

**MINUTES OF THE TWENTY-FOURTH MEETING OF THE NORTHERN IRELAND
AUTHORITY FOR UTILITY REGULATION (THE 'AUTHORITY') HELD ON
THURSDAY, 10TH SEPTEMBER 2009 AT QUEENS HOUSE, BELFAST AT 10.30 AM**

Present:	Mr Peter Matthews Mr Jim Oatridge Mr Chris Le Fevre Mr Philip Johnson Mr Alan Rainey Mr Clive Elphick Mr Iain Osborne	Chairman Chief Executive
In attendance:	Mr Donald Henry Ms Jo Aston Mr Brian McHugh Mr Dermot MacCann Mr Kevin Shiels Mr Greg Irwin	Director of Corporate Affairs Director of Water Director of Gas Director of Electricity Acting Director of Retail Board Secretary and Communications Manager

1. APOLOGIES FOR ABSENCE

Etain Doyle, JP Irvine

2. FIRE DRILL

The Board Members were informed of the evacuation procedures which apply at Queens House in the event of a fire.

3. DECLARATIONS OF INTEREST

Chris Le Fevre indicated that he was undertaking a consultancy assignment for BG group plc and has also been commissioned to carry out some work for the Authority, regarding retail energy competition. Clive Elphick indicated that he had become an affiliate of LECG and was also assisting the Authority with regard to the Guide to Regulation and its preparations for the PC13 price control.

4. MINUTES OF THE PREVIOUS MEETING

The minutes of the previous meeting on 10 July were agreed subject to a minor amendment.

5. ACTION POINTS FROM THE PREVIOUS MEETING

The Action Points from the previous meeting were reviewed.

6. CHIEF EXECUTIVE'S REPORT

a) The Chief Executive presented his report.

There was a brief discussion on the various energy market arrangements for Scotland, the Republic of Ireland and Northern Ireland. It was agreed that this topic should be discussed at a future Energy BAG meeting.

Board members clarified progress relating to the Common Arrangements for Gas project.

The Chief Executive briefed board members on several management matters. This included the recruitment of the new Director of Electricity and the ongoing discussions with NIPSA regarding an outstanding issue in the recognition agreement.

The position with regard to the significant costs of connection facing an NIE customer - that had been recently publicized in the media - was clarified for board members.

A request for a paper on the broad principles of equalization of tariffs was also made by the Chairman.

The Chairman updated board members on recent stakeholder meetings. He also reported on progress regarding the appointment of new members to the Board. Finally, it was agreed that a paper would be prepared for the board outlining proposals for placing details of expenses incurred by board members and senior staff in the public domain.

7 MEMORANDUM OF UNDERSTANDING WITH THE CONSUMER COUNCIL

The Chief Executive introduced this item, explaining the background to the Memorandum of Understanding (MoU) and progress to date on its development.

Board members clarified several minor issues regarding specific drafting points, the personnel involved, the publication of the MoU and the review mechanism.

At the culmination of the discussion, the Board approved the draft MoU.

8 NETWORK FINANCE UPDATE

The Director of Electricity provided a brief update on developments since the last meeting. He noted that DETI had indicated its intention to include Special Administrator provisions within legislation that was currently being progressed. He also clarified specific queries from board members.

The Director of Gas also clarified specific queries from board members.

9 GUIDE TO REGULATION

This item was introduced by Clive Elphick, who welcomed board members' comments on the draft document that had been developed.

Board members took the opportunity to make suggestions for enhancing the draft.

It was agreed that the most recent draft would be sent to board members for further comment. A further draft would be reviewed by the board.

9 PC10

The Director of Water briefed the Board on progress regarding the development and plans for the publication of the draft determination for NI Water's revenue requirements for the PC10 period 2010 to 2013. In particular she outlined the work undertaken by the Water BAG to advance and approve the draft determination on behalf of the Board.

Board members, in noting the recommendations of the Water BAG on the draft determination, focused on ensuring that the requisite arrangements were in place to enable the Board to make a final determination at its December meeting.

10 NIE SUPPLY TARIFF REVIEW

The Acting Director of Retail provided board members with an update on the tariff review.

Board members asked about the tariff process and the rationale behind the proposed decrease. All queries were clarified.

The Board noted the outcome of the tariff review.

11 SUCCESSION PLANNING

The Chief Executive provided a briefing to board members during a closed session.

12 ANY OTHER BUSINESS

- Board approval: procurement of a quality assurance function of Stage 3 of the Enduring Solution project - The Chief Executive tabled a request for the Board to approve the procurement of a quality assurance function for Stage 3 of the Enduring Solution project (since the expected cost of the procurement exceeded the threshold for executive approval under the Scheme of Delegation). The Board approved the procurement request.
- Authority sponsorship for EPF Infrastructure Forum and Chief Executive representation - The Board also approved the provision of sponsorship for the EPF Infrastructure Forum, and delegated the Chief Executive to represent the Authority on the Advisory Council.

All items of business having been discussed the Chairman brought the meeting to a close at 12.30 p.m.