

Niall Martindale
Director of Regulation and Pricing
firmus energy
Units A4 and A5
Kilbegs Business Park
Antrim
BT41 4LZ

5 November 2021

Dear Niall

Approval of an Additional Development Plan for various electoral wards

Thank you for your letter dated 22 October 2021 (the **Letter**).

The Letter requests the Northern Ireland Authority for Utility Regulation (the **Authority**)'s approval, under and in accordance with the definition of Additional Development Plan in paragraph 3.1.1 of Condition 3 of the gas conveyance licence held by firmus energy (Distribution) Ltd (the **Licence**).

The Authority's approval is sought in respect of a development plan prepared by firmus energy (and enclosed with the Letter) in respect of 15 electoral wards which are identified in paragraph 1.1(a) of Schedule 1 of the gas conveyance licence held by firmus energy (the **Licence**) as follows:

- Electoral Ward 95CC09 (the Hamiltonsbawn Electoral Ward)
- Electoral Ward 95CC12 (the Killeen Electoral Ward)
- Electoral Ward 95CC14 (the Laurelvale Electoral Ward)
- Electoral Ward 95CC17 (the Milford Electoral Ward)
- Electoral Ward 95DD10 (the Cullybackey Electoral Ward)
- Electoral Ward 95DD12 (the Dunminning Electoral Ward)
- Electoral Ward 95FF13 (the Loughbrickland Electoral Ward)
- Electoral Ward 95LL01 (the Aghagallon Electoral Ward)
- Electoral Ward 95RR02 (the Ballykelly Electoral Ward)
- Electoral Ward 95RR07 (the Forest Electoral Ward)
- Electoral Ward 95VV13 (the Donaghmore Electoral Ward)
- Electoral Ward 95VV29 (the Tullyhappy Electoral Ward)
- Electoral Ward 95VV16 (the Fathom Electoral Ward)
- Electoral Ward 95FF04 (the Bannside Electoral Ward)
- Electoral Ward 95FF14 (the Quilly Electoral Ward).

The **Authority** hereby approves the development plan enclosed with the Letter as an Additional Development Plan (having the meaning ascribed under Condition 3.1.1 of the Licence). For completeness, the approved Additional Development Plan is reproduced at Annex A below.

The Additional Development Area (having the meaning ascribed under Condition 3.1.1 of the Licence) to which the approved Additional Development Plan relates is:

- Electoral Ward 95CC09 (the Hamiltonsbawn Electoral Ward)
- Electoral Ward 95CC12 (the Killeen Electoral Ward)
- Electoral Ward 95CC14 (the Laurelvale Electoral Ward)
- Electoral Ward 95CC17 (the Milford Electoral Ward)
- Electoral Ward 95DD10 (the Cullybackey Electoral Ward)
- Electoral Ward 95DD12 (the Dunminning Electoral Ward)
- Electoral Ward 95FF13 (the Loughbrickland Electoral Ward)
- Electoral Ward 95LL01 (the Aghagallon Electoral Ward)
- Electoral Ward 95RR02 (the Ballykelly Electoral Ward)
- Electoral Ward 95RR07 (the Forest Electoral Ward)
- Electoral Ward 95VV13 (the Donaghmore Electoral Ward)
- Electoral Ward 95VV29 (the Tullyhappy Electoral Ward)
- Electoral Ward 95VV16 (the Fathom Electoral Ward)
- Electoral Ward 95FF04 (the Bannside Electoral Ward)
- Electoral Ward 95FF14 (the Quilly Electoral Ward).

Yours sincerely



John French
Chief Executive
Authorised on behalf of
The Northern Ireland Authority for Utility Regulation

Annex A – Additional Development Plan submitted by
firmus energy on the 22 October 2021

firmus energy - Additional Development Plan

15 Electoral Wards

October 2021

Additional Development Plan:

Background

On 24 March 2005 (date of grant), firmus energy was formally awarded the distribution licence 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.

Any increase to these Development Areas requires the submission of an Additional Development Plan, prepared by firmus energy and approved by the Authority.

