

**MINUTES OF THE TWELFTH MEETING OF THE
NORTHERN IRELAND AUTHORITY FOR ENERGY REGULATION
HELD ON WEDNESDAY 23 JUNE 2004 IN BROOKMOUNT BUILDINGS**

IN ATTENDANCE :

AUTHORITY : Mr Douglas McIldoon - Chairman
Mr Charles Coulthard
Mr John Gilliland
Mrs Joan Whiteside

OFREG : Mr Dermot MacCann
Mr Eddie Gaw
Mrs Anne McMinnis - Secretary

NERA : Mr Graham Shuttleworth (For Item 10)
Mr Sean Gammons

DRD : Mrs Jackie Kerr (For Item 16)
Mrs Barbara Faloon

1. APOLOGIES FOR ABSENCE

Apologies were received from Professor John FitzGerald and Mr Peter Lehmann.

2. MINUTES OF THE PREVIOUS MEETING

The Minutes of the previous meeting were agreed by Authority Members and signed by the Chairman.

3. MATTERS ARISING

3.1 Emissions Trading (para 9)

It was noted that the Government planned to publish the National Allocation details in August.

3.2 Moyle Direction (para 13)

The Board of Moyle Interconnector Limited had been dinner guests of the Authority the previous evening when discussions had centred on control over any surplus funds generated and their future plans.

4. CHECKLIST OF ISSUES BROUGHT FORWARD

4.1 Regulatory Representation in CEER (Item 3)

It was suggested that the Chairman should discuss the situation with officials in the DTI.

4.2 Government Support for Electricity industry

It was noted that the Chairman would accompany DETI officials to a meeting in Brussels on 29 June 2004 to discuss the proposed release of , 30m from DETI to NIE.

4.3 Review of Building Regulations (Item 16)

It was noted that this would be an Agenda Item for the next Authority meeting.

4.4 Centrica (Item 31)

It was noted that a letter had issued to Centrica, as agreed at the last meeting.

5. CHAIRMAN=S BUSINESS

A paper itemising meetings which the Chairman had attended since the last Authority meeting had been circulated.

6. THE PHOENIX GAS SITUATION UPDATE

Mr MacCann referred to the correspondence which had passed between Ofreg and the Chairman of Phoenix gas which had been circulated to Authority Members for information.

7. OTHER GAS ISSUES

7.1.1 Postalisation System

Documents in respect of the Standard Licence Conditions and Contracts necessary to implement the postalisation system had been circulated prior to the meeting.

7.1.2 Postalisation and Effect on Pipelines

Mr MacCann reported that DETI had requested the Authority=s position regarding the time period for the three gas pipelines to be designated.

8. DRAFT ELECTRICITY POSITION PAPER

The Chairman mentioned that there was nothing to report in respect of this proposed paper at this time.

9. ELECTRICITY TARIFF POSITION AT 1 JULY 2004 UPDATE

The Chairman reported that the Department had agreed to pay , 3.9m to NIE as an interim payment until the problems in respect of the proposed payout of , 30m were hopefully sorted out.

10. NERA REPORT

Mr Graham Shuttleworth and Mr Sean Gammons joined the meeting and gave a presentation on the costs and benefits of MAE integration for Northern Ireland.

11. ELECTRICITY SUPPLY PRICE CONTROL

The Chairman reported that some data had been received from NIE and that a paper would be produced for the next Authority meeting.

12 KILROOT POWER STATION

Correspondence had been circulated and tabled at the meeting; including a letter from AES which was faxed to the Chairman during the meeting. The Chairman then updated members on the current position in relation to Kilroot Power Station.

13. NIRO

A further paper had been circulated which included more detailed costings in respect of the administration of the NI Renewable Obligation. After discussion, the Authority requested that the costs be investigated further.

14. JOINT STEERING GROUP

The Chairman reported that the JSG had met the previous day following the launch of the draft all island Energy Market Framework Consultation Document by Barry Gardiner MP and Dermot Ahern TD. The document had highlighted six priority areas being taken forward by the JSG.

15. DRAFT AUTHORITY’S ANNUAL REPORT

The Chairman reported that work was progressing on the Annual Report and that it had been forwarded to Ofreg’s PR company for editing.

16. WATER REFORM : PRESENTATION BY WATER REFORM UNIT

Before discussion on this topic began, Mr Gilliland declared a conflict of interest as he was currently involved in litigation with the Water Service.

17. AUDIT COMMITTEE BUSINESS

The Chairman of the Audit Committee, Charles Coulthard, reported that an Audit Committee meeting had been held the previous day which was attended by Gavin Campbell from the NIAO.

18. ANY OTHER BUSINESS

18.1 Connection Charges

A paper on Connection Charges was briefly discussed and it was agreed that a further paper should be produced which would include recommendations.

19. ARRANGEMENTS FOR NEXT MEETING

The next Authority meeting will be held in the City Hotel, Londonderry on Wednesday 28 July.

Signed-----
Chairman