

Our ref: R11/0029 Out-26045

22 March 2017

Mr Chris Pattas  
General Manager  
Australian Energy Regulator  
GPO Box 520  
MELBOURNE VIC 3001

FILE No:

DOC:

MARS/PRISiv:

Dear Mr Pattas

### **AER Review of the Service Target Performance Incentive Scheme**

I write to support the submission made by the Southern Sydney Regional Organisation of Councils (SSROC) to your current review of the Service Target Performance Incentive Scheme (STPIS).

Local Government NSW (LGNSW) is the peak body for the local government sector in NSW, representing NSW general-purpose councils, associate members including special-purpose county councils, and the NSW Aboriginal Land Council.

In this role, LGNSW represent councils as providers of public lighting services to their communities and as customers of electricity distribution network service providers. Public lighting in NSW is an essential public service which councils are legally responsible for providing to the community under the *Roads Act (NSW) 1993* and *Local Government Act (NSW) 1993*. Street lighting infrastructure and electricity supply is provided by the three NSW electricity distribution network service providers Ausgrid, Endeavour Energy and Essential Energy.

On behalf of NSW councils, LGNSW supports SSROC's position that current policy settings with respect to unmetered electricity supply for public lighting are inadequate and result in poor outcomes for public lighting customers, such as councils and poor societal outcomes.

Under current policy settings there is:

- No measurement of the reliability of unmetered supply to some 2.3 million public lights in the National Electricity Market;
- No requirement to report on the reliability of unmetered supply to public lighting; and
- No incentive to repair network supply faults to unmetered public lighting and no financial consequence for failing to repair faults even for an extended duration of many weeks or months.

Overall, unmetered electricity supply for public lighting is held to a substantially lower reliability standard than supply for all other classes of electricity network distribution customers. Changing STPIS to include unmetered public lighting supplies would be an important first step in addressing this issue.

For further information on this issue, please contact Sascha Moege, Senior Policy Officer on 9242 4045 or [sascha.moege@lgsw.org.au](mailto:sascha.moege@lgsw.org.au).

I look forward to working with you on improving reliability standards of electricity supply for public lighting.

Yours sincerely



Donna Rygate  
**Chief Executive**

*per*