Hawkesbury City Council

Our Ref: DW 4887815 / CN 124575

7 August 2014

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

Dear Mr Anderson

Submission to Endeavour Energy's Substantive Regulatory Proposal

Council welcomes the opportunity to provide input and commentary on the Endeavour Energy Substantive Regulatory Proposal.

Hawkesbury City Council's principal concerns relate to the issue of street lighting and submissions have been made previously through Western Sydney Regional Organisation of Councils (WSROC). In particular the document prepared by Trans Tasman Energy Group on behalf of councils served by Endeavour Energy remains valid and is again submitted to the current determination / review process.

The Australian Energy Regulator (AER) has also been forwarded correspondence by WSROC on behalf of its member Councils relating to street lighting and confidentiality issues. It is submitted that these issues should be considered concurrently to address long term ownership and management issues.

Council does welcome the objective of Endeavour Energy to restrict their share of electricity costs to a rise of no more than CPI, however it is pointed out that the substantial investment in previous years resulted in significant increases and the future CPI increases will, as a result, be based on higher base figures.

It is submitted that AER should examine this base figure (which would include substantial capital investment) and consider appropriate discounting of the CPI increases to avoid any double-dip or entrenchment of previous project specific cost base increases other than those necessary to maintain those assets.

Yours faithfully

Jeff Organ

Director Infrastructure Services

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All communications to be addressed to the General Manager P.O. Box 146, Windsor NSW 2756 Website: www.hawkesbury.nsw.gov.au E-mail: council@hawkesbury.nsw.gov.au Hours: Monday to Friday 8.30am - 5.00pm