

MINUTES OF A MEETING OF THE NORTHERN IRELAND AUTHORITY FOR UTILITY REGULATION (THE 'AUTHORITY') HELD ON THURSDAY, 14 NOVEMBER 2019 IN QUEENS HOUSE AT 11.00 A.M.

Present:

Bill Emery (Chairman), Jenny Pyper (Chief Executive), Jon Carlton, Alex Wiseman, Teresa Perchard, Claire Williams

In attendance:

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

Philip Weir (agenda item 4), Jody O'Boyle (agenda item 5), Neil Bingham and Albert Shaw (agenda item 6)

1. APOLOGIES FOR ABSENCE

1.1 David de Casseres

1.2 The board convened to consider three items prior to a board advisory forum meeting.

2. FIRE DRILL

2.1 The board was informed of the evacuation procedures which apply in the event of a fire.

3. DECLARATIONS OF INTEREST

3.1 None.

4. FIRMUS ENERGY EXTENSION – ULSTER FARM BY- PRODUCTS

4.1 John Mills introduced this item which sought the board's approval of costs for a proposed gas pipeline extension by firmus Energy to the Ulster Farm By-Products (UFBP) premises.

4.2 The main part of the board discussion was around the route for the pipeline from Antrim to the UFBP premises. Capital cost and timing considerations (in respect of ease of construction and delivery) were clarified. The balance of cost and risk in respect of the choice of the route was also discussed.

4.3 There was also a discussion on the timeliness of the request and the overall process to date. The implications for any licence modifications associated with the two routing options was clarified.

4.4 A broader reflection on the strategic context for the decision and the board's previous position on the development of the natural gas network also took place.

4.5 The board approved the principle of firmus energy recovering costs for the extension to Ulster Farm By-Products based on the rural route option set out in the paper and delegated authority to the CEO to approve an allowance up to a maximum of £2m for this purpose, subject to legal review of licenced areas in respect of the extension.

4.6 A further initial discussion also took place in respect of the allocation of any economic surplus from the UFBP and another major commercial premises. Overall, board members discussed

the tension between the need to expand the natural gas network while balancing this with the need for individual extensions to stand on their own economic merits. Decisions on individual extensions will be brought to the board for consideration.

5. NIE USE OF SHARED ASSET CHARGE

- 5.1 Tanya Hedley introduced this item which sought the board's approval for modifications to the 'Pass through' Capex term within NIE Networks Transmission and Distribution licences.
- 5.2 The board noted the consultation responses and discussed the implications of the licence modifications.
- 5.3 The board approved the decision paper and licence modifications as presented.

6. LAND BANK

- 6.1 Neil Bingham introduced this paper which sought the board's endorsement of an approach towards the management of Land Bank lands at Kilroot and the negotiation of a new lease for the Foreshore. The board was also provided with a presentation highlighting the layout of the Land Bank lands and the Foreshore and board members took the opportunity to clarify several locational issues.
- 6.2 Much of the discussion related to the Foreshore lands premised on Foreshore lands forming part of the Land Bank lands. Board members discussed the condition of the Foreshore lands and the environmental impact and associated costs of any clean up. In this respect the board emphasised the need to mitigate any potential clean-up costs accruing to consumers as far as possible.
- 6.3 The respective roles of the various stakeholder organisations was explored. There was agreement that the solution for any clean-up of the Foreshore lands would require the involvement of commercial interests and other statutory bodies.
- 6.4 Board members clarified the timing and process in respect of the proposed lease for the Kilroot adjoining lands. The wider context in respect of the potential use of the adjoining lands for electricity generation was noted. The board therefore endorsed the proposed approach in relation to the proposed lease for the adjoining lands and emphasised the need to progress this as soon as possible.
- 6.5 There being no other business the board meeting concluded and a meeting of the board advisory forum was convened.