

**SUMMARY OF MINUTES OF THE THIRTY-THIRD MEETING OF THE  
NORTHERN IRELAND AUTHORITY FOR ENERGY REGULATION (the  
Authority/NIAER) HELD ON THURSDAY & FRIDAY 6 & 7 JULY 2006**

Authority: Dr. Peter Matthews - Chairman  
Mrs. Joan Whiteside  
Mr. Peter Lehmann  
Prof. John Fitz Gerald

In attendance:

| Ofreg: Mr. Iain Osborne – Chief Executive  
Mr. Dermot MacCann - Deputy Chief Executive  
Mr. Alan Smith  
Miss Fiona Gallen

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

- NIE (Agenda Item 11 only)

### **1. APOLOGIES FOR ABSENCE**

John Gilliland.

### **2. DECLARATIONS OF INTEREST**

John Fitz Gerald informed the meeting that his employer (ESRI) currently received funding from a variety of sources including BGE and Airgrid.

### **3. MINUTES OF THE PREVIOUS MEETING**

The June minutes were agreed.

### **4. MATTERS ARISING**

The Chairman formally welcomed Iain Osborne to the meeting.

### Organisation Name

It was agreed that April 2007 was the obvious time to review the organisation's name and re-brand the organisation .

## **5. ACTION POINTS FROM JUNE MEETING**

It was noted that the electricity price comparisons would now be compiled for the board on a quarterly basis.

The Chief Executive informed the meeting that the NIE T&D Capex Consultation paper had been issued.

It was recorded that The Forward Work Plan had been published since the last meeting.

## **6. CHIEF EXECUTIVE'S REPORT**

A copy of the Chief Executive's Report had been circulated to the Board in advance of today's meeting.

### SEM Recalibration

The Chief Executive told the Board that principle of SEM recalibration had been accepted and that Ofreg were currently consulting with all market participants to gauge their views on the impact of proposed changes to the project timetable. The Chief Executive added that although agreement to review the AIP schedule had not solely centred on the lack of Ofreg resources, this was still a major problem.

### Competition Complaint

It was noted that a draft competition complaint had been received in relation to behaviour by an NI energy company.

### Energy Review

It was noted that the Green Paper on the Energy Review was due to be published next week.

## **7. STAFF REVIEW**

The Chief Executive reported that the Staff Review was well underway and it was hoped that it would be complete by the end of August.

## **8. WATER REFORM PROGRESS REPORT**

The Authority agreed that they wished to engage fully in future water regulation – but recognised that adequate resources and effective collaboration by DRD are pre-conditions. The CEO and other Ofreg staff, will engage to the fullest extent allowable under existing consultancy arrangements with DRD, and will do so positively with the reform programme with the objectives of building Ofreg's capability and maximizing our (pro-consumer) influence on policy; and to report back if collaboration from other stakeholders is not forthcoming.

## **9. PHOENIX NATURAL GAS**

### (A) Transparency Statement

The Board agreed that the transparency statement regarding the Authority's duties should be amended to reflect their main work priorities and published when finalised.

### (B) Review of Licence

The attendees endorsed the principles and the format outlined in the paper and agreed that they could be used as a basis for continuing negotiations with Phoenix.

### (C) Enforcement Notice

The Chief Executive told the meeting that Phoenix had failed to provide the information requested by Ofreg. It was agreed that a letter enforcing two of the outstanding requests would be issued to the company as soon as possible.

## **10. ALL ISLAND ELECTRICITY PROJECT**

### (A) Progress Report

An update had been forwarded to the NEDs before the meeting. The Deputy Chief Executive reported that the project delay had been announced to the industry on 29 June.

### (B) Recalibration of AIP Timetable

This topic had already been discussed under agenda item 6.

### (C) JRA/JRC Arrangements

Undisclosed.

The Chairman adjourned the meeting and stated that it would resume at 9.30am tomorrow morning.

## **11. FEMO 2007 – PRESENTATION BY NIE**

A delegation from NIE joined the meeting and gave a presentation on the FEMO 2007 project. It was noted that the Authority had already approved the incremental approach and that the project would feature time of day metering and that NIE were now seeking approval to select an implementation partner to enable them to proceed.

## **12. PPB PRICE CONTROL**

A decision paper on the PPB Price Control had been issued to the attendees. The Authority decided to extend the current Price Control until the start of the SEM with a reduction to the allowed incentive payment which PPB earns for traded sales. A thorough review of the PPB will be required prior to SEM implementation.

### **13. POTENTIAL COMPETITION COMPLAINT**

This topic had already been discussed under agenda item 6.

**ACTION: AGENDA ITEM FOR AUGUST MEETING.**

### **14. AUDIT COMMITTEE BUSINESS**

Nothing further to report.

### **15. ANY OTHER BUSINESS**

#### Transition Planning – New Board Members

It was noted that the new Authority members were due to be recruited and in post by 1 October 2006.. The Chief Executive added that he would be circulating a plan to help manage their induction and the overall transition successfully.

**ACTION: TRANSITION MANAGEMENT PLANS TO BE CIRCULATED TO NEDS.**

### **16. ARRANGEMENTS FOR AUGUST MEETING**

It was agreed that the next meeting would be held on Thursday 31 August in Queen's House.

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