

Helsinn Pharmaceuticals

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

Date: 1 July 2010

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

Dear James

Helsinn Birex Pharmaceuticals Ltd is a Swiss owned pharmaceutical manufacturer and exporter which employs 150 people directly at its facility in West Dublin. We have recently become aware of the scale of PSO levy proposed for the period from October 2010 and want to express our deep concern at such a massive cost burden being imposed on companies such as ourselves at this time and on top of already exorbitant energy costs with respect to most of our trading partners and competitor production locations.

As a company operating globally in a sector where product prices are coming down in all markets due to generic competition and patent expiration, we are not in a position to pass on such costs to our customers and therefore must absorb them locally which drives up our operating cost base and makes it less attractive for our shareholders to invest further in their Irish subsidiary.

This levy, which comes on top of the carbon tax, effectively wipes out the reductions seen since 2008 which at the time served to bring our energy costs back to a more reasonable level although remaining well above average with respect to our competitors.

What is especially galling for us as a private company is that while we try to make progress, through the cooperation of our staff, at reducing our cost base and avoiding the need to cut employment, we are burdened with an imposed cost increase which is directly linked to excessively generous pay and conditions in the dominant electricity player in the market, and maintaining surplus and inefficient capacity due to the use of inflexible planning models. These charges undo the real progress we make in other areas and have long term negative impact on our sustainability and if this approach continues it will ultimately destroy the medium to large user customer base on which the electricity market relies.