

**MINUTES OF A MEETING OF THE NORTHERN IRELAND AUTHORITY FOR UTILITY REGULATION (THE 'AUTHORITY') HELD ON THURSDAY, 15 NOVEMBER 2018 IN QUEENS HOUSE AT 11.00 A.M.**

**Present:**

Bill Emery (Chairman), Jenny Pyper (Chief Executive), Teresa Perchard, Alex Wiseman, Jon Carlton, Richard Rodgers, Bill Cargo

**In attendance:**

SMT - Kevin Shiels, Donald Henry, Roisin McLaughlin, Jo Aston, Greg Irwin  
Elaine Cassidy, Jody O'Boyle, Natalie Dowey, Ciaran MacCann, Liz Wilkin

**1. APOLOGIES FOR ABSENCE**

1.1 Tanya Hedley

1.2 The board convened to consider a small number of items prior to meeting with the board of SONI and a board advisory forum meeting.

**2. FIRE DRILL**

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

**3. DECLARATIONS OF INTEREST**

3.1 It was noted that Richard Rodgers had been appointed as a senior official in the Department for the Economy and that he would continue on the board until the end of his term of appointment.

**4. DECISION ON SONI LICENCE MODIFICATION (Z<sup>t</sup> LICENCE TERM)**

4.1 Jody O'Boyle introduced this item which sought the board's approval for licence modifications to implement the Z<sup>t</sup> revenue term for interim capital projects. The board noted the context for the licence modifications. This related to the codification of process for the recovery of transmission pre-construction costs which was one of the outcomes of SONI's price control appeal to the Competition and Markets Authority. Legal advice also highlighted that the same precedent applied to SONI's interim capital projects.

4.2 The board discussed the SONI response to the consultation on the new Z<sup>t</sup> licence term. Board members sought further information on the engagement with SONI since the consultation response.

4.3 The board approved the licence modifications as presented.

**5. SONI ARTICLE 14(8) NOTICE AND LICENCE MODIFICATION DECISION ON RIGS**

5.1 Natalie Dowey introduced this paper which sought the board's approval for licence modifications to implement Regulatory Instructions and Guidance (RIGs) for SONI.

5.2 The board discussed engagement with SONI on the development of the licence modifications and the company's response to the formal consultation. A query on the application of RIGs to all network companies was addressed.

5.3 The board approved the licence modifications as presented.

**6. APPROACH TO 2020 TO 2025 SONI TSO PRICE CONTROL**

6.1 Jenny Pyper made some introductory comments on this paper which sought the board's view on the overall approach to the SONI price control.

6.2 Board members endorsed the approach to stakeholder engagement and, in particular, the establishment of a stakeholder expert challenge group.

6.3 There was also a discussion on the assessment of SONI's business plan. The proposal that the approach draws on that of OFWAT's, in assessing business plans, was endorsed as a useful starting point. One aspect of this approach was the use of test areas which was supported by the board in principle subject to ensuring all test areas are appropriate and proportionate to the SONI PC.

6.4 Finally there was support for the overall strategic objectives with a suggestion that governance be included.

**7. ANY OTHER BUSINESS**

7.1 Elaine Cassidy briefed on the situation pertaining to the non-payment of NI Renewables Obligation (NIRO) fees by an electricity supplier. In the event of continued non-compliance the proposed regulatory action was endorsed.

7.2 Donald Henry briefed the board on media coverage relating to the NIRO and, specifically, allegations about anaerobic digester plants in Northern Ireland.

There being no other business, the meeting concluded at 1.20 p.m.