**MINUTES OF A MEETING OF THE NORTHERN IRELAND AUTHORITY FOR UTILITY REGULATION (THE ‘AUTHORITY’) HELD ON MONDAY, 18 AUGUST 2022 BY VIDEO CONFERENCE AT 9.00 A.M.**

**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, Elaine Cassidy, Barbara Cantley, Greg Irwin

John Mills, Alan Craig and Paul Harland (agenda item 3), John Magill (agenda item 4), Louise Dunlop, Donna Maye.

1. **APOLOGIES FOR ABSENCE**

1.1 The Board convened in advance of the Board Advisory Forum to consider two items. The SONI Governance item was considered in closed session.

1. **DECLARATIONS OF INTEREST**
   1. None.
2. **GD23 – FINAL DETERMINATION UPDATE**

3.1 Tanya Hedley introduced this item, which updated the Board on the development of the gas distribution price control (called GD23) final determination.

3.2 John Mills provided a presentation on the GD23 key issues. The key issues covered in the presentation were: the weighted average cost of capital (WACC), the post-maintenance interest coverage ratio, inflation and real price effects and the connection incentive.

3.3 The Board clarified items from the presentation and also discussed several issues. Proposals in respect of the WACC, the how this reflected the operating environment and any risks faced by gas distribution network companies (GDNs), were explored. Comparisons with the WACC set for GDNs elsewhere were also considered.

3.4 There was also a discussion around the appropriate approach to the financeability metrics for the GDNs.

3.5 The developing proposals around the connections incentive was also discussed. Board members’ contributions to the discussion noted the recent increases in consumers’ gas bills and also drew on the wider strategic question of investing in natural gas. The Board endorsed the approach to the connection incentive in line with the previous price control.

3.6 The Board also considered feedback from the further engagement with the GDNs on the price control review. An update was also provided on engagement with credit ratings agencies.

3.7 In concluding the discussion, the Board recognised that further work was required on the GD23 final determination. There was agreement that the the Board would consider the GD23 final determination at its scheduled September meeting.

**4 AREMM**

4.1John Magill introduced this item, which provided the Board with an overview on the Annual Retail Market Monitoring (AREMM). This publication contains market data for the period January to December 2021.

4.2 The Board was made aware of the ongoing issues with Electric Ireland (including those related to customer complaint handling) and how this has impacted their compliance with the reporting arrangements relating to their alternative resolution undertakings.  The Board agreed to the extension of the monitoring of Electric Ireland’s undertakings by a further six months.

4.3 The Board noted the update.

**5 ANY OTHER BUSINESS**

4.1 None.

There being no other business, the Board meeting concluded at 11.20 a.m. to allow the Board Advisory Forum meeting to proceed.