

Our Ref: KMM/law-50/10/6

4 February 2005

The Independent Pricing & Regulatory  
Tribunal of NSW  
PO Box Q290  
QVB Post Office NSW 1230



Dear Sir/Madam

**RE: Submission Concerning Increases to Public Lighting Charges as Proposed by Energy Australia**

I am writing to advise of Council's serious concern over the proposal from Energy Australia to increase public lighting charges by almost 70% over the next 30 months.

Council has already experienced a 9.8% increase as a result of the 2004/05 review, which took effect from 1 December 2004. This amounted to an increase of nearly \$4,000, which was not provided for in Council's Management Plan.

The estimated costs of projected increase is set out below:

	<i>Increase \$</i>
15% as from 1 July 2005	11,919
8% as from 1 July 2006	7,310
7% as from 1 July 2007	<u>6,912</u>
	<b>\$26,141</b>

This represents an average of 11% increase in charges over the three year period.

Council is limited in its ability to raise revenue by ratepegging legislation, which is in the vicinity of 3% per annum. Obviously Council does not have the capacity to absorb such significant increases.

Energy Australia's pricing proposal appears to be inconsistent with the National Electricity Code - which recently approved prices in Victoria - and with the Council's own detailed analysis of costs and pricing which suggests that a price decrease of approximately 12% would be in order.

Having regard to the impact on our Council, it would be appreciated if the Tribunal could examine the obligations under Clause 2.3 or Rule 2004/1 relating to the impact on customers.

Your consideration of the issues raised on this correspondence would be appreciated.

Yours faithfully



**Ken Murphy**  
General Manager