

THE SOUTHERN GAS NETWORKS PLC (KINGSFERRY GAS PIPELINE REPLACEMENT
PROJECT) COMPULSORY PURCHASE ORDER 2023

STATEMENT OF EVIDENCE

OF

RASIKA AMARASINGHE of SOUTHERN GAS NETWORKS PLC

1 QUALIFICATIONS AND EXPERIENCE

- 1.1 My name is Rasika Amarasinghe. I am the Distribution Asset Manager (Southern) for SGN plc, working across the company's Southern region which comprises the counties of Surrey, Sussex, Hampshire, Dorset, Oxfordshire, Berkshire, Buckinghamshire, London, Kent and the Isle of Wight. I joined SGN in 2018, and I held a number of roles in the company prior to being promoted to the role of Asset Distribution Manager in February 2023.
- 1.2 As the Distribution Asset Manager, I oversee and coordinate SGN's distribution (below 7 bar) asset related activities. The projects I oversee, and coordinate, are targeted at maximising asset performance, and ensuring assets function reliably throughout their operational life. The role of the Asset Manager is to also ensure the network complies with all relevant safety, environmental, and regulatory standards.
- 1.3 My previous roles in SGN comprised:
- (a) June 2022 - February 2023: Engineering Assurance Manager – I focused on ensuring adherence to quality and safety standards and risk management for all gas assets related to supplying gas to multiple occupancy buildings.
 - (b) March 2021 – June 2022: Network Support Manager – I led and managed a team responsible for project designs used for SGN's Mains Replacement Programme, a programme of works to replace our old metallic pipes with new plastic pipe. I also managed teams responsible for providing support for risk and compliance management to SGN's Network Operational teams who attend gas emergencies, carry out repairs and manage various projects to modify and improve our Network.
 - (c) August 2019 – March 2021: Engineering Design Manager – I created and managed the designs for all Distribution Network modifications, replacements, diversions and repairs required to ensure assets comply with Pressure System Safety Regulations (PSSR).
 - (d) November 2015 – August 2019: Asset Engineer – My work enabled me to establish a strong foundation in the technical aspects of gas distribution. I reported to the previous Distribution Asset Manager (Southern) and Senior Engineers to support asset intervention programmes, integrity projects and compliance with regulations and policies.
- 1.4 I graduated from City University with a MEng in Mechanical Engineering. I am a chartered member of the Institute of Mechanical Engineers (IMechE) and with the Institute of Gas Engineers and Managers (IGEM).

2 INTRODUCTION AND SCOPE OF EVIDENCE

- 2.1 As the Distribution Asset Manager I am responsible for ensuring that SGN delivers this Kingsferry Gas Diversion Project (**Project**) as one of our Price Control Deliverables (PCDs) agreed with the regulator, Ofgem. Since being appointed to my current role in February 2023 I have been overseeing all elements of the Project including the financial and engineering aspects of its delivery and making key decisions on behalf of SGN.
- 2.2 My statement of evidence covers matters relating to the need for the Project. In broad terms my statement will explain the reasons why SGN need to deliver the Project, the key business decisions that are driving it as well as the benefits it will deliver. My evidence explains the compelling case in the public interest justifying the compulsory acquisition of rights over land to secure the Project.

2.3 My statement of evidence is presented across the following sections:

- Section 3 – I provide an overview of the roles and duties of SGN;
- Section 4 – I describe the various elements of the Project;
- Section 5 – I explain the need for the Project and set out in detail the principal drivers and policy support for the Project and the absence of alternative solutions to meet the identified need;
- Section 6 – I consider the objections which have been received to the making of the CPO insofar as they relate to the need for the Project;
- Section 7 – I explain SGN's approach to human rights and its consideration of equality impacts in taking forward the promotion of the CPO; and
- Section 8 – I describe the compelling case in the public interest that justifies the exercise of compulsory purchase powers.

3 AN OVERVIEW OF THE ROLES AND DUTIES OF SGN

3.1 SGN manages the network which distributes natural and green gas to approximately six million homes and businesses across Scotland and southern England. SGN holds a Gas Transporter Licence (**Licence**) (**CD 30**) under section 7 of the Gas Act 1986 (**1986 Act**) and is the licenced gas transporter for the south and south-east of England.

3.2 SGN has a duty under section 9 of the 1986 Act (**CD 9**) to develop and maintain an efficient and economical pipe-line system for the conveyance of gas within its licenced area. Such a duty is also reflected in SGN's Licence (**CD 30**) and aligns with Strategic Aim 6 of SGN's Gas Network Innovation Strategy 2018 (**CD 35**), which states:

"Use innovation to reduce the safety risks associated with essential activities now and in the future."

3.3 The Southern Gas Networks plc (Kingsferry Pipeline Replacement Project) Order 2023 (**Order**) (**CD 1**) has been made by SGN to discharge its duties under the Gas Act to secure the continued supply of gas to the Isle of Sheppey.

3.4 If confirmed by the Secretary of State, the Order (**CD 1**) will authorise SGN to compulsorily acquire new rights in land required for:

- (a) the construction and operation of a new gas pipeline under the river Swale between mainland Kent and the Isle of Sheppey (**New Pipeline**);
- (b) the decommissioning of the existing intermediate gas pipeline suspended beneath the superstructure of the Kingsferry Bridge over the river Swale (**Existing Pipeline**); and
- (c) associated works.

4 OVERVIEW OF THE PROJECT

4.1 The Existing Pipeline crosses the river Swale via a service tunnel within the Kingsferry Bridge. The Existing Pipeline is reaching the end of its asset life and requires replacement.

