

Ms Natalie Dowey
The Utility Regulator
Queens House
14 Queen Street
Belfast BT1 6ED

Dear Ms Dowey,

I welcome and support your review of Eirgrid's ownership of SONI which will have a major influence on strategic energy policy in Northern Ireland for many years to come. Effectively the Eirgrid/SONI amalgamation has created a monopoly on the electricity supply infrastructure and control of energy supplies within Northern Ireland and on the island of Ireland. Many of Eirgrid's staff have now been seconded to operational activities and senior management roles within the former NIE/SONI company, it would also appear that procurement and capital spending is being co-ordinated centrally by Eirgrid. The points you raise on cost allocation and re-charging of expenditure are valid as both labour and central overhead costs including PR are likely to be redistributed to SONI even though they are likely to arise outside the jurisdiction as a result of maintaining HQ and Administrative staff based in Dublin. Why should the Northern Ireland consumer be expected to pick up these additional costs, there needs to be full transparency and accountability.

The bidding process for the Single Electricity Market SEM is more or less controlled by Eirgrid with many of the power plants in Northern Ireland under the constant threat of closure coupled with the knock on effect this will have on employment in the near future. The subsidies being paid to Wind Farms is adding greatly to the cost of electricity for consumers. The ESRI Economic and Social Research Institute based in Dublin are at the forefront of striking fear into businesses operating in Northern Ireland with the threat of blackouts if SEM policies are not adhered to (refer to extract from the Sunday Business Post page 5, 1st September 2019 attached). Millions of pounds are being spent by Eirgrid in promoting their business logo, the funding for this is ultimately provided by the domestic user in Northern Ireland, consumers who are now facing imminent increases in their electricity bills (I refer to Electric Ireland announcement of a 9% increase last Friday 30/08/19). The increases are coming despite the continuous reassurances that prices would reduce as a result of the SEM. Please refer to article entitled "Eirgrid's Millions" by eminent journalist Michael Fischer in Northern Standard at the following link: <http://www.northernstandard.ie/2019/08/29/eirgrids-millions/>

The control of power supplies is the most important economic tool which a country has at its disposal to keep a country operating at full capacity, ceding that control to a privately controlled organisation strategically located outside Northern Ireland could potentially have severe economic consequences should Eirgrid/SONI suddenly decide to switch off that power source. Businesses and domestic consumers will have no alternative but to accept the prices imposed by Eirgrid/SONI. There is no effective competition on the island of Ireland as the infrastructure on which the power flows is controlled and owned by Eirgrid.

It would not be possible for independent directors on the SONI/Eirgrid board to separate their responsibilities and allegiances to their main host the dominant party namely Eirgrid. Full accountability and transparency would not be possible in the current situation within existing structures.

I believe that you the Utility Regulator must take cognisance of the serious risks arising out of the amalgamation of Eirgrid and SONI, a competitive market with at least two separately identifiable and controlled suppliers would be of most benefit to businesses and consumers alike.

I welcome your review and an opportunity to respond, to urge you to represent the best interests of businesses and consumers by promoting fair and equitable competition which can ultimately lead to supply security and best value for money for all concerned. Thank you.

Yours Sincerely,

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