

Serviceheat

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Douglas McIldoon
Chairman N.I. Authority for Energy Regulations
Brookmount Buildings
Fountain Street
Belfast
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15.06.05.

Dear Sir,

Re Consultation document on acquisition of East Surrey Holdings.

I am writing to you on behalf the partners and the sixteen plumbers and gas engineers employed by Serviceheat. We are extremely concerned by the latest statements and reports in the press, purported to originate in your office and concerning the proposed re-negotiation of last year`s deal with Phoenix Natural Gas. This unrest is very likely to result in the de-stabilisation of the gas industry and would have severe implications for my employees, my company and many other companies whose livelihoods depend on the Gas industry.

I fail to see how the customer can benefit by this. Firstly, they may well have to pay a great deal more for their gas, and secondly, this could very well impact on investment in Northern Ireland by manufacturers and developers and most importantly this will result in redundancies and a downturn in economic development within the industry.

The dispute last year between you and Phoenix Gas, which threatened the 20 % price increase in gas, brought the domestic market to it`s knees and many jobs were lost.

This dispute affected training companies , apprenticeships and also had a major affect on household income for many.

We, who are a small company, have invested a great deal of money in training, equipment, computers, vans and apprenticeships. This de-stabilisation is very likely to cause my company to close.

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We have already decided that we cannot take on our usual two apprentices this year and last year we had to pay off four engineers.

How we fare this year depends on you. We are only just slowly beginning to recover from the effects of last year`s dispute.

In conclusion, we in the industry are very angry that this disagreement between you and Phoenix Gas is now in the public domain and once again threatening to destroy the industry in which so many local companies have invested so much time and money.

Northern Ireland people in general are slow to embrace new ideas and concepts but natural gas was becoming widely accepted and appreciated, however we tend to back off nervously at the first sign of potential problems and we can only hope that this new argument has not already gone too far.

Surely the government would not wish the demise of this industry.

Signed
David Adams.
Serviceheat.