- 4.2 SGN proposes to replace an approximately 518m long (plus vertical sections), 300mm diameter section of the Existing Pipeline IP (Intermediate Pressure – this pipeline contains gas at pressures between 2 and 7 bar) with the New Pipeline which will be installed by Horizontal Directional Drilling (**HDD**) under the river Swale. The New Pipeline would connect back into the Existing Pipeline either side of the Kingsferry Bridge. The New Pipeline section will be 1.10km long and be 400mm in diameter (324.6mm inner diameter) to match closely to the internal diameter of the existing pipe which is 311.3mm. Once the New Pipeline is installed, the Existing Pipeline will then be fully decommissioned and removed from the Kingsferry Bridge. Together these are the **Works** which comprise the Project.
- 4.3 Following decommissioning SGN is removing the Existing Pipeline rather than leaving it in situ. There are two principal reasons for this decision:
- (a) section 6.8 of the overarching Licence for Gas Pipelines and Agreement for Standard Conditions dated 7 March 2024 (**NR Licence**) between Network Rail Infrastructure Limited (**Network Rail**) and SGN obligates SGN to remove the above ground pipeline within 12 months of cessation of its use; and
 - (b) in any event it would be SGN's preference to remove the decommissioned pipeline which would otherwise need to be maintained in situ in perpetuity (due to the continuing corrosion of the Existing Pipeline's material and support). This would create a burdensome ongoing requirement for regular asset surveys and (as required) remedial works to ensure the safety of the bridge structure. Such an ongoing requirement would risk further disruption to the transport network and lead to potentially hazardous working conditions, especially within the service tunnel, for workers trying to survey the Existing Pipeline in-situ.
- 4.4 SGN has undertaken engagement on the preferred strategic proposal with a wide variety of stakeholders including relevant statutory bodies, political representatives, potentially affected landowners and the general public. Feedback from engagement will continue as detailed design work matures. This supports the acquisition of necessary rights for the construction and operation of the infrastructure through voluntary agreements or compulsory purchase where necessary.

5 THE NEED FOR AND BENEFIT OF THE PROJECT

- 5.1 SGN has identified a need to replace the Existing Pipeline due to the cumulative effect of several project drivers, primarily safeguarding the continued and uninterrupted supply of gas to the Isle of Sheppey, and the asset health of the Existing Pipeline:
- **Energy security and reliability of gas supply to the Isle of Sheppey** – The Existing Pipeline is the only gas supply to the Isle of Sheppey supplying approximately 15,000 domestic and commercial customers. These include the Sheppey Community Hospital, twelve primary schools and two secondary schools, care homes, three prison facilities (two of which are maximum security), extensive port facilities and multiple industrial and commercial businesses. All these customers are reliant on a continued supply of gas and, having assessed plans for domestic and commercial expansion within the local area, SGN have predicted that between 2016 and 2026 the demand on gas supply on the Isle of Sheppey will increase by 10%.
 - **Asset health of Existing Pipeline** – Having been installed in the 1950s, the Existing Pipeline is nearing the end of its operational life and is in poor condition. There have been a number of gas leaks since 1992, most recently in 2019 and 2022 which shut

local roads and the Kingsferry Bridge for a number of weeks (necessitating the suspension of local train services between Sittingbourne and Sheerness). The Existing Pipeline and the steel support gantry located within the service tunnel are also corroding. The condition of the Existing Pipeline could result in further gas leaks, therefore presenting health and safety risks to SGN operatives repairing faults, particularly within the confined space of the service tunnel beneath the Kingsferry Bridge, and, in extreme cases, risk the integrity of the structure of Kingsferry Bridge and its users.

- **Ofgem determination** – Under the Special Conditions of SGN's Licence (**CD 30**), OFGEM requires that SGN deliver the Project within the current RII0-GD2 price control period (which ends on 31st March 2026) and has provided funding to align with that period.

5.2 The need for the Project is reflected in the strong policy support for the Project at a national and local level.

Government Policy Strategies

5.3 The UK government has acknowledged in its national energy policies such as The Energy White Paper (2020) (**CD 19**) and latterly, the British Energy Security Strategy (April 2022) (**CD 20**) that gas will continue to play a vital role in the energy network of the UK whilst it transitions away from use of fossil fuels. In 2020, gas represented almost 30 per cent of final energy consumption and 40 per cent of electricity generation in the UK and therefore gas networks will need to be maintained to ensure security of supply.

5.4 The recently published 'Powering Up Britain' Energy Security Plan (March 2023) (**CD 21**) and 'Powering Up Britain' The Net Zero Growth Plan (March 2023) (**CD 22**) also confirm the importance of gas's crucial role in this transition period.

Energy National Policy Statements

5.5 The Project is also supported by the new suite of Energy National Policy Statements (**NPS**) published on 22 November 2023, particularly the overarching NPS for Energy (EN-1) (**CD 23**) and NPS for the Natural Gas Supply Infrastructure and Gas and Oil Pipelines (EN-4) (**CD 24**). These NPS provide for the promotion of energy security and net zero and recognise that gas infrastructure will be required to meet energy objectives to provide for peak demand as well as potentially needing to be repurposed in the future to deliver a net zero economy.

5.6 Part 3 of EN-1 (**CD 23**) explains why the government sees a need for significant amounts of new large-scale energy infrastructure to meet its energy objectives and why the government considers that the need for such infrastructure is urgent. Paragraphs 3.2.5 and 3.2.7 advise that the Secretary of State should assess applications covered by EN-1 (**CD 23**) on the basis that the government has demonstrated that there is an urgent need for those types of infrastructure and substantial weight should be given to this need.

5.7 EN-1 (**CD 23**) explicitly recognises that despite a transition to low carbon alternatives "...we will still need new gas infrastructure" and "we cannot be certain on the precise role of natural gas, or gas infrastructure, in the future." In addition, "Natural gas infrastructure might also be repurposed in the future for use by other gases required to deliver a net zero economy, such as low carbon hydrogen or for the transportation of carbon dioxide to storage. Therefore, there is an ongoing need for retaining and developing the infrastructure for importing, storing and transporting gas".

- 5.8 The NPS for Natural Gas Supply Infrastructure and Gas and Oil Pipelines (EN-4) (**CD 24**) recognises at para. 1.1.1 that, "The efficient import, storage and transmission of natural gas and oil products is crucial to meeting our energy needs during the transition to a low carbon economy." The NPS further and states that, "This reflects the ongoing need for oil and unabated gas during the transition to a net zero economy for heating, cooking, electricity and transport, and the production of many everyday essentials like medicines, plastics, cosmetics and household appliances. This will enable secure, reliable, and affordable supplies of energy as we develop the means to address the carbon dioxide and other greenhouse gases associated with their use, including the development of low carbon alternatives."

