

**MINUTES OF A MEETING OF THE NORTHERN IRELAND, AUTHORITY FOR UTILITY  
REGULATION (THE 'BOARD') HELD ON THURSDAY, 20 FEBRUARY 2025 AT QUEENS  
HOUSE, AT 8.30 A.M.**

**Present:**

Rosamund Blomfield-Smith (Chair), John French (Chief Executive), Alex Wiseman, Claire Williams, Jon Carlton, David de Casseres, Isolde Goggin.

**In attendance:**

SLT - Kevin Shiels, Peter Russell, Colin Broomfield, Barbara Cantley, Elaine Cassidy, Roisin McLaughlin, John Mills, Brian Mulhern, Ciaran Mac Cann, Marie-Therese Campbell, Jillian Ferris, Paula McCann, Sinead Dynan, Barbara Stevenson, Sarah Teer, Jean-Pierre Miura, James Gillen, Greg Irwin.

Paul Harland/ Deirdre Matheson (items 3,4 and 5), Nadine Mercer (item 7), Leanda Thompson (items 9, 10 and 16), Rita Baillie/ Laura Doggart/ Conor McConnell/ Aidan Girvan/ Jack Irwin (item 8), Ian Campbell (item 12), Martina McKinley (item 17).

**1. APOLOGIES FOR ABSENCE**

1.1 None.

1.2 Rosamund Blomfield-Smith welcomed James Gillen as part of the ongoing initiative to provide staff members with an opportunity to attend board meetings.

**2. DECLARATIONS OF INTEREST**

2.1 None.

**3. GAS LICENCE MODIFICATIONS RELATING TO STRANRAER, HAYNESTOWN AND  
OTHER MODIFICATIONS**

3.1 Deirdre Matheson introduced this item which sought the Board's approval for modifications to high pressure gas licences relating to Stranraer and Haynestown and other licence modifications.

3.2 The Board considered the responses to the consultation on the proposed modifications. Stakeholder communications on the proposal to enhance UR's enforcement powers regarding the Gormanston Interconnector Agreement was also discussed.

3.3 The Board approved the proposed licence modifications to High Pressure Gas Licences relating to the Stranraer and Haynestown and other licence modifications as presented. The Board also approved delegated authority to the CEO/ Executive Directors to approve the final element which was still under consideration with CRU at time of the Board meeting.

#### **4. TRANSPORTATION AGREEMENT BETWEEN PTL AND GNI UK AMENDMENTS**

4.1 Deirdre Matheson introduced this item which sought the Board's approval for amendments to the Transportation Agreement (TA) between Premier Transmission Limited (PTL) and Gas Networks Ireland UK (GNI UK).

4.2 The Board briefly commented on the benefits of the amendments and communications with key stakeholders on the proposed changes.

4.3 The Board approved the proposed amendments to the TA as presented and delegated authority to the CEO/ Executive Directors to approve further amendments to the TA.

#### **5. PHOENIX ENERGY GAS CONVEYANCE LICENCE EXTENSION**

5.1 Roisin McLaughlin introduced this item regarding an application to extend Phoenix Energy Group Ltd.'s conveyance licence to facilitate injection of biomethane from three sites outside the Licensed Area.

5.2 In discussion, the Board considered financial risks to consumers, as well as benefits for rural consumers. There was also a consideration of the application in the context of UR's wider work around biomethane. A query in relation to process and timescales was also addressed.

5.3 At the conclusion of the discussion, the Board approved, on a non-exclusive basis and with immediate effect from the date of the related Notice, an extension to the gas conveyance licence held by Phoenix Energy Group Ltd as presented, as well as the licence amendments as presented.

#### **6. MID-YEAR REVIEW OF GAS TRANSMISSION TARIFFS**

6.1 Jillian Ferris briefed the Board on this item relating to the over-recovery of the gas transmission tariffs.

6.2 The Board welcomed the scrutiny by the team that identified the over-recovery. Board members explored the reason for the over-recovery and the mechanism for returning surplus funds to consumers.

6.3 The Board approved the approach to adjusting the tariff mid-year to address the over-recovery and, in noting the dynamic nature of the tariff, delegated authority to the CEO/ Executive Directors to approve the resultant tariff.

#### **7. LICENCE MODIFICATIONS – CUSTOMER SERVICE**

7.1 Nadine Mercer introduced this item which set out proposed licence modifications for setting direct debits, the return of customer credit and the new code of practice on customer service.

7.2 There was endorsement of the likely positive impact of the changes on consumers and the higher level of consumer service standards that would result. It was noted that further work was being progressed to monitor customer compliance.

7.3 The Board also noted consultation comments on the proposals and considered the impact of the changes on licensees.

7.4 The Board approved the licence modifications as presented.

## **8. NI WATER PC28 PRICE CONTROL APPROACH**

8.1 Elaine Cassidy introduced this item relating to the key principles and themes and the approach to the PC28 price control. Ciaran Mac Cann provided detailed briefing on the contents of the paper.

8.2 An extended Board discussion focused on the political, policy and economic context affecting the development of the PC28 price control, and UR's legislative framework.

8.3 Given the broader context, the Board explored the proposed regulatory approach and positioning. Board members emphasised the importance of an appropriate narrative that explained UR's balanced approach to PC28.

