

**MINUTES OF A MEETING OF THE NORTHERN IRELAND AUTHORITY FOR UTILITY REGULATION (THE 'AUTHORITY') HELD ON THURSDAY, 19 APRIL 2018 IN QUEENS HOUSE AT 11.00 A.M.**

**Present:**

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

**In attendance:**

SMT - Tanya Hedley, Roisin McLaughlin, Jo Aston, Greg Irwin

Liz Wilkin, Graham Craig and Veronika Gallagher (agenda item 4), Veronika Gallagher (agenda item 5), Elaine Cassidy (agenda items 6 and 7), Barbara Cantley (agenda item 6), Colin Broomfield and Lesley Robinson (agenda item 7).

**1. APOLOGIES FOR ABSENCE**

1.1 Donald Henry, Kevin Shiels

1.2 The meeting was convened to consider four agenda items on the same day as the Board Advisory Forum meeting was taking place.

**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 There were no declaration of interests.

**4. GAS TRANSMISSION AND DISTRIBUTION LICENCE MODIFICATIONS**

4.1 Tanya Hedley introduced this item which sought board approval for proposed modifications to the gas transmission and distribution licences. She outlined the rationale for the proposed modifications and provided an overview of consultation comments.

4.2 Board member queries in respect of the approval of connections and the timing of licence modification changes were addressed.

4.3 The board noted the feedback from the consultation on the proposed licence changes and approved the proposed licence changes.

**5. WEST TRANSMISSION LICENCE MODIFICATION**

5.1 Tanya Hedley introduced this item regarding the modification of the West Transmission gas conveyance licence to facilitate early financing for the gas to the west project.

5.2 The board discussed the overall timetable and associated challenges to facilitate early financing. Board members also clarified the opening asset value and other financing assumptions. The proposed savings for consumers was also clarified.

- 5.3 The board endorsed the timetable for the licence modifications (noting that the board's final determination may have to be taken via correspondence). There was also endorsement for a proposal to include the switching off of a licence provision. Finally, the board endorsed a proposal relating to the opening asset value in the licence modification provisions, as outlined in the paper.

## **6. ENFORCEMENT APPROACH AND FINANCIAL PENALTIES POLICY**

- 6.1 Roisin McLaughlin introduced this item which sought the board's guidance on a new enforcement procedure and revised financial penalties policy following consultation.
- 6.2 The board noted the summary of responses to the consultation.
- 6.3 Much of the board discussion related to the question of publication of information relating to enforcement investigations. Having noted the responses the board endorsed the transparency associated with publication and considered that the consultation proposals on publication should be confirmed with one exception for alternative resolution (AR) outcomes during the initial enquiry stage. Following discussion the board agreed that AR outcomes in the initial enquiry stage did not need to be published on the website as a news alert. On AR outcomes only, the board noted a number of options for how this information could be placed in the public domain. The board considered that publication in our annual report was the minimum that we would do in such cases.
- 6.4 Following discussion the board agreed that one day's advance notice of publication of an enforcement investigation was sufficient and endorsed the proposals in respect of the settlement discounts and the materiality threshold. It was agreed that legal advice was important in determining when the new procedure should come into effect. Also that a materiality threshold for reporting issues to the UR was not appropriate.
- 6.5 The board approved delegated authority to the Chief Executive to approve the new enforcement procedure and revised financial penalties policy following a further review of consultation responses and once a legal review is complete. The delegated authority from the board also related to the approval of the complaints and disputes policy.

## **7. KILROOT DEROGATION**

- 7.1 Jo Aston introduced this item which provided the board with an overview of the AES derogation requests.
- 7.2 She clarified board member queries in regard to the outcome of the ISEM capacity auction outcome. Board members also discussed the derogation process. The SONI assessment in respect of capacity needs was also explored. Finally board members discussed the decision-making process in respect of derogation requests.
- 7.3 With all queries and discussion points addressed the board endorsed the recommended approach that derogation requests be considered in a holistic manner and proposed next steps as outlined in the paper. It was agreed that the board would receive a further update on the derogation process at the next board meeting.

There being no other business, the board meeting concluded at 1.00 p.m.