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19 November 2012

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

Re: SEM-12-089, Consultation on Single Electricity Market Treatment of Gas Transportation Capacity Costs

Dear Kenny,

I am writing to you in relation to the above consultation and its potential to force further increases in electricity in Ireland. I am very concerned at the prospect of any further price increases in the electricity market in Ireland. Kepak is a large energy user and is involved in a highly competitive marketplace. Our company has already experienced significant price increases in electricity costs for 2013 and this is having a significant effect on our competitiveness in the current economic environment. We are unable to absorb any further increase and indeed there is no prospect of us passing costs on to our customers.

Kepak has invested heavily in its Irish operations and is a significant employer across the country. We believe that Irish electricity costs are currently excessive and are well above those of our nearest neighbour in the British market. It is our firm belief that instead of consulting on additional costs in the Irish market the regulator should review the position where generators will avail of €528 million during 2013 as part of the capacity pot. We would urge the Regulator not to allow the inclusion of gas capacity costs within electricity generator's market bids and indeed to seek ways of reducing the already high costs of Irish electricity.

Yours sincerely,

A handwritten signature in black ink that reads "Ger Brickley".

Ger Brickley

Operations Director