National Planning Policy

- 5.9 The National Planning Policy Framework (**the NPPF**) (**CD 25**) is also material to, and demonstrates national policy support for, the Project. In particular, the NPPF (**CD 25**) sets out a presumption in favour of sustainable development. In this context it emphasises three overarching objectives:
- (a) An economic objective - to help build a strong, responsive and competitive economy, including by identifying and coordinating the provision of infrastructure;
 - (b) A social objective - to support strong, vibrant and healthy communities; and
 - (c) An environmental objective - to protect and enhance our natural, built and historic environment, including making effective use of land, improving biodiversity, using natural resources prudently, minimising waste and pollution, and mitigating and adapting to climate change, including moving to a low carbon economy.
- 5.10 For the reasons set out above the Project is sustainable development that meets all three of these objectives.
- 5.11 The NPPF (**CD 25**) requires the timely provision of all types of physical infrastructure, including energy. Local plans are also required to take account of the need for strategic infrastructure, including those of national significance. One of the core principles of the NPPF (**CD 25**) requires account to be taken of local strategies to improve health, social and cultural well-being and deliver sufficient community and cultural facilities and services to meet local needs.
- 5.12 The NPPF (**CD 25**) also requires local planning authorities to include policies to deliver the provision of infrastructure in their local plans. It also requires that they should work with other authorities and service providers to assess the quality and capacity of infrastructure to meet the forecast demands arising from the local plan and also the need for strategic infrastructure (including nationally significant infrastructure) within their areas.

Local Policy

- 5.13 Bearing Fruits 2031: The Swale Borough Local Plan 2017 (adopted July 2017) (**Local Plan**) (**CD 26**) sets out the planning policies for the Swale Borough Council administrative area. Chapter 5 of the Local Plan (**CD 26**) acknowledges that to meet the growth requirements for Swale, development in the local area will need to ensure that sufficient infrastructure is provided. Whilst Policy CP 6 (Community facilities and services to meet local needs) puts the onus on new development to ensure that there is sufficient infrastructure in place to support it, both this policy and its supporting text underline the importance of infrastructure delivery.

6 CONSIDERATION OF OBJECTIONS

- 6.1 A total of eight objections were made to the Order (**CD 1**) as follows (adopting the objection numbering from section 17 of the Statement of Case):
- (a) **Objection 1:** Southern Water in respect of Plot Nos. 1-4, 6, 7, 9-14, 16, 17, 20-27, 32, 34, 36-44, 45, 47, 48, 53, 54, 57, 59, 62, 64-67, 69-80 and 83 (**CD 37**);
 - (b) **Objection 2:** Network Rail Infrastructure Limited in respect of Plots Nos. 31-35, 37-44, 48, 49, 54, 55, 62, 64, 69 and 70 (**CD 38**);
 - (c) **Objection 3:** Outback UK Propco I A Limited in respect of Plot Nos. 34-36 and 46 (**CD 39**);
 - (d) **Objection 4:** Knauf (UK) GmbH in respect of Plot Nos. 34-36 and 38-47 (**CD 40**);
 - (e) **Objection 5:** Countrystyle Recycling Ltd in respect of Plot Nos. 36 and 46 (**CD 41**);
 - (f) **Objection 6:** Grovehurst Energy Limited (subsidiary of D.S. Smith Group) in respect of Plot Nos. 36 and 46 (**CD 42**);
 - (g) **Objection 7:** Manweb Nomineeco Limited (**Manweb**) in respect of Plot Nos. 36 and 46 (**CD 43**); and
 - (h) **Objection 8:** Ridham Sea Terminals Limited in respect of Plot Nos. 36 and 46 (**CD 44**).

6.2 With regards to the grounds of objection raised insofar as pertains to my evidence, none of the objectors raise any suggestion that there is no compelling case in the public interest to justify the exercise of compulsory purchase powers or question the need for the Project. I do not understand there to be any dispute as to the need for and benefits of the Project.

7 HUMAN RIGHTS AND EQUALITIES ACT

- 7.1 Each plot of land described in the Order (**CD 1**) is required for the purposes of the Project, or is needed to facilitate, mitigate, or is incidental to the Project.
- 7.2 SGN is taking a proportionate approach to compulsory acquisition and, rather than seeking to acquire the freehold title to all of the Order Land, is seeking to acquire rights over the Order Land.
- 7.3 Accordingly, SGN has sought to acquire only such land and/or interests which are necessary for the Project to proceed. Notwithstanding the efforts that have been made to acquire interests in the land by way of voluntary agreement, SGN has been unable to secure all the requisite interests through negotiation. It has therefore been necessary to seek compulsory powers to enable the delivery of the Project. Negotiations to acquire interests by private treaty will continue in parallel with the CPO process.

Human rights

- 7.4 As further explained in the statement provided by Simon Thurlow, each plot of land described in the Order (**CD 1**) is required for the purposes of the Project, or is needed to facilitate, mitigate, or is incidental to the Project.
- 7.5 SGN has taken a proportionate approach to compulsory acquisition and, rather than seeking to acquire the freehold title to all the Order Land, is seeking to acquire rights over the Order Land.

- 7.6 The Guidance makes it clear that an acquiring authority should be sure that the purposes for which it is seeking compulsory acquisition powers sufficiently justify interfering with the human rights of those with an interest in the land affected. In making this assessment, an acquiring authority should have regard to the provisions of Article 1 of the First Protocol to the Convention (**CD 13**), and in the case of dwelling, Article 8.
- 7.7 Article 1 of the First Protocol (**CD 13**) states that:
- "...Every natural or legal person is entitled to peaceful enjoyment of his possessions" and "no one shall be deprived of his possessions except in the public interest and subject to the conditions provided for by the law and by the general principles of international law...".
- 7.8 The Order Land is proposed to be affected by new rights only. The new rights sought by SGN have been separated into 'packages' based on their purpose and applied to specific plots, as appropriate. Some of the rights are only required for temporary purposes, such as the creation of construction compounds, and will only be exercised during the construction phase. Other rights will be permanent in nature, such as the right to install, operate, repair and maintain the new sections of pipeline. The rights 'packages' have been tailored in this way to ensure that a proportionate approach to compulsory purchase is taken, and that the impact for affected landowners and occupiers is limited so far as reasonably practicable.
- 7.9 The Order (**CD 1**) is being promoted in the public interest as required by Article 1 of the First Protocol (**CD 13**) and the public benefits have been set out in detail earlier in my statement of evidence. SGN considers that the Order (**CD 1**) will therefore strike the right balance between the public interest in the implementation of the Project and those private rights that will be affected by the Order (**CD 1**).
- 7.10 Article 6 of the Convention provides that:
- "In determining his civil rights and obligations... everyone is entitled to a fair and public hearing within a reasonable time by an independent and impartial tribunal established by law."
- 7.11 I can confirm that the Order (**CD 1**) has been extensively publicised to those affected. All those affected by the Order (**CD 1**) will be notified, have enjoyed the right to make representations and objections to the Secretary of State, and remaining objecting parties will have the right to be heard at the forthcoming public inquiry. It has been held that statutory processes comply with Article 6 of the Convention.
- 7.12 Those whose interests are acquired under the Order (**CD 1**) will also be entitled to compensation which will be payable in accordance with the Compulsory Purchase Compensation Code. The Compensation Code has been held to be compliant with Article 8 and Article 1 of the First Protocol to the Convention (**CD 13**).
- 7.13 SGN has sought to keep any interference with the rights of those with interests in the Order Land to a minimum. The land within the Order (**CD 1**) has been limited to the minimum required for the Project infrastructure to be installed, operated and maintained.
- 7.14 The requirements of the Human Rights Act 1998 and the Convention, particularly the rights of property owners, have therefore been fully considered. There is a compelling case in the public interest for the Order (**CD 1**) to be made and confirmed, and the interference with the private rights of those affected that would be the inevitable result of the exercise of compulsory purchase powers conferred by the Order (**CD 1**) would be lawful, justified and proportionate.

