

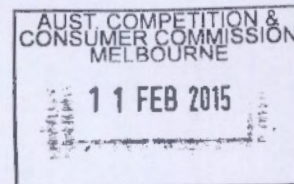


In reply please quote our reference: 616475 / DH : CB

5 February 2015

Mr Sebastian Roberts
General Manager Network regulation
Australian Energy Regulator
GPO Box 520
MELBOURNE VIC 3001

FILE No:
DOC:
MARS/PRISM:



Dear Mr Roberts

SA Power Networks Regulatory Proposal 2015- 2020

I am writing regarding the SA Power Networks Regulatory Proposal 2015- 2020 and invitation to provide written submission.

The LGA is a membership organisation for all 68 Councils in SA and is the voice of Local Government in this state. The LGA is created by Councils and endorsed by the South Australian Parliament through the Local Government Act 1999.

The following submission principally relates to Public Lighting and Vegetation Management around power lines.

Public Lighting

For the purposes of the NER, Public Lighting services provided by SA Power Networks (SAPN) are classified by the Australian Energy Regulator (AER) as negotiated distribution services (NDS).

As the AER would be aware, the LGA (and the SA State Government, Department Planning Transport and Infrastructure) have previously submitted a notice of dispute pursuant to Part 10 of the National Electricity Law, regarding the provision of public lighting services by SAPN.

The LGA, in conjunction with the State, has been attempting to negotiate the terms and conditions on which Public Lighting services are provided by SAPN since early 2011 under a memorandum of understanding signed in late 2010. The LGA and DPTI offered to have the dispute mediated in December 2012 and again in April 2013. Mediation of the dispute was rejected by SAPN in 2013.

Formal notice of dispute was provided to the AER on 9 December 2013 and the parties are now engaged in voluntary case appraisal as recommended by the AER. The dispute encompasses public lighting services for the period commencing 1 January 2011 and ending 31 December 2015.

Public Lighting Services Determination to be held over

I refer to Page 166 section 18.4 Negotiated Distribution Service which includes Public Lighting Services in the SAPN Regulatory proposal

Given the dispute is currently unresolved the LGA in conjunction with DPTI request that any determination by the AER on SAPNs 2015 - 2020 regulatory proposal relating to Public Services be "held over" until the dispute is formally resolved.

It is our view that it would not be appropriate for the AER to provide a regulatory price reset for the next period prior to the monopoly provider having completed negotiation requirements as provided in its Negotiating Framework. To do otherwise compromises the spirit of the National Electricity Law.

.../2



Regional Energy consumption data costs

Page 166 also refers to a proposal by SAPN for (three) additional services to be included in the classification of "Other "NDS. One specifically being - Provision of relevant regional energy consumption data to Local Government Councils.

Energy consumption and related opportunities for minimising energy usage is of key interest to all consumers. Further information is requested detailing the basis for the proposal to charge costs including, i.e. what has been the extent of and type of information requested,

It would also be helpful to understand the basis on which costs are to be charged for this service. Our reading of the proposal is that SAPN are seeking to determine cost/prices as they see fit. The LGA would like to see requirement for cost transparency and demonstration of compliance as per NF 6,1(e)

Tree trimming

Vegetation management around power lines has been an ongoing concern for Councils across SA. Specific areas of concern have related to:

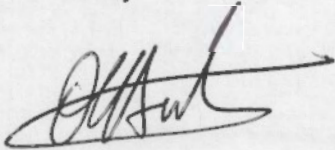
- the quality of pruning undertaken
- trees becoming structurally unsound; and
- the aesthetic appearance of the trees following pruning.

The LGA (with representation from both metropolitan and regional Councils) has worked extensively with SAPN to establish a long term strategy for management of vegetation around power lines. A discussion paper outlining proposed strategies and actions was subsequently developed and following consultation with Councils has been supported by the LGA.

Councils and the LGA have indicated support for SAPN seeking allocation of appropriate financial resources, via the regulatory proposal, for the following:

- increasing the frequency of tree pruning;
- tree removal and replacement programs;
- a community education program; and
- improved arborist skills and contractor management

Yours sincerely



David Hitchcock

Director Infrastructure

Telephone: 8224 2024

Email: david.hitchcock@lga.sa.gov.au