The fifteen electoral wards listed below are all included within firmus energy's licensed area¹ but were initially excluded from the wards included within the area covered by the towns development plan (due to lack of development). Commercial and residential development now makes these wards economically viable and we are therefore requesting that these wards are added to the towns development area.

	Town	Ward Ref	Ward
1	Armagh	95CC09	Hamiltonsbawn
2	Armagh	95CC12	Killeen
3	Armagh	95CC14	Laurelvale
4	Armagh	95CC17	Milford
5	Ballymena	95DD10	Cullybackey
6	Ballymena	95DD12	Dunminning
7	Banbridge	95FF04	Bannside
8	Banbridge	95FF13	Loughbrickland
9	Banbridge	95FF14	Quilly
10	Craigavon	95LL01	Aghagallon
11	Limavady	95RR02	Ballykelly
12	Limavady	95RR07	Forest
13	Newry	95VV13	Donaghmore
14	Newry	95VV16	Fathom
15	Newry	95VV29	Tullyhappy

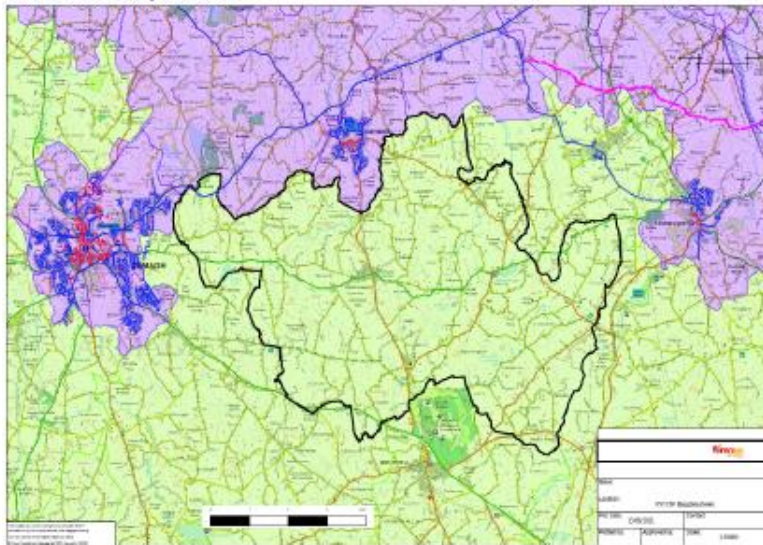
¹ Schedule 1 of firmus energy (Distribution) Limited's Licence for the Conveyance of Gas in Northern Ireland

Ward Maps

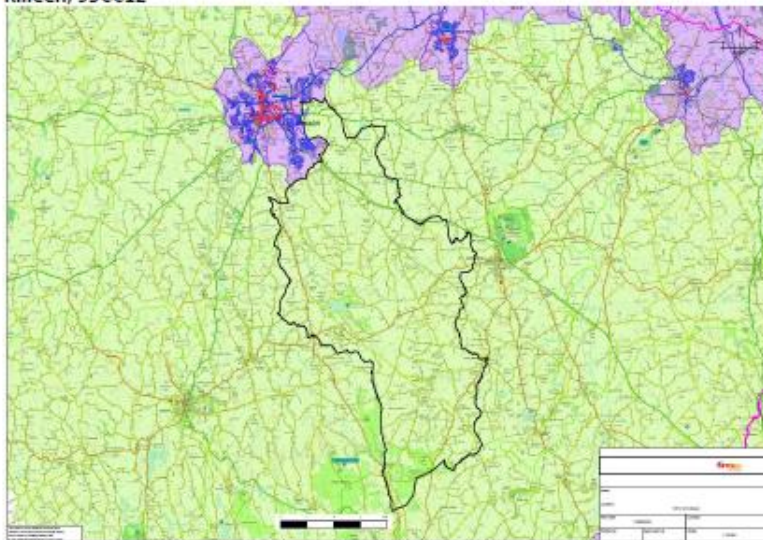
Map Key:

- Purple - firmus energy's current Development Area
- Green - firmus energy's current Licensed Area

