**MINUTES OF A MEETING OF THE NORTHERN IRELAND, AUTHORITY FOR UTILITY REGULATION (THE ‘BOARD’) HELD ON THURSDAY, 19 SEPTEMBER 2023 AT QUEENS HOUSE AND VIA VIDEO CONFERENCE, AT 9.00 A.M.**

**Present:**

Bill Emery (Chair), John French (Chief Executive), Teresa Perchard, Jon Carlton, Alex Wiseman, Claire Williams, David de Casseres

**In attendance:**

SLT - Kevin Shiels, Colin Broomfield, Tanya Hedley, Roisin McLaughlin, John Mills, Elaine Cassidy, Barbara Cantley, Greg Irwin

Sean Lyons, Roy Colville, and Dwayne Boyle (agenda item 3), Nicola Parker (agenda items 3 and 5), Charlene Small and Lauren McMullan (agenda item 6), Tony Doherty (agenda item 7), Paul Harland (agenda item 8), Leanda Thompson (agenda item 13), Jillian Ferris, Chisono Yoda, Jamie MacDonald, Mary Farrelly.

1. **APOLOGIES FOR ABSENCE**

1.1 None.

* 1. Bill Emery welcomed Jamie MacDonald to his first Board meeting as the Board apprentice. Mary Farrelly was also welcomed as part of an ongoing initiative to provide staff members with an opportunity to attend board meetings.

1. **DECLARATIONS OF INTEREST**
   1. None.

1. **RP7 KEY ISSUES UPDATE**

3.1 John Mills introduced this item, which was a further paper about elements of the NIE Networks price control review (called RP7).

3.2 There was a discussion on the proposed consumers measures. This included consideration of the purpose of the measures proposed, the measurement of important consumer satisfaction metrics and the performance of online channels. The issue of the customer minutes lost, and the setting of the target for this metric, was also touched on.

3.3 The question of financial incentives and whether these should be capped, was also considered. The quantification of costs for the capital expenditure programme was also explored, with the need to ensure that the RP7 draft determination was able to provide the most up-to-date cost information.

3.4 The Board also discussed stakeholder engagement on the RP7 price control. The need to engage with ratings agencies was endorsed. Board members noted the timing of the publication of the draft determination and the planning of a stakeholder event on 13 December.

3.5 In endorsing the general approach to the RP7 elements identified, the Board emphasised the importance of producing an RP7 draft determination that provided a robust assessment of costs and proposed allowances at the time of publication, as a basis for consultation.

**4 CORPORATE STRATEGY - OUTLINE**

4.1 John French introduced this item, which provided an outline of the proposed Corporate Strategy for discussion.

4.2 Board members made some general comments and suggestions around messaging and the tone of the strategy outline. There was a discussion around the role of UR and the need to present UR as a pro-active and influential regulator.

4.3 There were also several specific drafting suggestions relating to proposed strategy objectives.

4.4 It was noted that the Board’s feedback would be considered in developing the draft strategy, to be presented at the October board meeting. Board members were also informed of a planned draft strategy launch on 25 October.

**5 IMPROVING ENERGY SUPPLIERS’ CUSTOMER SERVICE LEVELS**

5.1 Barbara Cantley introduced this item, which provided an update on work that has been undertaken to improve suppliers’ customer service levels.

5.2 Board members raised several issues in discussion. The presentation of information of consumer bills was identified as an area where improvements, to improve consumer understanding, could be made. The comparison of customer service levels versus other jurisdictions was also explored.

5.3 There was a discussion around call centre responsiveness. The data on call waiting times was identified as a matter of concern.

5.4 The Board welcomed the work that had been undertaken to date, as a first step in improving the customer service experience. The proposal to strengthen UR’s regulatory framework around customer service was endorsed, and bringing further transparency on the issue of supplier performance was also supported.

**6 ELECTRIC IRELAND UPDATE**

6.1 Barbara Cantley provided a presentation by way of a factual update for the Board on recent Electric Ireland prepayment meter issues.

6.2 Board members raised several factual issues, associated with the numbers of customers affected and the actions undertaken by Electric Ireland, which were addressed. The public communications on the issue were also briefly discussed.

