

Contact: M J Kershaw

8th August, 2014



ATTENTION
Mr Warwick Anderson
General Manager - Networks Branch
Australian Energy Regulator
GPO Box 3131
CANBERRA ACT 2601

Email: NSWACTelectricity@aer.gov.au

Dear Mr Anderson

Subject: Council submission in relation to Essential Energy's Streetlighting charges proposal.

1. About Harden Shire

As an introduction to our area and Council, the Harden Shire Council [Council] consists of the twin towns of Harden and Murrumburrah, as well as the villages of Wombat, Galong, Jugiong and Kingsvale which all lie in the centre of the south west slopes of New South Wales. The Shire is a strong agriculture centre with viticulture and farming industries of sheep, cattle, canola, wheat, stone fruit, wine grapes and olives.

There are many other thriving businesses located within the shire area, and the shire enjoys the privilege of the main Melbourne-Sydney rail line passing directly through the centre of the area. In addition the Hume Highway traverses through the south-east section of the Shire and the Burley Griffin Way passes through the centre of Harden and Murrumburrah making it a very accessible area.

The main township of Harden-Murrumburrah is approximately 1 ½ hours from Canberra, about 3 ½ hours from the centre of Sydney and is a short 2 hour drive to the Snowy Mountains. The Shire area has a population of approximately 3,770 people and covers an area of 1,869 km².

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2. Data on Council's current streetlighting charges.

A brief overview of relevant localised data is:

- Total number of streetlights 431
- Four year average charge by Essential Energy [EE] \$71,436.00
- Proposed increase by EE 105%

Which using the above 4 year average equates to a revised annual charge of approximately -
\$146,460.00.

- This equates to an average costing of:

	Current	Proposed Charge
○ Per rate assessment	\$29.31	\$60.10
○ Per streetlighting pole	\$165.74	\$339.81
○ Per capita	\$18.95	\$38.85

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3. Council's submission

Council is a member of the South Eastern Regional Organisation of Councils [SERO] which has engaged with several other local government regional entities to prepare a formal submission in response to the Essential Energy proposal. Council is aware that this submission, prepared by Strategic Lighting Partners Ltd [SLP], will be forwarded to you under separate cover.

Council has reviewed this submission prepared by SLP and fully endorses the research finding. Specifically Council notes the extremely disappointing comments about EE's delays in introducing new technologies within its street lighting asset inventory; lack of commercial rigour by EE for its street lighting financial and delivery systems; the lack of detailed information about its overall management of its streetlighting network system to the general public and large customers such as local government entities et. al.

Council has serious concerns about EE's overall submission to your Authority, especially given the major issues raised in the SLP report. Furthermore, it is beyond comprehension for a monopolistic, essential energy service provider such as EE to project increases for a non-metered energy service such as streetlighting in the order of 60% to over 100%.

For this Council's situation, EE has projected an increase of 105% [page 29 of their submission].

No doubt your Authority will be undertaking a rigorous assessment of this ambit claim, especially the potential significant impacts to the broader community. Thus, Council strongly recommends the following course of action:

- AEP to reject EE's proposal and request a more detailed revision of their proposal given the public comment on their submission.
- AEP grant a one [1] year extension of EE's current arrangement to enable that review to be undertaken.
- AEP increase the current streetlighting charges for each existing account on the basis of:
 - Increase by the CPI.
 - The above increase is to be reduced by the removal of the carbon tax.
- AEP direct EE to engage with the broader NSW local government industry, in a meaningful manner, as part of this extended review.

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Council trusts that you will give these genuine concerns your favourable consideration.

Yours faithfully



M J Kershaw
GENERAL MANAGER