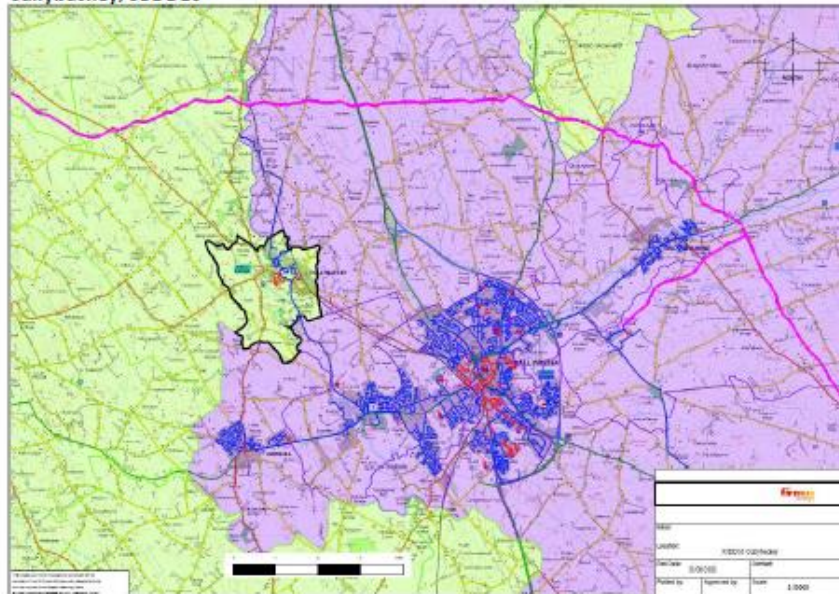
Hamiltonsbawn, 95CC09



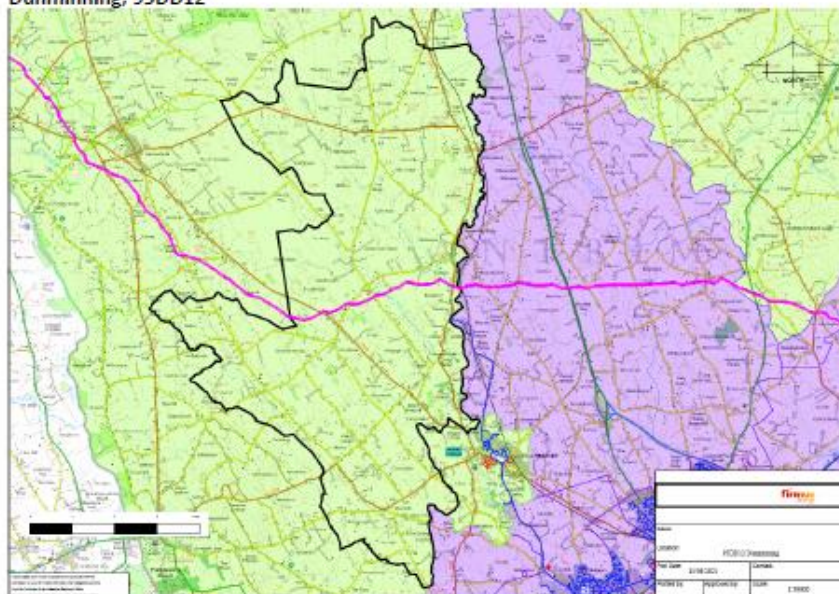
Killeen, 95CC12



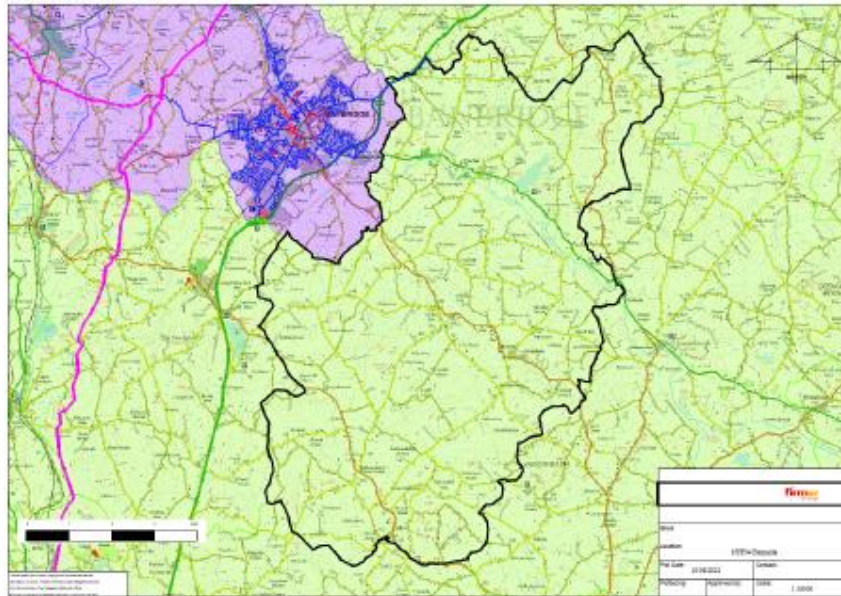
Cullybackey, 95DD10



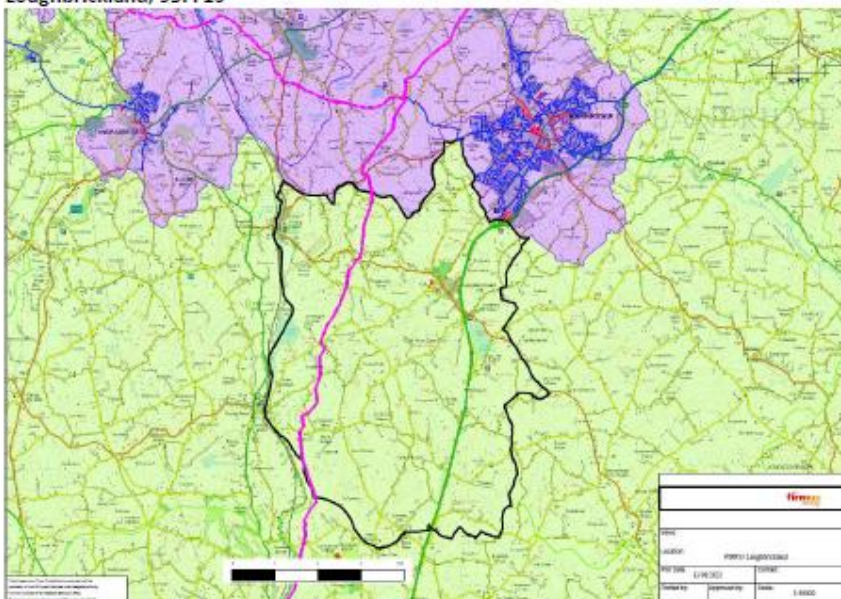
Dunminning, 95DD12



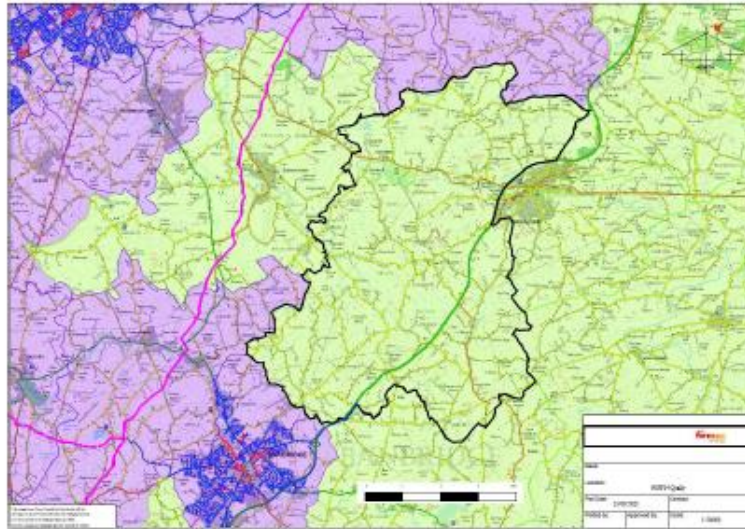
Bannside, 95FF04



Loughbrickland, 95FF13



Quilly, 95FF14



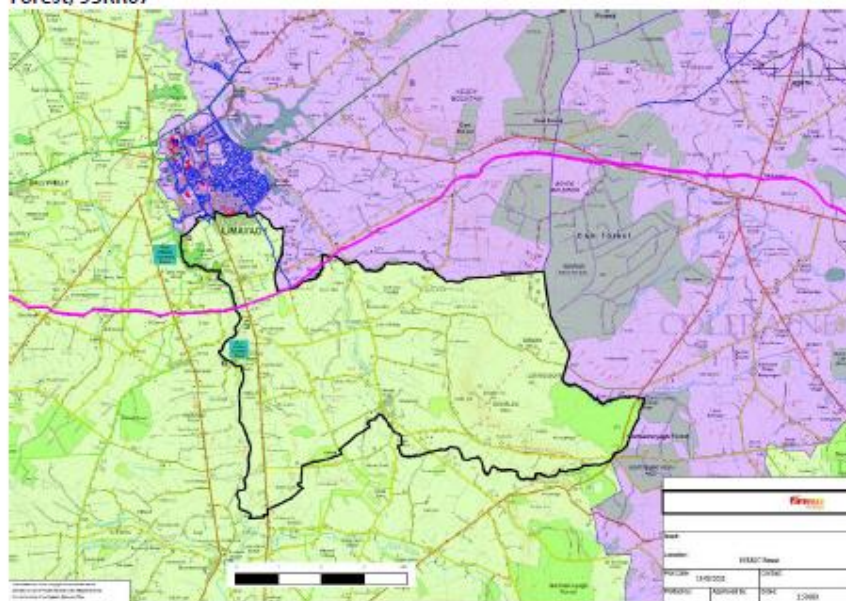
Aghagallon, 95LL01



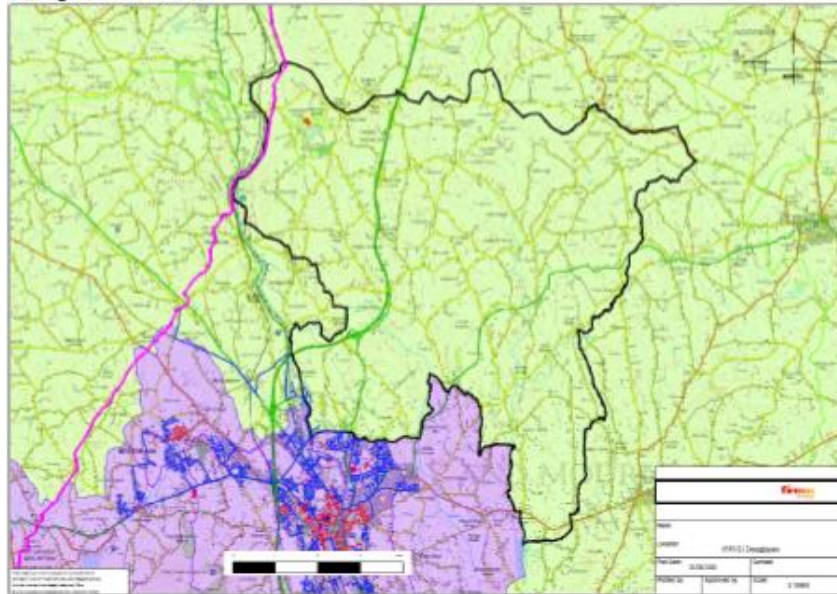
Ballykelly, 95RR02



