

16 November 2012

Mr Kenny Dane

Northern Ireland Utility Regulator

Queens House

14 Queens Street

Belfast, BT1 6ED

Re: Response to SEM-12-089, CER/Utility Regulator Consultation on Single Electricity Market Treatment of Gas Transportation Capacity Costs.

Dear Kenny,

I write to you on behalf of Wellman International, a large energy user and substantial employer in Mullagh, County Cavan. Specifically, I am writing to you to alert you to the adverse impact of high energy prices in Ireland and our grave concerns that the competitiveness and sustainability of our business in being placed at risk as a result of inefficiencies and unnecessarily high energy costs in Ireland.

Wellman International employs over 300 staff at its site in Mullagh. The business, which is a global leader in the manufacture of fibre from recycled plastic, has been active at its Mullagh site since 1972. However, as a large energy user with an annual spend of circa €6 million, we are extremely concerned about the upward pressure on our electricity and gas supply costs over recent years and we are particularly concerned about the competitiveness of our business in light of these developments.

1. Any change in market rules that has the effect of forcing Irish electricity prices higher should be resisted, particularly where such changes are being driven by technical reasons rather than an actual increase in costs incurred by generators, as is the case in this instance.
2. With Irish wholesale power prices already significantly higher than those prevailing in Great Britain and in other key European markets, the impact of this change would be to further dis-improve the competitiveness of Irish Industry.
3. We presume that the parties that have requested this change are primarily power generators who are essentially seeking to increase the level of profit that they extract from the Irish power market. As a large energy user, we request that the Regulator looks at this issue from the perspective of protecting the interests of electricity users and exerting downward pressure, not upward pressure on electricity prices.

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Yours sincerely,

Aidan Barber

Energy & Electrical Engineer

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