

# Comhairle Contae Chorcaí Cork County Council

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Ms Grainne Black,  
Commission for Energy Regulation  
The Exchange,  
Belgard Square North,  
Tallaght,  
Dublin 24

28<sup>th</sup> June, 2017

## Re: Public Service Obligation Levy 2017/18

Dear Grainne,

At their recent meeting of Cork County Council held on the 26th June, 2017, Members discussed the Commission for Energy Regulation proposal to increase the PSO levy on electricity consumers by 27% for the year 2017 – 2018.

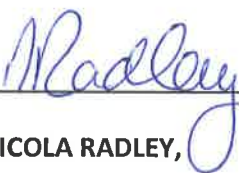
The Members requested that I write to you making a submission on their behalf, highlighting the Members' opposition to the proposed increase of the PSO levy and their concerns raised at their meeting, which are as follows;

- The effect of the most recent proposed increase would be an additional €8.27 on the domestic bill per month (€2.37 increase over last year) and an added €28.79 monthly on the small businesses (an increase of €8.06 over last year).
- If the PSO levy increase is approved by the CER, the consumer would see a pre-VAT increase in their bill of almost €20. This amount is VAT exclusive. The PSO levy is effectively a tax so therefore the consumer is then taxed on that tax.
- This is a charge on every consumer but very few are aware of it. Even fewer are aware of the proposed increase, which Members consider is being introduced by stealth.
- Members raised concerns about the cumulative increase in the levy. In the past 5 years, that cumulative increase has been 131% on the domestic consumer's bill. Since 2011, the cumulative increase has been 414% for the domestic consumer.
- The cost of electricity in Ireland is already high relative to many other European countries and its annual rate of increase is, for the consumer, running at multiples that of inflation.

- An increase in the PSO levy will increase business costs and lead to increase costs in the agricultural sector
- The PSO levy is highly regressive where consumers are paying a flat charge irrespective of their usage, and the levy needs to be based on usage.

I would be obliged if you would take the above concerns raised by Members of Cork County Council into consideration as part of your assessment on the proposal to increase the PSO levy on electricity consumers by 27% for the year 2017 – 2018.

Yours sincerely,



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NICOLA RADLEY,

EXECUTIVE OFFICER