6.3 The Board noted the update.

**7 REVIEW OF UR VIRES UPDATE**

7.1 Elaine Cassidy introduced this item, which provided an update on progress relating to the review of UR’s vires (powers).

7.2 Board members briefly discussed the timing of the next steps towards changing UR’s vires.

7.3 The Board noted the update provided.

**8. GAS NETWORK COMPANIES ENERGY STRATEGY PROPOSALS**

8.1 Tanya Hedley introduced this item which updated the Board on proposals from Gas Distribution Network operators (GDNs) associated with funding provided under the GD23 price control for energy strategy-related activities.

8.2 Board member queries about how the GDN proposals were developed, and the scope and nature of the proposals, were addressed.

8.3 There was also a brief discussion around the engagement with key stakeholders on the proposals.

8.4 The Board endorsed the work to progress the proposals. The internal approval arrangements for decision-making on proposals, as outlined in the paper, were also supported. The Board asked that it be kept informed on progress.

**9. GAS TO THE WEST UPDATE**

9.1 Tanya Hedley introduced the background to this item about the final determination of costs on Gas to the West. John Mills provided a short briefing on the issue.

9.2 The Board explored the costs incurred by the Gas to the West project and arrangements for the recovery of the costs.

9.3 The risks associated with making a final determination of costs were also discussed.

9.4 The Board noted the update and discussed next steps. It was also noted that a further update on this issue would be provided at the October Board meeting, and it was agreed that a meeting with the SGN Board should be organised.

**10. BELFAST METROPOLITAN PROJECT**

10.1 Tanya Hedly introduced this information paper which briefed the Board on SONI/NIE Networks’ proposed Belfast Metropolitan Project, and the timing of additional capex requests associated with the project.

10.2 Board members discussed the breadth of the project’s work and the impact on consumers. A query in respect of community engagement was addressed.

10.3 The Board noted the information paper.

**11. MINUTES**

11.1 The minutes of the Board meetings on 22 June 2023 and 17 August were approved for publication.

**12. ACTION POINTS**

12.1 The action points were reviewed by the Board.

**13. REPORT FROM THE EXECUTIVE TEAM**

13.1 John French provided an overview of key developments. He noted the recent tariff announcements, the Electric Ireland prepayment meter issue, and the shortlisting of UR for the Energy Charter national award. He also presented amendments to the scheme of delegation which were approved by the Board.

13.2 Members of the Executive Team also identified other issues for the Board: the connections call for evidence stakeholder engagement, RP7 and data sharing, the end of Power NI’s Power Procurement Business and the situation regarding security of supply this winter. A Board member’s query about the closure of Kilroot’s coal units was addressed. It was agreed that the Board would receive briefing points on the security of supply situation.

13.3 Roisin McLaughlin introduced a paper in respect of appointments to the SONI Board. The Board discussed the contents of the paper and endorsed the recommendation that the proposed SONI Board appointments comply with each of the relevant requirements in licence condition 42 Part A (1st to 7th Requirements). The Board also agreed that it would be important to meet with the SONI Board at an appropriate opportunity.

13.4 The Board also considered the report of the recent Audit and Risk Committee. The Board discussed an issue identified in the report, in respect of a potential conflict of interest.

13.5 Elaine Cassidy provided an overview of recent litigation and disputes issues. Board members clarified aspects of the overview provided. She also updated the Board on two further pensions cases lodged with the Tribunal Office, and the Board was content that she draft the defence to be lodged, based on the previous advice provided.

13.6 John French provided an update on progress on the organisational transformation programme, Shaping UR for the Future.

13.7 Colin Broomfield provided a report on the SEM. He provided an update on the capacity auction programme. Programme management support for regulatory authorities was also mentioned. The Board noted the update.

13.8 Kevin Shiels updated the Board on the Northern Ireland Energy Strategy and emphasised the focus on Climate Change legislation. The Board noted the update.

13.9 Leanda Thompson provided an overview of the Finance and Performance report. The Board approved the Finance and Performance report.

**14. ANY OTHER BUSINESS**

14.1 In terms of the meeting review, the Board discussed the papers and the timing of the agenda.

There being no other business, the meeting concluded at 12.35 p.m.