



Shrinkage Performance 2016/17

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Cadent
Your Gas Network

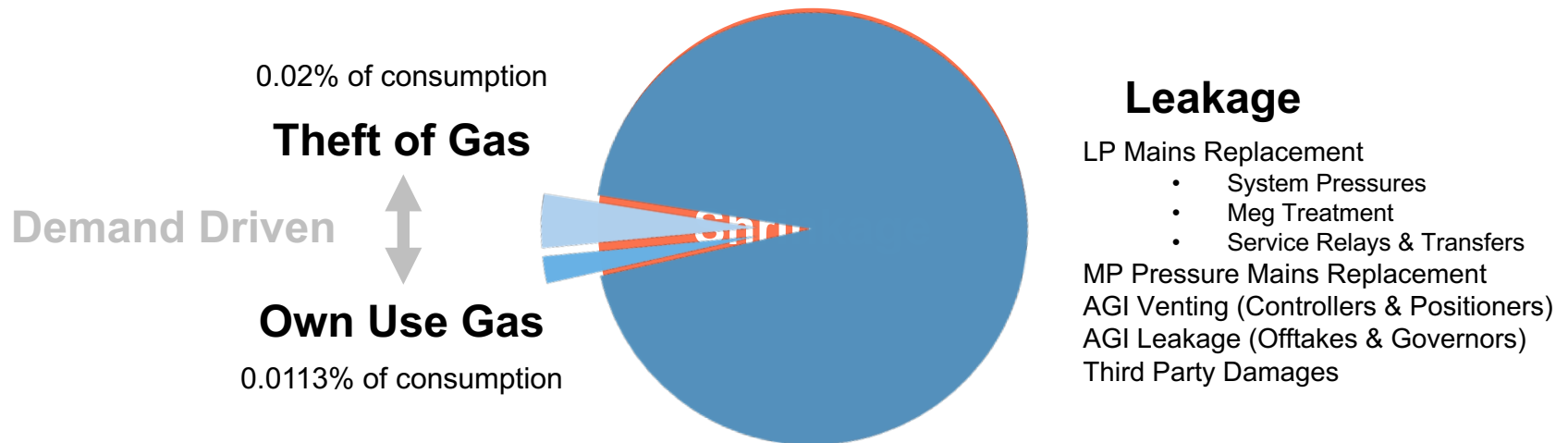
Shrinkage Performance

Cadent Gas Ltd

Overview of Shrinkage

Shrinkage refers to **gas** which is **lost** from the transportation network.

The Unified Network Code instructs gas distribution companies to **purchase gas** to replace that lost from the network.



Distribution Networks are **incentivised** to reduce un-combusted gas that is lost to the **atmosphere** (Environmental Emissions Incentive) and gas combusted as part of **routine operations** (Shrinkage Incentive).

Shrinkage Performance Cadent Gas Ltd 2016/17 Emissions Reduction



1.3%

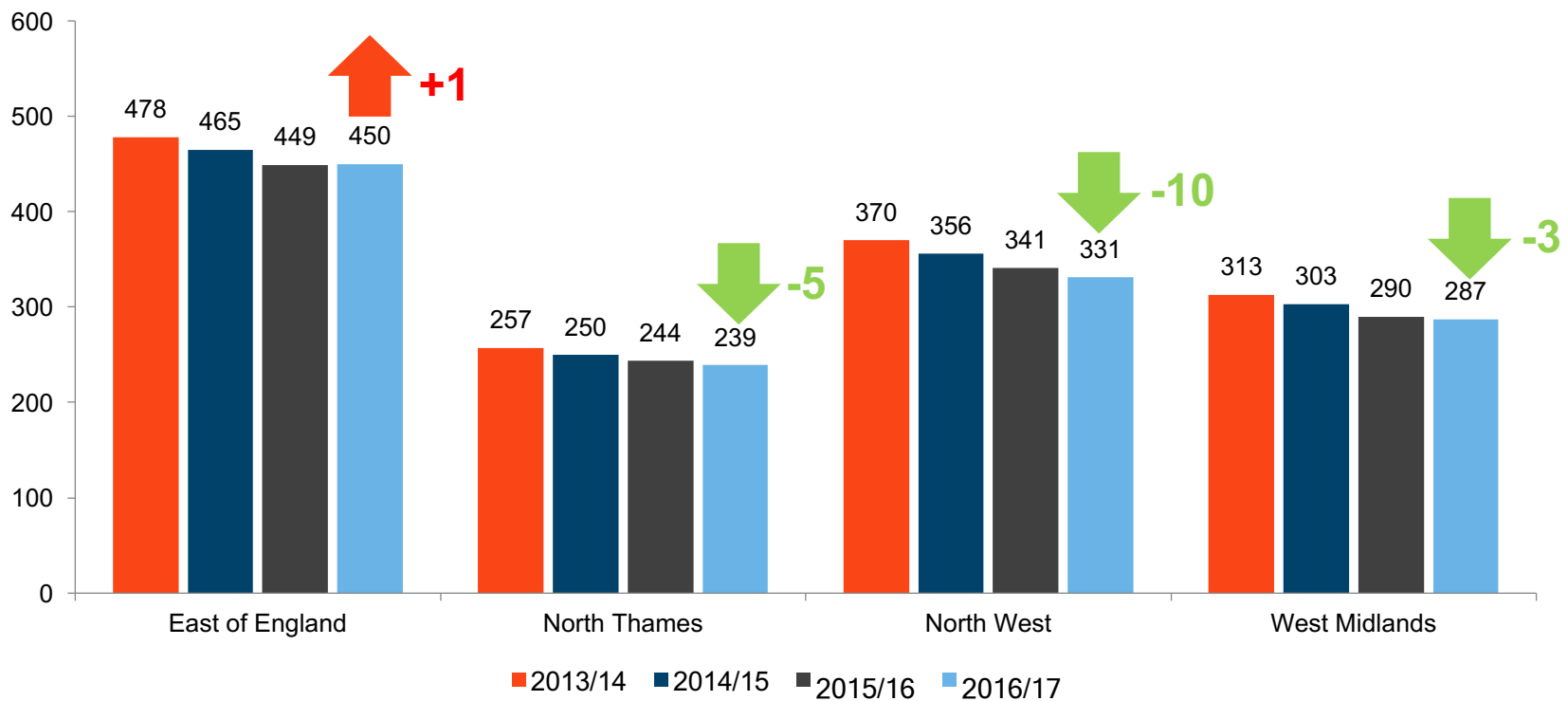
2016/17 emissions
reduced by **16.7Gwh**
versus 2015/16,
which is an overall
decrease of **1.3%.**

