* **Board Minutes 24 March 2004**
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**Minutes of meeting of Northern Ireland Authority for Energy Regulation**

**24 March 2004**

The Agenda was wide ranging and the following items were discussed :

The Situation Concerning Phoenix Gas - discussions centred on the announcement by Phoenix on 19 March of a price increase of 20% for its domestic and small business customers. The reason given by them for the increase had been the decision by Centrica to seek to open their gas contract with Phoenix and increase the price of gas by 8.5p. Phoenix were contesting this increase but felt that commercial prudence required them to increase the price of gas immediately.

Members of the General Consumer Committee joined the meeting and reported that they intended issuing a Press Release in which they would demand that Phoenix Gas withdraw its proposed 20% price increase which came on top of a price increase of 10.8% in October 2003.

It was agreed that the credibility of the gas industry had suffered in Belfast and in Northern Ireland as a whole.

It was noted that further meetings would be arranged with Phoenix Gas to try and resolve the situation.

New BGE Distribution/Supply Licence for Towns Outside Greater Belfast - It was reported that negotiations with BGE were developing well and that the drafting of the Licence was well advanced.

All Island Gas Issues - A presentation on an all island gas issues had been delivered at an >all island gas forum= in Drogheda. An initial study into the possible options for future all island gas transmission tariff harmonisation was being undertaken by the Brattle Group under the leadership of a joint Ofreg/CER Team.

DTI Proposal for Interconnector Double Licencing - It was noted that the DTI was proposing under the Energy Bill to give Ofgem powers to regulate interconnectors to Great Britain. While this was aimed at interconnectors between member states, it would also include Moyle and SNIP and the Chairman had met DTI and Ogem to express his oposition to this proposal which might mean that there would be double regulation. It was agreed that the DETINI Minister should be alerted to the problem.

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