Equality Act

- 7.15 Whilst not directly subject to the public sector equality duty in section 149(1) of the Equality Act 2010, I can confirm that SGN has had regard to the public sector equality duty, and has, in promoting the Order (**CD 1**), undertaken a landowner engagement exercise.
- 7.16 SGN has taken account of and considered receptors and effects on those receptors through its environmental assessment processes for the Project.
- 7.17 SGN does not currently consider that the Project will give rise to any impacts or differential impacts on persons who share a relevant protected characteristic as defined in the Equality Act, or upon persons who do not share such relevant protected characteristic. However, SGN's position will be continually monitored, and should any persons be identified who may be adversely impacted by the Project, packages of assistance measures will be put in place as necessary to mitigate so far as practicable any identified activity that may have an adverse impact on these individuals.

8 COMPELLING CASE IN THE PUBLIC INTEREST

Need and benefits

- 8.1 As I have explained earlier in this statement, the Project is required to ensure the security of energy supply to the Isle of Sheppey following a series of leaks from the Existing Pipeline, which is coming to the end of its operational lifespan. The Existing Pipeline is the only gas supply to the Isle of Sheppey supplying approximately 15,000 domestic and commercial customers, including Sheppey Community Hospital, twelve primary schools and two secondary schools, care homes, three prison facilities (two of which are maximum security), extensive port facilities and multiple industrial and commercial businesses. All of these customers are reliant on a continued supply of gas which would be provided by the New Pipeline.
- 8.2 In order to fulfil the Project need, SGN has clearly demonstrated that it needs all the rights identified in order to deliver the Project and has taken a proportionate approach by seeking rights 'packages'.
- 8.3 SGN does not consider that the acquisition of rights will cause any undue adverse effect on any of the objectors and no objections have suggested that there is no compelling case in the public interest to justify the exercise of compulsory purchase power.
- 8.4 In all the circumstances, the public interest weighs decisively in favour of confirming the Order (**CD 1**).

Consideration of alternatives

- 8.5 When considering options for interventions with the Existing Pipeline, SGN sought to balance maximising the life of assets and minimising capital expenditure of any intervention whilst also seeking to deliver customer value.
- 8.6 A number of alternative options to meet the identified need of the Project were considered by SGN:
- (a) The 'Do Nothing' Option – Not undertaking any works to secure the repair or replacement of the Existing Pipeline.
 - (b) The 'Repair on Failure' Option – Undertake repairs to the Existing Pipeline at the point of further gas leaks and/or failure of the asset.

- (c) The 'Replace on Failure' Option - Replacement of sections of the Existing Pipeline, or the whole pipeline, in the event of further gas leaks and/or the failure of the asset.
- (d) The 'Pre-emptive Replacement' Options – Having discounted the options above, SGN considered a number of options to replace the Existing Pipeline with the New Pipeline outside of the structure of the Kingsferry Bridge prior to further gas leaks and/or failure of the asset. The relative locations of the four replacement options are detailed in Figures 1 and 2, and comprise:
 - (i) Replacement Option 1: Crossing the river Medway from the Isle of Grain to Sheerness Docks (Figure 3);
 - (ii) Replacement Option 2: Via horizontal directional drill (**HDD**) between Sheppey Bridge and Kingsferry Bridge (Figure 4);
 - (iii) Replacement Option 3: Via HDD north of Sheppey Bridge (Figure 5); and
 - (iv) Replacement Option 4: Crossing the river Swale from Kent to the Isle of Sheppey via HDD (this being the preferred option) (Figure 6).

8.7 Replacement Option 4 was the preferred option. None of the objectors have suggested that SGN should have pursued any of the above alternatives over the preferred option or indeed suggested any other alternative to the Project.