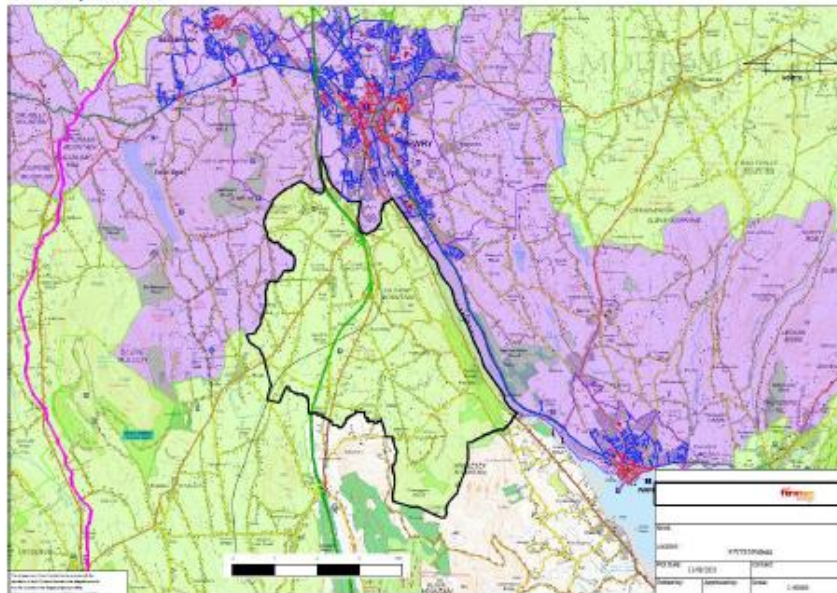
Forest, 95RR07



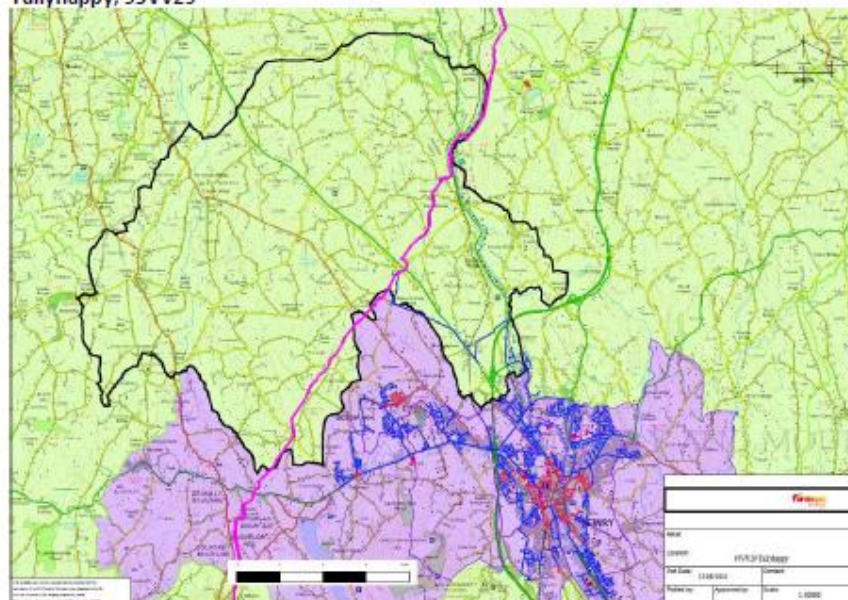
Donaghmore, 95VV13



Fathom, 95VV16



Tullyhappy, 95VV29



Additional Development Area - Drivers

Firmus energy requests approval for the addition of the Electoral Wards below as an additional development area to accommodate the development of the gas network to supply properties and facilitate any future development of the gas.

	Town	Ward Ref	Ward	Driver
1	Armagh	95CC09	Hamiltonsbawn	Feeder Main for Armagh City
