



Date: 1st July 2015

Mr Chris Pattas
General Manager - Network Investment and Pricing
Australian Energy Regulator
GPO Box 520 Melbourne VIC 3001
Sent: VICelectricity2016@aer.gov.au

SUBJECT: FURTHER INFORMATION PUBLIC LIGHTING SUBMISSION

Dear Mr Pattas

We have received further information that we would like to submit to the AER's decision process in consideration to the 2016-2020 determination relating to Public Lighting.

We refer (copy available upon request) to correspondence we received from the Victorian Minister for Energy and Resources on the 22nd June in which it states:

"The Essential Service Commission's Public Lighting Code 2005 (the Code) describes requirements for the provision of public lighting or the arrangements for such provision by specifying the minimum standards and certain obligations of distributors and public lighting customers. The Code states that Distribution Network Service Providers (DNSP's) may not unreasonably withhold access to distribution infrastructure by third parties. However in doing so, third parties must adhere to safety obligations imposed by Energy Safe Victoria (ESV)"

We would like to draw attention to the wording "safety obligations imposed by ESV" and kindly ask the AER to consider that there is an appropriate safety regulator to oversee issues of Electrical Safety and therefore while the AER needs to consider safety, it should not be prevented.

In a meeting between ESV and Citelum on the 25th July 2014, senior personnel of ESV explained to senior management of Citelum that there is no unreasonable technical safety impediments that would prevent Citelum from accessing a DNSP's infrastructure for the purpose of providing a third party public lighting service to Victorian local councils. Safety is our Number 1 and our company, along with others recognise that the ESV is appropriately legislated and authorised to oversee all safety activities involved in and working with electricity. The only impediment that ESV indicated at the time were commercial issues.

We would also like to reference a discussion paper we received, that was given by the AER to Public Lighting Stakeholders on the 29th June 2015 in relation to explaining some (not all) of the negotiated outcomes that may be achieved.

Continued→

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Local Councils as an essential third tier of Government have been bestowed upon them significant legislative powers contained within the Road Management Act. This power surely enables a significant point of negotiation in favour of the this tier of Government.

Public Lighting is inextricably linked to a DNSP's license through the Public Lighting Code.

The framework and approach detailed many of the negotiated outcomes of which we also detailed in our July 2014 submission and of which seem to appear in the AER's discussion paper on these negotiated outcomes. And while we understand that the paper is not the position of the AER board, we believe it is the most accurate representation published to date of the intent of public lighting regulation in Victoria in which a contestable public lighting market was foreseen by the Essential Services Commission Victoria in 2001.

A consistent regulatory economic approach across all public lighting assets needs to be considered. The only impediment would be the ownership of that asset and where consideration to common law rights of ownership should be considered.

While the AER is not responsible for the practical outworking of public lighting asset management, the State Government customers, Local Government customers and industry stakeholders still consider the economic classification determined by the AER with great importance.

We contend that a contestable approach should be considered by the AER to enable the development of the market and ensure that the legislative power contained within the RM Act is not restricted and then finally after 15 years, that full competition can occur for public lighting services.

We welcome any further discussion in relation to this submission and can be contacted on either +61 428 079 317 or apcarey@citelum.com.au

Regards

A handwritten signature in black ink that reads "Adam Carey". The signature is written in a cursive, flowing style.

Adam Carey
Managing Director Australia NZ