

**SUMMARY OF MINUTES OF THE THIRTY-FIRST MEETING OF THE
NORTHERN IRELAND AUTHORITY FOR ENERGY REGULATION
(NIAER/the AUTHORITY) HELD ON WEDNESDAY 3 MAY 2006 IN QUEEN'S
HOUSE**

IN ATTENDANCE

Authority:	Mrs. Joan Whiteside - Acting Chairman Mr. Peter Lehmann Prof. John Fitz Gerald Mr. John Gilliland
Ofreg:	Mr. Dermot MacCann Mr. Eddie Gaw Mr. Kevin Shiels - Agenda Item 2 Ms. Donna Hamill - Agenda Item 3 Mrs. Lisa Mullan - Agenda Item 3 Mr. Kenneth Dane - Agenda Item 3 Mrs. Sarah Brady Mr. Tony Doherty - Agenda Item 4 Mr. John White

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

- ILEX (Agenda Item 3)
- National Economic Research Associates (Agenda Item 3)
- Northern Ireland Electricity Plc (Agenda Item 4)

1 MINUTES OF THE PREVIOUS MEETING

The Authority formally agreed the minutes of the previous meeting.

2 WATER REFORM PROGRESS

Overview

OFREG gave a general overview of previous information submitted to Authority members. OFREG stated that the Department for Regional Development had a team

already working on Water Reform and fully appreciates the significant future role the Authority is expected to play next year.

Complaints & Compliance

The Authority learned that the General Consumer Council Northern Ireland is intended by DRD to still be the body to deal with overall complaints after the customer has exhausted DRD's Go-co's complaints handling procedure as a first means of redress (for water related problems). However, the Authority would need to put in place a complaints handling process, which may be required by the legislation. Ofreg has been in discussion re: the complaints handling issue with Ofwat and good relationships are starting to be formed.

3 ALL ISLAND PROJECT

(A) Progress Report

A Progress Report had been distributed to the Authority Members in advance of the meeting. A general discussion followed without any action points to note.

(B) Presentation on Modelling by ILEX

An employee from ILEX joined the meeting and gave a Presentation.

(C) Presentation on Cost Benefit Analysis by NERA

An employee from NERA joined the meeting to give a Presentation.

4 NIE PRESENTATION PPB/SUPPLY POST SEM

Employees from Northern Ireland Electricity joined the meeting and gave a presentation based on proposals for after the introduction of the Single Electricity Market. The presentation was well received, however proposals would need to be discussed further to ascertain longer term implications.

5 FEMO 2007 - Update

OFREG gave a brief overview of the current position. In addition to this the position was laid out in an information paper that had been circulated to members.

6 ELECTRICITY PRICE COMPARISON – UK & ROI TARIFFS

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

7 AUDIT COMMITTEE BUSINESS

Financial Management

The Authority was given an update on the Consultancy Contract in relation to financial management. The Consultant has helped the Authority exceed its financial management objectives. It was recommended to the Authority the Consultancy Contract was renewed.

Resource Accounts

The Authority was told that it was in line for meeting this target once again.

Northern Ireland Audit Office

The Authority was informed that the audit would take place in early July 2006.

8 ANY OTHER BUSINESS

Arrangements For The June Meeting

The next Authority meeting will take place on 1/2 June in Queen's House.

NIAER

May 2006