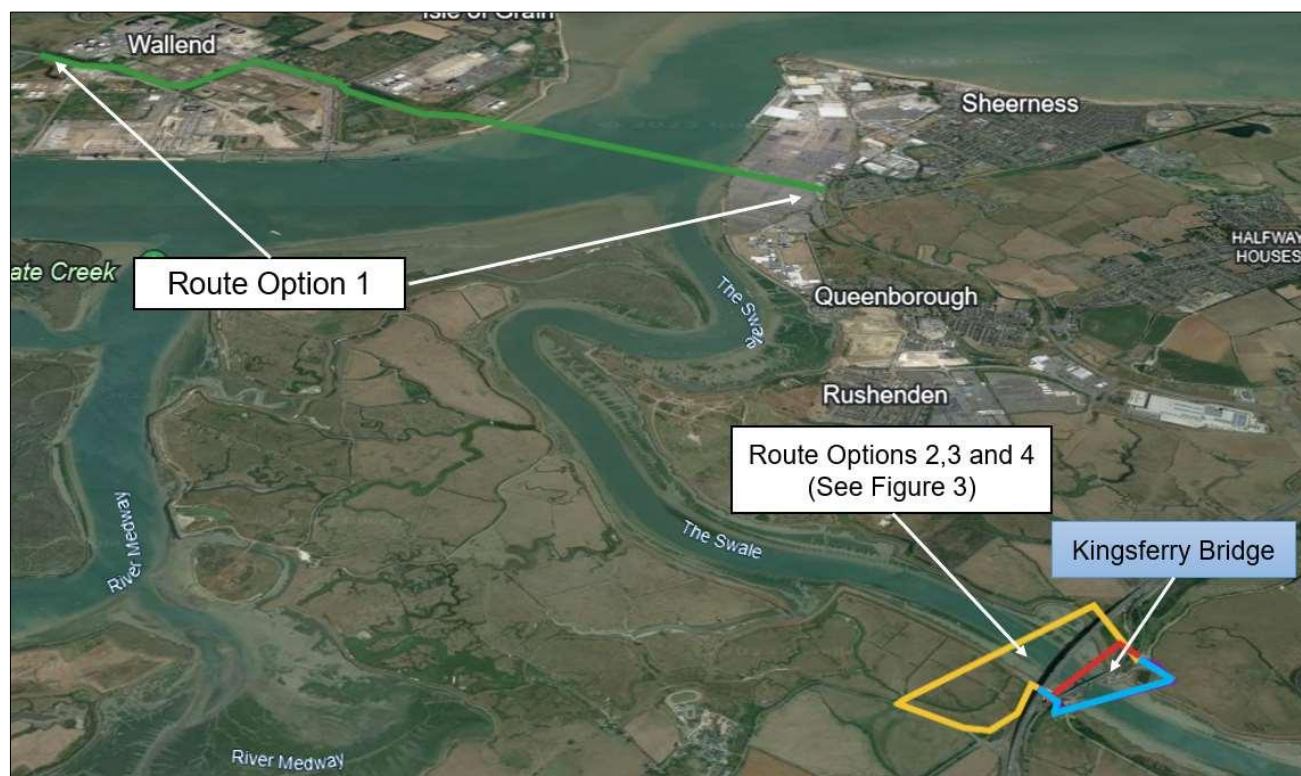


Figure 1 – Relative location and layout of the four replacement option routes

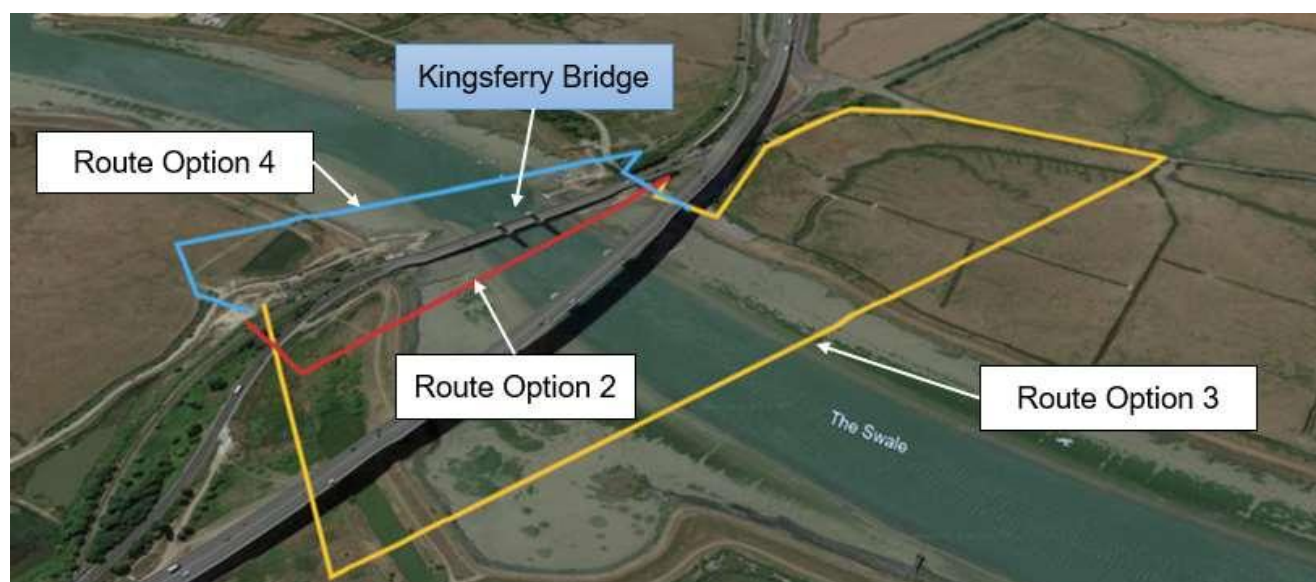


Figure 2 – Relative location and layout of replacement option routes 2,3 and 4

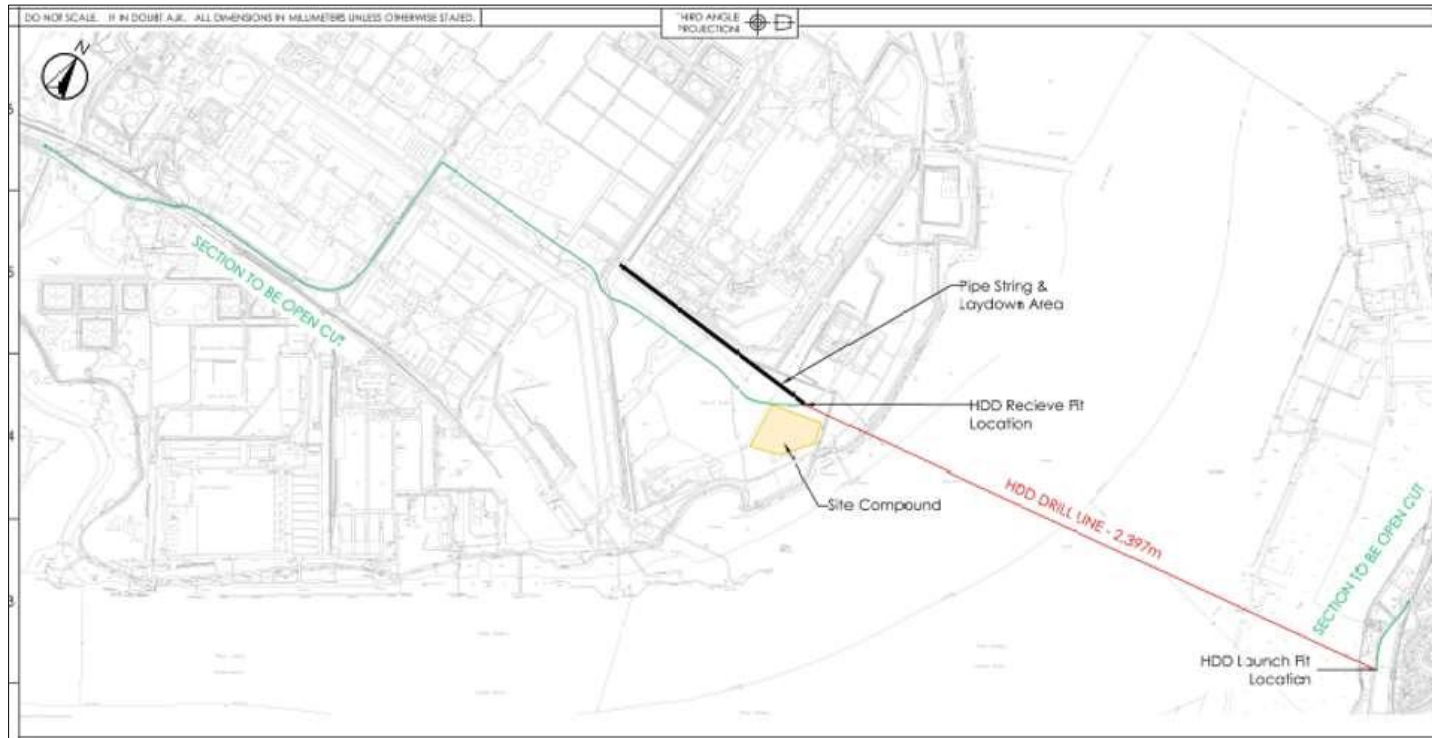


Figure 3 – Discounted Replacement Option 1: Proposed route for the new pipeline (green line to be installed using traditional open-cut methods, and red line installed