

MINUTES OF A SPECIAL MEETING OF THE NORTHERN IRELAND AUTHORITY FOR UTILITY REGULATION (THE 'AUTHORITY') HELD ON THURSDAY, 13 JANUARY 2011 AT QUEENS HOUSE, BELFAST AT 10.00 AM

Present: Prof Peter Matthews Chairman
Mr Philip Johnson
Mr Alan Rainey
Ms Etain Doyle
Mr Jim Oatridge
Mr Bill Cargo
Mr Chris Le Fevre
Dr Clive Elphick
Mr Shane Lynch Chief Executive

In attendance:

Mr Donald Henry Director of Corporate Affairs
Ms Jo Aston Director of Water
Mr Brian McHugh Director of Gas
Ms Tanya Wishart Acting Director of Electricity
Mr Greg Irwin Board Secretary and
Communications Manager
Mr John Mills Water Directorate

1. INTRODUCTION

The Chairman welcomed Shane Lynch, Bill Cargo and Tanya Wishart to their first board meeting in their new roles.

He explained that this special meeting of the Board would focus on the Authority's investigation into NI Water's handling of the recent loss of water supply across Northern Ireland, during late December 2010 and early January 2011. An additional paper on the Common Arrangements for Gas project would also be considered by the board.

Separately, it was agreed that the Authority would provide a response to the Department of Business, Innovation and Skills on Principles of Economic Regulation.

2. APOLOGIES FOR ABSENCE

Richard Rodgers, Kevin Shiels.

3. FIRE DRILL

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

4. DECLARATIONS OF INTEREST

Clive Elphick made a declaration of interest in relation to his recent appointment to the Competitions Appeals Tribunal.

5. INVESTIGATION INTO NI WATER'S HANDLING OF WATER SUPPLY DISRUPTION ACROSS NORTHERN IRELAND

The Director of Water provided a comprehensive briefing for the board on the investigation. Her briefing covered the following: the background to the investigation, the Terms of Reference for the investigation, arrangements for progressing the investigation – in terms of operational team and oversight committee membership and roles, a programme for the investigation, progress to date and project risks.

A second paper was also presented by the Director of Water which addressed broader issues relating to water and sewerage services – proposed short-term legislative changes, management arrangements at NI Water following the resignation of the Chief Executive, and issues related to PC10 arising from the recent loss of water supply across Northern Ireland.

The Chairman recorded the Board's appreciation to those staff that had been engaged in leading the Authority's response to the water supply disruption, particularly those that had been involved over the recent holiday period.

The Board formally noted that the Terms of Reference for the investigation had been approved by correspondence – taking account of those comments provided by board members. The legal basis for the Authority's investigation was also clarified.

A discussion also took place on the Oversight Committee for the investigation, to be chaired by Jim Oatridge. It was agreed that the Oversight Committee would act as an advisory panel for the operational team and will steer the investigation and review the analysis and findings of the operational team. The Board agreed that the Chief Executive should be a member of the Oversight Committee, and that an additional person should be invited to join the Committee. The Board also gave its support to any further additions to the Oversight Committee membership which would add value to its composition.

Board members also made contributions in relation to the following: the project structure, the importance of the investigation drawing on comparative data to inform its conclusions, the value of drawing on the experience of NIE - with regard to the power disruptions during late 1998, the need to capture the consumer perspective – and engagement with the Consumer Council, and the benefit of developing an integrated timetable to draw together both parts of the investigation.

Clarification was sought on the extent to which NI Water had addressed issues from the previous freeze/thaw event in early 2010, project risks associated with receiving information on time, formal correspondence with NI Water and planning for the approval and publication of the investigation report. It was noted that the Authority had sought assurances from NI Water about the adequacy of its major incident plan, following the events of early 2010.

The Chairman concluded the discussion by giving the Board's endorsement to the investigation process. It was agreed that the Chairman will formally write to NI Water outlining the basis for the investigation.

6 COMMON ARRANGEMENTS FOR GAS

The Director of Gas provided a brief introduction on recent developments relating to the Common Arrangements for Gas (CAG) project. Owing to time constraints, it was agreed that the Energy BAG would review the CAG paper and make recommendations for the Board to endorse by correspondence.

7 ANY OTHER BUSINESS

Connections disputes – the Acting Director of Electricity noted that the Authority received correspondence in relation to connection disputes. It was agreed that the Energy BAG would consider the issue at its meeting.

The meeting concluded at 12.05 p.m.

