

Beverley Grubb
SGN Natural Gas
5 Lonehead Drive
Newbridge
EH28 8TG

Paul Harland
The Utility Regulator
Queens House
14 Queen Street
Belfast
BT1 6ED

30 October 2015
Dear Paul,

Consultation on modification to the firmus energy conveyance licence

Thank you for providing us with the opportunity to comment on the proposed modification.

When developing the conveyance licence for Gas to the West it was recognised that our proposed pipe-line route would cross through the firmus Licensed Area and at some locations potentially come within close proximity to the firmus low pressure pipe-line. As a result Schedule 1 of our Licence was developed to make clear that our Licensed Area includes:

- “land in, on, or over which the Strabane Connection Pipe-Line is situated”; and
- “any premises which are, at any given location, situation within a 50 metre radius of the Strabane Connection Pipe-Line”. The Strabane Connection Pipe-Line is defined in our Licence as starting at the boundary of the District of Strabane and ending at the connection point on the North-West pipe-line.

While the proposed firmus Licence modification set out under point 10 in Annex to Schedule 3 under the above consultation is consistent with our License granted in February 2015, we believe there are wider issues that it does not address and that it would be helpful to clarify.

We understand the main area of concern for firmus is around Drumahoe. Following more detailed network design it is clear that the potential route for the SGN Natural Gas pipe-line could be close to the firmus pipe-line in the village. While our Licence would allow us to offer to connect customers within a 50 metre radius of our pipe-line we can confirm that given the close proximity to the firmus pipe-line, this is not our intention. -

However we have identified other customers within the firmus Licensed Area outwith Drumahoe where we may be keen to offer connections. Our plans have identified a small number of properties (approximately 30 domestic customers) north and south of Drumahoe that we believe would be uneconomic / impractical to supply from the firmus distribution network. It may be more practical to offer a connection to the SGN Natural Gas pipeline, subject to the conditions of the Connections Policy.

As these properties are geographically relatively remote from the firmus network, we believe that there would be no potential operational, safety or economic issues with offering a connection.

We believe this approach is pragmatic but arrangements need to be agreed by all relevant parties and formalised under respective regulatory frameworks to ensure full transparency and certainty going forward, for existing and any new properties.

Given the small number of sites likely to be affected we believe additional clarity is best achieved by listing individual sites, as already exists in the firmus licence for the 8 sites located within the Phoenix Natural Gas Licensed Area. We suggest specific exclusions could be accommodated in the firmus Licence as and when sites are confirmed in future following more detailed SGN Natural Gas network planning, individual review and confirmation of customer intention to connect.

To help bring this matter to a speedy and satisfactory conclusion we are keen to have a joint meeting with yourself and firmus as soon as possible to discuss this proposal and wider arrangements for other relevant industry documents, including our connection policy.

We hope you find these comments helpful.

Yours sincerely,

Beverley Grubb
Regulation Manager
SGN Natural Gas