via directional drilling). The Isle of Grain is shown in the left of the image, Sheerness Docks are visible in the right of the image.

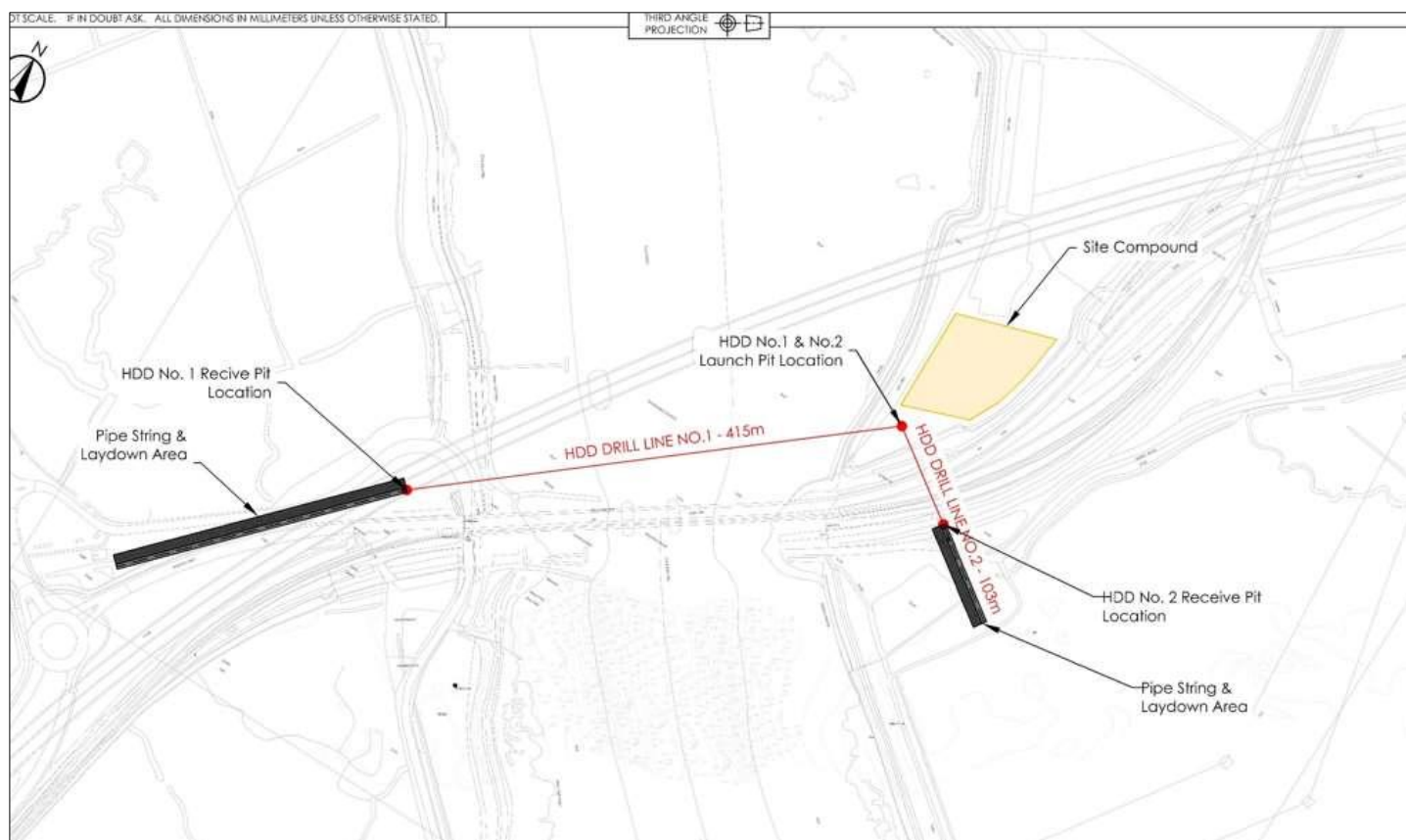


Figure 4 – Discounted Replacement Option 2: Proposed route for the new pipeline (with red line installed via directional drilling). Mainland England is shown in the right of the image, and the Isle of Sheppey is shown in the right of the image, the Swale is in the centre.

