

4 February 2005

Independent Pricing and Regulatory Tribunal  
PO Box Q290  
QVB Post Office NSW 1230

Dear Members of the Tribunal,

**RE: EnergyAustralia public light pricing proposal – supplementary submission**

The Street Lighting Improvement (SLI) Program made a 14 January submission to IPART contesting EnergyAustralia's (EA's) proposal to increase prices for public lighting services by some 70% (real) over the next 30 months. As mentioned in that submission, significant additional information is available from the SLI Program. This supplementary submission contains additional information on two issues that we would like to provide for the Tribunal's consideration.

**1. Comparison of EnergyAustralia's proposal and Victorian ESC cost analysis**

EA makes an unsupported claim in Section 4.1 of its pricing request that their proposal is consistent with the recent Victorian determination. However, as noted in the SLI Program submission, this does not appear to be the case. Indeed, EA's proposed pricing is far higher than the costs indicated by the ESC's modelling.

It appears that EA's claim is not based on a like-for-like comparison. In particular, it appears EA's claim may be based on omitting consideration of bracket costs. Notably, EA loads the significant majority of installation labour into bracket prices, so omitting brackets from the comparison is misleading and inappropriate.

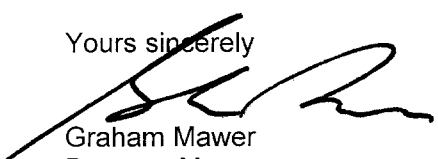
We have by email today also provided the IPART secretariat an Excel-based analysis derived from the ESC's detailed cost model (file: *SLI Program modification of ESC cost model.xls*). This spreadsheet shows the stark comparison of EnergyAustralia's proposal with the recent Victorian ESC analysis.

**2. Dedicated Public Lighting Assets**

With respect to "dedicated public lighting assets," we thought it might be useful to provide some additional documentation illustrating the longstanding approach whereby councils or other 3rd parties funded additional capital costs for underground installations. A sample of these documents is attached. As the documents involve commercial correspondence and contracts, they should not be made publicly available and should be treated as commercial-in-confidence.

Thank you again for the opportunity to make this submission. The SLI Program would be pleased to answer any questions you have related to the matters raised.

Yours sincerely

  
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• Lane Cove • Leichhardt • Marrickville • Mosman • Newcastle • North Sydney • Randwick  
• Rockdale • Ryde • Sydney • Strathfield • Sutherland • Warringah • Waverley • Willoughby  
• Woollahra • Wyong