

# Opening Up The Gas Market

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Presentation to Oban, Lorn and the Isles Business Day



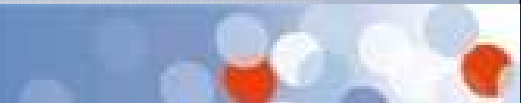
**Scotland  
Gas Networks**  
A Scotia Gas Networks Company

14<sup>th</sup> May 2014

# Oban

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- 1,104 Customers
- 20.5 km of mains pipes
- Liquefied Natural Gas supply since 1972
- Gas safety and appliance maintenance services



# Background

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- Gases can come from a variety of sources
- Chemical composition varies
- Different countries permit different ranges of chemical compositions to be used
- GB's permitted range based on North Sea Gas – narrow
- European regulations much wider
- Post-1992 appliances conform to European standards

# Opening up the Gas Market



- Innovation project awarded funding through Ofgem
- Demonstrate that wider range of gas can be used in our networks
- Reduce cost of gas for customers and increase security of supply
- Oban selected because:
  - Property mix and demographics mirror GB
  - Self-contained gas grid
  - SGN long-standing working relationship with customers in Oban
- Project started Jan 2014
- Due to finish Feb 2016

# Project Stages

## Stage 1:

Survey 100  
properties



Lab test 18  
appliances

## Stage 2:

Appliance  
testing in all  
properties



Appliance  
replacements  
(if required)

## Stage 3:

Inject gas  
from  
Zeebrugge



Run trial for 1  
year

# Benefits

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## For Oban:

- Free visual gas safety check and carbon monoxide alarm for customers
- Free repair for any issues we find
- Potential for a free appliance replacement
- Potentially ensures an enduring gas supply to Oban
- Puts Oban at the forefront of EU energy innovation

## For GB:

- Improves security/diversity of supply
- Annual £60m saving in processing costs
- Facilitates greater uses of green gas
- Improved market efficiency - energy bill savings for gas consumer

# Stakeholder engagement

## Our approach:

- Explain what we are doing and why
- Encourage feedback
- Take views into account
- Work together

## Issues:

- Access to customers' properties
- Minimising disruption
- Looking after vulnerable customers
- Understanding local issues
- Community payback



# Any Questions?

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