

EXTENSION OF THE NATURAL GAS NETWORK

Utility Regulator Workshop – 8 June 2012

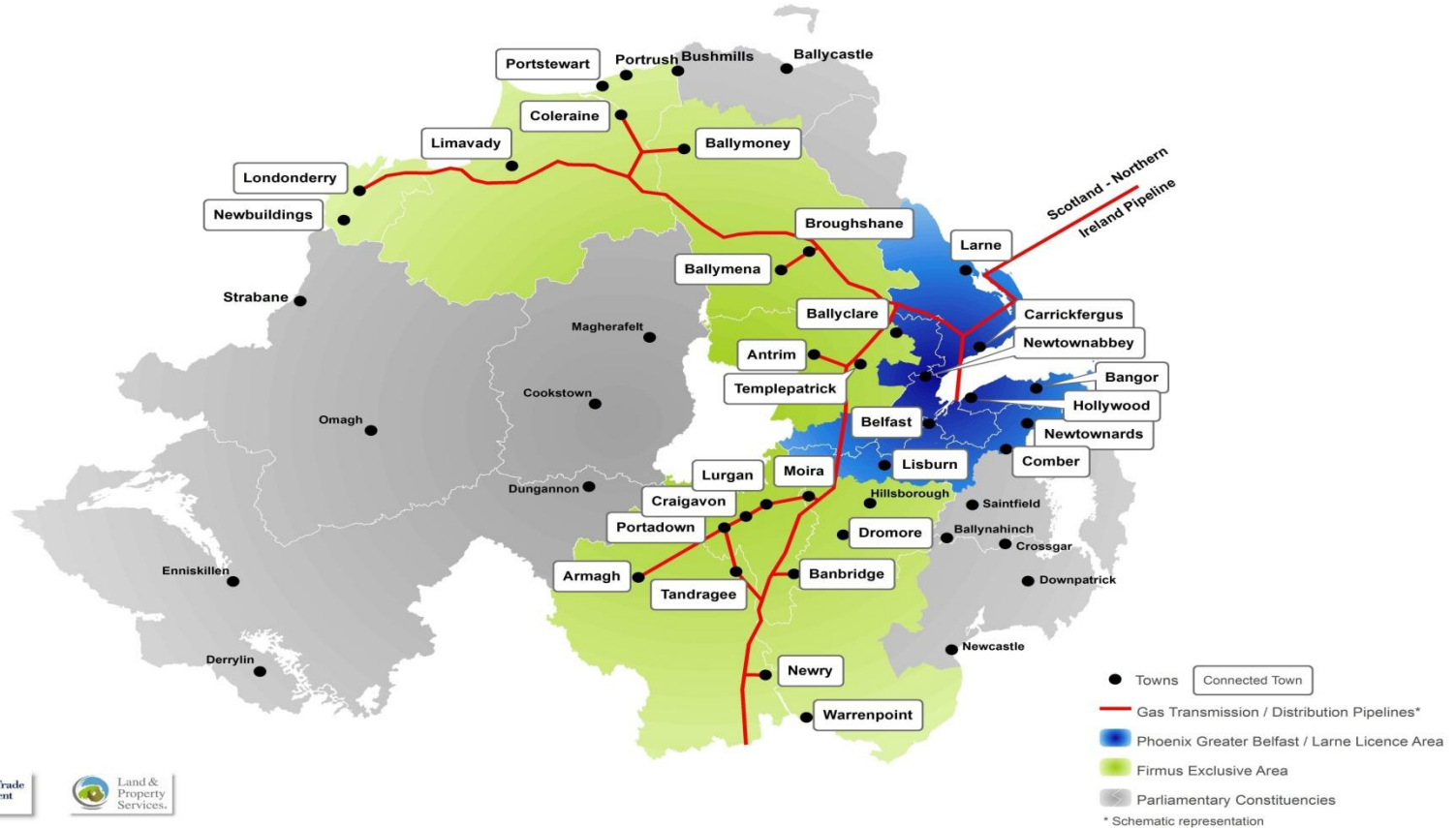


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MAP OF CURRENT NATURAL GAS AREAS

Natural Gas Availability in Northern Ireland



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WHY NATURAL GAS?

- **Strategic Energy Framework 2010** – extension of natural gas network where economically viable
- **Diversity of Supply/ Fuel Choice** – greater energy choice for consumers
- **Efficiency / Costs** – gas costs currently less than oil
- **Environmental** – gas is least polluting fossil fuel, and gas pipes provide potential future usage for biogas
- **Budgeting of Energy Costs** – PAYG meters can assist with budgeting of energy costs
- **Wider Economy** – employment during construction phase, local suppliers



PROGRESS TO DATE

- Technical and economic feasibility study completed in 2010 – DETI and Utility Regulator
- DETI consultation on gas extension in summer 2011
- Strategic Outline Business case to DFP in December 2011
- Detailed Outline Business Case 2012 - ongoing



2010 STUDY TOWNS (West and North/West)

From the South-North Gas Pipeline:

- Dungannon
- Cookstown
-
- Magherafelt
- Omagh;
- Enniskillen/ Derrylin;

From the North-West Gas Pipeline:

- Strabane



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2010 STUDY FINDINGS

- The cost of providing gas transmission networks to all six towns identified within the 2010 study estimated at around £75m.
- An extra £10m to take gas to Derrylin.
- The respective gas distribution networks are estimated to cost between £26 million and £86 million.
- Gas transmission tariffs would increase by 14.7%



POTENTIAL ROUTE OPTIONS



LEGEND

Existing Pipelines



Potential 2010 Pipelines



Potential Feeder



Potential Routes



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NEXT STEPS

- DETI Outline Business Case for gas to main towns in:
 - West and North-West
 - East Down
- Consideration of business case conclusions
- Engage with DFP re potential for financial support
- NI Executive approval of any funding
- Licensing issues – Utility Regulator



TIMELINES

- May 2012 – consultation on licensing issues (U/Reg)
- Summer 2012 – completion of OBC (DETI)
- Autumn 2012 - engage with DFP and NI Executive (DETI)
- 2013 – award of licenses for new gas areas (U/Reg)
- 2013-2014/5 – network design, planning, environmental assessments
- 2015/16 – construction of main gas transmission pipes
- 2015/16 onwards – build new gas distribution pipelines and connect new customers

