

**DECISION PAPER ON
THE FIRMUS LICENCE MODIFICATION
AND EXTENSION TO THE
FIRMUS ENERGY LICENSED AREA**

24 May 2013

1. Purpose of this Paper

- 1.1 This paper sets out the responses received in relation to the consultation on the proposed firmus Licence modification and extension to the firmus energy licence area and details the Utility Regulator's decision.

2. Background

- 2.1 In December 2012, firmus energy (Distribution) Ltd (**firmus**) applied to the Utility Regulator (**UR**) for an extension to their current distribution licence to add the Ulster Farm By-Products premises in the Glenavy Ward District to the ten towns Licensed Area.
- 2.2 The reason for the proposed extension is to allow for the construction of the pipeline infrastructure necessary to facilitate the conveyance of gas to the Ulster Farm By-Products site and also to domestic consumers and commercial properties in the vicinity. The reason for the proposed licence modification is to allow a Licensed area to be extended by reference to specific premises within an Electoral Ward , as well as by Electoral Ward.
- 2.3 On 29th March 2013, the UR issued a statutory consultation by way of a Notice under Article 14(3) and Article 8(4) of the Gas (Northern Ireland) Order 1996 proposing to modify the firmus gas conveyance licence and extend the firmus licence area to include the Ulster Farm By-Products premises¹. This Notice asked for representations or objections to the proposed extension to be made by 30th April 2013.
- 2.4 We received 1 written response in relation to the proposed extension. firmus responded consenting to the proposed licence modifications. The responses have been published alongside this decision paper.

3. UR Decision on Extension to Licensed Area and Modification of the Licence

- 3.1 The UR has reviewed firmus energy's submission for an extension to their current distribution licence to add Ulster Farm By-Products site in the Glenavy District to the ten towns Development Area.

¹http://www.uregni.gov.uk/publications/utility_regulator_consults_on_extension_to_firmus_energy_distribution_licence

- 3.2 The UR has also carefully considered the responses which were received to the consultation.
- 3.3 The UR has decided to grant modification of the firmus licence as proposed on 29th March 2013 under Article 14(3) of the Gas (Northern Ireland) Order 1996 as amended. In addition the UR has granted approval of the extension to the firmus Licensed Area as proposed on 29th March 2013 under Article 8(4) of the Gas (Northern Ireland) Order 1996(as amended) to include the Ulster Farm By-Products site in the Glenavy ward. We are satisfied that the proposed extension of the network to Ulster Farm By-Products site is economic and will bring benefits to customers in the additional areas.
- 3.4 Following the modification of the firmus Licence to allow a Licensed area to be extended by reference to specific premises within an Electoral Ward, as well as by Electoral Ward, a Notice under Article 8(6) of the Gas (Northern Ireland) Order 1996 as amended has been published on the UR website giving notice that the Ulster Farm By-Products site will be included within the firmus Licensed Area with effect from the date on the Notice. The amendments to the firmus Licence in respect to the extension are appended to the Notice

4. Additional Development Plans

- 4.1 The UR's decision on the approval of the Additional Development Plans submitted by firmus does not form part of the consultation, however to ensure transparency we have set out our minded to position below subject to further review of costs.
- 4.2 The UR has reviewed the Additional Development Plans submitted by firmus requesting that the Crumlin Electoral Ward and Ulster Farm By-Products site become Additional Development Areas.
- 4.3 The UR can confirm that we are minded to grant approval of these Additional Development Plans as we consider the proposed connections to be economic. If approval is granted, the following Electoral Wards will become Additional Development Areas where firmus will hold exclusivity.
- Crumlin's Electoral Ward in Antrim District
 - Ulster Farm By-Products site, within Glenavy Ward in Lisburn District

4.4 However this exclusivity will be subject to adjustment in the future if we believe it would be consistent with our statutory duties to make amendments to allow other distribution companies to convey gas in the above Electoral Wards. For example this may be appropriate in another geographical area of the Ward where firmus do not convey gas. For the avoidance of doubt, exclusivity is also subject to the limitations set out in condition 2.1 (a) of Schedule 3 of the firmus licence.