

**SUMMARY OF MINUTES OF THE THIRTIETH MEETING OF THE  
NORTHERN IRELAND AUTHORITY FOR ENERGY REGULATION (NIAER)  
HELD ON WEDNESDAY 22 MARCH 2006 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. JP Irvine (New In-House Legal Counsel)  
Mrs. Sarah Brady - Agenda Item 4  
Mr. Mike Lowry - Agenda Item 4  
Mr Brian McHugh - Agenda Item 5  
Mr Gerry Donnelly - Agenda Item 7  
Miss Fiona Gallen

1 MINUTES OF THE PREVIOUS MEETING

| The Authority formally agreed the minutes of the previous meeting

Deleted: .....

2 TWO TIER TARIFF DISCUSSION PAPER

Following a brief discussion on this paper, it was agreed that the figures and the practicalities of implementing the scheme should be checked with NIE. The Authority suggested that NIE should collect data on consumption relating to the target group in the years before and after the switch.

3 PHOENIX UPDATE

**A EU Gas Directive 2003/55**

It was noted, by the Authority, that the licence modifications had been drafted and were currently with the licence holders and that a formal consultation could only be carried out when the regulations had been approved.

### **B Gas Market Opening Group**

The Authority was informed by OFREG that a number of issues had been raised by the Gas Market Opening Group including transparency in distribution charges, supplier of last resort and the treatment of the incumbent).

### **C Proposed Conveyance Licence Modifications**

The Authority approved the draft consultation paper.

## 4 GAS TRANSMISSION

### **(A) NI Operations Rationalisation**

The Authority was informed that OFREG had issued a consultation paper to ascertain the most efficient methodology for rationalising the NI Gas Transmission Operational Regime. He added that the DPOs had put forward a draft proposal for streamlining the regime which featured a single balancing zone and would increase the capacity of the NI network.

### **(B) Regulation 1775**

It was noted that Regulation 1775 is due to take effect on 1 July 2006 and will be legally binding on the transmission pipeline operators. The Authority were informed that after meeting the Commission in Brussels, representatives from OFREG proposed to consult with the Shippers to see what services they actually required. A clause would also be included which would state that suppliers wishing to use these services must apply 6 months in advance and commit to utilise and pay for the services for a set period. The meeting was told that OFREG was due to meet with Ofgem and DTI to ensure that OFREG is forewarned about other future European issues.

### **(C) NTS Exit Reform Update**

A briefing note was circulated to the Authority. An employee from OFREG explained that Ofgem is currently reforming the National Grid's exit regime and that this would also impact on Northern Ireland. The Authority was told that although the detail had not yet been finalised it was important that the Authority assisted in securing satisfactory arrangements for Northern Ireland.

## 5 ALL ISLAND PROJECT (AIP)

### **(a) Update**

A position paper on the Single Electricity Market had been issued in advance of today's meeting.

### **(b) Cost Benefit Analysis**

OFREG told the meeting that the initial work on Cost Benefit Analysis had shown that there were benefits for Northern Ireland (consumers). It was added that the modelling work would help ascertain the actual amount of the gain and who would receive it. The Authority agreed that it was imperative that the benefits of the Single Electricity Market were properly presented to NI consumers.

#### 6 ELECTRICITY PRICE COMPARISON – UK & ROI TARIFFS

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

#### 7 ENERGY EFFICIENCY LEVY REVIEW

The meeting was informed that the consultation paper had been eagerly awaited and that it was hoped to issue it before April 1. The Authority was informed that the paper would issue on schedule.

#### 8 GB ENERGY REVIEW

A copy of DTI's consultation document and a covering note prepared by the Chairman had been forwarded to the Authority. After a short discussion, it was agreed that the Chairman would amend his response to reflect the Authority's comments.

#### 9 ARRANGEMENTS FOR MAY MEETING

The next Authority meeting will take place on 3 May in Queen's House.

**NIAER**  
**March 2006**