2	Armagh	95CC12	Killeen	Industrial Estate – I&C Connections
3	Armagh	95CC14	Laurelvale	Feeder Main for Tandragee and large I&C Connection – Tayto (N.I.) Limited
4	Armagh	95CC17	Milford	New Build development
5	Ballymena	95DD10	Cullybackey	Domestic Infill and large I&C Connection – Galgorm Manor Hotel
6	Ballymena	95DD12	Dunminning	Large I&C Connection - Dale Farm Dromona

7	Banbridge	95FF04	Bannside	Large I&C Connection - Tullyraine/Gibsons Quarries
8	Banbridge	95FF13	Loughbrickland	Feeder Main for Banbridge Town
9	Banbridge	95FF14	Quilly	Large I&C Connection - Tullyraine/Gibsons Quarries
10	Craigavon	95LL01	Aghagallon	Large I&C Connection - Smurfit Kappa (Lurgan)
11	Limavady	95RR02	Ballykelly	Large I&C Connection - Roe Park Resort
12	Limavady	95RR07	Forest	Feeder Main for Limavady Town
13	Newry	95VV13	Donaghmore	Large I&C Connection – Norbrook Laboratories
14	Newry	95VV16	Fathom	Domestic Infill
15	Newry	95VV29	Tullyhappy	Feeder Main for Newry City

