

**SUMMARY OF MINUTES OF THE TWENTY SEVENTH MEETING OF THE
NORTHERN IRELAND AUTHORITY FOR ENERGY REGULATION
(NIAER/the AUTHORITY) HELD ON THURSDAY 8 DECEMBER 2005 IN
QUEEN'S HOUSE**

IN ATTENDANCE

Authority

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

Ofreg

Mr. Dermot MacCann
Mr. Eddie Gaw
Mr. James Hutchinson- Agenda Item 4 & 5
Mr. Alan Smith - Agenda Items 9 & 10
Miss Fiona Gallen

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

- Department of Enterprise, Trade and Investment – Agenda Item 12 & 13
- Terra Firma – Agenda Item 3
- Commission for Energy Regulation - Agenda Item 4
- Firmus Energy (Formerly BGE) – Agenda Item 8

1 MINUTES OF THE PREVIOUS MEETING

The minutes of the previous meeting were formally agreed.

2 MATTERS ARISING

Queen's House – Roof Panels

It was noted that the possibility of securing funding under the SMART Programme for the fitting of PV panels on the roof of Queen's House would be discussed with OFREG.

3 PHOENIX TAKEOVER

Phoenix gas costs and the implications for prices and on issues surrounding Phoenix's licence were considered by the Authority. The Authority agreed that more detailed information was required on the potential pass through costs which might affect gas customers this winter. A meeting with a delegation from Terra Firma commenced at this point, further details of which are commercially sensitive and confidential.

4 AIP PRESENTATION

A representative from CER joined the meeting and gave a presentation to the Authority on the SEM Trading and Settlement Code.

5 ALL ISLAND PROJECT – PROGRESS REPORT

The Authority was updated on the NERA Cost-Benefit Analysis.

6 NIEH – PROPOSED RENEWABLES FUND

A paper on the NIEH proposed renewables fund and related issues had been circulated to the Authority.

7 GAS TRANSMISSION UPDATE ON THE PRESSURE REPORT AND SOUTH NORTH IMPLEMENTATION

A progress report on this agenda item had been forwarded to the Authority.

8 OVERVIEW OF BGE'S NI'S GAS DISTRIBUTION SUPPLY PROJECT

Employees from Firmus Energy (formerly BGE NI) joined the meeting and gave a presentation on their gas distribution supply project. The presentation provided information and updates on the project's scope, approach, as well as the key issues involved.

9 FURTHER DOMESTIC MARKET OPENING 2007

The Authority considered moving to an interim incremental approach to full market opening to ensure compliance with the 2007 European Directive. Such a move did not rule out a "big bang" approach to implementation in the alternative.

10 T & D PRICE CONTROL – DRAFT CONSULTATION PAPER

The T & D Price Control 2007-2012 draft proposals paper was granted formal approval by the Authority.

11 ELECTRICITY PRICE COMPARISON – UK & ROI TARIFFS

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

12 SECURITY OF SUPPLY – ELECTRICITY

The Authority were informed that a note on security of supply had been forwarded to DETI since the last meeting. A representative from DETI told the meeting that the Department would be issuing a paper in response.

13 KILROOT UPDATE

A representative from DETI informed the Authority that the Minister had received the Authority's views on the Article 39 consent in respect of Kilroot. It was agreed that more legal work needed to be carried out in order to confirm the Authority's interpretation.

14 EMISSIONS TRADING SCHEME

A paper on Emissions Trading for the 2008-12 was issued to the Authority. A brief discussion followed to see what steps to take to best facilitate the Single Electricity Market.

15 WATER REFORM UPDATE

OFREG informed the Authority that an announcement on water reform was due to be made by the Minister later in the day. Tariffs would be linked to the England and Wales average over the next three years and that a maximum water charge of £180 would be introduced for poorer customers.

16 ARRANGEMENTS FOR JANUARY MEETING

It was noted that the next meeting would take place in Queen's House on 26 January.

NIAER
December 2005