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*Dear Mr Alderdice*

At a meeting of Energy Information Centre Held at Stormont Hotel last week Mr. R. Needham Minister for the Economy told the conference that the issue of Privatisation of Electricity Supply should be widely and thoroughly debated. I am therefore enclosing my contribution to that debate and hope that it receives wide publicity in all quarters.

I am therefore distributing the document accordingly.

Yours Sincerely

*W. Crossley*

W. Crossley Ch. Eng., B. Sc. (Eng) Hons.  
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The views of the retired General Manager & Chief Engineer E.P.H.I.  
on the "Privatisation of the Electricity Supply Industry in N.I."

The Minister for the Economy Mr. Richard Needham has now publicly called for the "Privatisation proposals to be thoroughly debated and that it should involve as many people as possible"-a position which he has until now strenuously resisted - insisting hitherto that only his own self-opinionated views were the only ones that mattered - this change has been forced on him by the overwhelming objections to this Privatisation and in particular its proposed method outlined in the White Paper (No. Cm 1469) March 1991 and now in the Draft Order in Council - a Parliamentary method of dealing with Northern Ireland legislation specifically designed and adopted to avoid public and to severely limit Parliamentary debate on this important matter. In this context it should be remembered that the only clear cut point of agreement which the political parties and their leaders hold on any subject appertaining to Northern Ireland affairs is their overwhelming objections to this Electricity Privatisation. What hope is there of achieving any other agreement between the parties if they are told at the outset that whatever they agree on - we the Government - "will not let them have their way on a fundamental issue affecting every man, woman and child in the Province".

Mr. Needham has already publicly stated that N.I.E. (including all its employees and predecessors) has not served the Public of Northern Ireland well. Consider the past twenty odd years when the structure and activities of E.B.N./N.I.E. stood up to the most savage atrocities of the I.R.A. suffering not only loss of life but enormous expensive and extensive damage at Power stations, Transmission, Distribution and Commercial installations - all this without significant loss of supplies to consumers and as I was in charge during most of these assaults I can not only vouch for the reliability of a well designed system but of the steadfast loyalty and devotion to duty of all the personnel involved at all levels and of all persuasions. None of this could have been achieved if the structures I introduced in my tenure of office was inadequate or incompetent, in particular the difficulty of building up from scratch a very professional and competent team of project engineers in Power station design and construction all of which will be destroyed if the White Paper proposals are implemented. The design of Kilroot Power station illustrates the forward progressive attitudes where the adoption of the highest steam conditions and the largest turbine blades ever used in the U.K. allows this station to return Thermal Efficiencies as high as any in the U.K. Further the specific cost of this station was one of the lowest in Gt. Britain.

The Minister at paragraph 14 in the White paper vehemently rejects all proposals other than his own. He also refuses to make public the independent reports which have been commissioned at great expense and which are understood to refute his own views which he now seeks to impose on the long suffering public of Northern Ireland.

The impression mooted in the White Paper is that competition in Generation can be easily achieved by building many more power stations as though they were cheap throw away items instead of costing many millions of pounds, requiring many years to construct and which have useful lives of 40 years and more. These stations also require many years to plan properly with careful site selection - this latter is most important for the reasons that there are not many wholly suitable sites and many if not all would meet with local objections as well as environmental ones. However the Minister studiously avoids all this and suggests multiplicity of ownership of Power stations scattered around like confetti, and at paragraph 13 of the White Paper makes proposals which can only lead to utter CHAOS and gross over expenditure to be met by the electricity consumers i.e. Higher prices than they are even now.

How does the Minister expect the Distribution Company under his proposals called the T.D.S. Company to be able to conduct the setting up of the most economic contracts (see Para 37 of the White Paper) for periods of 40 years (the lifetime of a power station) when he is denuding it of all responsibility for the construction and operation of any power station and who will have no staff

with the expertise to do this important and complex work. It is also ludicrous to suppose that anyone can guarantee the capital, maintenance, and fuel costs throughout such a long period without introducing major safeguards to protect the profitability of the owners of the power stations or alternatively there will be loopholes left for re-negotiation and which will call for endless Regulation rather than less, as anticipated. This will be particularly evident given the complex methods of manipulating costs between generation and consumer where the T.D.S. is not fully involved as the supplier of electricity i.e. the direct sales between generator and consumer which the White Paper encourages as a so called means of competition. Such arrangements run totally counter to the present fair system of no "Undue Preference" to be shown to different consumers and which will now disappear and be replaced by allowing the Generator to sell the cheapest electricity to a particular large consumer and deny the same cheaper electricity to be sold to the T.D.S. Company for onward sale to the smaller consumer. This despite the fact that the cost of the generating plant producing the cheaper electricity has already been paid for by the smaller (as well as the larger) consumer by way of his present electricity bills, is this fair and equitable?

The question of an Interconnector with Scotland is also one not thought through properly. First the cost is not known with any precision, the physical problems of laying a cable under the Irish sea on a very difficult sea bed with the added risk of storm damage, shipping hazards and not least the I.R.A. do not forget the interconnector with the South and what happened to that, the sea may not protect it when it comes ashore, have all these risks been quantified? particularly when it is now proposed to rely on 20% of the Northern Ireland electricity supply will come from this source, perhaps everyone should invest in oil lamps or candles. Even if this cable were to be constructed Scottish Electricity would only be prepared to offer prices or supply from the higher priced generators leaving the cheaper electricity for their own consumers. Isn't that what you would do? Worse still since 20% is to come this way what about employment in Northern Ireland even Mr. Needham says there will be no need for any further plant in Northern Ireland for another decade. In other words he is content to create unemployment here and import the supplies from Scotland, is this what the public here want? He wants to know your answer so do not fail to write to him and let him know what you really think of his ideas. Even the use of gas by pipeline is mooted also under the sea with all the vulnerability of the electric interconnector but with the added disadvantage that your supply price would be at the mercy of a monopolistic gas company in England who would not hesitate to extract the maximum price once you were committed to the capital installation and there would be very little chance of a 40 year contract or anything over 5 years at best. You have been warned but not by the Minister!

There are many more aspects to such a complex industry but I will close with just one further comment. The Minister Mr. Richard Needham is responsible, for the present, for these matters but consider, he does not live here he does not have to pay the resulting high prices that will inevitably accrue from his ill considered actions. The probability is that within a year or less he may not have any responsibility for anything at all here, so why should he care what happens to the electricity consumers here, can you trust in his integrity after the way he referred to the previous Prime Minister.

I would ask all interested people in Northern Ireland to write to Mr. Needham and show your antagonism to all that he is proposing for YOUR electricity supply.

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