

SUMMARY OF MINUTES OF THE TWENTY FOURTH MEETING OF THE NORTHERN IRELAND AUTHORITY FOR ENERGY REGULATION (NIAER/the AUTHORITY) HELD ON FRIDAY 2 SEPTEMBER 2005 IN BROOKMOUNT BUILDINGS.

IN ATTENDANCE

Authority

Mr. Douglas McIldoon – Chairman
Mr. Peter Lehmann
Prof. John Fitz Gerald
Mr. John Gilliland
Mrs. Joan Whiteside

Ofreg

Mr. Dermot MacCann
Mr. Eddie Gaw
Mr. Brian McHugh - Agenda Item 3
Mr. Seamus O'Hare - Agenda Items 4 & 5
Mr. James Hutchinson - Agenda Item 13
Miss Fiona Gallen

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

- The Department of Finance and Personnel – Agenda Item 12

1 MINUTES OF THE PREVIOUS MEETING

The minutes of the previous meeting were formally agreed.

2 SALE OF PHOENIX

A discussion ensued on the outcome of the Authority's meeting with East Surrey Holdings yesterday. OFREG agreed to issue a revised paper which would consider some of the other main issues. The Chairman agreed to reply to East Surrey Holdings and the Permanent Secretary of DETI before close of play today.

3 NIEH CONSULTATION PAPER

A paper detailing OFREG's response to the NIEH consultation exercise was copied to the Authority. It was agreed that the Authority's comments on the paper should be received by the end of next week (9 September).

4 ELECTRICITY – DOMESTIC MARKET OPENING

OFREG told the meeting that although the consultation period was now finished, they had received a number of requests for additional time.

5 NIE – T & D PRICE CONTROL

The Chairman told the meeting that he had met with NIE regarding price control. After discussion the Authority agreed that further information was required from NIE in this matter.

6 KILROOT PLANNING APPLICATION UPDATE

The Chairman reported that the Planning Appeals Committee was due to discuss their recommendation on Monday (5 September). The Committee were likely to make their decision later on in the week.

7 GENERATION SECURITY PAPER

It was noted that the consultation period for the generation security paper was nearing completion.

8 OFT INVESTIGATION ON POWER STATION DECOMMISSIONING

A position paper had been circulated to the Authority in advance of today's meeting. The Authority was informed of talks between OFREG and NIE regarding the issue.

9 ENERGY EFFICIENCY – DRAFT CONSULTATION

A draft paper had been forwarded to the Authority in advance of today's meeting. The Chairman said that he was keen to have some input from the Authority before finalising the paper. After discussion it was agreed that the paper would be redrafted to take into account the Authority's contribution.

10 DOUBLE TAXATION – POSSIBLE REBATE

It was noted that a number of newspapers outlining a possible rebate for NI consumers had been copied to the Authority for its information.

11 COMPARISON OF ELECTRICITY TARRIFFS – GB & ROI

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

12 WATER REFORM UPDATE

Employees from the Department of Finance and Personnel joined the meeting to brief the Authority on recent developments in relation to water reform.

13 ALL ISLAND ELECTRICITY MARKET UPDATE

Cost Benefit Analysis

The Authority received, from OFREG, a presentation on the cost benefit analysis of the single electricity market. The presentation dealt with the cost benefit analysis and further to this the Authority asked to be briefed on developments at the next meeting.

14 STATEMENT OF PENALTIES – FINAL DRAFT

The Authority was informed that the draft statement had been amended, by OFREG, according to the responses received.

15 AUDIT COMMITTEE BUSINESS

The Authority was informed that an audit committee meeting would be held to discuss the findings of the draft internal audit report. It was noted that the overall findings of the report was a substantial assurance that internal financial controls were working effectively.

16 ANY OTHER BUSINESS

New Accommodation

It was recorded that the move to Queen's House was still on schedule.

Phoenix Natural Gas Licence Extension – Dundonald to Downpatrick

A letter dated the 2 September from East Surrey Holdings was copied to the Authority for consideration.

Climate Change Strategy

The Authority tabled the Chairman's letter to the Secretary of State, on the government's Climate Change Strategy, for discussion.

17 ARRANGEMENTS FOR OCTOBER 2005 MEETING

The next Authority meeting will take place on 5 October in Brookmount Buildings/Queen's House.

NIAER

September 2005