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Penrith City Council

Our Ref: DB:mks 5003/10 Pt 6
Contact: David Burns
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29 April, 2002

Independent Pricing and Regulatory Tribunal of NSW
PO Box Q290
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NSW 1230

Dear Sir

Review of the Costs, Benefits and Funding for Undergrounding Electricity Cables in New South Wales.

I refer to the Interim Report to the Minister for Energy and Public Forum held on 19 April, 2002 concerning the above review and provide the following comments in addition to Penrith City Council's initial submission to the review.

Penrith City Council's initial submission stated that the undergrounding of the cables should not be at the cost of Local Government. This view remains. Penrith City Council has much higher priorities for its budget eg. Infrastructure provision and maintenance, improved transportation. The LGSA's view that the energy distributors should meet these costs as capital costs of providing the service is supported.

As discussed at the Public Forum, there will be an additional cost for the replacement of the street lighting, when overhead cables are placed underground in local roads. As with the overhead cables, the street lighting has been installed over a very long duration, and apart from some new developments, does not meet the current Australian Standard for street lighting. This standard was revised in 1999 to give a much higher standard for pedestrian lighting.

Australian Standards are seen as being the minimum standard required. Hence, if the existing lighting is replaced in-kind, then Councils would probably face public liability issues in the instances of accidents. If lighting is installed to comply with the current standards, and especially if the cables are placed underground via the preferred optimised approach, who then pays for the upgrade?

The community should also not be required to pay for the undergrounding of communication cabling.

The Interim Report estimates the total costs of the undergrounding of overhead electricity cables in urban and regional areas at between \$2.6 - \$4.3 billion over 40 years in net present value terms (\$1800 - \$3000 per customer). This excludes the cost of undergrounding communication cables (which are estimated to be in order of \$2000 per customer) and the costs of street lighting to meet current standards.

So, it is quite possible that the current estimated cost to underground low voltage cabling in urban and regional areas would be substantially higher than those currently quoted.

Therefore it is recommended that the Report to the Minister should consider and open the debate on the priority of the expenditure of public monies of this magnitude against

expenditures required on State issues of health, education, transport and other public infrastructure and service programs.

Each Local Government area would also need to consider the expenditure on this program against other significant priorities to its own area. No community should be forced into an undergrounding of electricity cables program if it does not identify it as being a major priority, and has a detrimental effect on existing programs.

Yours faithfully

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke extending to the right.

David Burns
Asset Manager