

**SUMMARY OF MINUTES OF THE TWENTY EIGHTH MEETING OF THE
NORTHERN IRELAND AUTHORITY FOR ENERGY REGULATION
(NIAER/the AUTHORITY) HELD ON THURSDAY 26 JANUARY 2006 IN
QUEEN'S HOUSE**

IN ATTENDANCE

Authority:

Mr. Douglas McIlDoon - Chairman
Mr. Peter Lehmann
Prof. John Fitz Gerald
Mr. John Gilliland
Mrs. Joan Whiteside

Ofreg:

Mr. Dermot MacCann
Mr Brian McHugh
Mr. Alan Smith - Items 6,7 & 8
Miss Fiona Gallen

Also in attendance (either for all or only that part of the meeting as noted) were representatives from –

- Northern Ireland Energy Holdings Ltd – Agenda Item 4 only

1 MINUTES OF THE PREVIOUS MEETING

The minutes of the previous meeting were agreed.

2 MATTERS ARISING

Sustainable Development Commission Meeting – December 2005

The Chairman was thanked for delivering a paper at the recent Sustainable Development Commission's meeting. Furthermore the Authority was thanked for their attendance at the meeting.

3 PHOENIX

(a) Price Increase

A note on the recent Phoenix domestic tariff increase had been circulated to the Authority. OFREG told the meeting that this price increase was a result of increased wholesale gas prices and that NIAER were monitoring the situation.

(b) Licence Negotiations –

A brief discussion followed on licence negotiations, the content of which is confidential, commercially sensitive and goes to departmental policy formulation. Negotiations were due to continue, and DETI would be kept up to speed on relevant developments.

4 NIEH PRESENTATION – PROPOSED RENEWABLE ENERGY FUND

Representatives from NIEH joined the meeting at this point and gave a presentation on their proposed Renewable Energy Fund. The presentation included information on the key issues involved with the proposal, including supporting information from NIEH's financial representative on the day.

5 COOLKEERAGH – COMMERCIAL & TECHNICAL ISSUES

OFREG informed the Authority that considerable progress had been made with Coolkeeragh power station and that this was reflected by the decision of the Irish Electricity Supply Board earlier in the week not to close the plant and the purchase of capacity by the Board in North South and Moyle auctions.

6 FURTHER ELECTRICITY MARKET OPENING (FEMO) 2005 UPDATE

A position paper on the FEMO 2005 project was copied to the Authority.

7 BETTER REGULATION BILL

An information note on the Better Regulation Bill had been copied to the attendees for information.

8 BRANDING WITHIN THE VIRIDIAN GROUP

Updated information on branding was presented to the Authority.

9 ELECTRICITY PRICE COMPARISON – UK & ROI TARIFFS

The Authority was forwarded a monthly paper comparing GB and ROI tariffs.

10 SECURITY OF SUPPLY

A note on the security of gas supply was discussed briefly.

11 EMISSIONS TRADING SCHEME

The Chairman told the meeting that the draft National Allocation Plan was due in Brussels at the end of February.

12 WATER REFORM UPDATE & PROPOSED NAME FOR NEW REGULATORY BODY

The Authority confirmed that the term Northern Ireland Authority for Utility Regulation (NIAUR) could be used for the purposes of drafting water reform legislation. Following a short discussion, the Authority agreed that the issue of branding may need to be looked at further down the line after more important issues including staffing and ownership were resolved.

13 ANY OTHER BUSINESS

Energy Efficiency Levy – Consultation Paper Responses

It was agreed that a revised more focussed paper should be drafted for the arrival of the new Chairman.

SEM / Water Resources

The Chairman of the Audit Committee said that he wanted to congratulate the team in OFREG for securing funding for these additional areas of work.

Future Meeting Dates

The following meeting dates were agreed;

2 & 3 May 2006

1 & 2 June 2006

6 & 7 July 2006

14 ARRANGEMENTS FOR FEBRUARY MEETING

The next NIAER meeting will take place on Friday 17 February in Queen's House.

NIAER

January 2006