



Camden Council
37 John Street, Camden NSW 2570 DX 25807
PO Box 183, Camden 2570 ABN: 31 117 341 764
Telephone: 02 4654 7777 Fax: 02 4654 7829
Email: mail@camden.nsw.gov.au

A.WILKINSON

5 August, 2008

Mr Mike Buckley
General Manager
Network Regulation North Branch
Australian Energy Regulator
GPO Box 3131
CANBERRA ACT 2601

Dear Mr Buckley,

RE: NSW DISTRIBUTION NETWORK SERVICE PROVIDERS PROPOSALS

Reference is made to Integral Energy's "Regulatory Proposal" submitted to the Australian Energy Regulator (AER) seeking a determination in relation to the NSW electricity distribution network.

Firstly can I say, that this appears to be yet another cost shifting exercise resulting in yet another significant financial burden on the Council and more importantly on the community. The need to raise revenue to fix a failing asset base is a symptom of poor planning and lack of investment into what is in fact an essential item of public infrastructure.

That said, Camden Council has reviewed the submission and believes the following matters warrant further consideration;

Budgetary Implications

Integral's submission is silent (under confidentiality) on the cost implications beyond year 1. This needs to be clearly understood in order for Council to understand the long term budgetary implications and make an informed decision.

Street Lighting

Once again, Integral's submission is silent (under confidentiality) on the cost implications, over the next 5 years, associated with the street lighting network. It is impossible for Council to understand and plan for potentially significant cost increases. Further, it is impossible to understand the justification behind the proposed increases.

Individual Sites

Camden Council, even as a relatively small Council, has approximately 105 electricity accounts; these range from around 10 significant sites (libraries, pools, depots, etc) down to (the majority being) toilet blocks, club rooms, irrigation systems, fairy lights, etc. It would seem unreasonable to apply the standard "business customer" model to these smaller sites. The fundamental assumptions underpinning the application of these price increases needs to be carefully understood in terms of the range and variance of individual sites.



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New Release Areas

What level of expenditure is proposed by Integral in new release areas such as Elderslie, Spring Farm, Oran Park, Turner Road, Manooka Valley, etc? Further, if Integral is imposing significant conditions (system upgrading) and substantive cost burdens onto the developers and subsequently new home buyers, then why should these households pay an additional premium over the next five years. Particularly considering that the revenue raised will be spent on projects and services outside of the immediate region.

Environmental Performance

There appears to be little in the way of linking increased revenue with improved environmental performance. It would be considered minimum that same is included in Integral's Regulatory Proposal.

Whilst by no means exhaustive, the above points highlight some of the concerns with respect to Integral's Regulatory Proposal. Camden Council respectfully requests the AER give serious consideration to the cost implications resulting from this proposal on the community and also onto Local Government.

Should you require further information regarding this matter, please contact Council's Manager Environmentally Sustainable Design, Mr Adam Wilkinson on 4645 5015.

Yours sincerely,

Steve Kludass
ACTING GENERAL MANAGER