

**STRATHFIELD MUNICIPAL COUNCIL***Our reference:* 779 Pt3*Your reference:**Council contact:* Warwick Gray

5 July 2005

Independent Pricing and Regulatory Tribunal
PO Box Q290
QVB POST OFFICE NSW 1230

Dear Members of the Tribunal

RE: ENERGY AUSTRALIA'S PROPOSAL TO INCREASE LIGHTING PRICES

I wish to thank IPART for the opportunity to make a submission concerning Energy Australia's proposal to seek increases in pricing for street lighting which will adversely affect Strathfield Council.

Strathfield Council is one of 29 members of the Street Lighting Improvement Program and concurs with the issues raised in the joint submission made on behalf of Program members. The implications of the proposal are considered to be so serious that a separate submission from Council is warranted.

Council has experienced extremely poor service delivery from Energy Australia when dealing with street light outages and undergrounding of street lighting power supply within the Strathfield Municipality.

Council regularly requests Energy Australia to investigate street lighting upgrades which repeatedly need to be followed up by Council to ensure any response from the street lighting provider.

Energy Australia advised Council by letter dated 10 June 2005, that the impact of the revised price path for assets in service would involve a proposed increase to Council in 2005/06 of 10% plus CPI which is more than \$25,800 with additional increases over the next 37 months amounting to a total of 27.3% plus CPI. Energy Australia has not ruled out further increases during this period. Such increases are unacceptable to Council when its own revenue source is pegged at 3.5% by the State Government.

The increases are significantly above CPI and as such Council will be forced to cut service delivery to its community in order to comply with the increases should IPART see fit to approve Energy Australia's proposal. Council is extremely concerned that it will still endure poor service delivery from obsolete equipment despite outrageous increases in charges.

Please do not hesitate to contact Council's Director Operations, Warwick Gray, on 9748 9939 during normal business hours should you have any further concerns.

Yours faithfully,



DAVID BACKHOUSE,
GENERAL MANAGER

SMC112852