Shrinkage Performance 2013/14 to 2016/17

Network Performance

Overall emissions reduced at Cadent level by 1.3% (16.7GWh)

Annual Shrinkage Performance (GWh)



Shrinkage 2016/17

Cadent Gas Ltd

Year End Performance

Component	GWh	Comments
2015/16 Outturn	1324.1	Assessed outturn for 2015/16
Mains Replacement	(39.6)	Delivery of 1755 km of mains replacement
System Pressure	24.2	ASP increase of 0.7mb versus previous year (27.2mb vs. 26.5mb)
MEG	(3.5)	MEG saturation decrease (31% vs. 32%) with more mains treated (1238 vs. 1188km)
Other	2.1	Demand increase of 3.0% increases Own Use Gas and Theft of Gas vs. previous year AGIs & Interference Damage neutral
2016/17 Outturn	1307.4	2016/17 Outturn Volume



Shrinkage 2016/17

East of England

Year End Performance

Component	GWh	Comments
2015/16 Outturn	449.4	Assessed outturn for 2015/16
Mains Replacement	(11.3)	Delivery of 572 km of mains replacement
System Pressure	10.6	ASP increase of 1.1mb versus previous year (29.7mb vs. 28.6mb)
MEG	(0.1)	MEG saturation decrease (24% vs. 27%) with less mains treated (120km vs. 127km)
Other	1.1	Demand increase of 3.3% increases Own Use Gas and Theft of Gas vs. previous year AGIs & Interference Damage neutral
2016/17 Outturn	449.7	2016/17 Outturn Volume



Shrinkage 2016/17

North London

Year End Performance

Component	GWh	Comments
2015/16 Outturn	244.1	Assessed outturn for 2015/16
Mains Replacement	(9.0)	Delivery of 372 km of mains replacement
System Pressure	2.9	ASP increase of 0.4mb versus previous year (25.8mb vs. 25.4mb)
MEG	0.9	MEG saturation increase (24% vs. 22%) with less mains treated (166km vs. 207km)
Other	0.3	Demand increase of 4.8% increases Own Use Gas and Theft of Gas vs. previous year AGIs & Interference Damage neutral
2016/17 Outturn	239.1	2016/17 Outturn Volume



Shrinkage 2016/17

North West

Year End Performance

Component	GWh	Comments
2015/16 Outturn	340.8	Assessed outturn for 2015/16
Mains Replacement	(10.6)	Delivery of 433 km of mains replacement
System Pressure	4.5	ASP increase of 0.6mb versus previous year (27.6mb vs. 27.0mb)
MEG	(3.8)	MEG saturation decrease (30% vs. 40%) with more mains treated (381km vs. 265km)
Other	0.2	Demand increase of 0.6% increases Own Use Gas and Theft of Gas vs. previous year AGIs & Interference Damage neutral
2016/17 Outturn	331.2	2016/17 Outturn Volume



Shrinkage 2016/17

West Midlands

Year End Performance

Component	GWh	Comments
2015/16 Outturn	289.8	Assessed outturn for 2015/16
Mains Replacement	(8.7)	Delivery of 379 km of mains replacement
System Pressure	6.2	ASP increase of 0.8mb versus previous year (27.0mb vs. 26.2mb)
MEG	(0.6)	MEG saturation increase (37% vs. 36%) with less mains treated (570km vs. 588km)
Other	0.6	Demand increase of 3.5% increases Own Use Gas and Theft of Gas vs. previous year AGIs & Interference Damage neutral
2016/17 Outturn	287.4	2016/17 Outturn Volume



Shrinkage Performance

Cadent Gas Ltd

Emissions Forecast

Shrinkage Volume Forecast

The forecast populated as part of our RRP submission shows a progressive improvement year on year and is our current estimation of future outperformance.

System Pressures: Optimise our networks to reduce pressures and increase MEG zones of influence

MEG Saturation: increase to 36% saturation level from 31% saturation.

Mains Replacement: deliver forecast replacement volumes annually.

Demand: Increase in 2017/18 then reduce in future years.

Shrinkage Forecast (GWh)