8.4 Aspects of NI Water's ongoing and future costs and the funding pressures facing the company were touched on. The potential to change the measure of price inflation for PC28 was also considered.

8.5 The Board also discussed engagement with key stakeholders. The need for pro-active stakeholder engagement in developing PC28 was emphasised.

8.6 At the conclusion of the discussion, the Board endorsed the key principles and themes for the PC28 approach and the direction of travel. The implementation of the PC21 extension and the timeline for PC28 was also endorsed. Finally, the Board approved the change of the measure for price inflation in the price control from RPI to CPI-H.

## **9. DRAFT 2025/26 BUDGET**

9.1 Leanda Thompson introduced this item which set out UR's draft budget for 2025/2026, noting that this paper had been presented to the Audit and Risk Committee (ARC) at its meeting prior to the Board meeting.

9.2 Alex Wiseman provided an overview of the ARC's consideration of the draft budget at its meeting prior to the Board.

9.3 Board member comments related to the overall change in the budget versus the previous year, the profile of external support costs, provision for legal costs relating to ongoing litigation, the recovery of UR's costs through licence fees and the associated methodology, and staff pay.

9.4 The importance of presentational aspects of, and communications around, the budget was emphasised.

9.5 The Board noted the draft budget after consideration by ARC and approved the increase in staff complement as outlined in the paper.

## **10. REVISED CORPORATE RISK REGISTER AND RISK WORKSHOP ACTIONS**

10.1 Leanda Thompson introduced this paper which presented the corporate risk register (January 2025) together with an update on the status of actions from the Board's risk workshop in October 2024. It was noted that the risk register, and the update on actions, was presented to ARC at its meeting prior to the Board meeting.

10.2 Alex Wiseman provided an overview of ARC's review of the corporate risk register and the update on the status of actions from the Board's risk workshop. Board members also commented briefly on the status of specific risks. It was agreed that the SEM Committee's risk register should be provided to the Board.

10.3 The Board approved the corporate risk register (January 2025) and noted the status of risk workshop actions.

## **11. STORM EOWYN**

11.1 Elaine Cassidy and Barbara Cantley provided a presentation on the impact of Storm Eowyn on electricity and water networks and work undertaken to protect consumers.

11.2 The Board noted the ongoing public commentary around compensation for consumers affected by Storm Eowyn. Board members clarified UR's role in respect of dealing with Storm Eowyn's impact on consumers.

11.3 There was a discussion around UR's engagement with other parts of government, NIE Networks and consumer organisations about dealing with consumer complaints relating to Storm Eowyn.

11.4 The Board endorsed ongoing engagement with stakeholders and endorsed the wording of a letter to be sent to NIE Networks.

## **12. SECURE INFORMATION EXCHANGE BETWEEN OFFICE AND BOARD**

12.1 Peter Russell and Ian Campbell introduced this item which set out options for enhancing the secure exchange of emails and documents between staff and board members.

12.2 There was a brief discussion around options for enhancing the secure exchange of information and the Board requested that there be further consideration to identify the best option.

## **13. MINUTES**

- 13.1 The minutes of the Board meetings on 12 December 2024 and 23 January 2025 and were approved for publication, subject to a minor change to the January 2025 minutes.

#### **14. ACTION POINTS**

- 14.1 The action points were reviewed by the Board and an update on the outstanding action was provided.

#### **15. OFFICE REPORT**

- 15.1 John French introduced the Office report. He drew the Board's attention to the tariff reviews, an update on UR's move to new office accommodation and the staff away day. It was also noted that the Power NI draft determination had been published and a Board member query on this was addressed.
- 15.2 The update on the status of Forward Work Programme projects was also noted and the overall profile of project completion was commented on by a Board member.

#### **16. FINANCE REPORT SUMMARY**

- 16.1 Leanda Thompson provided an overview of the Finance summary.
- 16.2 Alex Wiseman noted ARC's review of the finance summary. Board member query in respect of the expenditure position in the Networks and Energy Futures directorate was clarified.
- 16.3 The Board approved the finance report summary.

#### **17. UPDATES**

- 17.1 Colin Broomfield reported on the Single Electricity Market. He provided an update on the T-4 capacity auction litigation. There was also a brief discussion on the Article 12/13 litigation. The Board noted the update.
- 17.2 An update was also provided on security of supply by Martina McKinley. The Board was apprised of the latest situation at Ballylumford power station following storm damage and action being taken to restore damaged infrastructure. The Board noted the update.
- 17.3 The litigation update was noted by the Board.
- 17.4 Barbara Stevenson provided an overview of the Compliance and Enforcement update. The Board noted the update.
- 17.5 Alex Wiseman provided a report on the most recent Audit and Risk Committee meeting, noting the Committee's review of the budget, financial reporting, ARC's Terms of Reference, the internal audit programme and business continuity.

17.6 Jon Carlton provided a report on the most recent Remuneration Committee meeting, noting the Committee's consideration of the UR People update, liP, an update on pay, and the senior performance review.

**18. ANY OTHER BUSINESS**

18.1 Arrangements for booking Board member accommodation were briefly noted.

18.2 James Gillen provided some feedback on his attendance at the Board meeting.

There being no other business, the meeting concluded at 12.40 p.m.