Available properties within requested Electoral Wards (LPS/Pointer Data)

					NOTE - EXISTING NETWORK (Audit Info)	
	Town	Ward Ref	Ward	Available Properties	Properties Passed	Properties Connected
1	Armagh	95CC09	Hamiltonsbawn	1,571	4	-
2	Armagh	95CC12	Killeen	1,445	56	42
3	Armagh	95CC14	Laurelvale	1,443	297	77
4	Armagh	95CC17	Milford	1,316	143	121
5	Ballymena	95DD10	Cullybackey	1,498	700	245
6	Ballymena	95DD12	Dunminning	1,160	1	1
7	Banbridge	95FF04	Bannside	1,244	3	1
8	Banbridge	95FF13	Loughbrickland	1,340	1	-
9	Banbridge	95FF14	Quilly	1,205	4	1
10	Craigavon	95LL01	Aghagallon	2,101	121	72
11	Limavady	95RR02	Ballykelly	780	3	3
12	Limavady	95RR07	Forest	983	9	3
13	Newry	95VV13	Donaghmore	1,535	16	12
14	Newry	95VV16	Fathom	1,428	-	-
15	Newry	95VV29	Tullyhappy	1,493	76	17
				20,542	1,434	595

NPV Appraisals

	Town	Ward Ref	Ward	Driver
1	Armagh	95CC09	Hamiltonsbawn	Feeder Main for Armagh City
2	Armagh	95CC12	Killeen	Industrial Estate – I&C Connections
3	Armagh	95CC14	Laurelvale	Feeder Main for Tandragee and large I&C Connection – Tayto (N.I.) Limited
4	Armagh	95CC17	Milford	New Build development
5	Ballymena	95DD10	Cullybackey	Domestic Infill and large I&C Connection – Galgorm Manor Hotel
6	Ballymena	95DD12	Dunminning	Large I&C Connection - Dale Farm Dromona
7	Banbridge	95FF04	Bannside	Large I&C Connection - Tullyraine/Gibsons Quarries
8	Banbridge	95FF13	Loughbrickland	Feeder Main for Banbridge Town
9	Craigavon	95LL01	Aghagallon	Large I&C Connection - Smurfit Kappa (Lurgan)
10	Limavady	95RR02	Ballykelly	Large I&C Connection - Roe Park Resort
11	Limavady	95RR07	Forest	Feeder Main for Limavady Town
12	Newry	95VV13	Donaghmore	Large I&C Connection – Norbrook Laboratories
13	Newry	95VV16	Fathom	Domestic Infill
14	Newry	95VV29	Tullyhappy	Feeder Main for Newry City

For the Electoral Wards highlighted above, we have carried out NPV appraisals.

The other Electoral Wards requested fall in to three categories:

1. Feeder main from AGI to existing development area - Armagh, Tandragee, Banbridge, Limavady and Newry
2. Bannside and Quilly Electoral Ward – assessed as economic by the Utility Regulator in 2011²
3. Fathom Electoral Ward – no properties passed or connected within Ward

² Letter from Paul Harland to Michael Scott dated 25 March 2011 re electoral wards Quilly 95FF14 and Bannside 95FF04

The results of the NPV analysis for the highlighted Electoral Wards are as follows:

	Town	Ward Ref	Ward	Driver	Payback
2	Armagh	95CC12	Killeen	Industrial Estate – I&C Connections	10 Years
4	Armagh	95CC17	Milford	New Build development	28 Years
5	Ballymena	95DD10	Cullybackey	Domestic Infill and large I&C Connection – Galgorm Manor Hotel	13 Years
6	Ballymena	95DD12	Dunminning	Large I&C Connection - Dale Farm Dromona	1 Year
9	Craigavon	95LL01	Aghagallon	Large I&C Connection - Smurfit Kappa (Lurgan)	3 Years
10	Limavady	95RR02	Ballykelly	Large I&C Connection - Roe Park Resort	2 Years
12	Newry	95VV13	Donaghmore	Large I&C Connection – Norbrook Laboratories	5 Years