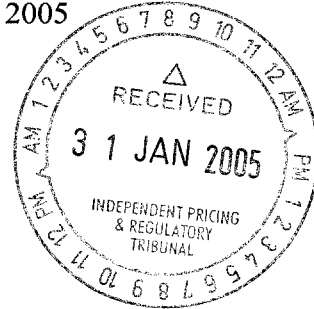




Office of the General Manager

Your Reference:
Our Reference: F2004/06650
Contact Person: Mr A Boyd
Hours: 8.30am - 4.00pm
Telephone: 9847 6672
Fax: 9847 6980

25 January 2005



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

Dear Sir/Madam

EnergyAustralia's Public Lighting Price Increase Proposal


I refer to the proposal recently submitted by EnergyAustralia to increase public lighting prices by almost 70 percent over the next 30 months. Council wishes to comment as a stakeholder to this proposed price increase.

Hornsby Shire Council serves some 140,000 residents in the north-western suburbs of Sydney. Street lighting is a basic community service that accounts for about \$1,400,000 of its annual budget and as such, is a significant expenditure item. EnergyAustralia's proposal to increase its charges for this service is estimated to eventually increase this expenditure by about \$700,000 per annum. This will adversely impact on Council's ability to deliver its programmes to the community and may result in a reduction in some vital services. Alternatively, Council may need to take action to recover the cost increases, if it is not constrained from so doing by the rate-pegging legislation under which all Councils operate.

Council fully supports the submission that the Street Lighting Improvement (SLI) Programme has made to the Tribunal. It is one of 29 participant Councils in this programme and participated in the preparation of the submission. The seven issues raised by the SLI Programme submission represent important information for the Tribunal to consider in reaching its determination. Council is not convinced that there should be a price increase as it considers that EnergyAustralia's asset management of street lighting is based on highly inefficient and obsolete practices, as well as inappropriate accounting approaches.

I thank you for the opportunity to make this submission and urge the Tribunal to reject EnergyAustralia's proposal.

Yours faithfully


M WOODWARD
Acting General Manager

AB:LE

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