

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

Re: Public Service Obligation Levy 2017/2018.

Dear Ms Black,

McGrath Callaghan's Mills Ltd and McGrath Concrete Products Ltd welcomes the opportunity to respond to the CER Proposed Decision Paper on the Public Service Obligation Levy 2017/2018.

McGrath Group employs 96 people at its locations in Clare and Limerick. We are dismayed at the proposed increase of 12% in the PSO levy for the October 2017 to September 2018 period.

This increase of 12% represents an increase of 143% in the levy since 2013/2014. This increase in cost is not recoverable from the market place. In addition, the scale and timing of the yearly increases in the levy make it impossible for businesses to plan and budget for their annual costs.

Notwithstanding the fact that there has been some recovery in construction activity in Ireland in recent years, the facts are that much of this recovery is limited to the Greater Dublin Area and construction activity in Ireland in 2017 will be less than 40% of that which applied a decade ago.

It is inconceivable that, at a time when recovery in construction activity throughout Ireland remains fragile, the CER should seek to impose such a major increase in the PSO levy. Irish electricity prices are already among the highest in Europe and the yearly increases in the PSO Levy only serve to undermine the cost base and competitiveness of Irish companies, thereby limiting the potential for growth and job creation.

Yours Sincerely,

Joe McGrath
McGrath Quarries
O'Callaghan Mills, Co. Clare

