

28 July 2014

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

Email: NSWACTelectricity@aer.gov.au
Cc to John.Skinner@aer.gov.au

Dear Mr Skinner

Re: NSW Utility Public Lighting Confidentiality Claims

Please find attached the SSROC submission for the NSW Utility Public Lighting Confidentiality Claims.

We have reviewed the document, and given the proposed increases in charges we believe it is an important issue for our region and endorse the SSROC submission in the aspects where it applies to Essential Energy including all the general comments.

As stated in SSROC's submission, under the proposals made by Ausgrid, Endeavour Energy and Essential Energy, the councils of NSW will pay more than \$430,000,000 in street lighting capital and maintenance charges in the 2014-2019 regulatory period. In addition, they will be asked to pay some \$240,000,000 in public lighting network distribution charges to the three utilities over this period.

In addition to the information provided in the SSROC submission, SEROC wishes to make the following points:

1. The New South Wales State Government has invested a great deal of effort to reform the electricity sector to extract efficiencies for NSW electricity consumers. These changes are expressed in one of the three Statements of Corporate Intent (SCI) signed by NSW shareholding Ministers and the Board Chair and CEO of all three Distribution Network Service Providers (DNSPs), stating: "Common governance arrangements have been established to drive efficiencies and strategy across the NSW distribution businesses – Endeavour Energy, Ausgrid and Essential Energy".

2. Despite and seemingly in contradiction to this, there is a wide range in proposed public lighting pricing increases proposed by the three DNSPs to the AER. These range from an increase every year by the Consumer Price Index (CPI) for Endeavour Energy to 13% in the first year and thereafter at CPI for Ausgrid. Essential Energy is proposing substantial increases, the smallest being 18%, the largest being 123%. The reasons for

these differences across the three monopoly service providers need to be made transparently available to all consumers including, and especially, the publicly owned Local Governments Councils to ensure that pricing reflects the public interest.

We are currently seeking a response from Essential Energy in regards to our request for information on bulk lamp replacement, the spot replacement program and other advice with regard to the rollout of energy efficient street lighting. Advice with regard to the methodology of this pricing is critical given the price hike for our members.

Thank you for the opportunity to comment.

Yours sincerely

A handwritten signature in cursive script that reads "Helen Swan".

Dr Helen Swan
Executive Officer