



49 Mann Street, Gosford NSW 2250
PO Box 21, Gosford. DX 7211 Gosford
Telephone: (02) 4325 8222 Fax: (02) 4323 2477



Telephone: (02) 4325 8925

Please Quote: 1450703

Peter Sheath

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

Submission on the EnergyAustralia proposal to increase street lighting prices

Dear members of the Tribunal

Thank you for the opportunity to make this submission in respect of the EnergyAustralia proposal to increase prices for street lighting.

Gosford City Council is one of the 29 participating councils in the Street Lighting Improvement Program (SLIP), which includes the authorities responsible for 90% of the 246,000 street lights on the EnergyAustralia network.

Firstly, I would like to confirm this Council's full support for the joint submission made on our behalf by the SLIP. Our joint analysis of the EnergyAustralia submission has concluded that instead of increasing prices by an extremely large 67%, prices should in fact be reduced by 12%. This would bring prices into line with a recent decision by the Victorian pricing regulator.

Secondly, I wish to quantify the financial impact that the EnergyAustralia proposal would have on our Local Government Area. Gosford City is a large Council, but has heavy existing commitments in the provision of services to the community and to existing capital improvements projects. Existing annual street lighting charges paid to EnergyAustralia total \$1.49M (excluding GST). Energy and network charges account for 30% of this total, the balance is for lamp, luminaire, bracket, support, and connection charges. Any new street lighting installations are an additional charge. EnergyAustralia's proposed 67% increase would bring annual cost total to \$2.49M, an increase of exactly \$1M. To put this into context, Council's annual Capital Works Program budget for roads and transport is only \$4.1M. An increase in prices of the order requested by EnergyAustralia will severely prejudice the operations of this Council

Finally, I wish to comment on the positive progress in street lighting discussions held with EnergyAustralia during 2004. Together with other member councils of the SLIP, we have been working towards measures that will reduce street lighting costs, significantly reduce energy usage and greenhouse gas emissions, whilst improving public amenity and safety. EnergyAustralia has acknowledged its inefficient maintenance practices and obsolete lighting technologies and has promised to work with councils in providing a more



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acceptable level of service in line with other energy suppliers throughout Australia. However, a 67% price increase was not part of the promise. The increase in prices proposed is considered totally inappropriate.

Your close consideration of this submission would be appreciated.

Yours sincerely

Peter Wilson
General Manager