



Mr. John Lynch,
Commission for Energy Regulation,
The Exchange,
Belgard Square North,
Tallaght
Dublin 24

Gleeson Quarries

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1st July 2015
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Re: Public Service Obligation Levy 2015/2016.

Dear Mr Lynch,

Gleeson Quarries welcomes the opportunity to respond to the CER Proposed Decision Paper on the Public Service Obligation (PSO) Levy 2015/2016. Our company employs 75 people and is committed to maintaining this level of employment in an industry which has contracted by 70% over the past 7 years.

The PSO levy is a substantial component of end use pricing. In the period from 2010 there has been a 209% increase in the PSO levy. In 2014/2015 alone there was an increase of 85% in the levy. For 2015-2016 it is proposed to reduce the levy by 9% and whilst this is welcome, it is minute in relation to the scale of the increases that have been incurred by our company over the last number of years. In summary the proposed annual levy for 2015/2016 of €30.96 / kVA is still 68% higher than two years ago which is a massive increase in our cost base.

In addition, there appears to be no basis for businesses to budget their electricity costs. Notwithstanding the rate of increase as outlined above, this excessive levy impacts on bills with effect from October which is very unfair as the majority of businesses run budgets in-line with the calendar year.

Irish electricity prices are among the highest in Europe and this paltry reduction in the PSO Levy will do nothing to address this. Job creation, job security and the competitiveness of Irish companies abroad are adversely affected by this levy and we urge the CER to recognise the fact that businesses cannot be asked to absorb the extra costs of this levy in a time when recovery is still fragile and businesses are still struggling for survival. We therefore request that the levy be reduced to an annual rate of €18.47 / kVA which is the level which applied in 2013/2014.

Yours sincerely

Peter Gleeson

Managing Director