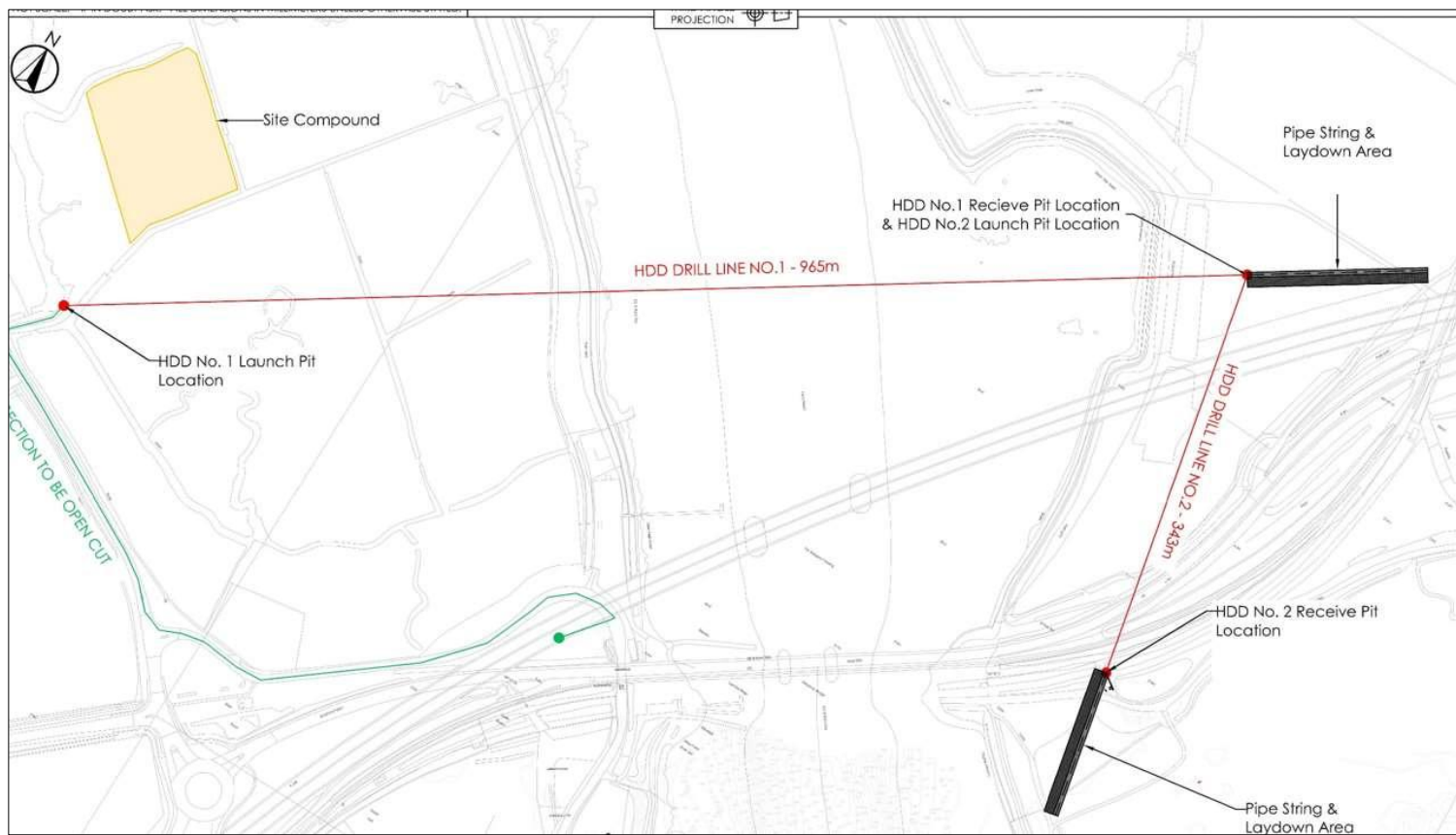


Figure 5 – Discounted Replacement Option 3: Proposed route for the new pipeline (green line to be installed using traditional open-cut methods, and red line installed via directional drilling).

