

**IN THE MATTER OF**  
**THE SOUTHERN GAS NETWORKS PLC (KINGSFERRY GAS PIPELINE**  
**REPLACEMENT PROJECT) COMPULSORY PURCHASE ORDER 2023**

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**OPENING STATEMENT**  
**ON BEHALF OF THE ACQUIRING AUTHORITY**

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**Introduction**

1. Southern Gas Networks Plc (“SGN”) seeks confirmation of the Kingsferry Gas Pipeline Replacement Project Compulsory Purchase Order (“the CPO”), made on 12 October 2023.
2. The CPO was made pursuant to section 9 and schedule 3 of the Gas Act 1986 to facilitate the construction and operation of a new gas pipeline under the river Swale between mainland Kent and the Isle of Sheppey and the decommissioning of the existing gas pipeline suspended beneath the Kingsferry Bridge.

**Acquiring Authority**

3. SGN is a licensed gas transporter for the south and south-east of England, pursuant to section 7 of the Gas Act 1986. It has a duty under section 9 of the Act and the conditions of its licence to develop and maintain an efficient and economical pipe-line system for the conveyance of gas within its licenced area.

**Need for the Project**

4. In order to ensure the continued and uninterrupted supply of gas to the Isle of Sheppey, it is necessary to replace the existing gas pipeline under the Kingsferry Bridge. The existing pipeline is nearing the end of its operational life and is in poor condition. As a result, there have been a number of gas leaks, including in 2019 and 2022 which shut local roads and the Kingsferry Bridge for a number of weeks. If unaddressed, the condition of the existing pipeline will continue to deteriorate making further gas leaks likely and presenting health and safety risks to SGN operatives repairing faults within

the confined space of the service tunnel beneath the Bridge and, potential risks to the integrity of the structure of the Bridge and its users.

5. SGN proposes to replace approximately 518m of existing pipeline, using Horizontal Directional Drilling under the river Swale, with the new pipeline connecting back into the existing pipeline either side of the Kingsferry Bridge. The new pipeline would be 1.10km long and 400mm in diameter. Once the new pipeline is installed, the existing pipeline would be fully decommissioned and removed from the Bridge. Taken together, these works comprise the Project underlying the CPO.

### **Alternatives**

6. SGN has considered various alternatives to the Project, including “Do Nothing”, “Repair on Failure” and “Replace on Failure” options, all of which were discounted for the reasons explained in the evidence, including the 2019 engineering justification paper that was presented to Ofgem as part of SGN’s funding submission. Four potential route options were assessed for the pre-emptive (i.e. prior to failure) replacement of the existing pipeline, taking account of technical, land and environmental constraints. The current alignment was selected as the preferred option. None of the objectors have raised any concerns as to SGN’s consideration of alternatives or selection of the Project as the preferred option.

### **Funding**

7. The need for the Project has been accepted by Ofgem and funding has been approved by SGN’s Network Investment Committee. Funding will be provided through the regulatory price control mechanisms approved by Ofgem as part of the current regulatory framework, known as RIIO-GD2.
8. SGN’s status as a gas transporter, coupled with Ofgem’s RIIO-GD2 determination, means that the requisite funding is available now to meet the implementation and land acquisition costs associated with the Project.

### **Compelling case in the public interest**

9. There is a pressing need to replace the existing pipeline to ensure continuity of gas supply to the Isle of Sheppey. The Kingsferry Bridge pipeline provides the only source

of gas, supplying approximately 15,000 domestic and commercial customers on the Isle of Sheppey, including the Sheppey Community Hospital; fourteen schools; care homes; prison facilities and multiple industrial and commercial businesses as well as homes. All of these customers are reliant on the continued supply of gas and demand is expected to increase by 10% between 2016 and 2026.

10. SGN has a clear idea of how the land is intended to be used, primarily for the laying of the replacement pipeline, with appropriate working corridors, through a mix of open-cut and trenchless techniques; temporary construction compounds; and decommissioning of the existing pipeline.
11. In order to minimise interference to affected persons, SGN has established that the Project can be delivered through the acquisition of rights only and no powers of freehold acquisition are sought through the CPO. Furthermore, the rights proposed to be acquired have been separated into “packages” to ensure that each parcel is subject only to the rights necessary to facilitate the delivery of the Project. Negotiations with landowners and their agents have been ongoing since 2021 with Heads of Terms or agreements reached with all landowners other than the Attwoods, who have sold their interest to EJM’s Property Investments Limited, with whom SGN continues to engage.
12. SGN is committed to the delivery of the Project. Under the Special Conditions of its Licence, Ofgem requires SGN to deliver the Project within the current RIIO-GD2 price control period, by March 2026. SGN anticipates that pre-construction activities would commence in October 2024, with the new pipeline installed and connected by October 2025 and the existing pipeline decommissioned and removed by March 2026.
13. There are no legal or physical impediments to the delivery of the Project. As to the planning position, the necessary works either do not constitute development within the meaning of section 55 of the Town and Country Planning Act 1990 or benefit from permitted development rights. The Secretary of State issued a screening decision in May 2023, confirming that the Project does not comprise EIA development on the basis that it was unlikely to have any significant effects on the environment. The land comprised in the CPO is in proximity to a number of protected ecological sites, but Natural England and Kent County Council’s ecological advice service have both

confirmed that the Project does not give rise to any likely significant ecological effects. Any remaining consents required prior to the commencement of construction are not considered to present any impediment to the delivery of the Project, for reasons explained by Ms. Pritchard.

14. None of the objections to the CPO have challenged the need for the Project; the proposed route alignment; funding position; or environmental impacts or identified any impediment to the Project's delivery. The principal focus of objections is the perceived impact of drilling works along a short stretch of Ridham Dock Road. The concerns appear to be based on a misapprehension that those works might coincide with other highway works being undertaken by Kent County Council, so as to prevent access to Ridham Dock. For reasons explained in Mr. Thurlow's evidence, the Kent County Council highway works will not overlap with the short closure of Ridham Dock Road required for the Project and even if they did, alternative access to the Dock will always be available.

### **Conclusion**

15. In light of the evidence before the inquiry, SGN will invite the Secretary of State to confirm the CPO in order to facilitate the delivery of the Project, for which there is a clear and compelling justification.

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**30<sup>th</sup> April 2024**