 16.7 | 111.7 |
| Ballymena | 125 | 13.0 | 138.0 |
| Ballymoney | 20 | 12.1 | 32.1 |
| Banbridge | 39 | 8.2 | 47.2 |
| Coleraine | 123 | 11.1 | 134.1 |
| Craigavon | 218 | 23.3 | 241.3 |
| Derry | 232 | 35.9 | 267.9 |
| Limavady | 30 | 0.4 | 30.4 |
| Newry | 106 | 9.1 | 115.1 |
| **Total** | **1,121** | **142.4** | **1,263** |

* **Derry**

Mains Laid 2016/17 - 35.9km

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.

Over 30 new OO Infill Schemes were completed in the areas of Creggan Road, Foyle Springs, Lower Galliagh, Mountjoy Street, Abercorn Place, Fountain Street, Shepherds Glen, Eglinton Terrace, Beechwood Street, Clarendon Street, George Street and Henry Street.

In addition to a significant OO infill mains, there were also 6 new build projects and 3 NIHE projects.

The Culmore, Alder and Racecourse road areas were the locations for 1km of Security of Supply mains required for the Foyle River Crossing.

Mains laid in Derry accounted for 25% of all mains laid in 2016/17

Derry Mains laid to date – 232km

* **Coleraine**

Mains Laid 2016/17 – 11.1km

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 15 significant infill projects completed in Portstewart, Coleraine and Bushmills. There have been also been 7 New build projects.

Coleraine Mains laid to date – 123 km

* **Limavady**

Mains Laid 2016/17 – 0.4km

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.

There were two projects completed in 2016/17 and these were both new build schemes in Barley Hill and Petrie Place.

Limavady Mains laid to date – 30.4km

* **Ballymoney**

Mains Laid 2016/17 – 12.1km

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 the town centre and completed two new build projects on the Finvoy Road and Kilraughts Road.

Ballymoney Mains laid to date – 32.1km

* **Ballymena**

Mains Laid 2016/17 – 13km

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 OO infill schemes in Brocklamont, Old Galgorm Road, Ballymoney Road, Ahoghill, Carniny Road, Antrim Road, Frys Road, Larne Road.

There were also new build schemes at Barley Court and Railway Street. NIHE projects included Herbison Park, Spence Crescent and Chichester Park West.

Ballymena Mains laid to date – 138km

* **Craigavon**

Mains Laid 2016/17 – 23.3km

The distribution network in Craigavon is providing natural gas from Ballymagaraghan AGI, near

Magheralin to Maghaberry, Moira, Lurgan, central Craigavon and Portadown.

This year firmus energy completed OO infill schemes in Ballyoran, Old Portadown Road, Moyraverty, Moira, Ballyhannon, Parkmore, Parsons Gate, Gilpin Mews, Drumnagoon Meadow, Mourne Road, Loughall Road Magheralin.

There were also 13 new build schemes and 3 NIHE projects.

Craigavon Mains laid to date – 241.3km

* **Armagh**

Mains Laid 2016/17 – 16.7km

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.

Included within Armagh is 5.7km of feeder mains laid as part of the Mackles Licence extension. This feeder mains is used to Supply The Moy, Benburb and Blackwater.

In addition to this there were 6 OO infill mains projects including Umgola Road, Loudan Mews and Rock Road, and 5 new build projects. Infill mains was also laid in Richhill town centre.

Armagh mains laid to date – 111.7km

* **Banbridge**

Mains Laid 2016/17 – 8.2km

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. Gas has been made available in Seapatrick, Dromore Street, Old Manse Green, Ballygowan Road, Lurgan Road, Brookfield Avenue, Scarva Road and Bleach Green.

Banbridge mains laid to date – 47.2km

* **Newry**

Mains Laid 2016/17 – 9.1km

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 infill and new build infrastructure laid throughout the Newry and Warrenpoint areas. Gas is now available or extended within Kilmorey Street, Castlekeele, Chancellors Road, Irene Terrace, Pound Road, Seaview Summer Hill, Bessbrook, Merchants Quay, Millvale Road, Derrymore Road, Crieve Hill and Millvale Road.

Newry mains laid to date – 115.1 km

* **Antrim**

Mains Laid 2016/17 – 12.6km

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 numerous new build and OO infill areas completed in Antrim, Doagh and Ballyclare. Areas now availing of natural gas include Chaine Court, Station Road, Parkgate Road, Ballycraigy Road, Lough Road, Riverside Houses, Massarene Street, Birch Hill Road, Clare Heights, Kelburn Park, The Square, Russel Court, Hillhead Road and Readers Park.

Antrim mains laid to date – 145.6 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 2017 is outlined below:

|  |  |
| --- | --- |
| **Town** | **Capex- £million** |
| Antrim | £0.62m |
| Armagh[[2]](#footnote-2) | £0.89m |
| Ballymena | £0.74m |
| Ballymoney | £0.61m |
| Banbridge | £0.40m |
| Coleraine | £0.54m |
| Craigavon | £1.09m |
| Derry[[3]](#footnote-3) | £2.16m |
| Limavady | £0.01m |
| Newry | £0.74m |
| **Total** | **£7.8m** |

**3. Arrangements**

At the end of gas year 2016/2017, six 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 2016/2017 the following volumes were transported through the distribution system. These volumes do not include shrinkage.

|  |  |
| --- | --- |
| **Supplier** | **Therms (millions)** |
| firmus energy Supply | 40.5 |
| Airtricity Gas Supply | 10.1 |
| Flogas Natural Gas | 3.8 |
| LCC | 2.4 |
| Vayu | 0.3 |
| Electric Ireland | 0.5 |
| **Total** | **57.5** |

**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.

1. **Conclusion**

The 2016/2017 gas year has proven to be a challenging but successful start to firmus energy’s new GD17 Price Control period and its new focus on infill mains laying for residential areas and owner occupied properties.

Our customer service excellence continues to be underpinned by low levels of customer complaints with only 2 recorded network complaints from the Consumer Council in 2016/2017.

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.

1. The domestic connections total encompasses owner-occupied, Housing Association, Housing Executive and New Build connections [↑](#footnote-ref-1)
2. Includes £290k resulting from Mackles Extension [↑](#footnote-ref-2)
3. Includes £136k relating to Foyle River Crossing [↑](#footnote-ref-3)