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Mr Kenny Dane
Utility Regulator
Queens House
14 Queen Street
Belfast
BT1 6ED



14 November 2012

Dear Mr Dane

Re: Treatment of Gas Transportation Capacity Costs (SEM-12-089)

Last week I was invited to the CBI office in Belfast to meet you and hear the proposed treatment of gas transportation capacity costs. I thank you for that opportunity and appreciate the effort you made.

Seagate has a 430,000 sq ft manufacturing plant here in the north west of Ireland where we make high technology read write heads for hard disc drives. The manufacturing process is extremely complex with cycle time for many of our products exceeding 60 days. We employ over 1300 people, 650 approximately in pure manufacturing, 100 approx in research, 300 approx in engineering and the remainder in support activities.

All manufacturing is done inside environmentally controlled clean rooms where contamination levels are kept to a minimum. The work we carry out is challenging, rewarding and highly skilled. By any measure the like of this plant is not easily found in any part of the planet.

We are a process plant and vital to the manufacturing success is the supply of large quantities of electricity. Our base load is now approx 10MW. With a steady load factor you can readily understand that the cost for this utility is extreme.

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Unfortunately, the cost of power in N Ireland is high and when compared to the plant with which we compete in the US almost double. This puts us at a severe disadvantage and presents great challenges to our continued operation here in the north-west. Any proposed increases in this already over burdened utility increases pressure on our sustainability and causes our management team great alarm.

In looking at what was presented last week I am disappointed and somewhat surprised at the technical and legalistic nature of the consultation. It is very difficult for non-experts to fully understand or appreciate the significant impact this will have on average electricity prices. Surely you could/should do more to bridge the gap between industry experts and industry users to ensure that the consultation is fully understood by all, and in particular the potential impacts of proposals on us consumers as well as the electricity industry.

I would also ask that some modelling be done to understand fully the cost implications for users. Your estimation of a "worst case" scenario 9% increase in the average pool price is not satisfactory.

I feel that the regulator needs to look at the challenges facing industry in N Ireland and understand how he/she can help in meeting those challenges. I would ask the regulator to engage with industry in a proactive manner and understand how help can be given to retaining jobs here. It may be clichéd but we exist in a global economy and all of us need to row together to succeed.

Yours sincerely


J Mark Moroney C Eng
Senior Facilities Director
Seagate Technology (Ireland)