



# Upper Lachlan Shire Council

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**Our Ref:**F10/1153-04

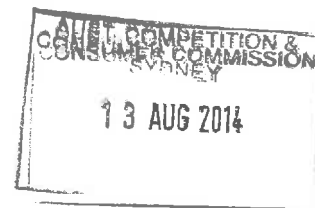
LM:HSP

8 August 2014

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

Dear Mr Skinner,

FILE No:
DOC. D14/108478
MARS/PRISM:



Upper Lachlan Shire Council was shocked to receive advice regarding the proposed price hikes for street lighting and given the complex nature of the issue have sought specialist advice regarding the submission by Essential Energy (EE) to the Australian Energy Regulator (AER).

Please find attached specialist advice regarding the EE submission. Council endorses the advice provided in the attached submission and commends it to the AER. In summary, Council would like to make the following points:

- Our consultants advise that the average price increase across the EE footprint for operational costs is actually 94%. This is more than substantial and in our view, unjustified.
- The issue of LED lighting is particularly pertinent to some of our members who are very keen to see a roll out of this technology but we can't seem to get any traction with EE.
- The region has concerns regarding excessive input costs as provided by EE where in - depth advice is provided in the attached submission from the consultant.
- The region notes that EE's compliance with the NSW Public Lighting Code is lacklustre.
- Council is awaiting further information from EE and this would inform a more detailed response to the AER submission process.

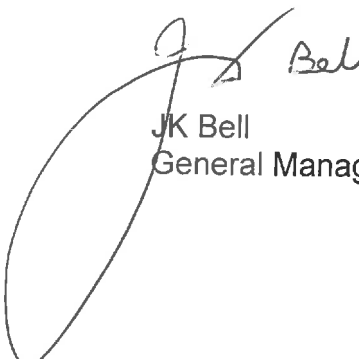
At the AER's request we can undertake further work though hope that the regulator will undertake independent assessments to help inform itself regarding areas where

we are having difficulty sourcing the requisite information. In our Council's view the AER must investigate EE's public lighting operation sufficiently to come to an accurate and robust view of what public lighting should cost this council.

Given Councils in NSW are financially constrained by rate capping, every cent that is spent on street lighting must come from other community program sources. Council suggests that this increase in pricing is effectively indirect taxation and are deeply concerned that rural and regional NSW communities must increase State coffers while at the same time suffer a much greater service burden than our metropolitan neighbours.

We therefore implore the AER to deeply interrogate the claims made by EE. Please dig deep and get the information we have been unable to access and help us to expose these claims for price increases by EE as more than unreasonable.

Yours faithfully



JK Bell  
General Manager