

MINUTES OF A MEETING OF THE NORTHERN IRELAND AUTHORITY FOR UTILITY REGULATION (THE 'AUTHORITY') HELD ON WEDNESDAY, 19 AUGUST 2015 IN QUEENS HOUSE, BELFAST AT 1 P.M.

Present:

Bill Emery (Chairman), Richard Rodgers, Teresa Perchard, Bill Cargo,

In attendance:

SMT - Kevin Shiels, Brian McHugh, Tanya Hedley, Donald Henry, Greg Irwin

Jody O'Boyle and Karen Shiels (agenda item 4).

1. APOLOGIES FOR ABSENCE

1.1 Jenny Pyper, David Strahan

1.2 Bill Emery welcomed board members to this meeting to consider a small number of agenda items following the Board Advisory Forum meeting which had taken place earlier on the same day.

2. FIRE DRILL

2.1 The board members were informed of the evacuation procedures which apply at Queens House in the event of a fire.

3. DECLARATIONS OF INTEREST

3.1 None.

4. SONI PRICE CONTROL DETERMINATION

4.1 Jody O'Boyle provided a presentation on this item which sought the board's approval for the proposed final price control determination and specifically the treatment of the transfer of network planning costs.

4.2 His presentation covered the following items: the comparison of the proposed determination with past price control allowances and actuals, Opex and Capex items, financeability issues, the weighted average cost of capital (Wacc) and the treatment of the transfer of the investment planning function.

4.3 The Board sought further information on the scope of the parent company guarantee. A discussion on the proposed Wacc took place. The allocation of network planning costs was clarified and discussed. Board members also asked about the mechanism for approval of new transmission pre-construction costs. The board clarified the situation regarding those costs associated with the delivery of the new wholesale electricity market (the I-SEM). Finally the board was briefed on the Commission for Energy Regulation's recently published draft price control determination for Eirgrid and the read across for the SONI determination.

4.4 In concluding the discussion, the board indicated that it would like to see a clearer articulation of outcomes to be delivered by SONI. With all issues clarified and addressed, the board approved the proposed final determination and the treatment of the transfer of network planning costs.

5. COMPETITION AND MARKET AUTHORITY

5.1 Brian McHugh briefed the board on communications with the Competition and Markets Authority (CMA) regarding the licence modifications to give effect to the RP5 price control.

5.2 In noting the briefing, the board asked that every effort be made to put the required licence modifications in place as soon as possible.

There being no other business, the meeting concluded at 2.25 p.m.