



James Mc Sherry  
Commission for Energy Regulation  
The Exchange  
Belgard Square North  
Tallaght  
Dublin 24

Date: 2 July 2010

**Re: Public Service Obligation (PSO) Levy 2010/2011 – Proposed Decision Paper (CER/10/086)**

Dear Mr. Mc Sherry,

I wish to comment on the above proposal issued on the 11 June 2010. Roche Ireland Limited is a subsidiary of the Roche Group with headquarters in Basel, Switzerland. We manufacture a range of pharmaceutical active ingredients and intermediates for use in products which are distributed to global markets. We compete in a global market for products and investment. We employ 237 people directly with in excess of 100 contractors also working on-site. Our total spending on pay, materials, charges and services in Ireland amounts to approximately €48 million per annum.

The site is currently facing a number of challenges. The survival of the business depends on attracting new products and investment to the site. A key factor influencing Corporate decision-making is cost compared to sister sites located in other countries and in this context I am concerned about your proposal.

The impact of the proposal will be to increase our electricity cost by about €120,000 in 2011. This will bring the Regulator-imposed costs to 23% of total electricity cost in 2011 up from 15% in 2010. Over the 5 year period 2006 to 2010 the Regulator-imposed cost has been 13% on average for the site.

This cost increase is coming at a time when the site has been making strenuous efforts to

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Roche Ireland Limited, registered in Ireland under company number 39883, having its registered offices at Clarecastle, County Clare; Telephone +353 65 68 67200; Fax +353 65 68 67492; Directors: Albert Kuonen (Swiss) (Chairman), Sven Hauptmann (German) (Managing), Mark Rodgers.

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reduce electricity usage. Indeed the savings through efficiency improvements we have made in recent times will be totally negated by the proposed levy increase. This is very discouraging and sends out a negative signal to corporate decision-makers.

I respectfully ask that you consider the damaging effect this proposed increase will have on the competitiveness of our site before making a final decision.

Yours sincerely,

A handwritten signature in blue ink, appearing to read "S Hauptmann".

Dr. Sven Hauptmann  
Managing Director  
Roche Ireland Ltd.

Copy: Minister for Enterprise, Trade and Innovation,  
Minister for Communications, Energy and Natural Resources  
Barry O'Leary, CEO, IDA Ireland