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Graham Craig
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Re: Extending the Gas Network in Northern Ireland

The Federation of Small Businesses welcomes the opportunity to respond to the consultation relating to extending the natural gas network to mid-Ulster and Fermanagh.

The FSB is Northern Ireland's largest business organisation, with approximately 7500 members, drawn from across all sectors of industry.

The FSB is fully supportive of attempts to extend the natural gas network in Northern Ireland. The cost of energy is regularly identified by our members as an issue of concern and, in particular, in relation to the cost of doing business. Any opportunities to widen choice and competition are welcome.

We agree with the statement made at a recent meeting that *'businesses need the ability to access technologies that are the most cost effective and appropriate for their operations. The ultimate goal must be to develop a diverse and secure energy supply that is competitive for all businesses and households'*. This sums up the FSB approach and from which our views are formed.

As well as the improvement in choice and direct costs the extension of the network also has the potential to support many related jobs – for example sub contractors etc, providing additional jobs and spending in the area. This is important in the context of sustaining a vibrant small business sector and help towards improving the local skills base.

The FSB strongly believes that it is essential that the widening of choice be made a priority. As business unites to campaign for increased Foreign Direct Investment it is

important that the 'package' on offer to areas outside the Greater Belfast area is improved, especially in regard to the area in the west of Northern Ireland. The Federation believes that improving the provision of energy choice such as gas is a vital component in this package.

Those who are chosen to develop and run an extended network must have demonstrable experience of building relationships with local businesses and other relevant stakeholders. This is vital to building confidence and ensuring mutually beneficial relationships.

We agree that experience of developing networks in Northern Ireland that maximise the number of consumers connecting to the gas network is very important and should be a key criterion in making the decision regarding awarding a Licence. The successful bidder must be able to demonstrate that they are able to work effectively with local business owners, including installation companies, retailers, merchants and key stakeholders to develop a local and highly skilled natural gas industry.

It has been noted that there is an intention to charge for potential business users to connect to the network. The FSB disagrees with this proposal and would ask that the Regulator revisit this proposal with a view to removing this charge. In compiling this consultation response colleagues were asked about this and it is not believed to have been levied previously. This is simply an extra charge which actually disincentivises potential customers.

Cost is a major concern for small businesses at present but one which is often overlooked by larger suppliers. By creating this barrier for businesses, there could be a consequential effect of raising the costs to other consumers and restricting the growth of the overall network.

We trust that you will find our comments helpful and that they will be taken into consideration. The FSB is willing for this submission to be placed in the public domain. We would appreciate being kept apprised of further developments.

In conclusion, it is generally recognised that the western region of Northern Ireland generally lags behind the rest of the Province in terms of infrastructure. It is worth restating the importance of beginning to rectify this gap, and significantly the choice available to both business and domestic customers.

Yours sincerely

Wilfred Mitchell OBE
FSB NI Policy Chairman