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Independent Pricing and Regulatory Tribunal
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Dear Members of the Tribunal

ENERGY AUSTRALIA'S PROPOSAL TO INCREASE PUBLIC LIGHTING PRICES

Thank you for the opportunity for Council to comment on Energy Australia's (EA) proposal to increase public lighting charges by 70% over thirty months starting on 1 March 2005.

There are many areas of concern in the proposal and these have been covered by the Street Lighting Improvement Program's submission. Council is a member of the Street Lighting Improvement Program and endorses its submission.

However there is one central issue that Newcastle City Council would like to emphasise. EA's pricing proposal relates to the public lighting services for the 13,000 lights owned by EA in the Newcastle Local Government Area. The service EA provides in relation to these lights is a monopoly and Council has no choice with regard to their maintenance, modification or removal. Council is responsible for the provision of lighting but has no influence on what is already in place and how it is maintained.

There is no opportunity for Council to initiate improved practices, be innovative or have an impact on the substantial cost of this service. If the service was open to competition, either by Council or another supplier, the increase would not be as great and costs may even be reduced. The Street Lighting Improvement Program's comparison of EA's pricing proposal with the Victorian Essential Services Commission costs strongly supports this view.

If you have any queries relating to this matter please contact John Johnston on 4974 2610.

Yours sincerely

Janet Dore
GENERAL MANAGER