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13 July 2015

Mr Craig Madden
Director Network Regulation
Australian Energy Regulator
GPO Box 520
MELBOURNE VIC 3001

Dear Mr Madden,

City of Greater Bendigo's response to the Victorian Electricity Distribution Price Review (EDPR 2016-20) - public lighting proposed change to negotiated framework

The City wishes to advise that it supports the recent submission lodged by the Victorian Greenhouse Alliances, on behalf of its members to the Australian Energy Regulator (AER) in response to the EDPR 2016-20.

In addition to this submission, the City would also like to reiterate the following specific concerns, in relation to the proposed changes to the negotiated framework for public lighting and possible impacts on regional communities:

- A poor ability for councils to negotiate good outcomes with the Distribution Network Service Provider (DNSP), in this case Powercor, in what essentially plays out as a monopoly position in the market.
- A high level of uncertainty surrounding the availability of alternative choices in regional areas, particularly as distance from the metropolitan area increases. There is a real concern that this will result in greater costs incurred by councils.
- There is uncertainty around the ability for councils to successfully negotiate services with the DNSP, particularly in an area that is already technically challenging. There is therefore a risk that greater costs could be incurred if the negotiating service is ultimately outsourced due to this.
- There appears to be a lack of consensus for this proposal across Victorian councils and the concern in regional areas that the proposal is being pushed by some organisations with a vested interest in outcomes.

Finally, the City would urge the AER to undertake further consultation during the 2016-20 regulatory period to allow for a much better understanding of the implications of the proposed changes, prior to possible implementation in the 2012-22 regulatory period if fully supported by Victorian councils.

Yours sincerely,



RACHELLE QUATTROCCHI
ACTING DIRECTOR PRESENTATION & ASSETS

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