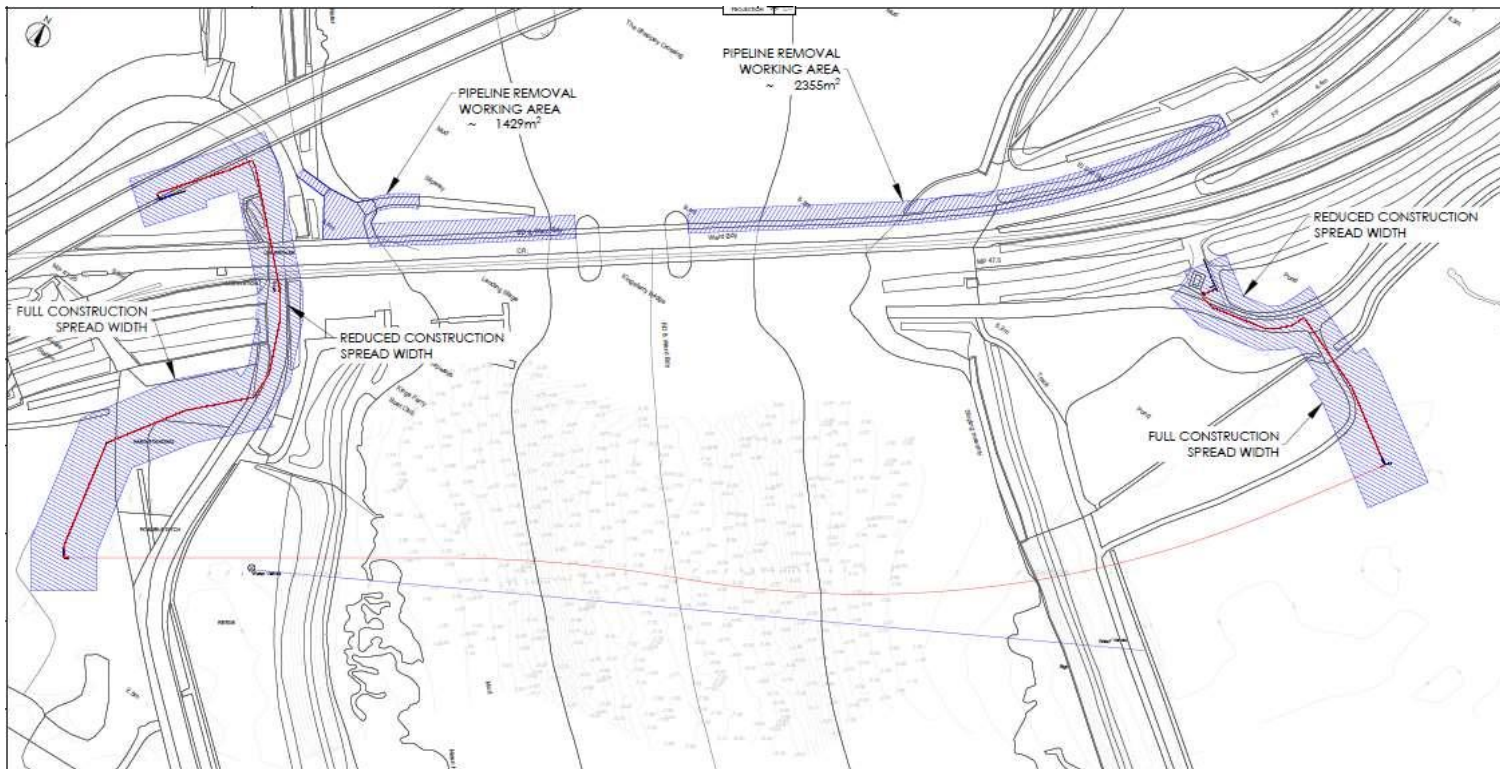


Figure 6 – Replacement Option 4 being the preferred option

- 8.8 SGN first considered the lighter intervention options of repairing and refurbishing the Existing Pipeline through the 'Do Nothing', 'Repair on Failure' and 'Replace on Failure' options (outlined in section 5 above). However, these were considered inappropriate as they would risk further disruption to the transport network as well as a potential for a complete gas supply failure to customers on the Isle of Sheppey and lead to potentially hazardous working conditions, especially within the service tunnel, for workers trying to repair the Existing Pipeline in-situ.
- 8.9 Having discounted the options described above, SGN then considered options which would provide a new pipeline outside of the structure of the Kingsferry Bridge. Any replacement pipeline would need to be pre-emptively delivered prior to the failure of the Existing Pipeline.

- 8.10 Taking into account constraints posed by the geography of the existing pipeline network, ecological designations and land take, four possible routes for a replacement pipeline were identified and taken forward for further study. The replacement options were reviewed in a series of route walk throughs undertaken by SGN asset managers and specialist advisors to identify the various matters and risks that would need to be potentially considered and addressed to progress each option to the detailed design and construction stage.
- 8.11 These route walkthroughs identified all enabling and engineering requirements to determine the relative complexity and difficulty of each replacement option (including environmental impacts, construction and access, third party interfaces, land requirements and consents etc.) and these were summarised within individual route option reports (**CD 36**).
- 8.12 Having analysed each of the four replacement route options, Replacement Option 4 was considered by SGN to have fewer technical, land and environmental impacts than the other options considered. A further comparative exercise was undertaken by SGN to verify this determination in the form of a relative risk review which scored each replacement option against the others for each output. This exercise determined that Replacement Option 4 was considered the most practical option to construct, would pose the least environmental impact on the surrounding area and deliver the most cost-effective viable route to connect into the existing pipeline network. Further detail as to the process of this comparative exercise is set out at paragraph 5 of the Statement of Case.
- 8.13 This option was consequentially described as the preferred solution in an Engineering Justification Paper dated July 2019 (**CD 34**) provided to OFGEM as part of SGN's GD2 funding submission. Option 4 was subsequently approved by OFGEM in December 2020.

Absence of impediments

- 8.14 The Project does not require planning permission under the Town and Country Planning Act 1990 Act (**1990 Act**) either because the relevant Works do not constitute development requiring planning permission under the 1990 Act or they benefit from permitted development rights under the Town and Country Planning (General Permitted Development) (England) Order 2015 (the **GPDO**) (**CD 16**). Specifically, SGN is relying on its permitted development rights provided in Class A of Schedule 2, Part 15 of the **GPDO** (**CD 16**).
- 8.15 Further information regarding the planning and consenting position is presented in the statement of evidence provided by Allison Pritchard.
- 8.16 There are no physical or legal impediments to the implementation of the Order (**CD 1**).

Funding

- 8.17 The options for the replacement of the Existing Pipeline were presented to OFGEM for its current RIIO-GD2 price control period to 31 March 2026. Replacement Option 4 was subsequently approved by OFGEM in December 2020 as a named project within the RIIO-GD2 price control agreement. The allowances provided by OFGEM are available from 1 April 2021 to 31 March 2026, but shall remain available to SGN beyond that period to complete the Project.
- 8.18 SGN is responsible for developing, constructing and financing the Project. It is also responsible for the payment of compensation for the acquisition of rights required for the Project whether pursuant to a voluntary agreement or the Compensation Code.
- 8.19 SGN's status as a Gas Transporter, coupled with Ofgem RIIO-2 determination in respect of the Project, means the requisite funding is available to meet the implementation and land

acquisition/compulsory purchase costs associated with the Project as and when required (including any advance payments).

- 8.20 SGN's Network Investment Committee granted internal approval to progress with the Project and allocated appropriate funding and financial management in May 2023 via SGN's governance process.

9 SUMMARY AND CONCLUSIONS

- 9.1 As explained, the need for the Project is to safeguard the continued and uninterrupted supply of gas to the Isle of Sheppey and replace an asset that has come to the end of its operational lifespan. This need has been recognised by OFGEM in requirement that SGN deliver the Project prior to the end of its current RII0-GD2 price control period on 31st March 2026.
- 9.2 The land which is the subject of the compulsory purchase powers in the Order (**CD 1**) comprises only the rights necessary to deliver the construction, operation, repair, maintenance and decommissioning of the Project. SGN's approach is only to acquire the interests that it requires over the Order Land, rather than acquiring the freehold.
- 9.3 I have explained in my Statement how SGN considered alternatives and arrived at the decision to progress as a preferred option the Project and I have explained that there are no physical or legal impediments to the delivery of the Project. Accordingly, my evidence demonstrates that there is a compelling case in the public interest for confirmation of the Order (**CD 1**).

10 DECLARATION

- 10.1 I confirm that the opinions expressed in this statement of evidence are my true and professional opinions.

Signed:

A handwritten signature in black ink, appearing to be 'P. J. ...', written over a horizontal line.

Dated: 9 April 2024