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Mr Warwick Anderson  
General Manager  
Australian Energy Regulator  
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Dear Warwick

## **SUBMISSION ON PUBLIC LIGHTING DETERMINATION 2020-2025**

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Logan City Council welcomes the opportunity from the Australian Energy Regular (AER) to make a submission on the AER's draft decision (Oct 2019) and Energex's revised proposal (Dec 2019).

Logan City Council is supportive of the AER draft determination as the benefit is spread across the portfolio and across the determination period in a balanced way.

Council has approximately 32,000 lights within the City Council area, representing a significant cost to the community of Logan. Based on the revised tariff submission by Energex in Dec 2019, Logan City Council is unable to ascertain the economic and environmental benefits that should have been delivered to the community within the determination period.

Logan City Council supports the tariff reform with the introduction of LED tariffs throughout the network.

The attached table (Attachment A) documents the concerns of Logan City Council of the revised 2020-25 regulatory proposal from Energex. At this stage it is difficult to ascertain the benefits to the community of Logan with Energex's revised proposal (Dec 2019).

Thank you for the opportunity to provide this submission and take into consideration before the AER makes their final decision on pricing for the 2020-25 determination period for public lighting.

Please contact Council's Infrastructure Planning Branch on [REDACTED] or email [REDACTED] if you wish to discuss this further.

Yours faithfully [REDACTED]

Robert Nathan  
Acting Road Infrastructure Planning Manager

Att:

**ATTACHMENT A**

Item	Energex (Dec 2019) Revised Proposal	AER (Oct 2019) Draft	Logan City Council's position
Proposed Tariffs for Conventional lighting	<p>The proposed pricing has increased significantly from the first draft</p> <p>NPL1 and NPL2 reduction of only 2.5-2.7% respectively from current pricing</p>	<p>Overall all type of lighting have reduced pricing, balanced across LED and non-LED</p> <p>NPL1 and NPL2 reduction of 27.7% and 41.7% respectively for major lighting</p>	<p>Support pricing of the AER draft decision or close to the underlying principles, allowing Councils more of an incentive (saving) for retrofitting to LED lighting in the early stages of the determination period.</p>
EQL - achieving 47% LED rollout by the end of the determination period.	<p>As per AM Plan and as discussed in Energex forum, LED's will only be installed in most cases on replacement of failure only</p>	<p>Accepted the AM plan</p>	<p>Support the AER tariff that will allow Councils to reinvest savings into a proactive LED rollout.</p> <p>This will provide higher certainty of achieving the 47% within the determination period.</p> <p>Council currently has no budget allocation to fund the roll out of LED within the network.</p>
EQL - achieving 47% LED rollout by the end of the determination period.	<p>Target of 47% - is based on Energex funding 40% and Customers contributing the other 60%</p>	<p>Accepted the AM plan</p>	<p>Based on history of failures, only approximately 13% LED rollout will be achieved within the Logan City Network within the determination period.</p> <p>Commitment by Energex for a minimum number of lights to be converted to LED to achieve the 47% if the tariffs are not reduced.</p>

Item	Energex (Dec 2019) Revised Proposal	AER (Oct 2019) Draft	Logan City Council's position
NPL4 Rate – Saving compared to pay back period of LED investment.	NPL4 Major rate of \$0.336 – This represents a \$0.508 saving compared to revised conventional lighting	NPL4 Major rate of \$0.324 – This represents a \$0.302 saving compared to conventional lighting.	<p>Based on estimated costs of retrofitting a light to LED the proposed payback period of investment is estimated at between 4-5 years.</p> <p>If conventional tariffs are to remain at the revised proposal (Dec 19) then a further decrease in the revised NPL4 rate, may offer Council's an incentive to invest in an early LED retrofitting program if the initial payback period is reduced.</p>
Conversion of NPL2 to NPL3 assets to Councils at no costs or small exit fees based on age of the asset	No formal provision within revised proposal for the transfer of asset responsibility.	No formal provision within the draft decision for the transfer of asset responsibility.	That within the final determination, provision is documented that allows for the negotiation between Council and EQL in relation to the transfer of asset responsibility.
Conversion of fully depreciation NPL1 assets to NPL2 (Not on EQL's reticulation/distribution poles)	No formal provision within revised proposal for the transfer of asset responsibility.	No formal provision within revised proposal for the transfer of asset responsibility.	That within the final determination, provision is documented that allows for the negotiation between Council and EQL in relation to the transfer of asset between NPL1 and NPL2 tariffs when the asset is fully depreciated.
Pricing for Council's contribution towards LED rollout	No formal provision within revised proposal for the cost of service for LED retrofitting.	No formal provision within revised proposal for the cost of service for LED retrofitting.	As part of the revised proposal there is no indication of retrofitting costs from Energex. A timeframe for these pricings to be made available should be incorporated into the final decision. This will allow Councils to make investment decisions on firm pricing.