

**MINUTES OF A MEETING OF THE NORTHERN IRELAND AUTHORITY FOR UTILITY
REGULATION (THE ‘AUTHORITY’) HELD ON MONDAY, 25 APRIL 2022 BY VIDEO
CONFERENCE AT 9.00 AM.**

Present:

Bill Emery (Chairman), John French (Chief Executive), Alex Wiseman, Jon Carlton, Teresa Perchard, David de Casseres, Claire Williams

In attendance:

SLT – Tanya Hedley, Kevin Shiels, Donald Henry, Roisin McLaughlin, John Mills, Elaine Cassidy, Greg Irwin

Roy Colville and John Wasson (agenda item 3), John Earwaker (agenda items 3 and 4), Sean Lyons, and Colin Walker (agenda item 5), Michael Campbell, Colin Magee and Daniel Squires (agenda item 6), Louise Dunlop, Paul McNulty.

1. APOLOGIES FOR ABSENCE

1.1 The Board convened in advance of the Board Advisory Forum to consider several items.

2. DECLARATIONS OF INTEREST

2.1 None.

3. GT22 GAS TRANSMISSION PRICE CONTROL FINAL DETERMINATION

3.1 Roisin McLaughlin introduced this item, which sought the Board’s approval for the allowances proposed for the GT22 price control final determination.

3.2 The Board discussed the weighted average cost of capital (Wacc) as proposed. The rationale for lower Wacc in the final determination, compared to that consulted on in the draft determination, was fully explored and clarified. Consultation responses on the Wacc were also considered.

3.3 Board member queries, in relation to financial metrics and the operational expenditure allowances, were addressed.

3.4 At the conclusion of the discussion, the Board approved the proposed allowances as presented as the final determination for GT22.

4. GD23 DRAFT DETERMINATION UPDATE – CALCULATION ERROR ON PMICR

4.1 Tanya Hedley introduced this item, which briefed the Board on an error that had been identified in the GD23 draft determination, relating to calculation of the post maintenance interest cover ratio (PMICR).

4.2 The Board noted the explanation provided. There was a discussion around possible actions, and the learning from this experience, to avoid similar errors occurring in the future. The views

of stakeholders, such as rating agencies, was also discussed. Engagement with the Gas Distribution Network companies on a wider tax issue, that has been identified, was explored. Any potential impact on the consultation timeline was briefly considered.

- 4.3 In noting the briefing on the calculation error, and the steps taken to address this specific issue, the Board re-affirmed its endorsement of the GD23 draft determination as published. It was recognised that the Board would consider responses to the consultation on the draft determination before making a final decision on the GD23 price control.

5. NIE NETWORKS GREEN RECOVERY

- 5.1 John Mills introduced this item that sought the Board's approval of a request By NIE Networks, for a capital expenditure allocation under the company's Green Recovery programme.
- 5.2 Board members noted the strategic context for the funding request, and the potential to support low carbon technology.
- 5.3 The role of the independent assessor in reviewing NIE Networks' submission and the relationship to UR was discussed.
- 5.4 A Board member query, in respect of the identification of low capacity transformers for upgrading, was addressed.
- 5.5 The Board approved the funding request for additional allowed capex as presented (as defined under paragraph 4.36 of the NIE Networks distribution allowance), to deliver the outputs described in the paper.

6. UPDATE - POWER NI 'INNOVATION PIPELINE' TRIALS

- 6.1 Kevin Shiels introduced this item, which sought the Board's approval to extend a direction - allowing Power NI to be relieved of certain licence obligations – so that the company could carry out trials involving a small number of customers.
- 6.2 The Board approved extension of the direction relieving Power NI of certain obligations under supply licence condition 14, in reference to the two proposed trials outlined in the paper.

7 ANY OTHER BUSINESS

- 7.1 None.

There being no other business, the Board meeting concluded at 10.15 a.m. to allow the Board Advisory Forum to proceed.