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Mr John Skinner
Director, Network Regulation
Australian Energy Regulator
Level 20 - 175 Pitt Street
Sydney NSW 2000

Dear Mr Skinner,

Ausgrid Confidentiality Claims & 2014-19 Street Lighting Pricing Review

This letter is submitted in the context of the NSW electricity network pricing review for 2014-19 now being undertaken by the Australian Energy Regulator (AER). I am writing this letter to clarify council's position with regards to confidentiality claims made by Ausgrid about underlying street lighting costs in the context of this review.

Our council is provided with street lighting services by Ausgrid. Consistent with previous submissions by NSW councils to the AER, council's position is that:

- There should be full public disclosure of NSW utility street lighting pricing, financial models and underlying assumptions in the 2014-19 AER pricing review.
- Disclosure by Ausgrid and the AER in the forthcoming pricing review should include, at a minimum, a complete working financial model of street lighting prices along with all required assumptions such as:
 - capital inputs including street lighting component costs, installation times, labour costs and labour allocation to different street lighting components; and
 - maintenance assumptions including spot repair times and labour costs as well as spot replacement and repair rates per annum by component type.
- If there are council-specific aspects of any utility pricing model or AER decision, council has no objection to these costs being made public by Ausgrid or the AER and notes that, when provided to council, these could reasonably be expected to be released under the NSW Government Information (Public Access) Act 2009 in any event.
- It is council's view that the public benefit of full disclosure of NSW utility street lighting pricing, financial models and all underlying assumptions (including supplier prices) greatly out-weighs any possible disbenefits.

Council's position on disclosure of street lighting pricing, financial models and all underlying assumptions accords with the principles of transparency and accountability for the use of public funds. In this case, street lighting services in NSW are provided by one public entity to another and the test of any claims of confidentiality should therefore be considerably higher.

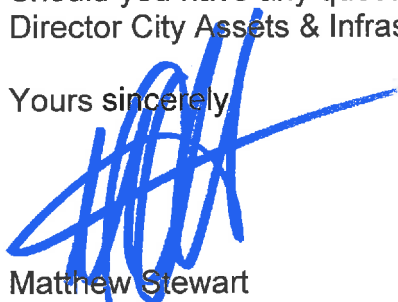
Council's position is also consistent with the AER's own *Better Regulation Confidentiality Guideline Explanatory Statement (November 2013)* which makes clear in *Attachment 3 – List of Documents for Public Disclosure* that financial models (including underlying assumptions) for services such as street lighting should be made public. See page 41 of:

<http://www.aer.gov.au/sites/default/files/AER%20Confidentiality%20Guideline%20-%20Explanatory%20Statement%20-%20November%202013.pdf>

As acknowledged by the AER, street lighting is currently a non-contestable monopoly of the NSW electricity distributors. In a monopoly situation, it is only through the fullest possible transparency that confidence can be brought to AER pricing decisions which have been unnecessarily contentious in the past partly due to inadequate disclosure and non-transparent pricing.

Should you have any questions about this letter, please feel free to contact Council's Director City Assets & Infrastructure, Mr Anthony Vangi on 9707 9885.

Yours sincerely



Matthew Stewart
General Manager

x cc: gmawera@nextenergy.com.au x